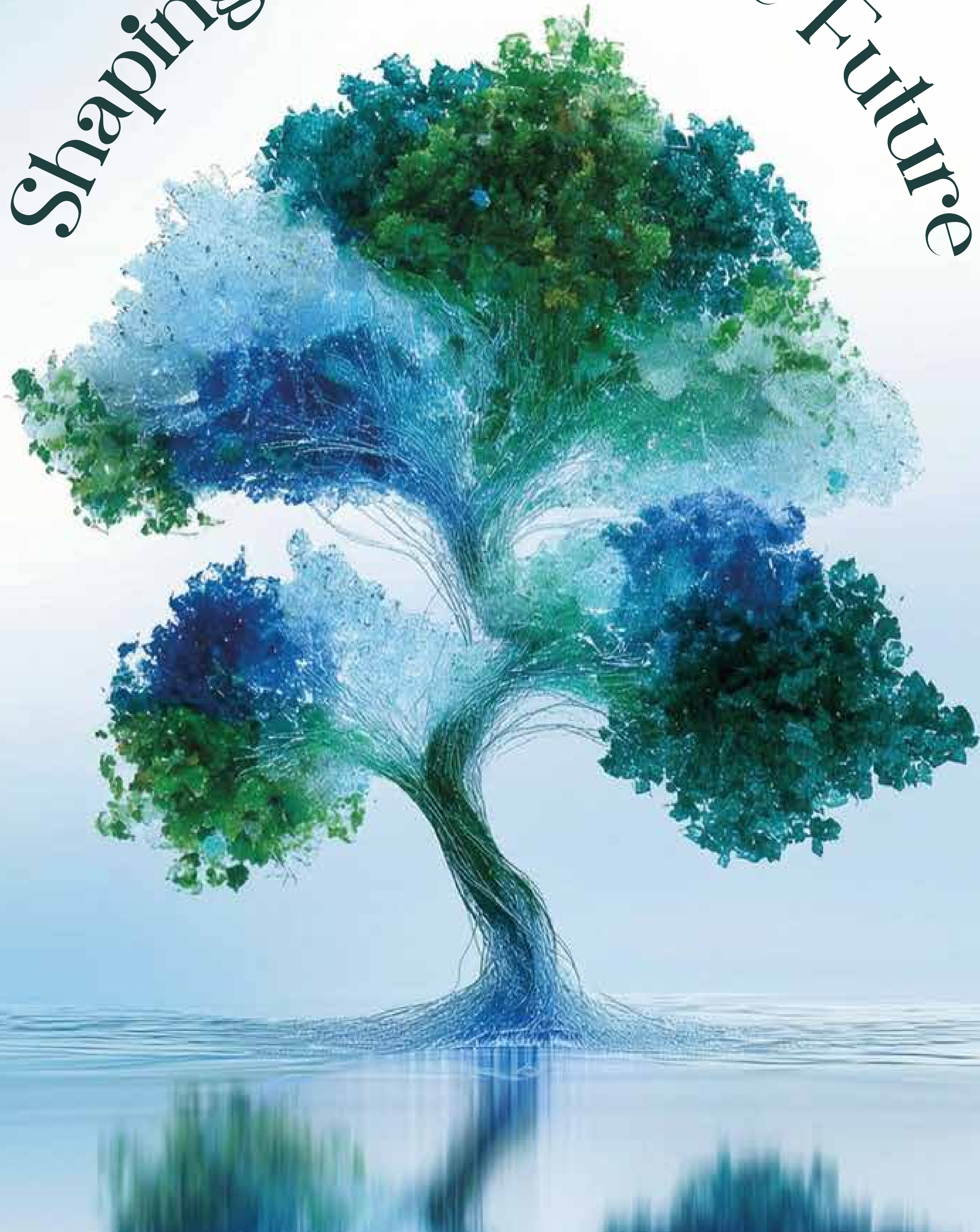
ACL PLASTICS

ACL PLASTICS PLC I *ANNUAL REPORT 2025/26*

Shaping a Sustainable Future



Shaping a Sustainable Future

Nature does not measure value by permanence, but by renewal. What falls, fades, or fulfils one purpose is returned to the cycle of life, becoming the foundation for what follows. Inspired by this regenerative principle, at ACL Plastics, we are committed to keeping valuable resources in circulation through recycling and continuous process improvement, reducing waste, conserving resources, and minimising environmental impact.

This report reflects our long-term vision of a future where waste is progressively designed out of our production processes, materials remain in use, and resources are utilised to their fullest potential.

At ACL Plastics, sustainability is a continuous process of renewal. Through countless deliberate actions, we are transforming waste into opportunity and shaping a future where value is preserved, reimagined, and carried forward.

CONTENT

FINANCIAL INFORMATION

ABOUT US

ACL PLASTICS PLC IS A LEADING MANUFACTURER, SPECIALIZING IN MANUFACTURING HIGH QUALITY CABLE GRADE PVC COMPOUNDS. IT OPERATES AS A SUBSIDIARY OF THE ACL CABLES PLC, WHICH IS WELL-RECOGNIZED IN THE CABLE & ELECTRICAL INDUSTRY.

VISION

To be a professional organization which manufactures the highest quality performance polymers while enhancing our relationship with all our stakeholders.

MISSION

ACL Plastics PLC is committed to a policy of continuous improvement & shall strive for excellence in all its endeavours while each individual in the team shall work towards a total quality culture aiming to delight the customers.

GROUP FINANCIAL HIGHLIGHTS

	2025/26 Rs. Mn	2024/25 Rs. Mn
Performance		
Turnover	2,851	2,441
Gross Profit	880	575
Net Finance Income	121	58
Profit Before Tax	1,110	672
Profit After Tax	798	465
Total Equity	4,398	3,673
Key Financial Indicators		
Gross Profit Margin	31%	24%
Net Profit Margin Before Tax	39%	28%
Interest Cover (Times)	1,132	1,784
Return on Equity	20%	13%
Current Ratio (Times)	16.50	19.10

Revenue
Rs. **2,851** Million

Net Profit attributable to shareholders
Rs. **798** Million

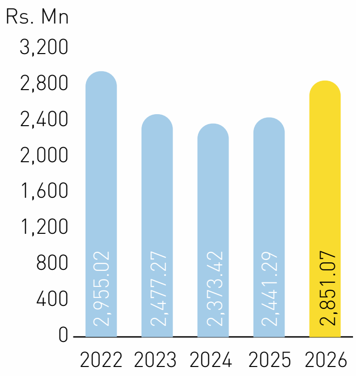
Net assets per share
Rs. **104.40**

Earning per share
Rs. **18.94**

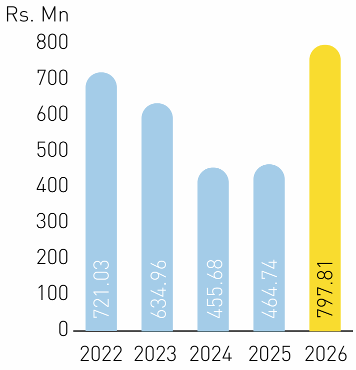
Dividend per share
Rs. **25**

Market value per share
Rs. **131.25**

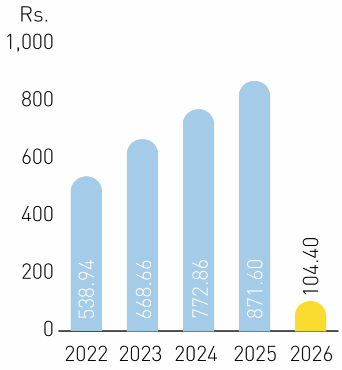
REVENUE



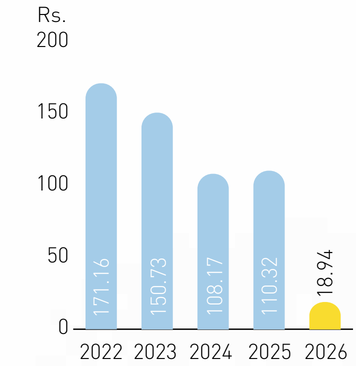
NET PROFIT AFTER TAX



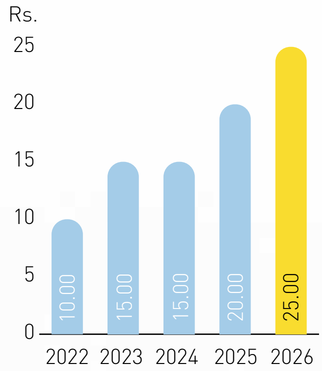
NET ASSETS PER SHARE



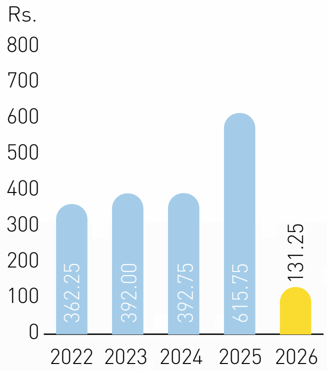
EARNING PER SHARE



DIVIDEND PER SHARE



MARKET VALUE PER SHARE



* Current year's figures reflect the effect of 1:10 share subdivision

MANAGEMENT DISCUSSION

ECONOMIC OVERVIEW: A YEAR OF EXCEPTIONAL MOMENTUM

Sri Lanka's economy delivered a powerful performance in 2025, marking a decisive consolidation of the recovery that began in 2023. Gross Domestic Product (GDP) grew by approximately 4.5%, reflecting the success of sustained structural reforms, growing investor confidence, and a thriving private sector. This robust growth came on the back of strong contributions from construction, manufacturing, and services, all of which created a highly favourable demand environment for ACL Plastics PLC.

Inflation stabilised firmly at single-digit levels throughout 2025, supported by prudent monetary policy, easing global commodity prices, and improved domestic supply chains. This stability restored purchasing power, encouraged consumption, and created a more predictable cost environment for manufacturers. For ACL Plastics, the moderation in energy and logistics costs provided meaningful relief on the production cost front relative to the pressures experienced in prior years.

The construction sector, the primary demand driver for ACL Plastics' products, expanded by 12% in 2025, underpinned by government-led urban development programmes, a vibrant private real estate market, and the full resumption of large-scale infrastructure projects that had been deferred during the economic crisis. The Ceylon Electricity Board also ramped up its grid expansion and electrification programmes significantly, further driving demand for Cables.

The external sector strengthened considerably, with foreign exchange reserves surging to USD 5.2 billion, fuelled by record tourism earnings of USD 3.1 billion and resilient worker remittances of USD 6.5 billion. The relative stability of the Sri Lankan Rupee during the year enabled more effective management of imported raw material costs, a key input variable for ACL Plastics' operations.

The Government's continued engagement with the International Monetary Fund's support programme and its commitment to fiscal consolidation further reinforced macroeconomic stability. Lower interest rates, achieved through disciplined monetary management, stimulated private sector credit growth and investment activity both of which translated into increased demand for PVC based solutions in the construction and infrastructure markets.

In summary, 2025 presented ACL Plastics PLC with one of the most favourable operating environments in its history. The alignment of accelerating GDP growth, controlled inflation, currency stability, and surging construction and infrastructure activity created the conditions for a landmark year conditions that the Company was fully prepared to capitalise upon with precision and agility.

ACL PLASTICS PLC

ACL Plastics PLC, a leader in PVC manufacturing and an integral subsidiary of the ACL Cables PLC, delivered its strongest performance to date in 2025/2026. Building on a foundation of operational excellence, strategic investment, and a commitment to sustainable manufacturing, the Company seized the extraordinary demand environment with discipline and purpose. This discussion provides a comprehensive overview of ACL Plastics' business performance, strategic position, and the internal and external factors that shaped this landmark year.

BUSINESS PERFORMANCE

ACL Plastics PLC delivered its most outstanding financial performance in the fiscal year 2025/2026, driven by surging demand from the construction sector, accelerated intra-group orders from ACL Cables PLC, and the successful execution of the Company's customer diversification strategy. Revenue grew strongly to Rs. 2,851 Mn, reflecting a 17% increase over the previous year. Gross profit reached Rs. 880 Mn, a 53% improvement, while net profit rose to Rs. 798 Mn, recording a 72% increase a testament to the deep operational leverage embedded in the Company's business model. The expansion of external sales further broadened the Company's customer base and reinforced its market presence beyond the ACL Group.

The Company's manufacturing plants operated at peak efficiency throughout the year, supported by continued investment in process optimisation, disciplined cost management, and a resilient supply chain. Our circular economy initiatives gained meaningful momentum during the year, with the expanded raw material recycling programme successfully reintegrating post-industrial PVC scrap into the production cycle, reducing both waste and input costs, while advancing our sustainability commitments. ACL Plastics' product portfolio expansion beyond the cable industry, gained strong traction and opened new revenue streams that will underpin future growth.

SWOT ANALYSIS

Strengths:

- Established market reputation, strong brand equity, and deep customer relationships across construction, infrastructure, and industrial segments.
- Peak manufacturing efficiency achieved in 2025/2026, supported by ongoing investment in process optimisation and advanced machinery.
- Active circular economy programme with expanding raw material recycling capabilities, reducing waste and lowering production input costs.
- Record financial performance in 2025/2026, with significantly strengthened balance sheet and enhanced capacity to invest in growth and resilience.

Weaknesses:

- Continued dependence on imported raw materials, exposing the Company to foreign exchange volatility and global commodity price fluctuations.
- Increasing regulatory and reputational scrutiny on conventional plastic manufacturing, requiring ongoing investment in sustainable alternatives and practices.
- Rising PVC resin prices and energy cost pressures in the near term, which will require disciplined cost management and selective pricing adjustments to protect margins.
- Export market penetration remains limited; realising the Company's export potential will require sustained investment in international market development and product certification.

Opportunities:

- Growing domestic and regional demand for eco-friendly, recyclable, and sustainable plastic solutions, aligned with ACL Plastics' advancing circular economy programme.
- Technological advancements in recycling, biodegradable additives, and precision manufacturing present opportunities to enhance product quality and reduce environmental impact simultaneously.
- Expanding product portfolio beyond the cable industry into reducing customer concentration risk.
- Strategic partnerships and intra-Group synergies within the ACL Group to accelerate innovation, share infrastructure, and expand market reach across Sri Lanka and beyond.
- Government infrastructure programmes and CEB grid expansion providing a sustained pipeline of high-value orders for conduit pipes and electrical fittings in 2026/2027 and beyond.

Threats:

- Increasing regulatory scrutiny on plastic use and waste management, both domestically and globally, which may impose additional compliance costs and production constraints.
- Intensifying competition from both domestic manufacturers and lower-cost imports, particularly as market conditions improve and new entrants seek to capitalise on the same demand tailwinds.
- Macroeconomic headwinds in 2026/2027, including potential Rupee depreciation, rising interest rates, and global trade disruptions, which could dampen construction activity and compress demand.
- Volatility in global PVC resin and plasticiser prices, driven by supply chain disruptions and geopolitical developments, which could adversely impact production costs and margin stability.
- Evolving consumer and regulatory preferences favouring biodegradable and alternative materials, requiring the Company to accelerate its sustainable product development pipeline to remain relevant over the long term.

PEST ANALYSIS

Political Factors:

- Government regulations on plastic manufacturing, waste disposal, and extended producer responsibility continue to shape industry practices, with ACL Plastics proactively aligning its operations with emerging compliance requirements.
- Trade policies and import duty structures on PVC resins and plasticisers directly affect raw material costs; the Company closely monitors policy developments to adapt procurement strategies accordingly.
- Government incentives supporting sustainable manufacturing, green infrastructure, and domestic industrial capacity present meaningful opportunities for ACL Plastics to grow with policy tailwinds.

Economic Factors:

- With inflation stabilised at single-digit levels in 2025, production cost pressures eased relative to prior years; however, rising PVC resin prices globally and potential energy cost increases remain a watchpoint for 2026/2027.
- The relative stability of the Sri Lankan Rupee in 2025 provided a more predictable environment for imported raw material procurement; any depreciation in 2026/2027 will require active hedging and cost management.
- Sri Lanka's GDP growth of approximately 4.5% in 2025, combined with the 12% expansion of the construction sector and CEB infrastructure investments, created exceptional demand conditions for PVC products across the island.

Social Factors:

- Growing consumer and institutional awareness of environmental sustainability is reshaping product demand; ACL Plastics' circular economy and recycling initiatives directly address this shift and strengthen the Company's brand positioning.
- Urbanisation, housing development, and lifestyle modernisation trends across Sri Lanka continue to drive structural demand for plumbing, conduit, and infrastructure-grade plastic products — sectors into which ACL Plastics is actively expanding.
- Investment in workforce development, technical training, and employee engagement remains a strategic priority, ensuring that ACL Plastics' people continue to be a source of competitive advantage and operational excellence.

Technological Factors:

- Advances in PVC recycling technology, post-industrial scrap reprocessing, and biodegradable additive formulations present significant opportunities for ACL Plastics to lead in sustainable manufacturing within the region.
- Investment in automation, precision extrusion technology, and digital quality monitoring continues to improve production efficiency, reduce material waste, and strengthen ACL Plastics' cost competitiveness.
- Research in sustainable materials, including bio-based plastics and enhanced recyclable formulations, is driving long-term industry transformation; ACL Plastics is actively monitoring and selectively participating in these developments to future-proof its product portfolio.

ACL Plastics PLC enters 2026/2027 with a sense of cautious optimism, grounded in the record performance of 2025/2026 and a clear-eyed awareness of the challenges the year ahead may bring. The Company's strengthened financial position, expanding product portfolio, advancing circular economy programme, and deepened customer relationships provide a robust platform for continued growth. Whilst rising raw material costs, Rupee volatility, and global trade dynamics will demand careful stewardship, the Board and management are fully focused on protecting the gains achieved whilst investing in the capabilities that will sustain ACL Plastics' competitive leadership over the long term. The Company's track record of navigating complex environments with discipline, adaptability, and purpose gives us every confidence that ACL Plastics will continue to create lasting value for its shareholders, its people, and the communities it serves.

OUR VALUE CREATION

The effective management of our six capitals enables ACL Plastics PLC to create sustainable value for shareholders and stakeholders alike. Through responsible governance, innovation, operational excellence and environmental stewardship, we remain committed to building a resilient organisation capable of delivering long-term growth and contributing positively to society.

Our integrated approach to value creation ensures that financial performance, people development, stakeholder relationships and environmental responsibility work together to support sustainable success for generations to come.

CREATING SUSTAINABLE VALUE THROUGH INTEGRATED THINKING

ACL Plastics PLC creates long-term value through the effective management of six interdependent capitals: Financial, Human, Intellectual, Social & Relationship, Manufactured and Natural Capital. These capitals form the foundation of our business model and support our ability to deliver sustainable growth, operational excellence, stakeholder value and environmental responsibility.

Our integrated approach ensures that investments made today strengthen our capacity to generate sustainable returns and contribute positively to society while maintaining resilience in an evolving business environment.

OUR INPUTS

MANUFACTURED CAPITAL
Advanced manufacturing facilities and infrastructure

HUMAN CAPITAL
Skilled, motivated and safety-focused workforce

FINANCIAL CAPITAL
Strong financial resources and disciplined allocation

SOCIAL & RELATIONSHIP CAPITAL
Trusted relationships with customers, suppliers and communities

NATURAL CAPITAL
Responsible use of energy, water and natural resources

INTELLECTUAL CAPITAL
Innovation, technology and continuous improvement

OUR OUTCOMES

SUSTAINABLE REVENUE GROWTH
Consistent growth through quality products and customer trust

OUR ENABLERS

OUR VALUE CREATION ENGINE

SUSTAINABLE SOLUTIONS. LASTING VALUE.

INNOVATION
Developing better compounds and solutions for evolving needs

RESPONSIBLE MANUFACTURING
Efficient processes, quality control and operational excellence

QUALITY ASSURANCE
Ensuring superior product quality and reliability

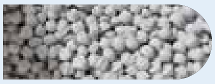
DISTRIBUTION & REACH
Timely delivery through an efficient distribution network

CUSTOMER FOCUS
Building long-term relationships by delivering value and service

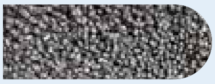
CONTINUOUS IMPROVEMENT
Investing in people, processes and sustainability for a better tomorrow

ACL PLASTICS

OUR OUTPUTS (PRODUCT PORTFOLIO)

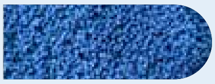


PVC COMPOUND FOR FIRE GUARD CABLES
Advanced manufacturing facilities and infrastructure



PVC COMPOUND FOR SHOE INDUSTRY
Specialized compounds for durable and comfortable footwear

PVC COMPOUND FOR CABLE GRADE
Reliable compounds for power and communication cables



PVC COMPOUND FOR PIPE HOSE
High quality compounds for flexible and rigid pipe & hose applications

ENVIRONMENTAL STEWARDSHIP
Reduced impact through responsible resource use and circular practices

EMPLOYEE PROSPERITY
Safe, inclusive and growth-oriented workplace for our people

STAKEHOLDER TRUST
Building long-term relationships with integrity and transparency

COMMUNITY CONTRIBUTION
Creating positive impact in the communities we operate

LONG-TERM SHAREHOLDER VALUE
Delivering resilient returns and sustained value creation

GOVERNANCE
Strong governance and ethical business practices

RISK MANAGEMENT
Proactive risk identification and mitigation

PEOPLE & CULTURE
Empowering our people and fostering a culture of excellence

INNOVATION & TECHNOLOGY
Investing in technology and innovation for better solutions

SUSTAINABILITY
Integrating sustainability into our strategy and operations

FINANCIAL CAPITAL

ACL PLASTICS GROUP DEMONSTRATED ITS COMPETENCY TO FACE CHALLENGES RESILIENTLY BY REPORTING A REVENUE OF **RS. 2,851.1 MN**. THE GROUP'S PROFIT AFTER TAX INCREASED BY **72%** COMPARED TO THE PREVIOUS YEAR, REFLECTING STRONG PROFITABILITY AND IMPROVED FINANCIAL PERFORMANCE.

STRENGTHENING THE FOUNDATION FOR SUSTAINABLE GROWTH

Financial capital represents the funds available to support our operations, investments and strategic ambitions. During the year under review, ACL Plastics continued to demonstrate financial discipline despite operating within a challenging economic environment characterised by volatile exchange rates, fluctuating raw material prices and evolving market conditions.

The Company maintained a strong focus on revenue growth, cost optimisation and working capital management. Strategic investments in manufacturing capabilities, operational efficiency and customer service enhancements enabled us to strengthen our competitive position while preserving profitability.

Our prudent approach to capital allocation, combined with disciplined treasury management and strong cash generation capabilities, enabled the Company to maintain financial stability while pursuing growth opportunities.

PROFITABILITY METRICS

Despite a slight reduction in prices, the Group demonstrated resilience, with revenue reaching Rs. 2,851.1 Mn in 2025/26 compared to Rs. 2,441.3 Mn in 2024/25, reflecting a growth of 17% during the year. We continued to expand our recycling product portfolio, enabling us to reach a broader customer base.

The Group's gross profit margin increased modestly to 31%, compared with 24% in the previous year, despite a reduction in selling prices. This improvement was primarily attributable to effective cost management and continued efforts to enhance operational efficiency.

Profit before tax margin increased to 39% in financial year 2025/2026 recording a profit of Rs. 1,109.6 Mn compared with Rs. 672.1 Mn in financial year 2025/2026.

GROUP PROFITABILITY METRICS

PROFITABILITY METRICS	FY 2025/26	FY 2024/25	CHANGE %
Revenue (LKR Mn)	**2,851**	2,441	▲ 17%
Gross Profit (LKR Mn)	**880**	575	▲ 53%
Gross Profit Margin	**31%**	24%	+7 pp
Operating Profit (LKR Mn)	**989**	614	▲ 61%
Profit After Tax (LKR Mn)	**798**	465	▲ 71%
Net Profit Margin	**28%**	19%	+9 pp
Adjusted Earnings Per Share (LKR)	**18.94**	11.03	▲ 72%

BALANCE SHEET STRENGTH

	2025/26	2024/25	Change
TOTAL ASSETS (LKR Mn)	4,764	3,956	20%
TOTAL EQUITY (LKR Mn)	4,398	3,673	20%
EXTERNAL BORROWINGS (LKR Mn)	Nil	Nil	0%
CURRENT RATIO (TIMES)	16	19	-16%
QUICK RATIO (TIMES)	14	16	-13%
CAPITAL EXPENDITURES (LKR Mn)	53	1	5200%

DUPONT ANALYSIS

RETURN ON EQUITY (ROE)
19.78%
FY 2025/26

PROFITABILITY		EFFICIENCY		LEVERAGE		RETURN ON EQUITY (ROE)
Net Profit Margin 28.0%	X	Asset Turnover 65.4%	X	Equity Multiplier 1.08	=	19.78%

Creating sustainable value for our shareholders

ROE of 19.78% driven by a healthy balance of profitability, asset efficiency and leverage.

Net Profit Margin	Asset Turnover	Equity Multiplier
28%	65.4%	1.08
Attributable Profit 797,809,716	Revenue 2,851,072,891	Total Assets 4,763,768,914
÷	÷	÷
Revenue 2,851,072,891	Total Assets 4,763,768,914	Equity 4,397,728,771

Total Assets 4,763,768,914
Current Assets 4,260,239,872
Non-Current Assets 503,529,042

+

Total Liability 366,040,142
Current Liability 258,323,011
Non-Current Liability 107,717,132

+

Equity 4,397,728,771

KEY INSIGHTS

Healthy Profitability
Net Profit Margin of 28% reflects strong operational performance

Efficient Asset Use
Asset Turnover of 65.4% shows effective utilization of assets to generate revenue

Prudent Leverage
Equity Multiplier of 1.08 indicates a balanced approach to leverage, supporting sustainable growth.

Value Creation
ROE of 19.78% demonstrates our ability to convert resources into shareholder value

FINANCIAL CAPITAL VALUE CREATION

LOOKING AHEAD

Looking ahead, ACL Plastics will continue to prioritise profitability enhancement, efficient capital deployment and sustainable growth opportunities while maintaining a strong balance sheet and prudent risk management framework.

HUMAN CAPITAL

We are committed to fostering a safe, inclusive, and high-performing workplace where employees are empowered to grow, innovate, and contribute meaningfully.

EMPOWERING PEOPLE TO DRIVE PERFORMANCE

Our people remain at the heart of our success. ACL Plastics recognises that a motivated, skilled and engaged workforce is critical to delivering operational excellence and sustaining long-term growth.

During the year, we continued to invest in employee development through structured training programmes, leadership development initiatives and technical skills enhancement. Our commitment to fostering a safe, inclusive and rewarding workplace remains a key pillar of our people strategy.

Employee well-being initiatives focused on health, safety and engagement, ensuring that our workforce remained motivated and aligned with organisational objectives. Through a culture of collaboration and continuous improvement, employees are encouraged to contribute ideas that support innovation and operational excellence.

NO. OF EMPLOYEES	
2025/26	2024/25
50	52

NEW HIRES	
2025/26	2024/25
04	14

STAFF COSTS (LKR MN)	
2025/26	2024/25
67.9	56.2

EMPLOYEE TURNOVER RATIO (%)	
2025/26	2024/25
12%	20%

NO. OF PROMOTIONS	
2025/26	2024/25
12	02

NO. OF INJURIES	
2025/26	2024/25
Nil	Nil

Staff Related Costs	2025/26	2024/25	2023/24	2022/23	2021/22
Salaries, wages and related costs	**60,700**	49,983	44,248	49,614	55,715
Defined contribution plans	**4,249**	3,900	3,405	3,596	4,069
Defined benefit plans	**2,916**	2,328	2,663	1,673	138

EMPLOYEE ENGAGEMENT

ACL Plastics introduced several initiatives to improve employee morale and encourage stronger unity across the workforce, resulting in visible progress in workplace engagement during the year. The Company's efforts played an important role in creating a more positive and supportive work environment.

As part of these efforts, employees worked closely with management to identify important issues and support the Group's business sustainability. This included accepting redeployments and transfers to align with the organization's changing growth needs and improve adaptability.

RECOGNIZING OUR EMPLOYEES

We place strong emphasis on retaining a talented and experienced workforce. In appreciation of their long-standing dedication, employees who have completed 25 years with ACL GROUP were honoured with a one-pound gold coin presented by the Managing Director as a token of thanks and recognition.

EMPLOYEE TRAINING AND DEVELOPMENT

In the current dynamic and increasingly complex business environment, ongoing learning is essential to meet the Company's changing demands. At ACL Plastics, continuous employee development and skill enhancement have consistently been viewed as key factors in achieving organizational goals.

To prepare future leaders, the Group conducted leadership and motivational development programs alongside on-the-job training initiatives, helping employees build the capabilities needed for future challenges and career advancement.

EMPLOYEE WELL-BEING AND SAFETY

Workplace health and safety remained a major priority, supported by strong governance systems, compliance with safety regulations, and proactive measures to identify and reduce potential health and safety risks. Employee well-being continued to be a central focus, and the Group successfully balanced this with the need to maintain business continuity.

This approach helped protect both employees and the long-term success of the organization.

HUMAN CAPITAL

VALUE CREATION THROUGH HUMAN CAPITAL

STRATEGIC OUTLOOK

The Company will continue to strengthen its talent pipeline through succession planning, digital capability development and employee engagement programmes that support future business growth.

INTELLECTUAL CAPITAL

ACL Plastics PLC's intellectual capital is built on quality, innovation, and continuous improvement. Our ISO 9001 and ISO 14001 certified management systems reflect our commitment to international standards, operational excellence, and environmental responsibility.

LEVERAGING KNOWLEDGE, INNOVATION AND BRAND STRENGTH

ACL Plastics has built a reputation for quality, reliability and innovation over several decades. Our intellectual capital encompasses our technical expertise, manufacturing know-how, quality systems, proprietary processes, brand reputation and organisational knowledge.

Continuous investments in technology and process improvements enable us to enhance productivity, improve product quality and respond effectively to changing customer needs. Our commitment to innovation supports the development of value-added products and sustainable manufacturing solutions.

The ACL brand continues to be recognised for quality and trust, reinforcing our market leadership position and strengthening customer loyalty.

Our operations are guided by robust processes, systems, and procedures that establish clear responsibilities and accountability across the organization. Project management frameworks, financial reporting mechanisms, risk mitigation strategies, and environmental and safety management systems are continuously reviewed and refined to meet operational benchmarks. These disciplined practices not only safeguard efficiency but also position ACL Plastics ahead of the competition in a dynamic market.

INTELLECTUAL CAPITAL

Quality remains a cornerstone of our business. Over the years, ACL Plastics has been recognized for its commitment to excellence through international certifications such as ISO standards and national quality awards. These achievements reflect our dedication to maintaining stringent quality controls and delivering products that meet global standards of reliability and performance.

As a pioneer in Sri Lanka's plastics sector, ACL Plastics has earned the trust of customers by consistently providing superior products. This commitment has elevated our brand to one of the most valuable in the industrial materials category, with recognition in national brand rankings. Our reputation, built over decades, continues to reinforce customer confidence and loyalty, ensuring our place among the country's most respected corporate names.

