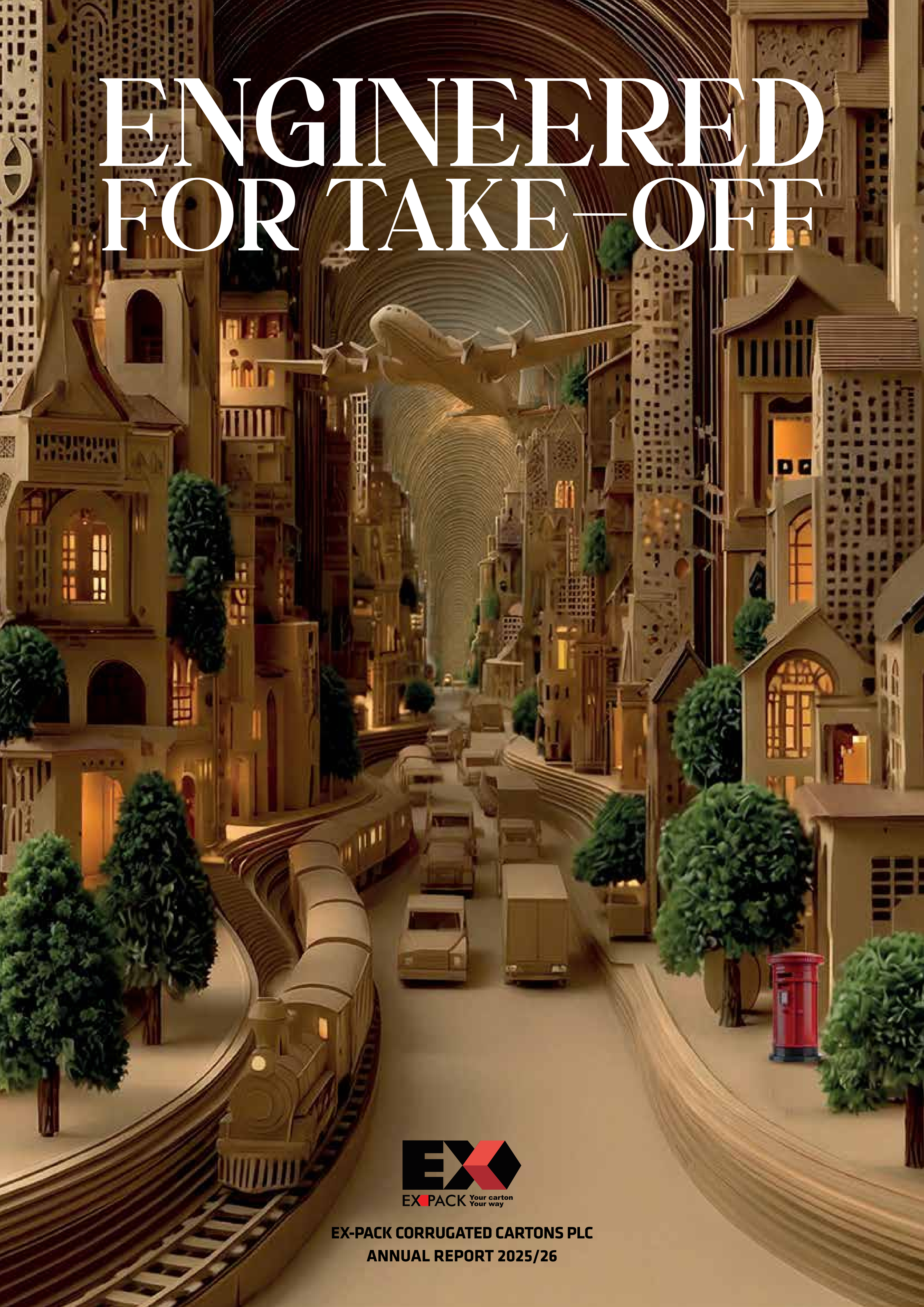
ENGINEERED FOR TAKE-OFF



EX-PACK Your carton Your way

EX-PACK CORRUGATED CARTONS PLC

ANNUAL REPORT 2025/26

Scan the QR code to view this Annual Report online
https://www.expack.lk/corporate-governance-reports/

ENGINEERED FOR TAKE–OFF

Progress demands precision and momentum, and at Ex-Pack, the future is not awaited; it is engineered.

With our fully upgraded facility now operational, we stand on a powerful launchpad for the next phase of leadership. Advanced technology and strengthened processes have transformed our operations into a high-performance engine defined by reliability, efficiency, and innovation. As one of Sri Lanka's leading corrugated carton manufacturers and the nation's only certified carbon-neutral producer in the sector, sustainability is embedded into the way we operate, ensuring growth is achieved responsibly and with long-term impact.

Today, with our systems aligned, our technology primed, and our course set, Ex-Pack is engineered for take-off, advancing towards new heights of performance and responsible growth in the decades ahead.

CONTENTS

01 OVERVIEW

02 LEADERSHIP

03 STRATEGIC FRAMEWORK AND VALUE CREATION

04 MANAGEMENT DISCUSSION & ANALYSIS

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CHAIRMAN'S MESSAGE

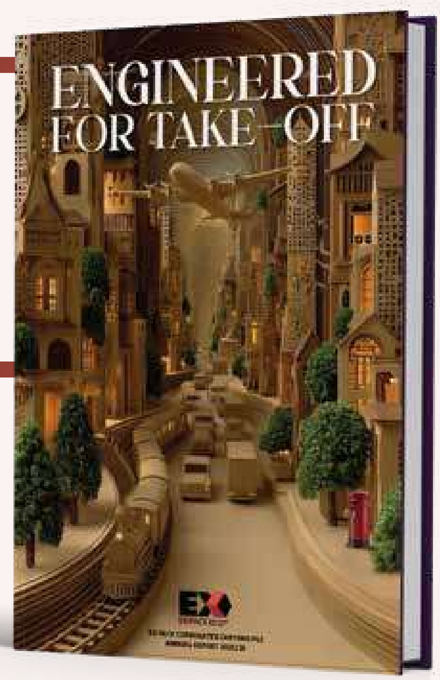
05 GOVERNANCE & RISK

06 FINANCIAL STATEMENTS

26 MANAGING DIRECTOR'S REVIEW

OUR APPROACH TO REPORTING

Our Third Integrated Annual Report sets out a holistic view of how we delivered sustained value to our shareholders and all other stakeholders through the financial year 2025/26, enabled by upgraded facilities and powered by the latest technology, strengthened processes and sustainability embedded. While it reflects on the progress achieved over the past year, it also looks ahead, highlighting how we are Engineered to Take - Off, advancing towards responsible and sustained growth in the decades ahead.



GENERAL DISCLOSURES

Entities included in the organisation's sustainability reporting/ Reporting boundary

GRI 2-2

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.

Reporting period, frequency and contact point

GRI 2-3

This Report follows an annual reporting cycle for both financial and sustainability reporting covering Ex-Pack's financial year from 1 April 2025 to 31 March 2026. It is a continuation of the Company's most recent report for the year ended 31 March 2025. Comparative information from this most recent reporting period is provided where applicable. Material events subsequent to the end of the reporting period, 31 March 2026 and up to the Board approval date of 05th June 2026 have also been included.

As we strive to further strengthen the quality, relevance and transparency of our Annual Report, we greatly value your feedback. We invite you to share your insights and suggestions with us.

(Sgd.)
Mr. Abdul Latiff Ahamed
Head of Finance

External assurance

To reinforce the credibility of our financial and sustainability reporting, we have secured independent external assurances, with a full listing available on page 06.

Restatements of information

GRI 2-4

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.

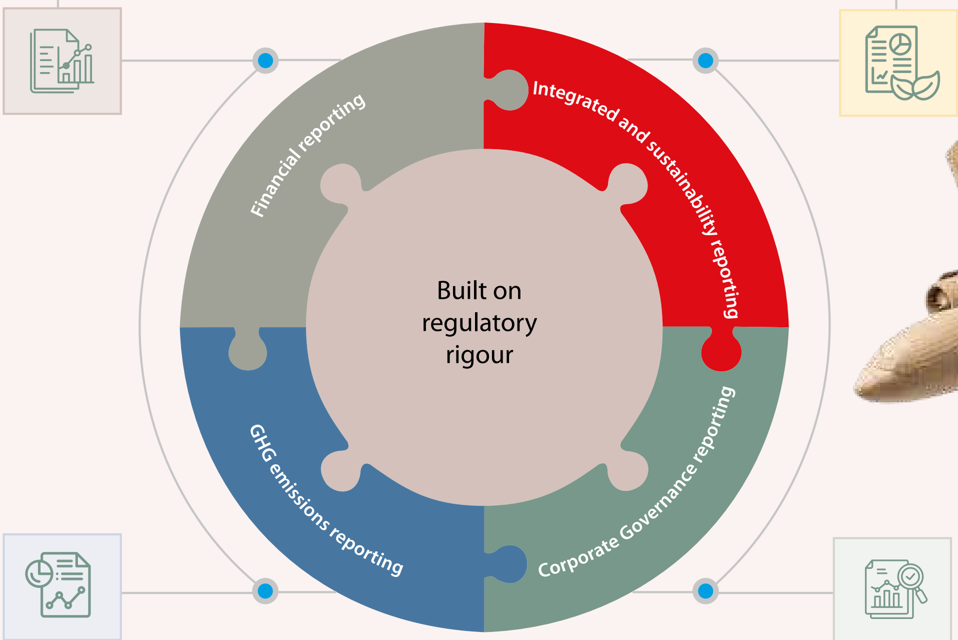
REPORTING STANDARDS AND FRAMEWORKS

Financial reporting

- 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

Integrated and sustainability reporting

- 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
- Global Reporting Initiative (GRI) Standards (2021)
- Sustainability Accounting Standards Board (SASB) Standards – Containers & Packaging
- Non-Financial Reporting Guideline issued by the Institute of Chartered Accountants of Sri Lanka
- Guide on communicating sustainability issued by the Colombo Stock Exchange



GHG emissions reporting

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

Corporate Governance reporting

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

OUR APPROACH TO REPORTING

ASSURANCE ON REPORTING

GRI 2-5

Financial Statements and Related Disclosures
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 & Young
Integrated and Sustainability Reporting
Internal Assurance
• Board and Board Subcommittee Reviews
External Assurance
• Independent Assurance on GRI Reporting by Messrs. Ernst & Young
Corporate Governance
Internal Assurance
• Robust governance frameworks

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 2026 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 Integrated Reporting Framework of the International Integrated Reporting Council.

Signed on behalf of the Board

(Sgd.)
Mr. Zulficar Ghouse
05th June 2026

Refining Our Disclosures

We continued to enhance our reporting to better articulate how we create value. These improvements reflect evolving expectations, a changing external landscape on multiple factors such as macro-economic, geo-politics and climate, and our commitment to transparency, while also drawing on insights from award evaluations, where our 2025/26 report, Engineered for take - Off, was recognised.

REPORT NAVIGATION ICONS

To enhance readability and ease of navigation, visual icons have been integrated throughout the report. These cues highlight connections across sections, support quick cross-referencing and reflect the interlinked nature of our value creation process, enabling a more intuitive and seamless reading experience.

SIX CAPITALS OF OUR VALUE CREATION PROCESS

FINANCIAL CAPITAL
MANUFACTURED CAPITAL
INTELLECTUAL CAPITAL
HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
NATURAL CAPITAL

OUR STAKEHOLDER UNIVERSE

INVESTORS
CUSTOMERS
EMPLOYEES
SUPPLIERS AND BUSINESS PARTNERS
COMMUNITY
REGULATORS
SHAREHOLDERS
ALL STAKEHOLDER GROUPS
UNIVERSAL

OUR STRATEGIC PRIORITIES

PROFITABLE GROWTH
MARKET LEADERSHIP
OPERATIONAL EXCELLENCE
INVESTMENT IN HUMAN CAPITAL
ESG PRIORITIES

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 "Future Focus"

Reflections from the Chairman – Page 22

Managing Director's Message – Page 26

Capitals Management Report – Page 70

Our Reporting Journey

We were listed on the Colombo Stock Exchange in 2021, marking a significant milestone in our growth journey. While our commitment to transparent and structured reporting predates our listing, becoming a publicly quoted company has further sharpened our approach, driven by the greater responsibility we hold towards a broader and more diverse stakeholder base.

This report marks our fifth as a listed entity and represents another step forward in our reporting journey—reflecting our continuous efforts to enhance the quality, depth and relevance of our disclosures over time.

Recognition for our 2024/25 Annual Report Unwavering Strategy – Fulfilled Promises

TAGS Awards 2025 conducted by CA Sri Lanka

- Silver award winner – Manufacturing Sector Group Turnover up to LKR 10 Bn
- Certificate of Recognition for Corporate Governance Disclosure (Non Financial Sector)
- Certificate of Recognition for Integrated Reporting
- Certificate of Recognition for Sustainability Reporting

Recognition for our 2023/24 Annual Report - A Balanced Future

TAGS Awards 2024 conducted by CA Sri Lanka

- Certificate of Recognition for Corporate Governance Disclosure (Non Financial Sector)
- Certificate of Recognition for Integrated Reporting
- Certificate of Recognition for Sustainability Reporting
- Certificate of Recognition for Manufacture Sector Group Turnover up to LKR 20 Bn

ABOUT US

WHO WE ARE

Our Journey

Ex-Pack Corrugated Cartons PLC has evolved into a leading player in Sri Lanka's packaging industry through a journey marked by resilience, innovation and continuous transformation.

Headquartered in Kelaniya, our operations are anchored on a strong commitment to quality, customer satisfaction and continuous improvement. Backed by the strength of Aberdeen Holdings (Pvt) Ltd, one of Sri Lanka's most diversified conglomerates, we benefit from strategic direction, operational discipline and a long-term growth outlook.

While our origins trace back to the early 2000s, a defining milestone was achieved on 10 November 2021, when we were listed on the Colombo Stock Exchange under the ticker symbol PACK.N0000. This transition into a publicly quoted entity marked a significant step forward, strengthening our governance, transparency and accountability as we engage with a broader stakeholder base.

In 2025, we undertook a major technology transformation, replacing legacy machinery with state-of-the-art equipment, enhancing our production capabilities, efficiency and ability to meet evolving customer requirements.

What We Do

Ex-Pack is one of the leading Sri Lankan manufacturers specialising in high-quality, customised corrugated packaging solutions. With over three decades of industry expertise, we design and deliver innovative, fit-for-purpose packaging tailored to a wide spectrum of industries including FMCG, pharmaceuticals, apparel, tea, seafood and food processing. Our product portfolio spans regular slotted cartons, die-cut boxes, tuna and tea cartons, corrugated pallets and a range of specialised packaging solutions, enabling us to cater to diverse customer needs across both domestic and international markets. Our recent investments in advanced manufacturing technology further reinforce our ability to deliver consistent quality, improve turnaround times and support customers with increasingly complex and customised packaging requirements.

Our People

At the heart of Ex-Pack is a dedicated team of 318 employees, whose expertise, commitment and collaborative spirit drive the delivery of the Ex-Pack promise. Our people are central to our ability to innovate, maintain operational excellence and build lasting relationships with our customers.

Future Focus

As we continue to strengthen our capabilities and expand our reach, Ex-Pack remains committed to shaping the future of packaging through innovation, sustainability and customer-centric solutions. With a clear focus on operational excellence and market responsiveness, we are well-positioned to create sustained value for our stakeholders in the years ahead.

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 responsive
- Be tenacious
- Be challenging
- Be trusted

OUR CORE STRENGTHS

- End-to-end customer integration from design to high-volume production
- State-of-the-art manufacturing enabling quality and speed
- Fully computerised production and inventory systems
- Strong in-house logistics and island-wide distribution network
- Experienced workforce with deep institutional knowledge

OUR INNOVATIVE PRODUCT PORTFOLIO

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

OUR DYNAMIC SECTOR PENETRATION

- Fast-Moving Consumer Goods (FMCG)
- Home & appliance
- Fruits and vegetables exporters
- Tea exporters
- Garments & accessory suppliers
- Boards
- Seafood exporters manufacturers
- Rubber & coir
- Bicycles
- Others

CERTIFICATIONS AND STANDARDS

ISO 9001-2015 - Quality management systems

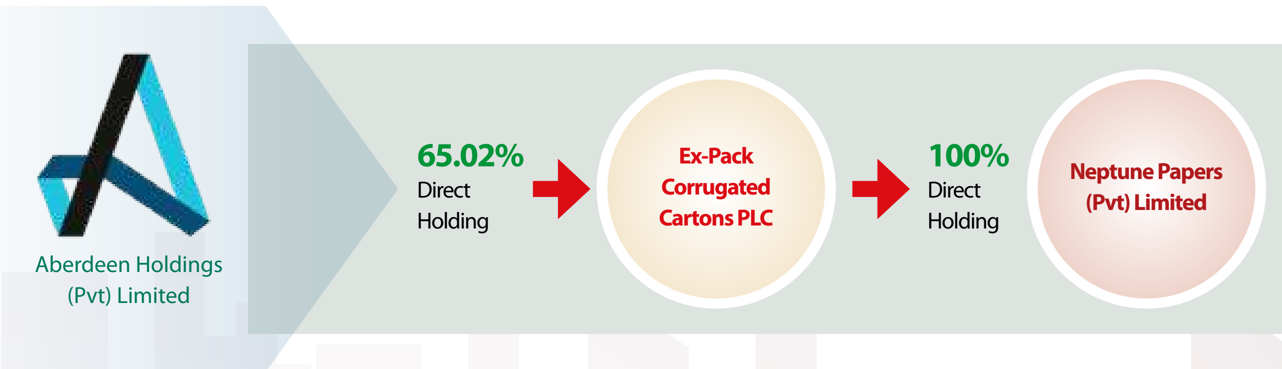
ISO 14001-2015 - Environmental management systems

Worldwide Responsible Accredited Production (WRAP) Certification

Forest Stewardship Council

Supplier Ethical Data Exchange (SEDX)

GROUP STRUCTURE



EMPOWERING ECONOMIC PROGRESS THROUGH SUSTAINABLE INDUSTRIAL LEADERSHIP

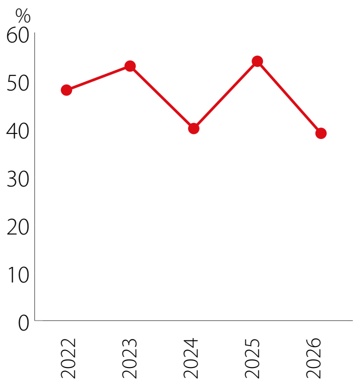
As a leading manufacturer and exporter in Sri Lanka's corrugated packaging sector, Ex-Pack Corrugated Cartons PLC continues to contribute meaningfully to the nation's economic progress through exports, innovation, employment generation and responsible business practices.

Building on the reporting introduced last year, this section highlights the broader and far-reaching impact created through our journey, as we strengthen our role as a sustainable and forward-looking industry leader.

Export-led growth and foreign exchange generation

Ex-Pack plays a vital role in strengthening Sri Lanka's export sector, supplying high-quality, value-added corrugated packaging to both regional and global markets. As both a direct exporter and a B2B partner to exporters, with approximately 39% of revenue derived from export-linked activities, the Company contributes meaningfully to the national economy by generating valuable foreign exchange, supporting the country's efforts to strengthen reserves and maintain external stability.

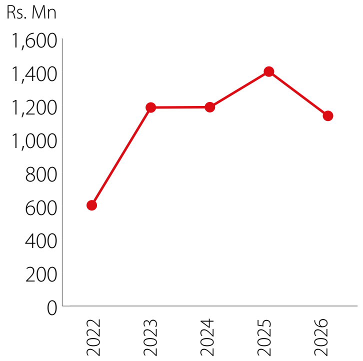
Export sales vs Total Sales



Fiscal Contributions and Economic Multiplier Effect

As a publicly listed entity operating within a robust governance and compliance framework, Ex-Pack continued to contribute to Government revenue through the payment of taxes, duties and levies. Beyond its direct fiscal contributions, the Company's operations also continued to stimulate economic activity across the value chain, from raw material suppliers to logistics and distribution partners, creating a broader multiplier effect within the economy.

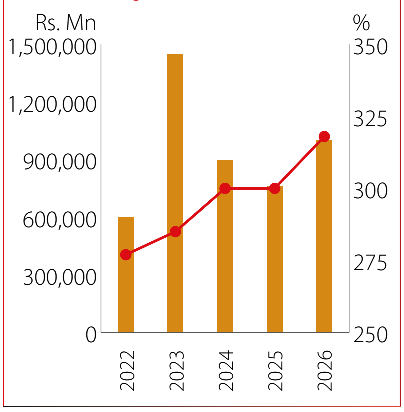
Tax Paid to Government LKR



Creating Employment and Building Skills

With a workforce of over 300 employees, Ex-Pack continues to generate meaningful employment across both skilled and semi-skilled roles within the manufacturing sector. Through ongoing investment in training, capability development and strong workplace practices, the Company contributes to strengthening Human Capital,, enhancing livelihoods and supporting broader efforts to reduce unemployment.

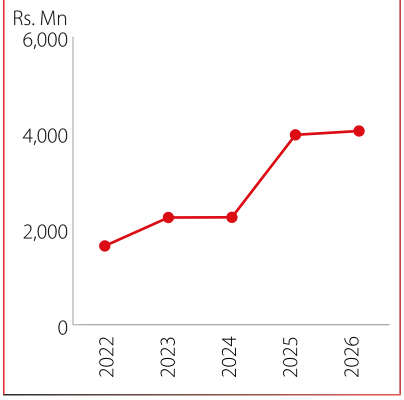
Staff strength and investment in L&D



Advancing Innovation and Industrial Modernisation

Ex-Pack continues to drive innovation within Sri Lanka's packaging sector through investments in advanced technologies, automation and sustainable manufacturing practices. In 2025, the Company transitioned to a new, state-of-the-art production line spanning the full corrugated carton manufacturing process. This upgrade has automated previously manual operations, significantly enhancing productivity, improving quality and reducing turnaround times, while contributing to the broader modernisation of the industry.

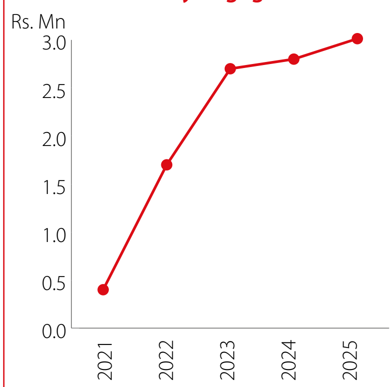
Property plant and equipment



Upholding Ethical and Sustainable Business Practices

Guided by strong governance and a clear commitment to sustainability, Ex-Pack embeds ethical practices across its operations, from environmental compliance and waste management to stakeholder engagement and transparent communication. These efforts strengthen trust among stakeholders and position the Company as a responsible contributor within Sri Lanka's industrial landscape.

Community Engagements

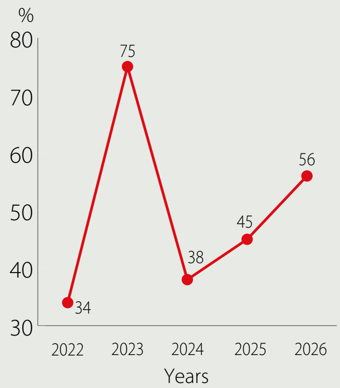



TERNA
EXPAK

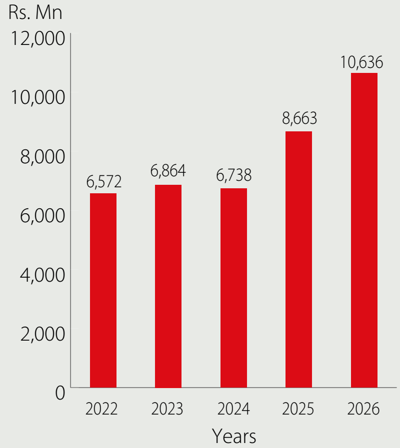
FINANCIAL HIGHLIGHTS

Rs.1.7 Bn
Group Gross Profit

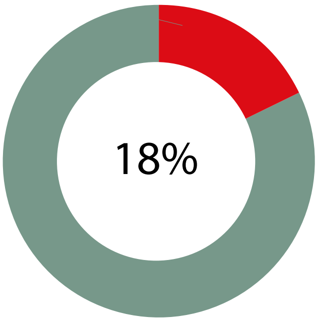
DIVIDEND PAYOUT



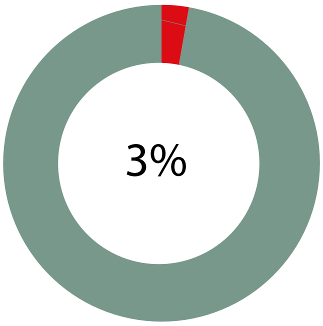
GROUP ASSET



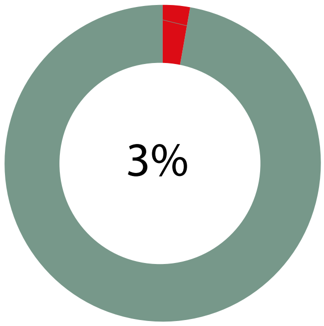
Profitability Ratios



Gross Profit



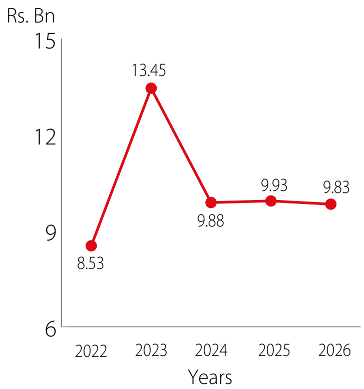
Operating Profit



Net Profits

The Group Improved Net Asset Per Share by 17% during the year to Rs.12.08 (2025 - Rs.10.29)

GROUP TURNOVER



GROUP	2025/26	2024/25	2023/24	2022/23	YoY % INC / (DEC)
FINANCIAL PERFORMANCE					
Revenue	9,835,910	9.932,074	9,875,059	13,451,044	(-1)
Gross Profit	1,771,190	2,197,597	2,155,721	3,509,082	(-19)
Earnings before Interest and Tax (EBIT)	327,147	922,035	1,016,884	2,365,001	(-65)
Profit Before Tax	(91,011)	721,667	810,616	1,895,202	(-113)
Net Profit for the year	280,976	453,021	580,489	1,412,959	(-38)
Total Comprehensive Income	751,105	459,272	570,953	1,753,963	64
FINANCIAL POSITION					
Non – Current Assets	5,756,039	4,630,632	2,735,484	2,732,595	24
Total Current Assets	4,880,909	4,032,859	4,002,845	4,131,028	21
Total Assets	10,636,948	8,663,491	6,738,329	6,863,623	23
Stated Capital	1,200,000	1,200,000	1,200,000	1,200,000	-
Total Equity	4,025,876	3,431,436	3,178,831	2,831,211	17
Total Non- Current Liabilities	1,587,028	1,808,633	599,032	606,327	(-12)
Total Current Liabilities	5,024,044	3,423,421	2,960,467	3,426,085	47
Total Liabilities	6,611,072	5,232,054	3,559,498	4,032,412	26
Total Equity & Liabilities	10,636,948	8,663,491	6,738,329	6,863,623	23
CASHFLOW					
Net Cash Flow from / (used in) Operating activities	(-162,730)	708,283	802,638	1,011,877	(-123)
Net Cash Flow from / (used in) Investing activities	(700,860)	(1,931,900)	(127,978)	260,920	(-64)
Net Cash Flow from / (used in) Financial activities	1,127,199	548,602	(633,650)	(1,559,191)	105
Cash and Cash Flow Equivalents at the end of the year	306,393	42,784	717,798	676,788	616
KEY INDICATORS					
PROFITABILITY RATIOS					
Revenue Growth Rate (%)	(-1)	0.58	(-27)	58	(-272)
Gross Profit (GP) Margin (%)	18	22	22	26	(-18)
Net Profit (NP) Margin (%)	3	5	6	11	(-40)
Return on Assets (ROA) (%)	3	11	15	34	(-73)
Return on Equity (ROE) (%)	7	13	18	50	(-46)
Return on Capital Employed (ROCE) (%)	6	18	27	69	(-67)
LIQUIDITY RATIOS					
Current Ratios (Times)	0.97	1.18	1.35	1.21	(-18)
Debt/Equity Ratios (%)	118	97	72	93	22
INVESTOR RATIOS					
Earnings Per Share (Rs)	0.84	1.36	1.74	4.24	(-38)
Net Asset Per Share (Rs)	12.08	10.29	9.54	8.49	17
Closing Share Price (Rs)	12.80	13.90	14.30	14.60	(-8)
Price Earning (PE)Ratio	15.24	10.22	8.21	3.44	49
Float Adjusted Market Capitalization ('000)	1,478,267	1,604,616	1,645,072	1,680,606	(-8)

OPERATIONAL HIGHLIGHT

Aspect	Indicator	Metric	2025/26	2024/25	YoY change
Environmental	Carbon footprint	t CO2e	3,902.97	4,559.46	(-656.49)
	Total energy consumption	GJ	22,960	35,146	(-12,186)
	Energy intensity	GJ/production in MT	0.9642	1.4986	(-0.5344)
	Total water consumption	ML	1.396	1.268	0.128
Social – Employees	Total employees	No.	318	301	17
	Female representation	%	19	15	4
	Average tenure of employee service	No. of years	7	7	-
	Payments to employees	Rs. Mn	773	726	47
	Employee retention	%	72	95	(-23)
	Investments in training and learning and development	Rs. Mn	1	0.825	0.175
	Average training hours per employee	Hrs.	13	13	-
	Employees injured of any severity	No.	8	14	(-6)
	Fatalities	No.	0	0	0
	Employee hours lost due to injuries	No.	28.5	9	19.5
Social – Distributor, business partners and customers	Number of customer relationships exceeding ten years	No.	140	130	10
Social – Community	Investment in CSR initiatives	Rs. Mn	3.13	2.80	0.33
	Total beneficiaries	No.	3,715	4,765	(-1,050)
Governance	Board directors	No.	08	08	0
	Independent Board directors	%	37.5%	37.5%	0
	Female representation on the Board	%	12.5	12.5	0
	Board meetings held during the year	No.	04	04	0
	Board sub-committees in function	No.	04	04	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


SAFETY RULES ARE YOUR BEST TOOL

OUR CORPORATE JOURNEY

1994
Operation commenced as a Profit Center of Expolanka Ltd

2002
Incorporated as a Legal entity

2003
Installation of first fully automated corrugated board plant

2005
Installation of 2-colour Flexo printer and achieving of 500 MT per month

2006
Achieving 850 MT in March and recording profits for the first time – Received ISO 9000 Quality Management System

2007
Relocating at current premises in Kelaniya with the new corrugated plant with a total investment of Rs. LKR 250 Mn via debt

2008
Winning of National Chamber of Exporters - Annual Export Awards Gold Award. Mr. Sattar Kassim takes over Ex-Pack operation and appoints new management team. Winning of National Chamber of Exporters - Annual Export Awards Gold Award

2010
Consolidation of 3rd position in the market. Re-structuring of equity with an investment of LKR 1 Bn

2013
For the first time in company history, tonnage of 1,500 MT achieved – the first step of the vision of the Group Director

2014
The Company nominated as the Best Corrugated Factory in Sri Lanka by PUM Netherlands. Two employees given further training in the Netherlands

2016
Achieved the landmark tonnage of 2,187 MT in March. Lanka Star “Innovating Packaging” award by Sri Lanka Institute of Packaging - (SLIP)

2015

Becomes the market leader by achieving tonnage of 1,925 MT. Installation of the tate - of the art 3 colour Flexo inline printer

2017

Winning of Sri Lanka CSR Awards Lanka Star "Innovating Packaging" award by Sri Lanka Institute of Packaging (SLIP). Achieved the highest Tonnage of 2272 MT in March

2018

Achieved the highest ever tonnage of 2,335 MT. Recognised as a Great Place to Work Sri Lanka Company. Lanka Star "Innovating Packaging" award by Sri Lanka Institute of Packaging - (SLIP)

2019

Achieved the highest sales tonnage of 2,440.7 MT. Recognised as Best Workplace in Asia -18th position in the medium category Recognised a Great Place to Work - Sri Lanka for the 2nd consecutive year

2020

Lanka Star "Innovating Packaging" award by Sri Lanka Institute of Packaging - (SLIP)

2021

Recognised as Best Workplace in Asia for the 3rd consecutive year. Recognised as a Great Place to Work - Sri Lanka for the 4th consecutive year

2025

Recognised as one of the Top 100 Best Workplaces 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. Recognised as one of the Top 50 Great Places to Work – Sri Lanka – 6th year Presented by Great Place to Work Institute Sri Lanka affiliated to Great Place to Work Inc USA. Recognised as 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

2026

Commissioning of a state-of-the-art fully automated corrugator line, setting a new benchmark in corrugated carton manufacturing in Sri Lanka

AWARDS AND ACCOLADES

Recognition that reflects our progress

During the year, Ex-Pack Corrugated Cartons PLC continued to earn recognition across multiple platforms, underscoring the strength of our manufacturing capabilities, customer focus and commitment to responsible business practices. These accolades reflect the consistency of our performance, the resilience of our operations and the disciplined execution of our strategy in a dynamic operating environment.

More importantly, they stand as a tribute to the dedication, expertise and collective effort of our team, whose contributions continue to drive innovation and operational excellence. As we build on this momentum, these recognitions reinforce our position as a trusted industry player and motivate us to continuously raise the bar in delivering value to our stakeholders.

LIST OF AWARDS

Scope of excellence	Awarding body	Award won
Reporting	CA Sri Lanka TAGS Awards	Won the Silver Awards for Manufacturing Entity – Turnover over 10B
Human Capital	Great Place to Work Inc USA	One of top 50 Great Place to Work – Sri Lanka – 7th year Presented by Great Place to Work Institute Sri Lanka
Sustainable Development Goals	Sri Lanka Islamic Banking and Finance Industry	Gold Award for Sustainable Development Goals – 2025
Environment	Central Environmental Authority Sri Lanka	Merit Award in the Packaging Industries with Printing – Presidential Environment Awards 2025
Manufacturing Others Category	Chartered Professional Managers Sri Lanka	Best Management Practices Company Awards 2025 Merit award for Manufacturing – Others Category


15

ENGINEERED FOR GROWTH

At Ex-Pack, our leadership is engineered to set bold direction, empower execution at every level, and make decisive, forward-looking choices that convert ambition into measurable results. By aligning people, capability, and investment around clear priorities, we accelerate momentum and unlock new avenues for expansion. This disciplined, agile approach enables us to scale with confidence, strengthen resilience, and sustain growth that is both purposeful and enduring.

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

Rs.9.8 Bn
Group Revenue

Rs.1.4 Bn
Market Capitalisation

Dear Stakeholders,

It gives me immense pleasure to present to you the Annual Report of Ex-Pack Corrugated Cartons PLC for the financial year ended 31 March 2026 and share how your Company continued to forge ahead with resilience, agility, and strategic intent, creating meaningful value for all stakeholders connected to our journey.

Navigating a Dynamic Operating Landscape

As a business closely integrated with global supply chains, with 60% of raw materials being imported and a significant portion of our customer base being export-oriented, the year under review once again demonstrated how deeply global developments influence our operating environment.

The global economy through 2025 and the early months of 2026 remained characterised by geopolitical tensions, supply chain recalibrations, elevated trade uncertainty, and uneven economic recovery patterns across regions. Policy shifts relating to international trade and tariff regimes, particularly following renewed protectionist measures and tariff-related announcements in the United States, created volatility across global manufacturing and logistics sectors. At the same time, ongoing geopolitical tensions and inflationary pressures continued to affect freight costs, raw material pricing, business confidence, and consumer demand across markets.

Against this backdrop, Ex-Pack remained focused on maintaining operational continuity, strengthening customer responsiveness, and safeguarding supply chain reliability. Through disciplined inventory planning, strong supplier relationships, operational agility, and prudent cost management, the Group successfully navigated these external pressures while continuing to deliver uninterrupted service to customers.

Sri Lanka meanwhile experienced a period of cautious but encouraging economic recovery during the year under review, supported by improved fiscal discipline, policy consistency, and continued alignment with the reform programmes under the International Monetary Fund's Extended Fund Facility. Encouragingly, key economic indicators reflected broad-based improvement, with the economy recording positive GDP growth following contractions experienced in preceding years. Inflation remained relatively contained while interest rates stabilised, contributing towards improving business sentiment and operating conditions.

While these developments created a more supportive operating environment compared to preceding years, the Group nevertheless remained measured and disciplined in its approach, recognising that the recovery process remains gradual and sensitive to both domestic and global developments.

One of the most defining events of the year, however, was the devastating impact of Cyclone Ditwah, which caused significant loss of life and widespread economic disruption across several regions of the country. The scale of the disaster reinforced the increasing realities of climate-related risks and underscored the importance of strengthening resilience, preparedness, and operational continuity capabilities across businesses and communities alike.

Despite these disruptions, the Group's operational resilience, strong workforce commitment, and business continuity measures enabled Ex-Pack to respond swiftly and continue operations with minimal interruption, while also extending support towards affected stakeholders and communities.

Responding to an Evolving Corrugated Packaging Industry

The global corrugated packaging industry continued to evolve rapidly during the year, driven by the accelerated growth of e-commerce, increasing preference for sustainable packaging solutions, and demand for lighter, stronger, and more customised packaging formats. Corrugated packaging today accounts for a significant share of global packaging solutions and continues to gain preference as an environmentally responsible alternative to plastic-based materials.

Rs.281 Mn

Net Profit (Group)

Customers increasingly demand packaging that is not only durable and protective, but also visually appealing, lightweight, sustainable, and capable of supporting increasingly complex global logistics and branding requirements.

Recognising these evolving dynamics, Ex-Pack continued to proactively strengthen its operational and technological capabilities. Significant investments made towards modernising operations through state-of-the-art packaging technology and advanced manufacturing capabilities have positioned the Group strongly to meet changing market expectations with greater speed, consistency, flexibility, and quality assurance.

Our investment in the new corrugator and associated operational enhancements is already strengthening the Group's ability to cater to increasingly sophisticated customer requirements, while also supporting higher operational efficiency and scalability.

Importantly, these technological investments are complemented by the strength of our people. Our technical and operational teams continue to undergo ongoing local and international exposure and capability-building initiatives, ensuring they remain well-equipped to respond intelligently and proactively to changing market dynamics and customer expectations.

Continuing to Create Stakeholder Value

At Ex-Pack, value creation extends well beyond the manufacture of corrugated cartons. Through our operations, we contribute towards powering exports, supporting industries, generating employment, strengthening supply chains, and positively impacting communities.

Delivering Sustainable Returns to Shareholders

The financial year under review resulted in a post-tax profit of Rs. 281 Mn. This translated into a return on equity (ROE) of 7% and earnings per share of Rs. 0.84.

The Group's total asset base strengthened to Rs. 10.6 Bn, reflecting a year-on-year increase of 23%, while Net Asset Value per Share improved to Rs. 12.08. The Company's share price closed at Rs. 12.80 as at year-end, supported by both the Group's operational performance and the strong momentum witnessed across the Colombo Stock Exchange. A more detailed review of the financial performance is found in the Managing Director's Review on pages 26 – 29.

Serving Customers with Reliability and Agility

Our customers continued to remain our greatest source of motivation and purpose. Given that a significant portion of our production supports export-oriented industries, customer expectations are increasingly shaped by global consumer trends and international supply chain requirements.

Despite evolving market dynamics and operational disruptions experienced during the year, we remained committed towards delivering uncompromised quality and service excellence. We are pleased to note that the Company achieved a total production output of 23,811 MT during the year while maintaining a zero rejection rate upon delivery to customers.

Our strong research and development orientation together with enhanced production capabilities enabled us to respond swiftly to changing customer requirements while meeting demanding quality specifications and delivery timelines.

Empowering Our People

Our employees remain central to the strength and resilience of Ex-Pack. During the year, we continued to foster a safe, inclusive, and growth-oriented work environment while investing in employee wellbeing, learning, and professional development.

Employee benefits amounted to Rs. 773 Mn during the year, while employees collectively completed over 3,908 training hours across technical, operational, leadership, and safety-related areas. The Group also continued strengthening occupational health and safety practices, recognising that a safe workplace remains fundamental to sustainable operational excellence.

Strengthening Supplier and Business Partnerships

The Company continued to maintain strong and mutually beneficial relationships with suppliers and business partners across the value chain. Approximately 52% of supplier payments during the year were directed towards local suppliers, supporting domestic enterprise development and broader economic circulation.

At the same time, the Company continued to engage with international suppliers aligned with recognised environmental and responsible sourcing standards, including Forest Stewardship Council (FSC) certified sourcing practices where applicable.

Supporting National Economic Progress

We remain encouraged by the improving policy stability and reform-oriented direction observed within Sri Lanka during the year under review. As a manufacturing and export-supporting enterprise, Ex-Pack continues to contribute towards national economic activity through employment generation, taxes, foreign exchange savings, and support extended to export industries that remain critical to the country's economic progress.

Supporting Communities with Purpose

Our commitment to communities continued to be an important aspect of our value creation philosophy. During the year, the Company continued supporting employee families through school book and educational assistance programmes, including sponsorship support extended to children entering universities.

Meanwhile, the Ex-Pack Medicare Medical Centre, established as a community healthcare initiative in partnership with the Pattiwila Sri Shailaramaya Temple, completed its 15th year of operations during the year under review. Over the years, the initiative has become a vital healthcare resource for the surrounding community, particularly benefiting low-income families and elderly residents through free medical consultations and medication support.

Strengthening Governance and Stewardship

Ex-Pack continued to be guided by strong governance, disciplined stewardship, and full compliance with all applicable regulatory requirements, while also extending beyond compliance through the adoption of governance best practices.

The Board composition remained unchanged during the year, comprising eight Directors, three of whom are independent non-executive Directors, ensuring an appropriate balance of independence, oversight, and strategic guidance.

Collectively, the Board brings together deep expertise across management, finance, banking, economics, taxation, global multinational operations, information technology, marketing, and human resource management. The Board continued to foster healthy and constructive deliberations during the year, meeting four times to deliberate on matters critical to the Company's strategic direction and long-term sustainability.

The Board was ably supported by four Board subcommittees, namely the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee, each chaired by highly experienced professionals possessing the expertise required to guide matters within their respective mandates.

Core areas of focus for the Board during the year included operational expansion, governance enhancement, sustainability readiness, risk management, talent retention, supply chain resilience, and strengthening long-term operational competitiveness.

Integrating Sustainability into the Way We Operate

At Ex-Pack, sustainability is not viewed as a standalone initiative, but as an integral part of how we operate and create value. This is reflected through our ongoing focus on waste management, wastewater treatment, emissions management, energy efficiency, and responsible operational practices across the organisation.

Sustainability-related matters continued to receive increasing attention at Board level during the year, particularly as the Group prepares for alignment with the SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards.

As we progress on this journey, efforts are underway to progressively strengthen the alignment of our governance structures, operational processes, strategic priorities, and risk management frameworks with evolving sustainability reporting and management expectations. We also recognise that sustainability is an evolving learning journey, and over time, we intend to gradually establish clearer targets, metrics, and performance indicators as our capabilities and maturity in this space continue to develop.

Appreciation

I take this opportunity to extend my sincere appreciation to my fellow Board members for their guidance, wisdom, and unwavering support throughout the year.

I also wish to express my heartfelt gratitude to our executive leadership team, management, and employees whose dedication, resilience, and collective effort enabled the successful commissioning and integration of our new operational capabilities, a significant milestone that has strengthened the Company's future growth platform.

My sincere thanks also extend to our valued customers, suppliers, business partners, shareholders, and all other stakeholders for the continued trust and confidence placed in Ex-Pack. Your support and collaboration have remained invaluable in helping us navigate a dynamic operating environment while continuing to move forward with strength and purpose.

Way Forward

As aptly captured by this year's theme, Ex-Pack today stands engineered for take-off.

With our state-of-the-art corrugator strengthening our operational platform, our systems aligned, our technology enhanced, and our people empowered, we stand on a strong launch pad ready for the next chapter of responsible and meaningful growth.

We remain confident in our ability to respond to evolving industry dynamics, strengthen our market position, and continue creating sustainable long-term value for all stakeholders as we move forward with agility, resilience, and purpose.

Wishing you continued wellbeing and prosperity.

(Sgd.)
Sattar Kassim
Chairman
05th June 2026
Colombo

This was a year in which we worked to unlock the potential of the investments already made. It required deeper technical familiarity, sharper production planning, stronger process discipline, and a mindset shift across the factory floor.

Rs.1.4 Bn
Gross Profit (Company)

Rs.454 Mn
Net Profit (Company)

Dear Stakeholders

The year under review marked an important phase of operational acceleration for Ex-Pack Corrugated Cartons PLC. Having commissioned our state-of-the-art corrugator in the previous year, our focus during the financial year ended 31 March 2026 shifted from installation and stabilisation to optimisation, capability extraction, and disciplined utilisation of the enhanced manufacturing platform now available to us.

This was a year in which we worked to unlock the potential of the investments already made. It required deeper technical familiarity, sharper production planning, stronger process discipline, and a mindset shift across the factory floor. I am pleased to note that our teams responded with commendable agility, moving steadily along the learning curve and gaining greater mastery over the machinery, its technology and the wider operational possibilities it presents.

Optimising the Corrugator Platform

The corrugator continues to be one of the most significant investments made by the Group in strengthening its Manufactured Capital. During the year, our efforts were centred on improving the utilisation, efficiency, and reliability of this platform, while ensuring that its capabilities are translated into tangible value for customers and shareholders. This was reflected in a total corrugated cartons output of 23,811 MTs, which is a 1% increase over the prior year.

As employees became increasingly familiar with the technology, we were able to better leverage the machine's advanced features, production options, automation capabilities, and quality control functions. This enabled us to improve speed, consistency, flexibility and production precision, while enhancing our ability to cater to larger orders and more complex packaging requirements.

This optimisation journey was not without its challenges. Operating advanced machinery requires a high level of technical discipline, planning accuracy and cross-functional coordination. However, through continuous learning, practical exposure and close collaboration between production, maintenance, quality, planning and customer-facing teams, the Group continued to strengthen its ability to operate the platform more effectively.

The benefits of these operational enhancements are increasingly evident through improved throughput, greater process stability, reduced wastage, faster turnaround times, and stronger responsiveness to evolving customer requirements. Importantly, the enhanced production platform enables Ex-Pack to compete not merely on capacity, but on reliability, precision, consistency, quality, and speed to market, all of which are critical differentiators in an industry characterised by intense competition and pricing pressure.

Navigating a Competitive Industry Landscape

The corrugated carton industry in Sri Lanka remains highly competitive, with supply capacity in the market exceeding demand in certain segments. This oversupply creates pressure on pricing, capacity utilisation and margins, particularly in standardised product categories where differentiation is limited.

In such an environment, investment in technology alone is not sufficient. The true differentiator lies in how effectively that technology is deployed, how efficiently operations are managed and how deeply customer requirements are understood. Our response has therefore been to focus on operational excellence, product quality, service reliability, innovation and customer intimacy.

Rather than pursuing volume at any cost, we remained focused on strengthening profitable growth, improving operational discipline and deepening relationships with customers who value quality, consistency, responsiveness and technical support. This approach is particularly relevant given the export

56%

Dividend Payout

orientation of many of our customers, whose packaging needs are shaped by international supply chain standards, sustainability expectations and end-market requirements.

Financial and Operational Performance

The Group posted total revenue of Rs. 9.8 Bn for the year under review, reflecting a moderation compared to the previous year. This was primarily attributable to pricing variations arising from market stabilisation and intensified competition within the industry, which exerted pressure on selling prices and consequently moderated the overall revenue recorded for the year.

Encouragingly however, on a volume basis, the Group achieved total sales of 25,130 MT during the year, representing a 7% increase over the previous year, reflecting stronger operational throughput and improved utilisation of manufacturing capacity.

Reflecting broader operational expansion and inflationary pressures, cost of sales also increased during the year. Nevertheless, through disciplined cost management initiatives, operational efficiencies, and process optimisation efforts, the increase in cost of sales was contained at 4%.

In tandem with the expansion in operational activity, other operating cost elements also increased, with selling and distribution expenses rising by 20% and administrative expenses increasing by 9% during the year. The Group also experienced a notable increase in finance costs, primarily arising from external debt funding linked to the investment in the new corrugator machinery and associated operational enhancements.

Accordingly, the Group closed the year with a post-tax profit of Rs. 281 Mn.

Total assets of the Group stood at Rs. 10.6 Bn as at year-end, reflecting an increase of 23% over the previous year. Encouragingly, the Group's balance sheet size surpassed the Rs. 10.0 Bn milestone during the year, marking an important step in the scale, operational capacity, and maturity of the business.

Total equity also increased by a healthy 17% to Rs. 4 Bn, with equity capital financing 38% of the Group's total asset base, reflecting the continued strength and resilience of the Group's financial position.

Advancing Manufacturing Excellence

During the year, considerable emphasis was placed on strengthening manufacturing discipline beyond the corrugator itself. We continued to embed Lean, Kaizen and Six Sigma thinking into day-to-day operations, supported by the recruitment of a specialist within the factory team to lead operational efficiency initiatives.

This added a more structured approach to identifying inefficiencies, reducing process variation, strengthening productivity and improving factory-level problem-solving. It also supported a stronger culture of continuous improvement, where teams are encouraged to question existing processes and identify practical improvements that deliver measurable benefits.

Factory floor optimisation was another important priority during the year. A mezzanine floor was created to expand storage capacity and improve space utilisation within the premises. In addition, structured racking systems supported by barcode-enabled inventory management were introduced to strengthen visibility, traceability and control over stored goods.

These initiatives improved workflow, reduced unnecessary movement, enhanced inventory accuracy and supported better coordination between production planning, warehousing and dispatch. In a manufacturing environment where floor space, material flow and time are critical, such improvements are important enablers of productivity and cost discipline.

We also continued to focus on preventive and predictive maintenance practices, recognising that machine uptime and reliability are central to extracting value from high-capacity manufacturing assets. Strengthened maintenance planning, quality monitoring, and process controls supported greater consistency across operations during the year.

Responding to Evolving Customer Expectations

Our customers remain central to the way we operate and improve. A significant portion of Ex-Pack's customer base serves export markets, making our role in the value chain particularly important. The packaging we produce supports goods that travel across borders, withstand complex logistics networks and reach increasingly discerning end consumers.

Customer expectations are evolving rapidly. Packaging is no longer viewed only as a protective layer. It is increasingly expected to be lightweight, durable, sustainable, visually appealing, easy to handle, and aligned with branding objectives. Export-oriented customers also require packaging that complies with international expectations around consistency, recyclability, reliability and supply continuity.

During the year, our enhanced manufacturing capability enabled us to respond more effectively to these expectations. We were able to cater to customised specifications, improved quality requirements, and tighter delivery timelines with greater confidence. Our ability to provide reliable, high-quality packaging solutions remained a key strength in maintaining customer trust.

The Company achieved total production output of 23,811 MT during the year, while maintaining a zero rejection rate upon delivery to customers.

Building People Capability for Advanced Manufacturing

The transition into a more technologically advanced operating environment has placed new demands on our people. During the year, we continued to invest in technical capability, machine-specific training, operational safety and productivity enhancement to ensure our teams are equipped for the next phase of manufacturing excellence.

The increased familiarity of our employees with the corrugator and its operational features has been one of the most encouraging developments of the year. Teams that were previously adapting to a newly commissioned platform are now increasingly confident in using its capabilities to improve production outcomes.

Selected employees were also exposed to specialised training and capability-building opportunities, including local and overseas learning where relevant. These initiatives helped strengthen technical know-how, broaden operational perspectives, and reinforce best practices.

Operational safety continued to remain a non-negotiable priority. As machinery becomes more advanced and production processes more complex, safety awareness, discipline and adherence to operating procedures become even more important. We continued to reinforce safety practices across the factory environment while encouraging a culture where productivity and safety move together.

The year also reaffirmed the importance of adaptability. Our employees were required to embrace new ways of working, higher performance expectations and greater cross-functional coordination. Their commitment and resilience have been central to the progress achieved.

Strengthening Supply Chain Resilience

Supply chain resilience remained a priority during the year, particularly given the Group's exposure to imported raw materials and global logistics movements. Freight volatility, currency movements, geopolitical developments and supplier-side constraints continued to influence sourcing timelines and cost structures.

In response, we continued to strengthen supplier relationships, improve inventory planning, and enhance coordination between procurement, production, and customer delivery teams. Maintaining the right balance between stock availability, working capital discipline, and cost efficiency remained critical.

Our ability to maintain delivery reliability during periods of external volatility reflects the strength of these planning mechanisms and the commitment of our teams. In a competitive market, supply chain discipline is not merely an internal efficiency measure; it is a customer promise.

Technology and Digitalisation

Technology continued to play an increasingly important role in supporting smarter manufacturing and better decision-making. The new machinery platform has improved access to production data, operational analytics, machine performance insights and quality monitoring capabilities.

During the year, our machine operators and technical teams increasingly utilised these digital and analytical features to monitor performance, improve process control, identify inefficiencies and support production optimisation. Production planning and inventory management also benefited from more structured digital processes, including barcode-enabled systems within storage and warehouse operations as previously mentioned.

These developments support our gradual transition towards a more data-driven factory environment, where decisions are increasingly informed by real-time visibility, disciplined monitoring and operational intelligence.

Appreciation

The progress achieved during the year under review reflects the collective commitment, resilience, and determination of the entire Ex-Pack Corrugated Cartons PLC family together with the unwavering support of our wider stakeholder network.

I extend my sincere gratitude to our Chairman and Board of Directors for their strategic guidance, stewardship, and confidence as we continued strengthening the Company's operational platform and positioning Ex-Pack for its next phase of growth.