At the heart of our success lies a culture of openness, collaboration, and growth. ACL Plastics fosters an environment where communication flows freely among employees and stakeholders, guided by strong ethical values and practices. We encourage career progression by motivating and rewarding our workforce, creating a sense of community and shared purpose. This culture not only inspires individuals to achieve their aspirations but also strengthens the collective drive toward organizational excellence.

AWARD AND RECOGNITION

We are honoured that ACL Plastics PLC was awarded the Certificate of Compliance at the TAGS Awards 2025.

VALUE CREATION THROUGH HUMAN CAPITAL

STRATEGIC OUTLOOK

ACL Plastics will continue investing in automation, digital transformation and product development initiatives to strengthen competitive advantage and support sustainable growth.

MANUFACTURED CAPITAL

During the year, we improved our production units and increased capacity utilization, enabling greater efficiency, consistent product quality, and enhanced responsiveness to increasing demand.

BUILDING MANUFACTURING EXCELLENCE

Manufactured capital represents the physical infrastructure, production capabilities, technology, and operational systems that enable ACL Plastics PLC to consistently manufacture high-quality cable grade PVC compounds that meet the evolving requirements of customers across the cable and electrical industry. Our manufacturing assets are strategically managed to deliver operational efficiency, superior product quality, reliability, and long-term sustainable value.

OPERATIONAL EXCELLENCE

Operational excellence is embedded across ACL Plastics PLC's manufacturing operations through efficient production planning, rigorous quality assurance, preventive maintenance and continuous process improvements. By optimising resource utilisation, enhancing equipment reliability and maintaining consistent product quality, the Company ensures operational efficiency while meeting evolving customer requirements. These initiatives strengthen manufacturing resilience, improve productivity and reinforce our commitment to delivering value to customers and stakeholders.

MANUFACTURED CAPITAL

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (PPE) form the operational backbone of ACL Plastics PLC, underpinning the Group's manufacturing capabilities, product quality and ability to meet customer requirements across domestic markets and export markets through our indirect exports. The Group's PPE comprises manufacturing facilities, production machinery, factory and laboratory equipment, and supporting infrastructure that collectively enable efficient and scalable production.

6266 MT

PRODUCT OUTPUT

91%

CAPACITY UTILIZATION

IT INFRASTRUCTURE AND BACK-END SUPPORT SYSTEMS

Information technology infrastructure and integrated back-end systems continue to play a vital role in enhancing operational efficiency, process integration and data-driven decision-making across the Company's key functions, including production, finance, procurement and supply chain management. The Company's cloud-based enterprise resource planning (ERP) system, Microsoft Dynamics NAV, serves as the central platform for streamlining business processes, improving cross-functional collaboration and providing timely, reliable information to support effective operational and strategic decision-making.

25.8 Mn

INVESTMENT IN MACHINERY & EQUIPMENT

390.9 Mn

PPE AT THE END OF YEAR

VALUE CREATION THROUGH MANUFACTURING CAPITAL

LOOKING AHEAD

Looking ahead, ACL Plastics will continue investing in manufacturing excellence through process innovation, automation, operational efficiency improvements, and sustainable production technologies. These initiatives will further strengthen our competitive advantage, enhance product quality, improve manufacturing resilience and support the Company's long-term strategy of delivering value to customers and stakeholders.

NATURAL CAPITAL

During the year, we enhanced our waste recycling processes and further refined our wastewater treatment systems, improving environmental performance, supporting regulatory compliance, and reinforcing our commitment to sustainable value creation.

PROTECTING RESOURCES FOR FUTURE GENERATIONS

ACL Plastics recognises the importance of responsible environmental stewardship in ensuring long-term business sustainability. We are committed to minimising environmental impacts while improving resource efficiency throughout our operations.

During the year, initiatives focused on energy conservation, renewable energy utilisation, waste reduction, and environmental compliance. Continuous monitoring of environmental performance supports informed decision-making and responsible resource management.

The Company continues to strengthen its climate-related governance framework and sustainability reporting capabilities in preparation for evolving stakeholder expectations and regulatory requirements.

ENVIRONMENTAL MANAGEMENT AND STEWARDSHIP

1. **Board of Directors:**
   - Set the strategic vision for sustainable growth.
   - Champion policies for natural capital & environmental stewardship.
   - Commit to ESG leadership and drive long-term value.
2. **Senior Management: Turning Vision into Action**
   - Translate strategy into actionable goals.
   - Innovate with eco-friendly technologies and resource efficiency.
   - Set the green standard with measurable sustainability targets.
3. **Operational Teams: The Green Engine**
   - Implement daily sustainable practices: energy, water, waste, and circularity.
   - Optimize operations to reduce carbon footprint and enhance resilience.
   - Empower teams to innovate for impact.
4. **Employees: Everyday Sustainability Heroes**
   - Engage in small, impactful sustainable actions.
   - Promote eco-conscious behaviors and resource conservation.
   - Innovate, share ideas, and drive grassroots change.
5. **Monitoring & Reporting: Transparent & Transformative**
   - Measure and report progress on natural capital impacts.
   - Celebrate milestones and communicate results to all stakeholders.
   - Adapt strategies to ensure continuous improvement and leadership.

NATIONAL LAWS AND REGULATIONS

The Company holds an Environmental Protection License (EPL) from the Central Environment Authority, in compliance with specified conditions. Additionally, it is certified with ISO 14001:2015 for Environmental Management and ISO 9001:2015 for Quality Management Systems, ensuring adherence to industry standards.

The four aspects of environment capital at ACL Plastics are as follows:

1. Water resources management
2. Energy management
3. Waste management
4. Noise management

1.WATER MANAGEMENT

To recycle wastewater, we have implemented a cooling system with cooling towers, and top management ensures continuous oversight of this process. Our approach to water management focuses on maximizing recycling and reuse, with advanced recycling units installed at our manufacturing plant. We continuously monitor the quality of the water discharged from our operations to ensure it consistently meets the standards set by the Central Environmental Authority.

Water conservation efforts include sourcing 27% of the Company's water requirements from an on-site well, minimizing reliance on municipal water supply.

Water consumption

	2025/26	2024/25
Total water withdrawn – NWSDB (m^3)	**2,088**	2,000
Total water withdrawn – Natural sources (m^3)	**796**	640
Total water consumed (m^3)	**2,884**	2,640
Industrial Usage (m^3)	**136**	120
Domestic Use (m^3)	**2,748**	2,520

NATURAL CAPITAL

2. ENERGY MANAGEMENT

Our main energy sources consist of electricity, fossil fuels like diesel and petrol, and renewable energy from solar power. Solar energy is harnessed at our head office and fellow subsidiaries, underscoring our dedication to sustainable energy practices.

To meet the Group's energy goals, we have introduced several initiatives, such as well-defined energy usage plans designed to optimize consumption. Furthermore, we regularly conduct training sessions and awareness programs to educate employees

Energy consumption

Source	2025/26	2024/25
Non-renewable - Electricity (kWh)	**1,335,025**	1,246,188
Diesel (Liters)	**19,480**	61,745
Kerosene (Liters)	**90**	36

Furthermore, the factory premises have been thoughtfully designed to maximise the use of natural daylight, reducing the need for artificial lighting during operational hours. This energy-efficient design contributes to lower electricity consumption, enhances operational efficiency, and supports the Company's efforts to reduce its carbon footprint and promote environmentally responsible manufacturing practices.

3. WASTE MANAGEMENT

Sustainable Waste Management Approach

ACL Plastics PLC adopts a circular approach to waste management by maximising resource efficiency and minimising waste generated throughout its manufacturing processes. The Company's core operation involves the manufacturing of cable grade PVC compounds. During the manufacturing process, material remnants and production offcuts are carefully recovered and reprocessed into value-added raw materials used in the production of compounds for shoe soles and flexible pipe and hose. This approach reduces waste sent for disposal, optimises the utilisation of raw materials, and supports responsible resource management.

During the year under review, overall waste generation decreased despite of the increase of production volume. This is due to the improved material utilization and the introduction of enhanced data capturing systems and monitoring points.

Key waste by types

Waste Type	Waste Generated (kg)		Waste Re-used (kg)		Waste Disposed (kg)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
PVC Compound Materials	**5,006**	5,569	**3,004**	3,342	**2,002**	2,227
Metals	**796**	1,320	**-**	-	**796**	1,320

4. NOISE MANAGEMENT

At ACL Plastics, we recognize the impact of industrial noise on both the environment and employee well-being. As part of our commitment to responsible operations, we have implemented stringent noise management practices to minimize disturbances within and beyond our facilities.

Key Noise Management Measures

1. Compliance with Regulatory Standards – We adhere to noise level regulations set by environmental authorities to ensure our operations remain within permissible limits.
2. Noise Monitoring and Assessment – Regular noise level assessments are conducted across our facilities to identify potential sources of excessive noise and implement corrective actions where necessary.
3. Engineering Controls – We integrate noise-reduction technologies such as soundproof barriers, vibration-dampening equipment, and enclosed machinery to minimize noise emissions.
4. Workplace Safety and Employee Protection – To safeguard employee health, we provide appropriate personal protective equipment (PPE), such as earplugs and earmuffs, and enforce designated quiet zones where necessary.
5. Training and Awareness – Employees are educated on noise management best practices, including proper equipment handling

and the importance of hearing conservation.

6. Continuous Improvement – We regularly review and upgrade our noise control measures in alignment with evolving industry standards and technological advancements.

By implementing these measures, ACL Plastics ensures a safer, more sustainable working environment while minimizing noise pollution's impact on surrounding communities.

The following are the details of the Company's current environmental aspects for its work stream. This work stream mainly comprises emissions, waste, noise and water.

Environmental Aspects	Impact/ Consequences	Example of measure	Monetary savings
Water Resources Management	Waste water from manufacturing processes	Recycling and reuse cooling system with cooling towers	Yes
Energy Management	Emission from the manufacturing processes	Dust collectors and dust exhaust	Yes
Waste Management	Waste materials from manufacturing processes	Recycled used PVC from manufacturing process	Yes
Noise Management	Noise generated out of machinery operations	Invest in machines with soundproof option	N/A

VALUE CREATION THROUGH NATURAL CAPITAL

STRATEGIC OUTLOOK

ACL Plastics will continue investing in environmental initiatives that improve operational efficiency, reduce emissions and strengthen climate resilience while supporting the transition towards a more sustainable future.

SOCIAL & RELATIONSHIP CAPITAL

We are committed to creating shared value by fostering strong relationships with the communities in which we operate. Approximately 90% of our workforce is recruited from villages surrounding our factory locations, supporting local employment, strengthening community ties, and contributing to inclusive economic development.

BUILDING PARTNERSHIPS THAT CREATE SHARED VALUE

Our success is closely linked to the strength of our relationships with customers, suppliers, distributors, regulators and communities. ACL Plastics remains committed to maintaining mutually beneficial relationships that contribute to long-term value creation.

The Company continues to serve a diverse customer base through an extensive distribution network, ensuring product availability and responsive service across Sri Lanka. Strong partnerships with suppliers support supply chain resilience and operational continuity.

Beyond business relationships, ACL Plastics remains committed to contributing positively to society through responsible business practices and community development initiatives that create meaningful social impact.

SUPPLY CHAIN & SUPPLIER RELATIONSHIPS

Raw material procurement is managed across a diversified base of 76 international and 5 local suppliers. Key import origins include India, China, Japan and Vietnam, with supply continuity safeguarded through demand-responsive forecasting, strategic inventory buffers, and favourable credit arrangements secured with established international partners.

Supply Chain Metric	2025/26	2024/25
Active International Suppliers	76	51
Import Procurement Share	97%	98%
Local Procurement Share	3%	2%
Supplier Retention Rate	100%	100%

VALUE CREATION THROUGH SOCIAL & RELATIONSHIP CAPITAL

STRATEGIC OUTLOOK

The Company will continue to strengthen stakeholder engagement, expand market reach and promote sustainable partnerships across the value chain.

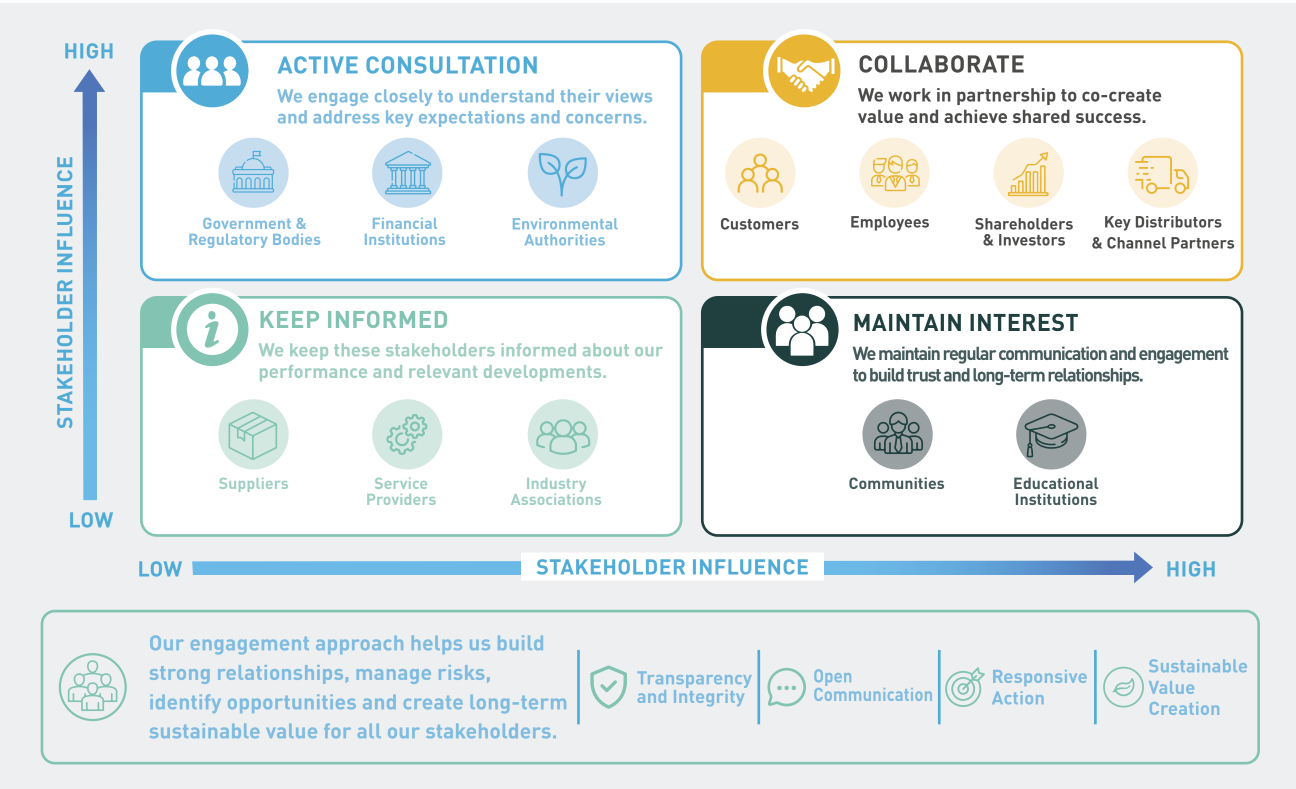
STAKEHOLDER ENGAGEMENT

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

ACL Plastics PLC recognizes that sustainable value creation depends on maintaining strong and transparent relationships with stakeholders who influence or are affected by our operations. We engage with stakeholders through structured and ongoing communication channels to understand their expectations, address concerns, identify emerging risks and opportunities, and incorporate their feedback into our decision-making processes.

Our stakeholder engagement framework supports effective governance, responsible business conduct, operational excellence, and long-term value creation. The Board of Directors and management regularly review stakeholder priorities to ensure that business strategies remain aligned with stakeholder expectations and the Company's long-term objectives.

We prioritize precise stakeholder engagement by activity assessing both the influence and interest and of each stakeholder group.



Stakeholder Group	Key Interests and Expectations	Methods of Engagement	Frequency
Shareholders & Investors	Sustainable profitability, dividend returns, corporate governance, business growth, transparency	Annual Report, Annual General Meeting, Investor Meetings, Corporate Disclosures, Company Website	Annually / Quarterly
Customers	Product quality, product innovation, timely delivery, technical support, competitive pricing	Customer visits, Technical consultations, Surveys, Social media, Website, Direct communications	Regularly
Employees	Career development, remuneration, safe working environment, diversity and inclusion, employee wellbeing	Performance appraisals, Training programmes, Employee meetings, Internal communications, Welfare initiatives	Regularly
Suppliers	Fair business practices, timely payments, long-term partnerships, procurement transparency	Supplier meetings, Procurement reviews, Contract negotiations, Site visits	Regularly
Government & Regulatory Authorities	Regulatory compliance, tax compliance, environmental compliance, industry standards	Regulatory submissions, Meetings, Audits, Industry forums	As required
Communities	Employment opportunities, environmental responsibility, social development, ethical conduct	Community programmes, CSR initiatives, Awareness programmes, Direct engagement	Periodically
Financial Institutions	Financial stability, creditworthiness, governance, risk management	Meetings, Financial reporting, Compliance reporting	Periodically
Subsidiaries & Business Partners	Business growth, operational alignment, knowledge sharing, governance standards	Management meetings, Strategic reviews, Training programmes	Regularly

HOW STAKEHOLDER FEEDBACK INFLUENCES OUR BUSINESS

At ACL Plastics PLC, stakeholder voices are not just heard — they shape the way we operate and grow. Every engagement provides insights that are woven into our strategic planning and daily operations, ensuring that our manufactured capital continues to deliver value across multiple dimensions.

Feedback on product quality and customer satisfaction drives us to refine our processes and invest in advanced technologies, ensuring that our plastics solutions remain reliable and innovative. Concerns around occupational health and safety inspire us to strengthen workplace standards, creating a secure and motivating environment for our employees.

Stakeholders also emphasize the importance of operational efficiency and resource utilization, prompting us to streamline workflows and maximize productivity. Their call for innovation has guided us toward developing sustainable PVC compound solutions that meet evolving market needs while reducing environmental impact.

In addition, feedback reinforces our commitment to governance and risk management, ensuring that transparency and accountability remain central to our operations. Stakeholders' focus on environmental stewardship drives us to adopt greener practices, aligning our growth with sustainability principles.

Ultimately, these insights converge to support long-term shareholder value creation. By listening, adapting, and innovating, ACL Plastics PLC transforms stakeholder feedback into tangible outcomes that strengthen resilience, enhance trust, and secure sustainable success.

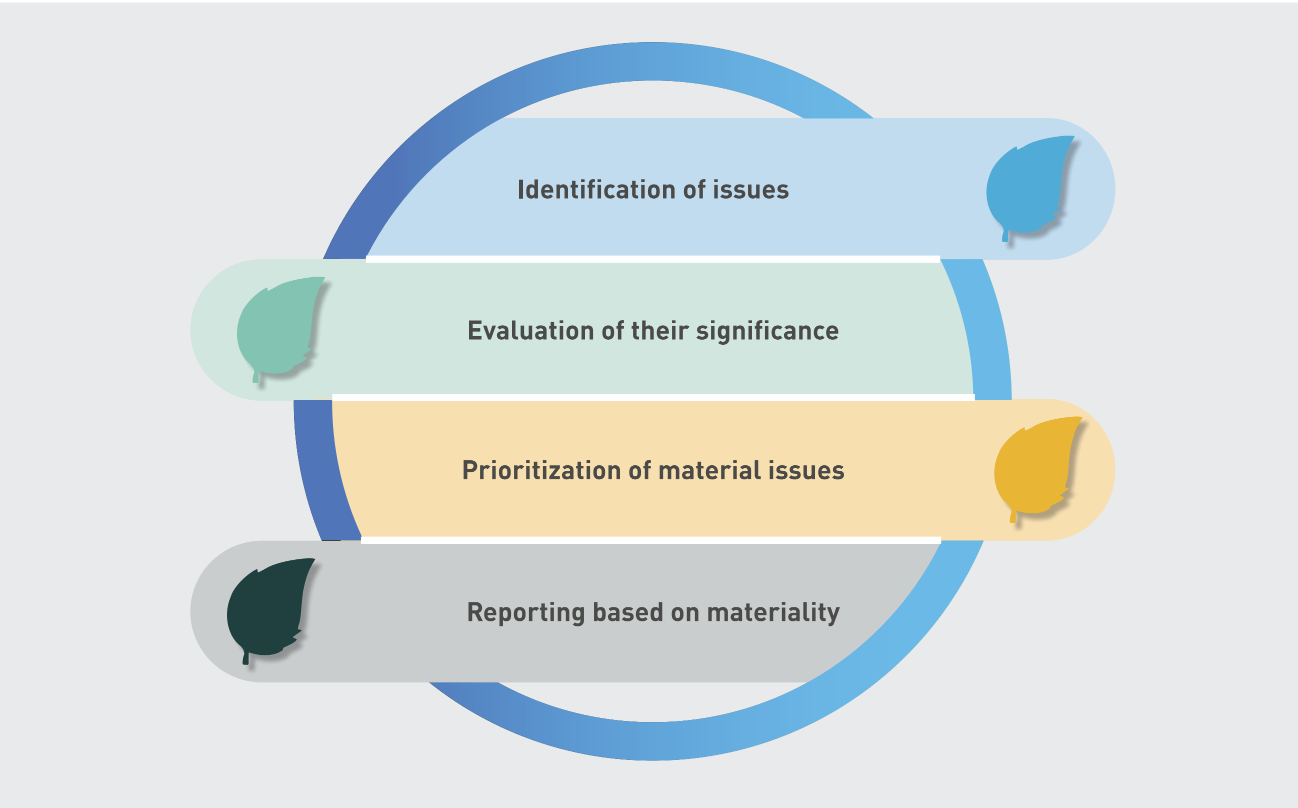
DETERMINING MATERIALITY

Material matters are crucial factors that significantly impact how our stakeholders evaluate our commitment to sustainability and their requirements. These elements are essential in shaping our strategic planning and operations, aiding us in achieving our strategic objectives. The materiality assessment process is designed to address issues based on their potential impact on our ability to generate value throughout the value chain. As the needs of our stakeholders evolve, it is imperative that our responses also adapt accordingly.

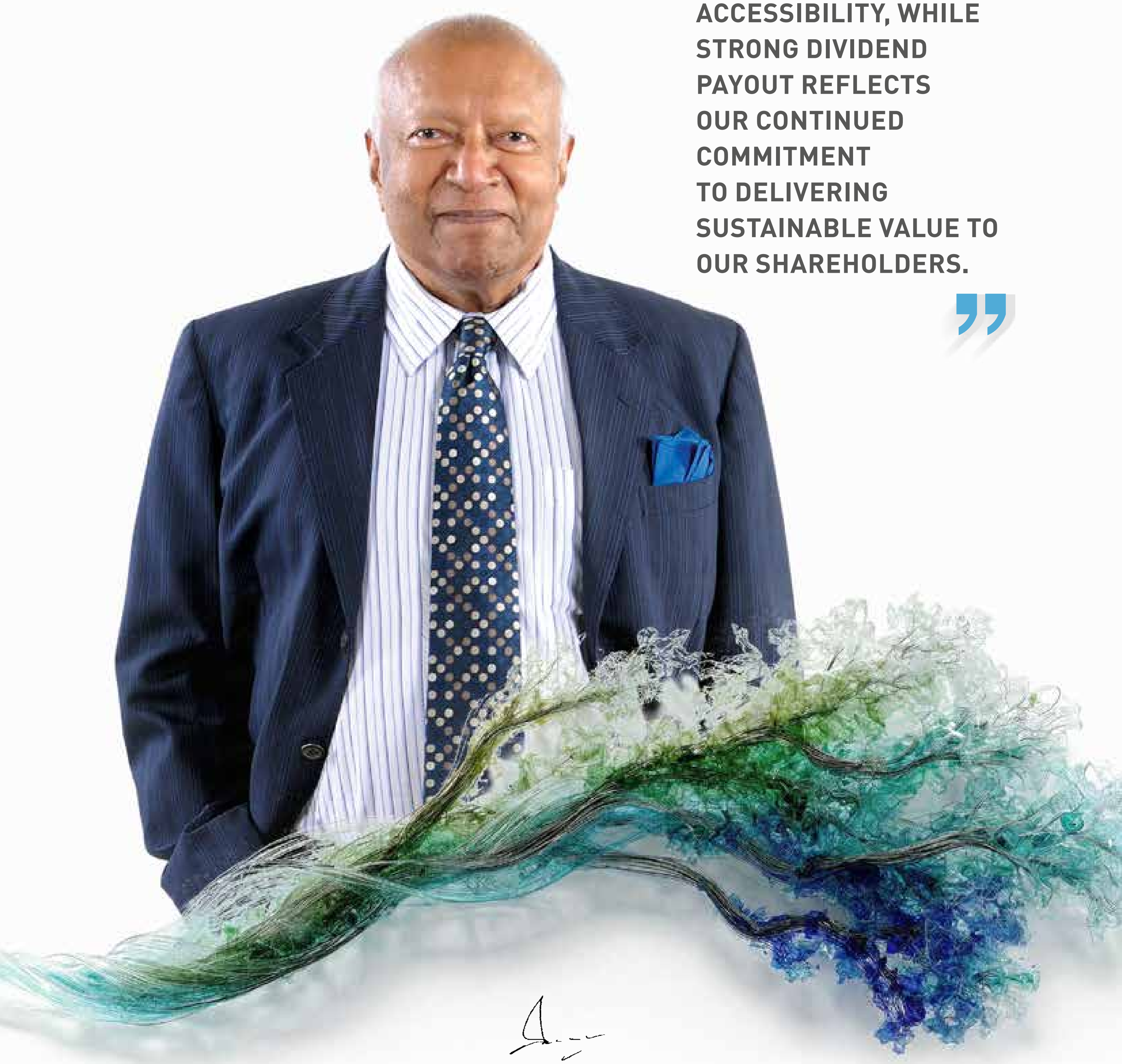
This report is our primary means of communicating the Group's actions in response to stakeholder concerns over the past financial year. It involves identifying key sustainability related risks, recognizing important stakeholders, evaluating material topics for their relevance to both the Group and stakeholders, and developing management approaches to tackle these topics.

Throughout the year, we aligned emerging material matters with the subjects outlined in the GRI standards. After this alignment and reconciliation process, issues that did not directly correspond to the GRI standards were included as independent material topics. Topics of lower material significance have not been included in this report. The management approach to GRI topics deemed material to both stakeholders and the Group is presented within each relevant section.

By continually assessing and addressing sustainability-related risks and material topics, we ensure that our strategic planning remains robust and responsive to stakeholder needs. This report reflects our commitment to sustainability and transparency in our operations, demonstrating how we adapt and respond to evolving stakeholder concerns.



CHAIRMAN'S MESSAGE



"THE SUCCESSFUL SHARE SUBDIVISION DURING FY 2025/26 ENHANCED SHAREHOLDER ACCESSIBILITY, WHILE STRONG DIVIDEND PAYOUT REFLECTS OUR CONTINUED COMMITMENT TO DELIVERING SUSTAINABLE VALUE TO OUR SHAREHOLDERS."

U. G. Madanayake
Chairman

CHAIRMAN'S MESSAGE

On behalf of ACL Plastics PLC, it is with great pride and optimism that I welcome you to our 35th Annual General Meeting. It is my honour to present our Annual Report and audited financial statements for the financial year ending 2025/2026 a landmark year that stands as one of the finest chapters in the history of ACL Plastics PLC. Buoyed by accelerating economic momentum, robust demand from our parent company ACL Cables PLC, and a surging construction sector, ACL Plastics has delivered outstanding results, reaffirming our position as a company of purpose, resilience, and extraordinary potential.

ECONOMIC OUTLOOK: A YEAR OF EXCEPTIONAL MOMENTUM

The year 2025 marked a powerful consolidation of Sri Lanka's economic recovery, with growth accelerating and business confidence reaching new heights. The nation witnessed robust GDP growth of approximately 4.5%, a testament to the success of structural reforms, increased foreign direct investment, and a thriving private sector. Inflation stabilised at single-digit levels, supported by prudent monetary policies and improved supply chains, while foreign exchange reserves surged to USD 5.2 billion, fuelled by record tourism earnings of USD 3.1 billion and resilient remittances of USD 6.5 billion.

The construction sector, a critical driver for ACL Plastics, expanded by 12%, supported by government-led urban development projects, a vibrant private real estate market, and the full resumption of large-scale construction activities deferred in prior years. The Ceylon Electricity Board simultaneously ramped up its infrastructure investments, driving significant demand for Cables. These twin engines of growth created an extraordinary operating environment for ACL Plastics, and our teams seized every opportunity with precision and agility.

As a key subsidiary within the ACL Group, ACL Plastics benefited immensely from the Group's record-breaking year. The strong performance of ACL Cables PLC and Kelani Cables PLC generated significant intra-group demand, while the broader market expansion opened new avenues for our products in the external market as well. The alignment of our operations with the Group's integrated strategy proved to be a formidable competitive advantage throughout the year.

Lower interest rates stimulated private sector investment and credit growth, further energising the construction and manufacturing sectors. The Rupee maintained relative stability against the US Dollar, restoring investor confidence and enabling more predictable planning for raw material procurement and pricing. These macroeconomic tailwinds combined to create a highly favourable operating environment one that ACL Plastics was supremely prepared to capitalise upon.

Sri Lanka's infrastructure development pipeline remains robust, and the momentum built in 2025 provides a strong launchpad for continued growth. The structural reforms undertaken in recent years are clearly bearing fruit, and ACL Plastics is exceptionally well-positioned to grow alongside the nation's resurgence.

GROUP PERFORMANCE: A YEAR OF RECORD ACHIEVEMENT

ACL Plastics PLC delivered its most outstanding financial performance in recent history a resounding testament to our strategic clarity, manufacturing excellence, and the power of a fully energised team. The resumption of construction activity across Sri Lanka unlocked pent-up demand that our teams were superbly positioned to capture, while intra-group orders from ACL Cables PLC and Kelani Cables PLC provided a strong and sustained base of high-value business throughout the year.

Revenue for the year stood at Rs. 2,851 Mn, reflecting a 17% increase over the previous year, while gross profit reached Rs.880 Mn, a 53% improvement. Net profit for the year reached Rs. 798 Mn, marking a 72% growth a record profit that reflects not only strong top-line momentum but also the deep operational leverage embedded in our business model. Our manufacturing plants operated at peak efficiency, our supply chains were resilient, and our commercial teams executed with exceptional discipline. We also achieved strong growth in external sales, further broadening our customer base and reducing concentration risk.

STAKEHOLDER RETURNS

ACL Plastics PLC's share price reflected the exceptional performance of the year, closing at Rs. 131.25 as of March 31, 2026. We are proud to announce a dividend payout of Rs. 3.75 per share, a reflection of our confidence in the Company's continued strength and our unwavering commitment to delivering value to our shareholders. Sound corporate governance and transparency remain the bedrock of how we manage and steward this Company.