My heartfelt appreciation also goes to our Chief Executive Officer, executive leadership team, management, and employees across the organisation. The adaptability, discipline, and dedication demonstrated by our teams, particularly amidst a period of operational optimisation and evolving industry demands, have been central to the progress we achieved during the year.

I also wish to thank our valued customers, shareholders, suppliers, business partners, and community stakeholders for the trust, collaboration, and confidence continuously placed in Ex-Pack. Your enduring support remains an important source of strength and motivation for us.

Way Forward

As we look ahead, our priority is to further scale the value generated from the corrugator platform and the broader operational investments made over recent years. The focus will be on improving capacity utilisation, deepening market penetration, strengthening customer relationships and enhancing profitability in a competitive industry environment.

We will continue to pursue operational excellence through Lean, Kaizen, Six Sigma, automation, technology adoption and people capability development.

Ex-Pack today has the machinery, systems, people, and discipline required to move into its next phase with confidence. While market oversupply and competitive pressures will remain realities of the industry, we believe our differentiation will continue to lie in quality, reliability, responsiveness, innovation and disciplined execution.

We are engineered for take-off, not only because of the technology we have invested in, but because of the people, processes, and operational mindset now supporting that technology.

With these foundations in place, we remain committed to building Ex-Pack into a stronger, smarter, and more resilient packaging partner for customers in Sri Lanka and beyond.

(Sgd.)
Zulficar Ghouse
Managing Director
05th June 2026
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

HASSAN KASSIM
Non-Executive
Non-Independent Director

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

THULCI ALUWIHARE
Non-Executive
Independent Director

DINESH DHARMADASA
Non-Executive
Independent Director

SHEHARA DE SILVA
Non-Executive
Independent Director

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 partner-ships 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; and Asiabike. 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 was a visiting lecturer at the Keel University – UK , MSC Programson 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 on 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. 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 an accomplished business leader with extensive experience in corporate strategy, business transformation, mergers and acquisitions, sustainability, and governance. Over the course of his career, he has successfully led growth, restructuring, and value-creation initiatives across manufacturing, environmental services, financial services, and insurance sectors.

He is the Managing Director of Neptune Recyclers and its affiliated businesses, a leading participant in Sri Lanka's circular economy sector. Through his leadership, the organisation has expanded from a traditional recycling operation into a diversified environmental solutions platform with interests across paper, plastics, textiles, and resource recovery. He continues to champion innovation, sustainability, and responsible business practices while driving long-term growth and stakeholder value.

Abdullah serves on the Boards of Aberdeen Holdings (Pvt) Ltd, Amana Takaful PLC, and Amana Takaful Maldives PLC, where he contributes to strategic direction, governance oversight, risk management, and corporate development. His boardroom experience is complemented by a strong track record in business development, capital deployment, and organisational transformation.

Earlier in his career, Abdullah served as Head of Business Development at ExpoLanka Holdings PLC and was part of the leadership team involved in the company's successful public listing on the Colombo Stock Exchange.

He is widely recognised for his commitment to sustainable enterprise development and his ability to identify and execute growth opportunities that create enduring value for shareholders, stakeholders, and the communities in which businesses operate.

HASSAN KASSIM
Non-Executive Non-Independent Director

Hassan Kassim serves as the Deputy Chairman and Group Director of Aberdeen Holdings (Private) Limited, one of Sri Lanka's leading diversified conglomerates with investments spanning aviation, logistics, financial services, commodities, packaging, travel, and consumer businesses. The Group's portfolio includes notable enterprises such as FitsAir, Sri Lanka's only privately held airline; Fits Express, the sole authorized UPS agent in Sri Lanka; Ex-Pack PLC, a publicly listed leader in corrugated packaging solutions; and Baraka, a premium herbal and wellness brand with an international presence.

Mr Hassan plays a pivotal role in shaping the Group's long-term strategy, strengthening governance frameworks, and driving sustainable value creation across its diverse portfolio of companies. He is also the Founder and Director of Expo Commodities Global (Pvt) Ltd, a Presidential and National Export Award–winning spice exporter with sourcing operations across multiple global origins.

In addition, Hassan Kassim serves as the Managing Director of Amana Takaful PLC, one of Sri Lanka's fastest-growing and most awarded insurance companies. In this role, he leads the company's strategic growth, operational performance, and governance initiatives.

Hassan holds a BA (Hons.) Degree in Management Studies from the University of Nottingham, United Kingdom.
In recognition of his leadership and contribution to the insurance sector, he was awarded the Young Leader Award at the 26th Asia Insurance Industry Awards (AIIA) 2022, becoming the first Sri Lankan to receive this prestigious regional recognition. The achievement marked a significant milestone for both Amana Insurance and the Sri Lankan insurance industry, particularly as it came during a period of significant economic challenges in the country.

With cross-sector leadership experience spanning conglomerate strategy, aviation, logistics, global commodities, and financial services, Hassan Kassim continues to champion disciplined growth, institutional excellence, and strong governance across the organizations he leads.

BOARD OF DIRECTORS

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

Mr. Chathuranga Abeyratne is a seasoned finance and business leader with over 18 years of experience across multinational corporations and publicly listed companies operating in diverse industries. He possesses extensive expertise in the manufacturing sector and a proven track record of providing strategic and operational leadership to drive organizational transformation, business growth, and value creation.

He served as Group Chief Financial Officer of Aberdeen Holdings (Private) Limited and as a Non-Independent Executive Director of Neptune Papers (Private) Limited from 2021 to 2023. Prior to this, he was the Chief Financial Officer of Bairaha Farms PLC from 2018 to 2021 and Hoodvian Limited (part of Bridge Holdings Hongkong) from 2012 to 2018.

Mr. Abeyratne currently serves on the Board of Global Rubber Industries (GRI), a globally recognized manufacturer of specialty tires. Over the past three years, he has contributed to the strategic oversight of the Group's manufacturing operations and international business activities, supporting its continued growth and expansion across multiple global markets.

He is a Fellow Member of the Association of Chartered Certified Accountants (ACCA, UK) and the Chartered Institute of Management Accountants (CIMA, UK), and an Associate Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). He is also a Certified Tax Advisor. Mr. Abeyratne holds a Master of Business Administration (MBA) from Cardiff Metropolitan University, United Kingdom, and a Bachelor of Science degree from the University of Colombo.

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 (CIFC) – 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 Programsheld in Copenhagen, Stockholm, Dublin, Rome, Warsaw and Abu Dhabi.

He is currently serving as a Non – Executive Independent Director of Abans Finance PLC and Bank of Ceylon. 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.

DINESH DHARMADASA
Non-Executive Independent Director

Dinesh Dharmadasa is 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 – Corporate & Regulatory Affairs in 2005. He completed his illustrious career at CTC in 2019.

As Director of Corporate & Regulatory Affairs and also as a Senior Member of the Executive Committee/Company Secretary, Dinesh oversaw the areas of Corporate & Regulatory 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.

Dinesh is functioning as Non-Executive Director of HNB General Insurance Limited and BPPL Holdings PLC.

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 at 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 Programs Director of the 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.

CORPORATE MANAGEMENT TEAM

ZULFICAR GHOUSE
Managing Director

MOHAMED RIYAZ
Chief Executive Officer

AHAMED MURSHID
Chief Operating Officer

JUMARDEEN DHARWESH
Head of Factory Operations

DEEPAL PERERA
Head of Sales

ABDUL LATIFF AHAMED
Head of Finance

SHARFAZ ABDEEN
Head of Credit Management

AZHAR SHERIFF
Head of Compliance and Sustainability

RISWAN MOHAMED
Head of Human Resources and Administration

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 experience 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 programson 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

Mohamed Riyaz joined the organization in 2008 and brings over 27 years of extensive management and industry experience across Operations Management, Production, Sales & Marketing, and Customer Service in both local and international markets.

He currently serves as the Chief Executive Officer of Ex-Pack and holds several prominent leadership positions within the packaging and industrial sectors. He is the President of the Lanka Corrugated Carton Manufacturers Association (LCCMA) and the Association of Packaging Consultants (APC).

In addition, he serves as the Vice President of the Industrial Association of Sri Lanka (IASL) and is an Executive Member of the Asian Corrugated Case Association (ACCA), representing members from Singapore, Hong Kong, Malaysia, Indonesia, Taiwan, Thailand, and China.

Further strengthening his contribution to the industry, he also serves as the Fourth Vice President of the Sri Lanka Institute of Packaging (SLIP) and as an Advisory Committee Member to the Ministry of Industry and the National Packaging Centre (NPC).

AHAMED MURSHID
Chief Operating Officer

Ahamed joined Ex-Pack in the year 2000 in the field of Sales & Marketing. later moved to operations and involved in Planning, Production and Process improvement of the organization. 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 (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.

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 (Programma Uitzending Managers) to undergo extensive training in packaging manufacturing factories in the Netherlands, France, and Belgium in productivity and process re-engineering.

He has also contributing quite a 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 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.

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).

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 accomplish the tasks 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, in expanding his knowledge horizons.

AZHAR SHERIFF
Head of Compliance and Sustainability

Azhar joined Ex-Pack in 2007. He has obtained a 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 a Fellow member of the Chartered Institute of Professional Managers (CPM) and Associate member of the Association of Human Resources Professionals in Sri Lanka, further he holds memberships in National Institute of Occupational Safety and Health (NIOSH) as well. A HR Generalist with experience spanning over 28 years, having served mostly for international companies based in Sri Lanka, Azhar currently heads the Compliance and Sustainability function of the Company. He was the past Secretary and Vice President - Membership of Expolanka Toastmasters Club.

RISWAN MOHAMED
Head of Human Resources and Administration

Riswan was appointed Head of Human Resources and Administration of Ex-Pack in 2025. He brings over 24 years of extensive experience in human resource management and organizational development.

He holds a Master of Business Administration (MBA) from the Postgraduate Institute of Management, University of Sri Jayewardenepura, and a Bachelor of Science degree from the University of Peradeniya. He has also obtained a National Diploma in Human Resources Management from the Chartered Institute of Personnel Management (CIPM) and an Advanced Diploma in Retailing from City & Guilds, United Kingdom.

Prior to joining Ex-Pack, Mr. Riswan served nearly 23 years at NOLIMIT, a leading Sri Lankan conglomerate, where he progressed from Human Resources Assistant to Head of Human Resources. During his tenure, he contributed significantly to the Group's expansion across multiple sectors, including fashion retail, FMCG, hospitality and leisure, food services, and sports. He was also part of the senior management team involved in the company's strategic growth, including its expansion into international markets.

Riswan possesses extensive expertise in organizational development and has played an active role in corporate planning and board-level decision-making, representing the human resources function in shaping strategic directions.

CORPORATE MANAGEMENT TEAM

MOHAMED SHAMIL
Senior Manager Finance & Compliance

Shamil joined the Ex-Pack Finance Team in 2014 and has over 12 years of service with the Company. He possesses more than 16 years of experience in the field of finance.

He is an Associate Member of the Chartered Institute of Management Accountants (CIMA-UK) (ACMA) and holds a Master of Business Administration (MBA) from Cardiff Metropolitan University, United Kingdom.

Prior to joining Ex-Pack, he completed his training in financial and management accounting, as well as auditing and assurance, at Ernst & Young.

During his tenure, Shamil has contributed to financial performance and value creation initiatives within the Company. He continues to enhance his professional knowledge and skills through ongoing participation in training and development programmes conducted by recognized professional bodies and institutions.

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 20 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 12 continuous years. Sudath's client management and relationship building have always been excellent. Sudath has also been exemplary to his team utilising his strong industry network to benefit selling process with a 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 a Consultant. His contributions have been a remarkable contributor 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 markets in the packaging industry. Jerad also displays a strong sense of customer orientation in his work, despite 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 in the industry for the last 36 years. He has undergone extensive in-house and external training in Quality Assurance and technical 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 for 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 36 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

Abdul Hakeem serves as the Procurement Manager of the Company having joined in 2014 as a Procurement Executive and contributing over 12 years of dedicated service. He is recognized for his strong purchasing acumen, disciplined approach, and ability to make sound, data-driven decisions in dynamic market conditions.

He has played a key role in strengthening the procurement operations of Ex-Pack Corrugated Cartons PLC. Holding an OTHM Postgraduate Diploma in Logistics and Supply Chain Management and being an Associate Member of the Institute of Supply and Materials Management (ISMM), he combines academic knowledge with practical industry expertise, bringing both strategic insight and operational precision to his role.

Hakeem has led several strategic procurement initiatives that have delivered cost efficiencies and enhanced supplier partnerships. His proactive approach to risk management, attention to detail, and commitment to continuous improvement have significantly strengthened the resilience and reliability of the Company's supply chain. He is also known for his collaborative leadership style, fostering strong cross-functional relationships and maintaining high standards of professionalism.

His dedication and forward-thinking mindset continue to contribute meaningfully to the Company's operational excellence, supporting its long-term vision for sustainable growth and efficiency.

CORPORATE MANAGEMENT TEAM

Neptune Papers (Pvt) Ltd

ABDULLAH KASSIM
Executive Non-Independent Director

Abdullah Kassim is an accomplished business leader with extensive experience in corporate strategy, business transformation, mergers and acquisitions, sustainability, and governance. Over the course of his career, he has successfully led growth, restructuring, and value-creation initiatives across manufacturing, environmental services, financial services, and insurance sectors.

He is the Managing Director of Neptune Recyclers and its affiliated businesses, a leading participant in Sri Lanka's circular economy sector. Through his leadership, the organisation has expanded from a traditional recycling operation into a diversified environmental solutions platform with interests across paper, plastics, textiles, and resource recovery. He continues to champion innovation, sustainability, and responsible business practices while driving long-term growth and stakeholder value.

Abdullah serves on the Boards of Aberdeen Holdings (Pvt) Ltd, Amana Takaful PLC, and Amana Takaful Maldives PLC, where he contributes to strategic direction, governance oversight, risk management, and corporate development. His boardroom experience is complemented by a strong track record in business development, capital deployment, and organisational transformation.

Earlier in his career, Abdullah served as Head of Business Development at ExpoLanka Holdings PLC and was part of the leadership team involved in the company's successful public listing on the Colombo Stock Exchange.

He is widely recognised for his commitment to sustainable enterprise development and his ability to identify and execute growth opportunities that create enduring value for shareholders, stakeholders, and the communities in which businesses operate.

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.

STRATEGIC FRAMEWORK & VALUE CREATION

ENGINEERED FOR VALUE

At Ex-Pack, our strategic framework is engineered to generate value through the alignment of investments, operations, and innovation around clearly defined priorities. This disciplined approach enables us to translate capability into measurable outcomes, delivering sustained value for our stakeholders, while strengthening our position for long-term growth.

OPERATING ENVIRONMENT

The operating environment remains a significant influence on the operations, performance, and long-term value creation journey of Ex-Pack Corrugated Cartons PLC. Macroeconomic conditions, geopolitical developments, climate-related events, trade dynamics, and industrial activity continue to shape the broader business landscape within which the Company operates. Whilst Ex-Pack's manufacturing operations are based solely in Sri Lanka, the Company remains closely connected to global market developments through its export-oriented customer base and overseas supplier network, exposing the business to both local and international operating dynamics.

Accordingly, the Company continues to leverage sound market intelligence, industry insight, and proactive strategic planning to closely monitor evolving external developments and respond effectively to emerging risks and opportunities. This enables Ex-Pack to strengthen operational resilience, support customer requirements, manage supply chain dynamics, and continue delivering sustainable value to stakeholders within an increasingly interconnected operating environment.

GLOBAL ECONOMIC PERFORMANCE

Source: World Economic Outlook - April 2026, January 2026

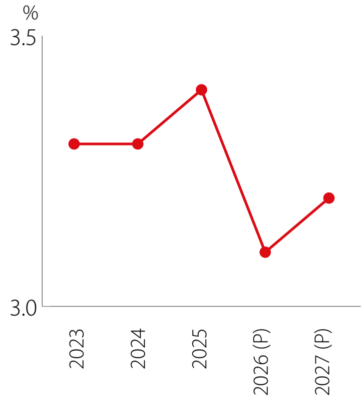
Amidst a complex global landscape characterised by geopolitical tensions, trade uncertainties, evolving policy dynamics, and moderating economic momentum, the global economy continued to demonstrate resilience during 2025. According to the International Monetary Fund (IMF) World Economic Outlook, global economic growth remained positive at 3.4% during the year, although still below long-term historical averages. Economic activity was supported by resilient labour markets, easing inflationary conditions across several economies, and stronger-than-anticipated performance within certain emerging markets and services sectors.

Advanced economies recorded relatively subdued growth amidst weaker consumer demand and policy uncertainty, whilst emerging markets continued to outperform global averages, supported by stronger domestic demand conditions and continued recovery within services-related sectors. Meanwhile, global trade and investment activity remained influenced by geopolitical fragmentation, tariff-related pressures, and ongoing supply chain realignments.

Inflationary pressures also moderated gradually across many economies during the year, supported by easing commodity prices and the cumulative impact of tighter monetary policy measures implemented over preceding periods. Nevertheless, the IMF continued to caution that downside risks to global growth remained elevated, particularly from geopolitical conflicts, trade tensions, climate-related disruptions, and financial market volatility.

In %	2024	2025	2026 - Projection
World Output	3.3	3.4	3.1
Advanced Economies	1.8	1.9	1.8
Emerging Market and Developing Economies	4.3	4.4	3.9
India	6.5	7.6	6.5
Sub-Saharan Africa	4.1	4.5	4.3

Global economic growth

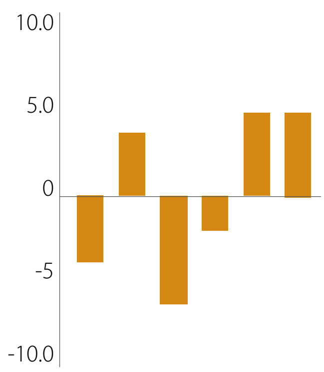


Sri Lankan Economy

GDP growth

- Despite the adverse impact of Cyclone Ditwah, Sri Lanka's economy maintained strong growth momentum during 2025, with real Gross Domestic Product (GDP) expanding by 5.0%.
- Economic growth remained broad-based throughout the year, with all four quarters recording positive performance, reflecting improving economic stability and continued recovery momentum.
- The Industry sector emerged as the primary driver of growth, supported by strong expansion in manufacturing and construction-related activities.
- The Services sector also posted healthy growth, driven by continued expansion in financial services and transport-related activities.
- Meanwhile, the Agriculture sector recorded improved performance compared to the previous year, contributing meaningfully towards overall economic expansion.

Total assets - Growth momentum

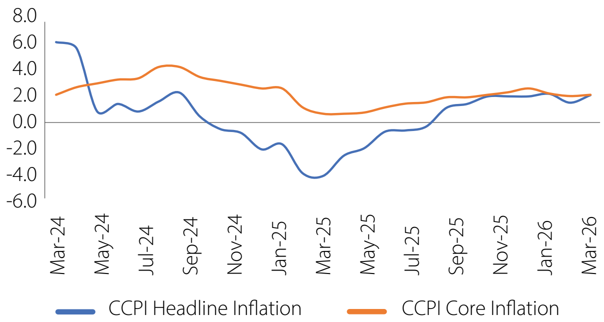


Source: Central Bank of Sri Lanka

Inflation

- Inflationary pressures remained largely subdued during the year, supported by timely policy measures and favourable statistical base effects.
- The Colombo Consumer Price Index (CCPI) remained in negative territory during the early months of 2025, primarily due to VAT-related base adjustments and reductions in electricity tariffs.
- Inflation gradually normalised as the year progressed amidst upward adjustments in food prices and utility tariffs.
- Headline inflation returned to positive territory by August 2025 before stabilising at manageable levels into early 2026.

Inflation : CCPI YoY Pecentage Change

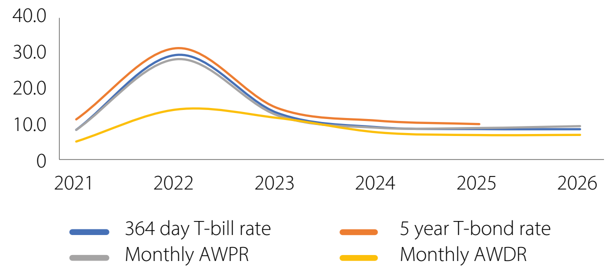


Source: Central Bank of Sri Lanka

Market rates

- Market interest rates continued to ease during 2025 amidst an accommodative monetary policy stance, low inflationary pressures, improving sovereign creditworthiness, and well-anchored inflation expectations.
- The Central Bank further reduced the Overnight Policy Rate (OPR) during the year, continuing the monetary easing measures initiated since mid-2023.
- Consequently, lending, deposit, and money market rates generally trended downward throughout the year.
- Towards the latter part of the year, short-term interest rates and government securities yields recorded temporary upward movements due to domestic liquidity distribution imbalances, although these conditions gradually normalised in early 2026 as liquidity conditions improved.
- Overall, the interest rate environment remained considerably more favourable compared to prior years, notwithstanding some short-term volatility towards year-end.

Key Market Rates

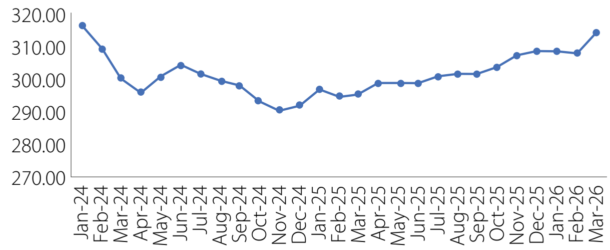


Source: Central Bank of Sri Lanka

External Sector Performance

- Sri Lanka's external sector performance strengthened further during 2025, with the country recording a current account surplus for the third consecutive year amidst improving macroeconomic conditions.
- The external sector remained supported by historically high workers' remittances, which increased to USD 8.1 Bn in 2025 compared to USD 6.6 Bn in 2024, alongside improved services exports including tourism earnings.
- Despite a widening merchandise trade deficit, sustained foreign currency inflows supported the continued strengthening of official reserves, which reached USD 6.8 Bn by end-2025.
- The Sri Lankan Rupee recorded a modest depreciation during the year 2025 under the country's flexible exchange rate regime.

Exchange rate movement - LKR/USD



Source: Central Bank of Sri Lanka

Impact on Group Performance

Against a highly competitive operating backdrop, Ex-Pack Corrugated Cartons PLC continued to leverage strong business acumen, operational discipline, and market insight in navigating evolving industry conditions during the year. The corrugated cartons industry remained characterised by intense competition, oversupply conditions, and pricing pressures, which moderated revenue growth across the sector. Nevertheless, the Company continued to demonstrate resilience, supported by operational efficiencies and enhanced production capability arising from the successful installation of the new corrugator machinery during the previous financial year.

Importantly, the improving macroeconomic environment in Sri Lanka positively supported the Company's operations during the year. Greater economic and policy stability, lower inflationary pressures, easing interest rates, and the recovery in industrial and construction-related activity contributed towards improved business confidence and smoother operating conditions for the Company's B2B customer base, including export-oriented industries. The relatively stable business environment also supported continuity in supply chains, customer operations, and overall ease of doing business, enabling Ex-Pack to strengthen operational performance amidst challenging market dynamics.

Acute physical climate risk: Impact of Cyclone Ditwah on Sri Lanka

Cyclone Ditwah underscored the growing intensity and unpredictability of climate-related events facing Sri Lanka, highlighting the country's heightened exposure as an island nation to extreme weather patterns and natural disasters. Making landfall on the eastern coast on 28 November 2025 during the North East Monsoon period, the cyclone triggered widespread flooding and landslides across the country, severely disrupting communities, infrastructure, transport connectivity, and economic activity nationwide.

Impact of Cyclone Ditwah

Source: Disaster Management Centre Sri Lanka

Physical damage

- Caused intense rainfall, strong winds, storm surges, widespread flooding, and an estimated 1,800+ landslides across the country
- Approximately 1.1 million hectares of land were inundated At the peak of the disaster
- Approximately 1,206 km of national roads damaged, significantly disrupting mobility and logistics networks
- Around 750 bridges across the wider transport network affected, impacting accessibility and supply chain continuity
- An estimated 113,777 houses sustained damage due to flooding and landslides
- Approximately 11,000 households identified as requiring resilient relocation support
- More than 45,000 enterprises experienced physical damage or operational disruption, particularly informal, micro, and small businesses
- Agricultural sector losses estimated at LKR 136.6 Bn, reflecting damage to crops, livestock, fisheries, plantations, and other productive assets
- The disaster also had significant implications for rural livelihoods, food security, and economic recovery

Humanitarian impact

- Over 232,752 people displaced during the emergency period
- By late January 2026
  - Fatalities had reached 646, whilst 173 individuals remained missing
  - Over 169,642 displaced persons continued to remain in safety centres or with host families during the recovery phase

Estimated Economic Impact

- An estimated loss of Rs. 618.1 Bn (USD 2.0 Bn) in damages and Rs. 416.0 Bn (USD 1.4 Bn) in economic losses across 22 assessed districts
- Estimated recovery and reconstruction requirements of approximately Rs. 1,022.5 Bn (USD 3.4 Bn) over a three-year period
  - Of this, approximately Rs. 391.3 Bn is required for priority early recovery interventions within the first 12 months.
- Infrastructure sectors account for the largest share of recovery requirements at 49%, followed by social sectors at 31.1% and productive sectors at 17.4%.

Sectoral recovery needs

Transport estimated at

RS.397.1Bn

Housing and settlements estimated

RS.275Bn

Commerce and industry estimated

RS.119Bn

Agriculture and food systems estimated

RS.51.3Bn

Impact on Group Performance

The impact of Cyclone Ditwah on Ex-Pack Corrugated Cartons PLC remained relatively contained, with factory operations unaffected. Importantly, the Company did not experience any significant damage to factory premises or major adverse impacts on employees as a result of the disaster.

However, the broader disruptions caused by the cyclone affected supply chain movements, distribution activities, and customer operations to a certain extent during the immediate aftermath of the event. Demand conditions also experienced temporary moderation amidst wider economic and logistical disruptions across affected regions, although operations gradually normalised as recovery efforts progressed.

Way forward

Looking ahead, Ex-Pack Corrugated Cartons PLC remains mindful of the evolving global and domestic macroeconomic landscape within which it operates. As a supplier to several export-oriented industries, the Company remains indirectly exposed to external market conditions affecting its customer base, including shifts in global demand, geopolitical tensions, trade disruptions, and supply chain volatility. In particular, ongoing geopolitical unrest in the Middle East, disruptions to global shipping routes, freight cost fluctuations, and broader global economic uncertainty continue to present potential risks to export markets and customer operating environments.

The Company also remains cognisant of its reliance on imported raw materials and the associated exposure to foreign exchange movements, global commodity pricing, and supply chain dynamics. Against this backdrop, Ex-Pack will continue to focus on operational efficiency, prudent cost management, customer diversification, supply chain resilience, and disciplined capital allocation whilst leveraging its enhanced manufacturing capabilities to strengthen competitiveness.

VALUE TRANSFORMATION PROCESS

CAPITAL INPUTS	RESOURCE ALLOCATION	ADEQUACY AND ACCESS TO CAPITAL
FINANCIAL CAPITAL		
• Equity capital • Borrowings	• Total equity capital - Rs. 3,656 Mn • Short-term borrowings - Rs. 2,454 Mn • Long-term borrowing - Rs. 729 Mn	Sustained access to low-cost debt financing, complemented by the strengthening of equity through retained earnings.
MANUFACTURED CAPITAL		
• Property, plant and equipment (PPE) including our state-of-art modern corrugator machine	• Total PPE as at financial year end - Rs. 3,678 Mn • Capital expenditure during the year - Rs. 422 Mn	Enhanced Manufacturing Capital through the newly installed corrugator, strengthening production capacity, alongside improved factory floor layouts that optimise space utilisation and operational efficiency
HUMAN CAPITAL		
• The Ex-Pack team	• Total employees - 318 • New recruitments during the year - 95	A well-balanced and stable talent pool, combining experienced internal expertise with a steady infusion of new talent, ensuring strong and sufficient Human Capital
INTELLECTUAL CAPITAL		
• Ex-Pack brand strength in Sri Lanka, internationally certified systems and processes, and organisational tacit knowledge	• Value of intangible assets - Rs. 24Mn • Number of ISO standards maintained - 02 • Average service of employees - 07 years • R&D staff strength - 06	Sector-specific expertise and organisational know-how, underpinned by deep market insights and reinforced through talent retention, continuous learning, and a growth-oriented culture
SOCIAL AND RELATIONSHIP CAPITAL		
• Relationships we nurture with our won suppliers, customers, other value chain partners, our valued consumers and the wider community we function in	• B2B customers - Over 346 • Rs. 3.13 Mn invested in community empowerment initiatives	Strong and mutually beneficial relationships with customers, suppliers, business partners, and the communities in which we function
NATURAL CAPITAL		
• Natural resources that support our operations	• Land extent - 4 Acres • Water usage - 1.396 ML • Total energy consumption - 22,960 GJ	Uninterrupted access to required natural resources, and the responsible use of same

VALUE TRANSFORMATION

VISION

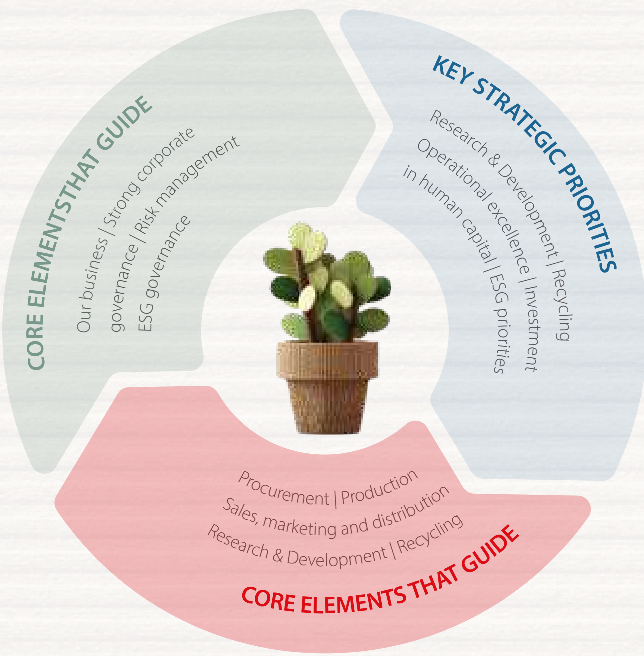
To be the most preferred packaging solution supplier in Sri Lanka

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

Driven by

- Evolving operating environment in a local and global context
- Stakeholders engagements
- Corporate governance
- Risk management practices
- ESG priorities

KEY OUTPUTS

High quality corrugated cartons catering to

- Over 300 Plus customers of which 50 are export customers
- 10% of production directly exported to 02 countries
- Total production tonnage - 23,811 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 - 3,083.04 MT

OUTCOMES	IMPACT ON STAKEHOLDERS	MATERIAL MATTERS	SDG INVOLVEMENT
FINANCIAL CAPITAL			
• Pre-tax profit (Company)- **Rs. 99 Mn**	**SHAREHOLDERS** • Net asset value per share: **Rs.10.97 (company)** • ROE - **12%**	• Profitable growth	8
MANUFACTURED CAPITAL			
• PPE (Company) - **Rs.3,678 Mn** • Depreciation and amortisation (Company) - **Rs. 258 Mn**	**CUSTOMERS AND EMPLOYEES** • Net asset value per share: **Rs.10.97 (company)** • ROE - **12%**	• Manufacturing capabilities	9, 12
HUMAN CAPITAL			
• Expenses to employees - **Rs. 773 Mn** • Investment in training and development - **Rs. 1 Mn**	**EMPLOYEES** • Average training hours per employee -13%	• Creating an attractive employee value proposition • Employee health and safety	5, 8
INTELLECTUAL CAPITAL			
• Expenses on R&D - **Rs. 8 Mn** • 6 awards won	**CUSTOMERS** • Superior quality products, zero recalls due to quality defects	• Good governance and compliance to all laws and regulations applicable • Managing macro-economic headwinds	8, 9
SOCIAL AND RELATIONSHIP CAPITAL			
• Total payments to suppliers - **Rs. 5,305 Mn** • Taxes paid to the Government - **Rs. 1,137 Mn** • Satisfied customers	**CUSTOMERS** • Dynamic, high quality products **SUPPLIERS** • Continued patronage and cash flows **COMMUNITY** • 3,715 beneficiaries of CSR initiatives	• 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	3, 4, 10
NATURAL CAPITAL			
• Water recycled - **15.345 ML** • Renewable energy generated - **0 Mwah** • Decrease in total emissions - **14.60%**		• Energy consumption • Water and effluents • Emissions and waste • Climate change adaptation	13

VALUE TRANSFORMATION PROCESS

VALUE TRANSFORMATION SCORECARD

Capital	KPI	Metric	Value as at 31 March 2025
FINANCIAL CAPITAL	Gross income	Rs. Mn	1,708
	Total assets	Rs. Mn	6,847
	Total equity	Rs. Mn	2,888
	Total borrowings	Rs. Mn	2,207
	Market capitalisation	Rs. Mn	1,645
	Return on assets	%	6
	ROE	%	15
MANUFACTURED CAPITAL	Property, plant and equipment		3,954
	Total production volume	Tonnes per year	23,575
	Machine uptime / equipment availability	%	100
	Production yield	%	97
	Defect rate / rejection rate		3
	Capital expenditure on plant and equipment	Rs. Mn	1,500
	Average production lead time		2 days
HUMAN CAPITAL	Total employees	No.	301
	Profitability per employee	Rs. Mn	1,416
	New recruits during the year	No.	135
	Employee retention ratio	%	95
	Total training hours	No.	3,966
SOCIAL AND RELATIONSHIP CAPITAL	Customer satisfaction score	Score out of 100	90
	Investment in corporate social responsibility initiatives (CSR)	Rs. '000	2.8
	Beneficiaries of targeted CSR initiatives	No.	4,765
	Supplier base	No.	252
	Payments to suppliers	Rs. Mn	5,305
	Taxes paid to the Government	Rs. Mn	1,402
INTELLECTUAL CAPITAL	Value of intangible assets	Rs. Mn	1,913
	Employees with service exceeding 10 years	No.	120
	Investments in staff training and development	Rs. Mn	0.825
	Total awards won	No.	13
	ISO certifications	No.	2
NATURAL CAPITAL	Energy consumption	GJ	35,146
	Percentage of renewable energy used	%	0
	Water consumption	ML	1.268
	GHG emissions	tco2e	4,570
	Effluent discharge levels vs. regulatory limits	%	0
	Number of environmental compliance violations	No.	0

Value drivers through the year	Value as at 31 March 2026	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.	1,487	-221
	8,576	1,729
	3,656	768
	3,183	976
	1,478	-126
	5	-1
	12	-3
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.	3,678	-276
	23,811	236
	100	0
	97	0
	3	0
	422	-1,078
	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.	318	17
	1,428	12
	95	-40
	72	-23
	3,908	-58
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
	3.13	0.33
	3,715	-1,050
	190	-62
	5,353	48
	1,137	-265
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.	24,424	22,511
	102	-18
	1	0.175
	6	-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.	22,960	-12,186
	0	0
	1.396	0.128
	3,902	-657
	0	0
	0	0

STAKEHOLDER ENGAGEMENT

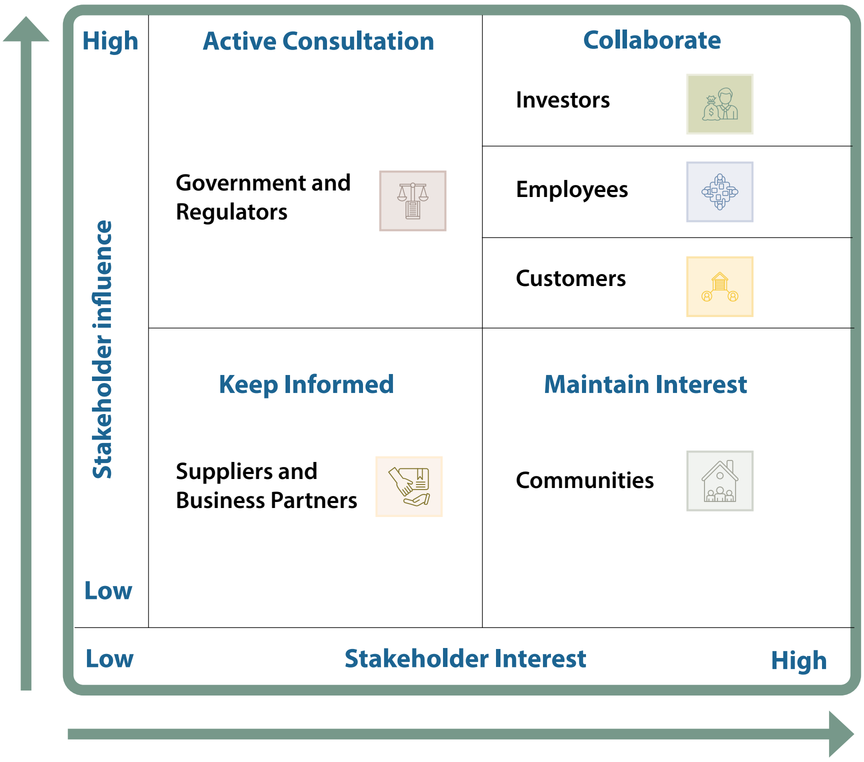
Ex-Pack Corrugated Cartons PLC has established a structured process to guide its stakeholder engagement practices, ensuring alignment with the Group's values and strategic objectives. This sets out clear guidelines for identifying, engaging, and communicating with key stakeholders, including shareholders, customers, employees, suppliers, regulators, and the wider community, and is regularly reviewed to reflect evolving expectations and best practices.

Dedicated teams maintain ongoing communication with each stakeholder group, ensuring that feedback is systematically captured, analysed, and acted upon. Underpinned by strong ethical standards and a commitment to transparency, the Group's engagement approach incorporates clear processes for addressing concerns, fostering accountability, and building long-term, trust-based relationships that support sustainable growth.

Our stakeholder universe

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.



Investors

The long-standing base of shareholders, both individual and institutional who are the key source of strength of the Group.

5,014 Shareholders

96% Local shareholders

99% Individual shareholders

Engagement Mechanisms		
Modes	**Related publications/ documentation**	**Dedicated point of contact**
• Annual General Meetings • Extraordinary General Meetings • Quarterly financial results publications • Meetings/road-shows with investment analysts, stock brokers, etc. as and when required	• Annual Reports • Quarterly financial statements • Announcements to the Colombo Stock Exchange	• Company Secretary • Head of Finance

Key concerns raised and connectivity to material matters		
Key Concerns Raised	**Response Actions**	**Corresponding Material Topics**
• Resilience of the Company's strategy in navigating macroeconomic and political uncertainties • Financial performance, profitability, and return on investment • Efficiency of operational processes and cost management • Exposure to climate-related disruptions (e.g., events such as Cyclone Ditwah) affecting operations, supply chains, and business continuity • Transparency in corporate governance and adherence to ethical standards • Effectiveness of risk management, particularly in managing supply chain disruptions and raw material cost volatility • Strength of leadership and effectiveness of succession planning • Retention, development, and availability of skilled talent in a competitive industry • Impact of market conditions on demand for corrugated packaging solutions	• 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	• 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**	**Connected capitals**
Rs.99Mn Pre-tax profits (Company)		
Rs.3,656Mn Total equity (Company)		

Customers

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

346 Total customer base

15 Long-standing multi-national corporates

50 Export customers

Engagement Mechanisms

Modes	Related publications / documentation	Dedicated point of contact
• 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 customers and their global representatives at Company factory premises for observation of production and R&D processes • Connectivity via trade fairs, exhibitions and conventions	• Product brochures • Press releases	• Head of Sales

Key concerns raised and connectivity to material matters

Key Concerns Raised	Response Actions	Corresponding Material Topics
• 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	• Tailored packaging solutions supported by enhanced R&D • Transparent and fair pricing aligned with cost structures • Responsible sourcing and sustainable production practice • Efficient supply chain management ensuring timely delivery • Adherence to evolving global packaging trends and regulatory requirements, particularly in key markets such as the EU • Flexible payment terms to meet customer credit needs • Integration of customer feedback for continuous improvement • Ongoing sustainability initiatives aligned with evolving ESG expectations	• Manufacturing capabilities • Ethical procurement practices • Customer health, safety and satisfaction • Superior, innovative and quality products

Driving value and strategy

Value Delivered	Link to Strategy	Connected capitals
Zero lapses in customer quality requirements 97% timely deliveries		

Employees

A team of over 300 employees, strongly aligned with and committed to the Ex-Pack culture

318	19%	32%
Total employees	Female representation	Staff with service exceeding 10 years

Engagement Mechanisms

Modes	Related publications / documentation	Dedicated point of contact
• 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	• HR policy and manual • Staff emails • Notices displayed across factory premises	• 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 Actions	Corresponding Material Topics
• Robust performance management and competitive remuneration • Strong focus on workplace health and safety • Clear career progression pathways • Continuous learning and professional development opportunities • Commitment to diversity and an inclusive workplace • Support for work–life balance and employee wellbeing • Provision of relief and support measures during periods of disruption (e.g., events such as Cyclone Ditwah)	• Competitive and fair remuneration • Strong workplace health and safety standards • Continuous training, development, and clear career progression • Comprehensive support programmers for employees and their families • Focus on mental wellbeing and employee satisfaction • Timely relief and support measures in response to disruptions such as Cyclone Ditwah	• Creating an attractive • employee value proposition • Employee health and safety

Driving value and strategy

Value Delivered	Link to Strategy	Connected capitals
RS.773Mn total payments to employees **RS.1Mn** invested in learning and development initiates		

Suppliers and Business Partners

Strong network of local and international suppliers and other business partners

179
(81% of total supplier base)
Local suppliers

40
(19% of total supplier base)
Overseas suppliers

03
Suppliers across continents

Engagement Mechanisms

Modes	Related publications / documentation	Dedicated point of contact
• Supplier assessments, meetings • Information sources of suppliers such as their websites • Connectivity via trade fairs, exhibitions and conventions	• Supplier agreements • Terms and conditions	• Chief Executive Officer • Procurement Manager

Key concerns raised and connectivity to material matters

Key Concerns Raised	Response Actions	Corresponding Material Topics
• Prompt and complete payments • Stable demand supported by long-term partnerships • Exposure to geopolitical tensions (e.g., Middle East) impacting supply chains, freight, insurance costs, and overall input price volatility • Clear communication and efficient transaction processes • Reliability in order fulfilment and delivery schedules • Transparent and consistent procurement practices and contract terms • Timely feedback and responsiveness to supplier queries • Commitment to ethical sourcing and responsible production • Mutual growth and value creation opportunities	• Timely and complete payment settlements • Consistent demand driven by competitive pricing and quality • Streamlined and efficient supplier engagement processes • Transparent and fair contract negotiations • Prompt communication and resolution of supplier queries	• Ethical procurement practices

Driving value and strategy

Value Delivered	Link to Strategy	Connected capitals
Rs.2,796Mn Total payments to local suppliers - **52%** of payments to local suppliers		

Government and Regulators

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**
• Compliance with statutory reporting requirements • Regular liaison with regulatory authorities on sector-related issues • Active participation in industry associations and forums	• Quarterly financial statement • Other statutory information releases/ announcements to the CSE • Submissions to the Inland Revenue Department • Documents submission to the CEA, etc.	• Head of Compliance • Head of Human Resources
Key concerns raised and connectivity to material matters		
Key Concerns Raised	**Response Actions**	**Corresponding Material Topics**
• Adherence to all relevant laws, regulations, and standards • Contribution to national economic growth and development • Commitment to environmental responsibility and social well-being • Prompt support in advancing social security and recovery efforts in the aftermath of disruptions such as Cyclone Ditwah	• 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	• Good governance and compliance to all laws and regulations applicable
Driving value and strategy		
Value Delivered	**Link to Strategy**	**Connected capitals**
RS.1,137Mn Total taxes paid		NA

Communities

The diverse communities within which we operate

Engagement Mechanisms		
Modes	**Related publications / documentation**	**Dedicated point of contact**
• Through community-focused programs and initiatives • Active engagement on social media platforms	• Press releases	• Head of Human Resources • Head of Compliance
Key concerns raised and connectivity to material matters		
Key Concerns Raised	**Response Actions**	**Corresponding Material Topics**
• Addressing community needs through targeted initiatives and contribution • Minimising environmental impacts arising from operations • Creating local employment opportunities to support economic development • Providing timely support and relief to communities affected by disruptions such as Cyclone Ditwah	• Implementation of corporate sustainability initiatives • Fair and transparent recruitment processes with open access to opportunities • Vocational training and skill development for students • Structured management of environmental impacts through defined strategies • Swift, multi-faceted support to communities affected by disruptions such as Cyclone Ditwah	• Community engagement • Climate change adaptation
Driving value and strategy		
Value Delivered	**Link to Strategy**	**Connected capitals**
RS.1.1 BN Spend on CSR projects		

MATERIAL MATTERS

Determining Material Matters

The identification of material matters is grounded in stakeholder feedback gathered through ongoing engagement across key groups, ensuring that the topics reflect the issues most relevant to both stakeholders and the business. This input forms the foundation of the Company's materiality assessment, in line with the principles of the Global Reporting Initiative (GRI) Standards.

Building on this, Ex-Pack considered the applicable GRI Topic Standards alongside the SASB sector standard for Containers & Packaging to refine and validate its material topics. Each topic was assessed across short-, medium-, and long-term horizons to evaluate its potential impact. The Company also adopted a double materiality lens, considering both financial materiality (impacts on financial performance and position) and impact materiality (impacts on the environment and society). This approach enhances the identification and assessment of sustainability-related and climate-related risks and opportunities, ensuring a comprehensive and decision-useful set of disclosures.

1. Understand Ex-Pack's context
2. Identify actual and potential impacts
3. Assess the significance of the impact
4. Prioritise the most significant impacts for reporting
5. Arrived at the fifteen (15) material topics

New additions
Supplier assessments, meetings
Information sources of suppliers such as their websites
Connectivity via trade fairs, exhibitions and conventions

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

We have classified the 15 new material matters under five material themes as follows.

Theme 1: Financial Performance & Resilience
1.1 Profitable growth
1.2 Macro-economic headwinds
1.3 Geo-political tensions

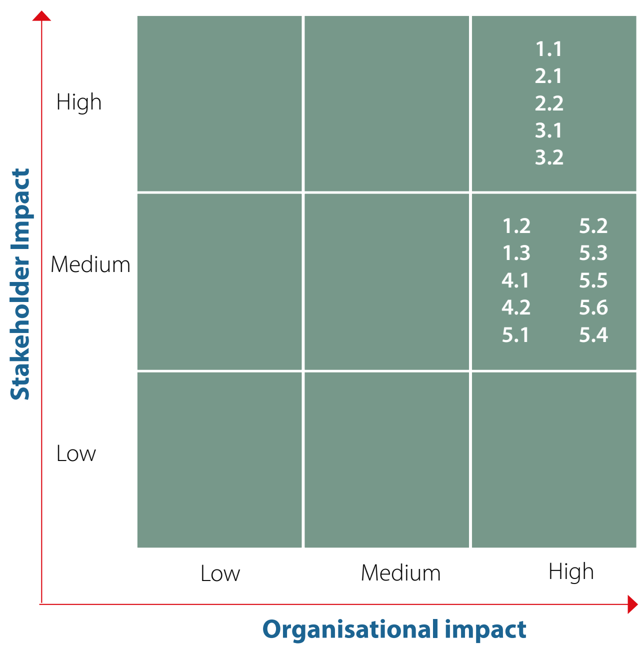
Theme 2: People & Culture
2.1 Creating an attractive employee value proposition
2.2 Employee health and safety

Theme 3: Customer Value & Product Leadership
3.1 Customer health, safety and satisfaction
3.2 Superior, innovative and quality products

Theme 4: Operational I Excellence & Supply Chain
4.1 Manufacturing capabilities
4.2 Ethical procurement practices

Theme 5: Environmental, Social & Governance (ESG)
5.1 Energy consumption
5.2 Water and effluents
5.3 Emissions and waste
5.4 Climate change adaptation
5.5 Community engagement
5.6 Good governance and compliance with applicable laws and regulations

Materiality Matrix



MATERIAL MATTERS

MM: Material Matter/s

S M L Short-term, Medium-term and Long-term respectively

MM Code	Material matter	Change in materiality during the year	Justification
Theme 1: Financial Performance & Resilience			
1.1	Profitable growth	Increased	Sustaining profitability amid evolving market conditions to ensure long-term value creation
	GRI 201- Economic Performance, GRI 207- Tax		
1.2	Macro-economic headwinds	Increased	Exposure to inflation, interest rates, and economic volatility impacting costs and demand
1.3	Geo-political tensions	Increased	Global uncertainties affecting supply chains, input costs, and market stability
Theme 2: People & Culture			
2.1	Creating an attractive employee value proposition	Increased	Need to attract and retain skilled talent in a competitive labour market
	GRI 401: Employment, GRI 402: Labour/ Management Relations, GRI 404: Training and Education, GRI 405: Diversity and Equal Opportunity		
2.2	Employee health and safety	Increased	Ensuring workforce well-being and operational continuity in a manufacturing environment
	GRI 403: Occupational Health and Safety		
Theme 3: Customer Value & Product Leadership			
3.1	Customer health, safety and satisfaction	Increased	Meeting quality and safety expectations to maintain trust and long-term relationships
	GRI 416: Customer Health and Safety		
3.2	Superior, innovative and quality products	Increased	Driving competitiveness through continuous innovation and product excellence
Theme 4: Operational Excellence & Supply Chain			
4.1	Manufacturing capabilities	Increased	Enhancing production efficiency and capacity to meet growing and evolving demand
4.2	Ethical procurement practices	Status quo maintained	Ensuring responsible sourcing and supplier integrity across the value chain
	GRI 204 Procurement Practices		

*Universal - Applies to all stakeholders

	Reporting boundary	Key stakeholders impacted* (Ranked in the order of severity of impact)	Strategic significance	Value delivered through	SDGs linked	Management of MM
	Internal					Pages 70
	External				-	Pages 44
	External				-	Pages 44
	Internal					Pages 90
	Internal					Pages 91
	External				-	Pages 106
	Internal					Pages 106
	Internal				-	Pages 78
	Internal External				-	Pages 108

MATERIAL MATTERS

MM: Material Matter/s

S M L Short-term, Medium-term and Long-term respectively

MM Code	Material matter	Change in materiality during the year	Justification	
Material theme: Product excellence and innovation				
5.1	Energy consumption	Increased	Managing energy use to control costs and reduce environmental impact	
	GRI 302: Energy, RT-CP-130a.1			
5.2	Water and effluents	Increased	Efficient water management and responsible discharge practices	
	GRI 303: Water and Effluents, RT-CP-140a.1 RT-CP-140a.2, RT-CP-140a.3			
5.3	Emissions and waste	Increased	Reducing environmental footprint through effective waste and emissions management	
	GRI 305: Emissions, RT-CP-110a.1, RT-CP-110a.2, RT-CP-120a.1, GRI 306: Waste, RT-CP-150a.1			
5.4	Climate change adaptation	Status quo maintained	Building resilience to physical climate risks and extreme weather events	
5.5	Community engagement	Status quo maintained	Maintaining strong relationships and contributing to local development	
	GRI 413: Local Communities			
5.6	Good governance and compliance with applicable laws and regulations	Increased	Upholding regulatory compliance and strong governance standards to safeguard stakeholder trust	

*Universal - Applies to all stakeholders

	Reporting boundary	Key stakeholders impacted* (Ranked in the order of severity of impact)	Strategic significance	Value delivered through	SDGs linked	Management of MM
	Internal					Pages 114
	Internal				-	Pages 117
	Internal					Pages 114
	Internal External					Pages 113
	Internal External					Pages 110
	Internal					Pages 135

STRATEGIC FOCUS

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.

Material Matters addressed

1.1 Profitable growth

1.2 Macro-economic headwinds

1.3 Geo-political tensions

Resource Allocation	Impact on capitals
Rs. 127 Mn investment in machinery upgrades	(-) Financial Capital in the immediate term + Financial Capital in the long-term

Key strategic actions rolled out in 2025/26

- 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
12% ROE	Shareholders
1% increase in revenue	Employees

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 70

Future focus

The Company will drive profitable growth through targeted investments in automation, market expansion, and a stronger focus on innovative and sustainable packaging solutions. This will be supported by streamlined operations, stronger supplier partnerships, and deeper customer engagement through tailored offerings.

At the same time, emphasis will be placed on building resilience to protect margins amidst macroeconomic and geopolitical uncertainties, alongside diversifying the product portfolio to unlock new revenue streams.

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.

Material Matters addressed

3.2 Superior, innovative and quality products

Resource Allocation	Impact on capitals
Rs. 8 Mn spent on research and development of our products Rs. 127 Mn investment in machinery upgrades	+ Social and Relationship Capital

Key strategic actions rolled out in 2025/26

- Enhancements to the product quality and turnaround time with the new machinery in place
- Competitive pricing offered
- Ethically sourced raw materials accentuate 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 1% increase in revenue	Customers Suppliers and business partners

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 103

Future focus

Ex-Pack will strengthen its market leadership by expanding share through targeted innovation and selective geographic diversification. The Company will continue to deepen customer loyalty by delivering high-quality, tailored packaging solutions and building long-term relationships.

At the same time, investments in advanced technology and sustainable practices will be prioritised to enhance competitiveness and respond to evolving market expectations.

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.