THE ROAD AHEAD: BOLD AND BRIGHT

ACL Plastics PLC enters 2026/2027 with a sense of cautious optimism. The strong performance delivered in 2025/2026 marked by record revenue growth, improved profitability, and meaningful operational progress has strengthened the Company's foundations and expanded its capacity to absorb near-term pressures. The macroeconomic backdrop, whilst more challenging than the prior year, is not without opportunity. Sri Lanka's ongoing structural reforms, continued multilateral support, and recovering domestic demand present avenues for growth that ACL Plastics is well-positioned to pursue. At the same time, the Company acknowledges that rising raw material prices, Rupee depreciation, and evolving global trade dynamics will require careful management of costs, pricing, and supply chains. The Board and management remain vigilant and proactive, with a clear focus on protecting margins whilst investing in the capabilities that will sustain long-term competitiveness. The Company's track record of navigating complex environments reflects an organisation that is adaptive, disciplined, and purposeful. Whilst the road ahead carries risks that must be respected, ACL Plastics PLC approaches 2026/2027 with conviction in its strategy, confidence in its people, and a firm commitment to delivering sustainable value to all its stakeholders.

GRATITUDE: TOGETHER WE RISE

A year of this magnitude is not the work of any single individual it is the culmination of extraordinary collective effort. The achievements of ACL Plastics PLC are a testament to the passion and professionalism of our dedicated team. The Board and I extend our heartfelt gratitude to every member of the ACL Plastics family for their dedication, hard work, and pride in what they do. We also deeply appreciate the unwavering support of our business partners, customers, and stakeholders throughout our 35-year journey.

To our valued shareholders, your confidence is well-placed, and we are proud to have delivered returns that reflect the true potential of this Company. We gratefully acknowledge the contributions of our Board of Directors and senior leadership, whose strategic vision and decisive guidance enabled us to fully capitalise on the opportunities this remarkable year presented. We also acknowledge the Government of Sri Lanka, regulatory bodies, and industry associations whose enabling frameworks and investments created the conditions for this exceptional year of growth. Finally, I extend my deep appreciation to ACL Cables PLC and the wider ACL Group, whose integrated strategy and collaborative spirit amplify the strengths of every entity within the Group.

Thank you for your trust, your partnership, and your shared belief in ACL Plastics PLC. This has been our greatest year and together, we intend to surpass it.

U. G. Madanayake
Chairman

21st August 2026

MANAGING DIRECTOR'S REVIEW

"THE COMPANY DELIVERED REMARKABLE FINANCIAL PERFORMANCE IN FY 2025/2026, DRIVEN BY RECORD TOP-LINE REVENUE, ROBUST NET PROFITS, AND STRONG SHARE PRICE GROWTH WITH SUSTAINED DIVIDEND RETURNS."

TURNOVER - GROUP
Rs. **2,851**
Million

NET PROFIT - GROUP
Rs. **798**
Million

SUREN MADANAYAKE
Managing Director

It is with great pride and a deep sense of purpose that I present ACL Plastics PLC's Annual Report for the financial year 2025/2026. This has been a landmark year, one in which our Company demonstrated not only the strength of its operations but the clarity of its long term vision. Building on the foundations laid in prior years, ACL Plastics has delivered record results, advanced its sustainability agenda, and taken meaningful steps toward expanding its identity beyond its traditional markets. The journey we are on is one of transformation, and 2025/2026 marks a defining milestone on that path.

I am delighted to report that ACL Plastics PLC has recorded its strongest financial performance to date for the fiscal year 2025/2026. Energised by robust demand from our parent company ACL Cables PLC and a surging construction sector, ACL Plastics achieved a top line of Rs. 2,851 Mn, reflecting a 17% increase over the previous year. I am proud to report a profit before taxes of Rs. 1,109.6 million and a net profit of Rs. 798 million.

A FAVOURABLE OPERATING ENVIRONMENT

Sri Lanka's economic landscape in 2025 provided ACL Plastics with a highly favourable operating environment. GDP growth accelerated to approximately 4.5%, inflation stabilised at single-digit levels, and foreign exchange reserves strengthened to USD 5.2 billion driven by record tourism earnings, robust remittances, and improved export proceeds. Business and investor confidence reached new heights, supporting a meaningful revival in private sector activity across the island.

The construction sector, a primary demand driver for our products, expanded by 12%, underpinned by government-led urban development, a vibrant private real estate market, and the full resumption of large-scale projects deferred in prior years. The Ceylon Electricity Board's accelerated infrastructure investments further bolstered demand for cables. Lower interest rates stimulated private sector credit and investment, while the relative stability of the Rupee enabled more effective planning of raw material procurement and production costs. Collectively, these dynamics created an extraordinary environment for ACL Plastics to perform at its best.

PVC SECTOR AND OPERATIONAL PERFORMANCE

The PVC industry rebounded strongly in 2025/2026 as construction activity accelerated and infrastructure spending intensified across Sri Lanka. After years of subdued demand driven by economic uncertainty and elevated interest rates, the sector experienced a powerful recovery, with project pipelines filling rapidly and order books expanding. ACL Plastics was exceptionally well-prepared to capture this resurgence, with our manufacturing capacity, raw material sourcing, and commercial teams all aligned to deliver at scale.

Our manufacturing plants operated at peak efficiency throughout the year, supported by disciplined cost management and continued investment in process optimisation. Intra-group demand from ACL Cables PLC and Kelani Cables PLC provided a strong and reliable foundation of business, whilst our external sales grew meaningfully, reflecting the success of our customer diversification strategy and the broadening appeal of ACL Plastics' product range in the open market. The integration of our operations within the wider ACL Group continued to deliver tangible competitive advantages in procurement, logistics, and market reach.

As part of our ongoing portfolio expansion strategy, we made significant progress in extending our reach beyond the cable industry. New product lines targeting the plumbing, agriculture, telecommunications infrastructure, and general construction segments gained strong traction during the year, reinforcing our ambition to grow ACL Plastics into a broad-based plastic solutions provider rather than a single-sector supplier. This diversification not only opens new revenue streams but reduces our dependence on any single customer or end market a strategic priority that will strengthen the long-term resilience of our business.

We are pleased to report that ACL Plastics PLC's market value reflected the exceptional performance of the year, with the share price rising to Rs. 131.25 as of March 31, 2026. We are proud to have delivered strong shareholder returns and maintained a dividend payout of 20% per share. Ensuring strict adherence to corporate governance regulations remained a top priority, further strengthening our foundation for sustainable success.

SUSTAINABILITY, CIRCULAR ECONOMY, AND THE ROAD AHEAD

Sustainability is no longer a peripheral consideration at ACL Plastics; it is central to how we operate and how we intend to grow. During 2025/2026, we made meaningful progress in embedding circular economy principles into our manufacturing processes. Our raw material recycling programme was expanded significantly, with a greater proportion of production waste and post-industrial PVC scrap being reprocessed and reintegrated into our manufacturing cycle. This initiative not only reduces our environmental footprint but also improves raw material efficiency and lowers input costs, a clear demonstration that responsible manufacturing and commercial performance are not in conflict. We are also actively exploring extended producer responsibility frameworks and longer-term partnerships with customers to facilitate the recovery and recycling of end-of-life plastic products. Our investment in advanced machinery equipped with soundproofing and recycling capabilities continues to advance this agenda, enhancing production efficiency, reducing noise and waste, and supporting our broader commitment to responsible and sustainable manufacturing.

Looking ahead, ACL Plastics PLC enters 2026/2027 with cautious optimism. Whilst we are clear-eyed about the challenges that rising input costs, Rupee volatility, and global supply chain pressures may present, we are equally confident in the strengths we have built. Our expanding product portfolio, now reaching well beyond the cable industry into plumbing, agriculture, telecommunications infrastructure, and construction positions us to capture demand from a broader and more diversified base of customers. We will continue to invest in technology, talent, and sustainable manufacturing practices, with a firm focus on protecting margins and driving long-term value creation. Our goal is to grow ACL Plastics into a leading plastic solutions company that is recognised not just for the quality of its products, but for the responsibility with which they are made.

APPRECIATION

A record year is never the achievement of one person alone. I extend my heartfelt gratitude to every member of the ACL Plastics team your dedication, expertise, and pride in your work are the true engine behind this Company's success. To our business partners, suppliers, and customers, your trust and loyalty are deeply valued, and we remain committed to earning them every day.

I extend a special note of appreciation to our Chairman, Board of Directors, and the leadership of ACL Cables PLC for their strategic guidance and unwavering support. Your vision has shaped a Company that is not only stronger than it has ever been, but one that is clear about where it is going and how it intends to get there.

I am deeply proud of what ACL Plastics has achieved in 2025/2026, and I am equally excited about the journey ahead. We approach the coming year with humility about the challenges it may bring, and with confidence in our ability to navigate them. Together, we will build on this remarkable year and continue to create lasting value for our shareholders, our people, and the communities we serve.

SUREN MADANAYAKE
Managing Director

21st August 2026

BOARD OF DIRECTORS

MR. U. G. MADANAYAKE
Chairman

Mr. U.G. Madanayake had his early education at Ananda College, Colombo. He graduated from the University of Cambridge - England in 1958 and had his M.A. (Cantab) conferred on him in 1962. He is a Barrister at-law (Lincoln's Inn) and an Attorney-at-law of the Supreme Court of Sri Lanka. He started his working life managing family-owned plantations until most of the lands were taken over by the State under the Land Reform Law of 1972. He still continues to have an active interest in agriculture.

Mr. Madanayake has been the Chairman of ACL Plastics PLC from its inception in 1991. He is also the Chairman of ACL Cables PLC, Kelani Cables PLC, Fab Foods (Pvt) Ltd., Ceylon Tapioca Ltd. and Lanka Olex Cables (Pvt.) Ltd. He is also a Director of ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt) Ltd., Ceylon Copper (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt) Ltd., Ceylon Bulbs & Electricals Ltd., ACL Electric (Pvt.) Ltd. He has over 50 years' experience in the cable Industry.

MR. SUREN MADANAYAKE
Managing Director

Mr. Suren Madanayake had his education at Royal College, Colombo, and qualified as a Mechanical Engineer from the University of Texas at Austin, USA. He was appointed to the Board of ACL Plastics PLC., in 1991 and appointed as Managing Director in September 1994.

Mr. Madanayake also serves as the Chairman of Resus Energy PLC, Cables Solutions PLC, Deputy Chairman of Kelani Cables PLC, Managing Director of ACL Cables PLC, Lanka Olex Cables (Private) Ltd, and Director of Ceylon Bulbs and Electricals Ltd., ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt.) Ltd., Ceylon Copper (Pvt.) Ltd., ACL Electric (Pvt.) Ltd., SM Lighting (Pvt) Ltd., Fab Foods (Pvt.) Ltd. and Ceylon Tapioca Ltd. In 2015, he was appointed to the Board of National Asset Management Ltd (NAMAL). He also serves as a Trustee of CCC Foundation Sri Lanka.

MRS. N. C. MADANAYAKE
Non-Executive Director

Mrs. N.C. Madanayake was appointed to the Board of ACL Plastics PLC in July 1991. She is also a Director of Kelani Cables PLC, ACL Cables PLC, Ceylon Bulbs and Electricals Ltd., Lanka Olex Cables (Pvt) Ltd., and Ceylon Tapioca Ltd. Mrs. Madanayake is a pioneering Director of Fab Foods (Pvt) Ltd.

COMMITTEES

Audit Committee

Related Party Transactions Review Committee

Remuneration Committee

Nomination and Governance Committee

BOARD OF DIRECTORS

MR. MOHAN JOSEPH RATNAYAKE

Independent Non-Executive Director

Mr. Mohan J Ratnayake was appointed to the Board on 1st November 2022. He had his education at St. Joseph's College, Colombo. He was the Chairman of the Committee which issued Sri Lanka's first internationally listed USD Bond by a corporate entity - Sri Lanka Telecom PLC - which traded on the Singapore Stock Exchange. This was when the Sovereign had not been rated by international rating agencies. He currently serves as the Managing Director of Colonial Motors (Ceylon) Ltd and served as the Chairman of Lanka Realty Investment PLC. He currently serves as an Independent Non-Executive Director of ACL Plastics PLC, UB Finance PLC, Lanka Tiles PLC, Swisstek PLC and Serendib Land PLC. He continues to serve on several Boards and chairs audit committees and other statutory committees. He has expertise in the fields of Tea Exports, Tea Plantations and Telecommunications. He held the position of Deputy Chairman of a listed financial institute falling under the purview of the Central Bank of Sri Lanka.

Mr. Ratnayake is a Fellow of the Chartered Institute of Management Accountants UK, a Chartered Global Management Accountant and has read for an MBA.

MR. ROHAN SOMAWANSA

Independent Non-Executive Director

Mr. Rohan Somawansa is a corporate figure & he excels in strategic areas of management in Manufacturing, HR, Marketing, brand building & turnaround organizations into better financial positions. He was the President of the Asian Marketing Federation from 2018 to 2020, Currently, he is holding the post of advisor & member of the AMF foundation which is the supreme administrative body in AMF. He was President of the premier marketing body, Sri Lanka Institute of Marketing in 2010/11. During his tenure, he initiated Professor Phillip Kotler's visit to Sri Lanka and founded research-based People's Awards, the most sought after corporate recognition program for personal brands, brands & media in Sri Lanka. In a recognition for his services rendered to marketing in Asia, he was conferred Honorary Fellow Member status by the prestigious Marketing Institute of Singapore & Fellow status by the Institute of Marketing Malaysia. He was selected as one of the best 50 marketing professionals by World CMO Council, screened in Putrajaya, Malaysia in 2013. Currently, he is employed at DSI Samson Group.

Mr. Somawansa is a director in one entity and is responsible for some key strategic functions of DSI Samson Group, the corporate governing body of all companies.

COMMITTEES

Audit Committee

Related Party Transactions Review Committee

Remuneration Committee

Nomination and Governance Committee

PRODUCT PORTFOLIO

ACL PLASTICS COMPLIES WITH MOST LOCAL AND INTERNATIONAL TEST CERTIFICATES INCLUDING ISO 14001-2015, ISO 45001-2018 AND ISO 9001-2015 MANUFACTURING OF PVC COMPOUND.

CABLES GRADE

ACL Plastics evolved as the No. 1 PVC compound company for cable grade in Sri Lanka since inception in 1991. During its 33-year operation, the Company has grown to become a specialized manufacturer and supplier of an extensive range of PVC and conductors with superior quality and standard unmatched by any other in the island.

ACL Plastics continued to expand its sector through innovation and dominate the market with the introduction of new products including fire guard PVC compound. ACL Plastics cables comply with most local and international test certificates including ISO 14001-2015, ISO 45001-2018 and ISO 9001-2015 Manufacturing of PVC Compound.

SHOE INDUSTRY

ACL Plastics has strengthened its value chain and become one of the key local suppliers to most of Sri Lanka's shoe manufacturing industries by providing high-quality PVC compound for shoe sole production.

OTHER INDUSTRIES

Complying with international standards, ACL Plastics PLC supplies PVC compounds for Pipe hose industry, Rubber beading industry and Rubber carpet industry.

PVC Compound for fire guard cables

PVC Compound for cable grade

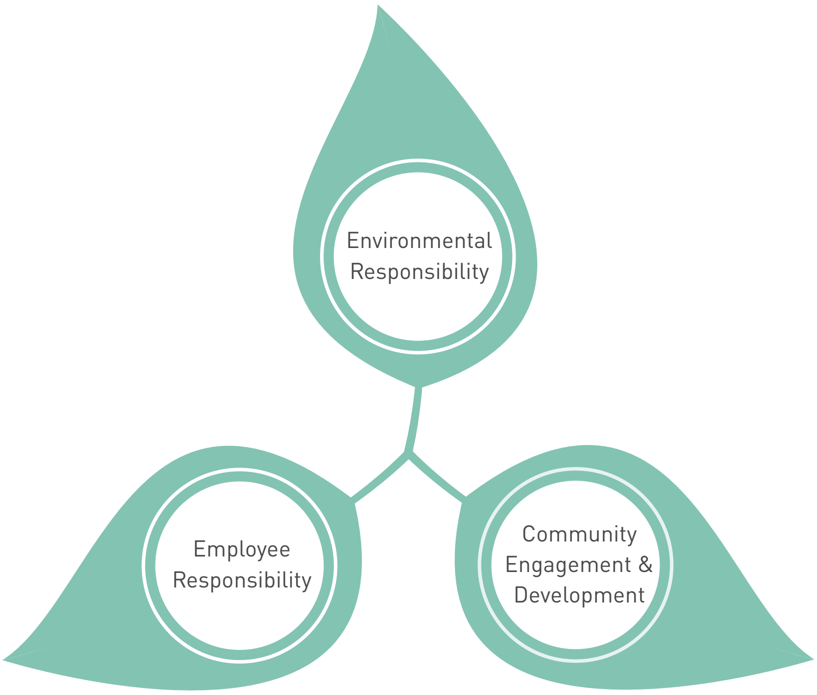
PVC Compound for shoe industry

PVC Compound for pipe hose

CORPORATE SOCIAL RESPONSIBILITY AT ACL PLASTICS

ACL Plastics PLC recognizes its responsibility to contribute positively to society while conducting its business in a sustainable and ethical manner. The Company's CSR framework is designed to create long term value for stakeholders by incorporating social, environmental, and employee focused initiatives into its operations.

Accordingly, ACL Plastics PLC implements its Corporate Social Responsibility (CSR) strategy through three key focus areas, as outlined below:



COMMUNITY ENGAGEMENT AND DEVELOPMENT

Supporting Education:

ACL Plastics recognizes education as a key driver of community development and social progress. Through its "Nana Thilina" recognition programme, administered under the full supervision and guidance of the Human Resource Department, the Company encourages academic excellence among young students by rewarding outstanding performance in the key national examinations, including the Grade 5 Scholarship Examination, GCE Ordinary Level, and GCE Advanced Level examinations.

EMPLOYEE RESPONSIBILITY

A Safe and Healthy Work Environment:

The Company maintains high standards of occupational health and safety across all operations to ensure a secure working environment for employees.

ACL Plastics provides the continuous development of its workforce by providing training programs and professional development initiatives.

To further support employee welfare, the Company provides comprehensive corporate medical insurance coverage for all eligible employees, reflecting its commitment to safeguarding the health and well-being of its.

As part of our commitment to employee welfare and social responsibility, ACL Plastics provided financial and essential relief assistance to employees who were affected by the severe flooding caused by the Ditwah cyclone.

ENVIRONMENTAL RESPONSIBILITY

The Company is committed to reducing its environmental footprint, and our approach is consistent with that of the parent company, which provides clear guidelines for tracking, monitoring, and optimizing the use of natural resources to ensure a positive contribution to our environment and ecosystems in a holistic and consistent manner. National environmental certifications help us refine our environmental approach. (ISO 14001:2015)

The most important aspect of environmental stewardship is the recycling of scrap stocks at our operations. Plastics trash that is not used in the manufacture of cables is recycled in accordance with national guidelines.

The same approach is used on all industrial byproducts, and we ensure that our industrial production does not contaminate the environment.

GROUP STRUCTURE

Description / Company	ACL Plastics PLC	ACL Polymers (Pvt) Ltd
Registration Number	PQ 87	PV 3371
Date of Incorporation	17.07.1991	06.09.2005
Corporate Status	Public Limited Company	Private Limited Company
ACL Plastics PLC's Effective Shareholding in the Company	Parent Company	100%
Directors	U.G.Madanayake – Chairman Suren Madanayake - Managing Director N. C. Madanayake – Director Mohan Rathnayake – Director Rohan Somawansa - Director	U.G.Madanayake – Chairman Suren Madanayake - Managing Director
Principle Activity	Manufacturing cable grade PVC Compound	Manufacturing PVC Compound
Auditors	Deloitte Partners	Deloitte Partners
Secretaries	Corporate Affairs (Pvt) Ltd	Management Applications (Pvt) Ltd
Total Number of Employees as at 31st March 2026	50	11

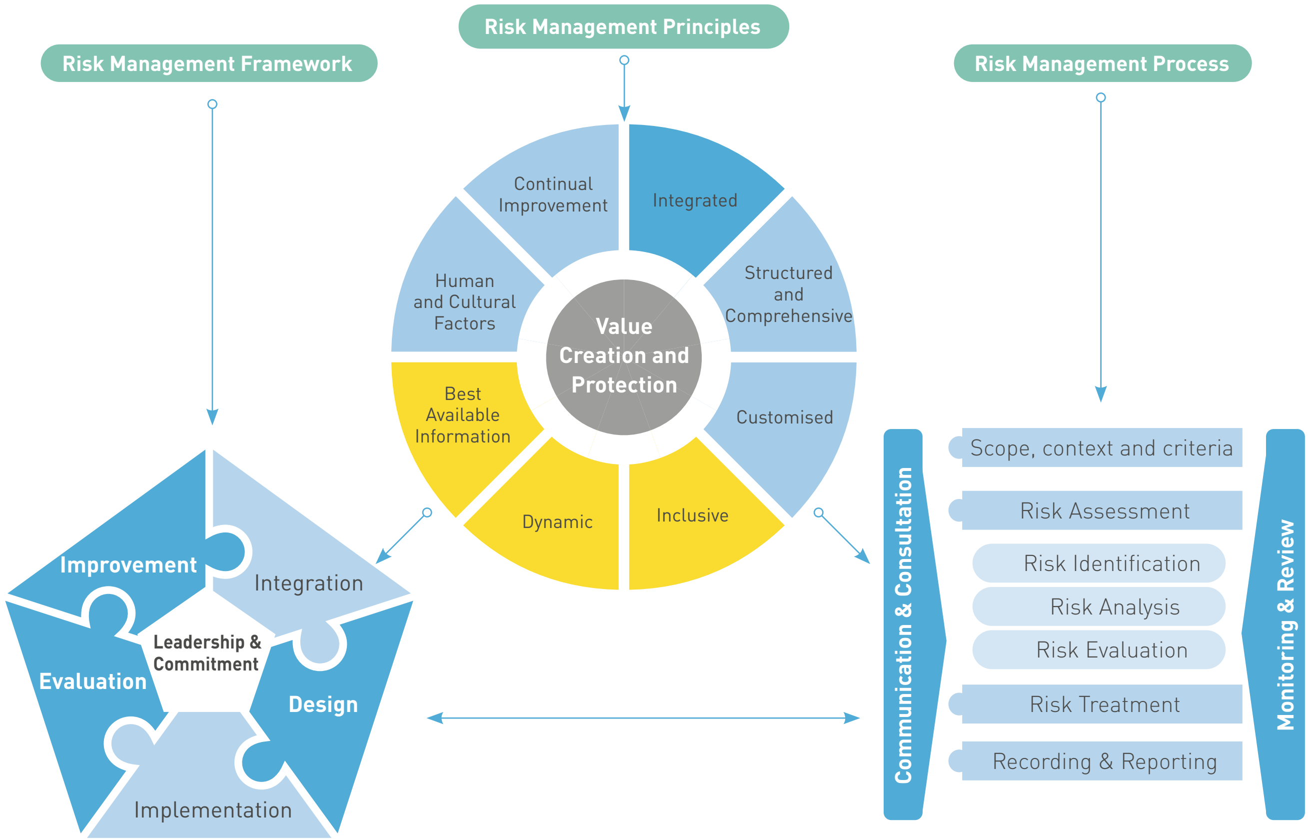
RISK MANAGEMENT

ACL Plastics PLC maintains a robust Enterprise Risk Management (ERM) framework to identify, assess, monitor, and mitigate risks that may impact the achievement of its strategic objectives, operational performance, and long-term sustainability. Risk management is embedded across all levels of the organization, ensuring that risk and opportunity considerations form an integral part of decision-making processes.

As a manufacturer of PVC compounds and operating in a dynamic business environment, the Company continuously evaluates emerging risks and opportunities arising from economic, regulatory, technological, and market developments. The Board of Directors and Management oversee the risk management process to ensure risks are managed within the Company's risk appetite and appropriate mitigation strategies are implemented.

The Company continues to enhance its risk management practices in alignment with the principles of ISO 31000: Risk Management, providing a structured approach to risk governance and timely risk identification. In addition, ACL Plastics PLC is strengthening its focus on sustainability and climate-related risks in line with SLFRS S1 and SLFRS S2, supporting the Company's commitment to long-term resilience and sustainable value creation.

Principles, Framework, and Risk Management Process of ISO 31000



THE ISO 31000 GUIDELINES PROVIDE A STATEMENT OF RISK MANAGEMENT PRINCIPLES

The eight principles are described below:

1. Customized framework and processes

2. Appropriate and timely involvement of stakeholders

3. Structured and comprehensive approach

4. Risk management is an integral part of all organizational activities

5. Risk management anticipates, detects, acknowledges, and responds to changes

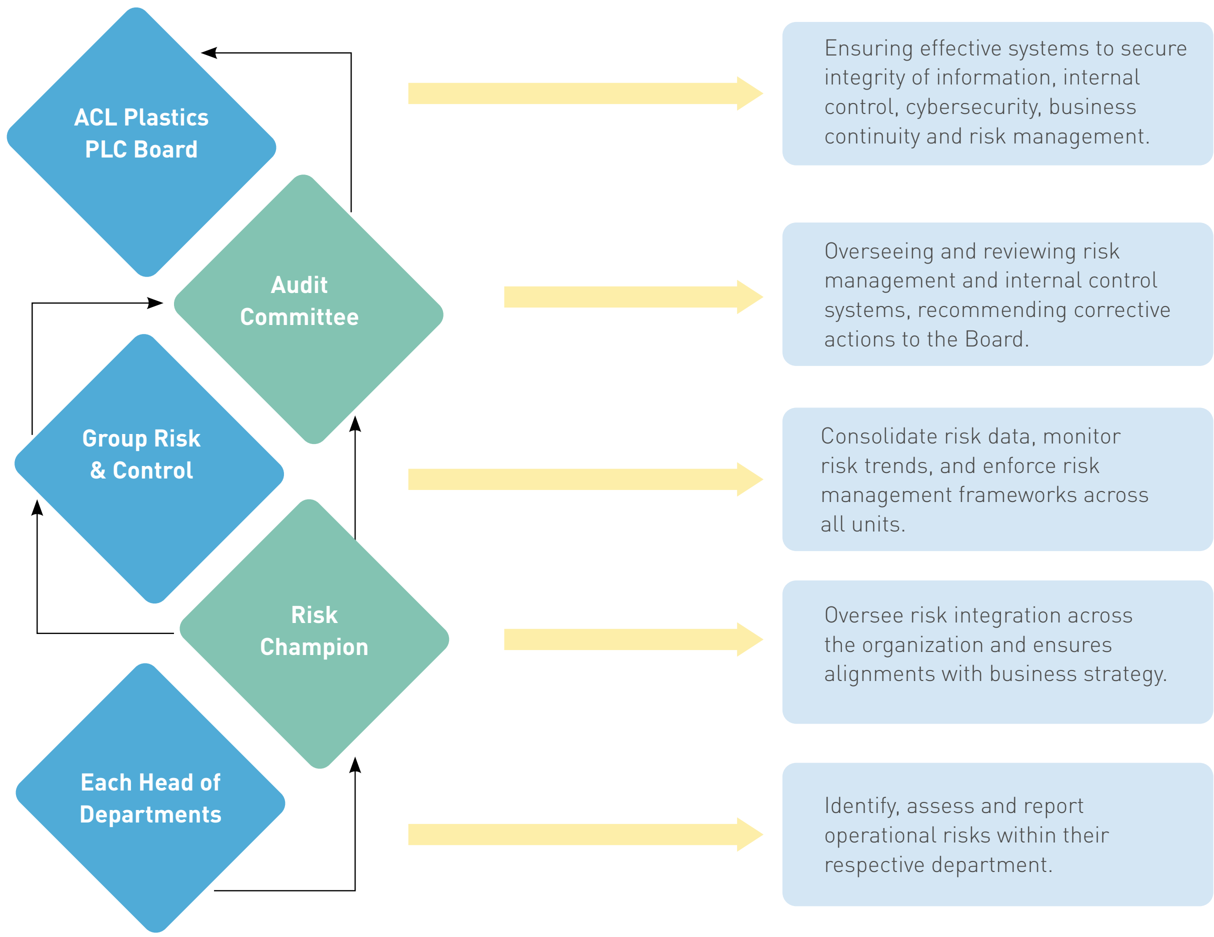
6. Risk management explicitly considers any limitations of available information.

7. Human and cultural factors influence all aspects of risk management.

8. Risk management is continually improved through learning and experience.

The first five principles focus on the design and integration of an effective risk management framework, while the remaining three guide its operation, evaluation, and continuous enhancement.

RISK MANAGEMENT REPORTING STRUCTURE OF ACL PLASTICS PLC



APPROACH TO RISK MANAGEMENT

ACL Plastics PLC adopts a structured and integrated approach to risk management, combining both top-down and bottom-up methodologies to identify, assess, and manage risks across the organization. Strategic risks are identified and evaluated by the Board of Directors and Senior Management, while operational risks are assessed at business and functional levels, ensuring alignment between strategic objectives and day-to-day operations.

The Board has delegated oversight responsibility for risk management to the Audit Committee. The Risk and Control Team operates independently and provides regular reports to the Audit Committee, strengthening governance, transparency, and objective risk oversight. Risk assessments are conducted on a quarterly basis to evaluate emerging and existing risks, review the effectiveness of mitigation measures, and support informed decision-making at the Board level.

RISK MANAGEMENT STRUCTURE

ACL Plastics PLC adopts the Three Lines of Defense model within its governance framework to ensure effective risk management and a robust internal control environment. The first line of defense comprises operational management and employees who are responsible for identifying, assessing, and managing risks within their respective functions while maintaining compliance with established controls and procedures. The second line of defense consists of senior management, who provide oversight, establish risk management policies and frameworks, and monitor compliance across the organization. The third line of defense is provided by the Board of Directors, the Audit Committee, and the Risk and Control Team, who deliver independent assurance on the effectiveness of the Company's risk management and internal control systems, with findings and recommendations reported to the Audit Committee.

RISK MANAGEMENT

THREE LINES OF DEFENSE MODEL

THIRD LINE OF DEFENSE

- Board of Directors
- Audit Committee
- Risk & Control Team

Provides independent assurance on the effectiveness of risk management and internal control systems. Findings and recommendations are reported to the Audit Committee.

ASSURANCE & REPORTING

SECOND LINE OF DEFENSE

- Senior Management

Establishes risk management policies and frameworks, provides oversight, monitors compliance, and supports effective risk management across the organization.

OVERSIGHT & MONITORING

FIRST LINE OF DEFENSE

- Operational Management
- Employees

Identify, assess, manage, and mitigate risks within day-to-day operations while maintaining effective controls and ensuring adherence to policies and procedures.

Collectively, the Three Lines of Defense create a strong governance framework that supports the achievement of our strategic objectives and safeguards value for our stakeholders.

RISK EVALUATION AND MAPPING

ACL Plastics PLC adopts a structured approach to risk evaluation and mapping, assessing risks based on their likelihood of occurrence and potential impact. The assessment of likelihood incorporates historical trends, the effectiveness of existing controls, and ongoing monitoring of local and global developments, including economic conditions, geopolitical events, and other emerging risks. Risks are classified into five likelihood categories: Rare, Unlikely, Moderate, Likely, and Almost Certain.