Material Matters addressed

3.1 Customer health, safety and satisfaction

4.1 Manufacturing capabilities

4.2 Ethical procurement practices

Resource Allocation	Impact on capitals
Capital expenditure of Rs. 127 Mn on property, plant and machinery Rs. 2.3mn spent on certifications and standards 3,908 training hours spent by employees on production process related training	+ Manufactured Capital + Intellectual Capital

Key strategic actions rolled out in 2025/26

- 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% • Cycle Time: 2 working days • Machine Downtime: 3% • On-Time Delivery Rate: 97% • Safety Incidents: 8 incidents	Employees Customers

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 76
Intellectual Capital – page 96

Future focus

Ex-Pack will continue to strengthen operational excellence through ongoing investments in advanced machinery and automation, enhancing efficiency and productivity. Focus will also be placed on streamlining the supply chain, minimising waste, and embedding lean practices supported by continuous employee upskilling.

These efforts will sustain cost competitiveness, improve operational resilience, and support long-term efficiency and sustainability.

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.

Material Matters addressed

2.1 Creating an attractive employee value proposition

2.2 Employee health and safety

Resource Allocation	Impact on capitals
Expenses to employees: Rs. 773 Mn Investment in training and development: Rs. 1 Mn Total training hours: 3,908	+ Human Capital - Financial Capital in the immediate term + Financial Capital in the long term

Key strategic actions rolled out in 2025/26

- 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: 72% Pre-tax profit per employee generated: Rs. 0.3 Mn (Company) Average training hours per employee: 13 hrs.	Employees

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 84

Future focus

Ex-Pack will continue to strengthen its human capital through targeted training, structured career pathways, and a culture of continuous learning. Focus will be placed on enhancing workforce agility and capability to support evolving operational demands. In parallel, the Company will invest in leadership development to build a strong pipeline of future-ready leaders and ensure sustained organisational growth.

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.

Material Matters addressed

5.1 Energy consumption

5.2 Water and effluents

5.3 Emissions and waste

5.4 Climate change adaptation

5.5 Community engagement

5.6 Good governance and compliance with applicable laws and regulations

Resource Allocation	Impact on Capitals
Rs. 3.13 Mn spent on corporate social sustainability initiatives Rs. 1 Mn spent on quantification of GHG emissions Rs. 4.6 Mn spent on responsible disposal of waste and effluent 500 Hrs above staff volunteer hours spent on CSR initiatives	(-) Financial Capital + Social and Relationship Capital + Natural Capital

Key strategic actions rolled out in 2025/26

- Quantification and verification of GHG emissions for the 05th consecutive year
- 04 CSR projects conducted during the year
- Conducting safety compliance sessions.

KPIs delivered	Stakeholders impacted
14.60 % Decrease in GHG emissions 3,715 beneficiaries of the Company's CSR initiatives Zero lapses in governance related matters	Community

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 103, Natural Capital – page 111

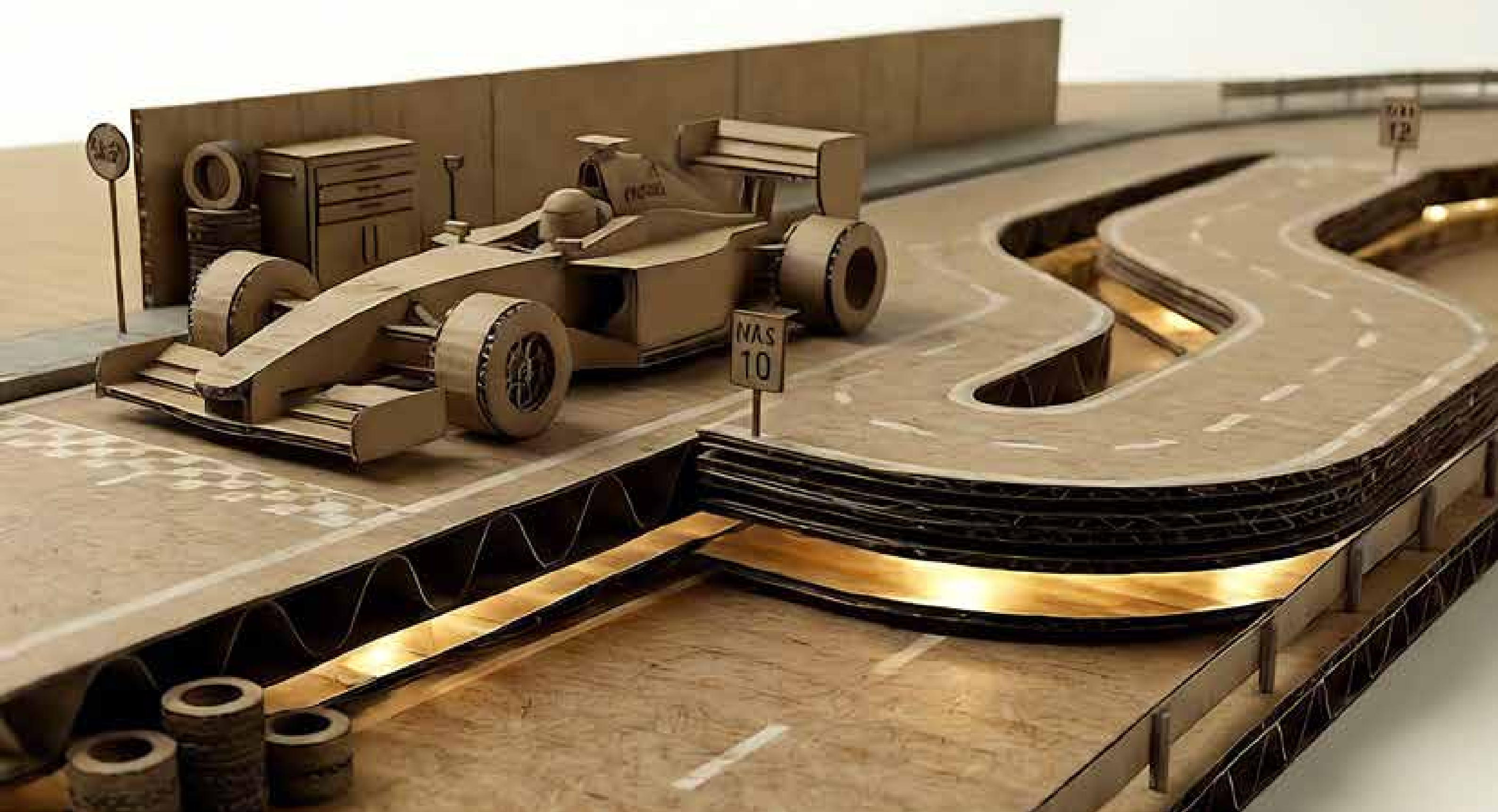
Future focus

Ex-Pack will continue to embed ESG principles across its operations, with a focus on resource efficiency, waste reduction, and minimising environmental impact. The Company will strengthen its social contribution through employee well-being and community engagement, while reinforcing governance practices to ensure transparency, ethical conduct, and regulatory compliance.

MANAGEMENT DISCUSSION & ANALYSIS

ENGINEERED FOR PERFORMANCE

At Ex-Pack, performance is engineered through precision, planning, and disciplined execution. Every strategic decision is focused on optimising output, enhancing efficiency, and sustaining growth. With strengthened capabilities and a forward-looking approach, we translate strategy into measurable impact; delivering results that are consistent, scalable, and built for long-term success.



FINANCIAL CAPITAL

Sustaining Growth Through Financial Strength

Financial capital is fundamental to Ex-Pack's operational resilience and long-term growth. Through disciplined financial management and prudent capital allocation, the Group continues to strengthen its operational capabilities, support strategic investments, and generate sustainable value for stakeholders.

Top 5 Value drivers

1. Strong equity base and resilient balance sheet structure
2. Disciplined cost management and operational efficiency
3. Prudent working capital and liquidity management
4. Balanced funding mix with maturity alignment to cash flow generation
5. Strategic capital investment supporting long-term growth and competitiveness

Value created

Rs.281Mn	7%
Profit after tax	ROE

Key human capital inputs

RS.4.0Bn
in equity capital

RS.1.6Bn
in non-current liabilities

RS.5.0Bn
in current liabilities

Link to our material matters

- Profitable growth
- Macro-economic headwinds
- Geo-political tensions

How we contribute to advancing the United Nation's Sustainability Development Goals

Driving our strategy with Financial Capital

Strategic pil lar	How Human Capital supports the strategic pillar
Profitable growth	Supported through disciplined financial management, efficient capital allocation, and prudent cost control, enabling the Group to strengthen profitability and sustain long-term value creation.
Market leadership	Enables strategic investments in advanced manufacturing technology, operational expansion, and product capability enhancement, strengthening the Group's competitive positioning within the industry.
Operational excellence	Facilitates continuous investment in operational infrastructure, process optimisation, and productivity-enhancing initiatives that improve efficiency, reliability, and manufacturing performance
Investment in Human Capital	Supports employee remuneration, training, safety, and capability-building initiatives that strengthen workforce productivity, engagement, and long-term organisational resilience.
ESG priorities	Enables investments in environmentally responsible operations, resource efficiency initiatives, compliance requirements, and sustainability-related improvements aligned with evolving stakeholder expectations.

Connectivity to other capitals

Eroded	Preserved	Augmented

Human Capital

Time horizon	Impact on capital	How it happens
Short term		Through timely remuneration, employee benefits, training investments, and workforce support initiatives
Long term		Through sustained investment in people capabilities, productivity enhancement, and long-term workforce stability supporting stronger financial performance

Manufactured Capital

Time horizon	Impact on capital	How it happens
Short term		Through financial investments in maintenance, operational continuity, and infrastructure upkeep
Long term		Through strategic capital expenditure on advanced machinery, factory optimisation, and technology upgrades that strengthen operational capacity and competitiveness

Intellectual Capital

Time horizon	Impact on capital	How it happens
Short term		Through investments in systems, process improvements, and operational planning capabilities
Long term		Through enhanced innovation, operational intelligence, and knowledge-driven efficiencies supporting long-term profitability and resilience

Social and Relationship Capital

Time horizon	Impact on capital	How it happens
Short term		Through timely supplier settlements, customer support, and responsible stakeholder engagements
Long term		Through sustained stakeholder trust, stronger partnerships, and enhanced market confidence driven by financial stability and disciplined governance

Natural Capital

Time horizon	Impact on capital	How it happens
Short term		Through investments supporting compliance, waste management, and responsible resource utilisation
Long term		Through continued investments in energy efficiency, sustainable operations, and environmentally responsible manufacturing practices that improve long-term resilience and efficiency

Disclosure requirements met

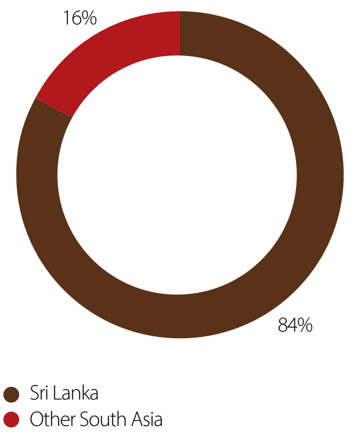
GRI 201
Economic Performance

GRI 207
Tax

Income, cost and profitability analysis

In Rs. Mn	Group		
For the financial year ended 31 March	2026	2025	YoY change
Revenue from Contracts with Customers	9,836	9,932	-1%
Cost of Sales	(8,065)	(7,734)	4.3%
Gross Profit	1,771	2,198	-19%
Other Operating Income	67	62	8%
Selling and Distribution Expenses	(553)	(461)	20%
Administrative Expenses	(957)	(877)	9%
Results from operating activities	327	922	-65%
Finance Cost	(423)	(221)	91%
Finance Income	5	21	-76%
Profit Before Tax	(91)	722	-113%
Income Tax Expense	371	(269)	-238%
Profit for the Year	281	453	-38%
Profit for the period attributable to:	-	-	
Equity holders of the parent	281	453	-38%
Non-controlling interests	-	-	-
	281	453	-38%

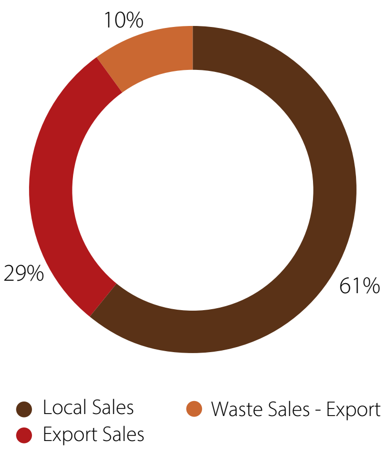
Composition of revenue based on the geographical locations of the customers



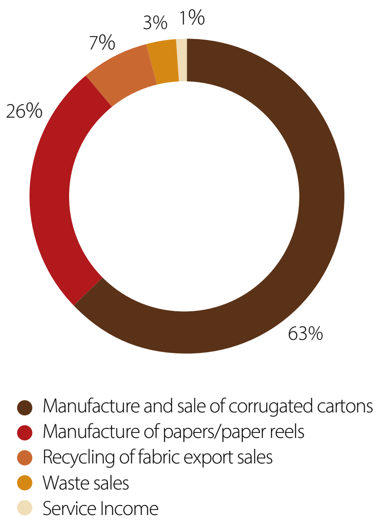
Revenue from Contracts with Customers

Revenue from contracts with customers for the year netted Rs. 9,836 Mn, and this was a marginal drop of 1% over the prior year (YoY growth). Sales volumes increased by 7%, reflecting a total tonnage of 25,130 MT. However stabilisation of market demand and volumes, together with intense competition required us to lower our margins and offer competitive pricing to our valued customers, exerting pressure on our revenue. Local sales dominated total sales with a concentration of 61%. Based on the geographical locations of the customers, Sri Lanka led the composition with 83% contribution.

Composition - Revenue from contracts with customers



Composition - Revenue based on the nature of the product sold



Cost of sales and Gross profit

Cost of sales for the year was Rs. 8,065 Mn, a YoY increase of 4%. The resultant gross profit was Rs. 1,771 Mn, a decrease if 19% over the prior year. Gross profit margin was 18%. The increase in cost of sales was on account of the increased input prices, which were subject to increased in freight charges, etc., and also the increase in fuel and electricity process.

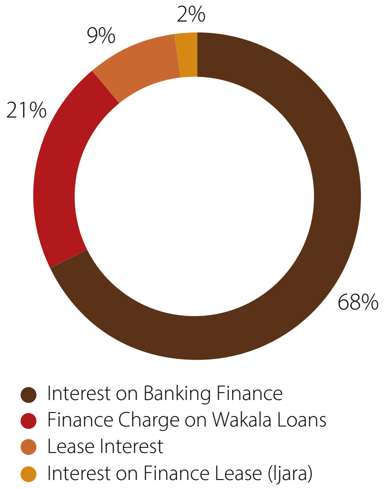
Key expense categories

Selling and distribution expenses and Administration are the key expense categories of the Group. These posted increases of 20% and 9% respectively. As mentioned earlier, the industry was marked by heightened competition and there was need to drive sales and distribution efforts, which is reflected in the expenses increase. Increase in administration expenses were curtailed at 9% through concerted cost management efforts such as optimizing operational efficiencies, controlling discretionary spending, and implementing prudent resource allocation measures.

Finance cost and Finance income

Finance costs for the year was Rs. 423 Mn, a sharp increase of 91%. This was expected, and the financial analysis in our 2024/25 Annual Report also referred to a potential increase in finance costs this year, on account of increased borrowings. All finance cost components increased during the year, due to increase in finance liabilities, part of which was to fund the purchase of our machinery.

Finance cost composition by source of borrowing



Finance income for the year was Rs. 5 Mn, a decline of 75%, due to lower interest income arising from reduced cash balances and the decline in prevailing market interest rates.

Taxes and profitability

Resultantly, the Group recorded a pre-tax loss of Rs. 91 Mn. With an income tax reversal of Rs. 372 Mn, the Group posted a post-tax profit of Rs. 281 Mn, which compared with a post-tax profit of Rs. 453 Mn in the prior year, thereby clocking in a decline of 38%.

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.

Total assets

In Rs. Mn	Group		
For the financial year ended 31 March	2026	2025	YoY change
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4,035	4,062	-1 %
Right to Use of Assets	350	363	-4%
Intangible Assets	228	206	11%
Investment Property	1,143	-	100%
	5,756	4,631	24%
Current Assets	-	-	
Inventories	1,795	1,482	21%
Trade and Other Receivables	2,369	2,186	8%
Advances and Prepayments	255	295	-14%
Income Tax Receivable	150	-	100%
Cash and Cash Equivalents	312	69	352%
	4,881	4,033	21%
Total Assets	10,637	8,663	23%

Marking a key milestone of the Group's journey, Ex-Pack's Group total assets crossed the Rs. 10.0 Bn mark to Rs. 10,637 Mn, with a YoY growth of 23% by the end of the financial year. The dynamism and the resilience of the balance sheet increased with this solid growth in the balance sheet, positioning Ex-Pack for further growth into the future.

Non-current assets and current assets grew within similar ranges at 24% and 21% respectively.

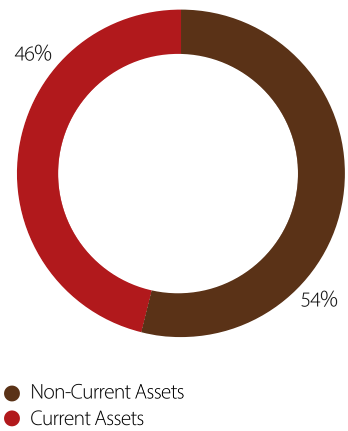
Property, plant and equipment (PPE) decreased by 1% to Rs.4,035 Mn.

Cash and cash equivalents also posted a healthy growth to Rs. 312 Mn, the movement of which is discussed in detail under Cash flows analysis.

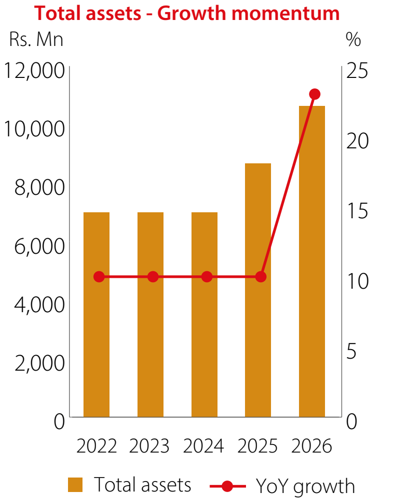
The Group continued to maintain disciplined working capital management practices during the year under review, with focused attention placed on the effective management of trade receivables and inventory balances amidst a competitive and evolving operating environment.

Trade receivables were closely monitored through strengthened collection processes and prudent credit management practices, enabling the Group to maintain healthy collection cycles and minimise excessive credit exposure. At the same time, inventory management remained a key operational priority, particularly considering imported raw material dependencies and supply chain uncertainties prevailing during the year. This is reflected in the increase in inventories by 21% over the prior year.

Dispersion of total assets



FINANCIAL CAPITAL

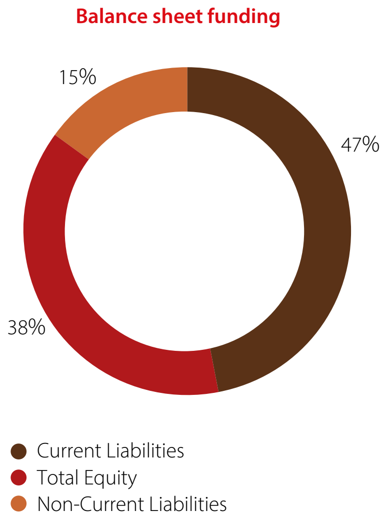


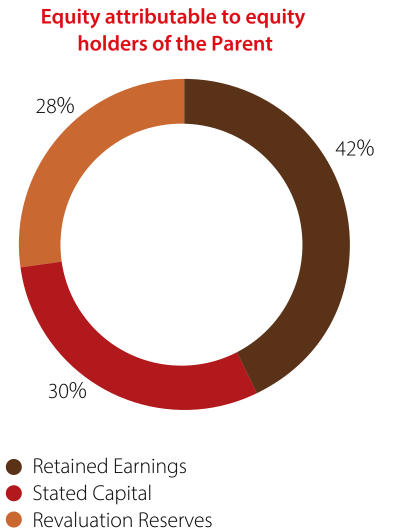
During the year within balance sheet funding, current liabilities reported a notable increase of 47%, to Rs. 5,024 Mn, thereby contributing to 47% of balance sheet funding. Within current liabilities, interest bearing loans and borrowings was the largest component of Rs. 3.8 Mn, and posted n increase of 79% YOY, due to the Group increasing its borrowing under this funding category. Interest bearing loans and borrowings under long-term contracts reduced by 19% to Rs. 1,006 Mn.

Equity capital strengthened during the year, by 17% Rs. 4,026 Mn with a healthy increase of 17%. Within equity, revaluations reserves and retained earnings increased by 78% and 7% respectively. Equity contributed to 38% of balance sheet funding.

Balance sheet funding

In Rs. Mn	Group		
For the financial year ended 31 March	2026	2025	YoY change
EQUITY AND LIABILITIES			
Stated Capital	1,200	1,200	0%
Revaluation Reserves	1,111	623	78%
Retained Earnings	1,716	1,609	7%
Equity Attributable to Equity Holders of the Parent	4,028	3,433	17%
Non - Controlling Interest	(2)	(1)	53%
Total Equity	4,026	3,431	17%
Non-Current Liabilities	-	-	
Deferred Tax Liability	375	410	-9%
Retirement Benefit Liability	206	158	31%
Interest Bearing Loans and Borrowings	1,006	1,241	-19%
	1,587	1,809	-12%
Current Liabilities	-	-	
Interest Bearing Loans and Borrowings	3,754	2,101	79%
Trade and Other Payables	1,270	1,244	2%
Income Tax Payable	-	79	-100%
	5,024	3,423	47%
Total Equity and Liabilities	10,637	8,663	23%





Cash flows analysis

For the year ended 31 March 2026	In Rs. Mn
Cash and cash equivalents at the beginning of the year	42.8
Net cash used in operating activities	(162.7)
Net cash flows used in investing activities	(700.9)
Net cash flows from financing activities	1,127
Cash and cash equivalents at the end of the year	306.4

Ex-Pack Corrugated Cartons PLC began the financial year with cash and cash equivalents balance of Rs. 42.8 Mn. During the year, the Group incurred a net cash outflow of Rs. 162.7 Mn from operating activities. Key items driving this outflow were loss on disposal of property, plant and equipment and finance costs.

Net cash used in investing activities amounted to Rs. 700.9 Mn, primarily due to capital expenditure incurred on property, plant and equipment and acquisition of intangible assets.

Financing activities contributed a net inflow of Rs. 1,127.2 Mn, supporting the investment drive while optimising the capital structure. Within financing activities, Proceeds from interest bearing loans and borrowings of Rs. 18,399.7 Mn and repayment of interest-bearing loans and borrowings of Rs. 16,979.5 Mn are notable.

The resultant net increase in cash inflows for the year was Rs. 263.6 Mn, leading to a Cash and Cash Equivalents balance at the end of the year of Rs. 306.4 Mn.

Key investor ratios

For the financial year ended 31 March		2026	2025	2024
Return on equity (ROE)	%	7	13	18
Earnings per share	Rs.	0.84	1.36	1.74
Net assets value per share (NAVPS)	Rs.	12.08	10.29	9.54
Dividend per share	Rs.	0.47	0.62	0.67
Dividend payout ratio	%	56	45	38
Closing share price	Rs.	12.80	13.90	14.30
Price earning ratio	Times	15.24	10.22	8.21
Price to book value	Times	1.06	1.35	1.49

Other key financial ratios

Financial year ended 31 March		2026	2025	2024
Debt/equity ratio	%	118	97	72
Finance cost cover	Times	0.77	4.17	4.39
Quick asset ratio	Times	0.61	0.75	0.97

Way forward

The Group will continue to adopt a prudent approach to balance sheet and funding management, with particular focus on optimising the cost and mix of funding sources as borrowings associated with the new corrugator line come into effect. Continued emphasis will also be placed on disciplined working capital management to ensure efficient deployment of funds, strengthen liquidity, and support profitability. These efforts will collectively contribute towards enhancing shareholder returns and sustaining long-term financial resilience.

MANUFACTURED CAPITAL

Building value through manufacturing excellence

As a manufacturing-driven organisation, Manufactured Capital remains a critical enabler of Ex-Pack Corrugated Cartons PLC's value creation process. Our manufacturing facilities, state-of-the-art machinery, factory infrastructure, warehousing capabilities, and vehicle fleet collectively underpin our ability to consistently produce and deliver high-quality corrugated packaging solutions to customers across diverse industries.

These assets are fundamental to ensuring operational efficiency, product quality, timely delivery, and manufacturing reliability, enabling Ex-Pack to effectively support its customers within their own product and supply value chains.

Top 5 Value drivers

1. Advanced production infrastructure
2. Commitment to quality and sustainability
3. Optimised machinery utilisation through operator expertise and familiarity
4. Strategic expansion and optimisation of factory space
5. Reliable logistics and delivery capabilities

Key manufactured capital inputs

- State-of-the-art corrugator machine
- Production factory
- Warehouses
- Research and development laboratory
- Fleet of delivery vehicles

Value created/ impact

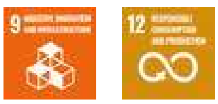
23,811 MT
of corrugated cartons produced

87.5%
average machine optimisation achieved

Link to our material matters

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

How we contribute to advancing the United Nation's Sustainability Development Goals



Driving our strategy with Manufactured Capital

Strategic pillar	How Manufactured Capital supports drive the strategic pillar
Profitable growth	Our advanced manufacturing infrastructure, enhanced production capacity, and efficient machinery utilisation support higher productivity, improved output quality, and the ability to meet growing customer demand profitably
Market leadership	Investments in modern production capabilities and operational infrastructure strengthen Ex-Pack's ability to consistently deliver reliable, high-quality packaging solutions, reinforcing its competitive positioning within the industry
Operational excellence	Well-maintained machinery, optimised factory layouts, and efficient logistics infrastructure enhance process efficiency, minimise downtime, and support timely delivery and cost optimisation
Investment in human capital	Modern machinery and improved operational infrastructure provide employees with safer, more efficient, and technologically advanced working environments that support skill enhancement and operational capability building
ESG priorities	Sustainable manufacturing practices, efficient resource utilisation, waste minimisation, and investments in environmentally responsible production infrastructure support the Group's broader sustainability and ESG objectives

Connectivity to other capitals

Eroded	Preserved	Augmented

Financial Capital

Time horizon	Impact on capital	How it happens
Short term		Efficient utilisation of machinery and infrastructure supports stable production, operational continuity, and revenue generation.
Long term		Strategic investments in manufacturing capacity and infrastructure strengthen profitability, scalability, and long-term shareholder value creation.

Intellectual Capital

Time horizon	Impact on capital	How it happens
Short term		Exposure to advanced machinery and production systems enhances operational knowledge and technical capabilities.
Long term		Continuous process improvements and manufacturing innovation strengthen organisational know-how and operational expertise.

Human Capital

Time horizon	Impact on capital	How it happens
Short term		Reliable machinery and improved operational layouts support safer and more efficient working environments.
Long term		Advanced manufacturing infrastructure enhances employee technical competencies, productivity, and long-term capability development.

Social and Relationship Capital

Time horizon	Impact on capital	How it happens
Short term		Consistent production quality and delivery reliability strengthen customer and supplier confidence.
Long term		Sustained investments in manufacturing capability reinforce brand reputation, customer loyalty, and stakeholder trust.

Natural Capital

Time horizon	Impact on capital	How it happens
Short term		Manufacturing operations consume energy, fuel, and other natural resources while generating emissions.
Long term		Waste recovery practices, operational efficiencies, and sustainable manufacturing initiatives support responsible resource utilisation and environmental management.

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 RTCP-250a.2

Our Machinery and Equipment

Our Manufactured Capital portfolio

Item	Extent/ quantum	Capacity	Location
Factory premises	• 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

Factory 2

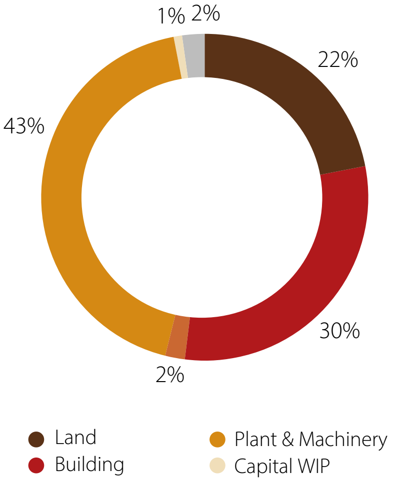
- 2 Colour Flexo Printer with Rotary Die and Vibrator function
- Pattern Punch Die Cutter with Auto Feeding and Collection
- Bottom Lock Multipoint Gluer
- Semi Auto Gluer

Other

- Vehicles/other equipment
- Forklifts
- Van
- Buses
- Bikes
- Lorries

Composition of our Property, Plant and Equipment

Property, Plant & Equipment Net Book Value As at 31st March 2026 (Company)



Performance of the new machinery installed in January 2025

Since commissioning the fully computerised corrugator from JS Machinery, China, in January 2025, the machine has demonstrated strong operational performance, significantly enhancing production efficiency, operational flexibility, and cost optimisation across manufacturing operations.

Despite operating on a single shift, the new corrugator has already surpassed the output levels of the previous machine, delivering approximately 16% more production output within a relatively short period. The machine, designed for speeds of up to 230 metres per minute, currently operates at an average speed of approximately 195 metres per minute following continuous optimisation and process improvements, representing a significant operational achievement within the first year of implementation.

Supporting demand responsiveness and operational flexibility

The enhanced capabilities of the new corrugator substantially strengthened the Group's production capacity, positioning the factory to cater to potential increases in customer demand with approximately 50% additional production capacity available.

However, external disruptions during the year, including the impact of Cyclone Ditwah and uncertainties arising from changes in US tariff structures, affected overall sales volumes and customer demand patterns. In addition, changing customer ordering behaviour, particularly the increase in smaller and more frequent order placements, resulted in a higher number of production changeovers, creating efficiency pressures and increasing production costs.

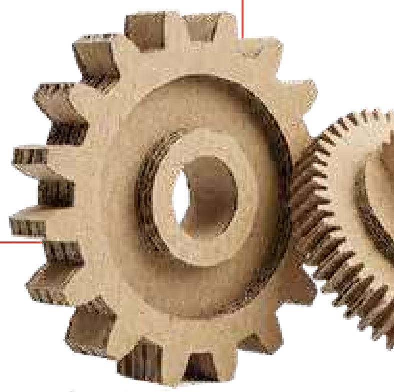
Nevertheless, the advanced automation and rapid changeover functionality of the new machinery enabled the Group to effectively manage these operational complexities while minimising downtime and maintaining production continuity.

Measured operational and cost benefits

The modernisation initiative generated measurable operational and cost efficiencies across several areas:

- Energy Efficiency
  - New machinery selected with strong focus on energy conservation and operational efficiency
  - Installation of advanced inverters and Variable Frequency Drives (VFDs) to optimise electricity consumption
  - The new corrugator recorded approximately 6% lower electricity consumption compared to the previous machine

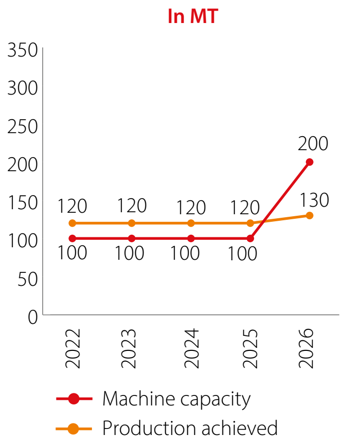
- Material Optimisation
  - Reduction in furnace oil and starch consumption
  - Lower waste generation percentages recorded during the year
  - Improved process control contributing towards greater material efficiency
- Labour Productivity
  - Elimination of one production shift while maintaining equivalent output levels achieved previously
  - Continuous improvement initiatives resulted in approximately 10% higher output from the single shift operation compared to the previous machinery setup



Key highlights

16% more machine production compared to legacy machinery, on one shift	**10%** more labour output from the single shift operation
6% less electricity consumption compared to legacy machinery	Continued enhancement in production speed per minuted, nearing optimum levels

Production capacity evolution



Factory Floor Optimisation

Following the enhancement of the Group's production capacity through the installation of advanced machinery, efficient utilisation of available factory space became an important operational priority. While production capabilities expanded significantly, the overall factory footprint remained unchanged, requiring the Group to adopt innovative layout optimisation and space management initiatives to support smooth operational flow, material handling efficiency, and workplace organisation.

During the year, several targeted initiatives were implemented to optimise factory floor utilisation, improve operational efficiency, and strengthen storage and inventory management capabilities.

Key Initiatives Implemented

- Construction of mezzanine floor facilities to expand storage capacity without increasing the physical factory footprint
- Introduction of overhead chute systems to divert waste material directly to the baling area, reducing congestion and disruption within operational production spaces
- Implementation of structured racking systems to improve material storage, accessibility, organisation, and space utilisation efficiency
- Introduction of barcode systems for store inventory management, enhancing inventory tracking, material control, operational visibility, and warehouse efficiency

Driving Kaizen Improvements Across the Factory

As part of its continuous improvement journey, Ex-Pack commenced the implementation of Kaizen-driven operational improvement initiatives across the factory during the year. These initiatives are aimed at strengthening operational efficiency, minimising waste, enhancing productivity, and fostering a culture of continuous improvement across manufacturing operations.

To support this transformation, the Group recruited a Lean Six Sigma Black Belt-qualified Production Engineer tasked with overseeing efficiency enhancement initiatives, identifying process improvement opportunities, and driving the implementation of structured operational optimisation programmes across the factory.

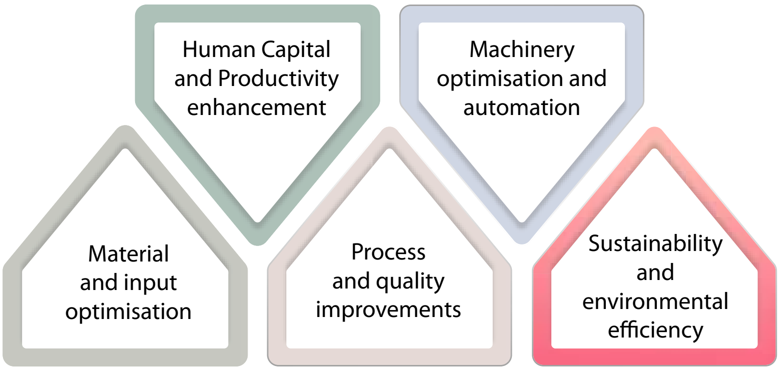
While these initiatives are currently in the implementation and integration phase, Ex-Pack expects the resulting operational, productivity, and efficiency improvements to progressively materialise from the next financial year onwards.

Research and Development

Research and Development (R&D) remains a strategically important area for Ex-Pack, supporting the Group's commitment to innovation, operational excellence, product enhancement, and long-term competitiveness within the corrugated packaging industry. Continuous investments in R&D have enabled the Group to strengthen manufacturing capabilities, improve efficiencies, optimise resource utilisation, and deliver increasingly sophisticated packaging solutions aligned with evolving customer expectations.

The benefits of these initiatives continued to materialise during the year across multiple operational dimensions.

Key areas of progress during the year



Human Capital and productivity enhancement

Operational improvements within the corrugation section enabled the transition from 24-hour operations to a more efficient 12-hour operating model while maintaining production output levels. Workforce requirements within the section were reduced by approximately one-third through productivity enhancements and process optimisation.

In parallel, Ex-Pack commenced the development of a structured skill matrix in collaboration with the Human Resources function to map competencies, identify skill gaps, and support future multi-skilling initiatives.

Impact generated:

- Improved labour productivity
- Enhanced workforce efficiency
- Reduction in labour-related operating costs

Machinery optimisation and automation

Significant progress was achieved through machinery upgrades, automation enhancements, and process optimisation initiatives. Corrugator operating speeds improved substantially from approximately 90 metres per minute to an average of 185 metres per minute.

Automation initiatives introduced during the year included:

- Automated splicers
- Automated glue ratio and temperature control systems
- Automated stacking systems
- Humidification systems
- Precision-based machine settings

In addition, the installation of advanced printing, die-cutting, and stripping technologies further enhanced print quality, finishing precision, housekeeping standards, and operational efficiency.

Impact generated:

- Increased throughput and equipment efficiency
- Reduced operational downtime
- Improved print quality and finishing accuracy

Material and input optimisation

R&D initiatives also focused on enhancing raw material utilisation and improving input consistency. During the year, Ex-Pack expanded its flute profile capabilities through the introduction of E-flute packaging alongside existing B and C flute profiles.

Enhancements were also made to adhesive formulation and application processes, resulting in improved bonding strength, particularly within lamination applications, while reducing process variability.

Impact generated:

- Reduced material consumption
- Lower rejection and wastage costs
- Improved product quality and performance

Process and quality improvements

The introduction of advanced printing and stripping technologies significantly improved print registration accuracy and flat die-cutting precision, reducing defects and enhancing product consistency.

System-driven operational controls and improved measurement accuracy further reduced manual intervention and process variability across production processes.

Impact generated:

- Reduced rework and quality-related losses
- Improved operational consistency
- Enhanced customer satisfaction and product reliability

Sustainability and environmental efficiency

R&D-driven operational improvements also contributed towards strengthening environmental performance. Waste reduction initiatives continued to improve operational efficiency, while the implementation of automatic bailing systems significantly reduced dust levels within the factory environment.

The adoption of energy-efficient machinery further supported reductions in energy consumption and strengthened operational sustainability.

Impact generated:

- Lower waste handling and disposal costs
- Reduced energy consumption
- Improved environmental and workplace conditions

Product Safety

During the year, Ex-Pack Corrugated Cartons PLC recorded no significant product recalls, including recalls involving major product volumes, serious safety concerns, injuries, or fatalities.

A recall refers to any repair, replacement, refund, or warning programmes initiated either voluntarily by the Company or mandated by regulatory authorities to address product-related safety concerns or non-compliance with applicable safety standards.

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

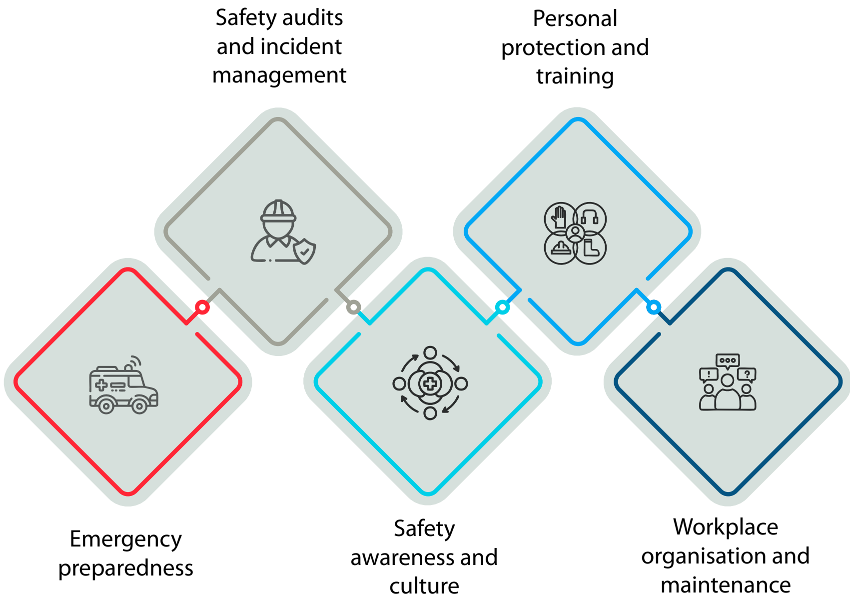
Ex-Pack's manufacturing processes involve minimal use of materials or chemicals that pose significant risks to human health or the environment. The Company's primary raw materials comprise paper, glue, ink, and starch, all of which are sourced, handled, and utilised within controlled operational environments aligned with the ISO standards adhered to by the Company. These controls support product safety, operational reliability, and the wellbeing of employees, customers, and end-users across the value chain.

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:

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

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

For more information on Emergency preparedness and Safety audits and incident management, please refer Human Capital - Employee health and safety, page 93.

Risks and Opportunities

Risks

- Oversupply in the domestic corrugated carton market could result in underutilisation of the newly installed corrugator line, limiting the ability to realise expected returns on investment
- Increased reliance on advanced manufacturing technology heightens exposure to operational downtime, maintenance complexities, and technical disruptions
- Rising energy, fuel, and operating costs may place pressure on manufacturing and logistics efficiency
- Factory premises operating at near full capacity may constrain future expansion and operational flexibility
- Dependence on fleet operations exposes the Group to transportation disruptions, fuel price volatility, and maintenance-related inefficiencies

Opportunities

- The state-of-the-art corrugator line enhances production speed, precision, consistency, and overall operational efficiency
- Advanced automation supports improved material utilisation, reduced wastage, and stronger cost optimisation
- Factory optimisation initiatives, including mezzanine storage and layout enhancements, enable more efficient use of space and streamlined workflows
- Enhanced manufacturing capabilities strengthen the Group's ability to cater to high-volume and customised packaging requirements
- Improved manufacturing and logistics infrastructure enhance delivery reliability, customer responsiveness, and competitive positioning
- Modern production technology supports greater resource efficiency and alignment with sustainability priorities

Way forward

Moving forward, Ex-Pack Corrugated Cartons PLC will continue to focus on maximising the value derived from its enhanced Manufactured Capital base by improving capacity utilisation, operational efficiency, and production agility. The Group aims to further optimise factory infrastructure, logistics capabilities, and workflow integration to support sustainable growth and evolving customer requirements. Parallel investments will also be made in strengthening Human Capital through technical training, capability development, and continuous learning initiatives to ensure employees are equipped to effectively operate and optimise advanced manufacturing technologies

HUMAN CAPITAL

Driving Performance Through Our People

Our people are central to operational excellence and sustained growth. In a manufacturing environment like ours, their skill, discipline, and commitment directly shape productivity, quality, and customer satisfaction. We remain focused on building a capable, engaged workforce through continuous development, strong safety practices, and a culture of accountability.

Top 5 Value drivers

1. Future-ready workforce through continuous training and upskilling
2. Retention of skilled and experienced talent
3. Strong safety culture and workplace discipline
4. Performance-driven culture with clear accountability
5. Employee engagement and wellbeing

Value created

Rs. 773 Mn
Payments to employees

Rs. 1 Mn
Invested in learning and development

Key Human Capital inputs

318
Competent and committed colleagues

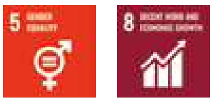
19%
Female representation

32%
Employees with over 10 years of service

Link to our material matters

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

How we contribute to advancing the United Nation's Sustainability Development Goals



Driving our strategy with human capital

Strategic pillar	How Human Capital supports drive the strategic pillar
Profitable growth	Driven by a skilled and efficient workforce that optimises productivity, minimises waste, and ensures consistent quality, enabling cost discipline and margin enhancement in both local and export markets.
Market leadership	Enabled by experienced and quality-focused teams that consistently meet stringent international standards, strengthening customer trust and reinforcing the Group's competitive positioning in export markets.
Operational excellence	Underpinned by technical capability, process discipline, and a strong performance culture, ensuring efficiency, reliability, and continuous improvement across manufacturing operations.
Investment in human capital	Focused on building a future-ready workforce through training, upskilling, and leadership development, ensuring the Group remains agile and capable of meeting evolving industry demands.
ESG priorities	Supported by a workforce committed to safety, ethical conduct, and responsible practices, reinforcing compliance, workplace wellbeing, and sustainable operations.

Connectivity to other capitals

Eroded	Preserved	Augmented

Financial Capital

Time horizon	Impact on capital	How it happens
Short term		Due to Human Capital investments such as training, remuneration, welfare
Long term		Through improved productivity, quality, and profitability driven by a skilled and engaged workforce

Manufactured Capital

Time horizon	Impact on capital	How it happens
Short term		Through proper handling and disciplined use of machinery and production systems
Long term		As skilled operators enhance efficiency, reduce downtime, and extend asset life through better utilisation and maintenance practices

Intellectual Capital

Time horizon	Impact on capital	How it happens
Short term		Through ongoing training and knowledge sharing
Long term		Through the build-up of technical know-how, process improvements, and operational expertise embedded within the workforce

Social and Relationship Capital

Time horizon	Impact on capital	How it happens
Short term		Through professional conduct and consistent customer engagement
Long term		As employee-driven service quality, reliability, and trust strengthen relationships with customers, suppliers, and other stakeholders—particularly in export markets requiring strict quality adherence

Natural Capital

Time horizon	Impact on capital	How it happens
Short term		Through adherence to responsible operational practices and resource discipline
Long term		Through a workforce that is increasingly aware of sustainability practices, driving efficiency in energy, water, and waste management

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

HUMAN RESOURCES MANAGEMENT APPROACH AND GOVERNANCE

Ex-Pack's mission is to lead the way in corrugated carton manufacturing and add value to stakeholders through operational excellence. This mission highlights the importance of employee satisfaction, which is seen as directly contributing to higher productivity and superior product quality for customers. As such, Ex-Pack is focused on sustainability, not just in how we make our packaging, but also in how we support and develop our workforce. We are committed to diversity, welcoming employees from all backgrounds, religions, and cultures, and ensuring everyone has a voice.

At its core, Ex-Pack's philosophy is simple: happy employees lead to better results. By creating a workplace that prioritizes inclusivity, growth, and well-being, we not only keep our team motivated but also deliver top-quality products to customers.

This year, our Human Resources strategy was anchored in organizational alignment and operational excellence

Key HR Policies

At Ex-Pack, our HR policies provide a clear and structured framework to manage our workforce, ensuring fairness, compliance, and a culture grounded in integrity and respect.

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- Performance management policy
- Reward and recognition policy
- Leave policy
- Compensation and benefits policy
- Code of conduct
- Policy against sexual harassment ender policy
- Policy on equal opportunity and non-discrimination
- Anti-fraud policy
- Grievance handling policy
- Disciplinary procedure
- Whistle blowing policy
- Diversity, Equity and Inclusion related policies

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

Board of Directors

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

Remunerations Committee

Responsible for implementing strategy and managing related risks

Managing Director

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

Head of HR

We are honoured to announce that Ex-Pack Corrugated Cartons PLC has been recognized as one of the Top 15 Workplaces in Sri Lanka's Manufacturing and Production sector by Great Place to Work® Sri Lanka

This marks the 4th consecutive year that Ex-Pack has earned this recognition a true testament to our unwavering commitment to fostering an environment built on trust, inclusion, and continuous growth.

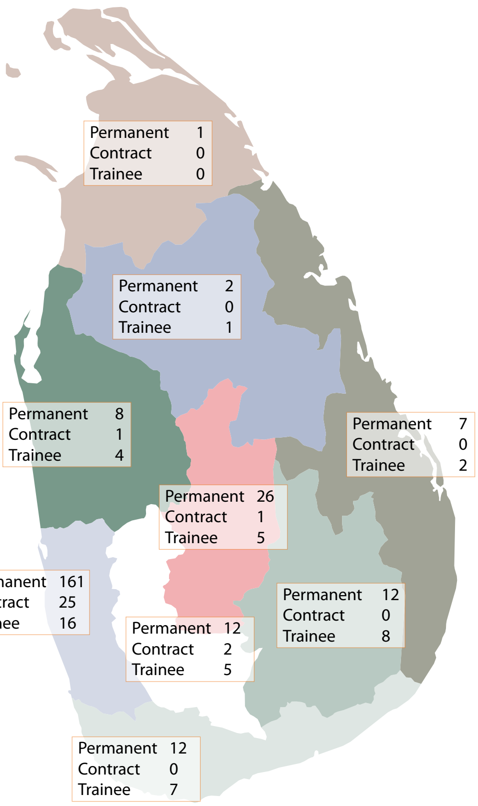
HR process certification

EX-PACK TEAM PROFILE

Employees by gender and region

Region	Male		Female	
	No	Percentage	No	Percentage
Central	31	9.75%	1	0.31%
Eastern	9	2.83%	-	0.00%
North Central	3	0.94%	-	0.00%
North Western	12	3.77%	1	0.31%
Northern	1	0.31%	-	0.00%
Sabaragamuwa	17	5.35%	2	0.63%
Southern	17	5.35%	2	0.63%
Uva	17	5.35%	3	0.94%
Western	152	47.80%	50	15.72%
Total	**259**	**81.45%**	**59**	**18.55%**

Employees by Contract/ Region



Employees by Contract/Gender

	Male	Female	Total
Permanent	200	41	241
Contract	25	4	29
Trainee / Probation	34	14	48
Total	**259**	**59**	**318**

Employees by Contract/Age

Employee Type	Age		
	18-30 Years	31-55 Years	Above 55 Years
Permanent	88	150	3
Contract	-	14	15
Trainee/Probation	36	12	0
Total	**36**	**12**	**0**

GRI 405-1

Employees by Staff Category and Gender

Staff Category/ Gender	Male (No.)	Male (%)	Female (No.)	Female (%)	Total (No.)	Total (%)
Senior Management & above	10	4%	-	0%	10	3%
Manager/Asst. Manager	24	9%	-	0%	24	8%
Senior Executive/ Executive/Junior Executive	26	10%	14	24%	40	13%
Non-Executive	199	77%	45	76%	244	77%
Total	259	100%	59	100%	318	100%

GRI 405-1

Employees by Staff Category and Age

	18-30 years		31-55 years		Above 55 years	
	Count	Percentage	Count	Percentage	Count	Percentage
Senior Management & above	0	0%	7	70%	3	30%
Manager/Asst. Manager	1	4%	20	83%	3	13%
Senior Executive/Executive/Junior Executive	9	23%	30	75%	1	3%
Non-Executive	114	47%	119	49%	11	5%
Total	**124**		**176**		**18**	

RECRUITMENT AND ATTRITION

Summary

95	83	4
New recruits	Resignations	Retirements

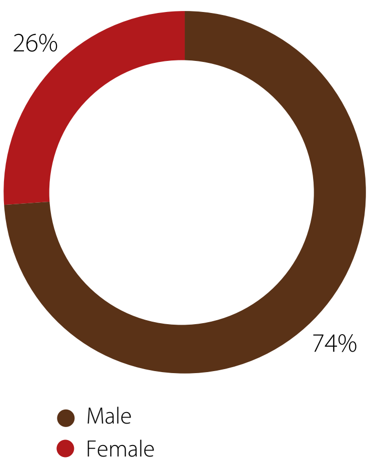
EX-PACK TEAM PROFILE

Recruitment by region

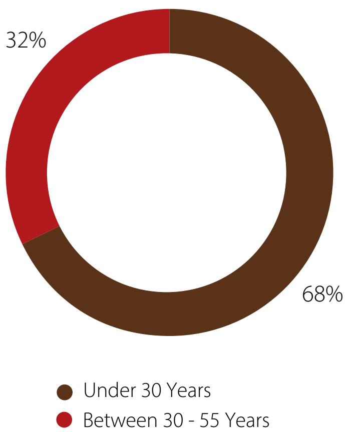
	Number	Percentage
Western	43	45%
Southern	12	13%
North Western	10	11%
Central	6	6%
Sabaragamuwa	10	11%
Northern	0	0%
Eastern	2	2%
North Central	2	2%
Uva	10	11%
Grand total	95	100%

We promote regional economic empowerment by making every effort to recruit employees from the communities surrounding our operational bases. 45% 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.

Employees by Gender - 2025/26



Recruitment by Age



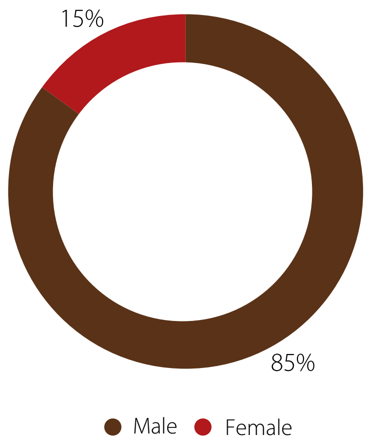
Recruitment by Gender - 2025/26	Number	Percentage
Male	70	74%
Female	25	26%
Total	95	

Recruitment by Age	Number	Percentage
Under 30 Years	65	68%
Between 30 - 55 Years	30	32%
Over 55 Years	0	0%
Total	95	

Turnover by Region - 2025/26

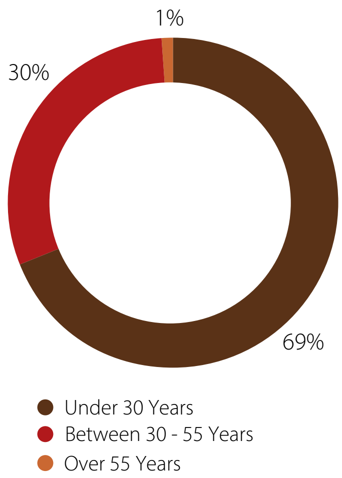
	Number	Percentage
Western	39	45%
Southern	7	8%
North Western	9	10%
Central	13	15%
Sabaragamuwa	7	8%
Northern	0	0%
Eastern	4	5%
North Central	3	3%
Uva	5	6%
Grand total	87	100%

Turnover by Gender - 2025/26



Turnover by Gender - 2025/26	Number	Percentage
Male	74	85%
Female	13	15%
Total	87	

Turnover by Age



Turnover by Age	Number	Percentage
Under 30 Years	60	69%
Between 30 - 55 Years	26	30%
Over 55 Years	1	1%
Total	87	

Workers who are not employees

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

REMUNERATION, RECOGNITION AND REWARDS

At Ex-Pack, taking care of employees isn't just a policy, it's a priority. We ensure job and fair remuneration, timely pay and host of other benefits for its team. Our commitment to a positive work culture is reflected in over 70% of the workforce has a minimum of 5 years of service within the Group which shows that people genuinely want to stay and grow with the Group.

Benefits provided to full-time employees that are not provided to temporary or part-time employees

1. Free Transportation
2. Free Meals (Breakfast/Lunch/Dinner) in buffet style
3. Surgical and hospitalization cover for self and family starting from Rs. 100,000/= per annum
4. OPD Cover for self and family starting from Rs. 20,000/= per annum
5. Dormitory facilities free of charge for outstation employees
6. Death donation of RS. 35,000/= availed for a death within the family
7. Interest free distress/wedding loan facilities
8. Professional study reimbursement – up to 50% of the course fee
9. Sale of essential items on discounted rates
10. Wedding gift of Rs. 35,000/= for an employee who gets married
11. Rs. 50,000/= given as a gift for children of our employees who passed the year 5 scholarship examination

Supporting Families, Strengthening Our Workforce

At Ex-Pack, our commitment to our people extends beyond the workplace. We recognise that supporting the families of our employees fosters a more engaged, loyal, and resilient workforce.

During the year, we continued our long-standing school support initiative for the 13th consecutive year, providing essential back-to-school packs including stationery, school bags, lunch boxes, water bottles, and vouchers for school shoes to 182 children of both permanent and contract employees, with a total investment of approximately Rs. 2.27 million.

In addition, we continued the scholarship scheme to support children who have gained university admission, offering ongoing financial assistance throughout their higher education journey - Rs. 50,000/= given as a gift for children of our employees who have gain entrance to the local university. Also, Rs. 50,000/= per annum is availed for them until a maximum of 4 years as a financial grant for undergraduates.

PERFORMANCE MANAGEMENT

At Ex-Pack, our performance management framework fosters a high-performance culture anchored in transparency, accountability, and continuous improvement. It ensures that individual contributions are clearly aligned with departmental priorities and overall business objectives.

Goal alignment & KPI framework

At the start of each financial year, business objectives are translated into departmental goals and further cascaded into individual Key Performance Indicators (KPIs). These KPIs provide clear, measurable benchmarks across productivity, quality, customer satisfaction, and financial performance.

Performance evaluation and appraisals

We conduct annual appraisals for 100% of eligible employees, based on predefined KPIs to ensure objectivity and consistency. Performance is assessed not only on results, but also on work quality, teamwork, and overall contribution to business success.

Continuous monitoring and improvement

Performance is tracked on an ongoing basis, supported by periodic reviews. Where required, corrective actions—including coaching, targeted training, and additional support—are implemented to enhance outcomes and maintain operational efficiency.

Recognition and development

Employees who meet or exceed expectations are recognised and rewarded, reinforcing a merit-based culture. Appraisals also serve as a platform for one-on-one discussions, covering performance feedback, development needs, and career aspirations—creating clear pathways for growth within the organisation.

Driving a high-performance culture

Through structured goal setting, ongoing feedback, and development-focused reviews, our performance management system empowers employees to perform at their best while supporting the Group's long-term success.

Percentage of Staff Receiving Regular Performance Appraisals

	Male (No.)	Female (No.)	Female (%)	Male (%)
Executive	9	5	2%	4%
Non-executive	175	27	13%	81%

TRAINING AND DEVELOPMENT

Management approach

Ex-Pack places strong emphasis on training and development (T&D) to support employee growth in line with the Group's progress. We foster a culture of continuous learning through regular training programmes, with particular focus on technical staff to ensure they remain current with industry advancements.

Rather than adopting a one size fits all approach, Ex-Pack tailors development initiatives to individual needs while aligning them with strategic priorities. This focused investment in people strengthens workforce capability and underpins the long term success of both employees and the organization.

Building workforce capability

Ex-Pack strengthens workforce capability by investing in targeted training initiatives that support both individual growth and long term organisational success. Insights from competency mapping inform the design of customised training programmes aligned with the Group's strategic objectives. These programmes are focused on equipping employees with role specific capabilities, spanning technical expertise, digital fluency, and strong interpersonal skills.

Blended learning framework

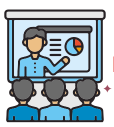
To cultivate a well rounded learning culture, Ex-Pack adopts a blended approach to employee development through multiple learning channels, including:

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

This approach ensures continuous access to development opportunities for employees at all levels throughout their career journey at Ex-Pack. Training investments are directed towards fostering lifelong learning, enhancing employee engagement, and improving job satisfaction. By nurturing talent and expanding capabilities, Ex-Pack enhances overall organisational performance, driving productivity, innovation, and adaptability.

Total training hours
3,908 Hrs

Average training hours per employee
Male
12.87
Female
11.44



Investment in training
Rs. 1 Mn

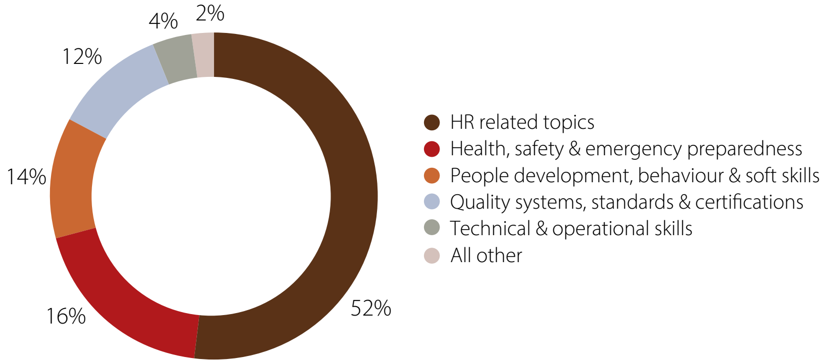
Average training hours per grade

Average Training Hours per Category	Count
Senior Management & above	2.40
Manager/Asst. Manager	8.79
Senior Executive/ Executive/ Junior Executive	7.48
Non-Executive	13.83

Focused training areas from 2025/26

Type of training programmes	% of total hours
HR activity	52%
Quality for competitiveness training program	7%
Defensive driving training program	5%
Stress management and emotional intelligence	4%
Effective communication and time mastery	4%
Occupational health and safety programmes	4%
Training programmes on the corrugated packaging	3%
First aid training program	3%
Personality grooming session – In connection to International Women's Day celebrations	3%
Fire prevention training programmes	3%
ISO 9001.14001,WRAP, FSC COC, SEDEX	3%
Forklift training and safety training program	2%
Forklift training programmes	1%
ISO 14001:2015 Internal auditor training program	1%
Chemical handling and emergency preparedness training programmes	1%
Delighting Your Customers Training program	1%
Other	2%
Total	100%

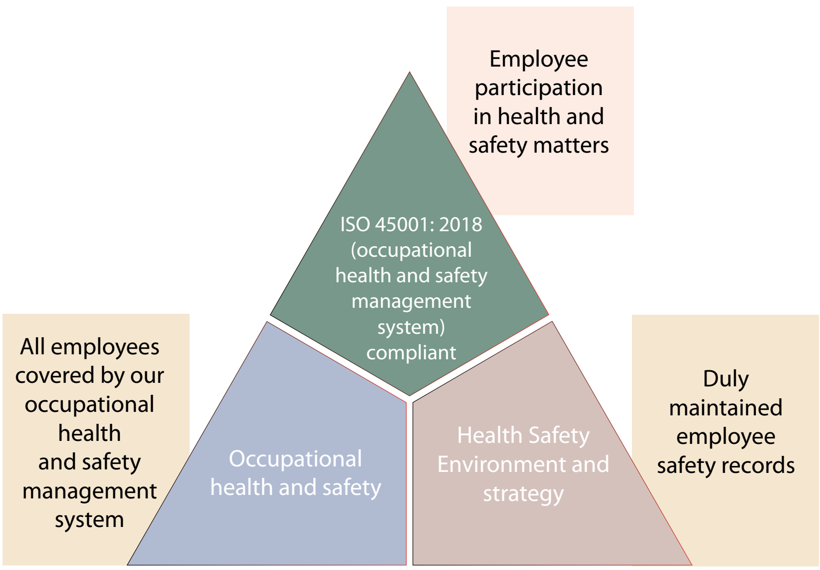
Training topics across themes



Employee health and safety

At Ex-Pack, we place strong emphasis on supporting the overall health and safety of our workforce, recognising the importance of physical, mental, emotional, and social health.

Our three-pronged approach to employee health and safety at the workplace



Due to the operational nature of our business, which entails the use of machinery, equipment, and vehicles, maintaining high standards of occupational health and safety (OHS) is critically important. OHS is firmly embedded within our organisational culture and day-to-day operational processes.

Safety awareness begins at onboarding, with all employees undergoing mandatory health and safety training. This is reinforced through periodic refresher programmes aimed at sustaining awareness and ensuring continued compliance with safety requirements. Employees assigned to operational environments are equipped with appropriate personal protective equipment (PPE), and prominent safety signage is displayed across these areas to highlight potential risks to both employees and visitors.

Our Occupational Health and Safety Management System extend to the entire workforce, providing comprehensive coverage and protection for all employees. To further strengthen emergency preparedness, a dedicated Emergency Response Team consisting of 23 trained employees from across the organisation is in place. This team receives specialised training to respond effectively to emergency situations and to support the maintenance of a safe and secure working environment.

Emergency preparedness

Emergency preparedness at Ex-Pack is considered as a key aspect to ensure the safety and well-being of all employees and the protection of company assets. We have established a dedicated Emergency Response Team (ERT), with one representative nominated from each division to ensure comprehensive coverage across the organization.

Regular training programmes in emergency preparedness are conducted for all nominated team members. These sessions are designed to equip them with the knowledge and skills required to respond effectively during emergencies such as fires, accidents, or other unforeseen situations.

In addition to general emergency response training, specialized training in fire prevention and first aid is also provided. This enables team members to take immediate action to control hazards, assist injured individuals, and minimize potential damage until professional help arrives.

403-2, 403-3

Ex-Pack Corrugated Cartons PLC adopts a proactive and structured approach towards identifying, assessing, eliminating, and minimising workplace hazards and occupational health and safety (OHS) risks across its manufacturing and operational environments. Regular workplace inspections, machinery evaluations, safety audits, operational reviews, and incident investigations are conducted to identify potential physical, mechanical, electrical, ergonomic, chemical, and fire-related hazards. Hazard identification is further supported through routine supervisory monitoring, employee observations, and continuous engagement with operational teams to ensure emerging risks are promptly recognised and addressed.

Identified hazards are systematically evaluated based on their likelihood of occurrence and potential severity of impact on employees, contractors, and operations, enabling the prioritisation of mitigation efforts and implementation of appropriate control measures. Wherever practicable, the Group seeks to eliminate hazards at source, whilst minimising residual risks through engineering controls, machine safeguarding, preventive maintenance, process improvements, safe operating procedures, use of personal protective equipment (PPE), employee training, and emergency preparedness protocols.

Employees are encouraged to actively contribute towards maintaining a safe working environment by promptly reporting unsafe conditions, incidents, near misses, and workplace hazards through supervisors, department heads, safety officers, safety committees, and established internal reporting channels. The Group promotes an open and accountable reporting culture that supports timely corrective action, continuous monitoring of workplace conditions, ongoing review of implemented controls, and continuous improvement in occupational health and safety performance.

403-6 and 403-7

Access to Non-occupational Medical and Healthcare Services

Ex-Pack Corrugated Cartons PLC facilitates employee access to non-occupational medical and healthcare services through a range of welfare and employee support initiatives aimed at promoting overall well-being. Employees are provided access to medical assistance, healthcare guidance, and support services where required, whilst awareness programmes and health-related initiatives are periodically conducted to encourage healthier lifestyles and preventive care. The Group also supports employees through medical insurance and access to external healthcare providers, helping ensure timely medical attention and improved employee welfare.

Prevention and Mitigation of Negative Occupational Health and Safety (OHS) Impacts Directly Linked to the Business

The Group remains committed to preventing and mitigating negative occupational health and safety impacts arising from its operations through established OHS policies, procedures, and operational controls. Preventive measures including regular safety inspections, risk assessments, machinery maintenance, employee training, use of personal protective equipment (PPE), and emergency preparedness mechanisms are implemented to minimise workplace incidents and operational hazards. Continuous monitoring, employee engagement, and corrective action processes further support the Group's efforts to strengthen workplace safety standards and foster a safe and healthy working environment across its operations.

Training provided on health, safety and emergency preparedness

As explained under the training and development section 19% of the Group's training hours were spent on health, well-being and safety. A break-up is as follows.

Training topic	Percentage of total training hours spent
Defensive Driving Training Program	5%
Occupational Health and Safety Program	4%
First Aid Training Program	3%
Fire Prevention Training Program	3%
Chemical Handling and Emergency Preparedness Training Program	1%
Forklift Training and Safety Training Program	3%

Employee safety record

Employee safety record	2025/26	2024/25	2023/24
Workplace related accidents and incidents	8	14	13
Workplace related fatalities	0	0	0
No. of lost workdays due to workplace related injuries	28.5	9	70.5

Caring for our employees affected by Cyclone Ditwah

Our primary concern was the safety and stability of our workforce when Cyclone Ditwah struck Sri Lanka. A total of 46 staff members were identified as being affected, with impacts categorized across minor, moderate, and significant levels.

True to our "People First" philosophy, the Company took immediate action to support their recovery. We ensured all affected employees were grCnted extended compassionate leave to focus on their families and homes. Furthermore, the company disbursed approximately Rs. 3 million in direct financial aid and donations to assist in rebuilding efforts, reinforcing our commitment to the holistic well-being of our team during times of national crisis.

Work related ill-health

There have no instances of any work-related ill health stemming from the operations of Ex-Pack during the financial year 2025/26.

Safety audits and incident management

The dedicated safety team conducts monthly safety audits across all divisions, systematically inspecting work areas to identify potential hazards, unsafe practices, or deviations from established safety standards. Each finding is carefully evaluated, risks are assessed, and corrective actions are implemented promptly to prevent accidents and ensure continuous improvement in safety performance.

In addition to audits, Ex-Pack has a structured incident management system. Any incidents, near-misses, or safety violations are immediately reported, investigated, and documented. The root causes are analysed, and preventive measures are introduced to avoid recurrence. Employees are also kept informed about incidents and lessons learned, promoting awareness and encouraging safe practices across all levels of the organization.

Employee wellbeing

At Ex-Pack, employee well-being is recognized as a key component of a healthy and engaged workforce. Beyond physical safety and healthcare, we actively promote mental and emotional wellness through targeted initiatives.

Employee well-being is promoted through a range of structured initiatives, including:

- Financial well-being – Strengthened through an extensive benefits framework that complements designation-linked remuneration and performance-based rewards.
- Medical care – Provided through accessible and cost-effective medical services, comprehensive health insurance coverage for all permanent employees, and annual medical examinations.

In line with this commitment, programmes on Stress Management and Emotional Intelligence, as well as Personality Grooming, were conducted in conjunction with Women's Day, providing employees with practical tools to manage workplace pressures, enhance self-awareness, and build confidence both personally and professionally.

Employee engagement

Employee engagement is central to fostering a positive and inclusive workplace where employees feel valued, motivated, and connected to the organization. We promote open communication through structured platforms such as feedback sessions, surveys, town halls, and an open-door policy that encourages transparent dialogue with leadership. By involving employees in decision-making, recognizing their contributions, and encouraging continuous improvement through initiatives such as Kaizen, we empower our people to take ownership and innovate. Complemented by recognition, rewards, and opportunities for development, these efforts strengthen trust, enhance job satisfaction, and support long-term commitment to organizational success.

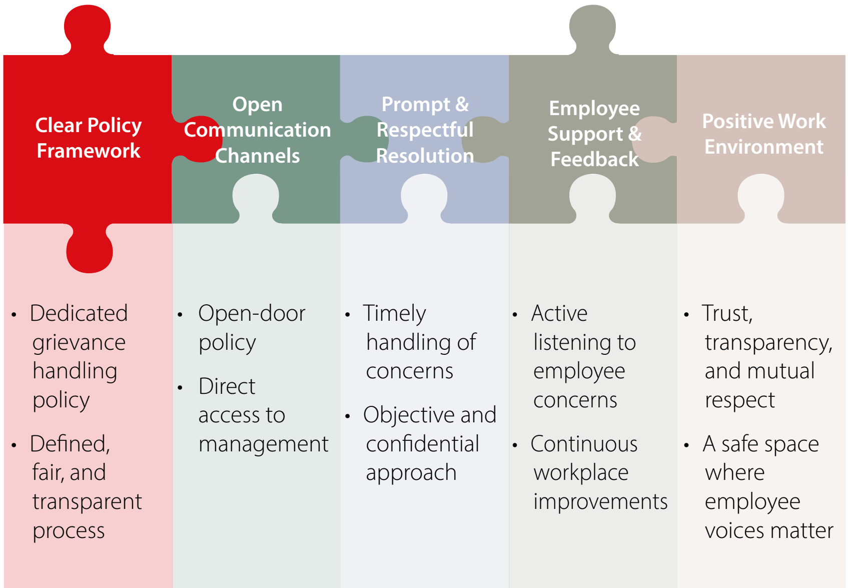
Key engagement initiatives – 2025/26

- New Year celebrations to welcome the year with unity and enthusiasm
- Long service appreciation and schoolbook presentations to honor 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 recognize and empower female employees
- Monthly birthday and work anniversary celebrations to appreciate individual milestones

Employee grievance handling and redressal mechanism

Ex-Pack is committed to maintaining a fair, transparent, and supportive work environment where employees feel safe to voice concerns. A structured grievance handling and redressal mechanism, supported by a dedicated policy, ensures that employee grievances are addressed promptly and objectively. An open-door policy further encourages direct communication with management, reinforcing trust and openness. Beyond grievance resolution, the organization actively listens to employee feedback and provides ongoing support to enhance overall well-being, enabling employees to work in a positive, healthy, and respectful environment.



Employees' Right to Unionise

No labour unions currently operate within the Group. This is largely attributable to our open door culture and consistent efforts to foster a collaborative and inclusive work environment. Employees are actively engaged through cross functional teams in the development and implementation of major initiatives, providing meaningful opportunities to express views and offer feedback.

The Group fully respects employees' freedom to form or join labour unions of their choice and does not impose any restrictions or barriers in this regard. Employees are also provided with timely and adequate notice of any significant operational changes.

In lieu of a formal union, employee representation and dialogue are facilitated through a Joint Consultative Committee, which brings together employees and management to discuss concerns, ideas, and workplace matters in a fair and constructive manner. This, together with our open door policy that encourages direct engagement with management, ensures that employees have a clear and effective platform to voice concerns and contribute to continuous improvement in the workplace.

Promoting gender diversity

We are committed to fostering a diverse and inclusive workplace underpinned by equal opportunity and mutual respect. Women currently represent 19% of our workforce, and we are actively working towards increasing female representation to 25%. While certain roles within our heavy industrial operations limit women's participation due to the nature of the work, we remain committed to supporting gender equality across all feasible functions.

The Group values inclusivity beyond gender and benefits from a multicultural workforce, where diverse cultural backgrounds, beliefs and traditions are respected, promoting collaboration and mutual understanding.

Advancing gender parity – In statistics

Total Male Employees	259
Percentage	81.5%
Average training hours Male	12.87
Recruitments	70 74%
Turnover	74 85%

Total Female Employees	59
Percentage	18.5%
Average training hours Female	11.44
Recruitments	25 26%
Turnover	13 15%

Ratio of basic salary

1:1

(All Categories)

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.

Parental leave

Complying with the Shop and Office Employees Act of 1954 and the Wages Board Ordinance Amendment Act, all our female employees are entitled to 84 days paid maternity leave, post-delivery as well as two hours of nursing time for a period of one year after returning to work.

No. of employees	Male	Female
Employees entitled to parental leave	-	59
Employees who took parental leave		1
Number of employees that returned to work in the reporting period after parental leave ended	-	1
The total number of employees that returned to work after parental leave ended who were still employed 12 months after their return to work	-	1
Return to work rate - %	-	100%
Retention rate - %	-	100%

Risks and Opportunities

Risks

- Skilled labour migration and changing workforce demographics may constrain talent availability within the manufacturing sector
- Competition for technically skilled employees may increase recruitment and retention pressures
- Loss of experienced employees may weaken institutional knowledge and operational continuity
- Evolving workforce expectations may require continuous enhancement of employee engagement and development practices
- Growing dependence on technology and automation may create capability gaps requiring specialised technical training

Opportunities

- Strong HR practices and workplace culture support employee retention amidst increasing outward migration trends
- Continuous training and capability development strengthen specialised manufacturing expertise within the workforce
- Technology and automation adoption create opportunities to enhance productivity and employee upskilling
- Structured succession planning and leadership development support long-term organisational resilience
- A stable and people-centric work environment strengthens employer attractiveness within the manufacturing sector

Way forward

Ex-Pack's Human Capital strategy is designed to build a skilled, engaged and future ready workforce through targeted short, medium and long term initiatives. In the short term, the focus will be on strengthening talent acquisition, onboarding, training and employee engagement to enhance workforce capability and retention. Over the medium term, priority will be given to leadership development, succession planning and competitive remuneration structures to support continuity and performance. In the long term, the Company will leverage digitalization, data driven workforce planning and strengthened diversity, equity and inclusion practices to support sustainable growth and position Ex-Pack as an employer of choice.

INTELLECTUAL CAPITAL

Strengthening value through knowledge and innovation

Intellectual Capital at Ex-Pack Corrugated Cartons PLC encompasses, among other things the technical expertise, operational know-how, process efficiencies, customer insights, quality systems, and innovation capabilities that support consistent manufacturing excellence and long-term competitiveness. In a dynamic and quality-driven packaging industry, these intangible strengths enable the Group to enhance product quality, improve operational efficiency, respond to evolving customer needs, and sustain its market leadership.

Top 5 Value drivers

1. Future-ready workforce through continuous training and upskilling
2. Retention of skilled and experienced talent
3. Strong safety culture and workplace discipline
4. Employee engagement and wellbeing
5. Focus on diversity, equality and inclusivity

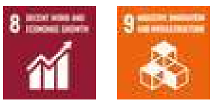
Value created

7 Years of average service of employees	**ISO 9001, 14001,** WRAP, FSC, SEDEX SMETA, NCE-CET certifications
Fully compliant governance processes strengthened with best practices	**6** Awards won during the year

Link to our material matters

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

How we contribute to advancing the United Nation's Sustainability Development Goals



Key Intellectual Capital inputs

- Ex-Pack brand and customer trust with strong relationships with mutual benefit.
- Aberdeen Group expertise and strategic support
- Institutional knowledge and technical know-how
- Quality systems and operational frameworks
- Technology and digital infrastructure
- Research and product development capabilities
- Governance frameworks and leadership oversight
- Customised product innovations capability with especially skilled tacit knowledge

Driving our strategy with Intellectual Capital

Strategic pillar	How Intellectual Capital supports drive the strategic pillar
Profitable growth	Strengthens the Group's ability to improve product quality, optimise processes, innovate offerings, and respond effectively to evolving customer and market requirements, thereby supporting sustainable profitable growth
Market leadership	Deep industry expertise, strong operational know-how, customer insights, and continuous innovation capabilities support the Group in sustaining its competitive positioning and market leadership within the packaging industry
Operational excellence	Robust systems, process controls, certifications, technology integration, and institutional knowledge enhance manufacturing efficiency, consistency, quality assurance, and operational reliability.
Investment in Human Capital	Intellectual Capital supports continuous learning, technical capability enhancement, knowledge transfer, and leadership development across the organisation
ESG priorities	Knowledge-driven operational practices, governance frameworks, process innovation, and technology integration support the Group's sustainability, compliance, and responsible business objectives

Connectivity to other capitals

Eroded	Preserved	Augmented

Financial Capital

Time horizon	Impact on capital	How it happens
Short term		Improved process efficiencies, quality consistency, and customer retention support stable earnings and cash flows.
Long term		Innovation, operational excellence, and strengthened competitiveness support sustainable profitability and long-term value creation.

Manufactured Capital

Time horizon	Impact on capital	How it happens
Short term		Effective systems, maintenance practices, and technical know-how improve utilisation and reliability of manufacturing assets, including our new production machinery
Long term		Continuous process improvements and technology integration enhance production capability and operational capacity.

Human Capital

Time horizon	Impact on capital	How it happens
Short term		Knowledge sharing, training, and operational guidance strengthen workforce capability and productivity.
Long term		Continuous learning and leadership development enhance institutional knowledge and employee expertise.

Social and Relationship Capital

Time horizon	Impact on capital	How it happens
Short term		Product quality, reliability, and governance practices strengthen stakeholder trust and customer relationships.
Long term		Innovation, reputation, and responsible business practices reinforce long-term stakeholder confidence and partnerships.

Natural Capital

Time horizon	Impact on capital	How it happens
Short term		Efficient processes and controlled operations support reduced waste, resource consumption, and emissions.
Long term		Sustainability-focused innovation and operational efficiencies support responsible resource utilisation and environmental stewardship.

Disclosure requirements met

GRI 3

Material Topics 2021
2-28 Membership associations

SASB

Containers & Packaging Sustainability Accounting Standard - Number of employees – RT-CP-000.C

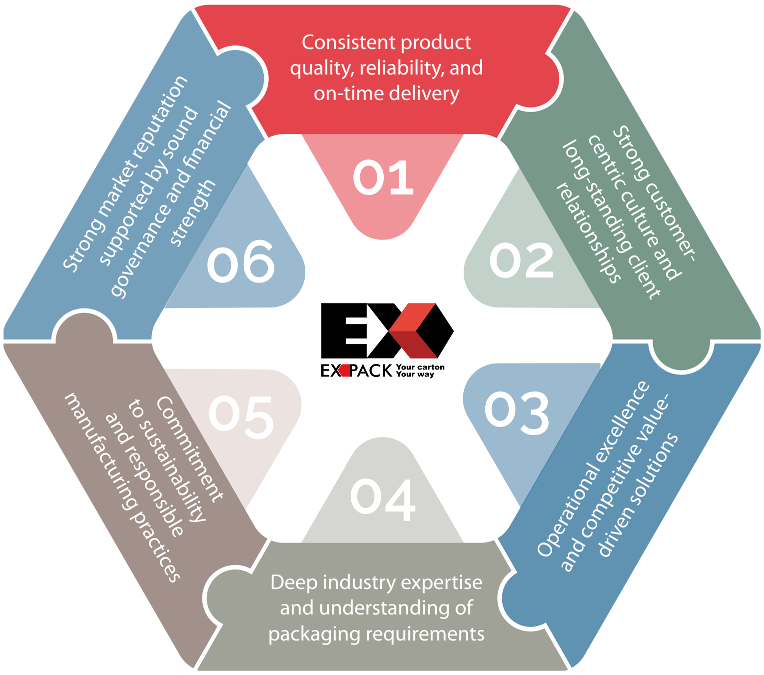
THE EX-PACK BRAND – YOUR CARTON. YOUR WAY

Ex-Pack has established itself as a premier Business-to-Business (B2B) packaging brand in Sri Lanka, strongly positioned across its diverse target markets. Over the years, the brand has built considerable strength, reputation, and influence within the corrugated packaging industry, earning recognition as one of the most respected corrugated carton manufacturers in Sri Lanka, while also strengthening its standing among overseas clientele. The strength of the Ex-Pack brand signifies its ability to drive demand, foster customer loyalty, command market confidence, and sustain long-term business value.

The brand has consistently earned the trust, confidence, and reliability of customers and stakeholders through its unwavering commitment to delivering high-quality packaging solutions, competitive pricing, on-time deliveries (OTD), and superior customer service. Beyond operational performance, Ex-Pack continues to uphold its reputation as a responsible and stakeholder-centric organisation that remains attentive to the expectations of customers, employees, shareholders, suppliers, and the wider community.

Today, the Ex-Pack brand stands as a reflection of customer-centricity, operational excellence, financial strength, responsible governance, people-focused practices, and practical sustainability initiatives. Backed by a strong market presence and enduring stakeholder trust, Ex-Pack continues to be recognised as one of Sri Lanka's leading and most respected corrugated packaging brands.

Key strengths of the Ex-Pack Brand



Deepening our intellectual capital through industry engagements

Representatives from the National Chamber of Exporters of Sri Lanka recently visited the Ex-Pack office for an in-depth and highly constructive discussion focused on strengthening mutual understanding of the evolving dynamics within the export and packaging industries. The meeting served as an important platform for both organizations to exchange insights, explore shared objectives, and identify opportunities for closer cooperation in addressing current and future industry challenges.

During the discussions, both parties emphasized the importance of fostering stronger industry partnerships to support innovation, sustainability, export competitiveness, and long-term sector growth. The delegation from NCE also sought to better understand Ex-Pack's strategic vision, operational capabilities, and industry contributions, while exploring how the two organizations could collaboratively develop initiatives that would create greater value for exporters and stakeholders across the supply chain.

The engagement further highlighted the mutual interest of both Ex-Pack and NCE in establishing a long-term strategic partnership built on collaboration, knowledge sharing, industry advocacy, and joint development opportunities. Through this partnership, both organizations aim to work closely together in enhancing industry standards, supporting business growth, facilitating networking opportunities, and contributing toward the continued advancement of Sri Lanka's export sector.

The visit concluded on a positive and forward-looking note, with both Ex-Pack and NCE expressing their commitment to maintaining ongoing dialogue and pursuing collaborative efforts that will strengthen industry relationships and create sustainable benefits for the broader export and packaging community.

As part of Ex-Pack ongoing efforts toward expanding new business development opportunities and strengthening strategic industry collaborations, the Procurement & Supply Chain team representing Dipped Products PLC paid a visit to the Ex-Pack office for a comprehensive discussion centered on building a mutually beneficial and sustainable business relationship between the two organizations.

The meeting provided an excellent platform for both parties to engage in meaningful dialogue regarding potential areas of collaboration, operational synergies, supply chain efficiencies, and future partnership opportunities within the manufacturing and export sectors. The delegation from Dipped Products PLC, representing key functions within Procurement & Supply Chain, shared valuable insights into their sourcing strategies, quality expectations, operational requirements, and long-term business objectives, while also gaining a deeper understanding of Ex-Pack capabilities, product offerings, service standards, and commitment to innovation and customer satisfaction.

Discussions further focused on exploring opportunities for enhanced cooperation in areas related to packaging solutions, supply chain optimization, sustainable business practices, and value-driven partnerships that could contribute positively to the operational growth and competitiveness of both organizations. The interaction also reflected the shared vision of both companies in fostering strong corporate relationships built on trust, reliability, efficiency, and long-term strategic alignment.

The visit concluded with positive engagement from both teams, reaffirming their interest in continuing discussions and exploring collaborative initiatives that would create lasting value and support future business growth for both Ex-Pack and Dipped Products PLC.

The entire Procurement & Supply Chain team representing Tropical Group recently visited the office of Ex-Pack as part of a valuable knowledge-sharing and business relationship strengthening initiative aimed at fostering closer collaboration and enhancing mutual understanding between the two organizations.

The visit served as an important opportunity for both teams to engage in comprehensive discussions surrounding industry with the best practices, procurement strategies, supply chain efficiencies, operational excellence, and evolving market dynamics within the manufacturing and export sectors. During the interaction, the delegation from Tropical Group shared insights into their procurement processes, supply chain management approaches, operational expectations, and future business objectives, while also gaining an in-depth understanding of Ex-Pack's capabilities, innovative solutions, production standards, and commitment toward delivering quality-driven and customer-focused services.

The discussions further emphasized the importance of building long-term strategic relationships through collaboration, transparency, and continuous knowledge exchange, with both organizations identifying potential opportunities for future cooperation and mutually beneficial business engagement. The interaction also reflected a shared commitment toward driving operational efficiency, sustainable growth, and value creation across the supply chain ecosystem.

The visit concluded on a highly positive and encouraging note, with both Ex-Pack and Tropical Group expressing appreciation for the productive discussions and reaffirming their interest in continuing to strengthen professional ties and explore future collaborative opportunities that would contribute to the long-term success and growth of both organizations.

Research and development capabilities

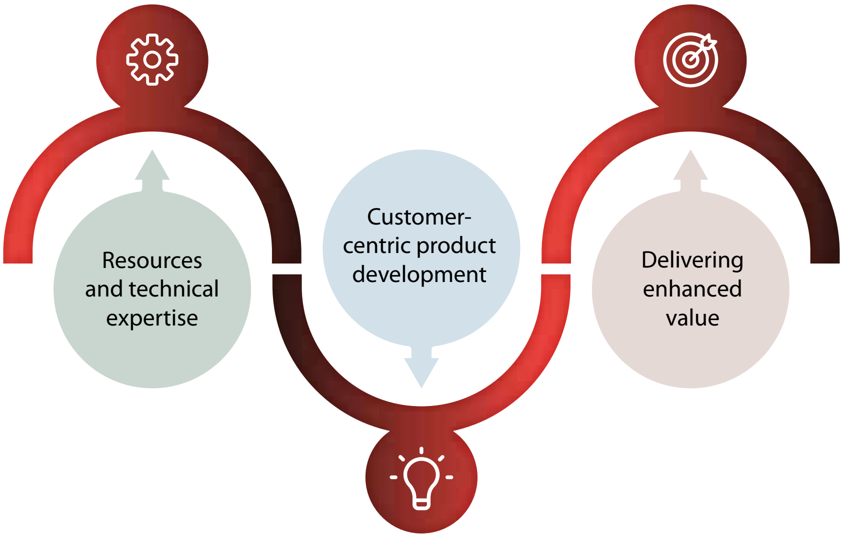
Advancing packaging innovation through Research and Development

Research and development remain critical to the long-term competitiveness and relevance of Ex-Pack Corrugated Cartons PLC within the evolving packaging industry. Customer expectations are continuously changing, and the Group recognises the importance of moving beyond conventional corrugated carton solutions towards packaging that delivers greater innovation, functionality, sustainability, ergonomics, durability, and operational convenience.

As highlighted under Social and Relationship Capital, a significant segment of Ex-Pack's customer base comprises exporters serving developed markets such as the European Union and other international destinations. The packaging requirements of these markets continue to evolve rapidly, driven by changing consumer preferences, sustainability expectations, retail display requirements, supply chain efficiencies, and environmentally responsible packaging standards.

Recognising the important role it plays within the broader customer value chain, Ex-Pack continues to strengthen its research and development capabilities to design and deliver innovative packaging solutions that are responsive to emerging market demands and evolving customer needs.

Our three-pronged approach to R&D led product solutions



Resources and technical expertise	Customer-centric product development	Delivering enhanced value
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	**Close collaboration with customers through the entire product development process** 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	**Strong contribution to and alignment with customer value chain** • 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

Systems, Processes and Certifications

At Ex-Pack Corrugated Cartons PLC, robust systems and process discipline form a critical component of Intellectual Capital, supporting operational consistency, quality assurance, accountability, and manufacturing excellence. Clearly defined operational and support processes are formalised through comprehensive Standard Operating Procedures (SOPs), enabling uniformity in execution, minimisation of operational deviations, and alignment across the organisation.

Some key SOPs in place are as follows;

Governing factory operations

Raw material receiving and inspection

Packaging and labeling operations

Finished goods dispatch procedures

Governing human resource management

Recruitment and selection procedures

Payroll and compensation administration

Diversity, equality, and anti-harassment procedures

Governing sustainability initiatives

Energy conservation and efficiency management

Carbon footprint reduction initiatives

Employees are systematically familiarised with these procedures during induction, while periodic refresher programmes reinforce awareness, compliance, and operational discipline. This structured systems-driven approach supports efficient operations, process reliability, customer satisfaction, and continuous improvement across the business.

Certifications

The Group's internal systems and operational practices are further strengthened and validated through internationally recognised certifications and external assessments, reflecting Ex-Pack's commitment towards quality, environmental responsibility, ethical business practices, and responsible manufacturing standards.

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

Certified since 2006, affirming the Company's ability to consistently deliver products and services that meet customer expectations and regulatory requirements.

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

Demonstrating the Company's commitment towards responsible environmental management, pollution prevention, and continual environmental performance improvement.

- **WRAP (Worldwide Responsible Accredited Production) Certification**

Ex-Pack remains the first corrugated cartons manufacturer in Sri Lanka to achieve WRAP certification, reflecting compliance with internationally recognised standards relating to ethical labour practices, workplace safety, environmental responsibility, and secure supply chain operations.

- **FSC® (Forest Stewardship Council®) Certification**

Reinforcing the Company's commitment towards responsible sourcing and the use of raw materials obtained from responsibly managed forests meeting recognised environmental, social, and economic standards.

- **NCE-CET – Certificate of Ethical Trading**

Issued by the National Chamber of Exporters of Sri Lanka, recognising the Company's adherence to fair and ethical business practices, responsible labour standards, safe working conditions, and environmental responsibility.

- **SEDEX-SMETA Certification**

Ex-Pack in its further commitment to uphold social and ethical performance has obtained SEDEX- SMETA certification which includes working conditions, health and safety, environmental practices, and business ethics. It helps businesses, particularly suppliers, prove they operate responsibly to brands and retailers.

Industry Collaborations

The Group actively collaborates with leading industry and trade bodies to support the advancement, sustainability, and competitiveness of Sri Lanka's packaging and export sectors. These engagements facilitate knowledge sharing, industry advocacy, market connectivity, regulatory alignment, and the exchange of best practices, while strengthening the Company's contribution towards broader industry development.

The Group maintains active memberships and engagements with several recognised industry institutions and chambers, including:

Associations in the packaging industry

- Lanka Corrugated Cartons Manufacturers Association (LCCMA)
- Sri Lanka Institute of Packaging
- Association of Packaging Consultants

Commercial chambers

- Export Development Board (EDB)
- National Chamber of Exporters (NCE)
- Ceylon National Chamber of Industries (CNCI)
- Ceylon Chamber of Commerce
- International Chamber of Commerce (ICC)

Other elements that drive our Intellectual Capital

Technical know-how of our employees

The deep technical expertise of our employees remains a key strength underpinning Ex-Pack's operational excellence. Many of our long-serving employees possess extensive knowledge of the corrugated packaging industry, our products, machinery, paper grades, and manufacturing processes, enabling the Company to consistently respond to evolving customer requirements with quality and precision.

Following the installation of the state-of-the-art corrugating machine in the previous year, employees continued to strengthen their technical understanding and operational mastery of the machinery during the year under review. This growing familiarity with the machine's advanced capabilities contributed towards improved operational efficiency, enhanced machine utilisation, smoother production processes, and higher productivity levels, further strengthening the Company's manufacturing performance and customer value delivery.

Tenure of service

Approximately 32% of our workforce has served Ex-Pack for over 10 years, while 17% have completed more than five years of service. This strong employee tenure reflects the stability of our workforce and the depth of institutional knowledge, operational experience, and industry expertise embedded across the organisation.

The Ex-Pack culture

The culture at Ex-Pack is built on operational discipline, teamwork, accountability, and a strong commitment to quality, safety, and continuous improvement. Open communication, mutual respect, and a supportive working environment encourage knowledge sharing, collaboration, and long-term employee engagement, strengthening both organisational cohesion and customer value delivery.

Strong governance and leadership

Ex-Pack continues to benefit from experienced leadership and a strong governance framework that support resilience, ethical business practices, and long-term value creation. The Group remains committed to maintaining high standards of compliance, accountability, and operational discipline, while leadership continues to navigate evolving market conditions with prudence, stability, and strategic focus.

Risks and Opportunities

Risks

- Loss of experienced employees may weaken institutional knowledge and technical expertise
- Rapid technological advancements may require continuous upgrades in systems and employee capabilities
- Increasing customer expectations may pressure the Group to continuously innovate packaging solutions
- Cybersecurity and technology-related risks may impact operational continuity and data integrity
- Failure to maintain internationally recognised certifications may affect customer confidence and competitiveness
- Knowledge gaps arising from succession challenges may affect operational consistency and innovation capacity

Opportunities

- Advancing packaging innovation and product differentiation through strengthened R&D capabilities
- Leveraging technology and automation to improve operational efficiency and manufacturing precision
- Strengthening customer loyalty through consistent quality, reliability, and technical expertise
- Expanding opportunities with export-oriented customers requiring advanced and sustainable packaging solutions
- Enhancing operational excellence through stronger systems, certifications, and process optimisation

Way forward

Moving forward, Ex-Pack will continue to strengthen its Intellectual Capital through investments in technology, process improvements, research and development, employee capability enhancement, and systems optimisation. The Group will remain focused on advancing innovative and sustainable packaging solutions, preserving institutional knowledge, and enhancing operational agility to support long-term competitiveness and customer value creation.

SOCIAL AND RELATIONSHIP CAPITAL

Building value through strong relationships

Social and Relationship Capital remains fundamental to Ex-Pack's long-term success and resilience. Our relationships with our customers, suppliers, industry bodies, and the wider community strengthen trust, operational continuity, and business growth. In a highly competitive manufacturing environment, strong stakeholder relationships, consistent service delivery, and ethical business practices play a critical role in sustaining customer confidence, supporting collaboration, and reinforcing our reputation within the corrugated packaging industry.

Top 5 Value drivers

1. Long-standing customer trust and loyalty
2. Collaborative supplier and business partner relationships
3. Strong reputation within the corrugated packaging industry
4. Commitment to ethical and reliable business practices
5. Meaningful community engagement and stakeholder goodwill

Value created

25,130 MTs
of cartons sold to our valued customers, with a 7% YoY growth

1%
increase in payments made to suppliers

Rs. 3.13 Mn
invested in community empowerment initiatives

Key Social and Relationship Capital inputs

- Over 300 customers, both local and international corporates
- Wide range of suppliers, both local and international
- Wider community that we engage with

Link to our material matters

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

How we contribute to advancing the United Nation's Sustainability Development Goals

Driving our strategy with Social and Relationship Capital

Strategic pillar	How Social and Relationship Capital supports drive the strategic pillar
Profitable growth	Strong customer relationships, repeat business, and trusted stakeholder partnerships support revenue growth, business continuity, and long-term commercial sustainability
Market leadership	Ex-Pack's reputation for reliability, quality, and customer responsiveness strengthens brand positioning and reinforces its standing within the corrugated packaging industry
Operational excellence	Close collaboration with suppliers, customers, and operational partners supports supply chain stability, timely delivery, process coordination, and efficient execution
Investment in Human Capital	A relationship-driven culture built on trust, teamwork, and stakeholder engagement fosters employee motivation, collaboration, and organisational commitment
ESG priorities	Ethical business practices, responsible stakeholder engagement, community involvement, and sustainable supplier relationships support the Group's broader ESG and sustainability agenda

Connectivity to other capitals

Eroded | Preserved | Augmented

Financial Capital

Time horizon	Impact on capital	How it happens
Short term	Preserved	Strong customer relationships and operational partnerships support stable revenue generation and business continuity
Long term	Augmented	Sustained stakeholder trust and brand reputation strengthen long-term profitability, market resilience, and shareholder value creation

Manufactured Capital

Time horizon	Impact on capital	How it happens
Short term	Preserved	Collaborative supplier relationships support uninterrupted operations, timely material availability, and efficient utilisation of manufacturing assets
Long term	Augmented	Strong stakeholder partnerships support future infrastructure expansion, operational enhancements, and manufacturing capability development

Human Capital

Time horizon	Impact on capital	How it happens
Short term	Preserved	Positive workplace relationships and stakeholder engagement foster employee morale, collaboration, and operational stability
Long term	Augmented	A strong culture of trust, teamwork, and relationship management supports employee retention, engagement, and long-term capability development

Intellectual Capital

Time horizon	Impact on capital	How it happens
Short term	Augmented	Customer and supplier engagement provide insights that support operational improvements and product development
Long term	Augmented	Long-standing industry relationships and stakeholder collaboration strengthen organisational knowledge, market understanding, and innovation capability

Natural Capital

Time horizon	Impact on capital	How it happens
Short term	Preserved	Responsible supplier engagement and sustainable operational practices support environmentally responsible manufacturing processes
Long term	Augmented	Collaborative sustainability initiatives and responsible stakeholder practices strengthen long-term environmental stewardship and resource efficiency

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, RTCP - 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

Our approach to managing Social and Relationship Capital

Ex-Pack is committed to building strong, transparent, and mutually beneficial relationships with customers, suppliers, business partners, employees, and communities through consistent engagement and responsible business practices.

To support this approach, Ex-Pack has established structured processes and management systems that promote collaboration, trust, quality, and stakeholder responsiveness across its operations. These practices are further strengthened by internationally recognised certifications such as ISO 9001 and ISO 14001, which reinforce the Group's commitment to operational excellence, environmental responsibility, and stakeholder confidence.

Amid evolving market conditions and changing stakeholder expectations, the Group continues to prioritise resilience, adaptability, and proactive engagement. By maintaining close relationships with stakeholders and responding effectively to emerging needs and challenges, Ex-Pack continues to strengthen partnerships, enhance stakeholder trust, and support shared value creation across its ecosystem.

CUSTOMERS

Engaging with our customers

Strong customer relationships remain central to Ex-Pack's continued growth and market positioning. Ex-Pack works closely with customers to understand evolving packaging requirements, industry dynamics, and operational expectations, enabling the delivery of responsive, high-quality, and value-driven solutions.

The Group's customer engagement approach includes:

- **Relationship-driven engagement and personal selling**
  Direct customer engagement remains one of the Group's most effective communication channels, enabling Ex-Pack to support the entire customer journey from lead generation and solution development to after-sales engagement and long-term relationship management.

- **Industry participation and market visibility**
  The Group actively participates in industry forums, exhibitions, trade fairs, seminars, and workshops to strengthen market presence, engage with stakeholders, and remain informed of evolving industry trends and customer expectations. Ex-Pack also leverages industry-related publications and platforms to showcase its expertise and product capabilities.

- **Digital engagement platforms**
  The Group's official website serves as a central platform for product information, customer inquiries, and corporate communication. In addition, LinkedIn is utilised to engage with customers, industry professionals, and broader stakeholder groups while strengthening the Group's digital presence.

- **Responsible and ethical communication practices**
  Ex-Pack remains committed to ensuring that all customer communications are professional, accurate, accessible, and aligned with the Group's ethical and corporate standards.

Customer relationships

Ex-Pack serves a diverse portfolio of corporate customers operating across multiple industries in both domestic and export-oriented markets. The Group plays an integral role within customer value chains by delivering high-quality, reliable, and customised packaging solutions that support efficient storage, transportation, product protection, and brand presentation.

Through the packaging solutions supplied by Ex-Pack, Sri Lankan-manufactured products continue to reach international markets across Europe, the United Kingdom, North America, Australia, New Zealand, the Gulf Region, and South and Southeast Asia. The Group is proud to contribute towards supporting Sri Lanka's export economy while enabling customers to maintain product quality, logistics efficiency, and brand value across global supply chains.

Ex-Pack serves customers across a wide range of sectors including

- FMCG
- Apparel
- Seafood
- Electronics
- Agriculture, and
- Industrial products, reflecting the versatility and adaptability of its packaging solutions.

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

Our Special Services to Customers

- **Customer Factory Visits**
  Customers are provided the opportunity to visit Ex-Pack's manufacturing facilities to gain firsthand insight into the production process, quality control procedures, and sustainability practices implemented across operations
- **Rapid Prototype Development**
  Backed by a versatile and experienced Research and Development team, the Company is capable of developing prototype packaging solutions of varying shapes and sizes within a short turnaround time, enabling faster sample evaluations and supporting greater efficiency across customer value chains
- **Stringent Quality Assurance**
  All products undergo comprehensive quality inspections prior to release to ensure compliance with customer specifications relating to durability, thickness, strength, and load-bearing capability, thereby assuring product reliability and consistency

Customer feedback

Ex-Pack maintains close and consistent engagement with customers to better understand their evolving requirements and ensure responsiveness across all aspects of service delivery.

Each customer is supported by dedicated Client Service Managers and Executives who maintain regular interaction through customer visits and ongoing communication. These teams are further supported by Sales Coordinators, enabling timely coordination and responsiveness across customer touchpoints. Feedback is actively gathered on areas such as new product development, sample approvals, pricing, delivery performance, service quality, and complaint resolution.

Senior management, including the Head of Sales, Chief Executive Officer, and Managing Director, also engage directly with customers through periodic visits and relationship-building interactions, reinforcing the Group's customer-centric culture and commitment to long-term partnerships.

Customer satisfaction surveys

In addition, Ex-Pack conducts formal customer satisfaction surveys every six months. The findings are carefully reviewed and analysed to identify improvement opportunities, strengthen service standards, and implement corrective actions where necessary.

Insights gained through these engagements are incorporated into product development, operational planning, and service enhancement initiatives, enabling the Group to continuously align its packaging solutions with customer expectations and market needs.

Product responsibility and instances of non-compliance

Ex-Pack's production processes are guided by a robust Quality Management System certified under ISO 9001, supporting consistency in product performance, process discipline, and customer satisfaction.

Given the critical role packaging plays in protecting and preserving end products, particularly within the food and beverage sector, Ex-Pack places significant emphasis on compliance with applicable quality, safety, and regulatory requirements stipulated by both customers and relevant Sri Lankan regulatory authorities. The Group works closely with customers to ensure that packaging solutions consistently meet required technical and safety specifications.

Our product portfolio

- Regular Slotted Cartons – The most widely used carton format, suitable for a broad range of FMCG, horticultural, industrial, and general packaging applications, offering durability and efficient product protection
- Die-Cut Boxes – Custom-designed cartons developed to accommodate specialised packaging and branding requirements across sectors such as food, agriculture, and livestock. Available in plain or printed formats with multiple print options and designed to withstand varying handling and temperature conditions
- Value-Added Boxes – Enhanced through advanced laminating capabilities, these packaging solutions support branding, product presentation, and direct shelf-display requirements for customers
- Other Packaging Solutions – As part of the Group's "Go Green" initiative, Ex-Pack continues to develop specialised packaging solutions including wardrobe cartons, pallets, tea chest cartons, tuna cartons, and ballot boxes, while continuously innovating through the use of recycled materials

Quality of Ex-Pack cartons

All cartons manufactured by the Group are subject to quality and safety assessments throughout the production process. Owing to the nature of corrugated carton products, the direct health and safety impacts associated with the finished products remain minimal. Nevertheless, Ex-Pack adopts stringent quality control measures, particularly when supplying packaging solutions for fast-moving consumer goods (FMCG) companies with edible product portfolios, where enhanced quality and hygiene standards are required.

The Group continues to uphold a strong culture of quality assurance, operational discipline, and continuous monitoring to ensure product integrity, customer confidence, and regulatory compliance across its operations.

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 safety - SASB RT-CP-250a.1

Zero 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

Ex-Pack adopts a proactive and precautionary approach towards identifying and managing emerging materials and chemicals of concern within its manufacturing processes. The Group continuously monitors evolving regulatory, environmental, and industry developments to ensure the responsible use of materials across its operations.

Key measures implemented include:

- Monitoring local and international regulatory developments, including frameworks such as EU REACH, RoHS, and guidelines issued by Sri Lanka's Central Environmental Authority (CEA), to remain informed on restricted or potentially hazardous substances
- Working closely with suppliers to ensure that raw materials, inks, adhesives, and other production inputs comply with applicable health, safety, and environmental standards
- Periodically reviewing the Groups material portfolio to identify opportunities to replace or minimise the use of materials that may present future regulatory, environmental, or reputational risks
- Obtaining supplier declarations and conducting supplier assessments, particularly for imported materials, to support compliance, traceability, and responsible sourcing practices

Product lifecycle management - SASB RT-CP-410a.1 and RT-CP-410a.2

Percentage of raw materials from recycled content – 85%

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 ecofriendly, right-sized packaging solutions, thereby reducing carbon emissions across the value chain.

Incidents of non-compliance concerning the health and safety impacts of products and services

There were no incidents of non-compliance concerning the health and safety impacts of products and services during the year

Supplier Relationships and Responsible Procurement

Supplier relationships form a critical component of operational resilience, product quality, and long-term value creation. Given the Group's reliance on paper-based raw materials for the manufacture of corrugated packaging solutions, maintaining a stable, diversified, and reliable supplier network remains a strategic priority.

Our suppliers

- Both local and international

Local sourcing supports shorter lead times and responsiveness to urgent production requirements, while international sourcing provides access to a broader range of specialised paper grades and globally competitive pricing structures.

- Over 290 suppliers, including both local and overseas partners across
  - Asia
  - Europe and
  - The Middle East

This diversified procurement network reduces concentration risk and strengthens the Group's ability to navigate market volatility and supply chain disruptions.

- Wide range of items supplied
  - Input material for corrugated cartons (Inventory items)
    - Fluting Paper
    - Test Liner Paper
    - Kraft Liner Board
    - White Liner Paper
  - State of the art machinery, and other fixed assets
  - Office equipment
  - Utility services
  - Other

52%
of payments made to local suppliers

Our structured procurement and supplier management framework focused on:

- Maintaining long-term relationships with strategic suppliers
- Ensuring consistency in quality and supply reliability
- Monitoring global market conditions and pricing trends
- Enhancing sourcing flexibility through supplier diversification
- Supporting efficient inventory and working capital management

To mitigate supply chain risks, Ex-Pack follows a multi-supplier sourcing strategy, maintaining multiple approved suppliers across key material categories. This approach enhances procurement resilience while strengthening commercial competitiveness and continuity of supply.

Supplier evaluation and onboarding processes are conducted through a structured assessment framework covering key areas such as product quality, delivery reliability, pricing competitiveness, service responsiveness, and credit support. Periodic supplier performance reviews and ongoing engagement help ensure alignment with the Group's operational and quality expectations.

During the year, global geopolitical developments and disruptions to international shipping routes continued to create pressure on freight costs, lead times, and raw material pricing across global supply chains. In response, Ex-Pack strengthened its procurement planning and inventory management practices, including maintaining strategic inventory buffers and advancing procurement timelines for critical imported materials. These measures supported uninterrupted operations and enhanced supply chain stability amid evolving global uncertainties.

Supplier Evaluation Criteria

Ex-Pack Corrugated Cartons PLC follows a structured and systematic approach in evaluating and selecting suppliers to ensure consistency, reliability, and compliance across its supply chain.