The potential impact of each risk is evaluated through both qualitative and quantitative measures, considering the implications for the Company, its stakeholders, and the wider operating environment. Impact levels are categorized as Insignificant, Minor, Moderate, Major, and Extraordinary.

The results of these assessments are presented through a risk heat map, enabling effective prioritization and management of key risks. Identified risks and corresponding mitigation strategies are reviewed regularly by the Audit Committee and form a standing agenda item at each committee meeting, ensuring continuous oversight and enhancement of the Company's risk management framework.

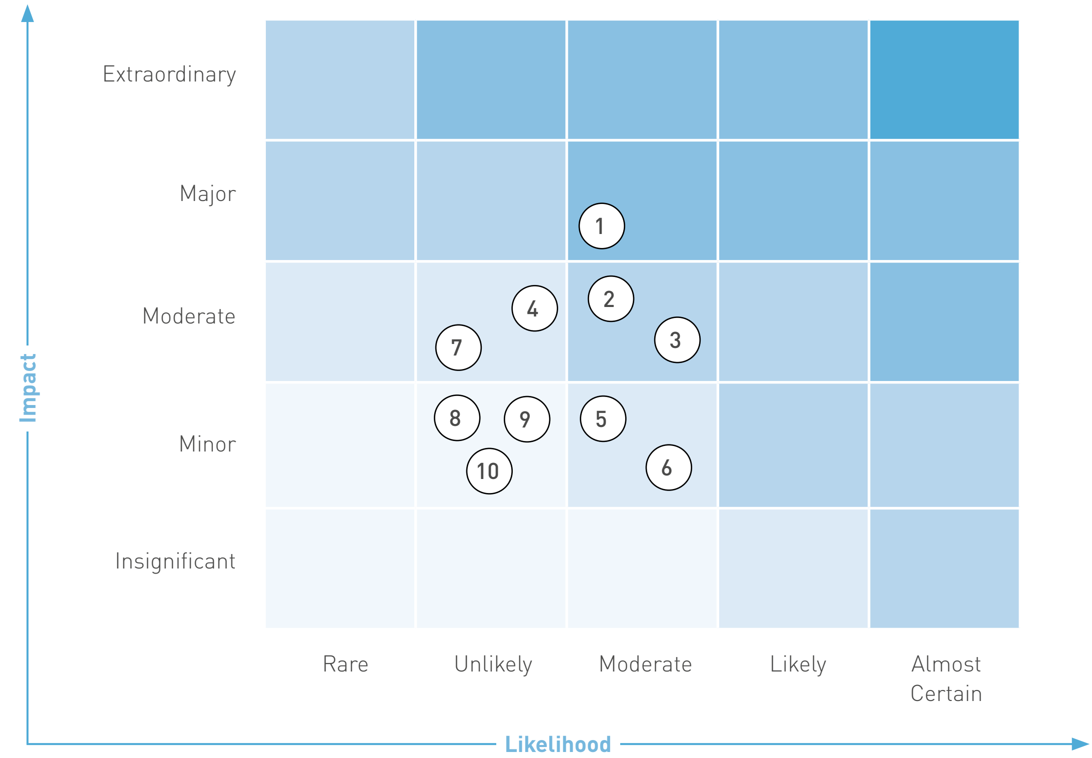
THE RISK MATRIX

Impact / Likelihood	Rare	Unlikely	Moderate	Likely	Almost Certain
Extraordinary	S	H	H	H	E
Major	S	S	H	H	H
Moderate	M	M	S	S	H
Minor	L	L	M	S	S
Insignificant	L	L	L	M	S

- L - Low
- M - Moderate
- S - Significant
- H - High
- E - Extreme

FUTURE OUTLOOK

ACL Plastics PLC remains committed to proactively identifying, assessing, and managing risks to safeguard business sustainability and support the achievement of its strategic objectives. The Risk Heat Map presented below highlights the key risk drivers expected to influence the Company during FY 2025/26, assessed based on their likelihood, potential impact, and anticipated future trend over a one-year horizon. These risks are interconnected and should not be considered in isolation, as the occurrence of one risk may trigger or amplify the effects of others.

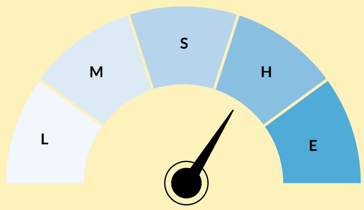


1. Supply Chain Risk
2. Country Risk
3. Exchange Rate Risk
4. Operational Risk
5. Information Technology and Cyber Security Risk
6. Human Resource Risk
7. Health and Safety Risk
8. Sustainability and Climate-related Risk
9. Business probity Risk
10. Legal and Regulatory Risk

SNAPSHOT OF KEY RISKS & MITIGATION STRATEGIES

1. Supply Chain Risk

Risk Rating - High



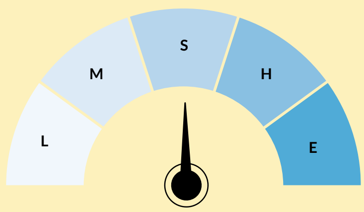
Supply chain risk refers to the potential disruptions that may affect the timely availability, quality, and cost of raw materials, components, and logistics services required for business operations.

Mitigation Measures

- Diversify and strengthen the supplier network to reduce dependency on individual suppliers and enhance resilience against supply chain disruptions, geopolitical uncertainties, and market volatility.
- Maintain adequate safety stock levels of critical raw materials to ensure uninterrupted production and minimize the impact of supply delays or unexpected shortages.
- Establish and maintain long-term strategic partnerships with key suppliers through volume-based, fixed-price, or framework agreements to enhance supply security, improve cost predictability, and ensure continuity during periods of market instability.
- Continuously monitor supplier performance, market conditions, and potential supply chain risks to enable proactive planning and timely mitigation of emerging disruptions.

2. Country Risk

Risk Rating - Significant



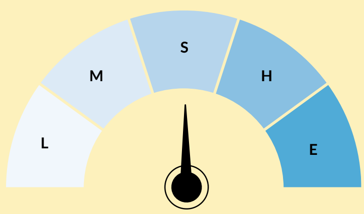
Country risk refers to the potential negative impacts arising impacts arising from changes in the external operating environment, including political, economic, social, technological, environmental, and legal (PESTEL) factors. Adverse developments in these areas may affect business performance through increased operating costs, supply chain disruptions, regulatory changes, shifts in market demand, technological advancements, environmental challenges, and broader economic uncertainties.

Mitigation Measures

- Regularly assess PESTEL factors to identify emerging risks and opportunities and support informed decision-making.
- Continuously monitor regulatory and legislative developments to ensure timely compliance and strategic responsiveness.
- Maintain strong engagement with government authorities, regulators, and industry bodies to stay informed of policy changes and industry developments.
- Monitor economic and market trends to enhance business resilience and preparedness for external uncertainties.

3. Exchange Rate Risk

Risk Rating - Significant



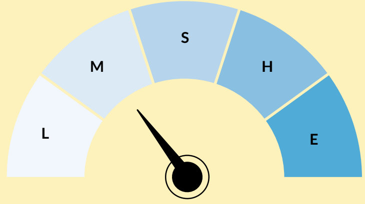
The Company is exposed to foreign exchange risk arising from fluctuations in USD/LKR exchange rates, as a significant portion of its raw materials, including PVC resin and other key inputs, are imported and denominated in foreign currencies.

Mitigation Measures

- Continuously monitor macroeconomic trends and changes in government policies to assess potential business impacts.
- Maintain an adequate foreign currency reserve buffer to ensure the timely execution of critical international payments.
- Stay informed on global political events that could impact trade regulations, currency stability, or supply chains.

4. Operational Risk

Risk Rating - Moderate



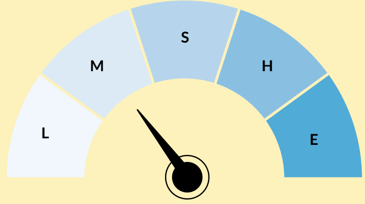
Operational risk refers to the potential for losses or adverse impacts arising from inadequate or failed internal processes, people, systems, or external events. It encompasses risks associated with the day-to-day operations of the Company and may affect operational efficiency, product quality, regulatory compliance, business continuity, and overall organizational performance.

Mitigation Measures

- Implement a structured operational risk management framework across the organization.
- Conduct regular reviews of key controls in high-risk areas to ensure their effectiveness.
- Monitor compliance with regulatory requirements and internal policies through established reporting mechanisms.
- Perform periodic system and process control assessments in line with the annual internal audit plan.
- Maintain and test the Business Continuity Plan (BCP) to ensure operational resilience and continuity.
- Foster a strong risk-aware culture through continuous employee awareness and training initiatives.

5. Information Technology and Cyber Security Risk

Risk Rating - Moderate



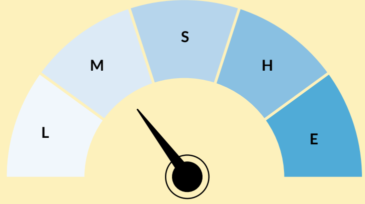
Risk that customers may suffer service disruptions, or that customers or the group may incur losses arising from system defects such as failures, faults, or incompleteness in computer operations, or illegal or unauthorized use of computer systems.

Mitigation Measures

- Develop and implement strategies for Business Continuity Planning (BCP) considering Disaster Recovery (DR) management.
- Continuously strengthen system security measures to mitigate cybersecurity risks.
- Oversee third-party assessments to evaluate system security and identify potential vulnerabilities.
- Manage and uphold vendor agreements to ensure reliable support services and ongoing system maintenance.
- Maintain robust and effective IT General Controls (ITGC) across the organization.

6. Human Resource Risk

Risk Rating - Moderate



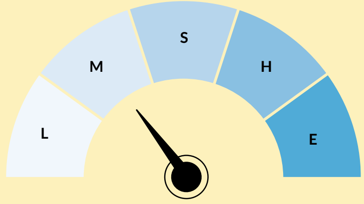
The inability to attract, develop, retain, and effectively succession-plan for key talent and leadership personnel may adversely impact operational continuity, organizational capability, leadership effectiveness, and the successful execution of strategic objectives. The loss of key executives and critical skilled employees could result in knowledge gaps, reduced productivity, increased recruitment costs, and challenges in sustaining long-term business growth and competitiveness.

Mitigation Measures

- Maintain a performance-based evaluation and reward system to retain and motivate talent.
- Foster strong employee relations through regular engagement and the Joint Consultative Committee (JCC).
- Provide employee welfare benefits to enhance well-being and satisfaction.
- Conduct training and development programs to strengthen employee capabilities.
- Implement a structured succession planning process to ensure leadership continuity.

7. Health and Safety Risk

Risk Rating - Moderate



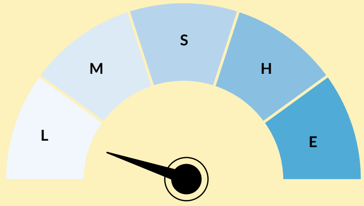
The risk of employees, contractors, visitors, or other stakeholders sustaining injury, illness, or adverse health effects arising from exposure to workplace hazards, unsafe practices, equipment failures, or operational activities.

Mitigation Measures

- Conduct regular health and safety assessments to evaluate and enhance safety controls.
- Maintain ISO certifications and relevant accreditations to ensure effective health and safety management.
- Ensure compliance with applicable health, safety, and regulatory requirements.

8. Sustainability and Climate-related Risks

Risk Rating - Low



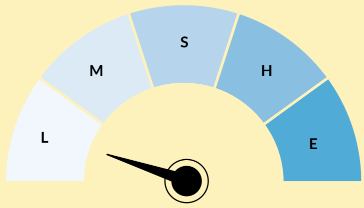
Climate-related physical and transition risks continue to influence the Company's long-term performance and strategic outlook. Increasing sustainability regulations, environmental policies, and stakeholder expectations are reshaping business environments and market dynamics. As economies transition towards more sustainable and low-carbon models, the Company remains focused on proactively managing emerging risks while capitalizing on opportunities that support sustainable growth and long-term value creation.

Mitigation Measures

- Continuously assess sustainability and climate-related risks and opportunities.
- Ensuring compliance with sustainability and climate-related reporting requirements.
- Integrate ESG considerations into strategic and operational decision-making.
- Expand the use of renewable energy sources, including solar power.
- Monitor compliance with evolving environmental regulations and reporting standards.
- Conduct periodic reviews to identify emerging sustainability risks and opportunities.

9. Business Probity Risk

Risk Rating - Low



The risk of unethical conduct, including fraud, bribery, corruption, conflicts of interest, financial misstatements, or management misconduct, may adversely impact the Company's reputation, financial performance, regulatory compliance, and stakeholder confidence.

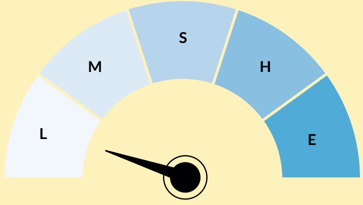
Mitigation Measures

- Strengthening internal controls with a focus on identifying areas vulnerable to fraud and malpractices.
- Enforcing a Company-wide Code of Ethics to uphold integrity and accountability.
- Carrying out fraud risk assessments to proactively identify potential threats.
- Conducting internal audits and focused reviews on identified high-risk areas for frauds and malpractices.
- Implementing and maintaining a formal whistleblowing mechanism to encourage the confidential reporting of misconduct or concerns.
- Upholding robust corporate governance practices across the organization.

10. Legal and Regulatory Risk

The potential adverse impact on the Company's operations, financial performance, and reputation arising from non-compliance with applicable laws, regulations, industry standards, and internal policies and procedures.

Risk Rating - Low



Mitigation Measures

- Maintain a Compliance and Legal Dashboard to monitor regulatory obligations and ensure timely compliance.
- Conduct quarterly compliance assessments and implement corrective actions where necessary.
- Regularly review and update internal policies and procedures in line with regulatory requirements.
- Enhance employee awareness and conduct training programs to promote a strong compliance culture.

SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES (SRRO & CRRO)

ACL Plastics PLC recognized that climate change presents both risks and opportunities that may affect our business model, strategy, financial performance, cash flows and enterprise values in the short, medium and long term.

1. PHYSICAL RISKS

These involve the direct impacts of climate change on our operations, assets, employees, supply chain and distribution network.

ACUTE EVENTS

We are exposed to physical risks from extreme weather events such as heavy rain, floods, storms and other natural disasters.

- Disrupt logistics network and delay deliveries
- Impact warehouse and manufacturing operations
- Limit employee access to facilities
- Disrupt supply of raw materials (e.g. PVC resin and additives)
- Lead to operational slowdowns and financial implications

CHRONIC SHIFTS

Long-term changes such as rising temperatures, changing rainfall patterns, prolonged droughts and sea-level rise may adversely affect our operations.

- Higher energy consumption and cooling costs
- Water stress affecting resource availability
- Impact on production efficiency and infrastructure
- Require investments in adaptation and resilient operations

Key Physical Risks

- Extreme weather events (floods, storms, heavy rain)
- Supply chain disruptions (raw material and logistics)
- Rising temperatures and higher energy use
- Water scarcity and resource stress
- Infrastructure and distribution disruptions

2. TRANSITION RISKS

The global shift towards a low-carbon economy introduces several risks that may impact our business.

REGULATORY CHANGES

Future implementation of carbon taxes, stricter emission standards, plastic waste management and EPR regulations can increase operational costs.

TECHNOLOGICAL ADVANCEMENTS

Rapid innovation in sustainable technologies may render existing products or processes obsolete if we fail to adapt promptly.

MARKET DYNAMICS

Growing consumer preference for eco-friendly products necessitates the development of green products and responsible business practices.

REPUTATION & STAKEHOLDER EXPECTATIONS

Increasing scrutiny from regulators, customers, investors and communities on our environmental performance and plastic waste management may impact our reputation.

Key Transition Risks

- Regulatory changes and carbon pricing
- Recycling and EPR compliance obligations
- Technology changes and substitution
- Changing customer preferences
- Reputation and stakeholder pressure
- Increased compliance and reporting costs

3. CLIMATE-RELATED OPPORTUNITIES

Climate change also opens avenues for growth and value creation.

PRODUCT INNOVATION

- Initiated development of lead-free PVC products and environmentally responsible solutions
- Increased use of recyclable and sustainable raw materials
- Manufacturing processes with lower environmental impact and zero waste concept

MARKET EXPANSION

- Increasing demand for environmentally friendly products such as lead-free PVC products
- Strengthening market position in sustainable construction and infrastructure sectors

OPERATIONAL EFFICIENCY

- Adoption of energy-efficient manufacturing processes
- Waste reduction and resource efficiency initiatives
- Investment in solar power systems to reduce energy Costs and emissions
- Reduced exposure to energy price volatility and improved energy security

SUSTAINABLE VALUE CHAIN

- Collaborate with suppliers for sustainable materials and practices
- Strengthen supply chain resilience and business continuity

ACCESS TO SUSTAINABLE FINANCE

- Strong sustainability performance and disclosures enhance access to green financing and ESG-focused investments

Key Opportunities

Sustainable and lead-free product portfolio	Renewable energy and energy efficiency	Circular economy and recycled materials	Market growth in eco-friendly solutions	Access to sustainable finance and investment

ACL Plastics PLC is committed to reducing environmental impact, building climate resilience and delivering sustainable value for all stakeholders.

OUR APPROACH

We integrate climate-related risks and opportunities into our governance, strategy, risk management and decision-making processes to enhance resilience, create long-term value and contribute to a sustainable future.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

THE CHAIRMAN'S STATEMENT

At ACL Plastics PLC, corporate governance extends beyond a compliance obligation; it serves as a fundamental pillar that shapes our strategy, guides decision-making, and governs our operational practices. The confidence placed in us by shareholders, customers, employees, and other stakeholders reflects our enduring commitment to ethical conduct, transparency, and accountability.

As Chairman, I am pleased to present this Corporate Governance Statement for the year under review, prepared in accordance with the Code of Best Practice on Corporate Governance 2023 jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka, and in alignment with the Continuing Listing Requirements set out under Section 9.1.3 of the Listing Rules of the Colombo Stock Exchange.

Our governance framework is designed to enable long-term sustainable performance, underpinned by a culture of integrity and responsible stewardship. During the year, the Board further strengthened its oversight in key areas including risk management, succession planning, internal controls, and stakeholder engagement, while maintaining alignment with evolving regulatory requirements and recognized best practices.

FOSTERING A CULTURE OF GOVERNANCE

At the core of ACL Plastics' governance philosophy are our fundamental values of Innovation, Integrity, Responsibility, Excellence, and Urgency. These principles underpin decision-making and accountability across all levels of the organization. The Company has also strengthened efforts to embed governance awareness into day-to-day operations through continuous training, internal audit processes, and sustained executive oversight.

CHAIRMAN'S DECLARATION

I confirm that all Directors, including members of the Corporate Management Team, have complied with the Company's Code of Business Conduct and Ethics throughout the year under review. To the best of my knowledge, there has been no material violation of the Code of Conduct that would undermine the ethical integrity of the Board or its members.

Looking ahead, the Board remains committed to continuously enhancing governance practices, with a focus on innovation, diversity, and inclusive stakeholder engagement to ensure ACL Plastics PLC remains a resilient and responsible corporate citizen in the future.

On behalf of the Board, I extend sincere appreciation to our shareholders and stakeholders for their continued trust and support.

(Sgd.)
U. G. Madanayake
Chairman

21st August 2026

CORPORATE GOVERNANCE

ACL Plastics PLC is committed to adopting and upholding best practices in corporate governance. Corporate governance is defined as an internal framework comprising policies, processes, and people that collectively serve the interests of shareholders and other stakeholders. Effective governance enables sound business management and control, fosters high standards of ethical conduct, and supports the creation of sustainable value for all stakeholders.

Strong corporate governance is supported not only by external regulatory requirements and market expectations, but also by a robust Board culture that safeguards the integrity of policies and processes. A key aspect of governance is ensuring accountability within the organization through mechanisms designed to mitigate or eliminate principal–agent challenges.

ACL Plastics PLC is committed to maintaining the highest standards of corporate governance through full compliance with applicable legal and regulatory requirements, including the Listing Rules of the Colombo Stock Exchange and the Companies Act No. 07 of 2007, as amended by the Companies (Amendment) Act No. 12 of 2025. In addition to meeting these mandatory obligations, the Company has adopted the principles and recommendations set out in the Code of Best Practice on Corporate Governance 2023, reinforcing its commitment to transparency, accountability, ethical conduct, and continuous improvement in governance practices.

<table>
<tr><th colspan="3">Compliance Summary</th></tr>
<tr><th>Adoption</th><th>Source</th><th>Adherence</th></tr>
<tr><td>Mandatory Provisions</td><td>Companies Act No. 7 of 2007, as amended by the Companies (Amendment) Act No. 12 of 2025</td><td rowspan="4">Fully Compliant</td></tr>
<tr><td>Mandatory Provisions</td><td>Listing Rules of the Colombo Stock Exchange (CSE)</td></tr>
<tr><td>Mandatory Provisions</td><td>Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, including directives and circulars</td></tr>
<tr><td>Mandatory Provisions</td><td>Code of Best Practice on Related Party Transactions (2013) advocated by the Securities and Exchange Commission of Sri Lanka (SEC)</td></tr>
<tr><td>Voluntary Provisions</td><td>Code of Best Practice on Corporate Governance 2023 issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC)</td><td>Compliant</td></tr>
</table>

ACL ENTERPRISE GOVERNANCE FRAMEWORK

In accordance with the above guidelines, ACL Plastics PLC ensures full compliance with the Code of Best Practice on Corporate Governance 2023 through well-defined oversight mechanisms, clear segregation of responsibilities, and the effective operation of Board Committees. This governance framework promotes independent judgment, transparency in decision-making, and a strong culture of accountability throughout the organization.

Through the implementation of strong internal control systems, effective risk management frameworks, and structured stakeholder engagement processes, the Company demonstrates its continued commitment to ethical conduct, regulatory compliance, and the creation of sustainable value. Collectively, these measures strengthen the integrity and resilience of ACL Plastics PLC's governance framework.

ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

The role of the Chairman is separate from that of the Managing Director, in line with best practices in Corporate Governance, ensuring that no single Director holds unfettered power or authority. Both the Chairman and the Managing Director are Executive Directors and close family members, and accordingly, a Senior Independent Director (SID) has been appointed to ensure compliance with Listing Rule No. 9.6.3. and Code of Best Practices in Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka Sec. No A.5.7. Furthermore, the Chairman does not hold the chairmanship of any Board Committee of ACL Plastics PLC, in adherence to Listing Rule No. 9.3.3.

Chairman's Role and Responsibilities

Chairman leads the Board, preserving good corporate governance and ensuring that it works ethically and effectively, acting in the best interests of the Group

- Ensure that the new Board members are given appropriate induction
- Lead the Board and manage the business of the Board.
- Approve the agenda for each Board meeting.
- Ensure that the Board members receive accurate, timely and clear information to enable the Board to make sound decisions.
- Ensure regular meetings, the minutes of which are accurately recorded and where appropriate include the individual and collective views of the Directors.
- Facilitate and encourage discussions among all Directors in decision making.
- Represent the views of the Board to the public.

Managing Director's Role and Responsibilities

The MD is an Executive Director appointed by the Board and is accountable for implementation of the Group's strategic plan and driving performance

- Formulate, obtain, approve and implement the Company's strategies and manage the day-to-day operations of the Company
- Developing and recommending budgets to the Board.
- Continuously monitoring and reporting to the Board on the performance of the Company.
- Establishing an optimum organizational structure which is appropriate for the execution of the Company's Strategy.
- Compliance with all the applicable legal and regulatory obligations.
- Managing the financial and the business risk of the Company's operations and identifying the potential risks of the Company.

THE BOARD OF DIRECTORS

The Board bears collective responsibility for the overall success and long-term sustainability of the Company. It is entrusted with providing effective leadership within a framework of robust governance and internal controls that support the identification, assessment, and management of risks. The Board is responsible for setting up the Company's strategic direction, ensuring the availability of the financial and human resources necessary to achieve its objectives, and overseeing management's performance and effectiveness. Furthermore, it establishes the Company's core values and ethical standards, while ensuring that the interests and obligations owed to shareholders and other stakeholders are appropriately recognized and fulfilled.

- Formulating and overseeing the implementation of a robust business strategy
- Appointing the Chair and, where applicable, the Senior Independent Director
- Ensuring the management team has the requisite skills, experience, and knowledge to execute strategy
- Establishing and maintaining an effective succession plan for the key management positions
- Approving annual budgets and significant capital expenditure decisions
- Defining matters reserved for the Board and delegating appropriate authority and financial powers to management
- Ensuring effective systems are in place to uphold the integrity of information, internal controls, cyber security, business continuity, and risk management
- Overseeing the development and implementation of an ICT roadmap aligned with the Company's Strategy, and monitoring progress through the ICT dashboard
- Ensuring compliance with applicable laws, regulations, and ethical standards
- Considering the interests of all stakeholders in corporate decision-making
- Incorporating sustainable business practices and ESG risks and opportunities into the corporate strategy and decisions, including consideration of integrated reporting
- Establishing and promoting Company values and standards, including the adoption of appropriate accounting policies and adherence to financial regulations.
- Monitoring and evaluating the progress of strategy implementation, budgets, plans, and associated risks

FIT AND PROPER ASSESSMENT

ACL Plastics PLC places strong emphasis on upholding the highest standards of corporate governance and ethical leadership. As part of its commitment to regulatory compliance and good governance, the Company ensures that its Board of Directors meets the "Fit and Proper" criteria at all times.

In line with the requirements of Listing Rule No. 9.7.4 of the Colombo Stock Exchange (CSE), ACL Plastics PLC has obtained written declarations from all Directors, confirming their continued compliance with the fit and proper assessment criteria as outlined in Listing Rule No. 9.7.3. These declarations affirm that each Director possesses the integrity, competence, experience, and financial soundness necessary to discharge their fiduciary duties effectively.

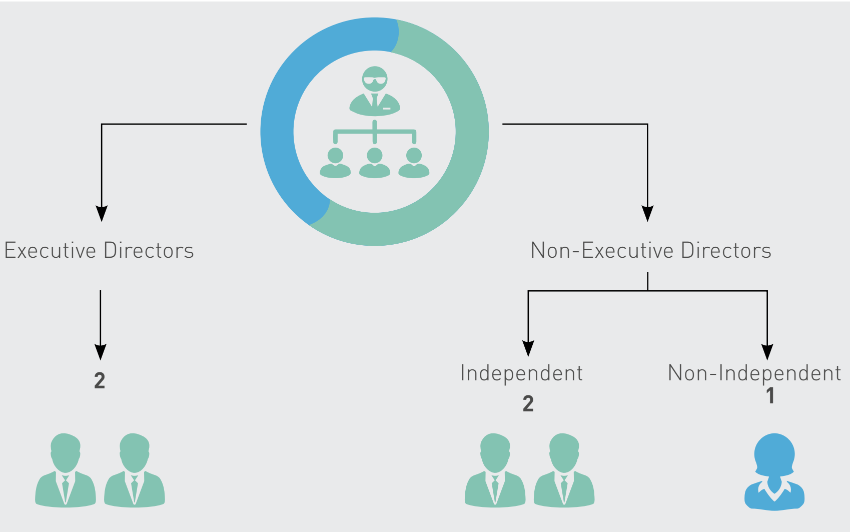
Furthermore, the fit and proper evaluation also adheres to the provisions stipulated in Schedule D of the Code of Best Practice on Corporate Governance, issued by the Institute of Chartered Accountants of Sri Lanka. This process ensures that the Company not only complies with regulatory requirements but also promotes sound ethical conduct and decision-making at the Board level. Through this structured assessment, ACL Plastics PLC reinforces its commitment to Board independence, accountability, and transparency, thereby safeguarding stakeholder confidence and maintaining long-term corporate value.

CORPORATE GOVERNANCE

THE BOARD COMPOSITION

ACL Plastics PLC is fully committed to maintaining a balanced and well-structured Board that upholds the principles of transparency, accountability, and effective oversight. The composition of the Board has been designed to ensure a mix of skills, experience, and independence in line with recognized governance standards.

The current composition of the Board complies with the provisions of Listing Rule No. 9.8.1 of the Colombo Stock Exchange (CSE) and Section A.5.1 of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka. As at the reporting date, the Board comprises five (05) Directors, of whom three (03) are Non-Executive Directors. Among these Non-Executive Directors, two (02) have been designated as Independent Non-Executive Directors.



The Chairman of the Board of Directors is not classified as an Independent Director, as he functions in an executive capacity and maintains familial ties with the Managing Director. Despite this, the Board of ACL Plastics PLC is structured to uphold a sound balance of independence and oversight. A majority of the Board members serve in a non-executive capacity, which reinforces the objectivity and integrity of Board deliberation and decision-making processes. This composition enables the Board to exercise effective oversight over management while ensuring that strategic and governance responsibilities are conducted in the best interests of all stakeholders.

The Board has formally determined that these two (02) Independent Non-Executive Directors meet the independence criteria set forth under Listing Rule No. 9.8.3 of the CSE and Section A.5.5 of the Corporate Governance Code issued by CA Sri Lanka. This determination is based on a robust evaluation of their professional background, financial and personal interests, and freedom from any business or other relationships that could materially interfere with the exercise of their independent judgment.

This composition ensures that the Board of ACL Plastics PLC benefits from a diversity of perspectives, fosters objective decision-making, and preserves a strong system of checks and balances in its governance processes. The names and profiles of the Directors are provided on pages 37 to 38 of the Annual Report.

THE BOARD DIVERSITY

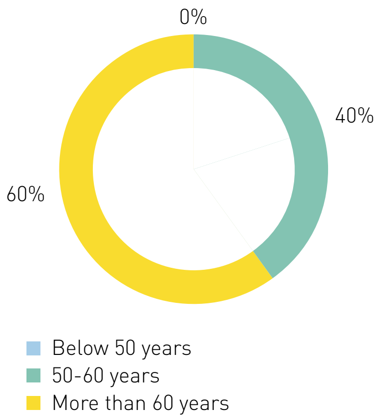
At ACL Plastics PLC, we firmly acknowledge the importance of diversity within the Boardroom and recognize its critical role in enhancing governance, strategic insight, and decision-making. The Company is committed to building and maintaining a Board that reflects a broad spectrum of skills, experiences, and perspectives, which align with the evolving needs of the business and its long-term vision.

ACL Plastics is fully aware that diversity encompassing demographic characteristics, professional and educational backgrounds, industry experience, gender, and socio-cultural perspectives enriches the Board's collective intelligence. A diverse Board strengthens engagement with the Company's broad stakeholder base, enables richer insights into emerging market trends, and provides stronger connectivity with the external environment. This ultimately enhances the Company's responsiveness to stakeholder expectations and social responsibilities.

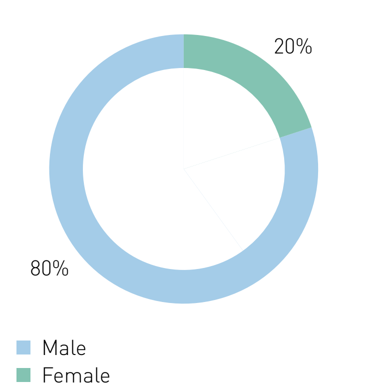
While striving for diversity, ACL Plastics PLC remains equally committed to upholding a strong culture of meritocracy. The Company believes that Board effectiveness must not be compromised in pursuit of diversity. Accordingly, all appointments to the Board are based on the candidates' qualifications, expertise, and alignment with the Company's values and strategic direction.

To this end, ACL Plastics actively seeks to attract and appoint suitably qualified individuals from varied demographics and professional backgrounds, ensuring a balanced and high- performing Board that supports sustainable value creation.

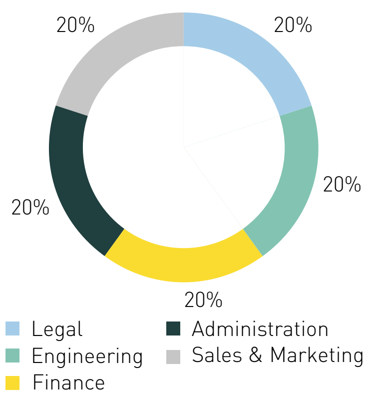
AGE DIVERSITY



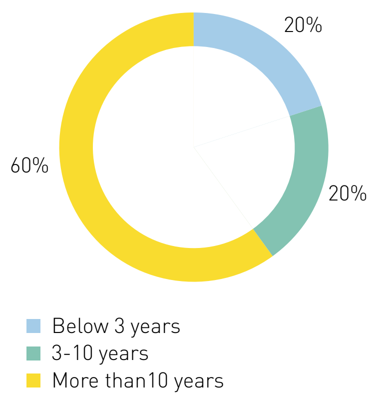
GENDER DIVERSITY



INDUSTRY EXPERTISE



TENURE OF DIRECTORSHIP



BOARD SKILLS

The Board comprises Directors with diverse and complementary skills, knowledge, and experience, which are vital for steering the Company toward its corporate objectives and creating long-term value. Further details of their qualifications and experience are provided under the Board Profiles section of the Annual Report.

BOARD ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

To preserve the independence of the Board and strengthen informed decision-making, Directors are encouraged to seek independent professional advice, where necessary and appropriate, in the discharge of their responsibilities, at the Company's expense. Access to such advice is facilitated by the Company, as and when required.

BOARD INDEPENDENCE

Board independence remains a critical element of strong corporate governance and is increasingly emphasized by regulators, investors, and governance bodies. ACL Plastics PLC acknowledges that true independence extends beyond formal definitions and requires practical, principle-driven implementation across its governance structure. In line with the Corporate Governance Best Practices 2023, particularly Principal A.1.2 and its supporting guidance, the Company ensures that independent decision-making is embedded within the Board through rigorous nomination processes, robust assurance mechanisms, and structured Board evaluations.

Independence is regularly assessed not just in form, but in substance, reinforcing a culture of objectivity and accountability.

ACL Plastics PLC fosters Independent Director-led engagement, empowering these Directors to contribute meaningfully to strategic discussions and governance oversight. The Company's governance practices include periodic performance reviews and active participation of Independent Directors across key committees, as encouraged under Best Practice Guideline A.5.5 of the Corporate Governance Code 2023 and Rule No. 9.19.4 of the Colombo Stock Exchange.

Through these measures, ACL Plastics PLC balances regulatory compliance with operational effectiveness, promoting independence that supports both stakeholder trust and sustainable corporate performance.

The independence of all Independent Non-Executive Directors was assessed in accordance with established criteria.

Criteria for Defining Independence	Status of Conformity of INED
None of the INEDs have shareholding carrying 10 per cent or more of voting rights	Compliant
None of the INEDs is the director of another company*	Compliant
None of the INEDs have income/non-cash benefits equivalent to 10 per cent of the Director's annual income, excluding income/non-cash benefits received, which are applicable on a uniform basis to all Non-Executive Directors on the Board.	Compliant
None of the INEDs have employment at ACL Plastics or a material business relationship with ACL Plastics currently or in the three years immediately preceding their appointment as Directors.	Compliant
None of the INEDs have a close family member who is a Director, CEO or Key Management Personnel.	Compliant
None of the INEDs have served on the Board continuously for a period exceeding nine years from the date of the first appointment.	Compliant
None of the INEDs are employed or have a material business relationship and/or significant shareholding in other companies*. Entails other companies that have significant shareholding in the COMPANY, and the Company has a business connection with	Compliant
None of the INEDs are above the age of seventy (70) years	Compliant

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

FINANCE ACUMEN

The Board of ACL Plastics PLC comprises professionals with extensive expertise in Corporate Finance, Financial Reporting, Auditing, Tax Planning, Treasury Operations, and Strategic Risk Oversight. This collective financial competence enables the Board to rigorously evaluate financial performance, ensure fiscal discipline, and contribute meaningfully to strategy formulation with a focus on long-term value creation and resilience.

BOARD MEETINGS

Board meetings at ACL Plastics are structured gatherings where key decisions are made, and strategic directions are discussed and reviewed. The Board meets on a quarterly basis as scheduled in advance, with additional meetings called as needed for specific purposes. These gatherings serve as platforms for deliberating a wide range of subjects relevant to business.

A hallmark of these meetings is the open exchange of perspectives among Directors, who contribute their wealth of experience and independent judgment to the discussions and decision-making process. Furthermore, the Group Chief Financial Officer is invited to participate in Board meetings as a permanent invitee.

DIRECTORS' ATTENDANCE RECORD

In compliance with Section A.10.1 of the Code of Best Practice on Corporate Governance 2023 the attendance of Directors at relevant meetings of the Board held during 2025/2026 was as follows.

Name of the Director	Type of Directorship	No. of Meetings
Mr. U.G. Madanayake	Executive Director	4/4
Mr. H.A.S. Madanayake	Executive Director	4/4
Mrs. N.C. Madanayake	Non-Executive Director	0/4
Mr. R.M.M.J. Ratnayake	Senior Independent Non-Executive Director	4/4
Mr. P.R. Somawansa	Independent Non-Executive Director	4/4

THE TOTAL NUMBER OF BOARD SEATS (EXCLUDING ACL PLASTICS PLC) HELD BY EACH DIRECTOR AS OF 31ST MARCH 2026

In compliance with Section A.10.1 of the Code of Best Practice on Corporate Governance 2023, which emphasizes the importance of transparency and accountability in the governance structure of a company, the total number of Board seats held by each Director excluding their directorship in ACL Plastics PLC is disclosed as follows.

Name of the Director	No. of Board seats – Listed Companies	
	Executive	Non-Executive
Mr. U.G. Madanayake	2	-
Mr. H.A.S. Madanayake	4	-
Mrs. N.C. Madanayake	-	2
Mr. R.M.M.J. Ratnayake	-	6
Mr. P.R. Somawansa	-	-

COMPANY SECRETARY

In line with the relevant guidelines in Schedule A, Code of Best Practice on Corporate Governance 2023, the Company Secretary plays an integral role in supporting the effective functioning of the Board and promoting high standards of corporate governance. Directors have unrestricted access to the advice and services of the Company Secretary.

The key responsibilities of the Company Secretary include:

- Assisting the Board in ensuring compliance with the Articles of Association, applicable laws, regulations, Listing Rules, and corporate governance requirements.
- Organizing and coordinating Board and Board Committee meetings and facilitating the timely circulation of agendas and relevant papers.
- Attending Board and Board Committee meetings and maintaining accurate records and minutes of proceedings and decisions.
- Keeping the Board informed of relevant legal, regulatory, and corporate governance developments.
- Facilitating effective communication between the Board, Board Committees, and Management.
- Assisting in the implementation of Board decisions and monitoring compliance with internal policies and procedures.

The Company Secretary acts as an advisor to the Board on governance matters and facilitates the effective discharge of the Board's responsibilities.

SENIOR INDEPENDENT DIRECTOR

Mr. Mohan Ratnayake continued to serve as the Senior Independent Director (SID) of ACL Plastics PLC during the financial year under review. The appointment of a SID is a key element in strengthening the Company's corporate governance framework, as it provides an additional layer of oversight and objectivity at the Board level. In accordance with Listing Rule 9.6.3 and Best Practice Guideline A.5.7 of the Corporate Governance Code 2023, the SID is entrusted with the responsibility of leading the evaluation of the performance of both the Board and its Chairman, thereby promoting a culture of accountability and continuous improvement.

Beyond this evaluative function, the SID also acts as a vital point of contact for shareholders and Directors, particularly in situations where it may be inappropriate or ineffective for concerns to be raised through the usual channels. By offering an independent avenue for dialogue and governance assurance, the SID contributes significantly to the enhancement of Board effectiveness and supports the principles of transparency, integrity, and sound decision-making. This role is integral to upholding stakeholder confidence and ensuring the long-term sustainability of the Company's governance practices.

RESPONSIBILITIES OF THE SENIOR INDEPENDENT DIRECTOR

- Convene meetings of Independent Directors at least once a year
- Report key observations and concerns from these meetings to the Chairman and the Board
- Lead the annual appraisal of the Chairman's performance
- Hold a casting vote during the Chairman's appraisal meeting
- Disclose the outcome of the Chairman's performance review in the Annual Report
- Be available to other Directors for confidential discussions when they have unresolved concerns
- Ensure that any unresolved concerns raised by Directors are documented in the Board minutes

NEW APPOINTMENT, RE-ELECTION, AND RESIGNATION OF DIRECTORS

There were no appointments, resignations, retirements, or other changes to the composition of the Board of Directors during the financial year 2025/26. The Board remained unchanged throughout the year, ensuring continuity in leadership, governance, and strategic oversight.

TRAINING FOR THE DIRECTORS

As per Section A.1.8 of the Code of Best Practice on Corporate Governance (2023), ACL Plastics PLC is committed to ensuring that all Directors are equipped with the knowledge and skills necessary to discharge their responsibilities effectively. Every Director undergoes a structured induction program upon appointment, providing a comprehensive understanding of the Company's operations, governance framework, and strategic priorities. The Company's policy further promotes continuous professional development by offering tailored training opportunities, aligned to the evolving needs and relevance of each Director's role, thereby fostering ongoing Board effectiveness and governance excellence.

DEDICATION OF ADEQUATE TIME AND EFFORT

Every Director dedicates adequate time and effort to matters of the Board and the Company. Adequate time is devoted at every meeting to ensuring that the Board's responsibilities are discharged satisfactorily. In addition, the Executive Directors of the Board have regular meetings with the Management when required.

ACCOUNTABILITY AND STATUTORY AUDIT

The Board is committed to upholding the highest standards of corporate accountability by ensuring a fair, balanced, and transparent presentation of the Company's financial position and future prospects. In discharging this responsibility, the Board ensures that the Quarterly and Annual Financial Statements are prepared and presented in full compliance with the Sri Lanka Accounting Standards and meet all statutory obligations under the Companies Act No. 7 of 2007, as amended by the Companies (Amendment) Act No. 12 of 2025.

A detailed account of the Company's performance, principal activities, and governance practices is included in the Report of the Directors, which can be found on pages 87 to 89 of this Annual Report. The Statement of Directors' Responsibilities for Financial Reporting, which outlines the Board's Accountability in preparing accurate and reliable financial statements, is disclosed on page 96, alongside the Independent Auditors' Report presented on page 97 to 99.

Furthermore, in accordance with sound governance and financial prudence, the Board has reviewed and affirmed the Company's ability to continue as a going concern. The Going Concern Declaration is explicitly addressed within the Report of the Directors on page 87 of this Annual Report, providing assurance to shareholders and stakeholders regarding the Company's ongoing viability.

INTERNAL CONTROLS

The Board of Directors of ACL Plastics PLC acknowledges its ultimate responsibility for establishing and maintaining a robust system of internal controls designed to protect shareholders' investments, safeguard Company assets, and ensure the integrity of financial and operational reporting.

In accordance with Section A.1.8 of the Code of Best Practice on Corporate Governance (2023), the Board ensures that its governance framework supports continuous Board effectiveness. This includes providing Directors with the necessary knowledge, training, and access to information to competently oversee internal control responsibilities.

The Company's internal control framework is structured to:

- Facilitate accurate and timely financial reporting.
- Promote compliance with applicable laws, regulations, and internal policies.
- Prevent and detect fraud and errors.
- Sound decision-making through reliable operational and management information.
- Maintain efficiency and effectiveness in operational processes.

The internal control system operates across all levels of the organization and is embedded into day-to-day business functions. It is periodically reviewed for adequacy and effectiveness by the Audit Committee, which plays a critical oversight role. The Committee is empowered to escalate any material deficiencies, significant operational anomalies, or emerging control concerns to the Board, as necessary.

While the system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, it provides a reasonable but not absolute level of assurance against material misstatements, financial loss, or operational disruptions.

RISK MANAGEMENT

ACL Plastics PLC recognizes that effective risk management is essential for safeguarding the Company's assets, protecting stakeholder interests, and ensuring the sustainable delivery of strategic and operational objectives. The Company adopts a structured, enterprise-wide approach to risk management, with oversight responsibilities formally delegated by the Board to the Audit Committee.

The Audit Committee is entrusted with identifying, evaluating, and continuously monitoring the Company's risk exposures, while also advising the Board on appropriate management strategies to mitigate or respond to these risks. This proactive oversight supports informed decision-making and enables the Company to anticipate, prepare for, and adapt to both existing and emerging risk factors.

A detailed assessment of key risks is presented in the Risk Management section of this Annual Report on page 42 to 52.

ACL Plastics PLC's risk management framework is aligned with its broader sustainability and corporate responsibility commitments The Company's approach to risk management is guided by the following core objectives:

- Delivering consistent and long-term value to customers
- Promoting environmentally sustainable and responsible product innovation
- Maintaining a safe, secure, and healthy workplace for all employees
- Preventing unexpected losses, operational breakdowns, and supply chain disruptions
- Optimizing the efficient use of finite resources and minimizing waste
- Mitigating environmental pollution and reducing the Company's ecological footprint
- Fostering responsible supplier relationships and ensuring continuity of critical inputs
- Building trust and goodwill within the communities in which the Company operates

In pursuit of these objectives, the Company continuously strengthens its risk identification and mitigation capabilities through quarterly risk assessments. The Company remains committed to enhancing its risk culture and embedding risk awareness at every level of the organization.

INTERNAL COMPLIANCE

A quarterly compliance review was conducted by the Group Risk and Control function to assess adherence to statutory and regulatory requirements, as well as to identify any material deviations from laws and internal policies. This process is an integral part of the Company's internal control framework and supports proactive risk mitigation.

To enhance transparency and oversight, a detailed compliance dashboard highlighting key findings, compliance status, and any exceptions was prepared and presented to the Audit Committee at its scheduled meetings. In addition, formal affirmation statements were obtained from the respective responsible officers, confirming their compliance with applicable laws, regulations, and internal policies. This approach reinforces accountability and supports the Company's ongoing commitment to regulatory integrity and governance excellence.

During the year under review, the Company continued to monitor compliance with the Companies Act No. 7 of 2007, as amended by the Companies (Amendment) Act No. 12 of 2025, together with other applicable laws and regulations. Appropriate procedures were maintained to ensure the upkeep of statutory records and the timely fulfilment of filing obligations. The Company also implemented processes to comply with the beneficial ownership requirements introduced by the Companies (Amendment) Act No. 12 of 2025, thereby further strengthening transparency and accountability within its governance framework.

BENEFICIAL OWNERSHIP COMPLIANCE

In accordance with the provisions of the Companies Act No. 7 of 2007, as amended by the Companies Act (Amendment) No. 12 of 2025, the Company has implemented appropriate procedures to comply with the beneficial ownership requirements introduced under the Act. A Register of Beneficial Owners is maintained in the prescribed manner, and the Group Head of Risk and Control has been appointed as the Authorized Person responsible for the safekeeping of the Register and for facilitating access to beneficial ownership information by the competent authorities and persons specified by law. The Company complied with the applicable filing and disclosure requirements relating to beneficial ownership information during the year under review.

SEGREGATION OF DUTIES (SOD)

ACL Plastics PLC is very much aware of the need to ensure that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages, in the context that increasing use of information technology and integrated financial controls creates unintended exposures within the Company. SOD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual can execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SOD conflict is unlikely, the Group continues to take steps to identify and evaluate existing conflicts and reduce residual risks to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

WHISTLE BLOWER POLICY

The Group has established a comprehensive whistle-blower policy in accordance with Section D.6.4 of the Code of Best Practice on Corporate Governance (2023). This policy provides an effective and secure mechanism for staff members and other stakeholders to disclose any concerns related to ethics, compliance, or other organizational matters. By ensuring that the process is both transparent and confidential, the policy encourages individuals to come forward with concerns without fear of exposure or retribution.

Under this policy, any person who discloses concerns in good faith is protected from retaliation or adverse consequences. This provision aligns with the principle outlined in D.6.4 of the Code, which emphasizes the importance of safeguarding whistle-blowers to promote ethical behaviour and transparency within the organization. Furthermore, the policy outlines a clear and structured reporting procedure, specifying the steps involved in submitting concerns and the process by which such reports will be handled.

The procedure ensures that all reports are treated with the highest level of confidentiality and are thorougly investigated in a fair and unbiased manner. This system not only complies with regulatory standards but also reinforces the Group's commitment to fostering an ethical corporate culture where transparency and accountability are prioritized. By adhering to these principles, the policy builds trust among employees and stakeholders, encouraging a culture where ethical concerns can be raised and addressed promptly and effectively.

BOARD SUB-COMMITTEES

The Board has delegated some of its functions to Board Sub-Committees, whilst retaining final decision rights. Members of these Sub-Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise. The four Board Sub-Committees are as follows:

i. Audit Committee

ii. Related Party Transactions Review Committee

iii. Remuneration Committee

iv. Nomination and Governance Committee

Sub-Committee	Composition of Committee	Areas of Oversight
Audit Committee	♦ Mr.Mohan Ratnayake - (INED) ♦ Mr. Rohan Somawansa - (INED) ♦ Mrs. N C Madanayake - (NED)	♦ Evaluating the integrity of financial statements and adequacy of internal controls ♦ Oversight of external audit processes, including appointment, independence, and performance of external auditors ♦ Oversight of internal audit functions and reviewing internal audit plans and findings ♦ Monitoring effectiveness of risk management systems and internal control frameworks ♦ Ensuring compliance with legal and regulatory requirements related to financial reporting
Related Party Transactions Review Committee	♦ Mr. Mohan Ratnayake - (INED) ♦ Mr. Rohan Somawansa - (INED) ♦ Mr. Suren Madanayake - (ED)	♦ Reviewing, monitoring, and approving transactions with related parties as defined under LKAS 24 and CSE Listing Rules ♦ Ensuring related party transactions are conducted on an arm's length basis and in the best interests of the Company. ♦ Disclosing related party transactions in accordance with regulatory requirements ♦ Advising the Board on necessary measures to mitigate conflicts of interest
Remuneration Committee	♦ Mr. Mohan Ratnayake - (INED) ♦ Mr. Rohan Somawansa - (INED) ♦ Mrs. N C Madanayake - (NED)	♦ Establishing and reviewing the remuneration policy for the Group, with particular focus on Key Management Personnel ♦ Setting goals, targets, and performance benchmarks for Key Management Personnel ♦ Reviewing and approving annual salary increments, bonuses, and long-term incentive schemes ♦ Ensuring remuneration structures promote long-term shareholder value and align with market best practices
Nomination and Governance Committee	♦ Mr. Mohan Ratnayake - (INED) ♦ Mr. Rohan Somawansa - (INED) ♦ Mrs. N C Madanayake - (NED)	♦ Identifying, evaluating, and recommending candidates for Board and senior management appointments ♦ Overseeing Board succession planning and ensuring an appropriate mix of skills, diversity, and independence ♦ Monitoring Board and Committee performance evaluations and recommend improvements. ♦ Reviewing and updating corporate governance policies to align with emerging best practices ♦ Ensuring continuous professional development and training for Directors

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has adopted a Code of Business Conduct and Ethics applicable to its Directors, Senior management & its employees, promoting integrity and ethical leadership. ACL Plastics PLC also aligns its governance practices with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and complies with the Listing Rules of the Colombo Stock Exchange.

LIST OF POLICIES ESTABLISHED AND MAINTAINED BY ACL PLASTICS PLC IN COMPLIANCE WITH CSE LISTING RULE NO. 9.2.1

In line with the Listing Rule No. 9.2.1 of the Colombo Stock Exchange (CSE) and in adherence to the principles outlined in the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), ACL Plastics PLC has adopted a comprehensive suite of governance policies. These policies serve as a cornerstone for the Company's commitment to integrity, accountability, and transparency in all aspects of its operations.

Each policy has been designed to reflect global and local governance standards and to guide the Board of Directors and management in upholding their fiduciary responsibilities. The implementation and periodic review of these policies ensure that the Company remains resilient, ethically driven, and aligned with the expectations of our stakeholders, regulators, and the capital markets.

(a) Policy on matters relating to the Board of Directors

(b) Policy on Board Committees

(c) Policy on Corporate Governance, Nominations and Re-election

(d) Policy on Remuneration

(e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities.

(f) Policy on Risk Management and Internal Controls

(g) Policy on Relations with Shareholders and Investors

(h) Policy on Environmental, Social and Governance Sustainability

(i) Policy on Control and Management of Company Assets and Shareholder Investments

(j) Policy on Corporate Disclosures

(k) Policy on Whistleblowing

(l) Policy on Anti-Bribery and Corruption

IT GOVERNANCE & CYBERSECURITY

In an era defined by rapid technological advancements and heightened digital interconnectivity, robust IT governance and effective cybersecurity frameworks have become foundational pillars for ensuring operational resilience, business continuity, and stakeholder confidence. At ACL Plastics PLC, we recognize that strategic oversight and prudent management of our information and technology assets are critical to enabling sustainable growth, value creation, and corporate integrity.

In alignment with Section G of the Code of Best Practice on Corporate Governance (2023) and the Listing Rules of the Colombo Stock Exchange, the Board of Directors retains ultimate accountability for the governance of information and technology. The Board oversees the establishment and continuous enhancement of an appropriate governance framework to ensure that technology initiatives support the Company's strategic objectives, investments in digital capabilities deliver measurable business value, and technology-related risks are effectively managed.

The Company adopts a structured approach to information technology governance, encompassing strategic planning, risk management, cybersecurity, business continuity, regulatory compliance, and performance monitoring. Through continuous oversight, policy enforcement, and adherence to recognized industry practices, ACL Plastics PLC remains committed to safeguarding its information assets and digital infrastructure while leveraging technology to drive operational excellence, innovation, and long-term stakeholder value.

CYBERSECURITY AND DATA PROTECTION

The Company recognizes the increasing sophistication and frequency of cyber threats and has adopted a proactive, risk-based approach to managing cybersecurity and information security risks across the organization. In line with Section D.3.4 of the Code of Best Practice on Corporate Governance (2023), the Company has implemented appropriate controls and processes to safeguard its information assets, technology infrastructure, and data, including those operating within its cloud environment. Key measures include:

- A defined Cybersecurity Policy that outlines roles, responsibilities, security controls, and incident response procedures.
- Implementation of layered security controls, including firewalls, encryption, multi-factor authentication, intrusion detection and prevention mechanisms, endpoint protection solutions, and access management protocols to protect information systems and data.
- Continuous monitoring of cyber risks and periodic risk assessments, supported by internal assurance activities and oversight by the Audit Committee.
- Adoption of cloud-based technologies supported by appropriate security controls, governance frameworks, and vendor management processes to enhance operational resilience, scalability, and business continuity.
- Regular review and management of user access rights and privileged accounts to ensure access to information systems is granted on a need-to-know basis and aligned with business responsibilities.
- Deployment and periodic testing of disaster recovery and business continuity plan to ensure organizational readiness and resilience against cyber incidents and operational disruptions.
- Ongoing employee awareness and training programs aimed at strengthening cybersecurity awareness and promoting a culture of information security across the organization.

The Company remains committed to maintaining the confidentiality, integrity, and availability of information assets and ensures compliance with the requirements of the Personal Data Protection Act No. 9 of 2022. Appropriate measures are in place to support the secure processing, storage, and protection of personal and sensitive information.

MONITORING, EVALUATION & REPORTING

In line with the best governance practices, the Company has implemented mechanisms for regular monitoring and evaluation of IT-related risks and controls. Key performance indicators (KPIs), audit findings, compliance reports, and risk analytics are reviewed by senior management and reported to the Board through the Audit Committee on a quarterly basis.

During the year under review, no material cybersecurity incidents were reported, and systems operated without significant disruption. The Company continues to invest in new technologies and control systems to remain resilient against evolving cyber threats.

ACL Plastics PLC remains committed to strengthening its IT governance environment in support of operational excellence, regulatory compliance, and long-term value creation for its stakeholders.

SUSTAINABILITY: ESG RISKS AND OPPORTUNITIES

At ACL Plastics PLC, sustainability is integral to our corporate strategy, governance framework, and value creation model. We are committed to identifying, managing, and disclosing Environmental, Social and Governance (ESG) risks and opportunities in alignment with Section H of the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka, and the Listing Rules of the Colombo Stock Exchange, and the requirements of SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures.

Further details relating to sustainability-related risks and opportunities are provided in the Natural Capital on pages 50 to 52.

GOVERNANCE AND OVERSIGHT

The Board of Directors has overall responsibility for overseeing sustainability-related matters and ensuring that sustainability considerations are integrated into the Company's strategy and risk management processes. The Audit Committee supports the Board through its oversight of sustainability-related risks, internal controls, and reporting processes, while Management is responsible for implementing sustainability initiatives and monitoring sustainability-related performance.

Sustainability-related risks and opportunities, including climate-related matters, are assessed and managed as part of the Company's enterprise risk management framework to support informed decision-making, long-term resilience, and sustainable value creation for stakeholders.

During the financial year 2025/26, the Company continued to enhance its sustainability reporting practices and has presented comparative sustainability-related information in accordance with the disclosure requirements of SLFRS S1 and SLFRS S2. This facilitates consistency and comparability of sustainability information across the Group and supports the reporting requirements applicable to the Parent Company, ACL Cables PLC.

CONTINUOUS IMPROVEMENT AND FUTURE COMMITMENTS

Recognizing that sustainability-related risks, opportunities, and stakeholder expectations continue to evolve, ACL Plastics PLC remains committed to the continuous enhancement of its ESG practices. Key focus areas include:

- Periodically reviewing and strengthening ESG policies, procedures, and governance mechanisms.
- Establishing measurable sustainability objectives and monitoring progress against defined targets.
- Enhancing employee awareness and capabilities through training and capacity-building programs on ESG-related matters.
- Identifying opportunities to improve resource efficiency, reduce environmental impacts and support sustainable growth.
- Strengthening sustainability-related disclosures and data management processes in line with evolving regulatory and reporting requirements, including SLFRS S1 and SLFRS S2.

By embedding ESG considerations into its business operations and decision-making processes, ACL Plastics PLC aims to enhance resilience, support innovation, and create sustainable value for shareholders and other stakeholders while contributing positively to society and the environment.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

ACL Plastics PLC remains dedicated to maintaining strong, transparent, and mutually beneficial relationships with all stakeholders. Guided by our core values and sound governance practices, we have implemented a structured stakeholder management approach that leverages multiple communication channels to address the specific interests of each stakeholder group.

INSTITUTIONAL AND OTHER INVESTORS

The Company acknowledges the important role of institutional investors in promoting good corporate governance. All shareholders are invited to actively participate in the Annual General Meeting (AGM), which serves as a key forum for dialogue, the presentation of financial results, and constructive feedback. Through these efforts, the Company continues to foster transparency, accountability, and stakeholder confidence.

CORPORATE GOVERNANCE CHECKLIST

Statement of Compliance to the Companies Act No. 7 of 2007 as amended by the Companies (Amendment) Act No. 12 of 2025.

Mandatory Provisions - Fully Compliant

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

Statement of Compliance Under Section 07 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure.

Mandatory Provisions - Fully Compliant

Rule	Requirement	Compliance Status	Reference within the Report
7.5. a (i)	The Annual Report shall comply with applicable regulatory requirements and include audited Financial Statements prepared in accordance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards, together with disclosures prepared in accordance with Sri Lanka Sustainability Disclosure Standards.	Yes	Independent Auditors Reports
7.6 (i)	Names of the Directors of the Entity with profiles	Yes	Board of Directors
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Yes	Group Structure
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Yes	Information to Shareholders
7.6 (iv)	The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Yes	Information to Shareholders
7.6 (v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Yes	Report of the Directors
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity	Yes	Risk Management
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Yes	Human Capital
7.6 (viii)	Extents, locations, valuations, and the number of buildings of the Entity's land holdings and investment properties	Yes	Notes to the Financial Statements

Rule	Requirement	Compliance Status	Reference within the Report
7.6 (ix)	Number of shares representing the Entity's stated capital	Yes	Notes to the Financial Statements
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	Information to Shareholders
7.6 (xi)	Financial ratios and market price information	Yes	Information to Shareholders
7.6 (xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Yes	Notes to the Financial Statements
7.6 (xiii)	Details of funds raised through a public issue, rights issue, and a private placement during the year	Not Applicable	The Company had no public issue, rights issue or private placement during the year under review
7.6 (xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	Not Applicable	The Company had no share option/purchase schemes made available during the year under review
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the rule.	Yes	Corporate Governance
7.6 (xvi)	Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower	Yes	Notes to the Financial Statements

Statement of Compliance Under Section 09 of the Listing Rules of The Colombo Stock Exchange (CSE) on Corporate Governance

Mandatory Provisions - Fully-Compliant

Rule	Requirement	Compliance Status	Details
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	Yes	Chairman's Statement on Corporate Governance
9.2.1	Listed entities shall establish and maintain the following policies and disclose the existence of such policies together with the details relating to the implementation of such policies by the entity on its 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	Yes	All required policies have been available in the Company website.

Rule	Requirement	Compliance Status	Details
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	Not Applicable	Company will be on alert regarding such events and will be disclosed when required.
9.2.3	(i) List of policies in place as per Rule 9.2.1, with reference to website (ii) Any changes to policies adopted.	Yes	Corporate Governance
9.2.4	Listed entities shall make available all such policies to shareholders upon a written request being made for any such policy	Yes	Policies will be available to shareholders upon written request.
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 (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Yes	The Company has established all the mandatory sub committees.
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.	Yes	Please refer to the Board sub committees Report in this report and sections 9.10, 9.11, 9.12, 9.13 & 9.14 below.
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	Yes	The Chairman of the Board does not act as chairman of any committee.
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. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (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	Yes	The Company Secretary maintains records of the said information and the Company shall provide copies of the same at the request of the CSE & SEC.
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 (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	Yes	Policies on relations with shareholders and investors are available. The management have taken steps to publish the Company policy on effective communication and relations with shareholders on the website. For the contact person for such communication please refer inner back cover.