Suppliers are assessed based on a range of key performance and compliance criteria, including:

Evaluation Process

Suppliers are evaluated through a combination of:

- Pre-qualification assessments prior to onboarding
- Trial orders and performance reviews
- Periodic evaluations and score-based assessments
- Regular audits and site visits, where applicable

Only suppliers who meet the Group's minimum evaluation thresholds are approved for procurement.

1. Quality Performance

Suppliers are assessed by their ability to consistently meet required specifications and standards. This includes:

- Conformance to agreed technical parameters.
- Consistency across deliveries

2. On Time Delivery Reliability

This evaluates how effectively suppliers meet delivery commitments:

- Adherence to agreed lead times
- On-time delivery performance

3. Pricing and Cost Competitiveness

Suppliers are reviewed based on their commercial offering:

- Competitiveness of pricing compared to market levels
- Stability of pricing overtime

4. Service Level and Responsiveness

This measures the supplier's level of support and communication:

- Responsiveness to inquiries and issues
- Speed of problem resolution
- Willingness to collaborate on planning and forecasting

5. Credit Support from Suppliers

An important consideration in supplier evaluation is the level of credit support extended to the Group, which contributes to effective working capital management. This includes:

- Availability of trade credit facilities
- Length and flexibility of credit periods
- Consistency and reliability of credit terms

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

During the year, Ex-Pack remained focused on contributing positively to society through carefully planned initiatives that support community wellbeing, social upliftment, and inclusive development. These efforts are directed towards creating meaningful outcomes for underserved communities while reinforcing the Group's role as a responsible and socially conscious corporate entity.

The Group's initiatives are aligned with the United Nations Sustainable Development Goals (UN SDGs) and are guided by the principles of balanced value creation across economic, environmental, and social dimensions.

Community engagement efforts are driven by the following strategic objectives:

- Creating shared value for both the business and the communities it serves
- Delivering sustainable and long-term impact through integrated initiatives
- Strengthening stakeholder relationships and fostering trust within communities

Investing in the Education of Future Generations

194
beneficiaries

Rs. 5 Mn
investment financial year

Ex-Pack continued its longstanding commitment to supporting education through its annual school assistance programmes, conducted for the 14th consecutive year. During the year, the initiative benefited 194 children from economically vulnerable families, including the children of employees and contract staff.

Each beneficiary received a comprehensive package of essential school supplies, including stationery items, school bags, water bottles, lunch boxes, and vouchers for school shoes, helping families prepare children for the academic year with dignity and confidence.

Over the years, this initiative has contributed towards reducing financial pressures faced by families while supporting uninterrupted access to education. Encouragingly, many beneficiaries have demonstrated strong academic performance in national examinations, including the Grade 5 Scholarship Examination and G.C.E. Ordinary and Advanced Level examinations, with several students progressing to university education.

In further support of educational advancement, the Group also provides annual scholarships to students entering universities, enabling them to continue pursuing higher education and long-term academic aspirations.

Ex-Pack Medicare Medical Centre

Over **61,528**
total beneficiaries to date

Over **3,521**
beneficiaries during the year

Approximately
Rs. 2 Mn
spend per year

Marking its 15th year of continued service to the community, the Ex-Pack Medicare Medical Centre stands as a meaningful reflection of Ex-Pack Corrugated Cartons PLC's long-standing commitment to community wellbeing and accessible healthcare. Established in June 2011 as a CSR initiative in collaboration with the Chief Prelate of the Pattiwila Sri Shailaramaya Temple, Ven. Ariyadhamma Thero, the Centre was founded in response to the limited access to affordable healthcare services within the Pattiwila community, particularly among low-income families and elderly residents.

Operating from within the temple premises, the Medical Centre provides free medical consultations and medication three days a week, Monday, Wednesday, and Friday, serving as an important source of care and support for the surrounding community. Over the years, the initiative has continued to positively impact the lives of many residents by improving access to essential healthcare services and reinforcing the Company's commitment to creating lasting social value.

GRI 413-2

Operations with significant negative impacts on local communities

During the year there were no operations reported with significant actual and potential negative impacts on local communities.

Risks and Opportunities

Risks

- Supply chain disruptions arising from geopolitical tensions, logistics constraints, or supplier concentration risks
- Changing customer expectations relating to quality, sustainability, innovation, and service responsiveness
- Reputational risks arising from product quality issues, delayed deliveries, or stakeholder dissatisfaction
- Increasing competition within the packaging industry impacting customer retention and market share
- Rising stakeholder expectations relating to ethical sourcing, environmental responsibility, and corporate conduct
- Disruptions to community relationships or stakeholder trust due to inadequate engagement or communication

Opportunities

- Strengthening long-term customer partnerships through customised and value-added packaging solutions
- Expanding export-linked customer relationships as Sri Lankan industries continue to access global markets
- Leveraging sustainability-focused packaging solutions to meet evolving customer and regulatory expectations
- Enhancing brand reputation and stakeholder confidence through responsible business practices and community engagement
- Strengthening supplier collaboration to improve innovation, cost efficiency, and supply chain resilience
- Utilising digital platforms and direct engagement channels to improve customer communication and market visibility

Way forward

Ex-Pack Corrugated Cartons PLC will continue to strengthen its Social and Relationship Capital by deepening stakeholder engagement, enhancing customer responsiveness, and fostering long-term collaborative partnerships across its value chain. The Group remains focused on delivering consistent product quality, reliable service, and innovative packaging solutions that align with evolving customer and market requirements.

Moving forward, Ex-Pack aims to further strengthen supply chain resilience through diversified sourcing strategies, closer supplier collaboration, and proactive procurement planning. The Group will also continue to expand its sustainability-focused initiatives, strengthen community relationships, and enhance stakeholder trust through responsible and ethical business practices.

NATURAL CAPITAL

Sustaining Value Through Responsible Resource Stewardship

Natural capital is fundamental to the operations and long-term sustainability of Ex-Pack Corrugated Cartons PLC. As a manufacturer reliant on paper-based raw materials, energy, and water, our ability to manage resources responsibly has a direct impact on operational efficiency, cost management, and environmental performance. We remain committed to responsible sourcing, efficient resource utilisation, and minimising our environmental footprint through disciplined operations, continuous improvement initiatives, and adherence to recognised environmental standards.

Top 5 Value drivers

1. Sustainable fibre sourcing and raw material availability
2. Energy efficiency and cost optimisation
3. Water stewardship and operational resilience
4. Emissions control and environmental compliance
5. Waste reduction and circular resource use

Value created/ impact

3,005.41 MT paper recycled	11.86% decrease in direct emissions (Scope 1)

Key Natural Capital inputs

4.25 Ha
land

1.396 ML
water consumed

Link to our material matters

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

How we contribute to advancing the United Nation's Sustainability Development Goals

13 CLIMATE ACTION

Driving our strategy with Natural Capital

Strategic pillar	How Natural Capital supports drive the strategic pillar
Profitable growth	Effective management of natural resources, particularly raw materials, energy, and water supports cost efficiency and margin stability, enabling sustainable and profitable growth in a competitive manufacturing environment.
Market leadership	Responsible sourcing, environmental certifications, and reduced environmental impact strengthen Ex-Pack's sustainability credentials, reinforcing customer trust and supporting its position as a preferred supplier in domestic and export markets.
Operational excellence	Efficient use of energy and water, disciplined waste management, and proactive emissions control enhance production reliability, process efficiency, and supply chain resilience, contributing directly to operational excellence.
Investment in Human Capital	A cleaner, safer, and well managed operating environment supports employee health, morale, and productivity, reinforcing the Company's investment in its workforce and long term organisational capability.
ESG priorities	Strong natural capital stewardship underpins Ex-Pack's ESG commitments by reducing environmental risks, ensuring regulatory compliance, and supporting responsible manufacturing aligned with stakeholder and sustainability expectations.

NATURAL CAPITAL

Connectivity to other capitals		
Eroded	Preserved	Augmented

Financial Capital

Time horizon	Impact on capital	How it happens
Short term		Through investments in responsible sourcing, energy efficient machinery, emissions control, and water saving initiatives
Long term		Through improved cost efficiency, margin stability, risk mitigation, and sustained profitability driven by efficient resource use and resilient operations

Manufactured Capital

Time horizon	Impact on capital	How it happens
Short term		By ensuring reliable access to raw materials, energy, and water that support uninterrupted production and asset utilization
Long term		Through enhanced asset efficiency, reduced wear and operational disruptions, and improved production performance enabled by better environmental management

Intellectual Capital

Time horizon	Impact on capital	How it happens
Short term		Through adherence to environmental standards, certifications, and process discipline embedded in operations
Long term		Through accumulated know how in sustainable manufacturing, process optimisation, and responsible sourcing practices

Human Capital

Time horizon	Impact on capital	How it happens
Short term		By maintaining a cleaner, safer, and better managed working environment that supports employee health and well-being
Long term		Through higher productivity, skill retention, and engagement arising from a safe, resource efficient, and responsible operating environment

Social and Relationship Capital

Time horizon	Impact on capital	How it happens
Short term		Through compliance with environmental regulations and responsible resource use that protect stakeholder trust and licence to operate
Long term		Through strengthened relationships with customers, suppliers, regulators, and communities driven by strong sustainability credentials and ethical practices

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

Management approach

As a manufacturing entity with a high dependence on natural resources, Ex-Pack recognises that the responsible use of energy, water, raw materials and effective management of emissions and waste are fundamental to the long term sustainability of our operations. We are conscious of the global triple planetary crisis, climate change, pollution and biodiversity loss, and acknowledge our role in minimising our environmental footprint across the value chain.

Natural capital management is identified as a material topic for Ex-Pack, given its direct linkages to operational efficiency, regulatory compliance, cost management, and stakeholder expectations. Our management approach is designed to systematically identify, assess and manage environmental impacts while supporting business resilience and value creation.

Governance and oversight

Oversight of environmental performance is embedded within our governance framework and is exercised through senior management oversight and a cross functional Green Team, comprising representatives from key operational and support functions. The Green Team operates under the direction of senior management and is responsible for driving initiatives related to energy efficiency, water stewardship, emissions reduction and waste management.

Its mandate includes monitoring performance against internal targets, conducting internal environmental audits, identifying operational improvement opportunities, promoting environmental awareness among employees, and integrating sustainability considerations into decision making processes.

Our initiatives in the minimizing our footprint and maximizing our handprint continued to be guided by the following broader initiatives.

Resource efficiency and responsible consumption

Adoption of ecoefficient machinery and production processes

Waste and effluent management in line with environmental standards

Greenhouse gas (GHG) emissions tracking and control

Responsible packaging, responsibly made

Sustainability at Ex Pack Corrugated Cartons PLC is intrinsically linked to our core offering: corrugated cardboard packaging. With an annual production exceeding 23,756 Mt, our products serve a wide B2B customer base across local and export markets.

Our packaging solutions are 100% recyclable and biodegradable, contributing to circular economy outcomes and offering an environmentally responsible alternative to non renewable packaging materials. In turn, this supports our customers' efforts to reduce waste and environmental impact across their supply chains.

We also acknowledge that paper production depends on natural resources, and we remain conscious of the Natural Capital implications of our operations. As such, we prioritise efficient material use, waste reduction and continuous improvement in sourcing and production practices.

We prioritise responsible sourcing by procuring the majority of our paper from Forest Stewardship Council (FSC)–certified suppliers, helping to mitigate deforestation and support sustainable forest management. This approach also responds to growing customer demand for responsibly sourced raw materials and reinforces the importance of an environmentally responsible supply chain.

The FSC is an internationally recognised certification body that ensures paper is sourced from sustainably managed forests that uphold environmental, social, and economic standards, including biodiversity protection and respect for the rights of local communities and workers. Beyond FSC certification, we require suppliers to maintain transparent sourcing practices, regularly assess environmental impacts, and follow best practices in waste management and energy use. This strengthens the sustainability of our operations and promotes responsible practices across our supply chain.

Shaping our efforts in the best interests of the natural world

1. Appointment of a Lean Six Sigma–qualified factory manager to drive process efficiencies, thereby reducing energy consumption and associated emissions
2. Continued adherence to international and local standards and certifications, ensuring our processes remain robust, compliant, and well aligned with best practices

Standards and certifications in place

- 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

Highlight from the year

Energy usage at Ex-Pack is managed through continuous monitoring and improvement of equipment and operations. We have upgraded our production line with new machinery that includes energy-saving features and Variable Frequency Drives (VFDs). In addition, we identify machinery with high electricity consumption and modify it by installing VFD devices to improve efficiency and reduce energy use.

As a result of these initiatives, we have recorded a 33% reduction in electricity costs. Beyond machinery, we also focus on improving energy efficiency in other areas such as boilers, transportation vehicles, and related operations.

Other energy management initiatives

- The continued operation of state of the art, energy efficient machinery has replaced legacy systems and resulted in an approximate two thirds reduction in electricity consumption.
- Energy usage across the factory is continuously monitored and assessed to identify inefficiencies and implement targeted improvements.
- Conventional lighting is being progressively replaced with energy efficient LED solutions across the facility to reduce electricity consumption.
- Employees are encouraged to utilise company provided transport to minimise individual vehicle usage and reduce associated carbon emissions.
- Distribution routes are regularly reviewed and optimised to enhance fuel efficiency and lower overall energy consumption.

Energy management

GRI 302-4

Management approach3

GRI 302- 3-3

We rely heavily on energy to support our operational efficiency and environmental responsibility. Our manufacturing operations run on a 12-hour shift system and depend on multiple energy sources.

- Grid-supplied electricity
- Steam generated through the combustion of furnace oil
- Petrol and diesel used by our delivery vehicle fleet, alongside internal energy optimisation systems

At present, the facility is fully reliant on grid electricity. There was no renewable or self-generated energy that the Company used during the year. While renewable energy options have been considered, rooftop solar installations are not feasible due to structural limitations of the existing roofing.

Energy consumption data

GRI 302-1, 302-3

Energy Consumption – In GJ	FY 2025/26	FY 2024/25	YoY movement
Grid electricity	7,894	6,306	1,588
Diesel	6,078	5,740	338
Petrol	60	20	40
LPG	0	0	0
Furnace oil	22,860	23,080	-220
Generator	100	140	-40
Total energy consumption	22,960	35,146	-12,180
Energy intensity	0.96	1.47	-0.51

The Group does not currently generate solar power at its premises, due to structural limitations associated with its buildings, which restrict the installation of solar energy systems.

Emissions

GHG emissions

GRI 305-1 305-2, 305-5

Scope	FY 2025/26	FY 2024/25	YoY movement
Scope 1	2,251.66	2,554.36	-302.7 (11.86)
Scope 2	915.03	749.32	165 (22.11)
Scope 3	736.28	1,266.51	-530.23 (-41.86)
Total	3,902.97	4,570.19	-667.22 (-14.60)

Base year for emissions quantification is 2021/22

Sources of emissions

Scope 1

- Direct emissions from stationary combustion
- Direct emissions from mobile combustion
- Direct process emissions and removals from industrial processes
- Direct fugitive emissions from the release of GHGs in anthropogenic systems
- Direct emissions and removals from land use, land use change and forestry (LULUCF)

Scope 2

- Indirect emissions from imported electricity, including GHG emissions related to the production and consumption of electricity imported by the organization (excluding T & D loss)

Summary of Emission factors used

Category	Emission source	Emission factor source
1	Furnace oil for boiler	IPCC default EF
1	Fuel petrol - forklift	IPCC default EF
1	Fuel diesel - forklift	IPCC default EF
1	Fuel (diesel) for employee transportation with Ex-Pack owned staff buses	IPCC default EF
1	Fuel (diesel) for finished good transportation with Ex-Pack owned lorries	IPCC default EF
1	Fuel (diesel) for other transportation with Ex-Pack owned vehicle (van)	IPCC default EF
1	CO2 fire extinguishers	IPCC default EF
1	AC refill	CO2, CH4 non fossil, N2O, R22, R134a, R32, CH4 fossil: Supplementary Table 7. SM. 7 (IPCC AR6 WGI full report 2021) R410a: https://www.dcceew.gov.au/environment/protection/ozone/rac/global-warming-potential-values-hfc-refrigerants#hfc-blends
2	Electricity	Sri Lanka GEF - source: Annual energy balance 2022, T&D loss - source: CEB statistical digest report 2024
3	Fuel (petrol) for employee transportation with private transport methods	IPCC default EF
3	Raw material transportation – paper reels	IPCC default EF
3	Raw material transportation – other RM	IPCC default EF
3	Fuel (diesel) for finished goods transportation from vehicles hired by Ex-Pack	IPCC default EF
3	Fuel (diesel) for finished goods transportation from vehicles of clients	IPCC default EF
3	Fuel (diesel) for waste transportation from vehicles owned by waste handlers	IPCC default EF
3	Fuel (diesel) for meal transport	IPCC default EF
3	Foreign travel	ICAO calculator
4	Food waste (Animal feed)	IPCC default EF
4	Wastewater treatment	DEFRA (2024) default EF
4	Incinerated Sludge waste	IPCC default EF
4	Plastic waste	DEFRA (2024) default EF
4	Polythene waste	DEFRA (2024) default EF
4	Wastage strapping tapes	DEFRA (2024) default EF
4	Wastage stitching wire pieces	DEFRA (2024) default EF
6	Municipality Water Supply	Sri Lanka NWSDB EF from A Guide for Carbon Footprint Assessment, Climate Change Secretariat, Ministry of Mahaweli Development and Environment, Sri Lanka GEF - source: Annual Energy balance 2022
6	Transmission and distribution loss	Statistical Digest 2024

Most notable GHGs Global warming potential values

GHG	GWP
Carbon dioxide - CO2	1
Methane - CH4	27
Nitrous Oxide - N2O	273

Additionally, please find the following table for GWP values.

Agent		GWP 100 Year
Common ID	Other ID	
CO2		1
CH4-F	Fossil	29.8
CH4-NF	Nonfossil	27
N_2O		273
R22	HCFC-22	1,960
R134a	HFC-134a	1,530
R32	HFC 32	771
R407c	HFC-407c	1,774
R410a		2,088

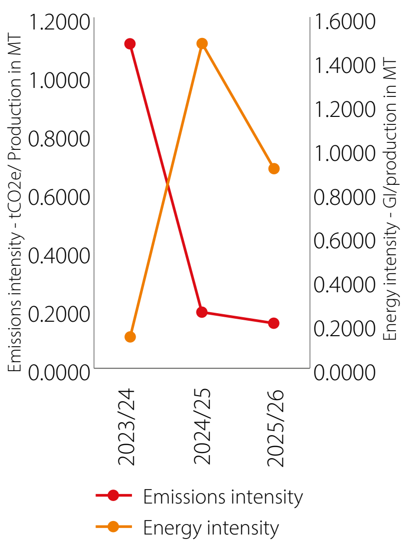
IPCC Factors and DEFRA Factors used for the analysis.

Emissions intensity 305-4

(Based on tco2 e/ production in MT)

2025/26 – 0.16, 2024/25 - 0.19

Energy and emissions intensity



Emissions management initiatives during the year

Ex-Pack manages emissions through a structured preventive maintenance plan that ensures all machinery is maintained and repaired on time. This helps machines operate at optimum productivity and efficiency, while also keeping emissions under control in line with industry standards.

In addition, regular emission checks are carried out by a nominated third-party service provider as part of compliance requirements. These assessments help verify that emissions from all machinery and equipment remain within the required standards.

Carbon Neutral certification

Ex-Pack has achieved Carbon Neutral certification for its products for four consecutive years and is currently undergoing audits for its fifth consecutive year, demonstrating a sustained and focused commitment to minimizing its climate impact. This achievement reflects a structured and organization-wide approach to measuring, managing, and reducing greenhouse gas emissions across all areas of operation.

This consistent commitment towards carbon neutrality highlights Ex-Pack's vision of responsible environmental management and its determination to contribute meaningfully to global efforts in combating climate change.

Water management and effluent management

GRI 303-1

Water is a critical natural resource used in our manufacturing operations as well as for employee requirements. Our primary source of water is pipe borne supply from the municipal network. We are committed to reducing water consumption through responsible usage and continuous improvement initiatives.

Awareness and prudent water use practices are actively promoted across the organisation and play a key role in managing and minimising overall consumption. In addition, several measures have been implemented to reduce our water footprint and enhance efficiency.

As part of our ongoing sustainability efforts, we are planning to establish a modern wastewater treatment plant that will facilitate the reuse of treated water through a reverse osmosis (RO) process. Once implemented, this initiative is expected to significantly reduce overall water consumption and improve resource efficiency.

Water withdrawn by source

GRI 303- 3

In ML	FY 2025/26	FY 2024/25	YoY change
Pipe-borne water from the municipality	16.741	13.993	2.748
Groundwater	0	0	0
Surface water (rivers,lakes, etc.) m^3	0		0
Sea water	0	0	0
Total water withdrawn	16.741	13.993	2.748

Water consumed GRI 303-4, 303-5

In ML	FY 2025/26	FY 2024/25	YoY change
Total water withdrawn	16.741	13.993	2.74
Total water discharged	15.345	12.725	2.62
Total water consumed	1.396	1.268	0.128

- Water Discharge was 15.345 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

Effluent management

- The Company treats all wastewater generated at its operations, which is subsequently utilised in the greenhouse maintained at the factory premises
- Sludge generated from the treatment process is handed over to INSEE Eco Cycle (Pvt) Ltd, the only entity authorised by the Central Environmental Authority for sludge waste disposal
- No untreated wastewater or sludge is released into the environment
- Non recyclable waste is sent to Aitken Spence (Pvt) Ltd for incineration, contributing to waste to energy electricity generation efforts

Waste Water Treatment Plant (WWTP)

The Group has an in-house Waste Water Treatment Plant (WWTP) that ensures all wastewater from production is treated to exceed regulatory standards before being reused for industrial and landscaping purposes. Potable water provided to employees is tested every three months through laboratories approved by the Central Environmental Authority (CEA), ensuring the highest standards of water safety and hygiene are maintained at all times.

Further strengthening its environmental initiatives, Ex-Pack is currently undertaking the modernization of its wastewater treatment infrastructure. This project involves the integration of both the Wastewater Treatment Plant (WWTP) and the Sewage Treatment Plant (STP) into a unified system. The upgraded facility is designed to treat all wastewater to meet National Water Supply and Drainage Board (NWSDB) standards. Once treated, the water will be safely reused for both production processes and non-potable human usage, significantly reducing freshwater dependency and promoting circular water management.

Waste Management

GRI 306-1, 306-2

The Company generates both hazardous and non - hazardous waste arising from its operations, with non hazardous waste accounting for the majority of total waste generated. The waste streams include sludge, plastics, cardboard, paper, e waste, food waste, and scrap metal. Recognising its environmental responsibility, the Company has implemented a comprehensive and well structured waste management system that prioritises segregation, responsible handling, and environmentally sound disposal and recycling practices, ensuring compliance with applicable regulations while minimising environmental impacts and promoting resource recovery.

GRI 306-5

As a result of these practices, the Company ensurs that all waste is either recycled, treated, or processed through approved recovery and disposal mechanisms in line with regulatory and sustainability best practices.

In MT	Qty
Incinerations (with energy recovery)	58.1
Incinerations (without energy recovery)	12.6

Paper Waste

Approximately 14.5% of total production waste consists of paper.

All paper waste collected on-site and transported to a dedicated baling facility, compressed into export-ready bales

Baled paper waste exported to India for reuse and conversion into value-added products

Other Waste

Compprises polythene, cans,

E-waste, etc.

Carefully sorted and handed over to licensed waste management partners registered with the Central Environmental Authority (CEA)

Food Waste

Averaging 8kg per day, with staff provided all three meals

Employees conscience driven in minimising food waste

Waste generated   GRI 306- 3

In MT	FY 2025/26	FY 2024/25	YoY change
Total hazardous waste	50.291	39.4	10.891
Total non-hazardous			
waste	3,032.75	2,823.75	209
Total waste generated	3,083.04	2,863.147	219.891

Waste paper sales   GRI 306-4

In MT	FY 2025/26	FY 2024/25	YoY Movement (%)
Exports	1,484.79	2,737.8	45
Local/indirect sales	1,520.62	104.61	1,354
Total	3,005.41	2842.41	6

Risks and Opportunities

Risks

- Dependence on grid electricity and furnace oil exposes the Company to rising energy costs and carbon-related transition risks
- Increasing environmental regulations relating to emissions, waste management, and resource usage may require continuous operational investments
- Water availability and water quality challenges may impact manufacturing continuity and operational efficiency
- Climate-related disruptions and extreme weather events may affect supply chains, logistics, and manufacturing operations
- Rising stakeholder expectations around decarbonisation and sustainable manufacturing may increase pressure for accelerated environmental improvements

Opportunities

- Growing preference for sustainable and recyclable packaging solutions strengthens long-term demand for corrugated carton products
- Strong waste recovery and zero-landfill practices support circular economy positioning and responsible manufacturing credentials
- Opportunities exist to improve energy efficiency and reduce operating costs through cleaner technologies and process optimisation
- Increasing stakeholder focus on sustainable supply chains may enhance demand from environmentally conscious customers
- Future integration of renewable energy solutions presents opportunities to reduce emissions and strengthen climate resilience

Way forward

Ex-Pack will strengthen its approach to Natural Capital by deepening responsible fibre sourcing, increasing traceability across forest related inputs, and reducing pressure on natural ecosystems. We will continue to prioritise FSC certified paper while working towards higher proportions of certified and recycled content, supported by closer engagement with suppliers to improve transparency and performance.

Our focus will expand beyond compliance to active stewardship, including assessing risks related to deforestation, biodiversity loss, water use, and climate impacts within our value chain. By integrating natural capital considerations into procurement decisions, product design, and operational efficiency, we aim to reduce resource intensity, minimise waste, and promote circular practices.

Through consistent monitoring, data driven targets, and collaboration with customers and suppliers, Ex-Pack will contribute to the protection of natural ecosystems while building a resilient, future ready supply chain aligned with long term environmental sustainability.

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 provides efficient waste management solutions for residents, corporations, and commercial Industries. Adopting 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

- Paper Recyclables
- Finished Paper and Board
- Fabric Recyclables
- Other Recyclables

MANAGING DIRECTOR'S MESSAGE

Expanding Our Role in the Circular Economy

Over the past three decades, Neptune Papers (Pvt) Limited has continued to evolve alongside Sri Lanka's recycling industry, adapting to emerging environmental and market dynamics. During the year under review, the Company achieved a significant milestone by strategically expanding beyond traditional paper recycling into a wider spectrum of recyclable waste streams, successfully establishing and stabilising several new recyclable segments. This expansion further strengthened Neptune's position as an integrated waste management and recycling solutions provider with growing relevance to Sri Lanka's circular economy ambitions.

The waste management and recycling sector in Sri Lanka continues to gain momentum as increasing emphasis is placed on resource recovery, sustainability, and circularity. Waste is gradually being recognised not merely as landfill material, but as a valuable recoverable resource capable of generating environmental and economic value. Against this backdrop, Neptune remains well-positioned to support the country's transition towards more sustainable consumption and waste management practices.

Looking ahead, our priorities remain centred on consolidating and strengthening existing business segments, improving operational efficiencies, expanding into new geographical markets, and enhancing service capabilities whilst maintaining disciplined cost management. We also remain focused on stabilising newly established business verticals and exploring new growth opportunities that support long-term resilience and sustainability.

Innovation will continue to play a central role in our future direction. We are encouraged by the progress achieved in advancing our first-of-its-kind MLP-to-eco sheet technology, whilst continuing to strengthen collection and recovery infrastructure through strategic partnerships and stakeholder collaboration. As we move forward, we remain committed to creating lasting environmental, social, and economic value, whilst contributing meaningfully towards shaping a cleaner and more circular future for Sri Lanka.

Mr. Abdullah Kassim
Managing Director

Performance of the Company – 2025/26

Key statistics

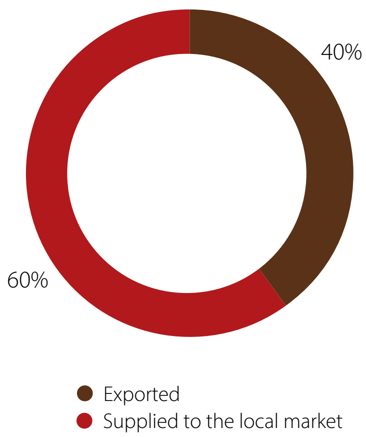
Total recyclable waste collected

49,046 MT

Total recyclable waste processed

47,948 MT

Processed waste destinations



Our environmental impact

Waste diverted from landfill

Paper

34,449 MT

Fabric

9,687 MT

Plastics

948 MT

Highlight from the year

- Successfully renewed its Zero Waste to Landfill Certification awarded by Intertek during the year.
- Neptune invested in advanced recycling technology to convert Multi-Layered Plastic (MLP) waste into durable eco sheets, providing a sustainable alternative to plywood for applications such as furniture, partitions, pallets, and construction use. This first-of-its-kind initiative in Sri Lanka addresses a critical non-recyclable waste challenge, significantly reducing landfill disposal while promoting circular economy solutions and sustainable manufacturing.

HUMAN CAPITAL AND WORKPLACE CULTURE

The Company continued to strengthen its people and HR practices during the year through employee performance evaluations, strategic recruitment, and the enhancement of HR policies and internal processes to support its growing operations. The Company also recognised and promoted employees based on performance and contribution, reinforcing a culture focused on growth, accountability, and employee development. Neptune currently employs approximately 180 permanent employees across its island-wide operations.

The Company also continued to prioritise employee wellbeing, workplace safety, and engagement through health and safety training, PPE awareness programmess, tuberculosis screening initiatives, and employee engagement events such as Avurudu and Christmas celebrations. In parallel, Neptune actively promotes environmental responsibility among employees through continuous awareness on recycling, sustainable waste management, and responsible resource utilisation, fostering a workforce aligned with the Company's circular economy vision.

Community Engagement & Social Impact

Neptune "Through Their Lens"

A photography-driven awareness initiative highlighting the environmental impact of improper waste disposal in Sri Lanka, promoting environmental responsibility and public engagement through powerful visual storytelling on pollution, wildlife, and ecosystems.

Impact:

- Increased awareness of waste-related environmental damage
- Promotion of responsible waste management behaviour
- Strengthened community engagement in conservation

Edu-Cycle

An environmental education initiative focused on promoting waste management awareness, responsible disposal practices, and youth-led participation in recycling and environmental sustainability activities.

Impact:

- Reduced waste mismanagement
- Long-term behavioural change in youth

Strengthened circular economy awareness in schools/universities

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

Mawathe Sihina"

A long-term social empowerment initiative aimed at recognising and uplifting waste collectors through improved awareness, social inclusion, livelihood support and sustainable development opportunities within the recycling sector.

Impact:

- Improved recognition and dignity for waste collectors
- Increased awareness of circular economy livelihoods
- Enhanced motivation and stakeholder engagement

Synergies with Ex-Pack Corrugated Cartons PLC

Neptune Papers (Pvt) Limited continued to strengthen operational synergies with Ex-Pack Corrugated Cartons PLC during the year by managing the collection, processing, and recycling of corrugated carton waste generated through Ex-Pack's manufacturing operations. This strengthened recycling integration within the Group, creating a seamless internal supply chain for recyclable materials whilst supporting responsible waste management and circular economy objectives.

The collaboration also contributed towards reducing landfill waste, improving sustainability performance across the Group, and enhancing employee awareness on waste segregation and recycling through jointly conducted internal recyclable waste collection initiatives across office and factory premises.

Our wins

- Overall Environmental Sustainability Winner at the Global Sustainability Awards 2025 - Recognition for outstanding overall environmental sustainability performance and leadership in corporate sustainability practices
- Gold Award – Sustainable Waste Management and Recycling – Environmental Services Sector at the Global Sustainability Awards 2025 - Recognition for excellence in circular economy practices, recycling efficiency, and sustainable waste management operations
- Silver Award Winner – Waste Management/Recycling Category at the Presidential Environment Awards 2025 - Recognition for contributions towards waste reduction, recycling innovation, and sustainable waste management practices

Way forward

Looking ahead, Neptune Papers (Pvt) Limited remains focused on strengthening its position as a key enabler of Sri Lanka's evolving circular economy. Building on the successful expansion into new recyclable segments during the year under review, the Company will continue to consolidate and scale its core operations, whilst enhancing operational efficiencies, improving service offerings, and expanding its geographical reach. Strategic focus will also remain on stabilising newly established business segments and improving productivity through disciplined cost management and process optimisation.

As momentum towards circular economy practices continues to strengthen nationally, Neptune Papers remains well positioned to contribute meaningfully towards sustainable waste management and resource recovery in Sri Lanka. The Company will continue to explore innovative recycling solutions, strengthen collection and recovery infrastructure, empower stakeholders across the recycling value chain, and support broader sustainability and circularity objectives through responsible and scalable business practices.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

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Chartered Accountants
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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 2025/26

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 2026 (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 22 May 2026. 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 International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, 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 organization 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 organization'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 2026, in order for it to be in accordance with the Criteria.

Ernst + Young

05th June 2026
Colombo

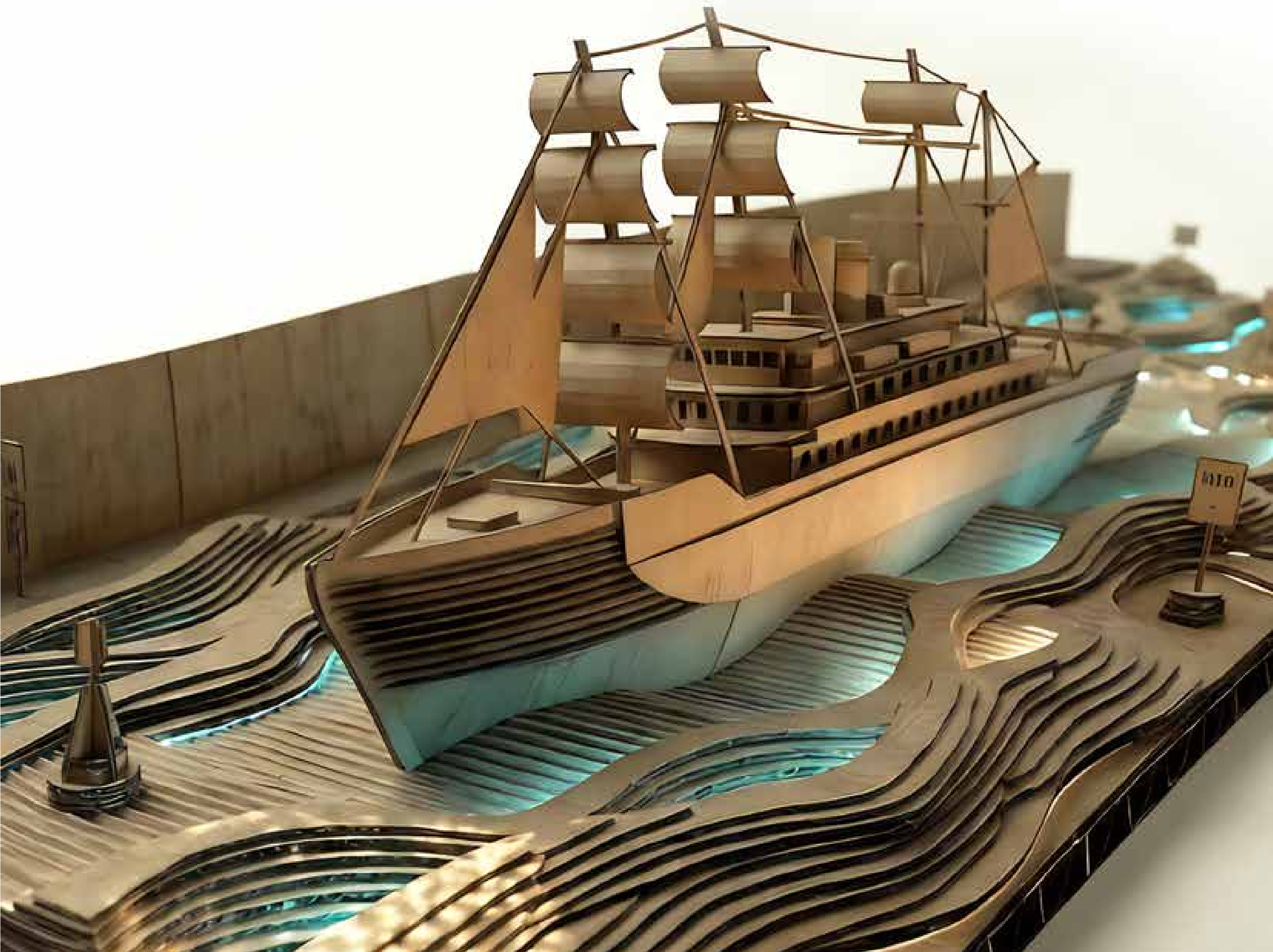
Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D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

Principals: T P M Ruberu FCMA FCCA MBA, 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

ENGINEERED FOR INTEGRITY

At Ex-Pack, our governance and risk frameworks are built on integrity, ensuring every action is guided by clear principles and disciplined oversight. Through robust controls and responsible decision-making, we protect the business, strengthen trust, and maintain the stability required to operate with confidence in a dynamic environment.




NORTRADE
RAW PEELED AND PULLED VEIN

RISK MANAGEMENT

Risk Management at Ex-Pack Corrugated Cartons PLC

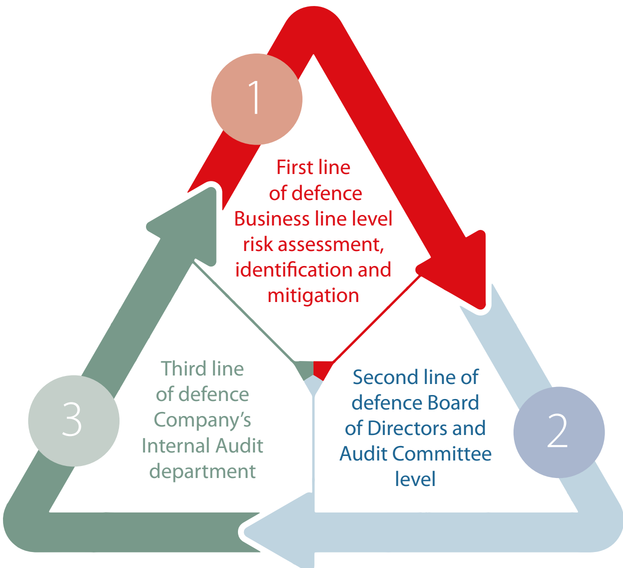
Ex-Pack Corrugated Cartons PLC adopts an enterprise-wide and integrated approach to risk management, supported by an evolving framework designed to identify, assess, mitigate, and monitor risks across the organisation. The framework establishes clear governance structures, defined responsibilities, and structured processes that support operational resilience, business continuity, and long-term value creation.

In an operating environment increasingly shaped by macroeconomic uncertainty, supply chain pressures, climate-related disruptions, evolving regulatory expectations, and changing market dynamics, the Company's risk management practices continue to play a critical role in supporting stability and informed decision-making.

The framework enables the Company to proactively respond to emerging risks while maintaining focus on operational efficiency, customer commitments, financial discipline, and strategic growth priorities.

The Board of Directors holds overall responsibility for risk oversight, ensuring that the Company's risk appetite, exposure levels, and mitigation strategies remain aligned with its strategic objectives and long-term sustainability. Supporting the Board in this regard, the Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and risk management processes, while also supporting compliance with applicable regulatory and governance expectations.

The Company's approach to risk governance is further strengthened through the adoption of the Three Lines of Defence model, which provides a structured approach to accountability and risk oversight across operational management, monitoring functions, and independent assurance processes.



Risk Landscape Overview - 2025/26

The 2025/26 financial year continued to present a cautiously improving yet volatile operating environment for Ex-Pack Corrugated Cartons PLC. While Sri Lanka's economic recovery progressed gradually following the stabilisation measures implemented in recent years, underlying macroeconomic vulnerabilities continued to persist. High cost of living pressures, constrained consumer purchasing power, elevated borrowing costs, external market uncertainties, and the continued dependence on fiscal and structural reforms created a challenging backdrop for businesses across the manufacturing and industrial sectors.

For Ex-Pack, operating within the corrugated packaging industry which is closely linked to broader manufacturing, export, retail, agriculture, and consumer activity, these conditions continued to influence customer demand patterns, input cost dynamics, supply chain stability, and overall market sentiment.

The year also reinforced the growing realities of climate-related disruptions. Cyclone Ditwah and the severe weather conditions experienced across parts of Sri Lanka during 2025 highlighted the increasing exposure of businesses to climate-related physical risks, including operational interruptions, logistical challenges, infrastructure vulnerability, and supply chain disruptions. These developments further underscored the importance of resilience, business continuity planning, and proactive risk management within the Group's operations.

Against this backdrop, Ex-Pack continued to navigate evolving economic, operational, environmental, and market-related risks through disciplined risk management practices, operational agility, customer engagement, and continued focus on long-term business sustainability.

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.

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. The risk owner remains ultimately accountable for ensuring the treatment plan is executed, even if a different person is managing the plan. 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

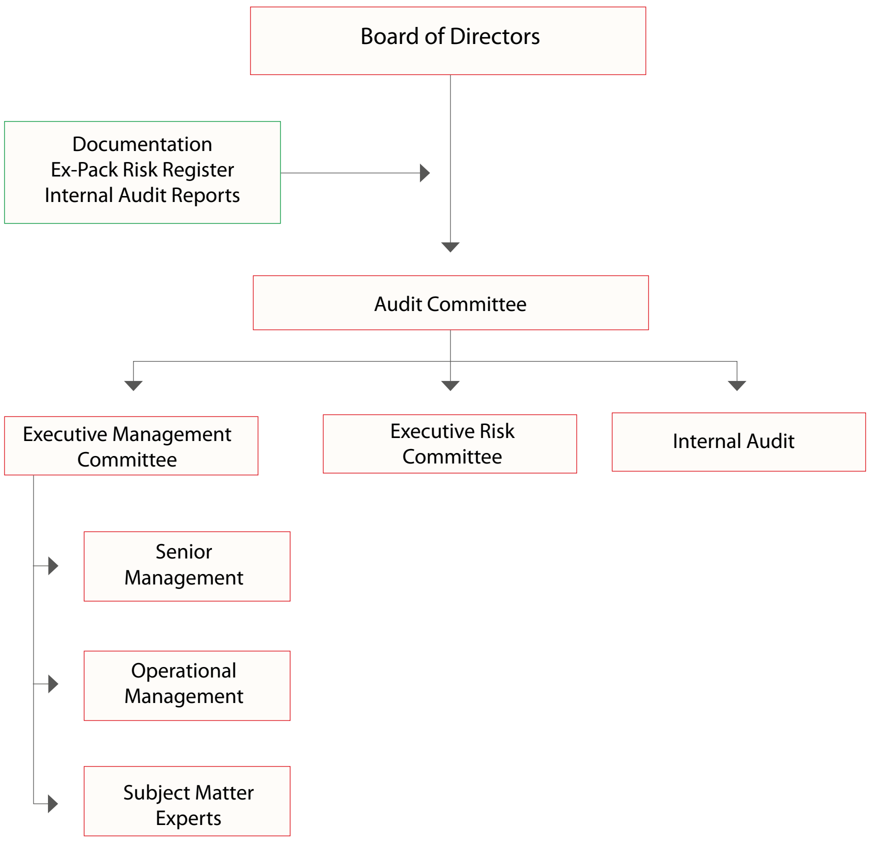
- Holds overall responsibility for the Company's risk management and internal control systems. These systems are designed to manage risks and provide reasonable assurance against significant misstatements or losses. The Board continuously reviews the effectiveness of these systems to safeguard shareholder 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
• The 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.

Probability of occurrence					
5	Medium	Medium	High	Very high	Very high
4	Low	Medium	High	High	Very 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				

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

Risk classification	Very high	High	Medium
No. of risks	3	4	2
Risks	• Economic challenges • Raw materials and other input costs • Climate change and environmental linked risks	• Pricing of corrugated cartons • Talent management and retention • Legislation and regulation – environmental • Cyber and Information Security	• Operational disruptions at manufacturing plants • Health and safety

Risk/ Risk rating	Risk description	Mitigation measures	Connectivity to strategy	Stakeholders impacted
Economic challenges Probability of occurrence: 5 Severity of impact: 5 Risk classification: Very high	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.	• 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	Market position	Shareholders Customers Suppliers
Pricing of corrugated cartons Probability of occurrence: 3 Severity of impact: 5 Risk classification: High	The cyclical nature of packaging industry could result in overcapacity and consequently threaten the pricing structure	• 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	• Market position • Operational excellence	Shareholders Customers

RISK MANAGEMENT

Risk/ Risk rating	Risk description	Mitigation measures	Connectivity to strategy	Stakeholders impacted
Operational disruptions at manufacturing plants 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	• Operational contingency plans in place in the event of plant damage or temporary shutdown • Continues investment in rigorous programmess of preventive maintenance for all key plants • All facilities adequately covered by insurance to mitigate the impact of significant interruptions	• Market position • Operational excellence	Customers Shareholders Employees
Raw materials and other input costs 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	• Dedicated purchasing function in place responsible for all input costs and ongoing cost reduction programmess • 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	• Market position • Operational excellence	Suppliers
Talent management and retention 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.	• 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

Risk/ Risk rating	Risk description	Mitigation measures	Connectivity to strategy	Stakeholders impacted
Health and safety Probability of occurrence: 2 Severity of impact: 5 Risk classification: Medium	Failure to maintain good health and safety and employee wellbeing practices may have an adverse effect on the business.	• 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	• Operational excellence • Investment in Human Capital	Employees Customers
Legislation and regulation – environmental Probability of occurrence: 3 Severity of impact: 4 Risk classification: High	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.	• Strong governance process in place to ensure compliance with all applicable laws and regulations	ESG priorities	Government and regulatory bodies

RISK MANAGEMENT

Risk/ Risk rating	Risk description	Mitigation measures	Connectivity to strategy	Stakeholders impacted
Cyber and Information Security Probability of occurrence: 3 Severity of impact: 5 Risk classification: High	In the era of technology and digitalise, the Company is susceptible to cyber-attacks with potential threats to confidentiality, integrity and availability of data compromised in its systems	• 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	Employees Customers
Climate change and environmental linked risks Probability of occurrence: 5 Severity of impact: 5 Risk classification: Very high	With growing implications of climate change and global movement towards greening the planet, industries with a large eco-foot Print 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 effluents.	• 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

CORPORATE GOVERNANCE

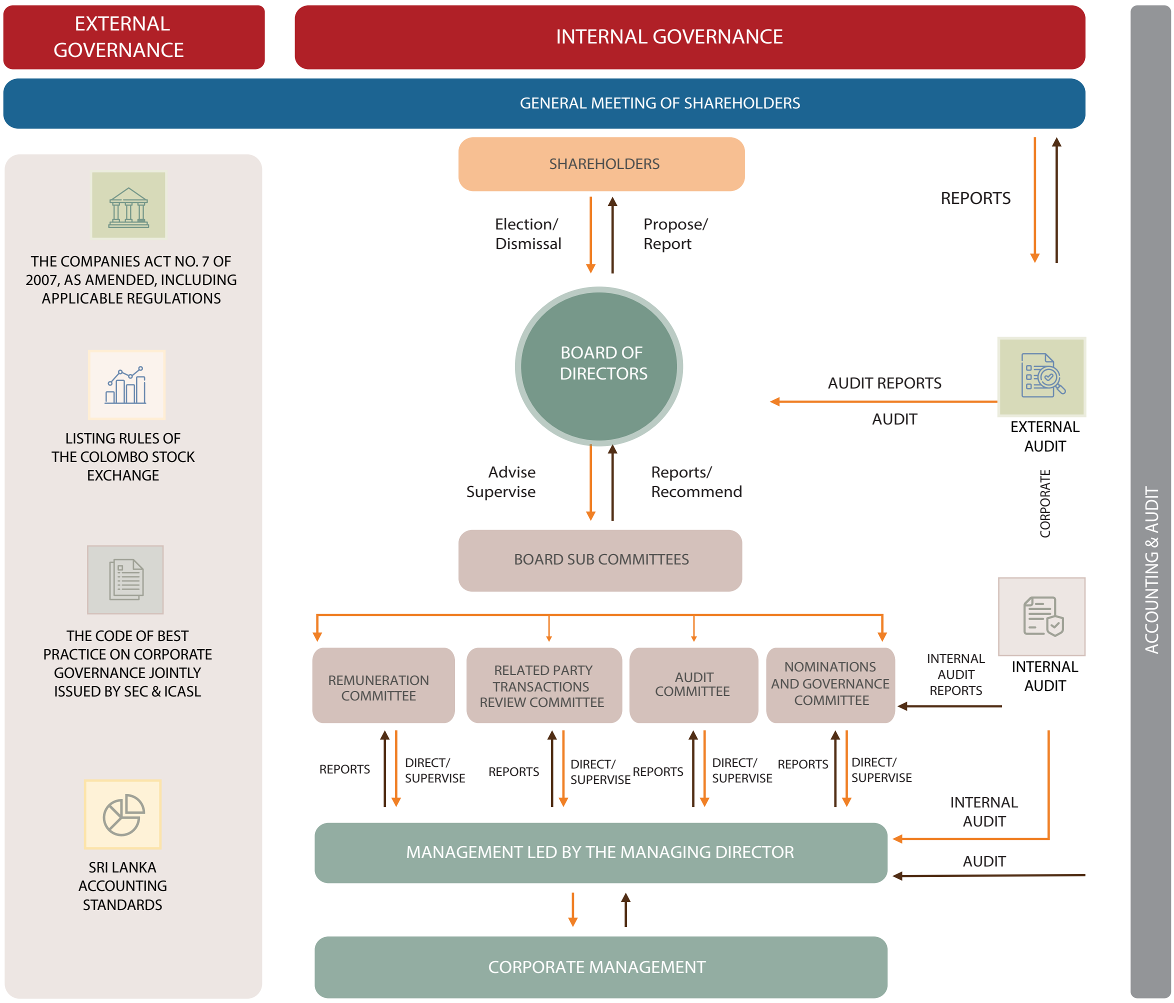
At Ex-Pack Corrugated Cartons PLC, corporate governance is not a compliance exercise. It is the bedrock upon which we build lasting value. Our governance framework provides the structure for effective oversight, ethical decision-making, and disciplined execution, ensuring that the interests of every stakeholder including shareholders, customers, employees, regulators, and the communities we serve are protected and advanced with equal rigour.

The Board of Directors has institutionalized a comprehensive set of governance guidelines that define the fiduciary duties, legal obligations, and ethical standards expected of every Director. These frameworks go beyond mere policy. They shape the culture of the organisation, embedding transparency, accountability, and integrity into how we lead, operate, and engage at every level of the Company.

Our governance practices are fully aligned with the regulatory landscape governing listed entities in Sri Lanka, including the Securities and Exchange Commission of Sri Lanka (SEC), 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. Beyond compliance, the Company has proactively adopted a robust suite of governance related policies spanning anti-bribery and corruption, whistleblowing, ESG sustainability, and business conduct, reflecting our conviction that strong governance must be lived, not merely documented.

The Board is supported by four Board Sub-Committees including the Audit Committee, the Remuneration Committee, the Related Party Transactions Review Committee, and the Nominations and Governance Committee. Each committee operates under a formally approved charter with clearly defined mandates, and together they form an integrated system of oversight, checks, and accountability that reinforces the integrity of the Board's governance function.

As the regulatory environment evolves and stakeholder expectations grow, Ex-Pack Corrugated Cartons PLC remains firmly committed to raising the bar on governance. We view this not as an obligation but as a strategic imperative, one that underpins our credibility, sustains investor confidence, and positions the Company for responsible, resilient, long-term growth.



CORPORATE GOVERNANCE HIGHLIGHTS

The financial year 2025/26 marked a significant chapter in Ex-Pack Corrugated Cartons PLC's governance journey, defined by the completion of a landmark operational milestone and the continued strengthening of the governance framework established in the prior year. Subsequent to the year-end, the appointment of a new Director in May 2026 further reinforced the Company's commitment to Board renewal and sound governance.

Building on the comprehensive compliance work undertaken in the previous financial year in response to the revised Corporate Governance Rules of the Colombo Stock Exchange, the Company's focus this year shifted from implementation to consolidation and performance. The strengthened governance structures are now fully embedded and functioning effectively across all levels of the organisation. The Nominations and Governance Committee, formally established in August 2024, completed its first full year of operation, discharging its responsibilities across Board composition reviews, director fitness and propriety assessments, independence evaluations, succession planning, and overall governance oversight with consistent rigour and independence.

Board Renewal

With effect from 20th May 2026, the Company appointed a new Director to the Board, marking a considered and deliberate step in the Board's ongoing renewal process. The appointment was conducted through the formal nominations process overseen by the Nominations and Governance Committee, ensuring it was merit based, strategically aligned, and fully compliant with applicable regulatory requirements. This addition enriches the Board's collective expertise, broadens the diversity of perspectives available at the highest level of leadership, and reinforces the Company's commitment to maintaining a Board that is equipped to guide Ex-Pack through its next phase of growth with confidence and clarity.

Completion and commissioning of the IPO Expansion Objective

The year brought to fruition one of the most significant commitments made to shareholders at the time of the Company's Initial Public Offering. The factory expansion project, which was a central and defining objective underpinning the IPO and the primary driver of the Company's capital raising strategy, was successfully completed and commissioned during the year. The full and disciplined utilisation of IPO proceeds in line with the restructured objectives communicated to shareholders represents a defining moment in the Company's accountability to its investor base. The Board is pleased to confirm that this commitment has been honoured in its entirety.