Rule	Requirement	Compliance Status	Details
9.5.1	Listed entities must establish and maintain a formal policy for their Board of Directors	Yes	The Company maintains a formal policy in this regard covering the areas specified in Section 9.5.1 under the policies on the matters relations to Board of Directors.
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.	Yes	The entity confirms the compliance of Section 9.5.1 in the Annual Report for the year ended 31 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.	Yes	The Chairman of the Company is a Executive Director and a SID has been appointed. Please refer to the SID Report.
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance.	Not Applicable	The Company complied with the Rule 9.6.1
9.6.3 & 9.6.4	The requirement for a SID and the rationale	Yes	An SID has been appointed. Please refer to the SID Report.
9.7.1, 9.7.3 & 9.7.4	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 utilize the "Fit and Proper Assessment Criteria"	Yes	The Company obtains declarations from Directors on an annual basis confirming that each of them have continuously satisfied the fit and proper assessment criteria as per the Rule.
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.	Yes	Nominations and Governance Committee has been established
9.7.5	(a) A statement that the Directors and CEO of the Entity satisfy the Fit and proper assessment criteria stipulated in the CSE (b) Any non-compliance and remedial actions taken by the Entity	Yes	Fit and proper assessment section under Corporate Governance.
9.8.1	The Board of Directors of a listed entity shall, at a minimum, consist of five (05) Directors	Yes	The Board consists of Five (05) Directors as of 31st March 2026.
9.8.2	Minimum Number of Independent Directors	Yes	The Board consists of Two (02) Independent Non-Executive Directors.

Rule	Requirement	Compliance Status	Details
9.8.3 & 9.8.5	The Board of Directors of listed entities shall require: (a) Each Independent Director to annually submit a signed and dated declaration of their "independence" or "non-independence" (b) Annually assess the "independence" or "non-independence "of each Independent Director based on their declaration and other available information (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.	Yes	Please refer the Directors' Independence
9.9	Requirements to be complied in relation to the Alternative Director	Not Applicable	
9.10.1	Policy on the maximum number of directorships its Board members shall be permitted to hold.	Yes	Policy disclosed in the Code of Business Conduct and Ethics section of the Annual 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	Yes	No new Directors were appointed to the Board during the financial year.
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.	Yes	There were no changes to the composition of the Board Committees during the financial year.
9.10.4	Listed entities shall also disclose the following in relation to the Directors in the Annual Report: (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Entity; (d) whether Executive, Non-Executive and/or Independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel; (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID	Yes	Please refer the Directors' profiles, Committee Meeting Reports, Committee meeting attendance and SID Report
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.	Yes	Please refer the Report of the Nomination and Governance Committee

Rule	Requirement	Compliance Status	Details
9.11.2	Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Yes	The policy of the Board of Directors will stipulate such requirements
9.11.3	The Nominations and Governance Committee shall have written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings.	Yes	Please refer the Report of the Nomination and Governance Committee
9.11.4	Composition of the Committee complied with as per Section 9.11.4 the committee. 1 The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) It should not comprise of Executive Directors of the Entity. 2 An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. 3 The Chairperson and the members of the Nominations and the Governance Committee shall be identified in the Annual Report of the Entity.	Yes	Please refer the Report of the Nomination and Governance Committee
9.11.5	Functions of the Nomination and Governance Committee	Yes	Please refer the Report of the Nomination and Governance Committee
9.11.6	Disclosures in Annual Report	Yes	Please refer the Report of the Nomination and Governance Committee
9.12	Remuneration Committee	Yes	Please refer the Report of the Remuneration Committee
9.12.2	Listed entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules	Yes	Please refer the Report of the Remuneration Committee
9.12.3	Procedure for setting Executive Directors' remuneration	Yes	Formal procedure in place via the Remuneration Committee
9.12.4	Remuneration for Non-Executive Directors	Yes	Remuneration policy ensures independence and equity among Non-Executive Directors
9.12.5	Remuneration Committee shall have a written Terms of Reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Terms of Reference approved and available for reference
9.12.6	Composition of the Remuneration Committee 1 The members of the Remuneration Committee shall; (a) comprise a minimum of three (03) Directors of the Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprised of Executive Directors of the Listed Entity. 2 An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Yes	Please refer the Report of the Remuneration Committee

Rule	Requirement	Compliance Status	Details
9.12.7	Functions 1 The Remuneration Committee shall recommend the Report on remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. 2 The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	Yes	Please refer the Report of the Remuneration Committee
9.12.8	Disclosure in Annual Report The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company); (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors	Yes	Please refer the Remuneration Committee Report
9.13	Audit Committee	Yes	Please refer the Audit Committee Report
9.13.1	Where Listed entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Yes	Please refer the Audit Committee Report
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Yes	Please refer the Audit Committee Report
9.13.3	Composition 1 The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Entity. 2 The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. 3 The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. 4 An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. 5 Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. 6 The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.	Yes	Please refer the Audit Committee Report and Directors' Profiles
9.13.4	Functions of the Audit Committee	Yes	Please refer the Audit Committee Report

Rule	Requirement	Compliance Status	Details
9.13.5	Disclosures in Annual Report	Yes	Please refer the Report of the Audit Committee
9.14	Board Related Party Transactions Review Committee	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.14.1	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	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.14.2	The Related Party Transactions Review Committee (RPT) shall comprise a minimum of three (03) Directors of the Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Entity. An Independent Director shall be appointed as the Chairperson of the Committee	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.14.3	Functions of the Related Party Transactions Review Committee	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.14.4	Compliance for the general requirements set out in the rule	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.14.5	Rule of Reviewing of Related Party Transactions by the Related Party Transactions Review Committee	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.14.6	Shareholder Approval for the transactions as specified by the Rules 9.14.6.(1) - 9.14.6.(3) - 9.14.9	Yes	No transactions occurred as specified in Sections 9.14.6, 9.14.9
9.14.7	Disclosures	Yes	Entity has been made relevant disclosures as required by the section.
9.14.8	Disclosures in Annual Report	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.17 (i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved	Yes	Report of the Directors
9.17 (ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Corporate Governance Note
9.17 (iii)	Directors are aware of laws, rules and regulations and their changes particularly to listing rules and applicable capital market provisions	Yes	Report of the Directors
9.17 (iv)	Disclosure of material non-compliance with laws/regulations and fines by relevant authorities where the entity operates	Not Applicable	Corporate Governance

Compliance with the Code of Best Practice on Corporate Governance Issued by the Institute of The Chartered Accountants (CA Sri Lanka In 2023)

Voluntarily provisions

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.1	**An Effective Board should direct, lead and control the company**		
A.1.1	The board should meet regularly. Board meetings should be held at least once in every quarter of a financial year	Yes	The Board generally meets on quarterly basis. Accordingly, 4 Board Meetings were scheduled annually to determine the Company's strategic direction, review the Company's operational and financial performances and to provide insight. Apart from taking decisions at Board meetings, the Board also takes decisions via circular resolutions which are required to be signed by all the Directors. The attendance at Board meetings held during the financial year is set out on Board and subcommittee meeting attendance.
A.1.2	Role and Responsibilities of the Board	Yes	Role and responsibilities of the Board is set out in the Board of Directors section.
A.1.3	The board collectively, and directors individually, must act in accordance with the laws of the country. Independent professional advice	Yes	The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are applicable to the business enterprise. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations. A procedure has been established for Directors to seek independent professional advice from external parties when necessary at the expense of the Company. There were instances during the financial year under review that Board members sought such advice which were attended to by the Company.
A.1.4	Access to advise and services of the Company Secretary	Yes	The Directors have access to the advice and services of the Board Secretary. The Board Secretary ensures that Board procedures, relevant statutory obligations and other applicable rules and regulations are complied with. The Board Secretary had provided the Board with support and advice relating to Corporate Governance matters, Board procedures, and applicable rules and regulations during the financial year. The Board Secretary ensures that the Board members are provided with timely and accurate information to fulfill their duties. The appointment and removal of the Board Secretary is a decision taken by the Board as a whole.
A.1.5	All directors should bring independent judgment to bear, in discharging their duties and responsibilities.	Yes	The Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct. Non-Executive Directors are responsible for bringing independent and objective judgment and scrutinizing the recommendations/proposals made by the corporate management led by the Managing Director on issues of strategy, performance, resource utilization and business conduct.
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	Yes	The members of the Board dedicate adequate time and effort to fulfill their duties and responsibilities as Directors of the Company. In addition to attending Board meetings, they have attended Sub-Committee meetings and have also contributed to decision making through circular resolutions where necessary. The composition of Board Sub-Committees and meeting attendance are mentioned under Board and Sub-Committee meeting attendance.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.1.7	Calls for resolutions by at least 1/3rd of Directors	Yes	Any Director can call for a resolution to be presented to the Board if deemed necessary.
A.1.8	Board induction and training	Yes	The Board recognizes the need for continuous training and expansion of knowledge and undertakes such professional development as they consider necessary in assisting them to carry out their duties as Directors. Directors are therefore encouraged to participate in continuous professional and self-development activities. In addition, an induction programme is in place for newly appointed Directors to familiarize them with the Company's business operation and internal control system.
A.2	Chairman and CEO	Yes	There should be a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decisions. The roles of the Chairman and Managing Director are segregated. The Chairman's main responsibility is to lead, direct and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director is responsible for the day-to-day operations of the Company and the Group.
A.3	Chairman's role in preserving good corporate governance	Yes	The Chairman should lead and manage the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully, and preserves order, and facilitates the effective discharge of the Board function. The Chairman chairs the Board and facilitates the effective discharge of Board proceedings. All the Directors are encouraged to participate in decision making and their views are obtained to ensure that the Board functions in an efficient manner which is beneficial to the stakeholders and the Company. The role of the Managing Director is mentioned in the Role of the Chairman and MD.
A.4	Availability of financial acumen	Yes	The Board should ensure the availability within those with sufficient financial acumen and knowledge to offer guidance on matters of finance. The Board is equipped with members having sufficient financial acumen and knowledge. Directors' qualification and experience are set out in the Board of Directors.
A.5	Board Balance	Yes	There should be a balance of Executive and Non-Executive Directors so that no individual or small group of individuals can dominate the Board's decision-making. The Board comprises of 02 Executive Directors and 03 Non-Executive Directors. Each of them brings vast experience and the ability to exercise independence and judgment when taking informed decisions.
A.5.1	The Board should include sufficient number of NEDs	Yes	The Board consists of the majority of NEDs where 3 are NEDs out of 5.
A.5.2	If the Board includes only 3 NEDs, they should be independent	Not Applicable	

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.5.3	Independence of Directors	Yes	Independent Directors are independent of management and free of business dealings that may be perceived to materially interfere with the exercise of their unfettered and independent judgment.
A.5.4	Annual declaration of independence by Directors	Yes	Independent Directors have submitted written declarations of their independence as required by Schedule C of the Code and Section 9.8.5 (a) of the Listing Rules.
A.5.5	Annual determination of independence of NEDs	Yes	The Board considers Non-Executive Directors' independence on an annual basis and concludes for the financial year that each of them continues to be free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
A.5.6	Alternate Directors	Not Applicable	
A.5.7 & A.5.8	Senior Independent Director (SID)	Yes	A Senior Independent Director (SID) has been appointed by the Board as the Chairman and the Managing Director are close family members and Chairman being an Executive Director.
A.5.9	The chairman should hold meetings with the non-executive directors	Yes	Periodic meetings held without Executive Directors present.
A.5.10	Recording of dissent in minutes	Yes	All concerns raised by the Directors on matters of the Company and wished to be recorded have been duly recorded in the Board minutes with sufficient details.
A.6	Supply of Information	Yes	Management should provide time-bound information in a form and of quality appropriate to enable the Board to discharge its duties. Financial and non-financial information are analyzed and presented to the Board to make informed and accurate decisions.
A.7	Appointments to the Board and Re-election	Yes	A formal and transparent procedure should be followed for the appointment of new Directors to the Board. The Board assesses the suitability of the prospective nominees to the Board and approves the persons as "fit and proper" to serve as a member of the Board.
A.7.1	Nomination Committee and composition	Yes	Refer to Nomination Committee Report.
A.7.2	Annual assessment of Board composition	Yes	An assessment is made of the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company when considering new appointments to the Board.
A.7.3	A succession plan for the Chief Executive Officer and all key management	Yes	A formal succession plan is in place and reviewed regularly.
A.7.4	Disclosures on appointment of new directors	Yes	Details of Directors are disclosed to the shareholders at the time of their appointment by way of public announcements to the Colombo Stock Exchange as well as in the Annual Report, along with a brief resume of the Director.
A.7.5.	Nomination Committee Report	Yes	Refer to Nomination Committee Report.
A.8	Directors to submit themselves for re-election	Yes	All Directors should submit themselves for re-election at regular intervals and at least once in every three years, and all Non-Executive Directors should be appointed for a specific term and subject to re-election.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.8.2	All directors should be subject to election by shareholders at the first opportunity after their appointment	Yes	All Directors are elected at the first opportunity and re-elected every three years in accordance with the Articles of Association.
A.9	Appraisal of Board and Sub-Committee Performances	Yes	The Board should periodically appraise its own performance against the pre-set targets to ensure that the Board responsibilities are satisfactorily discharged. The Board carries out an evaluation of its performance in the discharge of its key responsibilities. Each member of the Board and Board Sub-Committees carried out a self-assessment of his own effectiveness as an individual as well as effectiveness of the Board as a team.
A.10	Annual Report to disclose specified information regarding Directors	Yes	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders and disclosed under the Board of Directors.
A.11	Appraisal of the CEO	Yes	The Board of Directors should at least annually assess the performance of the Chief Executive Officer. At the commencement of each financial year, the Board, in consultation with the Managing Director sets financial and non-financial goals based on the short, medium and long-term objectives of the Company. The annual appraisal of the Managing Director is carried out by the Board at pre-agreed performance targets at the end of each financial year.
B.	**Directors' Remuneration**		
B.1	Establish process for developing policy on executive and director remuneration.	Yes	The Remuneration Committee makes recommendations to the Board regarding a remuneration policy for the Executive Directors and the corporate management team that is consistent with the objectives of the Company.
B.2	Level and Make Up of Remuneration	Yes	The Board makes assessments on the fact that the remuneration of Executive and the Non-Executive Directors reflects the market expectations and is sufficient to attract and retain the quality of Directors needed run the Company. The remuneration package of the Managing Director is structured to link rewards to corporate and individual performance, ensuring there is strong alignment between the short-term and long-term interests of the Company.
B.2.2	Remuneration committee and composition	Yes	The "Report of the Remuneration Committee" which covers all areas of this Section.
B.2.6	Position levels of remuneration of the company	Yes	The "Report of the Remuneration Committee" which covers all areas of this Section.
B.3	Disclosures related to remuneration in Annual Report ♦ Remuneration Policy statement ♦ Aggregate Board remuneration paid ♦ HRRC report	Yes	The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole. Remuneration Policy is disclosed in the Report of the Remuneration Committee. The total remuneration paid to the Directors is disclosed in Notes to the Financial Statements.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
C.	**Relations with Shareholders**		
C.1	Constructive use of the AGM and Other General Meetings	Yes	The Notice of the Annual General Meeting and the relevant documents are published and dispatched to the shareholders 15 working days prior to the meeting as required by Section 135(1) of the Companies Act No. 7 of 2007. The Company proposes a separate resolution for each item of business at the Annual General Meeting giving shareholders the opportunity to vote on each issue separately.
C.2	Communication with shareholders	Yes	The Company disseminates information pertaining to the performance of the Company through the publication of the Interim Financial Statements and the Annual Report in a timely manner. Information is provided to the shareholders prior to the Annual General Meeting to give them an opportunity to raise any issues relating to the business of ACL Plastics PLC, either verbally or in writing prior to the Annual General Meeting. Immediate announcements are also made to the Colombo Stock Exchange on any information which is considered price sensitive. The Company Secretary could be contacted in relation to any shareholder matter.
C.3	Disclosure of major and material transactions	Yes	The Directors ensure that any transaction that would materially affect the net asset base of the Company or Group is communicated to the shareholders and required approvals are obtained in accordance with the Statutes. There were no major or material transactions during the year, which materially affected the net asset base of the Company.
D.	**Accountability and Audit**		
D. 1	Present a balanced and understandable assessment of the Company's financial position, performance, and prospects	Yes	ACL Plastics PLC has reported a true and fair view of its financial position and performance for the year ended 31st March 2026 and at the end of each quarter of the 2025/26 financial year. The Board ensures that the quarterly and annual Financial Statements of the Company and Group are prepared and published in compliance with the requirements of the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards (LKASs and SLFRSs) and the Rules of the Colombo Stock Exchange. The responsibility statement of the Managing Director and CFO has been set out declaring that the financial records of the Company have been properly maintained and are following relevant accounting standards and that the system of risk management and internal control operates effectively.
D.1.1	Balanced Annual Report	Yes	
D.1.2	Balanced and understandable communication	Yes	
D.1.3	CEO/CFO declaration	Yes	
D.1.4	Directors' Report declarations	Yes	The "Report of the Board of Directors" which covers all areas of this Section.
D.1.5	Financial reporting -statement on board responsibilities Statement on internal control	Yes	The declarations required to be made by the Board are given in the Annual Report of the Board of Directors. "Statement of Directors' Responsibilities in relation to Annual Financial Statements" in preparation of the Financial Statements and the "Independent Auditors' Report"
D.1.6	Management Discussion & Analysis	Yes	A Management Discussion and Analysis.
D.1.7	Net Assets < 50%	Not Applicable	In the unlikely event of the net assets of the Company falling below 50% of Shareholders' Funds the Board will summon an Extraordinary General Meeting (EGM) to notify the shareholders of the position and to explain the remedial action being taken. Likelihood of such an occurrence is remote.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
D.1.8	Related Party Transactions	Yes	The Directors have instituted an effective and comprehensive system of Internal Controls for identifying, recording and disclosure of related party transactions. Steps have been taken by the Board to avoid any conflict of interest that may arise, in transacting with related parties. Further, the Board ensures that no related party benefits from favourable treatment. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated parties. Related Party Transactions Review Committee was established by the Board in accordance with the guidelines of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka. Related Party Transactions Review policy and procedures are discussed in the Related Party Transactions Review Committee report. All related party transactions as defined in Sri Lanka Accounting Standard-24 (LKAS 24) on "Related Party Transactions" are disclosed in Notes to the Financial Statements.
D.2	Process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets Report of the Audit and Risk Committee Directors' Statement of Internal Control	Yes	The Board is responsible for establishing a sound framework of risk management and internal control and monitoring its effectiveness on a continuous basis. Through such an effective framework, ACL Plastics PLC manages business risks and ensures that the financial information on which business decisions are made and published is reliable and ensures that the Company's assets are safeguarded against unauthorized use or disposition. The Board has appointed a Audit Committee composed of Independent Non-Executive Directors. The Audit Committee on quarterly basis reviews the Risk Register of the Company and the Group in the context of likelihood and their impact to the Group along with the effectiveness of the system of internal controls to address them to a satisfactory level. Strategies adopted by the Company to manage its risk are set out in the risk management report.
D.3	Audit Committee	Yes	Refer to Audit Committee Report
D.5	Related Party Transactions Review Committee	Yes	Refer to RPT Committee Report

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
D.6	Code of Business Conduct and Ethics	Yes	The Company has adopted a Code of Business Conduct and Ethics and the Directors are committed to the Code and the principles contained therein. A set of guidelines for ethical behaviour has also been compiled to assist employees to act responsibly and to make the correct decisions in their day-to-day work. The Code of Conduct explains the principles for dealing with business associates, general partners, colleagues, and the community in which the Company operates. The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the Code. The Board is not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any corporate management member of the Company.
D.7	Corporate Governance Disclosures	Yes	This requirement is met through the presentation of this report.
E/F	Institutional and other investors	Yes	The Company is committed to maintaining good communications with investors. The Chairman conducts a structured dialogue with the shareholders based on the mutual understanding of objectives and ensures that the views of the shareholders are communicated to the Board as a whole. The Annual General Meeting is used to have an effective dialogue with the shareholders on matters which are relevant and concerned to the general membership. The Managing Director has regular discussions with key institutional shareholders to share highlights of the Company's performance and with the view to obtaining constructive feedback. The feedback obtained from institutional shareholders is communicated to the entire Board by the Managing Director. Individual shareholders are encouraged to carry out adequate analysis and seek independent advice prior to investing or divesting directly in shares of the Company. All shareholders are encouraged to participate at meetings of the Company and a Form of Proxy accompanies each Notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.
G	Internet Of Things and Cybersecurity		Refer to IT Governance and Cybersecurity section.
H	Sustainability: ESG Risk and Opportunities		Refer to ESG risk and opportunities governance section and Risk Management note
I	Special Considerations for Listed Entities ♦ Policies ♦ Discloses In Its Annual Report		Refer to IT Code of Business Conduct and Ethics section.

DIRECTORS' STATEMENT ON INTERNAL CONTROL

REQUIREMENT

In accordance with Section D.2.1.2 of the Code of Best Practice on Corporate Governance (2023) jointly issued by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka, and in line with Rule 9.13.5.b of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of ACL Plastics PLC presents this statement on the internal control framework of the Company for the financial year 2025/26.

RESPONSIBILITY

The Board of Directors acknowledges its ultimate responsibility for establishing and maintaining an effective system of internal controls covering financial, operational, and compliance controls as well as risk management. These controls are designed to safeguard shareholders' investments, protect the Company's assets, and ensure the integrity and reliability of financial reporting. The Board has entrusted the Audit Committee with the task of reviewing the adequacy, effectiveness, and integrity of this internal control system to report on any significant findings or concerns, thereby ensuring that these controls are consistently monitored, tested, and improved where necessary.

INTERNAL CONTROL PROCESS

The system of internal control in place at ACL Plastics PLC and its subsidiaries is structured to provide reasonable, though not absolute, assurance that the Company's business objectives will be achieved. It takes into account the dynamic business environment, evolving risks, and regulatory obligations. The Audit Committee oversees the effectiveness of this system through a structured review process, which includes:

- Periodic reviews of the design and operation of internal controls at both Company and Group level;
- Annual independent discussions with the internal and external auditors to assess the adequacy of control procedures, financial reporting integrity, and any reported irregularities or weaknesses;
- Review of the Group-wide risk matrix at each Audit Committee meeting, covering identification, evaluation, mitigation, and monitoring of risks across strategic, operational, financial, and compliance domains;
- Evaluation of the risk register, prepared by management and maintained at subsidiary and Company levels, where key risks are rated based on likelihood and impact and are accompanied by mitigation actions and responsible parties;
- Dialogues with the Managing Director and senior management to obtain clarity on critical control measures, evolving risks, and the effectiveness of the Company's risk response strategies.

The risk register, along with observations and recommendations by the Audit Committee, is presented to the Board of Directors for further deliberation. These discussions ensure that appropriate governance structures and internal control mechanisms are in place to address key risk exposures, and that disclosures in the financial statements are accurate and meaningful to stakeholders. The Audit Committee also reviews the cyber security framework, business continuity planning, and control over financial reporting processes to mitigate emerging risks arising from the increasing reliance on digital systems and interconnectivity.

COMPLIANCE AND ASSURANCE

The internal control system is further reinforced through adherence to applicable Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, as amended by the Companies (Amendment) Act No. 12 of 2025, Listing Rules of the Colombo Stock Exchange, and other relevant statutory and regulatory frameworks. Regular audits and internal control testing, conducted by both internal and external auditors, support the Company's efforts to maintain a strong compliance culture.

Where areas for improvement were identified during the year, the necessary corrective measures were promptly implemented, and no significant deficiencies or material weaknesses that could have an adverse impact on the reliability of financial reporting or safeguarding of assets were reported.

STATEMENT OF CONFIRMATION

Based on the evaluations carried out throughout the year and recommendations received from the Audit Committee, the Board of Directors of ACL Plastics PLC confirms that the internal control system as implemented during the financial year 2025/26 was effective and adequate to provide reasonable assurance regarding:

- The reliability of financial reporting;
- The safeguarding of assets;
- The prevention and detection of fraud and errors;
- Compliance with applicable laws and regulations; and
- The sound management of operational and strategic risks.

The Board remains committed to the continuous enhancement of the internal control framework in response to the changing business landscape and stakeholder expectations.

By order of the Board,

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

21st August 2026

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SENIOR INDEPENDENT DIRECTOR'S STATEMENT

In accordance with the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka and CSE Listing Rule No. 9.6.3, ACL Plastics PLC has appointed a Senior Independent Director (SID) to uphold the highest standards of corporate governance. This appointment is particularly relevant given that the Chairman, Mr. U.G. Madanayake, serves in an executive capacity and is a close family member of the Managing Director, Mr. H.A.S. Madanayake.

The role of the SID is integral to ensuring robust governance oversight. While the Chairman provides leadership in implementing corporate governance best practices, the SID independently reviews the Board's effectiveness, operational performance, and the Chairman's contributions. This dual structure reinforces transparency and accountability in governance matters, aligning with both regulatory requirements and stakeholder expectations.

At ACL Plastics PLC, we are deeply committed to the principles of good governance. Our approach combines strict compliance with mandatory regulations and voluntary adoption of additional best practices, fostering stakeholder trust and long-term value creation.

As the Senior Independent Director, I engage with the Chairman on governance-related matters as needed and remain available to all Directors for confidential discussions regarding the Company's affairs. This ensures an open channel for addressing any concerns while maintaining the integrity of our governance framework.

(Sgd.)
Mr. Mohan Ratnayake
Senior Independent Director
ACL Plastics PLC

21st August 2026

SUSTAINABLE WEALTH CREATION

ACL Plastics PLC's strategic plan is based on our overarching vision, purpose, and values. The corporation is acutely aware of its actions, which are in line with the goal of increasing long-term value for shareholders while serving the demands of all stakeholders.

SUSTAINABLE WEALTH CREATION

ACTIONS

FINANCIAL MANAGEMENT
- Maximise the shareholders' return
- Minimise the cost of production
- Minimise the financial risk

HUMAN RESOURCE MANAGEMENT
- Acquiring the proper talent
- Developing talents
- Minimise the labour turnover

RELATIONSHIP MANAGEMENT
- Strong long-term relationship built on mutual trust
- Engagement with communities

RISK MANAGEMENT
- Proactive steps against adverse macroeconomic variables
- Technological diversification

CORPORATE GOVERNANCE
- Effective checks and balances

ENVIRONMENT MANAGEMENT
- Effectively manage the natural resources

FINANCIAL CAPITAL | HUMAN CAPITAL | SOCIAL AND RELATIONSHIP CAPITAL | RISK MANAGEMENT | CORPORATE GOVERNANCE | NATURAL CAPITAL

VISION

TO BUILD
- Recognized and trusted Organization consistently produces high-quality performance polymers

BY MEETING
- Customer expectations and international quality standards

CARES FOR
- People and
- Planet

FINANCIAL INFORMATION

FINANCIAL CALENDAR (2025/26)

01st Quarter Interim Financial Statements (30th June 2025) - Unaudited	–	13th August 2025
02nd Quarter Interim Financial Statements (30th September 2025 – Unaudited)	–	13th November 2025
03rd Quarter Interim Financial Statements (31st December 2025 – Unaudited)	–	13th February 2026
04th Quarter Interim Financial Statements (31st March 2026 – Unaudited)	–	29th May 2026

Annual Report 2025/26	–	21st August 2026
35th Annual General Meeting	–	30th September 2026
Interim Dividends Proposed 2025/26	–	3rd August 2026
Interim Dividends Paid 2024/25	–	26th August 2025

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the Audited Statement of Financial Position as at 31st March 2026, Income Statement and Statement of Comprehensive Income for the year then ended. The Company commenced commercial production in March 1993.

Review of the Year

The Chairman's Statement set out the state of affairs and performance of the Company during the year. (Page 31 to 33)

Principal Activities - Parent Company ACL Plastics PLC

The Company carries on the business of manufacturing cable grade PVC Compound as its principal activity.

Principal Activities - Subsidiary Company ACL Polymers (PVT) LTD.

The Company carries on the business of manufacturing PVC Compound as its principal activity

Future Developments

An overview of the future developments of the Company is given in the Chairman's Statement (pages 31 to 33)

Independent Auditor's Report

The Independent Auditors' Report on the Financial Statements is given on page 97 to 99 in this Report.

Financial Statements

The Financial Statements prepared in compliance with the requirements of Section 151 of the Companies Act No. 7 of 2007 are given on pages 100 to 142 in this Annual Report.

Accounting Policies

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 106 to 142. Where necessary, the Accounting Policies adopted by the Company have been adjusted to comply with the new Sri Lanka Accounting Standards (SLFRSs / LKASs).

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on pages 87 to 89.

Going Concern

The Board is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

Stated Capital

The Stated Capital of the Company on 31st March 2026 was Rs. 79,974,555/= and was unchanged during the year.

Events Occurring After the Balance Sheet Date

No circumstance have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial Statements other than those disclosed in Note 35 to the Financial Statements.

Statutory Payments

All known statutory payments have been made or provided for by the Company.

Results and Appropriations For the year ended 31st March	2026 Rs	2025 Rs
Total turnover	**2,851,072,891**	2,441,285,566
Profit before taxation	**1,109,585,753**	672,135,753
Profit after taxation	**797,809,716**	464,741,235
Profit attributable to shareholders of ACL Plastics PLC	**797,809,716**	464,741,235
Unappropriated surplus brought forward from previous year	**3,154,038,332**	2,770,485,851
Transfer from revaluation reserve	**5,443,575**	5,443,575
Other adjustments	**526,780**	(2,382,329)
Surplus available for appropriation	**3,957,818,404**	2,773,547,097
Your Directors recommend:		
Dividends paid	**(105,312,500)**	(84,250,000)
Transfer to general reserve	**-**	-
Unappropriated surplus carried forward	**3,852,505,903**	3,154,038,332

REPORT OF THE DIRECTORS

Directors

Directors of the Company are listed on pages 37 to 38 and their respective shareholdings are given below.

	Number of shares			
	31.03.2026	% Holding	31.03.2025	%Holding
Mr. U. G. Madanayake	10	-	1	-
Mr. Suren Madanayake	208,010	0.49	20,801	0.49
Mrs. N. C. Madanayake	177,510	0.42	17,751	0.42
Mr. Mohan Rathnayake	-	-	-	-
Mr. Rohan Somawansa	-	-	-	-

* Comparative figures have not been adjusted to reflect the subdivision of shares

The Director retiring by rotation in terms of Article 87 will be Mr. Rohan Somawansa who being eligible, recommended for re-election.

Interest Register

The Interest Register is maintained by the Company, as per the Companies Act No. 7 of 2007. All Directors have made declarations in accordance with the aforesaid Act. The Interest Register is available for inspection as required by the Companies Act.

Directors' Interest in Contracts

Directors' interests in contracts of the Company are disclosed in Note 34 to the Financial Statements and no Director of the Company is directly or indirectly interested in any other contracts with the Company.

Directors' Remuneration

Remuneration received by the Directors is set out in Note 34 to the Financial Statements.

Directors Meetings

The details of Directors' meetings are set out on page 60 under the Corporate Governance section of the Annual Report.

Dividends

Having satisfied the compliance of the solvency test required by the Companies Act No. 07 of 2007, an interim dividend of Rs. 25 per share was paid on 26th August 2025 to the shareholders of the Ordinary Shares for the financial year 2024/25.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to Rs. 53,255,298/- , details of which are given in notes 14 to the Financial Statements.