The commissioning of this expansion is not merely an operational achievement. It is a demonstration of the Company's ability to execute against its stated commitments, manage capital responsibly, and deliver on the promises made to those who placed their trust in Ex-Pack at the time of listing. The expanded facility meaningfully strengthens the Company's production capacity, enhances operational efficiency, and positions Ex-Pack for sustained revenue growth and improved competitiveness in the years ahead.

Policy Framework and Compliance

The governance policies and structures formalised in the prior year continue to operate as intended and are actively monitored for effectiveness. All mandated policies remain in force, awareness and training initiatives have been extended across the organisation, and compliance monitoring is conducted on an ongoing basis. No material governance deficiencies or regulatory breaches were recorded during the year, reflecting the robustness of the frameworks in place and the commitment of the Board and management to upholding them.

Board Skills

The Board regularly assesses its collective skills and experience to ensure continued alignment with the Group's strategic priorities. The Company remains committed to promoting gender diversity and the meaningful representation of women on the Board, in compliance with applicable law and in recognition of the value that diverse leadership brings to governance effectiveness.

Collectively, the Board brings a multi-dimensional wealth of expertise spanning management, business administration, banking, finance, economics, taxation, global multinational operations, information technology, marketing, and human resources. Every Director contributes skills and knowledge complemented by a strong sense of integrity and the capacity for independent judgement.

As outlined in the profiles of Board Directors on pages 30 to 35, the Board's collective experience encompasses accountancy, business management, commercial aviation, environment management, sustainability, financial services and insurance, corporate wealth creation, 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, and 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 2026 on 29th May 2026. 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 4th Annual General Meeting was convened on 30th June 2025, providing shareholders with an opportunity to engage directly with the Board, review the

Company's performance, and vote on resolutions. The 5th AGM is scheduled to be held on 30th June 2026 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 Sub-Committees including the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations and Governance Committee met periodically throughout the year and effectively discharged their respective oversight responsibilities. Their collective contributions ensured that governance practices remained robust, risk management was well integrated into operational decision-making, and the Board was well supported in fulfilling its strategic and compliance related duties.

This sustained commitment to clear, timely, and meaningful reporting reinforces Ex-Pack's dedication to principled governance and the creation of long-term shareholder value.

KEY GOVERNANCE MECHANISMS

- A comprehensive suite of internal policies and a formal Code of Business Conduct and Ethics are firmly embedded across the organization, providing clear behavioural standards for every Director, member of management, and employee. These frameworks do not merely define what is permissible — they actively cultivate a culture where integrity, accountability, and ethical conduct are the foundation of every decision and interaction.
- The Board is structured to ensure robust independent oversight, with seven of its nine members serving in a non-executive capacity. During the year, the Board welcomed a new Non-Executive Non-Independent Director with effect from 20th May 2026, further enriching the breadth of experience and perspective available at Board level. This majority of Non-Executive Directors provides the critical balance between executive management and objective governance, enabling the Board to exercise independent judgement on matters of strategy, risk, performance, and compliance without undue influence.
- Every shareholder of Ex-Pack Corrugated Cartons PLC is accorded equal voting rights, without exception. This principle of equitable participation reflects the Company's deep commitment to fairness, inclusivity, and transparent engagement with its investor base, ensuring that all voices carry equal weight in the governance of the Company.
- The performance of the Board and each of its Sub-Committees is subject to formal annual self-assessments, designed to evaluate collective effectiveness, identify opportunities for improvement, and ensure that governance standards continuously evolve in line with the Company's growth and the broader regulatory landscape. These assessments are not a formality — they are a genuine mechanism through which the Board holds itself accountable to the same standards it expects of the organization.
- Sustainability is not a peripheral consideration at Ex-Pack — it is central to how the Company is governed and how decisions are made. ESG considerations are systematically integrated into strategic planning and operational decision-making, reflecting the Board's recognition that long-term business resilience is inseparable from environmental responsibility, social impact, and strong governance. This commitment is embedded in the Company's policies, reporting frameworks, and day to day leadership.
- The Company's governance is further reinforced by a distinctive organizational culture anchored in five enduring values — caring, challenging, responsive, trustworthy, and tenacious. These values are not aspirational statements. They are the lived principles that shape how the Company leads, how decisions are made, and how every stakeholder relationship is managed. Together, they form the character of Ex-Pack and underpin the long-term sustainability of its governance model.

STRATEGY AND GOVERNANCE ALIGNMENT

At Ex-Pack Corrugated Cartons PLC, governance and strategy are not parallel tracks — they are deeply intertwined. Our governance framework is deliberately structured to ensure that oversight mechanisms actively enable strategic execution, reinforce accountability, and provide the Board with the clarity and confidence to make decisions that serve the long-term interests of the Company and its stakeholders.

Our strategy is anchored in six core pillars: strengthening market leadership, fostering strategic partnerships, driving operational excellence, investing in human capital, ensuring disciplined capital allocation, and advancing ESG priorities. Each of these pillars is supported by governance structures that set clear expectations, monitor progress, and hold leadership accountable for delivery. The Board does not merely oversee strategy from a distance — it is an active participant in shaping, stress-testing, and safeguarding it.

This integrated approach ensures that value creation is pursued with discipline and purpose, and that the Company remains agile and responsive to shifts in the external environment, evolving stakeholder expectations, and emerging risks and opportunities.

A defining highlight of this financial year, and a testament to the strength of this governance and strategy alignment, was the successful commissioning of the restructured objectives tied to the utilisation of IPO funds. The factory expansion project, which formed the central basis of the Company's capital raising at the time of listing, was brought to full completion during the year. IPO proceeds were deployed in a disciplined, transparent, and accountable manner in line with the restructured utilisation plan communicated to shareholders, and the Board is pleased to confirm that all objectives under that plan have now been fulfilled. This achievement reflects not only operational execution but the integrity of the governance framework that oversaw every stage of the process, from capital allocation decisions to progress monitoring and shareholder disclosure.

Looking ahead, this alignment between governance and strategy will continue to guide the Company as it builds on this foundation, pursues new growth opportunities, and deepens its commitment to sustainable and responsible business practices.

BOARD OF DIRECTORS AND PROFILES

As at the date of this report, the Board comprises nine Directors, of whom three are Non-Executive Independent Directors, four are Non-Executive Non-Independent Directors, and two are Executive Non-Independent Directors. The profiles of the Directors are on pages 30 to 35.

At Ex-Pack Corrugated Cartons PLC, corporate governance is not merely a compliance obligation — it is a foundational principle that defines how we lead, how we operate, and how we create value. The Board is unwavering in its commitment 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. Our governance framework is equally aligned with the Listing Rules of the Colombo Stock Exchange, the Companies Act No. 07 of 2007, and all other applicable legal and regulatory frameworks.

Each Director is fully cognisant of their fiduciary and statutory duties and remains steadfast in upholding the highest standards of integrity, professionalism, and independent judgement. 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 resilient, sustainable growth and long-term value creation.

The Board assumes full and unequivocal responsibility for ensuring that the Company is governed with integrity, transparency, and accountability. This encompasses safeguarding the interests of shareholders, regulators, and all other stakeholders, while providing strategic oversight and direction across every dimension of the business. The Board guides the formulation and execution of the Company's short, medium, and long-term strategies, ensuring that the organisation operates in a manner that is both commercially sound and ethically grounded at all times.

A strong governance environment has been institutionalized through the adoption of comprehensive policies, robust internal controls, and clearly defined governance structures. The Board ensures the consistent 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, discharged with independence, diligence, and good faith through rigorous monitoring of executive performance, risk and capital management, and the consistent application of governance principles across the Group.

The Board has placed increasing emphasis on integrating sustainability into corporate decision-making, recognizing that environmental, social, and governance considerations are not peripheral to business success but central to it. Sustainability is now deeply embedded in the Company's strategy, operations, and reporting processes, guided by internationally recognized frameworks including 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, reflecting its conviction that strong governance and sustainable business practice are inseparable.

Each Director, individually and collectively, recognises their duty to uphold the legal and ethical standards expected of a listed entity. The Board remains resolutely 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 2026, the Board of Directors of Ex-Pack Corrugated Cartons PLC comprised eight members, reflecting a balanced, experienced, and diverse mix of professional backgrounds, industry expertise, and leadership perspectives. The Board included three Non-Executive Independent Directors, three Non-Executive Non-Independent Directors, and two Executive Non-Independent Directors.

Subsequent to the financial year end, the Board welcomed Mr. Mohamed Hassan Sattar Kassim as a Non-Executive Non-Independent Director with effect from 20th May 2026, bringing the total Board membership to nine. This appointment was made through the formal nominations process overseen by the Nominations and Governance Committee, ensuring it was merit based, strategically aligned, and fully compliant with applicable regulatory requirements. The addition further strengthens the depth of experience and strategic insight available at the highest level of governance as the Company enters its next phase of growth. Following this appointment, the Board comprises three Non-Executive Independent Directors, four Non-Executive Non-Independent Directors, and two Executive Non-Independent Directors.

This composition meets and exceeds 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 judgement in all matters, free from undue influence, while maintaining direct access to operational insights through executive representation. Each Director brings specific and complementary expertise spanning finance, manufacturing, corporate strategy, sustainability, and governance, ensuring the Board remains well equipped to guide the Company's strategic direction and oversee performance in a dynamic and competitive 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 for independence, with no relationships or circumstances that could materially interfere with their ability to exercise independent judgement. These Directors bring a high level of objectivity to Board deliberations, particularly in matters involving audit oversight, remuneration, nominations, and governance evaluation.

Each Non-Executive Independent Director is required to submit an annual declaration confirming their status as either independent or non-independent. These declarations are reviewed by the Nominations and Governance Committee and the Company Secretary as part of the governance assurance process, ensuring ongoing regulatory compliance and transparency.

Further details of all 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 firmly committed to maintaining a composition that reflects both independence and competence, while actively promoting diversity of thought, background, and experience, in order to meet the evolving strategic, operational, and governance needs of the Company.

Board Independence

Ex-Pack Corrugated Cartons PLC 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 all three Independent Non-Executive Directors, whose profiles are presented on pages 31 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 judgement.

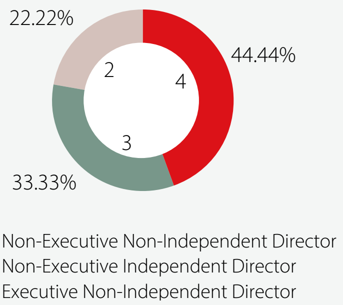
In alignment with corporate governance best practices, Ex-Pack has instituted a clear and deliberate separation of roles between the Chairman and the Chief Executive Officer. These two positions are held by different individuals, ensuring a balanced distribution of leadership responsibilities, preventing undue concentration of authority, and reinforcing Board independence. The Chairman, as a Non-Executive Director, is responsible for leading the Board and fostering effective governance, while the Chief Executive Officer is responsible for the day to day management of the Company's operations under the oversight of the Managing Director and the Board.

This clear delineation of roles reinforces the integrity of the Company's governance framework and supports informed, transparent, and independent decision-making at the highest level of the organization.

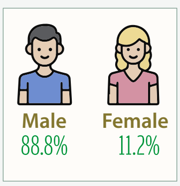
Name	Designation
Sattar Kassim	Non-Executive Non-Independent Director / Chairman
Shafik Kassim	Non-Executive Non-Independent Director
Mohamed Zulficar Mohamed Ghouse	Executive Non-Independent Director / Managing Director
Abdullah Osman Kassim	Executive Non-Independent Director
Wanigasekara Bandaranayake 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
Mohamed Hassan Sattar Kassim	Non-Executive Non-Independent Director
Uduwage Don Wadeepa Chathuranga Abeyratne	Non-Executive Non-Independent Director

2
Executive
22.22%

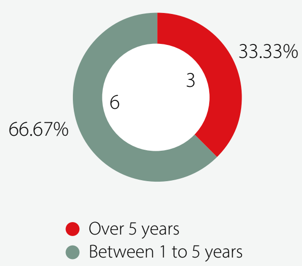
7
Non-Executive
77.78%



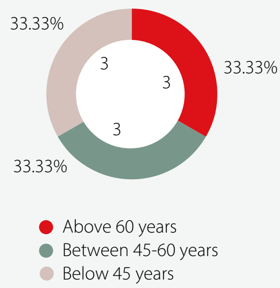
Gender composition of the Board of Directors



Tenure on the Board



Age diversity



RESPONSIBILITIES OF THE BOARD

The Board of Directors bears ultimate and unconditional responsibility for the governance and strategic oversight of Ex-Pack Corrugated Cartons PLC. 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 equal measure. 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 that robust internal controls are embedded across the organization. It reviews major acquisitions, divestitures, and funding proposals, ensures compliance with all regulatory obligations, and upholds the highest standards of corporate governance without compromise. Where the complexity of a matter demands it, the Board retains the authority to seek independent professional advice, ensuring that its decisions are always well informed, objective, and in the best interests of stakeholders.

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. These frameworks do not merely define the boundaries within which the Board operates — they reflect the standards to which the Board holds itself accountable.

To facilitate effective oversight and strengthen its governance framework, the Board has delegated specific responsibilities to four formally constituted Sub-Committees: the Audit Committee, the Remuneration Committee, the Related Party Transactions Review Committee, and the Nominations and Governance Committee. Each committee operates under a formally approved charter and is comprised predominantly of Non-Executive Directors, enabling independent and focused scrutiny of key governance areas while maintaining full 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 provides leadership to the Board, ensuring it functions with the effectiveness, cohesion, and independence that sound governance demands. He sets the tone for constructive and open dialogue among Directors, creates the conditions for rigorous debate, and ensures that every voice at the Board table is heard and considered before decisions are reached.

While the Chairman holds a non-independent position, the Company maintains robust safeguards to preserve the integrity of Board oversight. These include periodic Board performance evaluations, independently chaired Sub-Committees, and structured engagements between the Chairman and Independent Directors, all of which promote ethical conduct, transparency, and balanced governance. The Company is satisfied that these mechanisms provide sufficient assurance of independent and objective oversight at the highest level.

Managing Director's Role

The Managing Director serves as the executive leader of Ex-Pack Corrugated Cartons PLC, directly accountable to the Chairman and the Board of Directors. The MD is responsible for leading the execution of the Company's Board approved business strategy, providing decisive leadership to the senior management team, and maintaining rigorous oversight of operational performance, profitability, and enterprise-wide risk management. The MD translates the strategic direction set by the Board into concrete operational goals, ensures that all policies, internal controls, and sustainability commitments are effectively implemented across the organisation, and fosters a high-performance culture grounded in accountability, agility, and purpose. The MD plays a central role in bridging the Board's strategic vision with the operational reality of the business, ensuring that the two remain fully aligned at all times.

Chief Executive Officer's Role

Reporting directly to the Managing Director, the Chief Executive Officer is entrusted with the day to day management of the Company's operations, functioning within the authority and strategic parameters established by the Managing Director and the Board. The CEO translates the Company's strategic objectives into operational action plans and is responsible for ensuring their timely and effective execution across all business units. This encompasses overseeing organisational performance, managing resources with discipline and efficiency, driving operational excellence, and delivering on key commercial targets.

The CEO plays a critical role in fostering cross-functional alignment, ensuring that operational decisions reflect both immediate priorities and long-term strategic intent. The role further encompasses the responsibility for driving internal efficiencies, cultivating a culture of accountability, and ensuring that performance standards consistently meet the expectations of stakeholders and the values of the Company.

This tiered governance model — where strategic oversight by the Board and Managing Director is balanced with agile and accountable execution at the operational level — enables the Company to remain responsive, disciplined, and forward looking in an increasingly dynamic business environment.

Role of the Board in Sustainability

The Board of Directors is firmly committed to embedding sustainability at the heart of the Company's strategy, governance, and culture. Sustainability at Ex-Pack is not treated as a reporting obligation — it is a strategic imperative, governed through a triple bottom line lens of People, Planet, and Profit, and deeply integrated into decision-making, operations, and corporate reporting at every level.

The Board actively champions initiatives that drive environmental responsibility, generate meaningful social value, and underpin long-term economic performance. This year's Annual Report reflects the Company's enhanced commitment to transparency in sustainability performance and has been prepared in line with internationally recognised voluntary disclosure frameworks, as referenced on page 123.

Board Balance and Diversity

The Board of Ex-Pack Corrugated Cartons PLC is composed of accomplished professionals with diverse expertise spanning finance, strategy, entrepreneurship, corporate governance, and operational leadership. This richness of experience and perspective fosters robust debate, balanced and well-considered decision-making, and the strategic foresight necessary to guide the Company through complex and dynamic market environments.

The composition of the Board is fully compliant with the Listing Rules of the Colombo Stock Exchange. A clear majority of Directors serve in a non-executive capacity, with three holding the designation of Independent Non-Executive Director. This structure ensures a meaningful separation between management and oversight, facilitating objective and independent judgement across all Board matters.

Non-Executive Directors, including the Independent Directors, play a pivotal and active role in safeguarding stakeholder interests. They engage constructively and critically during Board and Sub-Committee deliberations, bringing external perspectives and professional insights that strengthen governance, sharpen strategic evaluation, and reinforce internal controls. The presence of Independent Directors provides an essential layer of impartiality, ensuring that the Board's decisions are made in the genuine best interests of the Company, free from undue influence or conflict. Their continued independence is assessed 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 the active participation of its Non-Executive and Independent Directors, the Board remains well positioned to discharge its fiduciary responsibilities and deliver long-term sustainable value to shareholders and all stakeholders.

Financial Acumen

The Board of Ex-Pack Corrugated Cartons PLC brings together individuals of significant financial expertise, business acumen, and strategic foresight. Collectively, the Directors possess extensive experience across corporate finance, accounting, audit, investment analysis, treasury, taxation, and commercial operations. This depth and breadth of financial knowledge provides a strong and credible foundation for informed, rigorous decision-making at the highest level of the organisation.

The Board's collective ability to critically analyse financial statements, evaluate complex investment proposals, and assess funding strategies enables it to exercise robust financial oversight and maintain the fiscal discipline necessary to navigate an increasingly challenging operating environment. This competence is particularly vital in ensuring that risks are well managed, capital is allocated with prudence, and growth opportunities are pursued in a manner that is both sustainable and value accretive.

The diversity of professional backgrounds among the Directors further enriches the Board's perspective on capital allocation, financial structure optimization, and value creation. Through this collective financial insight, the Board ensures that the Company's financial governance remains robust, transparent, and consistently 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 discharge its strategic oversight responsibilities and ensure that governance obligations are fulfilled with the diligence they demand. In accordance with the Company's governance framework, the Board meets at least four times during the financial year on a quarterly basis, with additional meetings convened at the discretion of the Board whenever specific matters require timely consideration or decision-making outside the regular cycle.

During the year under review, four Board meetings were held, providing a structured platform for Directors to deliberate on key strategic, financial, operational, and compliance matters. These meetings serve as the primary forum through which the Board critically assesses Company performance, evaluates risks and opportunities, and provides informed guidance on strategic direction. While all meetings were presided over by the Chairman.

The Board remains firmly committed to upholding the highest standards of engagement, collective decision-making, and accountability. The regularity and quality of these meetings are a direct reflection of the Board's active and purposeful role in guiding Ex-Pack towards sustainable growth, responsible leadership, and enduring long-term shareholder value.

The attendance of individual Directors at Board meetings during the year is set out in the table below,

		Dates of the Meetings				
Attendance		20/05/2025	14/08/2025	13/11/2025	31/01/2026	%
Executive Non-Independent Director						
Mohamed Zulficar Mohamed Ghouse	4/4	✓	✓	✓	✓	100%
Abdullah Osman Kassim	2/4	✓	✗	✗	✓	50%
Non-Executive Non-Independent Director						
Sattar Kassim	4/4	✓	✓	✓	✓	100%
Shafik Kassim	4/4	✓	✓	✓	✓	100%
Uduwage Don Wadeepa Chathuranga Abeyratne	4/4	✓	✓	✓	✓	100%
Non-Executive Independent Director						
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%

Communication of Critical Concerns to the Board

Ex-Pack Corrugated Cartons PLC maintains well-defined, structured, and accessible channels through which critical concerns can be escalated to the Board of Directors in a timely and responsible manner. The Board recognises that the integrity of its governance function depends not only on the quality of its decision-making but on the reliability of the information and concerns that reach it. These mechanisms ensure that issues of operational, ethical, legal, or reputational significance are surfaced promptly, addressed effectively, and resolved with full accountability.

There were no critical concerns reported during the year.

Board and Committee Meetings

Regularly scheduled meetings of the Board and its Sub-Committees serve as the primary formal platform for the communication and deliberation of critical concerns. These meetings provide management and functional heads with a structured opportunity to bring matters of strategic importance to Board level consideration. The Internal Audit function, which reports directly and independently to the Audit Committee, further strengthens this process by providing objective, unfiltered insights into the state of internal controls and risk exposures. In urgent or time-sensitive situations, critical matters may be escalated outside the regular meeting cycle through formal Board papers submitted to the full Board or a relevant Sub-Committee, ensuring that no material concern is delayed by the calendar.

Access via the Company Secretary

Shareholders and external stakeholders who wish to bring material concerns to the attention of the Board may do so through the Company Secretary, who serves as a formally designated and accessible point of contact. Concerns received through this channel are formally reviewed and promptly communicated to the Chairman, the Managing Director, and relevant Board members for consideration and action. This ensures that stakeholder voices are not merely heard but genuinely considered within the governance framework of the Company.

Senior Management Escalation Protocols

The Company has implemented clearly defined escalation protocols to ensure that concerns arising at the operational level are addressed at the appropriate level of authority without delay. Issues identified at the departmental level are escalated through senior management to the Managing Director, who assesses their materiality and strategic significance. Matters that meet the threshold for Board level consideration are formally elevated to the Board or the relevant Sub-Committee. This structured escalation pathway ensures timely resolution, preserves internal accountability, and allows the Board to maintain its focus on matters that genuinely require its oversight and judgement.

Whistleblower Mechanism

The Company has established a robust and formally documented Whistleblower Mechanism, underpinned by a comprehensive Whistleblowing Policy that provides every employee with a safe, confidential, and protected channel through which serious concerns can be raised. This includes concerns relating to unethical behaviour, financial misconduct, breaches of internal controls, or violations of Company policy. The mechanism is designed to encourage early identification of potential risks before they escalate, and expressly prohibits any form of retaliation against individuals who raise concerns in good faith. All reports are handled with sensitivity and discretion, evaluated by the Head of Human Resources and Compliance, and where the severity of the matter demands it, escalated to the relevant Board level authority to ensure full accountability and resolution. The existence of this mechanism reflects the Company's conviction that a culture of transparency and integrity must be actively protected, not merely declared.

Policy Commitments

At Ex-Pack Corrugated Cartons PLC, the policy framework is not a compliance artefact — it is the operational expression of the Company's values, governance commitments, and accountability standards. The Board of Directors recognises that a robust and living policy environment is foundational to protecting stakeholder interests, ensuring regulatory alignment, managing risk with discipline, and enabling sustainable long-term growth.

The Company takes a proactive and deliberate approach to policy development and maintenance. Governance, risk, and compliance mechanisms are fully integrated across all levels of the organisation, supported by clear guidelines, delegated authority structures, defined oversight responsibilities, and accountability mechanisms that anchor decision-making to the Company's values, corporate strategy, and risk appetite.

All policies are subject to periodic review and are revised as necessary to ensure continued relevance in the face of evolving legal, regulatory, industry, and operational contexts. Collectively, they provide reasonable assurance for the delivery of strategic objectives while managing risk, protecting assets, and embedding a culture of responsibility throughout the organisation.

The Company's policy framework spans governance, operational, social, environmental, and ethical domains 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 and 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 static documents. They form the living foundation of the Company's corporate identity and directly shape how decisions are made, how risks are identified and addressed, and how relationships with every category of stakeholder are managed. They are cascaded across the organisation through structured training programmess, targeted awareness initiatives, and systematic compliance reviews, ensuring that policy intent is translated into consistent organisational behaviour at every level.

Through this comprehensive and actively maintained policy framework, Ex-Pack Corrugated Cartons PLC reaffirms its enduring commitment to principled leadership, responsible business conduct, and the highest standards of corporate governance.

Conflict of Interest

Ex-Pack Corrugated Cartons PLC holds itself to the highest standards of ethical conduct, integrity, and transparency in every aspect of its operations. The Company recognises that actual, potential, or perceived conflicts of interest — if left unmanaged — can erode the quality of decision-making, compromise independent judgement, and undermine the confidence that stakeholders place in the organisation. The Company has accordingly implemented a rigorous and proactive framework for identifying, disclosing, and managing such situations before they can affect governance or business outcomes.

The governance framework imposes a clear obligation on all Directors, senior management, and employees to act exclusively in the best interest of the Company at all times, and to avoid any personal or professional interest that could interfere — directly or indirectly — with the discharge of their duties and responsibilities. Where a conflict of interest arises or is reasonably anticipated, it must be promptly disclosed through the established internal channels and addressed in accordance with the Company's policies and procedures without exception.

This commitment is operationalised through formal declarations, routine periodic disclosures, and documented decision-making protocols that promote transparency and impartiality at every level. All related party transactions and situations involving potential conflicts are subject to heightened scrutiny, with oversight exercised by the Board and the relevant Sub-Committees to ensure full alignment with governance standards and regulatory requirements.

By embedding a culture of openness, accountability, and ethical leadership, Ex-Pack safeguards the trust placed in the organisation by its shareholders, employees, customers, and business partners. The Company's disciplined approach to conflict management ensures that every business decision is made on its merits, free from undue influence, and unambiguously in the long-term interest of the Company and those it serves.

Board of Committees

The Board of Directors of Ex-Pack Corrugated Cartons PLC has established four formally constituted Board Sub-Committees, each designed to provide specialised, focused, and independent oversight across critical areas of governance and business management. These Sub-Committees are not merely structural requirements — they are active and integral components of the Company's governance architecture, enabling the Board to dedicate the depth of attention that complex, high-risk, and high-consequence matters demand.

Each Sub-Committee operates under a formally approved Terms of Reference that precisely defines its scope, authority, responsibilities, and reporting obligations. These terms are subject to periodic Board review to ensure their continued relevance and effectiveness as the Company evolves. The composition of all Sub-Committees is predominantly comprised of Non-Executive Directors, including Independent Directors, thereby reinforcing the transparency, objectivity, and independence that are essential to their governance function.

The Sub-Committee structure enables the Board to delegate oversight of key functional areas — including financial reporting, internal controls, risk governance, remuneration strategy, related party transactions, Board composition, and corporate governance matters — to bodies that are equipped to scrutinise them with the necessary expertise and independence. The Sub-Committees also serve as a critical interface between the executive team and the Board, ensuring that consequential decisions are subjected to rigorous review and are fully aligned with the Company's strategic objectives and stakeholder expectations before being brought to the Board.

Through regular meetings, detailed reviews, and formal reporting structures, each Sub-Committee provides the Board with informed recommendations and actionable feedback, enabling timely and well-grounded decisions. This layered governance model ensures that the Board remains agile, well-informed, and resolutely focused on long-term value creation, risk mitigation, and ethical business conduct.

Audit Committee

The Audit Committee is composed entirely of Independent Non-Executive Directors, providing the highest level of objectivity and independence in its oversight of the Company's financial reporting, internal control environment, and risk management framework. The Committee plays a central role in assisting the Board in fulfilling its responsibilities for the integrity of financial statements, compliance with statutory and regulatory requirements, and the effectiveness of both the internal and external audit functions.

Beyond financial oversight, the Committee performs the Board's risk oversight function, reviewing the adequacy and effectiveness of the internal control systems and evaluating risk exposures across operational, financial, compliance, and strategic dimensions. It ensures that appropriate and proportionate processes are in place to identify, monitor, and mitigate key risks, thereby providing the Board with the assurance it requires to govern with confidence. The Committee is also responsible for the appointment, evaluation, and independence assessment of the external auditors, and reviews the audit scope, findings, and recommendations with due rigour.

Further details on the Committee's activities and the matters deliberated during the financial year 2025/26 are provided in the Audit Committee Report on pages 166 to169 of this Annual Report.

Remuneration Committee

The Remuneration Committee comprises three Independent Non-Executive Directors and one Non-Executive Director, ensuring that remuneration decisions are made with the independence, objectivity, and fairness that they require. The Committee is responsible for establishing and maintaining a remuneration framework that is transparent, performance linked, and aligned with the Company's long-term strategic objectives. Its mandate covers the Chief Executive Officer, Managing Director, and other members of the senior management team, as well as the broader framework governing remuneration across the organisation.

The Committee regularly reviews the competitiveness of the Company's reward structures to ensure that they attract, motivate, and retain the calibre of talent required to deliver on the Company's strategic ambitions, while maintaining the accountability and fairness expected by stakeholders. The Remuneration Committee Report detailing its key deliberations during the financial year is provided on pages 170 to 171.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee comprises three Independent Non-Executive Directors. Its primary and non-negotiable objective is to ensure that all transactions with related parties are conducted strictly on an arm's length basis and are unambiguously in the best interest of the Company and its shareholders. No related party transaction is exempt from this scrutiny.

The Committee is responsible for 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. It operates with full transparency and ensures that adequate and timely disclosures are made to shareholders in all instances. The RPT Committee Report and matters reviewed during the year are presented on pages 172 to 173. All related party transactions have been disclosed in the Notes to the Financial Statements 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 sustaining the effectiveness, continuity, and integrity 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 on an ongoing basis.

Key responsibilities include identifying and recommending suitable candidates for appointment or re-election to the Board, overseeing succession planning for Directors and senior management, ensuring that governance policies remain current and effective, and supporting the annual Board evaluation process. Through its oversight, the Committee ensures that the Board is always equipped with the appropriate breadth of skills, depth of experience, and degree of independence necessary to lead the Company forward with confidence and accountability. The appointment of Mr. Mohamed Hassan Sattar Kassim subsequent to the financial year end was reviewed and recommended by this Committee in accordance with its mandate.

The Nominations and Governance Committee Report detailing its key deliberations during the financial year is provided on pages 174 to176.

Access to Independent Professional Advice

Directors of Ex-Pack Corrugated Cartons PLC are empowered to seek independent professional advice at the Company's expense whenever they consider it necessary to fulfil their duties and responsibilities effectively. This provision is an important safeguard of good governance, ensuring that Directors are never constrained by a lack of access to expert counsel on legal, regulatory, financial, or technical matters of complexity or consequence. The availability of this resource supports the quality and independence of Board decision-making and reinforces the Company's commitment to governance that is informed, rigorous, and objective.

Company Secretary

All Directors have unrestricted access to the advice and support of the Company Secretary, who plays an essential and multifaceted role in facilitating the effectiveness of the Board. The Company Secretary is responsible for ensuring that Board procedures are followed, that Directors are fully and accurately informed of their duties and obligations, and that the Company remains compliant with all applicable legal and regulatory requirements. The appointment or removal of the Company Secretary is a matter reserved exclusively for the consideration of the Board as a whole, reflecting the significance of the role to the integrity of the governance function.

Independent Judgement of Directors

Independent Non-Executive Directors bring an invaluable external perspective to Board deliberations and are expected to exercise objective, impartial, and constructive judgement in all matters that come before the Board. They do not participate in the day to day management of the Company and are free from any relationships, interests, or influences that could compromise their ability to act unequivocally in the best interests of the Company and its stakeholders. Their independence enables them to challenge assumptions, interrogate proposals, provide strategic counsel, and hold executive management accountable in a manner that strengthens both the quality of governance and the confidence of stakeholders in the Board's oversight.

Dedication of time and effort

Every Director is expected to commit sufficient time, preparation, and focused attention to effectively discharge their responsibilities to the Company and its stakeholders. Board meetings are structured to facilitate comprehensive discussion and informed deliberation, and Directors are expected to arrive thoroughly prepared and to engage with the substantive issues before them with the seriousness and diligence they deserve. This commitment to meaningful engagement is fundamental to the quality of governance that Ex-Pack Corrugated Cartons PLC seeks to maintain.

Training and Development

The Company is firmly committed to the continuous learning and professional development of its Directors. The Board actively encourages participation in training programmess, governance seminars, and development initiatives relevant to each Director's role and the evolving demands of the regulatory and business environment. Training needs are assessed periodically to ensure that Directors remain current on developments in corporate governance, regulatory requirements, sustainability, and industry best practices. This ongoing investment in Director development reflects the Board's recognition that governance excellence is not static — it must be continuously pursued and reinforced.

Supply of Information

The Board is supported by a structured and disciplined information-sharing process designed to ensure that all Directors are fully equipped with the data, context, and analysis necessary for effective deliberation and sound decision-making. Notices and agendas for Board meetings are circulated well in advance of each meeting, and comprehensive Board papers are provided with sufficient lead time to allow thorough review and independent analysis. Directors are encouraged to seek additional information or clarification prior to meetings wherever they consider it necessary, ensuring that every Director is able to contribute to Board discussions from a position of full and equal knowledge.

Appointments to the Board

During the financial year ended 31st March 2026, there were no new appointments made to the Board of Directors of Ex-Pack Corrugated Cartons PLC. The composition of the Board remained unchanged throughout the year, providing continuity in leadership and strategic oversight. Subsequent to the financial year end, Mr. Mohamed Hassan Sattar Kassim was appointed to the Board as a Non-Executive Non-Independent Director with effect from 20th May 2026, as detailed in the Board Composition section of this report.

The appointment of Directors is governed by a formal, transparent, and rigorous process overseen by the Nominations and Governance Committee, in full accordance with the Company's Articles of Association, the Listing Rules of the Colombo Stock Exchange, and corporate governance best practices. The Committee evaluates the skills, experience, and independence required on the Board, identifies and assesses suitable candidates, and makes formal recommendations to the Board for approval. The overriding objective is to ensure that the Board's composition remains balanced, diverse, strategically aligned, and fully equipped to meet the evolving needs of the Company.

Re-Election of Directors

The Board of Directors is committed to maintaining leadership continuity while upholding a structured and principled approach to Board succession 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 and, being eligible, may offer themselves for re-election. It is noted that the Managing Director, while holding office, is not subject to retirement by rotation and is excluded from the calculation for determining the number of Directors required to retire.

In accordance with this provision, the following resolutions will be presented at the 5th Annual General Meeting:

- To re-elect Mr. Shafik Kassim as a Director, 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.
- To re-elect Ms. Shehara De Silva as a Director, who retires by rotation in terms of Article 78 of the Articles of Association of the Company and, being eligible, offers herself for re-election.
- To re-elect as a Director, Mr. Mohamed Hassan Sattar Kassim who was appointed subsequent to the last Annual General Meeting as a Director of the company in terms of Article 85 of the Articles of Association of the Company.

The Board, with the concurrence of the Nominations and Governance Committee, recommends the re-election of all three Directors, having regard to their valuable and ongoing contributions, their demonstrated commitment to the Company's governance standards, and their continued alignment with its strategic direction.

Appraisal of Board Performance

The Board of Directors of Ex-Pack Corrugated Cartons PLC is committed to holding itself to the same standard of accountability that it expects of the organisation it governs. In line with this commitment, the performance of the Board as a whole, its Sub-Committees, and individual Directors is formally evaluated on an annual basis. This structured appraisal process enables the Board to assess the effectiveness of its composition, the quality of its decision-making, the robustness of its oversight, and the individual contribution of each Director to the collective governance function. The outcomes of these evaluations directly inform succession planning considerations, governance enhancements, and capacity building initiatives, ensuring that the Board continuously improves in step with the evolving needs of the Company.

Evaluation of the Chief Executive Officer

The performance of the Chief Executive Officer is subject to a rigorous annual review conducted by the Managing Director and the Board. The evaluation is comprehensive in scope, encompassing strategic execution, operational performance, leadership effectiveness, stakeholder engagement, and alignment with the Company's long-term objectives and values. This process is integral to maintaining a culture of accountability and performance driven leadership at the executive level, and to ensuring that the management of the Company's day to day operations consistently meets the expectations of the Board and stakeholders.

Constructive Use of the Annual General Meeting

The Annual General Meeting is regarded as one of the most important governance platforms available to the Company, providing shareholders with direct and meaningful access to the Board and an opportunity to exercise their rights as owners of the Company. Each resolution presented at the AGM addresses a distinct and specific issue, enabling shareholders to vote on a fully informed and considered basis. All proxy votes are duly recorded, and the number of proxies lodged for each resolution is communicated to the Chairman prior to the commencement of voting.

The Chairpersons of all key Board Sub-Committees attend the Annual General Meeting and are available to address any questions or clarifications that shareholders may wish to raise. The external auditors are also present to respond to matters relating to the audit of the Company's financial statements, reinforcing the transparency and accountability that the AGM is designed to embody.

The notice of the AGM, together with the agenda, the Annual Report, and all relevant supporting documents, is dispatched to shareholders at least 15 working days in advance, in full compliance with regulatory requirements and in the spirit of meaningful shareholder engagement.

Communication With Shareholders

Ex-Pack Corrugated Cartons PLC is committed to maintaining open, transparent, continuous, and equitable communication with its shareholders. The Company recognises shareholders as its most fundamental stakeholders and is resolute in ensuring that they are kept fully informed of material developments, financial performance, and strategic priorities in a manner that is timely, accurate, and accessible.

The Company's shareholder communication strategy is anchored in 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 regular updates via the Company's official website. These channels collectively ensure that all shareholders, regardless of the size of their holding, have equal and contemporaneous access to material information about the Company.

Beyond regulatory disclosures, shareholders are actively encouraged to engage with the Company directly through the Company Secretary, who serves as the formal and responsive point of contact for queries, concerns, and requests for information. The Board is committed to ensuring that all shareholder communications are acknowledged promptly and addressed with the care, thoroughness, and consideration they deserve.

The Annual General Meeting remains the centrepiece of the Company's shareholder engagement calendar, providing a platform for direct dialogue with the Board and senior management. Ex-Pack encourages all shareholders to attend, engage actively, and exercise their voting rights. Shareholders unable to attend in person are entitled to appoint a proxy of their choice to represent them and vote on their behalf. Each resolution tabled at the AGM is specific to a distinct matter, and proxy votes are recorded and disclosed in the interest of full transparency.

Through this sustained commitment to open, inclusive, and proactive communication, Ex-Pack seeks to build and continuously strengthen the trust and confidence of its shareholders, and to reinforce its dedication to transparency, accountability, and the creation of enduring long-term value.

Major Transactions

During the financial year ended 31st March 2026, 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 strictly in the ordinary course of business and on an arm's length basis. Disclosures relating to related party transactions are made in full accordance with the requirements of Sri Lanka Accounting Standard LKAS 24: Related Party Disclosures, and are detailed in the Notes to the Financial Statements of this Annual Report.

Where the Company engages in transactions with entities in which a Director or the Chairman also serves in a leadership capacity, such transactions are subject to review to ensure they are consistent with prevailing market terms and fully compliant with the Company's internal governance and disclosure requirements. The Board is satisfied that all such transactions during the year met the required standards.

Financial Reporting

The Board of Directors accepts full and unequivocal responsibility for the preparation and fair presentation of the Company's financial statements, in accordance with applicable financial reporting standards and all relevant regulatory requirements. This responsibility is formally affirmed through the Statement of Directors' Responsibility included in this Annual Report.

The Board confirms that the Company has adequate resources to continue in operational existence for the foreseeable future and that the going concern basis has accordingly been adopted in the preparation of the Financial Statements. The Independent Auditor's Report on the Financial Statements for the year ended 31st March 2026, the Report of the Directors, and the Management Discussion and Analysis are all included in the relevant sections of this Annual Report.

Code of Business Conduct and Ethics

Ex-Pack Corrugated Cartons PLC is guided by a well-established and actively maintained Code of Business Conduct and Ethics that reflects the Company's core values of integrity, professionalism, and accountability. This Code is formally communicated to all Directors and employees and serves as the definitive framework for responsible behaviour in every aspect of business conduct and stakeholder interaction.

The Board ensures strict and consistent adherence to the Code across all levels of the organisation and monitors its implementation with ongoing diligence. Compliance with the Code is not confined to the execution of formal duties — it extends to communication, decision-making, and every interaction with internal and external stakeholders. Any breach of the Code is treated as a disciplinary matter and addressed through appropriate corrective action in accordance with Company policy. The Board regards the Code not merely as a governance document but as an expression of the character and values to which Ex-Pack holds itself accountable.

Employee Relations And Labour Matters

There were no material issues relating to employee relations or industrial disputes reported during the financial year ended 31st March 2026. The Company continues to maintain a harmonious, respectful, and productive work environment and is not currently affiliated with any employee trade unions. Ex-Pack remains steadfastly committed to fostering a workplace culture that is supportive, inclusive, and conducive to the professional growth and wellbeing of every member of its team, in alignment with the principles of equity, dignity, and opportunity.

Processes To Remediate Negative Impacts

Ex-Pack has established clear, accessible, and confidential 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 within the Company's risk and compliance framework and provide affected stakeholders with a structured, safe, and confidential process through which concerns can be raised and escalated. All concerns received are addressed through defined and accountable remedial actions, and the effectiveness of these mechanisms is reviewed as part of the Company's ongoing risk and compliance monitoring. The Company views these mechanisms not as a fallback but as a proactive expression of its commitment to responsible and ethical business conduct.

Internal Controls

The Board acknowledges its overarching responsibility for maintaining an effective, proportionate, and continuously evolving system of internal controls designed to safeguard shareholders' investments and the Company's assets. The control framework is structured to manage and mitigate risk rather than eliminate it entirely, and is directed at supporting the reliable achievement of the Company's strategic and operational objectives.

Oversight of the internal control environment has been delegated by the Board to the Audit Committee, which is responsible for identifying, assessing, and monitoring key risks and determining how they are to be managed and mitigated. This includes regular and structured reporting to the Board on material control issues, significant incidents, and newly emerging risks. In addition to internal monitoring, an independent external professional firm is engaged to perform internal audits across key operational and functional areas, providing an additional and independent layer of assurance on the adequacy and effectiveness of the control environment.

Compliance With Laws And Regulations

Ex-Pack Corrugated Cartons PLC maintains an unwavering and non-negotiable commitment to legal and regulatory compliance as a fundamental pillar of its governance framework and corporate character. The Company operates in full accordance with all applicable statutes, rules, and guidelines issued by regulatory authorities in Sri Lanka and in every jurisdiction in which it conducts business. This encompasses 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 obligations.

The Company has instituted robust internal mechanisms for legal oversight, statutory monitoring, and regulatory reporting, ensuring that compliance responsibilities are fully integrated into the operational, financial, and administrative functions of the organisation. These mechanisms are supported by regular training, periodic internal reviews, and active oversight by the Board and its Sub-Committees. The Audit Committee and the Internal Audit function play a particularly critical role in monitoring adherence to applicable laws and in ensuring that appropriate corrective action is taken promptly whenever needed.

During the financial year ended 31st March 2026, Ex-Pack Corrugated Cartons PLC recorded no instances of non-compliance with laws, regulatory breaches, fines, or penalties. This is a reflection of the strength and effectiveness of the Company's compliance culture and the diligence of its governance and risk management practices. The Board is committed to preserving and continuously strengthening this standard of regulatory integrity, and to maintaining Ex-Pack's standing as a responsible, ethical, and law-abiding corporate citizen.

Disclosures To The Public, SEC, and CSE

Ex-Pack Corrugated Cartons PLC is committed to the highest standard of corporate transparency and regulatory compliance through timely, accurate, comprehensive, and equitable disclosure of both financial and non-financial information. The Board of Directors, in conjunction with the Audit Committee, bears ultimate responsibility for ensuring that all disclosures fully meet the regulatory and governance expectations of the Colombo Stock Exchange, the Securities and Exchange Commission of Sri Lanka, and all applicable financial reporting standards.

Quarterly financial statements, accompanied by detailed explanatory notes, are prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and disclosed in a timely and consistent manner in accordance 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 all other stakeholders, reinforcing the Company's commitment to financial transparency and informed stakeholder engagement.

All material developments, including price-sensitive information and other significant financial and non-financial matters, are promptly communicated to the CSE and simultaneously disseminated to employees, shareholders, media, and other relevant stakeholders to ensure broad, equitable, and contemporaneous access to important Company information.

As of the reporting date, Ex-Pack Corrugated Cartons PLC confirms full compliance with all applicable provisions of the revised Corporate Governance Rules introduced by the CSE. All required policies, frameworks, and processes have been formally adopted, embedded into the Company's governance structure, and are operating as intended. This achievement reflects the Company's unwavering commitment to governance leadership, regulatory alignment, and the maintenance of investor confidence through transparent, principled, and accountable disclosure practices.

In terms of Section 9.17 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 2025/2026 after adoption as per the CSE Rules	✔	

✔ Compliant ✖ Not Applicable

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 174 of this Report
(b)	Remuneration Committee	✓	Please refer page 170 of this Report
(c)	Audit Committee	✓	Please refer page 166 of this Report
(d)	Related Party Transactions Review Committee	✓	Please refer page 172 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 140 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	✓	
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. TheEntity 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 rational 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 2026.
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

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'.	Compliant	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.	Compliant	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	Compliant	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.	Compliant	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:	Compliant	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.	Compliant	Please refer pages 174 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.	Compliant	There were no such incidents during 2025/2026
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Compliant	The total number of directors was eight (08) as at 31st March 2026.
9.8.2	Minimum Number of Independent Directors:	Compliant	The total number of Independent Directors were three (3) as at 31st March 2026.
(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.	Compliant	
(b)	Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Compliant	
9.8.3	Criteria for determining independence	Compliant	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:	Compliant	
(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.	Compliant	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.	Compliant	Names of the Independent Directors are given in page no 139.
(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.	Compliant	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:	Not Applicable	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 it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non- compliance in the manner specified in Rule 9.5.2 above.	Compliant	The Directors have complied with this. The directorships held by the Directors are given on page 139 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.	Compliant	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.	Compliant	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:	Compliant	Please refer pages 30 to 35 of this report for the profiles of the Board of Directors.
(a)	name, qualifications and brief profile;	Compliant	
(b)	the nature of his/her expertise in relevant functional areas;	Compliant	
(c)	whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity;	Compliant	
(d)	whether Executive, Non-Executive and/or independent Director;	Compliant	
(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;	Compliant	
(f)	number of Board meetings of the Listed Entity attended during the year;	Compliant	Please refer to page 142 for the number of Board meetings attended by the Board of Directors during the year.

Compliant   Not Applicable

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;	Compliant	
(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,	Compliant	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	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.	Compliant	The company made necessary arrangements to establish a Nominations and Governance Committee. Please refer pages 174 to 176 of this report.
9.11.6	Nominations and Governance Committee. Report signed by its chairperson.	Compliant	Please refer pages 174 to 176 of this report.
9.12.8	Disclosure in Annual Report – Remuneration Committee Report The Annual Report should set out the following:	Compliant	Please refer to the Remuneration Committee Report from in page 170 of this report.
(a)	Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members.	Compliant	
(b)	A statement regarding the Remuneration Policy; and,	Compliant	
(c)	The aggregate remuneration of the Executive and Non-Executive Directors.	Compliant	
9.13	Audit Committee	Compliant	
9.13.5	Disclosures in Annual Report Audit Committee Report	Compliant	Please refer to the Audit Committee Report from pages 166 to 169 of this report
9.14.1	Related Party Transactions Review Committee (RPT).	Compliant	
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)	Not Applicable	
9.14.8(2)	Related Party Disclosure – recurrent RPT Exceeding 10% of the gross revenue/income (in the specified format)	Not Applicable	
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.	Compliant	Please refer to the Related Party Transactions Review Committee Report from pages 172 to 173 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.	Compliant	
9.16	Additional Disclosures	Compliant	Given on pages 149 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.	Compliant	
A.1.1Regular Board Meetings	Frequency of Board meetings. (at least once every quarter)	Compliant	
A.1.2 Board Responsibilities	Ensure formulation and implementation of a sound business strategy.	Compliant	
	Ensure that the MD/CEO and the management team possess the necessary skills, experience and knowledge for effective implementation of the strategy.	Compliant	
	Adapt effective CEO and senior management succession strategy.	Compliant	
	Ensure that effective systems are in place to secure integrity of information, internal controls, business continuity and risk management.	Compliant	
	Ensure that the Company's activities are conducted in compliance with laws, regulations and ethical standards.	Compliant	
	Ensure that all stakeholder interests are considered in corporate decisions.	Compliant	
	Recognised sustainable business development in corporate strategy, decisions and activities.	Compliant	
	Ensure that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.	Compliant	
	Fulfill other Board functions that are vital, given the scale, nature and complexity of the business concerned.	Compliant	
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.	Compliant	
A.1.4 Access to Advice and the Services of a Company Secretary	Advice and Services of the Company Secretary.	Compliant	
	The Company should obtain appropriate insurance cover as recommended by the Nominations committee for Board, Directors, and Key Management Personnel.	Compliant	
A.1.5 Independent Judgment of Directors	Bring Independent judgment on various business issues and standards of business conduct.	Compliant	
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.	Compliant	
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 the best interest to the Company to do so.	Not Applicable	

Compliant   Not Applicable

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 174 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 170 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

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 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.	✖	The Audit Committee over look the risk management function.
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

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 in Annual General Meeting and cast their votes.	✓	
3. Other matters			
G. Interest of Things and Cybersecurity	The Board review of 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

Full Name	Name of Company / Fund / Organisation	Capacity
Mrs. Shehara De Silva	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
	Sarvodaya Development Finance	NED
Mr. U K D Dharmadasa	HNB General Insurance Ltd.	NED
	Lakshman Cooray and Company	NED
	B P P L Holdings PLC	NED
Mr. W B W M R A M T G Aluwihare	Abans Finance PLC	NED
	Bank of Ceylon	NED
U D W C Abeyrathne	Global Rubber Industries (Private) Limited	ED
Mr. M H S Kassim	Amana Takaful PLC	Managing Director/ED
	Amana Takaful Life PLC	NED
	Colombo Reality (Private) Limited	NED
	Roar Digital (Private) Limited	NED

NED - Non-Executive Director
ED - Executive Director

In addition to the above, Mr Sattar Kassim, Mr Shafik Kassim, Mr Zulficar Ghouse, Mr. Abdullah Kassim and Mr Hassan 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 - 2025/26

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 2026, conforming to the requirements of the Companies Act No. 07 of 2007 and any amendment thereto 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 22 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 188 to 193 Summarised Financial Results for the year ended 31st March 2026 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		Company	
Y/E 31 March	2026	2025	2026	2025
Revenue	9,835,909,524	9,932,074,391	6,389,518,083	6,326,319,204
Profit /(Loss) before tax for the year	(-91,010,991)	721,667,014	99,293,458	628,212,341
Net Profit /(Loss) after tax for the year	280,975,736	453,021,212	454,220,562	426,364,746

Auditors' Report

The Independent Auditors' Report on the Financial Statements is given on Page 184 Accounting Policies The accounting policies adopted by the Company in the preparation of financial statements are given on pages from 194 to 205 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 186 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 the Director who was appointed after the financial year (up to the date of the approval of the Financial Statements) are given below and their brief profile appear on page from 30 to 35 There were no Directors who resigned during the year.

Name of Director	Category	Date of Appointment
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
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
Mohamed Hassan Sattar Kassim	Non-Executive Non-Independent Director	20.05.2026

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 is on page 142.

ANNUAL REPORT ON THE BOARD OF DIRECTORS AFFAIRS ON THE COMPANY - 2025/26

Directors' Remuneration

The Director's remuneration is disclosed in Note 25.4 to the Financial Statements on page 234.

The Auditors

The Financial Statements for the year ended 31st March 2026 have been audited by Messrs Ernst & Young (Chartered Accountants), and the Independent Auditors' Report thereon is given on page 184 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. 1,890,681 (Group – Rs. 3,195,000)

Stated Capital

The Stated Capital of the Company as at 31st March 2026 was Rs.1,199,999,997.20/- (333,333,333 Shares).

The shareholdings of the Directors and the Chief Executive Officer (CEO) of the Company are as follows.

Name of Directors	31.03.2026	31.03.2025
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

*Mr. Mohamed Hassan Sattar Kassim
(As at the date of appointment on 20th May 2026, he held 261,037 shares.)

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 180 under Investor Information.

Public Holding

The percentage of public shareholding as at the 31st March 2026 was 34.65%.

Capital Commitments

There were no material capital expenditure commitments as at 31st March 2026 other than those disclosed in Note 22.

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 24 on page 230 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 135 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 comprised of Directors with the requisite qualifications and experience. The composition of the said committees are given under page 166 to 176 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.

The Related Party Transactions Review Committee report is given on page 172 to 173 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 2026 at 9.45 am (as a virtual meeting). The Notice of the Annual General meeting appears on page 247.

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
05th June 2026

REPORT OF THE BOARD AUDIT COMMITTEE

I am pleased to present the Report of the Board Audit Committee for the financial year ended 31st March 2026.

This has been a year of substantive governance activity for the Committee. Beyond discharging its standing responsibilities with the rigour and independence that the Board and stakeholders expect, the Committee has continued to deepen its oversight of the risk management framework, reinforce the integrity of the financial reporting process, and ensure that the internal and external audit functions operate with full independence and effectiveness. The Committee's work this year reflects a governance function that is not reactive but purposeful, not procedural but genuinely committed to the standards of accountability and transparency that underpin long-term value creation.

Composition of the Committee

The Board Audit Committee comprises three Independent Non-Executive Directors, ensuring that its oversight function is exercised with complete objectivity and freedom from management influence. The composition of the Committee during the year under review was as follows. Detailed profiles of all Committee members are presented on pages 30 to 35 of this Annual Report.

Name of the Director	Designation	Committee Designation
Ukwatte Kankanamage Dinesh Dharmadasa	Non-Executive Independent Director	Chairman
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 (Pvt) Ltd
Mr. Abdul Latiff Ahamed	Head of Finance
Mr. Mohamed Shamil	Senior Manager, Finance and Compliance

Secretary of the Committee

Ms. Najiha Carrim, Manager, Corporate Secretarial and Compliance of the Group, served as Secretary to the Committee throughout the year under review.

Meetings and Attendance

The Committee convenes as often as necessary or appropriate and at a minimum on a quarterly basis. During the financial year ended 31st March 2026, four Committee meetings were held. All members maintained perfect attendance throughout the year, reflecting the seriousness with which each member approaches their governance responsibilities.

Attendance	Elegible to Attend	Attended	%
Ukwatte Kankanamage Dinesh Dharmadasa	4	4	100%
Thulci Goutham Aluwihare	4	4	100%
Shehara De Silva	4	4	100%

Role of the Audit Committee

The Board Audit Committee sits at the heart of the Company's governance framework. It is entrusted with providing independent, rigorous, and continuous oversight of the financial reporting process, the internal control environment, the risk management framework, and the Company's compliance with all legal and regulatory requirements. In fulfilling these responsibilities, the Committee serves as a critical pillar of the Board's accountability architecture, ensuring that the information on which the Board relies is accurate, the controls on which the Company depends are effective, and the risks to which the organisation is exposed are identified, assessed, and managed with appropriate discipline.

The Committee acts as a guardian of stakeholder interests, providing an independent line of assurance between executive management and the Board, and between the Company and its shareholders, regulators, and broader stakeholder community.

The key responsibilities of the Committee are as follows:

- ### Oversight of Financial Reporting:

The Committee reviews the quarterly and annual financial statements of the Company in detail prior to their release, ensuring that they are prepared in full compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) and all applicable regulatory requirements. This review encompasses a critical assessment of the quality, transparency, accuracy, and completeness of all financial disclosures, providing the Board with the confidence it requires to endorse and publish financial results that accurately reflect the Company's performance and position.

- ### Assessment of Internal Controls:

The Committee is responsible for evaluating the adequacy and ongoing effectiveness of the Group's internal control systems. It monitors the implementation of recommendations made by the internal auditors, tracks the progress of management's corrective actions, and ensures that identified control deficiencies are addressed promptly and completely. The Committee will not regard a control recommendation as closed until it is satisfied that the underlying risk has been effectively mitigated.

- ### Risk Management Oversight:

The Committee discharges the Board's risk oversight function, providing structured and continuous oversight of the Group's risk management framework. This encompasses assessing the strength and comprehensiveness of the framework, evaluating the Company's risk exposures across operational, financial, compliance, and strategic dimensions, and ensuring that appropriate mechanisms are in place to identify, measure, monitor, and mitigate key risks. The Committee ensures that the Company's risk governance practices are sound, forward looking, and proportionate to the complexity and scale of its operations.

- ### Internal Audit Function:

The Committee provides direct oversight of the internal audit function, reviewing and approving the annual internal audit plan, monitoring the coverage and quality of audit activities, and ensuring that the internal audit function operates with full independence, adequate resources, and the professional rigour necessary to deliver objective and reliable assurance on the Group's systems and processes. Internal audit reports are reviewed by the Committee on a quarterly basis and management is held accountable for the timely implementation of all recommendations.

- ### External Audit Matters:

The Committee is responsible for overseeing the external audit relationship, including the recommendation to the Board of the appointment, reappointment, or removal of the External Auditors. It assesses the independence, objectivity, qualifications, and performance of the external auditors on an ongoing basis, reviews the scope of the audit, approves the terms of engagement, and critically evaluates the auditors' findings, management letters, and recommendations. The Committee regards the independence of the external audit function as non-negotiable and monitors it with vigilance throughout the year.

Compliance with Rules and Regulations

The Committee operates in full accordance with the regulatory framework and best practices applicable to listed entities in Sri Lanka. The Corporate Governance Rules under the Listing Rules of the Colombo Stock Exchange, together with the Code of Best Practice on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka, provide the governance standards against which the Committee measures its own performance and effectiveness. The Committee is satisfied that its composition, operations, and activities are fully compliant with these requirements and that it continues to discharge its mandate with the transparency, accountability, and independence that the regulatory framework demands.

Financial Reporting Oversight

The Committee reviewed and deliberated on the interim and annual financial statements of the Company and the Group in detail prior to their release to the public. This process included a rigorous assessment of the completeness, accuracy, and consistency of all financial disclosures, and a thorough review of the accounting policies and methods applied to ensure continued compliance with Sri Lanka Accounting Standards (SLFRS/LKAS). Upon satisfactory completion of this review, the Committee recommended the financial statements to the Board for approval and public disclosure.

The Committee also assumed responsibility for overseeing the preparation of the Annual Report as a whole, ensuring that the financial reporting process underpinning it is reliable, that the disclosures presented to stakeholders are credible and complete, and that the report as a whole reflects the high standard of transparency that the Company's stakeholders have a right to expect.

External Audit and Auditor Independence

The Committee conducted a comprehensive review of the scope and performance of the external audit function, led by Ernst and Young, Chartered Accountants, for the financial year ended 31st March 2026. This included a thorough evaluation of all services provided by the firm to ensure that the independence and objectivity of the External Auditors were maintained without compromise throughout the audit period.

To the best knowledge of the Board and the Committee, the External Auditors had no relationships or interests with the Company beyond the audit engagement, as disclosed. Based on this review, the Committee confirmed that the Auditors remained fully independent and objective in all respects throughout the financial year.

The Committee discussed and formally approved the Letter of Engagement and audit scope with the External Auditors prior to the commencement of audit work, and subsequently conducted a detailed review of the final audit findings, management letters, and the auditors' recommendations. Management's responses to audit findings were critically assessed by the Committee to ensure that all significant matters were addressed with appropriate urgency and thoroughness.

Following a formal evaluation of auditor performance, which incorporated input from senior management and the Committee's own assessment, the Committee has recommended to the Board the reappointment of Ernst and Young as External Auditors for the financial year ending 31st March 2027, subject to shareholder approval at the Annual General Meeting. The Committee has also advised the Board on the appropriate determination of the Auditors' remuneration for the forthcoming year.

Internal Audit Function

The Company's internal audit function continues to serve as an important and independent source of assurance on the effectiveness of the Group's risk management, internal controls, and governance processes. This function is outsourced to KPMG, an independent and professionally rigorous audit firm, to ensure complete objectivity and the highest standard of professional execution. Internal audits are conducted across key operational and functional areas of the business based on a risk-informed annual audit plan that is reviewed and formally approved by the Committee at the commencement of each financial year.

Reports issued by the Internal Auditors are reviewed by the Committee on a quarterly basis. The Committee monitors the progress of management's implementation of audit recommendations with discipline and consistency, and will not consider a recommendation resolved until it is satisfied that the underlying control weakness has been effectively and durably addressed. The internal audit process is designed to be proactive and forward looking, identifying and mitigating potential risks before they crystallise and continuously strengthening the control culture across the Group.

Identification of Risks and Control Measures

The Committee maintains active and structured oversight of the risk management framework across the Group. Formal assurances and confirmations are obtained on a quarterly basis from the senior management of Group companies regarding the status of internal controls, risk exposures, and compliance with applicable laws and regulations. The Committee reviews management's responses to identified risks, evaluates the adequacy and effectiveness of remedial actions, and ensures that emerging risks are escalated and addressed in a timely manner. This systematic approach to risk oversight ensures that the Company remains resilient, agile, and well-positioned to navigate operational and financial uncertainties as they arise.

Internal Controls and Compliance Monitoring

The Audit Committee remains satisfied that the control environment of the Company and the Group provides a reasonable level of assurance over the reliability of financial reporting and the safeguarding of Company assets. The Committee acknowledges, as is the nature of all internal control systems, that this assurance is reasonable rather than absolute, and continues to direct its focus on identifying and closing any gaps in the control framework on a continuous basis.

The Committee monitors the timely settlement of statutory dues and regularly assesses the effectiveness of financial and operational control procedures through the findings and recommendations of both the Internal and External Auditors. Where deficiencies are identified, management is held accountable for the implementation of appropriate and timely corrective measures.

Conclusion

The financial year ended 31st March 2026 has been one in which the Audit Committee has discharged its responsibilities with rigour, independence, and a genuine commitment to the governance principles it exists to uphold. The Committee oversaw a comprehensive internal audit programmes, reviewed and challenged financial disclosures at every quarterly interval, maintained active oversight of the external audit process, and ensured that the risk management framework remained robust and responsive to the evolving operating environment.

The Committee engaged with the External Auditors both prior to and following the completion of the audit, ensuring a thorough and candid exchange on scope, findings, and matters of significance. The Committee is fully satisfied that the independence of the External Auditors has not been impaired by any circumstance, relationship, or non-audit engagement that could give rise to a conflict of interest.

Formal assurance was received from the Chief Executive Officer and the Chief Financial Officer affirming the integrity of the Company's financial reporting, the effectiveness of its internal controls, and the state of operational compliance across the Group. The Committee has reviewed this assurance critically and is satisfied with the representations made.

The Audit Committee remains resolute in its commitment to independent oversight, financial integrity, and the advancement of a governance culture that places accountability and transparency at the centre of everything the Company does. It is through this commitment that the Committee contributes to the sustainable long-term value creation that shareholders and all stakeholders of Ex-Pack Corrugated Cartons PLC deserve.

(Sgd.)
Dinesh Dharmadasa
Chairman, Board Audit Committee
05th June 2026
Colombo

REPORT OF THE BOARD REMUNERATION COMMITTEE

The Remuneration Committee continues to play a pivotal role in ensuring that Ex-Pack Corrugated Cartons PLC's approach to remuneration is fair, competitive, performance-driven, and fully aligned with the long-term strategic objectives of the Company. This report outlines the Committee's composition, responsibilities, and the key activities undertaken during the financial year under review.

Composition of the Committee

As at 31st March 2026, the Remuneration Committee comprised four Non-Executive Directors, three of whom are Independent, in full accordance with the requirements of the Colombo Stock Exchange Corporate Governance Code. The composition of the Committee remained unchanged during the year and is as follows:

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. Thulci Goutham Aluwihare	Independent, Non-Executive Director	Member
Mr. Sattar Kassim	Non-Independent, Non-Executive Director	Member

The Committee's composition reflects a deliberate and carefully maintained balance of independence, seniority, and governance expertise, ensuring that remuneration decisions are made with the objectivity, rigour, and fairness that they demand. The majority independent composition of the Committee provides the assurance that no individual or group interest can unduly influence the remuneration framework or the decisions made within it.

Ms. Najiha Carrim, Manager, Corporate Secretarial and Compliance of the Group, served as Secretary to the Committee throughout the year, except during discussions pertaining to her own remuneration. The Head of Finance provided relevant financial data, benchmarking insights, and analytical support to the Committee in accordance with the terms of reference approved by the Board.

Role and Responsibilities of the Committee

The Remuneration Committee is entrusted with assisting the Board in developing, maintaining, and continuously improving a remuneration framework that is transparent, fair, performance linked, and strategically aligned. Its mandate extends across Executive Directors, Non-Executive Directors, Key Managerial Personnel including the Chief Executive Officer, and senior executives across the Company.

The Committee's overarching objective is to ensure that the Company's remuneration practices attract, motivate, and retain the calibre of leadership and talent required to deliver on Ex-Pack's strategic ambitions, while maintaining the accountability, fairness, and governance standards that stakeholders expect.

- ### The key responsibilities of the Committee include the following:

Recommending the Overall Remuneration Policy and Framework: The Committee advises the Board on the Company's remuneration philosophy, structure, and policy, covering Directors, senior executives, and Key Managerial Personnel. The policy is designed to promote meritocracy, drive high performance, retain critical talent, and ensure that individual reward outcomes are directly and transparently linked to the delivery of corporate objectives.

Reviewing and Recommending Compensation and Incentive Structures: The Committee evaluates and recommends total remuneration packages, including fixed pay, variable pay, performance-based bonuses, and non-cash components, based on market benchmarking, internal equity considerations, and individual performance outcomes. The Committee ensures that compensation structures are competitive without being excessive, and that they reflect the responsibilities and contributions of each role.

Oversight of Bonus and Variable Pay Schemes: The Committee reviews and recommends the design and operation of annual bonus structures and variable pay schemes, ensuring that all incentive arrangements are tied to clearly defined performance metrics and KPIs that drive responsible and sustainable business performance. The Committee is rigorous in its assessment of whether performance thresholds have been genuinely met before recommending variable pay outcomes.

Ensuring Compliance and Good Governance: The Committee ensures that all remuneration related decisions are made in full compliance with applicable labour laws, listing rules, corporate governance codes, and the Articles of Association of the Company. No Director participates in any decision relating to their own remuneration. The Committee is unwavering in its commitment to transparency, fairness, and accountability in every aspect of its work.

Meeting Attendance

During the financial year ended 31st March 2026, the Committee held two meetings. The attendance of Committee members was as follows:

Name of the Director	Eligible to Attend	Attended	%
Mrs. Shehara De Silva	2	2	100%
Mr. Ukwatte Kankanamage Dinesh Dharmadasa	2	2	100%
Mr. Thulci Goutham Aluwihare	2	2	100%
Mr. Sattar Kassim	2	2	100%

The Managing Director attended meetings by invitation and did not participate in any discussions relating to his own remuneration, in accordance with the Company's Articles of Association and governance protocols.

Remuneration Policy and Governance

The Committee works in close and structured collaboration with the Board and the Company's Human Resources and Finance functions to formulate and recommend a remuneration policy that is competitive, transparent, and anchored in the Company's values and long-term objectives. As expressly stipulated in the Company's Articles of Association, no Director participates in deliberations or decisions concerning their own remuneration package.

The Committee's approach to remuneration is built on the following core principles, which are applied consistently and without exception across all remuneration decisions:

- Alignment of individual performance outcomes with corporate performance and strategic delivery
- Full compliance with all applicable legal, regulatory, and governance requirements
- Maintenance of internal equity across roles and levels, alongside external market competitiveness
- Promotion of long-term value creation, organisational sustainability, and the retention of critical talent

All remuneration decisions are rigorously benchmarked against current market data, relevant peer group practices, and the Company's own financial performance, ensuring that outcomes are defensible, proportionate, and aligned with stakeholder expectations.

Procedure and Implementation

During the financial year under review, the Committee reviewed and made formal recommendations to the Board on the following matters:

- Compensation structures and salary frameworks across all levels of the organisation, with particular focus on ensuring that structures remain competitive and internally equitable
- Performance-based increments and incentive payouts, assessed against defined performance metrics and the Company's overall financial results for the year
- Retirement benefits and extensions of service beyond the official retirement age of 55 years, reviewed and approved on a case-by-case basis for a maximum period of one year, having regard to the individual's contribution and the operational needs of the Company
- Adjustments to bonus and variable pay scheme design to ensure continued alignment with evolving performance expectations and the Company's strategic priorities

All recommendations made by the Committee were presented to the Board of Directors for final consideration and approval. Final decisions on remuneration were made by the Board upon full consideration of the Committee's recommendations, ensuring that the governance boundary between recommendation and decision is maintained with clarity and integrity.

Conclusion

The Remuneration Committee remains firmly and unreservedly committed to ensuring that Ex-Pack Corrugated Cartons PLC's compensation practices are fair, robust, transparent, and fully aligned with both the Company's corporate values and the expectations of its stakeholders. The Committee will continue to evolve and strengthen the Company's remuneration strategies in step with the growth of the business, the development of its talent base, and the long-term success it is committed to delivering for shareholders and all stakeholders alike.

(Sgd.)
Mrs. Shehara De Silva
Chairperson, Board Remuneration Committee
05th June 2026
Colombo

REPORT OF THE BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

For the Financial Year Ended 31st March 2026

I am pleased to present the Report of the Board Related Party Transactions Review Committee for the financial year ended 31st March 2026.

The Committee has continued to discharge its responsibilities with diligence, independence, and a firm commitment to the governance principles that underpin its mandate. Throughout the year, the Committee maintained active and structured oversight of all related party transactions undertaken by the Company and the Group, ensuring without exception that such transactions were conducted at arm's length, were in the genuine best interest of shareholders and stakeholders, and were subject to the rigorous scrutiny and disclosure standards that the regulatory framework demands. This governance function remains indispensable to preserving the transparency, integrity, and accountability that stakeholders rightly expect from a listed entity.

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.

Composition of the Committee

As at 31st March 2026, the Related Party Transactions Review Committee comprised three Independent Non-Executive Directors, whose combined independence, professional expertise, and governance experience reinforce the integrity and credibility of the Committee's reviews and recommendations. The composition of the Committee remained unchanged during the year and is as follows:

Name of the Director	Designation	Committee Role
Mr. 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 Chairman of the Committee throughout the year under review. The exclusive composition of Independent Non-Executive Directors is a deliberate and non-negotiable feature of the Committee's design, ensuring that all reviews, assessments, and recommendations are made entirely free from executive influence or conflicts of interest.

The Managing Director, Chief Executive Officer, Chief Financial Officer, and Finance Manager attend Committee meetings as permanent invitees, providing the operational context, financial detail, and transactional information necessary to support the Committee's evaluations. Their attendance is by invitation only and does not confer any decision-making role.

Secretary of the Committee

Ms. Najiha Carrim, Manager, Corporate Secretarial and Compliance of the Group, served as Secretary to the Committee throughout the year under review.

Objective of the Committee

The Committee exists to assist the Board in ensuring full and rigorous compliance with the Code on Related Party Transactions and the CSE Listing Rules, while actively safeguarding the interests of minority shareholders and promoting uncompromising transparency in all transactions involving related parties. The Committee's objective is not simply to review transactions after the fact but to provide a proactive governance mechanism that identifies, scrutinises, and where appropriate, shapes related party dealings before they are entered into.

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 full accordance with the applicable rules, regulatory requirements, and the Company's internal policies. The Committee ensures that every such transaction is properly identified, transparently disclosed, appropriately justified, and subject to the correct approval process before it proceeds.

The key responsibilities of the Committee include the following:

- Reviewing in advance all proposed related party transactions prior to their execution, ensuring that each transaction meets the standards of arm's length dealing and is demonstrably in the best interest of the Company and its shareholders
- Monitoring any material changes to previously reviewed transactions prior to their completion, and reassessing them where changes are of sufficient significance to warrant further scrutiny
- Determining whether individual transactions require Board level or shareholder approval in accordance with applicable thresholds and regulatory requirements
- Recommending revisions to the policies and procedures governing related party transactions as and when the regulatory landscape, business environment, or governance standards require it
- Establishing and maintaining clear guidelines for Senior Management on the identification and management of recurring related party transactions

- Ensuring that all required immediate market disclosures and Annual Report disclosures relating to related party transactions are made accurately, completely, and within the timeframes prescribed by the CSE Listing Rules

Policies and Procedures

The Company maintains a formal and actively enforced Related Party Transactions Policy, which governs the identification, evaluation, escalation, and approval of all related party transactions across the Group. All Key Management Personnel are required to submit annual declarations disclosing their related parties and any potential transactions, and this information is used to maintain an updated and comprehensive internal database of related party connections. This database is reviewed and refreshed regularly to ensure that the Committee has full visibility of the related party landscape at all times.

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 transactions that fall within this definition are reviewed by the Committee either prior to being entered into or, where subject to conditional approval, before completion. No related party transaction proceeds without having passed through the Committee's review process.

Meeting Attendance

During the financial year ended 31st March 2026, the Committee convened four meetings. All members of the Committee maintained perfect attendance throughout the year, reflecting the priority that each member places on this important governance function.

Name of the Director	Eligible to Attend	Attended	%
Mr. Thulci Goutham 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 2025/26

During the financial year ended 31st March 2026, the Committee conducted a thorough and systematic review of all related party transactions undertaken by the Company and its subsidiaries. Each transaction was assessed to confirm that it was carried out in the ordinary course of business, on an arm's length basis, and in full compliance with the thresholds and requirements set out in Section 9 of the CSE Listing Rules.

The Committee's observations, assessments, and recommendations in respect of each transaction reviewed were formally documented and communicated to the Board of Directors. Full disclosure of all related party transactions undertaken during the financial year is provided in the Notes to the Financial Statements of this Annual Report.

Declaration

The Board of Directors declares that during the financial year ended 31st March 2026, there were no recurrent or non-recurrent related party transactions that exceeded the specified thresholds set out in Section 9 of the CSE Listing Rules. The Company has remained fully compliant with all applicable requirements governing the review, approval, and disclosure of related party transactions throughout the year.

Conclusion

The Related Party Transactions Review Committee remains resolute in its commitment to upholding the highest standards of governance, transparency, and accountability in the oversight of all related party dealings across the Group. The Committee will continue to operate with rigour and independence in accordance with its charter, proactively reviewing all related party transactions, ensuring timely and complete disclosures, and safeguarding the confidence of shareholders, regulators, and all stakeholders in the integrity of the Company's governance framework.

(Sgd.)
Thulci Aluwihare
Chairman, Board Related Party Transactions Review Committee
05th June 2026
Colombo

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

For the Financial Year Ended 31st March 2026

I am pleased to present the Report of the Nominations and Governance Committee for the financial year ended 31st March 2026.

This report is presented in compliance with Section 9.10.3 of the Listing Rules of the Colombo Stock Exchange. This financial year marked the first full year of operation for the Nominations and Governance Committee, having been formally established with effect from 13th August 2024. The Committee has discharged its responsibilities with the rigour, independence, and strategic focus that the Board and stakeholders expect, and this report reflects the substance and depth of that work.

The Committee plays a central and indispensable role in ensuring that the Board of Ex-Pack Corrugated Cartons PLC remains appropriately and optimally constituted to meet the Company's evolving strategic needs. It supports the Board in fulfilling its responsibilities related to Board composition, director nominations and reappointments, succession planning, governance structures, and compliance with the regulatory frameworks that govern listed entities in Sri Lanka. The Committee does not view these responsibilities as procedural obligations — it approaches them as governance imperatives that directly determine the quality and credibility of Board leadership.

Composition of the Committee

As at 31st March 2026, the Nominations and Governance Committee comprised three Independent Non-Executive Directors, whose combined expertise in governance, legal affairs, finance, and industry leadership provides a strong and well-rounded foundation for the Committee's work. The composition of the Committee remained unchanged during the year and 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

The exclusive composition of Independent Non-Executive Directors is fundamental to the integrity of the Committee's function. It ensures that all recommendations on Board appointments, reappointments, independence assessments, and governance matters are made entirely free from executive influence, personal interest, or any circumstance that could compromise the objectivity of the Committee's judgement.

Secretary of the Committee

Ms. Najiha Carrim, Manager, Corporate Secretarial and Compliance of the Group, served as Secretary to the Committee throughout the year under review.

Committee Responsibilities and Governance Framework

The Committee operates under a formally approved charter that clearly defines its scope, authority, and reporting obligations to the Board. Its core mandate encompasses the review and recommendation of Director appointments and reappointments, oversight of succession planning at Board and senior management level, annual evaluation of Director independence, and the ongoing review of the Company's governance policies to ensure they remain current, effective, and aligned with regulatory expectations.

A formally documented nominations policy and process are in place to ensure that all appointments and reappointments are made on the basis of merit, strategic fit, and the governance needs of the Company, with full transparency throughout. 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 further responsible for evaluating the independence of Directors on an annual basis, reviewing potential conflicts of interest, conducting Fit and Proper assessments in accordance with CSE Rule 9.7, and ensuring that all required disclosures under the Companies Act No. 7 of 2007 and the CSE Listing Rules are accurately and promptly made.

Meeting Attendance

During the financial year ended 31st March 2026, the Committee met to consider matters relating to the re-election of Directors, the review of Board composition, and the assessment of declarations submitted by Board members in accordance with the CSE corporate governance framework. All members of the Committee attended the meeting, maintaining a perfect attendance record that reflects the commitment each member brings to this governance function.

Name of the Director	Eligible to Attend	Attended	%
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 reviewed and considered the following matters:

- Fit and Proper declarations from all Directors in line with CSE Rule 9.7, confirming that each Director and the Chief Executive Officer satisfy the prescribed criteria
- Declarations of independence submitted by Directors designated as Independent, assessed in compliance with the criteria set out in Rule 9.8.3
- Annual disclosures on Directors' interests in transactions and share dealings under Sections 192(2) and 200 of the Companies Act No. 7 of 2007
- Board re-election recommendations, assessed with emphasis on each Director's knowledge, performance record, governance contributions, and continued strategic alignment with the Company's direction
- A review of overall Board composition having regard to balance, diversity, independence, and the evolving strategic needs of the Company

Based on this comprehensive review, the Committee confirmed that all three Independent Non-Executive Directors, namely Ms. Shehara De Silva, Mr. U.K.D. Dharmadasa, and Mr. Thulci Aluwihare, continue to fully satisfy the criteria for independence as set out in the CSE Listing Rules, with no relationships or circumstances identified that could compromise their impartiality or independent judgement.

The Committee recommended the re-election of Mr. Shafik Kassim and Ms. Shehara De Silva, who are due to retire by rotation at the forthcoming Annual General Meeting, based on their respective experience, governance contributions, and continued alignment with the Company's strategic direction. The Board has accepted these recommendations.

Subsequent Appointment to the Board

A significant matter considered by the Committee subsequent to the financial year end was the proposed appointment of a new Director to the Board. Following a thorough evaluation of the candidate's qualifications, professional experience, fitness and propriety, and strategic alignment with the Company's needs, the Committee formally recommended the appointment of Mr. Mohamed Hassan Sattar Kassim as a Non-Executive Non-Independent Director. This appointment was approved by the Board and took effect from 20th May 2026.

The appointment process was conducted in full accordance with the Committee's formal nominations process, the Company's Articles of Association, and the applicable requirements of the CSE Listing Rules. The Committee is satisfied that this appointment strengthens the Board's collective expertise, enriches the diversity of perspective available at the highest level of leadership, and positions the Board well for the next phase of the Company's growth. A market announcement was made in accordance with Section 9.10.2 of the Listing Rules, disclosing the relevant details of the appointment.

Board Diversity and Composition

The Committee regards diversity as a foundational and non-negotiable element of Board effectiveness. As at 31st March 2026, the Board comprised members with expertise spanning finance, law, manufacturing, operations, corporate governance, sustainability, and strategic leadership, with age representation ranging from the early forties to the early seventies. Gender diversity is actively reflected through the presence of female leadership among the Independent Non-Executive Directors, and the Committee remains committed to sustaining and strengthening this representation in future nominations.

Subsequent to the financial year end, the appointment of Mr. Mohamed Hassan Sattar Kassim has brought the total Board membership to nine, with the composition now standing at three Independent Non-Executive Directors, four Non-Executive Non-Independent Directors, and two Executive Non-Independent Directors. The Committee is satisfied that this composition meets and exceeds the governance requirements of the Colombo Stock Exchange and provides the appropriate balance of independence, executive insight, and strategic expertise.

The Committee will continue to assess Board composition proactively against the Company's evolving strategic needs, and to foster diversity across all relevant dimensions in all future nominations and reappointment decisions.

Director Induction and Continuing Governance Education

All Directors received a structured corporate governance update during the financial year under review, covering developments in the CSE Listing Rules, securities market regulations, sustainability and ESG governance frameworks, and global best practices in corporate governance. This ongoing education programmes reflects the Board's recognition that governance excellence must be actively maintained and continuously developed, not assumed.

In connection with the appointment of Mr. Mohamed Hassan Sattar Kassim subsequent to the financial year end, a formal Director induction programmes will be conducted in accordance with the Company's policy, covering the Company's business, governance framework, regulatory obligations, and the duties and responsibilities of a Director of a listed entity.

Statement on Independence and Compliance

The Committee confirms without qualification that all Directors designated as Independent Non-Executive Directors satisfy the criteria for independence as set out in Section 9 of the CSE Listing Rules. All Directors and the Chief Executive Officer have confirmed through formal declarations that they satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules. No instances of non-compliance with any applicable corporate governance requirement were identified or reported during the financial year. The Committee is satisfied that the Company's governance framework is fully compliant with all applicable provisions of the CSE Listing Rules as at the reporting date.

Conclusion

The Nominations and Governance Committee has completed its first full year of operation with a clear sense of purpose and a genuine commitment to the governance responsibilities with which it has been entrusted. Through its oversight, the Committee has ensured that the Board remained appropriately constituted, that independence assessments were conducted with rigour, that re-election recommendations were made on merit, and that the subsequent appointment of a new Director was handled through a process that was formal, transparent, and fully compliant with all applicable requirements.

The Committee remains firmly committed to ensuring that the Board of Ex-Pack Corrugated Cartons PLC continues to evolve in line with the Company's strategic ambitions, that it retains the diversity of thought, depth of experience, and independence of judgement necessary to provide governance of the highest standard, and that it remains equipped to deliver sustained and resilient long-term value for the Company and all its stakeholders.

(Sgd.)
Dinesh Dharmadasa
Chairman, Board Nominations and
Governance Committee
05th June 2026
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 186 to 187.

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 2026
Colombo.

MANAGING DIRECTOR'S, CHIEF EXECUTIVE OFFICER'S, AND CHIEF FINANCIAL OFFICER'S STATEMENT OF RESPONSIBILITY

For the Financial Year Ended 31st March 2026

As the Managing Director, Chief Executive Officer, and Chief Financial Officer of Ex-Pack Corrugated Cartons PLC, we jointly present this Statement of Responsibility for the financial year ended 31st March 2026. This declaration is made 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, and reflects our personal and collective accountability for the financial integrity, internal control environment, and risk governance of the Group.

We do not present this statement as a formality. It is a genuine affirmation of the standards to which we hold ourselves and the organisation accountable, and of our unwavering commitment to the transparency and integrity that shareholders and all stakeholders have a right to expect.

Responsibility for Internal Controls and Risk Management

The Board of Directors bears ultimate responsibility for the adequacy, effectiveness, and continuous evolution of the Group's internal control systems. These systems are designed to support the reliable achievement of strategic and operational objectives, ensure compliance with all applicable laws and regulations, safeguard the assets of the Company and the Group, and preserve the integrity of financial reporting at all times.

We acknowledge, as is the nature of all internal control frameworks, that these systems are designed to manage and mitigate risk rather than eliminate it entirely. Accordingly, they provide reasonable assurance, though not absolute assurance, against material misstatements, losses, or fraudulent conduct.

The Board has entrusted the day-to-day design, implementation, and maintenance of internal controls to the Executive Management team. In fulfilling this responsibility, we have established and maintained an integrated and disciplined control environment, supported by clearly documented policies and procedures, well-defined lines of authority and accountability, ethical standards that are communicated and enforced at every level, and transparent oversight mechanisms that allow the Board to monitor the effectiveness of controls on an ongoing basis.

Our approach to risk management is dynamic, forward-looking, and proactive. Risks are identified, assessed, and mitigated through structured processes that are embedded across all functions and business units. The Board, through its delegated Sub-Committees and in particular the Audit and Risk Committee, regularly monitors emerging risks, regulatory developments, and material shifts in the external operating environment, ensuring that the Company remains resilient, agile, and well-positioned to navigate uncertainty with discipline and confidence.

This culture of control is continuously reinforced through comprehensive internal audit coverage, ongoing process improvement initiatives, and the structured feedback loops that exist between management and both the internal and external assurance providers.

Strengthening Financial Stewardship and Reporting Integrity

The integrity of financial reporting is not merely a regulatory obligation — it is the foundation of the trust that investors, shareholders, and all stakeholders place in the Company. At Ex-Pack, the financial reporting framework is governed by stringent internal controls, disciplined reconciliation processes, multi-level reviews, and formally documented approval protocols that apply consistently across all business units and subsidiaries of the Group.

The key elements of this framework include the following:

- Independent oversight by the Audit Committee, which reviews all financial statements in detail prior to their release, monitors the independence and performance of the external auditors, and rigorously evaluates the robustness and adequacy of the internal control environment
- Engagement with the Group's external auditors, Ernst and Young, who provide independent and objective assurance on the accuracy, compliance, and fairness of the financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS)
- Periodic risk-based internal audits conducted by KPMG, an independent internal audit firm that reports directly and independently to the Audit Committee, providing an additional and objective layer of assurance on the Group's systems, processes, and controls
- Rigorous budgetary controls and variance analysis conducted on a regular basis, ensuring that financial performance remains aligned with strategic objectives, approved budgets, and financial benchmarks, and that deviations are identified and addressed promptly

The Company has continued to invest in strengthening its finance function, equipping teams with the tools, training, systems, and performance frameworks necessary to promote accuracy, consistency, and transparency in every financial transaction and disclosure. This investment reflects our conviction that the quality of financial reporting is determined not only by the processes in place but by the capability and commitment of the people who execute them.

A Year of Significant Achievement

The financial year ended 31st March 2026 was one of considerable significance for Ex-Pack Corrugated Cartons PLC. The factory expansion project, which formed the central commitment made to shareholders at the time of the Company's Initial Public Offering, was successfully completed during the year. IPO proceeds were deployed in a disciplined, transparent, and fully accountable manner in line with the restructured utilization objectives communicated to shareholders, and we are pleased to confirm that all objectives under that plan have now been fulfilled in their entirety.

This achievement is a demonstration of the Company's ability to manage capital responsibly, execute against its stated commitments, and deliver on the promises made to its investors. The completion of this expansion materially strengthens the Company's operational capacity, enhances its competitive positioning, and lays a stronger foundation for the revenue growth and value creation that shareholders expect in the years ahead.

Upholding Ethical Conduct and Governance Values

The Board and Management of Ex-Pack Corrugated Cartons PLC recognize that strong governance is fundamentally more than regulatory compliance. It is a direct expression of the values, culture, and ethical character of the organization. At every level of the Group, we are committed to fostering an environment of responsible decision-making, openness, and genuine accountability.

Our governance structures are designed and maintained to ensure the following without exception:

- A clear and enforced separation between oversight and executive management roles, preventing undue concentration of authority and preserving the independence of Board oversight
- A formally documented and actively enforced Code of Business Conduct and Ethics that guides the behaviour of every Director, member of management, and employee in all business dealings and stakeholder interactions
- An absolute zero-tolerance stance on unethical conduct of any kind, including fraud, bribery, corruption, and conflicts of interest, backed by formal policies, reporting mechanisms, and disciplinary processes that give this commitment real and enforceable effect

We remain personally and collectively committed to maintaining and continually strengthening the trust that shareholders, regulators, employees, customers, and business partners place in this organization, by ensuring that every action we take and every decision we make is aligned with the highest standards of integrity, professionalism, and responsible leadership.

Confirmation

Based on the comprehensive internal control framework, continuous monitoring processes, governance structures, and assurance mechanisms described in this statement, 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 safeguarding of assets, and the integrity of the Group's operations.

The Financial Statements for the year ended 31st March 2026 have been prepared in full accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act No. 07 of 2007, and all other applicable regulatory requirements. These Financial Statements present a true and fair view of the financial position, financial performance, and cash flows of the Company and the Group for the year under review.

We remain resolute in our dedication to fostering a governance culture that enables sustainable and responsible growth, ensures full regulatory compliance, and consistently enhances the long-term value delivered to all stakeholders of Ex-Pack Corrugated Cartons PLC.

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
Head of Finance
05th June 2026
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 2026.

As at	31st March 2026		31st March 2025	
	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 31/03/2026		As at 31/03/2025	
		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. Agampodi Ushan De Silva	3,750,464	1.13	1	-
5	Mr. Saifullah Yusoof	2,575,000	0.77	2,720,000	0.82
6	Mr. Mohamed Faizer Hashim	2,100,000	0.63	2,781,785	0.83
7	Mr. Mohamed Naleem Mohamed Mubarak	2,060,000	0.62	2,060,000	0.62
8	Bank of Ceylon A/C Ceybank Century Growth Fund	2,000,000	0.60	2,000,000	0.60
9	Commercial Bank of Ceylon Plc A/C No.03	1,977,000	0.59	1,977,000	0.59
10	DFCC Bank Plc/Mr. P. Pranavan	1,750,000	0.53	1,000,000	0.30
11	Commercial Bank of Ceylon Plc/W. Jinadasa	1,684,706	0.51	1,684,706	0.51
12	Dr. Agampodi Sajini Nethma De Silva	1,300,001	0.39	-	-
13	Mr. Amrick Kanishka Varia	1,291,815	0.39	-	-
14	Assetline Finance Limited/ J.A.S Priyantha	1,173,033	0.35	-	-
15	Development Interplan (Ceylon)Limited	1,100,000	0.33	1,100,000	0.33
16	People's Leasing & Finance PLC/ Mr.K.K. Shujeevan	1,044,792	0.31	-	-
17	Mr.Wellapuli Arachchige Sathira Limal Prabhu Wellappuliarachchi	1,042,952	0.31	-	-
18	Sanasa General Insurance Company Ltd	953,139	0.29	875,000	0.26
19	Malship Ceylon Ltd	900,000	0.27	900,000	0.27
20	Mrs. Kurululasuriyage Niranjala Liyoni Peiries				
	Top 20 Total	262,115,202	78.64	252,474,327	75.74
	Other's Total	71,218,131	21.36	80,859,006	24.26
	Total	333,333,333	100.00	333,333,333	100.00

1.3 Distribution shareholders

As of 31st March 2026									
	Resident			Non – Resident			Total		
Value Band	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%
1-1,000	2,143	720,833	0.22	3	1,700	0	2146	722,533	0.22
1,001-10,000	1,738	7,487,659	2.25	5	16,580	0	1743	7,504,239	2.25
10,001-100,000	950	28,296,925	8.49	6	177,768	0.05	956	28,474,693	8.54
100,001-1,000,000	147	35,221,496	10.57	4	1,148,309	0.34	151	36,369,805	10.91
Over 1,000,000	18	260,262,063	78.08	0	0	0	18	260,262,063	78.08
TOTAL	4,996	331,988,976	99.61	18	1,344,357	0.39	5,014	333,333,333	100

As of 31st March 2025									
	Resident			Non – Resident			Total		
Value Band	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	2067	725,425	0.22
1,001-10,000	1836	7,837,417	2.35	4	14,080	0	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	16	255,770,992	76.73
TOTAL	5087	331,980,926	99.6	17	1,352,407	0.4	5,104	333,333,333	100

1.4 Composition of shareholders

As at	31st March 2026			31st March 2025		
Categories of Shareholders	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 31/03/2026		As at 31/03/2025	
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%

1.6 Public shareholders

As at	31st March 2026			31st March 2025		
	No of Shares	Holding %	No of Share Holders	No of Shares	Holding %	No of Share Holders
Individuals Shares held by Public- shareholders	115,489,615	34.65	4,994	115,440,018	34.63	5,082
Shares held by Non-public shareholders	217,843,718	65.35	20	217,893,315	65.37	22
Total	333,333,333	100	5,014	333,333,333	100	5,104

As at	31st March 2026	31st March 2025
	Rs.	Rs.
Highest Price Per Share	16.1	17.2
Lowest Price Per Share	12.3	12.5
Closing Price Per Share	12.8	13.9

FINANCIAL STATEMENTS

ENGINEERED FOR TRANSPARENCY

At Ex-Pack, transparency is embedded across every aspect of our financial performance, supported by strong governance and disciplined management. By ensuring accuracy and clarity in every figure, we strengthen stakeholder confidence and uphold the standards expected of a future-ready, sustainable industry leader.

INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

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

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF EX-PACK CORRUGATED CARTONS PLC AND ITS SUBSIDIARIES

Report on The Audit of The Financial Statements

Opinion

We have audited the financial statements of Ex-Pack Corrugated Cartons PLC and Its Subsidiaries ("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 2026, and statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter
Existence and carrying value of Trade Receivables As at 31 March 2026, the carrying value of trade receivables amounted to Rs. 2.1 Bn net of a provision for impairment of Rs. 42 Mn, as disclosed in Notes 8, 2.2.5 and 2.4 to the financial statements. This was a key audit matter due to: - the materiality of the reported trade receivable balance which represents 21% 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.	Our audit procedures included the following key Our audit procedures included the following key procedures: • 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. We also evaluated adequacy of the disclosure of notes 8, 2.2.5 and 2.4 to the financial statements.
Assessment of fair value of land and building As at 31 March 2026, the carrying value of Property, plant & equipment amounted to Rs. 4.0 Bn, as disclosed in Notes 3, 2.2.9 and 2.4 to the financial statements. Property, plant & equipment include land and buildings carried at fair value. The fair value of land and buildings were determined by an external valuer engaged by the Company. This was a key audit matter due to: • the materiality of the reported land and buildings which amounted to LKR 1.9 Bn representing 18% of the Group's total assets as of the reporting date; and • The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using market approach and depreciated replacement cost approach. Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in notes 3, 2.2.9, 2.4 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as: • Estimate of per perch value of the land - Estimate of the per square foot value of the buildings	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external valuer engaged by the Group. • Read the external valuer's report and understand the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property. • Assessed the reasonableness of the significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value and valuation techniques as relevant in assessing the fair value of each property. We also evaluated the adequacy of the disclosures in notes 3, 2.2.9 and 2.4 to the financial statements.

Other Information included in the 2025/26 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

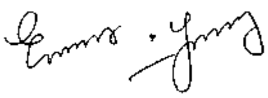
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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



05th June 2026
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	3	4,034,900,070	4,061,543,761	3,678,357,883	3,954,911,461
Right to Use of Assets	4	350,019,178	363,328,514	94,001,577	57,148,331
Investment Property	6	1,143,000,000	-	1,143,000,000	-
Intangible Assets	5	228,119,389	205,759,885	24,424,527	1,913,833
Investment in Subsidiary	7	-	-	205,000,000	205,000,000
		5,756,038,637	4,630,632,160	5,144,783,987	4,218,973,625
Current Assets					
Inventories	8	1,794,803,144	1,482,239,975	1,525,444,038	1,011,967,922
Trade and Other Receivables	9	2,369,119,979	2,186,403,444	1,383,121,123	1,399,526,940
Advances and Prepayments		254,915,222	295,228,884	127,414,447	173,983,441
Income Tax Receivable		150,451,490	-	156,734,508	-
Cash and Cash Equivalents	10	311,619,327	68,987,130	238,827,651	42,636,004
		4,880,909,162	4,032,859,433	3,431,541,767	2,628,114,307
Total Assets		10,636,947,799	8,663,491,593	8,576,325,754	6,847,087,932
EQUITY AND LIABILITIES					
Stated Capital	11	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Revaluation Reserves		1,111,473,547	623,223,435	1,111,473,547	623,223,435
Retained Earnings		1,716,137,530	1,609,347,139	1,344,556,041	1,065,102,615
Equity Attributable to Equity Holders of the Parent		4,027,611,077	3,432,570,574	3,656,029,588	2,888,326,050
Non Controlling Interest		(1,735,491)	(1,133,583)		
Total Equity		4,025,875,586	3,431,436,991	3,656,029,588	2,888,326,050
Non-Current Liabilities					
Deferred Tax Liability	19.2	374,875,869	409,965,736	354,958,392	393,376,568
Retirement Benefit Liability	13	206,255,013	157,982,451	151,281,271	110,808,061
Interest Bearing Loans and Borrowings	12	1,005,897,236	1,240,685,149	806,901,135	1,023,042,742
		1,587,028,118	1,808,633,336	1,313,140,798	1,527,227,371
Current Liabilities					
Interest Bearing Loans and Borrowings	12	3,753,850,856	2,100,607,460	2,487,422,569	1,258,453,696
Trade and Other Payables	14	1,270,193,239	1,244,045,850	1,119,732,799	1,125,279,091
Income Tax Payable		-	78,767,956	-	47,801,724
		5,024,044,095	3,423,421,266	3,607,155,368	2,431,534,511
Total Equity and Liabilities		10,636,947,799	8,663,491,593	8,576,325,754	6,847,087,932

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 194 through 238 form an integral part of the Financial Statements.

5 June 2026

Colombo

STATEMENTS OF PROFIT OR (LOSS) AND OTHER COMPREHENSIVE INCOME

Year ended 31 March	Note	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Revenue from Contracts with Customers	15	9,835,909,524	9,932,074,391	6,389,518,083	6,326,319,204
Cost of Sales		(8,064,719,438)	(7,734,477,054)	(4,903,002,775)	(4,618,159,756)
Gross Profit		1,771,190,086	2,197,597,337	1,486,515,308	1,708,159,448
Other Operating Income	16	66,626,453	62,484,972	45,685,620	82,438,402
Selling and Distribution Expenses		(553,242,814)	(460,932,195)	(487,619,485)	(410,607,604)
Administrative Expenses		(957,426,700)	(877,114,803)	(646,876,434)	(630,581,851)
Results from operating activities		327,147,025	922,035,311	397,705,009	749,408,395
Finance Cost	17	(423,315,646)	(221,256,307)	(303,667,055)	(142,103,209)
Finance Income		5,157,630	20,888,010	5,255,504	20,907,155
Profit Before Tax	18	(91,010,991)	721,667,014	99,293,458	628,212,341
Income Tax Expense	19	371,986,727	(268,645,802)	354,927,104	(201,847,595)
Profit for the Year		280,975,736	453,021,212	454,220,562	426,364,746
Profit for the period attributable to:					
Equity holders of the parent		281,578,044	453,112,003		
Non-controlling interests		(602,308)	(90,791)		
		280,975,736	453,021,212		
Basic/Diluted earnings per share	20	0.84	1.36	1.36	1.28
Dividend per share	21			0.47	0.62

The accounting policies and notes on pages 194 through 238 form an integral part of the Financial Statements.

STATEMENTS OF PROFIT OR (LOSS) AND OTHER COMPREHENSIVE INCOME

Year ended 31 March	Note	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Profit for the year		280,975,736	453,021,212	454,220,562	426,364,746
Other comprehensive income/ (loss)					
Other comprehensive income/ (loss) not to be classified to statement of profit or loss in subsequent period					
Revaluation of land	3	364,782,842	-	364,782,842	-
Income tax effect on revaluation on land		(109,434,853)	-	(109,434,853)	-
		255,347,989	-	255,347,989	-
Revaluation of buildings	3	332,717,319	–	332,717,319	–
Income tax effect on revaluation of buildings		(99,815,196)	–	(99,815,196)	–
		232,902,123	–	232,902,123	–
Actuarial (loss)/gains on defined benefit plans	13	(25,887,123)	8,930,965	(25,857,813)	7,120,990
Income tax effect on actuarial (loss)/gains		7,766,137	(2,679,289)	7,757,344	(2,136,297)
		(18,120,986)	6,251,676	(18,100,469)	4,984,693
Other comprehensive income/(loss) for the year, net of tax		470,129,126	6,251,676	470,149,643	4,984,693
Total comprehensive income/(loss) for the year, net of tax		751,104,862	459,272,888	924,370,205	431,349,439
Attributable To					
Equity holders of the Parent		751,707,170	459,363,679		
Non Controlling Interests		(602,308)	(90,791)		
		751,104,862	459,272,888		

The accounting policies and notes on pages 194 through 238 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings /(Loss) Rs.	Non Controlling Interests Rs.	Total Rs.
Balance as at 01 April 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 (Loss)/Income	-	-	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
Profit for the year	-	-	281,578,044	(602,308)	280,975,736
Other Comprehensive Income/(Loss)	-	488,250,112	(18,120,986)	-	470,129,126
Dividends to equity holders	-	-	(156,666,667)	-	(156,666,667)
Non controlling interest acquired in business combination	-	-	-	400	400
Balance as at 31 March 2026	1,200,000,000	1,111,473,547	1,716,137,530	(1,735,491)	4,025,875,586

Company	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings / (Loss) Rs.	Total Rs.
Balance as at 01 April 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
Profit for the year	-	-	454,220,562	454,220,562
Other Comprehensive Income/(Loss)	-	488,250,112	(18,100,469)	470,149,643
Dividends to equity holders	-	-	(156,666,667)	(156,666,667)
Balance as at 31 March 2026	1,200,000,000	1,111,473,547	1,344,556,041	3,656,029,588

The accounting policies and notes on pages 194 through 238 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

As at 31 March	Note	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit Before Tax		(91,010,991)	721,667,014	99,293,458	628,212,341
Adjustments For					
Depreciation of Property, Plant and Equipment	3	280,093,660	198,053,694	253,437,030	178,538,910
Amortization of Right of Use Assets	4	109,607,695	82,834,348	30,561,877	29,437,332
Amortisation of Intangible Assets	5	4,890,786	720,411	4,739,596	540,576
Provision for Retirement Benefit Obligation	13	32,726,007	30,777,307	22,878,422	21,554,471
Profit/(Loss) on Disposal of Property, Plant and Equipment	15	(6,988,661)	(69,831)	(6,979,661)	-
Profit/(Loss) on Derecognition of ROUA	16	(491,182)	-	(491,182)	-
Allowance for slow moving Inventories		1,223,842	4,800,000	-	-
Dividend Income		-	-	-	(30,138,658)
Lease Interest	17	46,565,651	38,629,372	16,227,225	17,875,361
Finance Income		(5,157,630)	(20,888,010)	(5,255,504)	(20,907,155)
Finance Cost	17	376,749,995	182,626,935	287,439,830	124,227,848
		748,209,172	1,239,151,240	701,851,091	949,341,026
Working Capital Changes					
(Increase)/Decrease in Inventories		(313,787,011)	(345,427,783)	(513,476,116)	(284,833,692)
(Increase)/Decrease in Trade and Other Receivables		(182,716,535)	(339,004,840)	16,405,817	(134,922,840)
(Increase)/Decrease in Advances and Prepayments		40,313,662	(2,225,378)	46,568,994	113,370,535
Increase/ (Decrease) in Trade and Other Payables		26,147,389	609,049,544	(5,546,292)	572,142,360
Cash Generated from Operations		318,166,677	1,161,542,783	245,803,494	1,215,097,389
Gratuity Paid	13	(10,331,775)	(13,125,335)	(8,263,025)	(11,975,463)
Tax Paid		(93,815,296)	(257,507,158)	(89,520,010)	(205,349,734)
Finance Cost Paid		(376,749,995)	(182,626,935)	(287,439,830)	(124,227,848)
Net Cash (Used in)/From Operating Activities		(162,730,389)	708,283,355	(139,419,371)	873,544,344
Cash Flows From / (Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	3	(698,949,808)	(1,917,439,588)	(422,383,291)	(1,895,939,577)

As at 31 March	Note	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Advanced Paid on Acquisition Right of Use Assets		13,193,485	(35,940,148)	-	-
Acquisition of Intangible Assets	5	(27,250,290)	(1,508,278)	(27,250,290)	(1,508,278)
Proceeds from Sale of Property Plant and Equipment		6,988,661	2,099,831	6,979,661	-
Finance Income		5,157,630	20,888,010	5,255,504	20,907,155
Dividend Income Received from Subsidiary		-	-	-	30,138,658
Acquisition of Subsidiary, Net of Cash Acquired	8.4	400	-	-	-
Net Cash Flows Used in Investing Activities		(700,859,922)	(1,931,900,173)	(437,398,416)	(1,846,402,042)
Cash Flows From / (Used in) Financing Activities					
Proceeds From Interest Bearing Loans and Borrowings	12	18,399,735,883	23,328,673,688	13,408,354,965	19,893,205,418
Repayment of Interest Bearing Loans and Borrowings	12	(16,979,484,655)	(22,479,316,034)	(12,411,721,767)	(19,341,915,342)
Payment of Lease Liabilities	12	(136,385,514)	(94,088,110)	(45,953,000)	(40,360,000)
Dividends paid		(156,666,667)	(206,666,666)	(156,666,667)	(206,666,666)
Net Cash Flows From/(Used in) Financing Activities		1,127,199,047	548,602,878	794,013,531	304,263,410
Net (Decrease)/Increase in Cash and Cash Equivalents		263,608,736	(675,013,940)	217,195,744	(668,594,288)
Cash and Balances with Banks at the Beginning of the Year	10	42,784,330	717,798,270	21,631,907	690,226,195
Cash and Balances with Banks at the End of the Year	10	306,393,066	42,784,330	238,827,651	21,631,907

The accounting policies and notes on pages 194 through 238 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 Recycles (Private) Limited has acquired 60% of Neptune Nova (Private) Limited on 30 January 2026.

Neptune Papers (Private) Limited - The principal activities of the company were engaging in the business of exporting all type 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.

Neptune Nova (Private) Limited - The principal activities of the company were purchasing and reselling of used cooking oil as jet fuel

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 Authorization for Issue

The Consolidated Financial Statements of Ex-Pack Corrugated Cartons PLC, for the year ended 31 March 2026 were authorized for issue in accordance with a resolution of the Board of Directors on 05 June 2026.

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).0

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 07 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 recognized 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, unrealized 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 recognized 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 recognized 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 recognized in profit or loss.

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 unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 recognized 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 amortized 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 amortized 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:

- 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 amortized 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 interest rate. 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, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized 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 recognized amounts and intent to settle on a net basis, or to realize 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.

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 interest rates 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 13. 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 recognize 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 recognized 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 interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the 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 Interest-bearing loans and borrowings (Note 12).

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 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 recognized 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 recognized 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 recognized 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 recognized:

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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized 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 interest income on funds invested and gain arisen from the foreign exchange translation of financial assets and liabilities.

Finance income is recognized on a time proportion basis that takes in to account the effective interest 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 recognized 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 recognized as income on a straight-line basis over the term of the lease or agreement.

h) Others

Other income is recognized 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".

Interest paid are classified as operating cash flows, interest received is classified as investing cash flows for the purpose of presenting Statement of Cash Flows.

2.3 Changes In Accounting Policies and Disclousers

2.3.1 Changes in Accounting standards

The following new accounting standards, amendments and interpretations that are issued, but not yet effective up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these new accounting standards, amendments 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, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts—including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches: • Variable Fee Approach (VFA): for contracts with direct participation features

- Premium Allocation Approach (PAA): a simplified model 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 adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied. SLFRS 17 does not have a material impact on the financial statements.

SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature dependent electricity contracts. These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted will be adopted, if applicable, when they become effective.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The date of the most recent revaluation was on 31 March 2026. The changes in fair value recognized 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 13. 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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 utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized 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 9 for more details.