Property, Plant and Equipments

Details of property, plant and equipments are given in Note 14 to the Financial Statements.

Donations

Donations amounting to Rs. 35,000/- (Group Amount) were made during the year under review.

Share Information

Information relating to earnings, dividend, net assets, market price per share and holding is given in the Information to Shareholders on page 148 to 149 of the annual report.

Environmental Protection

The Company has used its best endeavors to comply with the relevant environmental laws and regulations. The Company has not engaged in any activity that is harmful or hazardous to the environment.

Related Party Transactions

The Directors have also disclosed the transactions if any, that could be classified as related party transactions in terms of Sri Lanka Accounting Standard-LKAS 24 "Related Party Disclosures" which is adopted in the preparation of the Financial Statements. These disclosures also comply with the disclosure requirements of the section 9 of the listing rules. Those transactions disclosed by the Directors are given in Note 34 to the Financial Statements forming part of the Annual Report of the Board.

The directors confirm that section 9 of the CSE Listing Rules and the Code of Best Practices on Related Party Transactions issues by the Securities and Exchange Commission of Sri Lanka pertaining to Related Party Transactions have been complied with by the Company and the Group with effect from 1st January 2016.

Related Party Transactions Committee Report is given on page 90 to 91.

Recurrent related party transactions, the aggregate value of which exceeds 10% of the consolidated revenue are tabled below,

Name of the Related Party	Relationship	Nature of the Transaction	Value of the Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as a % of Net Group Revenue	Terms and Conditions of the Related Party Transactions
ACL Cables PLC	Parent company	Sale of goods	1,368,795,174	48%	ordinary course of business
Kelani Cables PLC	Group company	Sale of goods	1,387,317,484	49%	ordinary course of business

A detailed disclosure of related party transactions is given in note 34 to the financial statements.

There were non-recurrent related party transactions which exceed 10% of the equity or 5% of the total assets as per section 9 of the listing rules, during the year is given in the note 31.

Employees and Industrial Relations

The Company has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. There were no material issues pertaining to employees and industrial relations in the year under review

Corporate Governance

In management of the Company, the Directors have placed emphasis in conforming to the best corporate governance practices and procedures. Accordingly, systems and structures have been introduced / improved from time to time to enhance risk management measures and to improve accountability and transparency.
A separate report on corporate governance is given on pages 54 to 81 of the Annual Report.

Compliance with Laws and Regulations

The Company has at all times ensured that it complied with the applicable laws and regulations including the listing rules of the Colombo Stock Exchange as a listed entity.

Appointment of Auditors

The Company's auditors during the year under review were Deloitte Partners, Chartered Accountants who also were the auditors of the subsidiary Company and offer themselves for re-appointment.

Audit fees payable to Deloitte Partners, by the Company and the Group amounted to Rs. 1,135,249 and Rs. 1,588,056 /-respectively.

Notice of Meeting

The Notice of the 27th Annual General Meeting is on page 154 of the Annual Report.

By Order of the Board

(Sgd.)
Corporate Affairs (Pvt) Ltd
Secretaries

21st August 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Objective

The Related Party Transactions Review Committee (RPTRC) was established to ensure ACL Plastics PLC's compliance with the Code of Best Practices jointly issued by the CA Sri Lanka and Security exchange commission in 2023 and section 9.14 of CSE Listing Rules.

The Committee's primary objective is to safeguard the interests of shareholders by ensuring that all related party transactions are conducted transparently and at arm's length. It implements a structured process to identify, review, and report such transactions to the Board in accordance with regulatory requirements.

Composition of the Committee

The Company established the Related Party Transactions Review Committee as a subcommittee of the ACL Plastics PLC, and the following members of the Board have been appointed as members of the committee.

- Mr. Mohan Ratnayake – Chairman of the Committee
- Mr. Rohan Somawansa – Member of the Committee
- Mr. Suren Madanayake – Member of the Committee

Scope of the Committee

- The Committee reviews in advance all proposed related party transactions, other than the exempted transactions falling under the preview of section 9.14.10 of the Listing Rules, to ensure they are carried out on an arm's length basis.
- At each subsequent scheduled meeting of the Committee, the management shall update the Committee as to any proposed material changes in any previously reviewed related party transactions and seek approval of the Committee for such proposed material changes prior to the completion of the transaction.
- The Committee reviews related party transactions based on rules stipulated in the Code (rules 28 – 33 in the appendix to the Code) and the need of special approval from shareholders and disclosure requirements for such transactions.
- The Committee intends to meet as and when a need arises. However, at least quarterly meetings are scheduled to review related party transactions of the Company.
- Members of the RPTRC ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions, and where necessary, they shall obtain appropriate professional and expert advice from an appropriately qualified person.

Role of the Committee

- Recommend and develop terms of reference of the RPTRC for adoption by the Board of Directors of the Company.
- Review of related party transactions as required in terms of the provisions set out in Appendix 9A of CSE Rules, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- The minutes of the meeting has been shared with the Board as a way of updating the Board of Directors on the related party transactions of the Company on a quarterly basis.
- Where necessary, the Committee shall request the Board of Directors to approve the subject related party transactions. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant related party transaction.
- If a Director has a material personal interest in a matter being considered at a Directors' meeting to approve a related party transaction, such Director may not be present while the matter is being considered at the meeting or may not vote on the matter.
- Make recommendations to obtain shareholder approval for applicable related party transactions as per the provisions in the Code and Section 9 of CSE Listing Rules. Such approval shall be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.
- Obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the related party transaction under consideration and circulate the same with the notice of meeting to obtain the shareholder approval.
- Make immediate market disclosures on applicable related party transactions as required by the Listing Rules of CSE.
- Make appropriate disclosures on related party transactions in the Annual Report as required by CSE Listing Rules.
- Any concerned transactions, to be highlighted to the Board.

Committee Meetings and Attendance

During the financial year 2025/2026 Four meetings were held and reviewed quarterly Related party transaction reports submitted by the Finance Division.

The attendance of the Committee members at meetings held during the year is presented below.

Member	Attendance of Meetings
Mr. Mohan Ratnayake	4/4
Mr. Rohan Somawansa	4/4
Mr. Suren Madanayake	4/4

The Committee maintains a proactive approach, with planned quarterly meetings to monitor compliance and report findings to the Board and any concerns of the Committee will be reported to the Board of Directors on a continuous basis.

Conclusion

The Committee declares all the transactions that meet the definition of Related Party Transactions under LKAS 24 have been appropriately disclosed in Note 32 of the Financial Statements and the related party transactions given on page 141 of the annual report have been reviewed and communicated to the board and relevant stakeholders.

(Sgd.)
Mr. Mohan Ratnayake
Chairman-Related Party Transactions Review Committee

21st August 2026

REMUNERATION COMMITTEE REPORT

Role of the Remuneration Committee

The Remuneration Committee is responsible for formulating and reviewing the Group's remuneration policy for Executive Directors and CXOs of ACL Plastics PLC. The Committee conducts an annual review of the policy and recommends any necessary changes to the Board for approval.

In determining remuneration packages, the Committee evaluates company performance benchmarks and industry standards. It is important to note that no Executive Director participates in decisions regarding their own remuneration.

Composition of the Remuneration Committee

The Remuneration Committee comprises of the following Non-Executive Directors

◊ Mr. Mohan Ratnayake – Chairman of the Committee

◊ Mr. Rohan Somawansa – Member of the Committee

◊ Mrs. N.C. Madanayake – Member of the Committee

Members of the Committee and the Chairman of the Committee are appointed through a Board resolution.

Meeting and Attendance

During the 2025/2026 financial year, the Committee convened twice, adhering to the corporate governance guidelines set by the SEC and CA Sri Lanka. The Committee plans to meet at least biannually to review and provide recommendations to the Board regarding the remuneration of Directors and CXOs.

Members' attendance at meetings of the Remuneration Committee in 2025/2026 is set out in the table below.

Member	Attendance of Meetings
Mr. Mohan Ratnayake	2/2
Mr. Rohan Somawansa	2/2
Mrs. N.C. Madanayake	-/2

Functions of the Remuneration Committee

Key responsibilities undertaken by the Committee during the financial year included:

◊ Reviewing the Directors' remuneration and severance policies,

◊ Determining Directors' fees, and

◊ Conducting a formal evaluation of the Committee's performance.

Remuneration Policy

ACL Plastics remuneration policy is designed to attract, retain, and motivate talent, ensuring the Group's successful management for the benefit of shareholders. The policy includes competitive, performance-linked incentives and rewards.

In determining remuneration levels, the Committee considers:

◊ Individual performance,

◊ Benchmarking against peer and industry standards, and

◊ Reports from specialized consultants.

The Company does not have an Employee Share Ownership Plan for Directors and Key Management Personnel (KMPs).

The Committee ensures that remuneration arrangements for Executive Directors align with those for other executives across the Group, while maintaining competitiveness with leading companies in the sector.

Director's Emoluments

All Directors receive a fee for serving on the Board and serving on Sub-Committees. They do not receive any performance-related incentive payments. The aggregate remuneration of the Executive and Non-Executive Directors paid during the year under review has been disclosed in page 142 Note 32.7 of this report. / Financial statements.

Conclusion

The Committee is satisfied that it has fulfilled its delegated responsibilities for the year under review and achieved its objectives effectively.

On behalf of the Committee

(Sgd.)
Mr. Mohan Ratnayake
Chairman of the Remuneration Committee

21st August 2026

AUDIT COMMITTEE REPORT

ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial statements, the internal control and risk management systems, compliance with legal and regulatory requirements, the External Auditors' suitability, performance, and independence, and the adequacy and performance of the Internal Audit function undertaken by the Group Risk & Control division. The scope of functions and responsibilities are adequately set out in the terms of reference of the Committee, which has been approved by the Board and is reviewed annually.

The Committee's responsibilities include monitoring and reviewing the following;

- The integrity and accuracy of the Company's financial reporting.
- The effectiveness of internal control and risk management systems.
- Compliance with statutory and regulatory frameworks.
- Oversight of the performance, independence & objectivity, and approve the remuneration and terms of engagements of the external Auditors.
- Evaluation of the Internal Audit function, as carried out by the Group Risk & Control Division.
- Oversight of sustainability reporting processes and disclosures, including compliance with SLFRS S1 and SLFRS S2 requirements.

In the performance of its duties, the Committee has independent access to the services of Internal Audit and to the External Auditors and may obtain outside professional advice as necessary.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee consists of the following two Independent Non-Executive Directors and one Non-Executive Director. Biographical details of Members are set out within the 'Board of Directors' section.

Name of the Audit Committee members as follows,

- Mr. Mohan Joseph Ratnayake – Chairman of the Committee (Senior Independent Non-Executive Director)
- Mr. Rohan Somawansa - Committee member (Independent Non-Executive Director)
- Mrs. N. C. Madanayake – Committee member (Non-Executive Director)

The Chairman of the Audit Committee possesses significant, recent, and relevant financial experience, as required by the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

MEETINGS AND ATTENDANCE

The Committee met on four occasions in 2025/2026 as per the annual meeting schedule and the Corporate Governance requirements. The Managing Director, Group Chief Financial Officer, Group Head of Risk & Control and Production Manager are invited to attend meetings as permanent invitees.

During the year under review, the Audit committee met four times on a quarterly basis, and attendance of the Committee members is given below.

Name of the Director	Type of Directorship	Attendance of Meetings
Mr. Mohan Rathnayake	Senior Independent Non-Executive Director	4/4
Mr. Rohan Somawansa	Independent Non-Executive Director	4/4
Mrs. N.C. Madanayake	Non-Executive Director	0/4

FINANCIAL REPORTING

The Audit Committee considered related matters in respect of the 2025/2026 published Financial Statements. For quarterly statements, the Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure adequacy, clarity and completeness of the Interim Financial Statements.

INTERNAL AUDIT, RISKS AND CONTROLS

The Committee reviewed the adequacy of the Internal Audit coverage and the Internal Audit Plan of the company. The Group Risk & Control Division regularly reported to the Committee on the adequacy and effectiveness of internal controls in the company and compliance with laws and regulations and established policies and procedures of the company through Internal Audit checklists, dashboards and reports.

Follow-up audits were performed based on the actions agreed with the management and presented to the committee on a quarterly basis by the Group Risk & Control division.

AUDIT COMMITTEE REPORT

The Committee reviewed the whistleblowing arrangements for the company and had direct access to the Group Head of Risk & Control of the company. The effectiveness and resource requirements of the Group Risk & Control division were reviewed and discussed with management and changes were affected where considered necessary.

During the year under review, the Group Risk & Control Division actively supported the Audit Committee by conducting comprehensive Risk Assessments across key operational and strategic areas. The team regularly reported on risk exposures, control effectiveness, and mitigation actions, enabling the Committee to evaluate the adequacy of the Company's Risk Management framework. These efforts ensured that emerging risks were promptly identified and addressed, thereby enhancing the Company's resilience and supporting sound governance practices.

EXTERNAL AUDITORS

The Audit Committee is responsible for the development, implementation and monitoring of the Company's policies on external audit. The policies, designed to maintain the objectivity and independence of the external auditors, regulate the appointment of former employees of the external audit firm to positions in the Group and set out the approach to be taken when using the external auditors for non-audit work.

As a general principle, the external auditors are excluded from consultancy work and cannot be engaged by ACL Plastics PLC for other non-audit work unless there are compelling reasons to do so. Any proposal to use the external auditors for non-audit work must be submitted to the Audit Committee for approval prior to appointment.

M/s Deloitte partners, Chartered Accountants, continued to serve as the Company's external auditors for the financial year 2025/26. The committee reviewed their independence, objectivity, audit scope, and findings contained in the Management Letter issued upon completion of the statutory audit.

The committee decided to recommend to the Board of ACL Plastics PLC, the re-appointment of Messrs Deloitte Partners, Chartered Accountants as auditors of the Company, subject to the approval of the Shareholders at the Annual General Meeting. Details of the fees payable to external auditors for 2025/26 can be found in Note 08 to the financial statements.

INTERNAL CONTROL SYSTEM

In 2025/2026 the Committee reviewed the effectiveness and efficiency of the Risk & Control team in term of internal audit, Risk management and other governance-related areas to assess the strength of the existing internal control and Risk management systems.

WHISTLEBLOWING

The company's whistleblowing policy continued effectively while educating staff and encouraged them to resort to whistleblowing if they had reasonable grounds to believe that there were wrongdoings or other improprieties. All appropriate procedures are in place to conduct independent investigations into incidents reported through this process or if identified through other means. Even anonymous complaints are investigated.

In addition, measures have been put in place to protect whistleblowers who act in good faith in the interest of the Company. The Company undertakes to maintain the utmost confidentiality of staff who raise concerns or make serious specific allegations of malpractices or unethical behaviour. In this way, the Company aims to promote a healthy workplace that practices good governance from the lowest to the highest tiers.

CONCLUSION

The Audit Committee is satisfied that the Company's governance framework, risk management practices, and internal control systems provide reasonable assurance that its affairs are conducted in accordance with established policies, applicable laws and regulations, and best practices.

The Committee is also satisfied that the Company is able to continue as a going concern.

On behalf of the Committee

(Sgd.)
Mohan Ratnayake
Chairman of the Audit Committee

21st August 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Executive Summary

The Nominations and Governance Committee (NGC) plays a pivotal role in supporting the Board by overseeing matters related to Board composition, Director appointments, and governance practices. During the year under review, the Committee discharged its responsibilities effectively, ensuring compliance with corporate governance guidelines issued by the SEC and CA Sri Lanka.

Committee Composition

The Committee comprises the following Non-Executive Directors, whose profiles are given on page 37-38.

- ◊ Mr. Mohan Ratnayake – Chairman
- ◊ Mr. Rohan Somawansa – Member
- ◊ Mrs. N.C. Madanayake – Member

Meetings and Attendance

In line with governance requirements, the Committee convened once during the 2025/2026 financial year. The Committee intends to meet at least annually to review nominations, and governance matters and provide recommendations to the Board.

Attendance during the 2025/2026 financial year is summarized below:

Member	Meetings Attended
Mr. Mohan Ratnayake	1/1
Mr. Rohan Somawansa	1/1
Mrs. N.C. Madanayake	-/1

Key Responsibilities

During the year, the Committee undertook the following responsibilities:

- ◊ Evaluating and recommending candidates for Board and Committee appointments Ensuring the Board comprises individuals with appropriate expertise, skills, and diversity to support the Company's strategic direction.
- ◊ Develop succession plan for Board of Directors and Key Management Personnel of the company.
- ◊ Review Board structure, size, and composition to ensure effective discharge of duties and responsibilities.
- ◊ Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity.
- ◊ Overseeing company's corporate Governance Policies / Frameworks and Ensure compliance with the applicable laws and regulations.

Re-appointment / Re-election

In Terms of section 84 & 85 of Articles of the Association of the Company, 1/3 of the Directors are subject to retirement by rotation annually except the Chairman & Managing Director. Accordingly, Mr. Rohan Somawansa will be subject to retirement by rotation at the upcoming annual general meeting.

The information relating to the Directors proposed for re-election at the forthcoming Annual General Meeting, as required under Rule 9.11.6(g) of the Colombo Stock Exchange Listing Rules, is provided below.

Name of the Director	Date of first Appointment	Date of last Re-appointment	Board Committee Representations
Mr. Rohan Somawansa	28th June 2024	28th June 2024	Audit Committee, Remuneration Committee, Nomination & Governance Committee, Related Party Transactions Review Committee

Mr. Rohan Somawansa or his/her close family members does not hold any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company

Disclosure of Activities

The Board carried out an evaluation of the performance of the Board as a whole and the effectiveness of the Committees. The collective outcome was informed to the Board. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board. No such meetings were needed during the financial year under review.

During the year under review, there were not any new appointments made to the board; existing Directors are regularly updated with corporate governance requirements, Listing Rules, and other applicable laws.

Non-Executive Directors have submitted declarations regarding their independence / non-independence.

The fitness and proprietary of the Directors were examined

Conclusion

The Committee is satisfied that the Board of Directors, as currently constituted, possesses the requisite expertise, diversity, and independence to guide the Company effectively. Further, the Company remained compliant with the corporate governance requirements of the Colombo Stock Exchange and all other applicable regulations throughout the year

On behalf of the Committee

(Sgd.)
Mr. Mohan Ratnayake
Chairman of the Nominations and Governance Committee

21st August 2026

RESPONSIBILITY STATEMENT OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

Compliance with Laws and Regulations

The Financial Statements of ACL Plastics PLC (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) for the year ended 31st March 2026 are prepared in accordance with the following requirements:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (SLFRS/LKAS),
- Companies Act No. 07 of 2007,
- Listing Rules of the Colombo Stock Exchange,
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, and
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

Financial Reporting

The Significant Accounting Policies applied in the preparation of the consolidated Financial Statements are appropriate and consistently followed, unless otherwise noted in the accompanying statements. These policies and estimates that require significant judgment and complexity were discussed with the Audit Committee and the Company's External Auditors. There are no deviations from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified where necessary to align with the current presentation.

The Board of Directors and the management of the Company assume responsibility for the accuracy and objectivity of these Financial Statements. The estimates and judgments related to the Financial Statements were made on a prudent and reasonable basis, ensuring that the Financial Statements provide a true and fair view, and that the transactions accurately represent the Company's financial position.

We confirm, to the best of our knowledge, that the Financial Statements, Significant Accounting Policies, and other financial information included in this Annual Report fairly present all material aspects regarding the financial position, operational results, and Cash Flows of the Group for the year under review. We also confirm that the Group has sufficient resources to continue operating and have used the Going Concern basis in preparing these Financial Statements.

System of Internal Control

The Company has implemented a robust system of internal control and accounting records to safeguard assets and prevent and detect fraud and other irregularities. These systems are continuously reviewed, evaluated, and updated. Based on our evaluations for the financial period under review, we confirm that there were no significant deficiencies or material weaknesses in the design or operation of internal controls, and no fraud involving management or employees was detected. The Internal Auditors conduct periodic audits to provide reasonable assurance that the Group's established policies and procedures are consistently followed. Nonetheless, there are inherent limitations in any system of internal control and accounting that must be acknowledged.

Report of Independent Auditors

Messrs Deloitte Partners, Chartered Accountants, audited the Financial Statements, and their report is presented on pages 97 to 99.

Audit Committee

The Audit Committee meets periodically with the Internal Auditors and the Independent Auditors to review their performance, discuss auditing, internal control, and financial reporting issues. To ensure full independence, the Independent Auditors and Internal Auditors have unrestricted access to the Audit Committee to discuss any substantial matters. The Audit Committee Report is provided on pages 93-94.

Conclusion

We confirm, to the best of our knowledge, that:

- The Group has complied with all applicable laws, regulations, and guidelines, with no material litigation against the Group other than those disclosed in note 33 of the Financial Statements.
- The internal control system is functioning effectively.
- The Financial Statements accurately reflect the nature and substance of transactions, and reasonably present the Company's financial position, with the Going Concern basis applied in their preparation.
- All taxes, duties, levies, statutory payments by the Group, and contributions, levies, and taxes payable on behalf of and in respect of the employees of the Group as of 31st March 2026, have been paid or appropriately provided for.

(Sgd.)
H A S Madanayake
Managing Director

(Sgd.)
Mahesh Amarasiri
Group Chief Financial Officer

21st August 2026

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ACL Plastics PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ACL Plastics PLC (the Company) and the consolidated financial statements of the Company and its subsidiary (the Group), which comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive income, the statement of changes in equity and the 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 consolidated financial statements of 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 their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka 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.

We have determined that there are no Key Audit Matters to communicate in our report.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation 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 of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company's/ 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 Company/ Group or to cease operations, or has no realistic alternative but to do so.

C S Manoharan FCA, **T U Jayasinghe** FCA, **M D B Boyagoda** FCA, **H A C H Gunarathne** FCA, **M P M T Gunasekara** FCA, **N R Gunasekera** FCA, **M S J Henry** FCA, **M M R Hilmy** FCA, **H P V Lakdeva** FCA, **K M D R P Manatunga** ACA, **M M M Manzeer** FCA, **L A C Tillekeratne** ACA, **D C A J Yapa** ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179

Deloitte.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company and the consolidated financial statements of the Group 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and 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 of the Company and the consolidated financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company/ 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 of the Company and the consolidated financial statements of the Group 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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.

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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 Company and the consolidated financial statements of the Group - 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 3991.

Deloitte Partners

CHARTERED ACCOUNTANTS
COLOMBO

21st August 2026

STATEMENT OF PROFIT OR LOSS

(all amounts in Sri Lanka Rupees)

	Notes	Group For the year ended 31 March		Company For the year ended 31 March	
		2026	2025	2026	2025
Revenue from contracts with customers	6	**2,851,072,891**	2,441,285,566	**2,851,072,891**	2,441,285,566
Cost of sales	8	**(1,971,524,235)**	(1,866,597,931)	**(1,996,754,539)**	(1,866,597,931)
Gross profit		**879,548,656**	574,687,635	**854,318,352**	574,687,635
Net gains from financial assets at fair value through profit or loss	7	**120,035,489**	48,010,324	**120,035,489**	48,010,324
Other operating income	7	**4,878,677**	2,150,887	**4,878,677**	2,150,887
Total other operating income		**124,914,166**	50,161,211	**124,914,166**	50,161,211
Administrative costs	8	**(15,844,957)**	(10,868,163)	**(11,807,012)**	(9,819,769)
Operating profit		**988,617,865**	613,980,683	**967,425,506**	615,029,077
Finance income	10	**121,948,862**	58,532,060	**112,479,745**	48,506,292
Finance costs	10	**(980,974)**	(376,990)	**(980,974)**	(376,990)
Finance income - net	10	**120,967,888**	58,155,070	**111,498,771**	48,129,302
Profit before tax		**1,109,585,753**	672,135,753	**1,078,924,277**	663,158,379
Income tax expense	11	**(311,776,037)**	(207,394,518)	**(300,065,105)**	(204,701,306)
Profit for the year		**797,809,716**	464,741,235	**778,859,172**	458,457,073
Net profit attributable to shareholders of the Company		**797,809,716**	464,741,235	**778,859,172**	458,457,073
Basic/diluted earnings per share (Rs)	12	**18.94**	11.03	**18.49**	10.88
Dividend per share (Rs)	13	**25.00**	20.00	**25.00**	20.00

The notes on pages 106 to 142 form an integral part of these financial statements
Independent auditor's report - pages 97 to 99.

STATEMENT OF COMPREHENSIVE INCOME

(all amounts in Sri Lanka Rupees)

	Notes	Group For the year ended 31 March		Company For the year ended 31 March	
		2026	2025	2026	2025
Profit for the year		**797,809,716**	464,741,235	**778,859,172**	458,457,073
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial (loss)/ gain on defined benefit obligation	26	**752,543**	(3,403,327)	**752,543**	(3,403,327)
Deferred tax on actuarial (loss)/ gain	27.1	**(225,763)**	1,020,998	**(225,763)**	1,020,998
Deferred tax adjustment on revaluation	27.1	**-**	9,101,075	**-**	9,101,075
Changes in fair value of equity investments at fair value through other comprehensive income	17.3	**31,971,301**	28,023,360	**31,971,301**	28,023,360
Deferred tax on changes in fair value of equity investments at fair value through other comprehensive income (FVOCI)	27.1	**-**	1,812,165	**-**	1,812,165
Other comprehensive (expense) / income for the year, net of tax		**32,498,081**	36,554,271	**32,498,081**	36,554,271
Total comprehensive income for the year		**830,307,797**	501,295,506	**811,357,253**	495,011,344

The notes on pages 106 to 142 form an integral part of these financial statements
Independent auditor's report - pages 97 to 99.

STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lanka Rupees)

	Notes	Group		Company	
		As at 31 March		As at 31 March	
		2026	2025	2026	2025
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	**390,863,257**	353,326,097	**390,863,257**	353,326,097
Capital work in progress	14 (i)	**1,814,795**	1,136,845	**1,814,795**	1,136,845
Right-of-use assets	15	**1,487,619**	1,509,819	**1,487,619**	1,509,819
Investment in subsidiary	16	**-**	-	**10,000,010**	10,000,010
Financial assets at fair value through other comprehensive income	17	**109,363,371**	77,290,820	**109,363,371**	77,290,820
Total Non-Current Assets		**503,529,042**	433,263,581	**513,529,052**	443,263,591
Current Assets					
Inventories	19	**606,462,074**	578,153,901	**606,462,074**	578,153,901
Trade and other receivables	20	**986,166,549**	894,780,099	**847,130,903**	752,352,755
Financial assets at fair value through profit or loss	21	**1,653,090,551**	1,133,055,062	**1,653,090,551**	1,133,055,062
Short term Investments	22	**907,856,489**	815,810,902	**907,856,489**	815,810,902
Cash and cash equivalents	23	**106,664,209**	101,457,737	**106,220,927**	101,014,004
Total Current Assets		**4,260,239,872**	3,523,257,701	**4,120,760,944**	3,380,386,624
Total Assets		**4,763,768,914**	3,956,521,282	**4,634,289,996**	3,823,650,215
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	28	**79,974,555**	79,974,555	**79,974,555**	79,974,555
Revaluation reserve	29	**199,284,148**	204,727,723	**199,284,148**	204,727,723
Revenue reserve	30.1	**170,000,000**	170,000,000	**170,000,000**	170,000,000
Financial assets at FVOCI reserve	30.2	**95,964,165**	63,992,864	**95,964,165**	63,992,864
Retained earnings		**3,852,505,903**	3,154,038,332	**3,731,775,420**	3,052,258,393
Total Equity		**4,397,728,771**	3,672,733,474	**4,276,998,288**	3,570,953,535
Non-Current Liabilities					
Defined benefit obligations	26	**19,984,367**	17,821,020	**19,984,367**	17,821,020
Deferred income tax liabilities	27	**87,732,765**	81,490,643	**87,732,765**	81,490,643
Total Non-Current Liabilities		**107,717,132**	99,311,663	**107,717,132**	99,311,663
Current Liabilities					
Trade and other payables	24	**67,484,841**	83,347,347	**97,810,701**	82,495,808
Current income tax payable	25	**190,838,170**	101,128,798	**151,763,875**	70,889,209
Total Current Liabilities		**258,323,011**	184,476,145	**249,574,576**	153,385,017
Total Liabilities		**366,040,143**	283,787,808	**357,291,708**	252,696,680
Total Equity and Liabilities		**4,763,768,914**	3,956,521,282	**4,634,289,996**	3,823,650,215

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.

Mahesh Amarasiri
Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of the Board of Directors on 21st August 2026.

U. G. Madanayake
Chairman

Suren Madanayake
Managing Director

The notes on pages 106 to 142 form an integral part of these financial statements
Independent auditor's report - pages 97 to 99.

STATEMENT OF CHANGES IN EQUITY - GROUP

(all amounts in Sri Lanka Rupees)

	Notes	Stated capital	Revenue reserve	Revaluation reserves	Financial assets at FVOCI reserve	Retained earnings	Total
Balance at 1 April 2024		79,974,555	170,000,000	201,070,223	34,157,339	2,770,485,851	3,255,687,968
Profit for the year		-	-	-	-	464,741,235	464,741,235
Actuarial loss on defined benefit obligation	26	-	-	-	-	(3,403,327)	(3,403,327)
Deferred tax on actuarial loss	27.1	-	-	-		1,020,998	1,020,998
Deferred tax adjustment on revaluation	29	-	-	9,101,075	-	-	9,101,075
Changes in the fair value of equity investments at FVOCI	17.3	-	-	-	28,023,360	-	28,023,360
Deferred tax on Changes in the fair value of equity investments at FVOCI	27	-	-	-	1,812,165	-	1,812,165
Other comprehensive income for the year		-	-	9,101,075	29,835,525	(2,382,329)	36,554,271
Total comprehensive income for the year		**-**	**-**	**9,101,075**	**29,835,525**	**462,358,906**	**501,295,506**
Depreciation transfer - gross	29	-	-	(7,776,536)	-	7,776,536	-
Deferred tax on depreciation transfer	29	-	-	2,332,961	-	(2,332,961)	-
Dividend paid	13	-	-	-	-	(84,250,000)	(84,250,000)
Balance at 31 March 2025		**79,974,555**	**170,000,000**	**204,727,723**	**63,992,864**	**3,154,038,332**	**3,672,733,474**
Balance at 01 April 2025		79,974,555	170,000,000	204,727,723	63,992,864	3,154,038,332	3,672,733,473
Profit for the year		-	-	-	-	797,809,716	797,809,716
Actuarial gain on defined benefit obligation	26	-	-	-	-	752,543	752,543
Deferred tax on actuarial gain	27.1	-	-	-	-	(225,763)	(225,763)
Deferred tax adjustment on revaluation		-	-	-	-	-	-
Changes in the fair value of equity investments at FVOCI	17.3	-	-	-	31,971,301	-	31,971,301
Other comprehensive income for the year		-	-	-	31,971,301	526,780	32,498,081
Total comprehensive income		**-**	**-**	**-**	**31,971,301**	**798,336,496**	**830,307,797**
Depreciation transfer - gross	29	-	-	(7,776,536)	-	7,776,536	-
Deferred tax on depreciation transfer	29	-	-	2,332,961	-	(2,332,961)	-
Dividend paid	13	-	-	-	-	(105,312,500)	(105,312,500)
Balance at 31 March 2026		**79,974,555**	**170,000,000**	**199,284,148**	**95,964,165**	**3,852,505,903**	**4,397,728,771**

The notes on pages 106 to 142 form an integral part of these financial statements
Independent auditor's report - pages 97 to 99.