3. PROPERTY, PLANT AND EQUIPMENT

3.1 Group

3.1.1 Cost / Valuation

Year ended 31 March	Land Rs.	Building Rs.	Motor Vehicles Rs.	Office Equipment Rs.	Furniture and Fittings Rs.	Technological Equipment Rs.	Plant & Machinery Rs.	Tools and Equipment Rs.	Spare Parts Rs.	Stores & Equipment Rs.	Capital WIP Rs.	Total Rs.
As at 01 April 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
Additions	-	12,343,377	100,415,682	23,566,653	9,010,438	34,929,784	77,337,402	9,578,803	-	19,160,111	412,607,558	698,949,808
Transfers To Investment Property	(1,143,000,000)	-	-	-	-	-		-	-	-	-	(1,143,000,000)
Transferred	-	343,635,300	-	-	-	-	102,245,676	-	-	-	(445,880,976)	-
Revaluation	364,782,842	332,717,319	-	-	-	-	-	-	-	-		697,500,161
Adjustment on revaluation	-	(180,459,695)										(180,459,695)
Disposals	-	-	(8,147,000)	-	-	-	-	-	-	-	-	(8,147,000)
As at 31 March 2026	804,500,000	1,091,500,000	256,609,778	59,749,376	21,276,279	95,845,469	2,547,084,372	12,734,986	53,155,620	29,475,755	208,183,597	5,180,115,231

3.1.2 Accumulated Depreciation

Year ended 31 March	Land Rs.	Building Rs.	Motor Vehicles Rs.	Office Equipment Rs.	Furniture and Fittings Rs.	Technological Equipment Rs.	Plant & Machinery Rs.	Tools and Equipment Rs.	Spare Parts Rs.	Stores & Equipment Rs.	Capital WIP Rs.	Total Rs.
As at 01 April 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
Charge for the year	-	60,510,325	24,484,252	7,173,643	1,831,790	16,863,926	166,832,101	741,968	-	1,655,655	-	280,093,660
Adjustment on revaluation	-	(180,459,695)	-	-	-	-	-	-	-	-	-	(180,459,695)
Disposals	-	-	(8,147,000)	-	-	-	-	-	-	-	-	(8,147,000)
As at 31 March 2026	-	-	150,107,382	17,716,677	6,306,331	56,247,232	853,348,778	3,261,345	53,155,620	5,071,796	-	1,145,215,161
As at 01 April 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
As at 31 March 2026	804,500,000	1,091,500,000	106,502,396	42,032,699	14,969,948	39,598,237	1,693,735,594	9,473,641	-	24,403,959	208,183,597	4,034,900,070

3.1.3 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs.698,949,808/- , (2025 - Rs. 1,917,439,588/-. Total cash payments amounting to Rs.698,949,808/- , (2025 - Rs. 1,917,439,588/- 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. 695,119,583/- (2025 - Rs. 640,001,601/-).

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 2026 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	Land Rs.	Building Rs.	Motor Vehicles Rs.	Office Equipment Rs.	Furniture and Fittings Rs.	Technological Equipment Rs.	Plant & Machinery Rs.	Tools and Equipment Rs.	Spare Parts Rs.	Stores & Equipment Rs.	Capital WIP Rs.	Total Rs.
As at 01 April 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
Additions	-	12,343,377	76,939,233	8,331,480	7,042,931	31,390,198	24,654,164	6,323,627		-	255,358,281	422,383,291
Transfers To Investment Property	(1,143,000,000)	-	-	-	-	-	-	-	-	-	-	(1,143,000,000)
Transfer	-	343,635,300					102,245,676	-	-	-	(445,880,976)	-
Revaluation	364,782,842	332,717,319	-	-	-	-	-	-	-	-	-	697,500,161
Adjustment on revaluation	-	(180,459,695)	-	-	-	-		-	-	-	-	(180,459,695)
Disposals	-	-	(8,147,000)	-	-		-	-	-	-	-	(8,147,000)
As at 31 March 2026	804,500,000	1,091,500,000	179,344,927	16,071,868	17,703,685	77,490,400	2,368,713,201	7,605,199	53,155,620	-	50,934,320	4,667,019,220

3.2.2 Accumulated Depreciation

Year ended 31 March	Land Rs.	Building Rs.	Motor Vehicles Rs.	Office Equipment Rs.	Furniture and Fittings Rs.	Technological Equipment Rs.	Plant & Machinery Rs.	Tools and Equipment Rs.	Spare Parts Rs.	Stores & Equipment Rs.	Capital WIP Rs.	Total Rs.
As at 01 April 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
Charge for the year	-	60,510,325	20,891,861	1,434,630	1,466,703	14,478,361	154,063,672	591,478	-	-	-	253,437,030
Adjustment on revaluation	-	(180,459,695)		-	-	-		-	-	-	-	(180,459,695)
Disposals	-	-	(8,147,000)	-	-		-	-	-	-	-	(8,147,000)
As at 31 March 2026	-	-	100,606,786	4,865,587	5,317,712	43,948,968	779,301,340	1,465,324	53,155,620	-	-	988,661,337
As at 01 April 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
As at 31 March 2026	804,500,000	1,091,500,000	78,738,141	11,206,281	12,385,973	33,541,432	1,589,411,861	6,139,875	-	-	50,934,320	3,678,357,883

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	Land Rs.	Building Rs.
Cost	1,003,081,055	824,335,552
Transfers To Investment Property	(487,308,995)	
Accumulated Depreciation	-	(241,307,039)
Carrying Amount as at 31 March 2026	515,772,060	583,028,513
Carrying Amount as at 31 March 2025	1,003,081,055	250,811,752

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.422,383,291/- (2025 - Rs. 1,895,939,577/-). Cash payments amounting to Rs. Rs. 422,383,291/- (2025 - Rs. 1,895,939,577/-) 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. 609,465,648/- (2025 - Rs.558,965,722/-).

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 2026.

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 2026 Rs.	Fair value Measurement Sensitivity to Unobservable Inputs Measurement
				Inputs	Rate Applied		
Land No. 79, Pattiwila Road, Gonawala, Kelaniya. (31 Mar 2026)	1 Main Land	769.45 Perch	Direct Capital Comparison Method	Per perch price	999,415	769,000,000	Fair value Measurement Sensitivity to Unobservable Inputs Measurement
	2 Car Park Land	19.13 Perch		Per perch price	1,855,724	35,500,000	
						804,500,000	
Building No. 79, Pattiwila Road, Gonawala, Kelaniya. (31 Mar 2026)	1 Main Factory & Store	170,870 Sq.Ft	Replacement Cost	Per square foot value	5,600	956,872,000	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 Sq.Ft			6,300	109,381,000	
	3 Two Story Building 2	1,400 Sq.Ft			5,100	10,747,000	
	4 Car Park Garage	5,200 Sq.Ft			2,788	14,500,000	
						1,091,500,000	

3. PROPERTY, PLANT AND EQUIPMENT (CONTD...)

Item and Valuation Approach Land and Buildings	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 2026	2026 Rs.	2025 Rs.
Building (Freehold)	20 Years	20 Years
Building (Leasehold)	5-10 Years	5-10 Years
Tools and Equipment	8 Years	8 Years
Plant and Machinery	5-15 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 01.04.2025 Rs.	Additions during the year Rs.	Disposals during the year Rs.	De-Recognition Rs.	Balance As at 31.03.2026 Rs.
Buildings	414,794,229	107,665,391		(39,678,458)	482,781,162
Motor Vehicle	7,897,999	-	-	-	7,897,999
Plant and Machinery	94,698,971	-	-	-	94,698,971
Land	16,079,538	-	-	-	16,079,538
	533,470,737	107,665,391	-	(39,678,458)	601,457,670

4. LEASES (CONTD...)

Amortisation	Balance As at 01.04.2025 Rs.	Charge for the year Rs.	Disposals during the year Rs.	De-Recognition Rs.	Balance As at 31a.03.2026 Rs.
Buildings	141,403,024	96,036,388		(28,311,426)	209,127,986
Motor Vehicle	4,607,167	1,579,600	-	-	6,186,767
Plant and Machinery	22,122,092	10,383,755	-	-	32,505,847
Land	2,009,940	1,607,952	-	-	3,617,892
	170,142,223	109,607,695	-	(28,311,426)	251,438,492

Net book values	Balance As at 31.03.2026 Rs.	Balance As at 31.03.2025 Rs.
Buildings	**273,653,176**	273,391,205
Motor Vehicle	**1,711,232**	3,290,832
Plant and Machinery	**62,193,124**	72,576,879
Land	**12,461,646**	14,069,598
	350,019,178	363,328,514

4.1.2 Company

Cost	Balance As at 01.04.2025 Rs.	Additions during the year Rs.	De-Recognition Rs.	Balance As at 31.03.2026 Rs.
Buildings	95,187,768	72,299,444	(29,306,121)	**138,181,091**
Land	16,079,538	-	-	**16,079,538**
	111,267,306	72,299,444	(29,306,121)	**154,260,629**

Amortisation	Balance As at 01.04.2025 Rs.	Charge for the year Rs.	De-Recognition Rs.	Balance As at 31.03.2026 Rs.
Buildings	52,109,035	28,953,925	(24,421,800)	**56,641,160**
Land	2,009,940	1,607,952	-	**3,617,892**
	54,118,975	30,561,877	(24,421,800)	**60,259,052**

Net book values	Balance As at 31.03.2026 Rs.	Balance As at 31.03.2025 Rs.
Buildings	**81,539,931**	43,078,733
Land	**12,461,646**	14,069,598
	94,001,577	57,148,331

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 interest 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 12.

5. INTAGIBLE ASSETS

5.1 Computer Software

Year ended 31 March	GROUP		COMPANY	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Cost				
As at 01 April	5,484,038	3,975,760	3,922,930	2,414,652
Additions	27,250,290	1,508,278	27,250,290	1,508,278
Disposals	-	-	-	-
As at 31 March	32,734,328	5,484,038	31,173,220	3,922,930
Amortisation				
As at 01 April	3,267,824	2,547,413	2,009,097	1,468,521
Amortisation for the year	4,890,786	720,411	4,739,596	540,576
Disposals	-	-	-	-
As at 31 March	8,158,610	3,267,824	6,748,693	2,009,097
Net book value	24,575,718	2,216,214	24,424,527	1,913,833

5.2 Goodwill

Year ended 31 March	GROUP		COMPANY	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 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	-	-
Neptune Nova (Private) Limited				
	203,543,671	203,543,671	-	-
Total Intangible Assets	228,119,389	205,759,885	24,424,527	1,913,833

The recoverable amount of cash generating unit has been determined based on the value in use (VIU) calculation (Note 5.3)

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 (14.7%) (2025 - (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 4% growth rate (2025- 5%).

6. INVESTMENT PROPERTY

	GROUP		COMPANY	
Year ended 31 March	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
As at 01 April	-	-	-	-
Transfer from Property, Plant and Equipment	1,143,000,000	-	1,143,000,000	-
Development Cost	-	-	-	-
Gain on Fair Value Change in Investment Property	-	-	-	-
As at 31 March	1,143,000,000	-	1,143,000,000	-

The Company has transferred the Property Plant and Equipment at fair value model to Investment Property carried the year.

Investment properties are stated at fair value, which have been determined on the market price of the investment property. Investment property is appraised in accordance with SLFRS 13, LKAS 40 and International Valuation Standards. Professional valuation was performed on the investment property as at 31March 2026 by A.A.M. Fathihu, an accredited independent valuer.

The below information about significant unobservable inputs used in measuring non-financial assets measured at fair value categorised as level 2&3 in the fair value hierarchy as at March 31, 2026.

Location and Date of Last Revaluation	Total area	Valuation Technique	Significant Unobservable Inputs		Fair Value 31 Mar 2026
			Inputs	Rate Applied	
Land Samurdhi Mawatha, Heiyantuduwa, Biyagama. (31 Mar 2026)	321.5 Perch	Direct Capital Comparison Method	Per perch price	1,551,322	498,750,000
	22.25 Perch		Per perch price	1,000,000	22,250,000
	28 Perch		Per perch price	1,035,714	29,000,000
					550,000,000
Land Location - No 151, Samurdhi Mw, Heiyanthuduwa, Biyagama..(31 Mar 2026)	527.5 Perch	Direct Capital Comparison Method	Per perch price	1,150,000 - 1,850,000	593,000,000
					593,000,000
					1,143,000,000

7 INVESTMENT IN SUBSIDIARY

Company	2026		2025	
	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

7.1 Details of Sub-Subsidiaries held;

Company	Investor	2026		2025	
		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
Neptune Nova (Private) Limited		60%	600	-	-

7.2 Acquisition made by the Group

Company	Investor	Purchase Consideration	% Acquired	Date Acquired
Neptune Recyclers (Private) Limited	Neptune Papers (Private) Limited	500	100%	01 April 2021
Naptune Services (Private) Limited	Neptune Papers (Private) Limited	1,000	100%	31 December 2021
Neptune Nova (Private) Limited	Neptune Recyclers (Private) Limited	600	60%	30 January 2026

Further, an amount of Rs. 800/- was invested in 80% of shares of Neptune Eco Friends (Private) Limited, which was incorporated in 2022.

7.3 Asset acquired and liabilities assumed through the acquisitions are summarized below;

Year ended 31 March	Neptune Services (Private) Limited Rs.	Neptune Recyclers (Private) Limited Rs.	Neptune Nova (Private) Limited Rs.	Total Rs.
Trade and Other Receivables	48,042,105	500	1,000	48,043,605
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	1,000	1,320,840
Non-controlling Interest	-	-	(400)	(400)
Gain on bargain purchase	(1,318,340)	-	-	(1,318,340)
Purchase consideration transferred	1,000	500	600	2,100

7.4 Satisfied by

Cash Consideration to be paid	1,000	500	600	2,100
	1,000	500	600	2,100
Analysis of cash and cash equivalents on acquisition of subsidiary				
Cash at bank acquired on business combination	48,910	-	1,000	49,910
Net cash inflow on acquisition	48,910	-	400	47,810

8. INVENTORIES

Year ended 31 March	GROUP		COMPANY	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Raw Material	**1,133,830,648**	681,905,775	**1,114,684,914**	681,905,775
Work-in-Progress	**25,320,877**	30,917,205	**25,320,877**	30,917,205
Finished Goods	**336,477,015**	540,078,632	**93,819,056**	76,138,151
Goods-in-Transit	**126,154,827**	82,135,144	**126,154,827**	82,135,144
Consumables	**175,443,620**	148,427,061	**165,464,364**	140,871,647
Less: Allowance for obsolete inventory	**(2,423,842)**	(1,223,842)	**-**	-
	1,794,803,144	1,482,239,975	**1,525,444,038**	1,011,967,922

9. TRADE AND OTHER RECEIVABLES

Year ended 31 March	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Trade Debtors - Other	**2,211,943,802**	1,749,731,385	**1,268,919,634**	1,079,297,988
- Related Parties (9.1)	**11,226,229**	11,826,859	**11,226,229**	11,383,224
Less: Allowances for Doubtful Debt (9.3)	**(41,863,433)**	(24,558,217)	**(14,524,593)**	(14,524,593)
	2,181,306,598	1,737,000,027	**1,265,621,270**	1,076,156,619
Staff Debtors	**20,897,395**	8,170,711	**20,897,395**	8,170,711
Other Debtors - Others	**72,447,768**	53,901,950	**40,664,883**	36,553,965
- Related Parties (9.2)	**24,803,599**	34,481,973	**24,803,599**	24,803,599
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)
	90,130,293	68,536,165	**58,347,408**	41,509,806
VAT Receivable	**197,463,743**	480,647,906	**158,933,099**	381,641,169
Less: Allowances for Impairment	**(99,780,654)**	(99,780,654)	**(99,780,654)**	(99,780,654)
	97,683,089	380,867,252	**59,152,445**	281,860,515
	2,369,119,979	2,186,403,444	**1,383,121,123**	1,399,526,940

9.1 Trade Debtors - Related Parties

Year ended 31 March	Relationship	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Bio Extracts (Pvt) Ltd	Affiliate Company	**4,597,568**	2,626,630	**4,597,568**	2,618,630
Expoteas Ceylon (Pvt) Ltd	Affiliate Company	**1,581,084**	5,606,631	**1,581,084**	5,591,631
Fits Express (Pvt) Ltd	Affiliate Company	**5,047,577**	2,700,159	**5,047,577**	2,630,679
Fits Retail (Pvt) Ltd	Affiliate Company	-	594,784		542,284
Hi Energy Services (Pvt) Ltd	Affiliate Company	-	16,310	-	-
Expoceylon Pharmaceuticals (Pvt) Ltd	Affiliate Company	-	214,360	-	-
Lanka Commodity Trading (Pvt) Ltd	Affiliate Company	-	67,985	-	-
		11,226,229	11,826,859	**11,226,229**	11,383,224

9.2 Other Debtors - Related Parties

Year ended 31 March	Relationship	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Aberdeen Holdings (Pvt) Ltd	Parent	-	9,678,374	-	-
Lanka Food Solutions (Pvt) Ltd	Affiliate Company	**24,803,599**	24,803,599	**24,803,599**	24,803,599
		24,803,599	34,481,973	**24,803,599**	24,803,599

9.3 Movements in the allowance for impairment of Trade Receivables;

Year ended 31 March	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
At the beginning of the year	**24,558,217**	20,227,052	**14,524,593**	14,524,593
Provision (reversal) / made during the year	**17,305,216**	4,331,165	-	-
Balance at the end of the year	**41,863,433**	24,558,217	**14,524,593**	14,524,593

9.4 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.
2026	2,223,170,031	1,436,953,455	585,499,170	96,593,641	64,749,772	39,373,994
2025	1,761,558,244	987,040,570	495,825,206	208,759,746	47,019,976	22,912,746

Company	Total Rs.	< 30 days Rs.	31-90 days Rs.	91-180 days Rs.	181-360 days Rs.	>360 days Rs.
2026	1,280,145,863	674,416,433	517,537,078	72,918,190	3,211,630	12,062,532
2025	1,090,681,212	602,477,426	341,644,149	133,621,251	59,264	12,879,122

Note 26.4 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.

10. CASH AND BALANCES WITH BANKS

10.1 Favourable Cash and Balances with Banks

Year ended 31 March	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Cash at Bank	**251,602,661**	61,222,943	**237,827,651**	41,636,004
Cash in Hand	**60,016,666**	7,764,187	**1,000,000**	1,000,000
Short-term Deposit	**-**	-	**-**	-
	311,619,327	68,987,130	**238,827,651**	42,636,004

10.2 Unfavourable Cash and Balances with Banks

	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Bank overdrafts	**(5,226,261)**	(26,202,800)		(21,004,097)
	(5,226,261)	(26,202,800)	**-**	(21,004,097)
Net Cash and Balances with Banks for the purpose of Cash Flow Statement	**306,393,066**	42,784,330	**238,827,651**	21,631,907

11. STATED CAPITAL

Year ended 31 March	GROUP/COMPANY 2026 Number of shares	GROUP/COMPANY 2026 Rs.	GROUP/COMPANY 2025 Number of shares	GROUP/COMPANY 2025 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.

12. INTEREST BEARING LOANS AND BORROWINGS

Year ended 31 March	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Non-current interest bearing loans and borrowings				
Lease - Motor Vehicle and Plant and Machinery (11.1)	38,807,768	52,929,596	-	-
Lease - Buildings (11.2)	223,888,683	193,779,313	63,700,350	29,066,502
Term Loans (11.3)	729,166,666	979,166,667	729,166,666	979,166,667
Lease - Land (11.2)	14,034,119	14,809,573	14,034,119	14,809,573
	1,005,897,236	1,240,685,149	806,901,135	1,023,042,742
Current interest bearing loans and borrowings				
Lease - Motor Vehicle and Plant and Machinery (12.1)	14,121,822	13,492,889	-	-
Lease - Buildings (12.2)	92,196,261	89,025,246	32,634,088	29,463,074
Lease - Land (11.2)	775,453	606,696	775,453	606,696
Term Loans (12.3)	3,641,531,059	1,971,279,829	2,454,013,028	1,207,379,829
Bank overdrafts (10.2)	5,226,261	26,202,800	-	21,004,097
	3,753,850,856	2,100,607,460	2,487,422,569	1,258,453,696
Total interest bearing loans and borrowings	4,759,748,092	3,341,292,609	3,294,323,704	2,281,496,438

12.1 Lease - Motor Vehicle and Plant and Machinery

Group	Balance as at 01.04.2025 Rs.	New leases Rs.	Repayments Rs.	Balance as at 31.03.2026 Rs.	Current as at 31.03.2026 Rs.	Non-current as at 31.03.2026 Rs.
Commercial Bank of Ceylon PLC	-	-	(20,460,008)	65,218,836	19,065,103	46,153,733
Finance Charges Allocated to Future Periods	-	-	6,967,119	(12,289,245)	(4,943,281)	(7,345,965)
Net Liability	-	-	(13,492,888)	52,929,591	14,121,822	38,807,768

12.2 Lease - Buildings and Land

Group	Balance as at 01.04.2025 Rs.	Interest Expense Recognised in Profit or Loss Rs.	New lease Rs.	Repayments Rs.	De-Recognition Rs.	Balance as at 31.03.2026 Rs.	Current as at 31.03.2026 Rs.	Non-current as at 31.03.2026 Rs.
Buildings	282,804,559	37,805,229	107,665,391	(113,525,507)	1,335,272	316,084,944	92,196,261	223,888,683
Land	15,416,269	1,793,303	-	(2,400,000)		14,809,572	775,453	14,034,119
	298,220,828	39,598,532	107,665,391	(115,925,507)	1,335,272	330,894,516	92,971,714	237,922,802

12. FINANCE COST BEARING LOANS AND BORROWINGS (Contd…)

12.2 Lease - Buildings and Land

Company	Balance as at 01.04.2025 Rs.	Finance cost Expense Recognised in Profit or Loss Rs.	New lease Rs.	Repayments Rs.	Repayments Rs.	Balance as at 31.03.2026 Rs.	Current as at 31.03.2026 Rs.	Non-current as at 31.03.20256 Rs.
Buildings	58,529,576	14,433,922	72,299,444	(43,553,000)	(5,375,504)	96,334,438	32,634,088	63,700,350
Land	15,416,269	1,793,303		(2,400,000)		14,809,572	775,453	14,034,119
	73,945,845	16,227,225	72,299,444	(45,953,000)	(5,375,504)	111,144,010	33,409,541	77,734,469

12.3 Term Loans

Group	Balance as at 01.04.2025 Rs.	New Loan Obtained Rs.	Repayments Rs.	Balance as at 31.03.2026 Rs.	Current as at 31.03.2026 Rs.	Non-current as at 31.03.2026 Rs.
Bank of Ceylon	54,000,000	1,183,354,965	(861,341,937)	376,013,028	376,013,028	-
National Development Bank - LKR	649,600,000	5,226,200,000	(5,050,400,000)	825,400,000	825,400,000	-
National Development Bank - USD	-	163,180,918	(86,562,888)	76,618,031	76,618,031	-
Hatton National Bank PLC	283,900,000	6,768,000,000	(6,135,900,000)	916,000,000	916,000,000	-
Hatton National Bank PLC Mortgage Loan	1,000,000,000		(20,833,334)	979,166,666	250,000,000	729,166,666
Seylan Bank PLC	225,000,000	1,380,000,000	(1,134,000,000)	471,000,000	471,000,000	-
COM Loans - LKR	284,500,000	1,277,000,000	(1,287,000,000)	274,500,000	274,500,000	-
MCB Loans - LKR	-	52,000,000	-	52,000,000	52,000,000	-
DFCC Bank	-	400,000,000	-	400,000,000	400,000,000	-
Amana Bank - LKR	150,000,000	1,464,000,000	(1,614,000,000)	-	-	-
Amana Bank - USD	303,446,496	486,000,000	(789,446,496)	-	-	-
	2,950,446,496	18,399,735,883	(16,979,484,655)	4,370,697,725	3,641,531,059	729,166,666

Company	Balance as at 01.04.2025 Rs.	New Loan Obtained Rs.	Repayments Rs.	Balance as at 31.03.2026 Rs.	Current as at 31.03.2026 Rs.	Non-current as at 31.03.2026 Rs.
Bank of Ceylon	54,000,000	1,183,354,965	(861,341,937)	376,013,028	376,013,028	-
National Development Bank - LKR	290,000,000	2,895,000,000	(2,834,000,000)	351,000,000	351,000,000	-
Hatton National Bank	164,100,000	5,800,000,000	(5,278,100,000)	686,000,000	686,000,000	-
Hatton National Bank PLC Mortgage Loan	1,000,000,000		(20,833,334)	979,166,666	250,000,000	729,166,666
Seylan Bank	225,000,000	1,180,000,000	(1,014,000,000)	391,000,000	391,000,000	-
Amana Bank - LKR	150,000,000	1,464,000,000	(1,614,000,000)	-	-	-
DFCC Bank		400,000,000	-	400,000,000	400,000,000	-
Amana Bank - USD	303,446,496	486,000,000	(789,446,496)	-	-	
	2,186,546,496	13,408,354,965	(12,411,721,767)	3,183,179,694	2,454,013,028	729,166,666

13. RETIREMENT BENEFIT LIABILITY

Year ended 31 March	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Defined Benefit Obligation - Gratuity				
Defined Benefit Obligation as at the Beginning of the Year	**157,982,451**	149,261,444	**110,808,061**	108,350,043
Interest cost	**16,802,888**	17,911,372	**12,188,887**	13,002,005
Current service cost	**15,914,326**	12,865,935	**10,689,535**	8,552,466
Benefits paid	**(10,331,775)**	(13,125,335)	**(8,263,025)**	(11,975,463)
Actuarial (gains)/losses on obligation	**25,887,123**	(8,930,965)	**25,857,813**	(7,120,990)
Defined Benefit Obligation as at the End of the Year	**206,255,013**	157,982,451	**151,281,271**	110,808,061

13.1 The Retirement Benefit Obligation of the Company as at 31st March 2026 is based on the Actuarial Valuation carried out by Messrs, Actuarial and Management Consultants (Private) Limited, a firm of Professional Actuaries.

13.2 Principal assumption used in determining post employment benefit obligation for the group are shown below:

	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Discount rate	**10.00%**	10%-11%	**10.00%**	11.00%
Salary Increase Rate	**10.00%**	9.50%-11%	**10.00%**	9.50%
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.

13.3 Sensitivity of assumptions employed in actuarial valuation

Year ended 31 March	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
1% Increase in Discount Rate	**(10,664,070)**	(8,927,857)	**(8,399,412)**	(6,663,199)
1% Decrease in Discount Rate	**11,832,902**	9,919,042	**9,344,132**	7,430,272
1% Increase in Salary Increment Rate	**11,124,413**	9,553,319	**8,458,689**	6,887,595
1% Decrease in Salary Increment Rate	**(10,222,488)**	(8,761,134)	**(7,755,412)**	(6,294,058)

13.4 The following are the expected payments to the defined benefit plan in future years

Year ended 31 March	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Within the next 12 months	**33,933,387**	20,740,029	**26,434,420**	13,241,062
Between 02 and 05 years	**52,270,290**	44,016,042	**36,398,871**	28,144,623
Between 05 and 10 years	**75,479,717**	61,043,836	**57,884,884**	43,449,003
Beyond 10 years	**36,772,268**	32,182,545	**30,563,096**	25,973,373
Total expected payments	**198,455,661**	157,982,451	**151,281,271**	110,808,060

14. TRADE AND OTHER PAYABLES

Year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Trade Payables - Others	**906,666,301**	907,231,286	**808,383,729**	797,106,662
	906,666,301	907,231,286	**808,383,729**	797,106,662
Other Payables - Others	**123,855,257**	44,849,665	**81,638,087**	99,035,991
- Related Parties (14.1)	**68,355,081**	57,578,285	**68,322,081**	57,300,204
Sundry Creditors including accrued expenses	**171,316,600**	234,386,614	**161,388,902**	171,836,234
	1,270,193,239	1,244,045,850	**1,119,732,799**	1,125,279,091

14.1 Trade Payables - Related Parties

Year ended 31 March	Relationship	GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
Aberdeen Holdings (Pvt) Ltd	Parent	**68,162,633**	56,420,907	**68,162,633**	56,350,667
Expoteas Ceylon (Pvt) Ltd	Affiliate Company	**130,135**	339,141	**130,135**	339,141
Fits Express (Pvt) Ltd	Affiliate Company	-	11,444	-	11,444
Amana Takaful Ltd	Affiliate Company	**29,313**	340,203	**29,313**	340,203
Antler Foundry (Pvt) Ltd	Affiliate Company	-	466,591	-	98,750
Neptune Papers (Pvt) Ltd	Subsidiary	-	-	-	160,000
Dame Fine Coffee (Pvt) Ltd	Affiliate Company	**33,000**	-	-	-
		68,355,081	57,578,285	**68,322,081**	57,300,204

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

Year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Local Sales	5,977,244,739	4,247,110,457	4,598,824,389	2,842,127,969
Export Sales	2,837,596,156	4,250,426,359	1,707,990,604	3,311,045,663
Waste Sales - Export	1,012,249,737	1,425,335,573	82,703,090	173,145,572
Service Income	8,818,892	9,202,002	-	-
	9,835,909,524	9,932,074,391	6,389,518,083	6,326,319,204

15.1 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	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Types of Products and Services				
Manufacture and sale of Corrugated Cartons	6,195,349,184	8,213,964,158	6,195,349,184	6,153,173,632
Manufacture of papers / paper reels	2,568,543,919	1,044,870,778	-	-
Recycling of fabric export sales	650,925,917	381,813,184	-	-
Waste sales	282,610,194	250,355,665	194,168,899	173,145,572
Service Income	138,480,310	41,070,609	-	-
	9,835,909,524	9,932,074,391	6,389,518,083	6,326,319,204

b) Based on the geographical locations of the customers

Year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Sri Lanka	8,252,924,121	8,358,856,327	6,155,179,885	6,210,403,487
Other South Asia	1,566,544,739	1,567,413,833	234,338,198	110,111,486
Other	16,440,664	5,804,231		5,804,231
	9,835,909,524	9,932,074,391	6,389,518,083	6,326,319,204

16. OTHER OPERATING INCOME

Year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Profit on Disposal of Property, Plant and Equipment	6,988,661	69,831	6,979,661	-
Profit/(Loss) on Derecognition of ROUA	491,182	-	491,182	
Exchange Gain	11,124,372	18,592,871	-	18,592,872
Sundry Income	40,428,023	37,674,442	38,214,777	33,706,872
Income from Weighbridge Inhouse	7,594,215	6,147,828	-	-
Dividend Income	-	-	-	30,138,658
	66,626,453	62,484,972	45,685,620	82,438,402

17. FINANCE COST

Year ended 31 March	GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Interest on Banking Finance	287,439,830	124,227,848	287,439,830	124,227,848
Finance Charge on Wakala Loans	89,310,165	58,399,089	-	-
Interest on Finance Lease (Ijara)	6,967,119	1,621,436	-	-
Lease Interest	39,598,532	37,007,934	16,227,225	17,875,361
	423,315,646	221,256,307	303,667,055	142,103,209

18. PROFIT/(LOSS) BEFORE TAX

Stated after Charging,

Year ended 31 March		GROUP 2026 Rs.	GROUP 2025 Rs.	COMPANY 2026 Rs.	COMPANY 2025 Rs.
Included in Cost of Sales					
Employees Benefits including the following,					
- Defined Benefit Plan Costs - Gratuity		16,301,752	15,949,918	13,403,181	13,403,181
- Defined Contribution Plan Costs - EPF and ETF		35,878,244	30,739,088	28,513,714	28,513,714
Depreciation & Amortisation		245,050,504	202,221,692	215,165,475	215,165,475
Included in Administrative & Distribution Expenses					
Employees Benefits including the following,					
- Defined Benefit Plan Costs	- Gratuity	16,148,461	14,827,389	9,475,240	11,101,553
- Defined Contribution Plan Costs - EPF and ETF		42,031,687	34,301,158	29,090,825	23,302,928
Depreciation & Amortisation		50,584,755	30,535,133	43,011,151	24,861,517
Auditor's Fees and Expenses	- External	2,120,000	1,785,000	1,500,000	1,500,000
	- Other	643,740	6,448,078	519,740	6,007,078

19. INCOME TAX

The major components of income tax expense for the year ended 31 March are as follows :

Year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Income Statement				
Current Income Tax				
Current Income Tax Charge (Note 19.1)	469,628	168,423,770	448,767	121,704,082
Under/(Over) Provision of Income Tax for the Previous Year	(135,873,783)	(825,096)	(115,464,990)	
	(135,404,155)	167,598,674	(115,016,223)	121,704,082
Deferred Income Tax				
Deferred Taxation Charged (Note 19.2)	(236,582,572)	101,047,128	(239,910,881)	80,143,513
	(236,582,572)	101,047,128	(239,910,881)	80,143,513
Tax on Dividend Income	-	-	-	-
Income tax expense reported in the Income Statement	(371,986,727)	268,645,802	(354,927,104)	201,847,595

19.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows:

Year ended 31 March		GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
Accounting Profit (Profit before Tax)		(91,010,991)	721,667,014	99,293,458	628,212,341
Aggregate Disallowed Items		552,755,267	470,323,048	372,721,321	290,289,102
Aggregate Allowable Items		(701,264,779)	(648,615,066)	(535,222,043)	(482,572,329)
Adjustments for intra group transactions		-	30,138,658	-	-
Income from other Sources		(5,505,758)	(51,296,068)	(5,255,504)	(51,045,814)
Taxable Profit		(245,026,261)	522,217,586	(68,462,768)	384,883,300
Tax on taxable income	30%	20,861	156,866,366		115,464,990
Tax on Interst income	30%	448,767	6,239,092	448,767	6,239,092
Tax on Dividend income	15%	-	5,318,312	-	-
Total		469,628	168,423,770	448,767	121,704,082

19. INCOME TAX (Contd….)

19.1.1 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.

19.1.2 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.

19.2 Deferred Tax Assets, Liabilities and Income Tax relates to the followings.

Group	Statement of Financial Position		Income Statement	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Liability /(Assets)				
On Capital allowances for tax purposes	254,191,929	175,537,624	78,654,305	107,371,855
Tax Losses Brought Forward	(309,410,304)	-	(309,410,304)	-
On Defined benefit plans	(61,796,402)	(47,394,734)	(6,644,324)	(5,295,590)
On Provision for doubtful debt	(12,559,030)	(7,367,465)	(5,191,565)	(1,299,349)
On Lease liability - Building	3,148,461	(3,228,008)	6,376,469	(809,788)
On Provision for slow moving inventory	(727,153)	(360,000)	(367,153)	1,080,000
	(127,152,499)	117,187,417		
Deferred Tax Charge/(Reversal)			(236,582,572)	101,047,128

19. INCOME TAX (Contd...)

19.2 Deferred Tax Assets , Liabilities and Income Tax relates to the followings (Contd…)

Year ended 31 March	Statement of Financial Position		Other Comprehensive Income	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
On Revaluation of Land	309,991,386	200,556,533	109,434,853	-
On Revaluation of Building	192,036,982	92,221,786	99,815,196	-
Defined Benefit Plans	-	-	(7,766,137)	2,679,289
	502,028,368	292,778,319	201,483,912	2,679,289
Represented By,				
Net Deferred Tax Assets				
Net Deferred Tax Liability	374,875,869	409,965,736		

Company	Statement of Financial Position		Income Statement	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Liability/(Asset)				
On Capital allowances for tax purposes	217,224,805	143,237,299	73,987,506	85,103,023
Tax Losses Brought Forward	(309,410,304)		(309,410,304)	-
On Defined benefit plans	(45,384,381)	(33,242,418)	(4,384,619)	(2,873,702)
On Allowance for Doubtful Debt	(4,357,378)	(4,357,378)	-	-
On Lease liability - Building	(5,142,718)	(5,039,254)	(103,464)	(2,085,808)
	(147,069,976)	100,598,249		
Deferred Tax (Reversal)/Expense			(239,910,881)	80,143,513

Company	Statement of Financial Position		Other Comprehensive Income	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
On Revaluation of Land	309,991,386	200,556,533	109,434,853	-
On Revaluation of Building	192,036,982	92,221,786	99,815,196	-
On Defined Benefit Plans	-	-	(7,757,344)	2,136,297
	502,028,368	292,778,319	201,492,705	2,136,297
Net Deferred Tax Liability	354,958,392	393,376,568		

19. INCOME TAX (Contd…)

19.3 Impact on Deferred Tax Due to Tax Rate Change

Year ended 31 March	GROUP	COMPANY
	2026	2026
	Rs.	Rs.
Recognised in Statement of Profit or Loss due to during the year transactions	(236,582,572)	(239,910,881)
Recognized in Statement of Profit or Loss due to increase/(decrease) in Tax Rate	-	-
Income tax expense recognised in Statement of Profit or Loss	(236,582,572)	(239,910,881)
Recognized in Other Comprehensive Income during the year transactions	201,483,912	201,492,705
Recognized in Other Comprehensive Income due to increase/(decrease) in Tax Rate	-	-
Income tax expense recorded in OCI	201,483,912	201,492,705

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.

20. 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	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Amounts used as the numerator :				
Net profit attributable to equity holders of the company	281,578,044	453,112,004	454,220,562	426,364,746
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.)	0.84	1.36	1.36	1.28

* 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 Inital Public Offer on 31 October 2021.

21. DIVIDENDS PER SHARE

Year ended 31 March	COMPANY			
	2026		2025	
	Dividend per share	Gross dividend	Dividend per share	Gross dividend
	Rs.	Rs.	Rs.	Rs.
Equity dividend on ordinary shares declared and paid during the year				
First interim dividend declaration	**0.10**	**33,333,333**	0.36	120,000,000
Second interim dividend declaration	**0.37**	**123,333,333**	0.26	86,666,667
	0.47	**156,666,667**	0.62	206,666,666

22. COMMITMENTS AND CONTINGENCIES

22.1 Capital Commitments

The Company does not have significant capital commitments as at the reporting date.

22.2 Contingencies

Corporate Guarantee	Banking Institutions	GROUP/COMPANY	
		2026 Rs.	2025 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
Neptune Papers (Pvt) Ltd	MCB	**300,000,000**	-
		3,550,000,000	3,250,000,000

23. ASSETS PLEDGED

The following assets have been pledged as security for liabilities

	Nature of Assets	Nature of Liabilities	GROUP/COMPANY Facility Amount 2026 Rs.	GROUP/COMPANY Facility Amount 2025 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	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
iii	Co- current Stock Mortgage Rs.500mn	Trade Facility Standard Charted Bank	**500,000,000**	500,000,000
iv	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**	1,000,000,000

24. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments in the financial statements.

25. RELATED PARTY DISCLOSURE

25.1 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	
	2026	2025	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April	(46,742,533)	18,512,444	35,473,079	96,730,803	(11,269,453)	115,243,247
Expense incurred for others	(2,233,650)	(1,087,813)	(21,555)	-	(2,255,205)	(1,087,813)
Loans Settled	-	-	-	(65,111,184)	-	(65,111,184)
Sale Invoices	20,300	74,500	50,633,784	305,049,690	50,654,084	305,124,190
Courier Charges	-	-	-	(45,044)	-	(45,044)
Cash Receipts/Payment Made	61,314,920	63,337,878	(519,956)	(255,743,619)	60,794,964	(192,405,741)
Purchase of Tea & Meals	-	-	(7,829,213)	(7,290,597)	(7,829,213)	(7,290,597)
Management/Consultancy Fee	(68,709,704)	(71,228,875)	-	-	(68,709,704)	(71,228,874)
Insurance Policy	-	-	(21,839,210)	(22,962,658)	(21,839,210)	(22,962,658)
Dividend Paid	(86,584,966)	(134,374,667)	-	-	(86,584,966)	(134,374,667)
Dividend Received	74,773,000	78,024,000	-	-	74,773,000	78,024,000
Technical Fees	-	-	(20,059,549)	(15,154,312)	(20,059,549)	(15,154,313)
As at 31 March	(68,162,633)	(46,742,532)	35,837,380	35,473,079	(32,325,253)	(11,269,453)
Trade Receivables (Note 9.1)	-	-	11,226,229	11,826,859	11,226,229	11,826,859
Other Receivables (Note 9.2)	-	9,678,374	24,803,599	24,803,599	24,803,599	34,481,973
Other Payables (Note 14.1)	(68,162,633)	(56,420,907)	(192,448)	(1,157,378)	(68,355,081)	(57,578,285)
	(68,162,633)	(46,742,533)	35,837,380	35,473,079	(32,325,253)	(11,269,454)

* Parent of the Company is Aberdeen Holdings (Private) Limited.

**Affiliated Companies incudes, 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,Dame Fine Coffee (Pvt) Ltd.

25. RELATED PARTY DISCLOSURE (Contd…)

25.2 The following Corporate Guarantee have been obtained as at reporting date.

			GROUP/COMPANY	
			Guarantee Amount	
			2026	2025
	Nature of Assets	Nature of Liabilities	Rs.	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 Charted 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**	500,000,000

25.3 Transaction with the parent and affiliated entities

Company	Parent *		Subsidiaries**		Affiliated Companies ***		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April	(56,350,667)	(3,075,000)	(160,000)	1,160,275	35,397,285	96,990,564	(21,113,382)	95,075,839
Loans Settled	-	-	-	-		(65,111,184)	-	(65,111,184)
Sale Invoices	-	-	(89,856,860)	3,828,298	47,622,406	54,048,230	(42,234,454)	57,876,528
Courier Charges	-	-	-	-		(45,044)	-	(45,044)
Purchase of Paper Reel/Stationaries	-	-	(2,878,558)	(1,685,570)	-	-	(2,878,558)	(1,685,570)
Cash Receipts/Payment Made	42,129,190	47,737,813	92,895,418	(3,463,003)	(9,437,883)	(11,767,627)	125,586,725	32,507,182
Purchase of Tea & Meals	-	-	-	-	(7,829,216)	(7,290,595)	(7,829,216)	(7,290,595)
Management/Consultancy Fee	(40,770,000)	(43,575,000)	-	-	-	-	(40,770,000)	(43,575,000)
Insurance Policy	-	-	-	-	(21,839,210)	(22,962,659)	(21,839,210)	(22,962,659)
Dividend Receivable/(Payable)	(86,584,966)	(134,374,667)	-	30,128,658	-	-	(86,584,966)	(104,246,009)
Dividend Paid / (Received)	74,773,000	78,024,000	-	(30,128,658)	-	-	74,773,000	47,895,342
IT Services	-	-	-	-	(8,054,447)	(8,464,400)	(8,054,447)	(8,464,400)
Reimbursement Expenses	(1,359,190)	(1,087,813)	-	-	11,446	-	(1,347,744)	(1,087,813)
As at 31 March	(68,162,633)	(56,350,667)	-	(160,000)	35,870,380	35,397,285	(32,292,253)	(21,113,382)
Included Under,								
Trade Receivables (Note 9.1)		-	-		11,226,229	11,383,224	11,226,229	11,383,224
Other Receivables (Note 9.2)	-	-	-		24,803,599	24,803,599	24,803,599	24,803,599
Other Payables (Note 14.1)	(68,162,633)	(56,350,667)		(160,000)	(159,448)	(789,538)	(68,322,081)	(57,300,204)
	(68,162,633)	(56,350,667)	-	(160,000)	35,870,380	35,397,285	(32,292,253)	(21,113,382)

* 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.,Neptune Nova (Private) Limited.

*** Affiliated companies incudes, 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.

25. RELATED PARTY DISCLOSURE (Contd...)

25.4 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	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Short-term employee benefits	221,932,130	159,948,168	110,966,065	144,007,000
Post employee benefits	9,788,034	4,472,333	6,545,034	1,367,333
	231,720,164	164,420,501	117,511,099	145,374,333

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 summarized below.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

26.1 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: interest rate 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 minimize potential adverse effects on the entity's financial performance.

26.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term and long term debt obligations with fixed interest rates.

Year ended 31 March		COMPANY	GROUP
	Increase/ decrease in basis points	Effect on profit before tax	Effect on profit before tax
	Rs.	Rs.	Rs.
2026	+200	(44,080,261)	(87,863,575)
	-200	44,080,261	87,863,575
2025	+200	(45,133,058)	(62,427,459)
	-200	45,133,058	62,427,459

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd ...)

26.3 Foreign exchange risk

The Group's exposure to foreign exchange risk is significant as the transactions with it's main Customers and it's 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 2026, and sensitivity analysis to profit & loss and equity if exchange rate increased / (decreased) by 20%.

As at 31 March	Change in rates		COMPANY Effect on profit before tax		GROUP Effect on profit before tax	
			Rs.	Rs.	Rs.	Rs.
As at 31 March 2026						
USD	+ 20%	- 20%	42,941,483	(42,941,483)	64,570,529	(64,570,529)
As at 31 March 2025						
USD	+ 20%	- 20%	(63,862,874)	63,862,874	(17,525,203)	17,525,203

26.4 Credit risk

The Group's exposure to credit risk is minimal from its trade receivables. The Company has agreed to receive it's exports sales proceeds in advance DP & through Letter of Credit. The Company also obtains bank guarantee from the customers.

The Group trades only with recognized 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	Note	2026 Rs.	2026 Rs.	2025 Rs.	2025 Rs.
Trade and other receivables	9	2,369,119,979	88%	2,186,403,444	97%
Cash at bank and cash equivalents	10	311,619,327	12%	68,987,130	3%
		2,680,739,306	100%	2,255,390,574	100%

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd ...)

26.5 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 minimize 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 interest rates 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.

26.6 Cash and Balances with Banks

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. 312 Mn at 31 March 2025 (2025 Rs. 69 Mn) which represents its maximum credit exposure on these assets. Company also held fixed deposits of Rs. Nil as at 31 March 2026 (2025 Rs. Nil).

26.7 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.

26.7.1 Maturity analysis - Group

The table below summarizes the maturity profile of the Group's financial liabilities at 31 March 2025 based on contractual undiscounted payments.

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31 March 2026						
Financial liabilities						
Short term Loans	-	3,226,304,438	165,226,621	-	-	3,391,531,059
Lease liabilities	-	29,275,129	77,818,408	276,730,570	-	383,824,106
Bank overdrafts	-	5,226,261	-	-	-	5,226,261
Trade and other payables	-	949,590,337	316,732,570	3,870,332	-	1,270,193,239
Term Loans	-	62,500,002	187,500,006	729,166,658	-	979,166,666
	-	4,272,896,167	747,277,605	1,009,767,560	-	6,029,941,331

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31 March 2025						
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
	-	2,656,561,015	661,902,013	1,244,931,465	-	4,563,394,494

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd ...)

26.7.2 Maturity analysis - Company

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31 March 2026						
Financial liabilities						
Short term Loans	-	2,038,786,407	165,226,621	-	-	2,204,013,028
Lease liabilities	-	7,169,930	26,239,610	77,734,470	-	111,144,010
Trade and other payables	-	808,718,471	311,014,328	-	-	1,119,732,799
Term Loans	-	62,500,002	187,500,006	729,166,658	-	979,166,666
	-	2,917,174,810	689,980,565	806,901,128	-	4,414,056,503

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	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	596,696,792	1,023,042,742	-	3,385,771,433

27. 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 maximize 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	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Debt / Equity	118%	97%	90%	79%

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 2025 to 31 March 2026.
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	8, IBC	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				
	2-4 Restatements of information	4				
	2-5 External assurance	6,123,124				
	2-6 Activities, value chain and other business relationships	4, 8-9, 48 -49, 110				
	2-7 Employees	87				
	2-8 Workers who are not employees	89	2-8 a, b, c	Not applicable		
	2-9 Governance structure and composition	135,139				
	2-10 Nomination and selection of the highest governance body	144,174 -176				
	2-11 Chair of the highest governance body	30, 32				
	2-12 Role of the highest governance body in overseeing the management of impacts	140				

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	140,141				
	2-14 Role of the highest governance body in sustainability reporting	141				
	2-15 Conflicts of interest	143				
	2-16 Communication of critical concerns	142				
	2-17 Collective knowledge of the highest governance body	32-35,136				
	2-18 Evaluation of the performance of the highest governance body	146				
	2-19 Remuneration policies	144, 170 -171				
	2-20 Process to determine remuneration	144, 170 -171				
	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	143				
	2-24 Embedding policy commitments	143				
	2-25 Processes to remediate negative impacts	147-148				
	2-26 Mechanisms for seeking advice and raising concerns	142-143				
	2-27 Compliance with laws and regulations	148				
	2-28 Membership associations	101				
	2-29 Approach to stakeholder engagement	52-58				
	2-30 Collective bargaining agreements	94				
Material topics						
	3-1 Process to determine material topics	59-63	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	60-63				
Economic performance						
GRI 201: Economic Performance 2016	3-3 Management of material topics	70				
	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	108-109				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	108-109				

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	73				
GRI 207: Tax 2019	207-1 Approach to tax	73				
	207-2 Tax governance, control, and risk management	73				
	207-3 Stakeholder engagement and management of concerns related to tax	57				
	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	114				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	114				
	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	114				
	302-4 Reduction of energy consumption	114				
	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	116				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	116				
	303-2 Management of water discharge-related impacts		303-2	Information unavailable/ incomplete	The Company does not currently measure this criteria	
	303-3 Water withdrawal	117				
	303-4 Water discharge	117				
	303-5 Water consumption	117				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	114				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	114-116				
	305-2 Energy indirect (Scope 2) GHG emissions	114-116				
	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	116				
	305-5 Reduction of GHG emissions	114				
	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	117				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	117				
	306-2 Management of significant waste-related impacts	117				
	306-3 Waste generated	118				
	306-4 Waste diverted from disposal	118				
	306-5 Waste directed to disposal	118				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	86				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	88-89				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	89				
	401-3 Parental leave	95				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	94				

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	91				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	91				
	403-2 Hazard identification, risk assessment, and incident investigation	91-93				
	403-3 Occupational health services	91-92				
	403-4 Worker participation, consultation, and communication on occupational health and safety	91-92				
	403-5 Worker training on occupational health and safety	93				
	403-6 Promotion of worker health	91-93				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	92				
	403-8 Workers covered by an occupational health and safety management system	91				
	403-9 Work-related injuries	93				
	403-10 Work-related ill health	93				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	90				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	90				
	404-2 Programs for upgrading employee skills and transition assistance programs	90				
	404-3 Percentage of employees receiving regular performance and career development reviews	90				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	87, 139				
	405-2 Ratio of basic salary and remuneration of women to men	95				

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	109				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	109-110				
	413-2 Operations with significant actual and potential negative impacts on local communities	110				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	106				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	106				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	107				

SASB INDEX

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Containers & Packaging
Ex-Pack Corrugated Cartons PLC
Financial year ended 31 March 2026
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	114
	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	116
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Quantitative	Metric tonnes (t)	RT-CP-120a.1	116
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	116
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	117
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	RT-CP-140a.2	116
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	RT-CP-140a.3	117
Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-CP-150a.1	118
Product Safety	(1) Number of recalls issued, (2) total units recalled 1	Quantitative	Number	RT-CP-250a.1	107
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	n/a	RT-CP-250a.2	107

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	107
	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	107
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. Aliminium purchased for product manufacturing

Table 2. Activity Metrics

ACTIVITY METRIC	Category	Unit of Measure	Code	Page No/ Relevant Content
Amount of production, by substrate2	Quantitative	Metric tonnes (t)	RT-CP-000.A	76
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	84

NOTICE OF MEETING

EX–PACK CORRUGATED CARTONS PLC - PQ 00250068 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 2026 at 9.45 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 2026 at 9.45 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 2026 and the Report of the Auditors thereon.

02. To re-elect as a Director, Mr. Shafik 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, Mrs. Shehara De Silva who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible, offers herself for re-election as a Director.

04. To re-elect as a Director, Mr. Mohamed Hassan Sattar Kassim who was appointed subsequent to the last Annual General Meeting as a Director of the Company in terms of Article 85 of the Articles of Association of the Company.

05. 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 authorize the Directors to determine their remuneration.

06. 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 2026
Colombo.

NOTICE OF MEETING

NOTICE

01. Below mentioned documents can be now downloaded via the corporate website 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	or failing him,
Mr. M H S Kassim	

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 on 30th June 2026 at 9.45 am, centred at the Boardroom, 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. Shafik 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.			
2.	To re-elect as a Director, Mrs. Shehara De Silva who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible, offers herself for re-election as a Director.			
3.	To re-elect as a Director, Mr. Mohamed Hassan Sattar Kassim who was appointed subsequent to the last Annual General Meeting as a Director of the company in terms of Article 85 of the Articles of Association of the Company.			
4	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 authorize the Directors to determine their remuneration.			

Signed this ……………………. day of Two Thousand and Twenty-Six
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 notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.

    b. In the case of a company or corporate/statutory body either be under its com-mon 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 indi-ca- 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 2026 AT 9.45 AM.

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 pre-scribed 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

Mr. Sattar Kassim (Chairman)
Mr. M Z M Ghouse (Managing Director)
Mr. Shafik Kassim
Mr. W B W M R A M T G Aluwihare
Mr. U K D Dharmadasa
Mrs. Shehara De Silva
Mr. A O Kassim
Mr. U D W Chathuranga Abeyratne
*Mr. Mohamed Hassan Sattar Kassim
(Appointed w.e.f. 20th May 2026.)

SUBSIDIARY COMPANY

Neptune Papers (Pvt) Limited.
Neptune Servicers (Pvt) Limited.
Neptune Eco Friends (Pvt) Limited.
Neptune Recyclers (Pvt) Limited.
Neptune Nova (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)

BDO Consulting (Pvt) Ltd
Charter House, 65/2, Sir Chittampalam A Gardiner Mawatha,
Colombo 02
Tel: +94 11 2421 878
Fax: +94 11 233 6064

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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