STATEMENT OF CHANGES IN EQUITY - COMPANY

(all amounts in Sri Lanka Rupees)

	Notes	Stated capital	Revenue reserve	Revaluation reserves	Financial assets at FVOCI reserve	Retained earnings	Total
Balance at 1 April 2024		79,974,555	170,000,000	201,070,223	34,157,339	2,674,990,074	3,160,192,191
Profit for the year		-	-	-	-	458,457,073	458,457,073
Actuarial loss on defined benefit obligation	26	-	-	-	-	(3,403,327)	(3,403,327)
Deferred tax on actuarial loss	27	-	-	-	-	1,020,998	1,020,998
Deferred tax adjustment on revaluation	29	-	-	9,101,075	-	-	9,101,075
Changes in the fair value of equity investments at FVOCI	17.3	-	-	-	28,023,360	-	28,023,360
Deferred tax on changes in the fair value of equity investments at FVOCI	27	-	-	-	1,812,165	-	1,812,165
Other comprehensive income for the year		-	-	9,101,075	29,835,525	(2,382,329)	36,554,271
Total comprehensive income for the year		-	-	9,101,075	29,835,525	456,074,744	495,011,344
Depreciation transfer - gross	29	-	-	(7,776,536)	-	7,776,536	-
Deferred tax on depreciation transfer	29	-	-	2,332,961	-	(2,332,961)	-
Dividend paid	13	-	-	-	-	(84,250,000)	(84,250,000)
Balance at 31 March 2025		79,974,555	170,000,000	204,727,723	63,992,864	3,052,258,393	3,570,953,535
Balance at 01 April 2025		79,974,555	170,000,000	204,727,723	63,992,864	3,052,258,393	3,570,953,535
Profit for the year		-	-	-	-	778,859,172	778,859,172
Actuarial gain on defined benefit obligation	26	-	-	-	-	752,543	752,543
Deferred tax on actuarial gain	27	-	-	-	-	(225,763)	(225,763)
Deferred tax adjustment on revaluation	29	-	-	-	-	-	-
Changes in the fair value of equity investments at FVOCI	17.3	-	-	-	31,971,301	-	31,971,301
Deferred tax on changes in the fair value of financial assets at FVOCI					-		-
Other comprehensive income for the year		-	-	-	31,971,301	526,780	32,498,081
Total comprehensive income for the year		-	-	-	31,971,301	779,385,952	811,357,253
Depreciation transfer - gross	29	-	-	(7,776,536)	-	7,776,536	-
Deferred tax on depreciation transfer	29	-	-	2,332,961	-	(2,332,961)	-
Dividend paid	13	-	-	-	-	(105,312,500)	(105,312,500)
Balance at 31 March 2026		79,974,555	170,000,000	199,284,148	95,964,165	3,731,775,420	4,276,998,288

The notes on pages 106 to 142 form an integral part of these financial statements
Independent auditor's report - pages 97 to 99.

STATEMENT OF CASH FLOWS

(all amounts in Sri Lanka Rupees)

	Notes	Group Year ended 31 March		Company Year ended 31 March	
		2026	2025	2026	2025
Cash flows from operating activities					
Cash generated from operations	31	**721,695,396**	1,342,465,259	**728,288,736**	1,342,465,857
Interest paid	10	**(980,974)**	(376,990)	**(980,974)**	(376,990)
Gratuity paid	26	**-**	(417,944)	**-**	(417,943)
Income tax paid	25	**(216,050,442)**	(189,519,196)	**(213,174,080)**	(189,519,196)
Net cash generated from / (used in) operating activities		**504,663,980**	1,152,151,129	**514,133,682**	1,152,151,728
Cash flows from investing activities					
Interest received	10	**55,010,810**	58,036,821	**45,541,559**	58,036,821
Investment in unit trust	21.2	**(400,000,000)**	(1,050,000,000)	**(400,000,000)**	(1,050,000,000)
Investment in equity investments at FVOCI		**(101,250)**	-	**(101,250)**	-
Investment in Fixed Deposits		**-**	(35,808,023)	**-**	(35,808,023)
Acquisition of property, plant and equipment	14	**(53,255,297)**	(1,302,633)	**(53,255,297)**	(1,302,633)
Capital work in progress	14 (i)	**(677,948)**	(1,136,845)	**(677,948)**	(1,136,845)
Dividend received	7	**4,878,677**	2,145,887	**4,878,677**	2,145,887
Net cash generated from investing activities		**(394,145,008)**	(1,028,064,793)	**(403,614,259)**	(1,028,064,793)
Cash flows from financing activities					
Dividend paid	13	**(105,312,500)**	(84,250,000)	**(105,312,500)**	(84,250,000)
Net cash used in financing activities		**(105,312,500)**	(84,250,000)	**(105,312,500)**	(84,250,000)
Net (decrease) / increase in cash and cash equivalents		**5,206,472**	39,836,336	**5,206,923**	39,836,935
Cash and cash equivalents at the beginning of the year		**101,457,737**	61,621,401	**101,014,004**	61,177,069
Cash and cash equivalents at the end of the year	23	**106,664,209**	101,457,737	**106,220,927**	101,014,004

The notes on pages 106 to 142 form an integral part of these financial statements
Independent auditor's report - pages 97 to 99.

NOTES TO THE FINANCIAL STATEMENTS

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

1 General information

ACL Plastics PLC is a public limited liability company incorporated under the Companies Act, No. 17 of 1982 on 17.07.1991 and re-registered under the Companies Act, No. 7 of 2007. The Company is domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business of the Company is located at No. 60, Rodney Street, Colombo 08.

The principal activities of ACL Plastics PLC are manufacturing, dealing and marketing of PVC compound utilised inter alia for the sheathing and insulation of electric cables.

Parent company

ACL Cables PLC is the ultimate parent company of ACL Plastics PLC.

Subsidiary company

ACL Polymers (Private) Limited which was incorporated in 2005, is the wholly owned subsidiary of ACL Plastics PLC and the principal activity of which is manufacturing of various kinds of PVC compounds. The registered office and principal place of business of the Company is located at No. 60, Rodney Street, Colombo 08.

2 Basis of preparation and summary of material accounting policies

The material accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation and statement of compliance.

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements have been prepared under the historical cost convention except for financial assets and liabilities which are measured at fair value. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's financial statements are disclosed in note 04 to the financial statements.

In the current year, the group has applied a number of amendments to Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(a) New and amended SLFRS Accounting Standards that are effective for the first time during the current year

In the current year, the group/company has applied the below amendment to Sri Lanka Accounting Standards issued by the CA Sri Lanka that are mandatorily effective for an accounting period that begins on or after 1 January 2025.

(i) Amendments to LKAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

"The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

(b) New and revised SLFRS Accounting Standards in issue but not yet effective

The following new accounting standards and interpretations are issued by IASB but not yet adopted by CA Sri Lanka except for SLFRS 18 and SLFRS 19.

(i) Amendments to SLFRS 9 and SLFRS 7 - Classification and Measurement of Financial Instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The directors of the company anticipate that the application of these amendments may not have an impact on the group's/company's consolidated financial statements in future periods.

(ii) SLFRS 18 Presentation and Disclosures in Financial Statements

SLFRS 18 replaces LKAS 1, carrying forward many of the requirements in LKAS 1 unchanged and complementing them with new requirements. In addition, some LKAS 1 paragraphs have been moved to LKAS 8 and SLFRS 7.

SLFRS 18 introduces new requirements to:

- ◊ present specified categories and defined subtotals in the statement of profit or loss
- ◊ provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- ◊ improve aggregation and disaggregation.

An entity is required to apply SLFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. SLFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the group's/company's consolidated financial statements in future periods.

(iii) SLFRS 19 Subsidiaries without Public Accountability: Disclosures

SLFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying SLFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with SLFRS Accounting Standards.

SLFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply SLFRS 19 if, at the end of the reporting period:

- ◊ it is a subsidiary (this includes an intermediate parent)
- ◊ it does not have public accountability, and
- ◊ its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with SLFRS Accounting Standards.

Eligible entities can apply SLFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply SLFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the company do not anticipate that SLFRS 19 will be applied for purposes of the consolidated financial statements of the Group/company.

(iv)Annual improvements to IFRS – Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards;

IFRS 7 Financial Instruments: Disclosures

IFRS 9 Financial Instruments;

IFRS 10 Consolidated Financial Statements; and

IAS 7 Statement of Cash Flows.

These annual improvements are effective for annual periods beginning on or after 1 January 2026 with earlier application permitted.

The directors of the company anticipate that the application of these amendments may have an impact on the group's/company's consolidated financial statements in future periods.

(v) Contracts Referencing Nature-dependent Electricity – Amendments to SLFRS 9 and SLFRS 7

The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- ◊ Clarify the application of the 'own-use' requirements for in-scope contracts
- ◊ Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- ◊ Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the SLFRS 7 disclosure amendments must be implemented alongside the SLFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The directors of the company anticipate that the application of these amendments may have an impact on the group's/company's consolidated financial statements in future periods.

(vi) Amendment to IAS 21 - Translation to a Hyper inflationary Presentation Currency

These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyper inflationary economy. The entity applies the amendments if:

◊ its functional currency is that of a non-hyper inflationary economy and it is translating its results and financial position into the currency of a hyper inflationary economy; or

◊ it is translating into the currency of a hyper inflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyper inflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyper inflationary currency.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The directors of the company anticipate that the application of these amendments may not have an impact on the group's/company's consolidated financial statements in future periods.

(vii) Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements

The IASB has published the final version of a set of examples that illustrate the reporting of the effects of uncertainties in financial statements through climate-related fact patterns. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements and effective date. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate.

The directors of the company anticipate that the application of these amendments may have an impact on the group's/company's consolidated financial statements in future periods.

2.2 Principles of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent and its subsidiaries in terms of the Sri Lanka Accounting Standard - SLFRS 10 on '' Consolidated Financial Statements''. Thus, the consolidated financial statements present financial information about the Group as a single economic entity distinguishing the equity attributable to minority shareholders with non - controlling interest.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirer's identifiable net assets.

Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Inter-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('The functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's and the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'Finance income or cost'.

2.4 Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for its intended use or sale, are capitalised as part of the respective assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.5 Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the relevant tax legislations.

2.6 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets 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 assets 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 income 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 income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relates to income taxes levied by the same taxation authority.

2.7 Investments and other financial assets

2.7.1 Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

This classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

2.7.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

2.7.3 Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.7.4 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows;

(a) Debt Instruments at amortised cost

The Company 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 Rate (EIR) method and are subject to impairment. Gains and losses are recongised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes bank balances and short term deposits under current financial assets.

(b) Financial assets classified under fair value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income (FVOCI) only includes the equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to classify upon transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognised to profit or loss.

2.7.5 Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 Property, plant and equipment

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 on property, plant and equipment. Initially property, plant and equipment are measured at cost excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings. Buildings are depreciating and lands are not depreciating due to the infinite nature of the useful life time. All other property plant an equipment's are measured at cost model.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

2.8.1 Depreciation

Depreciation is calculated on a straight line basis over the useful lives of the assets using the following rates.

Asset	Years
Buildings	25
Plant, machinery and accessories	10 - 30
Factory equipment	10 - 28
Electrical fittings	10
Furniture, fixtures and fittings	10
Office equipment	10
Motor vehicles	5
Tools and implements	4
Laboratory equipment	10 - 28

2.9 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. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. Previously recognised impairment losses, are reversed only if there has been an increase in the recoverable amount of the asset. Such increase is recognised to the extent of the carrying amount had no impairment losses been recognised previously.

For goodwill, recoverable amount is estimated at each statement of financial position date or as and when an indication of impairment is identified.

Impairment losses are recognised in respect of subsidiaries acquired, are allocated first to reduce the carrying amount of any goodwill allocated to the entity and then to reduce the carrying amount of the other assets in the entity on a pro rata basis. Impairment losses are recognised in the income statement.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks other short term highly liquid investments with original maturities of three months or less. For the purpose of cash flow statement, cash and cash equivalents includes, cash in hand and investments with original maturities of three months or less net of outstanding bank overdrafts.

2.11 Investments in subsidiaries in separate financial statements

In the Company's financial statements, investments in subsidiaries have been accounted for at cost, net of any impairment losses which are charged to the income statement. Income from these investments is recognised only to the extent of dividends received.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of the inventory comprises purchase price, taxes (other than those subsequently recoverable by the Group from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of inventories. It excludes the borrowing costs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Group applies the simplified approach permitted by SLFRS 09, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. However, no any impairment losses were identified in the current financial year as well as previous financial years.

2.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Interest bearing loans

Interest bearing loans are recognised initially at fair value, net of transaction costs incurred. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (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 in finance costs in the income statement.

Liabilities classified as trade and other payables in the statement of financial position are those which fall due for payment on demand or within one year from the statement of financial position date. Items classified as non-current liabilities are those which fall due for payment beyond a period of one year from the statement of financial position date.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used the increase in the provision due to the passage of time is recognised as an interest expense.

2.17 Defined benefit plans - gratuity

All the employees of the Group are eligible for gratuity under the Gratuity Act No. 12 of 1983.The Group measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an actuary using the Projected Unit Credit Method. The actuarial valuation involves making assumptions about discount rate, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Accordingly, the employee benefit liability is based on the actuarial valuation carried out by Messrs Actuarial and Management Consultants (Pvt) Ltd.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to comprehensive income in the year in which they arise.

Past service costs are recognised immediately in income, unless the change to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past service costs are amortised on straight line basis over the vesting period.

The liability is not externally funded.

2.18 Defined contribution plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contribution and Employees Trust Fund contribution in line with respective statutes and regulations. The company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.19 Provisions, contingent assets and contingent liabilities

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

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote.

All contingent assets are disclosed where inflow of economic benefits is probable.

2.20 Revenue recognition

Revenue from contracts with customers", establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Group recognises when a customer obtains control of the goods or services. Judgement is used to determine the timing of transfer of control - at a point in time or over time.

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, usually on delivery of the goods. Sales are measured at fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. sales taxes) and variable consideration (e.g. discounts and rebates). As the number of products returned has been less for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Credit term provided for the related party customers are on average 90 days from the sale of goods. Apart from related party customers, all other sales are on cash basis.

2.21 Other income

Interest income is recognised on an accrual basis. Dividend income is recognised when the shareholder's right to receive the payment is established.

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non current assets, including investments, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses. Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

Other income is recognised on an accrual basis.

2.22 Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

2.23 Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

2.24 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.25 Segment reporting

An operating segment is a component of the Group that engages in the business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. However, no reportable segments as only the Company is engaged with manufacturing process (PVC Compounds) and subsidiary transactions are not material to the Group.

The Chief Operating Decision Maker reviews the operations of the Group as one operating segment relating to the manufacture and sale of PVC compounds. Accordingly, management has concluded that the Group has a single reportable segment for disclosure purposes under SLFRS 8.

2.26 Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

2.27 Statement of cash flows

The statement of cash flows is prepared using the indirect method as stipulated in LKAS 7 Statement of Cash Flows. Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, balances at banks, short term deposits with a maturity of three months or less net of outstanding bank overdrafts, if any.

2.28 Directors' responsibilities statement

Directors acknowledge the responsibilities for the true and fair presentation of the financial statements in accordance with the books of accounts and the Sri Lanka Accounting Standards and the requirements of the Companies Act No. 7 of 2007.

2.29 Materiality and aggregation

Each material class of similar items is presented separately. Items of dissimilar nature of function are presented Separately unless they are immaterial.

3 Financial risk management

3.1 Financial risk factors

The Board of Directors of the Group regularly reviews its exposure to various kinds of risk factors with the ultimate objective of to deliver superior shareholder value between risk and return. The board oversees market risk, operational risk, credit risk and liquidity risk giving special consideration in broader aspects to the Company's exposure to interest rate fluctuations and exchange rate fluctuations in the market. Based on the economic outlook and the Company's exposure to these risks, the Board of the Company approves various risk management strategies from time to time.

The Group's principal financial liabilities comprise short term borrowings, trade and other payables and bank overdrafts. The main purpose of these financial liabilities is to raise finances for the Company's operations. The Company has various financial assets such as trade and other receivables, other investments, loans and cash balances, which arise directly and indirectly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's profit or equity. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

The sensitivity analysis in the following sections relate to the position as at 31 March in 2026 and 2025.

The following assumptions have been made in calculating the sensitivity analysis:

- ◊ The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks.
- ◊ This is based on the financial assets and financial liabilities held at 31 March 2026 and 2025.
- ◊ The statement of financial position sensitivity relates to equity instruments designated at fair value through OCI.

(i) Foreign exchange risk

As at 31st March 2026,Sri Lankan rupee decreased by 6% against the US dollar compared to its closing rate on 31st March 2025.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Sri Lanka Rupees, was as follows:

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Trade and other receivables - USD	**13,682,703**	55,827,505	**13,682,703**	55,827,505
Short-term investment - USD	**907,856,488**	815,810,885	**907,856,488**	815,810,885
Cash and cash equivalent - USD	**5,587,983**	5,272,414	**5,587,983**	5,272,414
	927,127,174	876,910,803	**927,127,174**	876,910,803

The aggregate net foreign exchange (losses) / gains recognised in profit or loss were:

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Net foreign exchange gain included in finance cost	**66,938,187**	(9,530,529)	**66,938,187**	(9,530,529)
Total net foreign exchange gain recognised in profit before income tax for the period	**66,938,187**	(9,530,529)	**66,938,187**	(9,530,529)

The group exposed to foreign exchange risk, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable US dollar expenditures.

Sensitivity

As shown in the table above, the group is primarily exposed to changes in USD/LKR exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated financial assets and liabilities. The following table demonstrates the sensitivity of the cumulative changes in fair value of the assets and liabilities denominated in currencies other than Sri Lankan rupees to reasonably possible changes in exchange rates, with all other variables held constant. The assumed movement, in the spread of the exchange rate sensitivity analysis, is based on the current observable market environment.

		Increase in Profit / (Loss)			
		Group		Company	
		31 March		31 March	
		2026	2025	2026	2025
3.1	USD/LKR exchange rate – 10% increase	**106,951,258**	94,365,576	**106,951,258**	94,365,576
	USD/LKR exchange rate – 10% decrease	**(106,951,258)**	(94,365,576)	**(106,951,258)**	(94,365,576)
	USD/LKR exchange rate – 20% increase	**213,902,515**	188,731,152	**213,902,515**	188,731,152
	USD/LKR exchange rate – 20% decrease	**(213,902,515)**	(188,731,152)	**(213,902,515)**	(188,731,152)
	USD/LKR exchange rate – 30% increase	**320,853,773**	283,096,728	**320,853,773**	283,096,728
	USD/LKR exchange rate – 30% decrease	**(320,853,773)**	(283,096,728)	**(320,853,773)**	(283,096,728)

(ii) Interest rate risk

The group's main interest rate risk arises from short term borrowings with variable rates, which expose the group to cash flow interest rate risk. During 2026 and 2025, the group's borrowings at variable rate were denominated in Sri Lanka Rupees.

(iii) Price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions. Please refer note 17 for exposure.

The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increase shown.

		Change in equity price	Effect on other comprehensive income Rs.	Effect on equity Rs.
Group				
31 March 2026	Quoted shares – (Colombo Stock Exchange)	10%	10,936,337	10,936,337
31 March 2025	Quoted shares – (Colombo Stock Exchange)	10%	7,729,082	7,729,082
Company				
31 March 2026	Quoted shares – (Colombo Stock Exchange)	10%	10,936,337	10,936,337
31 March 2025	Quoted shares – (Colombo Stock Exchange)	10%	7,729,082	7,729,082

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation and is to maintain a balance between continuity of funding and flexibility through the use of borrowings and bank overdrafts.

The table below summarises the maturity profiles of the Group's financial liabilities based on contractual undiscounted payments.

Analysis of financial liabilities by remaining contractual maturities:

Group At 31 March 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade and other payables (Note 24) (excluding statutory liabilities)	**60,323,249**	**-**	**-**	**-**	**60,323,249**
Total financial liabilities	**60,323,249**	**-**	**-**	**-**	**60,323,249**
At 31 March 2025					
Financial liabilities					
Trade and other payables (Note 24) (excluding statutory liabilities)	77,792,099	-	-	-	77,792,099
Total financial liabilities	77,792,099	-	-	-	77,792,099

Company At 31 March 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade and other payables (Note 24) (excluding statutory liabilities)	**90,649,109**	**-**	**-**	**-**	**90,649,109**
Total financial liabilities	**90,649,109**	**-**	**-**	**-**	**90,649,109**
At 31 March 2025					
Financial liabilities					
Trade and other payables (Note 24) (excluding statutory liabilities)	76,940,560	-	-	-	76,940,560
Total financial liabilities	76,940,560	-	-	-	76,940,560

3.1 Financial risk factors (Contd)

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A(lka)' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

(ii) Security

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The group has trade receivables for sales of inventory that are subject to the expected credit loss model. Cash and cash equivalents are also subject to the impairment requirements of SLFRS 9, the identified impairment loss was immaterial.

Trade receivables

The group applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2026 or 1 April 2025 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 March 2026 and 31 March 2025 was determined to be nil for trade receivables.

Credit risk concentration

A substantial portion of the Group's trade and other receivables relates to transactions with related parties. The Group manages this concentration risk through ongoing monitoring of outstanding balances and periodic assessment of counterparties' ability to settle obligations when due. Based on management's assessment, no expected credit losses have been identified in respect of these balances as at 31 March 2026.

3.2 Capital risk management

Capital comprises of equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company 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 or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2026.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings.

Borrowings

	Group		Company	
	31 March		31 March	
	2026	2025	2026	2025
Total borrowings	**Nil**	Nil	**Nil**	Nil
Less : Cash and cash equivalents (Note 23)	**(106,664,209)**	(101,457,737)	**(106,220,927)**	(101,014,004)
Net debt	**(106,664,209)**	(101,457,737)	**(106,220,927)**	(101,014,004)
Total equity	**4,397,728,771**	3,672,733,474	**4,276,998,288**	3,570,953,535
Total capital	**4,291,064,562**	3,571,275,737	**4,170,777,360**	3,469,939,531
Gearing ratio	**-2.49%**	-2.84%	**-2.55%**	-2.91%

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation methods. The different levels have been defined as follows;

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets and liabilities that are measured at fair value.

	Level 1	Level 2 Rs.	Total balance
As at 31 March 2026			
Group			
Assets			
Financial assets at fair value through other comprehensive income	109,363,371	-	109,363,371
Financial assets at fair value through profit or loss	-	1,653,090,551	1,653,090,551
	109,363,371	1,653,090,551	1,762,453,922
Company			
Assets			
Financial assets at fair value through other comprehensive income	109,363,371	-	109,363,371
Financial assets at fair value through profit or loss	-	1,653,090,551	1,653,090,551
	109,363,371	1,653,090,551	1,762,453,922

	Level 1	Level 2 Rs.	Total balance
As at 31 March 2025			
Group			
Assets			
Financial assets at fair value through other comprehensive income	77,290,820	-	77,290,820
Financial assets at fair value through profit or loss	-	1,133,055,062	1,133,055,062
	77,290,820	1,133,055,062	1,210,345,882
Company			
Assets			
Financial assets at fair value through other comprehensive income	77,290,820	-	77,290,820
Financial assets at fair value through profit or loss	-	1,133,055,062	1,133,055,062
	77,290,820	1,133,055,062	1,210,345,882

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing 'service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity instruments classified as trading securities or available for sale.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

4 Critical accounting estimates and judgments

4.1 Critical accounting estimates and assumptions

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

(a) Estimated impairment of non-current assets

The Group tests annually the indicators to ascertain whether non-current assets (including intangibles) have suffered any impairment, in accordance with the accounting policy stated in policy 2.7.3 and 2.7.4. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Defined benefit plan - Gratuity

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for defined benefit plan include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The Company determines the appropriate discount rate at the end of each year as explained in the accounting policies note 2.18. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. Other key assumptions for defined benefit plan are based in part on current market conditions. Additional information is disclosed in Note 25.

(c) Provisions

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

(d) Fair value of financial instruments

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

(e) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(f) Income tax

The Group is subject to income taxes and other taxes. Significant judgement was required to determine the total provision for current, deferred and other taxes.

(g) Useful life-time of the property, plant and equipment

The Group reviews the residual values, useful lives and methods of depreciation of assets at each reporting date. Judgement of the management estimates these values, rates, methods and hence they are subject to uncertainty.

(h) Impairment of financial assets

The Group recognises loss allowances for financial assets measured at amortised cost.

Loss allowances for trade receivables is always measured at an amount equal to lifetime Expected Credit Loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The majority of the trade receivables are from related parties with strong financial positions which do not require a loss allowance.

(j) **Fair value of property, plant and equipment**

The Group revalues its land and buildings which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

(k) **Net realisable value of inventory items**

When assessing the net realisable value of inventory items company has used estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

5 Accounting policies and comparatives

The accounting policies set out have been consistently applied to all periods presented in these consolidated financial statements and the accounting policies have been applied consistently by group entities. Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current year.

6 Revenue from contracts with customers

	Group For the year ended 31 March		Company For the year ended 31 March	
	2026	2025	2026	2025
Local sales from contracts with customers	**2,851,072,891**	2,441,285,566	**2,851,072,891**	2,441,285,566
Net revenue	**2,851,072,891**	2,441,285,566	**2,851,072,891**	2,441,285,566

7 Other operating income

	Group For the year ended 31 March		Company For the year ended 31 March	
	2026	2025	2026	2025
Dividend income	**4,878,677**	2,145,887	**4,878,677**	2,145,887
Net gains from financial assets at fair value through profit or loss	**120,035,489**	48,010,324	**120,035,489**	48,010,324
Other operating income	**-**	5,000	**-**	5,000
	124,914,166	50,161,211	**124,914,166**	50,161,211

8 Expenses by nature

	Group For the year ended 31 March		Company For the year ended 31 March	
	2026	2025	2026	2025
Directors' emoluments	**920,000**	570,000	**920,000**	570,000
Right of use assets amortisation (Note 15)	**22,200**	22,200	**22,200**	22,200
Provision for obsolete stock [Note 19 (a)]	**6,278,726**	10,257,604	**6,278,726**	10,257,604
Auditor's remuneration	**1,532,008**	1,410,728	**1,135,249**	1,013,968
Depreciation (Note 14)	**15,718,137**	19,976,181	**15,718,137**	19,976,181
Staff costs (Note 9)	**67,864,735**	56,210,297	**67,864,735**	56,210,297
Raw material consumption	**1,845,412,248**	1,727,727,784	**1,845,412,248**	1,727,727,784
Other costs	**49,621,138**	61,291,300	**71,210,256**	60,639,666
Total of cost of sales and administrative costs	**1,987,369,192**	1,877,466,094	**2,008,561,551**	1,876,417,700

Other costs mainly consist of electricity expenses amounting to Rs. 28,561,563 (2025 - Rs. 35,256,133), fuel expenses amounting to Rs. 5,553,323 (2025 - Rs. 4,958,009) for both Group and Company.

9 Staff costs

	Group		Company	
	For the year ended 31 March		For the year ended 31 March	
	2026	2025	2026	2025
Wages and salaries	**50,505,416**	41,067,550	**50,505,416**	41,067,550
Defined contribution plan	**4,248,962**	3,900,124	**4,248,962**	3,900,124
Defined benefit plan	**2,915,890**	2,327,607	**2,915,890**	2,327,607
Other staff costs	**10,194,467**	8,915,016	**10,194,467**	8,915,016
	67,864,735	56,210,297	**67,864,735**	56,210,297
Average number of employees during the year	**61**	52	**50**	52

Group and company other staff costs mainly include bonus cost amounting to Rs. 5,679,663 (2025 -Rs 4,584,245) and staff welfare expenses amounting to Rs. 4,163,666 (2025 - Rs. 3,941,140).

10 Finance income- net

	Group		Company	
	For the year ended 31 March		For the year ended 31 March	
	2026	2025	2026	2025
Finance income :	**55,010,675**	68,062,589	**45,541,559**	58,036,821
Interest income	**66,938,186**	(9,530,529)	**66,938,186**	(9,530,529)
Net foreign exchange loss	**121,948,862**	58,532,060	**112,479,745**	48,506,292
Finance costs :				
Interest expense	**(980,974)**	(376,990)	**(980,974)**	(376,990)
	(980,974)	(376,990)	**(980,974)**	(376,990)
Finance income - net	**120,967,888**	58,155,070	**111,498,771**	48,129,302

11 Income tax expense

As per the Inland Revenue Act No. 24 of 2017 and amendends thereto, the company's business profits are taxable at the rate of 30% of the financial year ended 31st March 2026 (2025 - 30%)

	Group		Company	
	For the year ended 31 March		For the year ended 31 March	
	2026	2025	2026	2025
Current income tax	**304,728,423**	199,519,142	**294,991,855**	196,825,930
(Over) / under provision in respect of prior years	**(759,959)**	(2,144,819)	**(943,109)**	(2,144,819)
Additional provision for tax contingency	**1,791,214**	-	**-**	-
Deferred tax income (release) / charge	**6,016,359**	10,020,195	**6,016,359**	10,020,195
	311,776,037	207,394,518	**300,065,105**	204,701,306

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the effective tax rate applicable to profits of the Company as follows :

	Group		Company	
	For the year ended 31 March		For the year ended 31 March	
	2026	2025	2026	2025
Profit before income tax	**1,109,585,754**	672,135,753	**1,078,924,277**	663,158,379
Tax calculated at effective tax rate of 30% (2025 - 30%)	**332,875,726**	201,640,726	**323,677,283**	198,947,514
Tax effect of income not subject to tax	**(71,662,357)**	(17,364,041)	**(72,200,482)**	(17,364,041)
Tax effect of expenses deductible/not deductible for tax purpose	**43,515,054**	15,242,457	**43,515,054**	15,242,457
Additional provision for tax contingency	**1,791,214**	-	**-**	-
(Over) / under provision in respect of prior year	**(759,959)**	(2,144,819)	**(943,109)**	(2,144,819)
Deferred tax charge/(release)	**6,016,359**	10,020,195	**6,016,359**	10,020,195
Tax charge	**311,776,037**	207,394,518	**300,065,105**	204,701,306

12 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	For the year ended 31 March		For the year ended 31 March	
	2026	2025 Restated	2026	2025 Restated
Net profit attributable to shareholders	**797,809,716**	464,741,235	**778,859,172**	458,457,073
Weighted average number of ordinary shares in issue	**42,125,000**	42,125,000	**42,125,000**	42,125,000
Basic/diluted earnings per share	**18.94**	11.03	**18.49**	10.88

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect the share split made in 2025 as disclosed in Note 28.

13 Dividend per share

	Group		Company	
	For the year ended 31 March		For the year ended 31 March	
	2026	2025	2026	2025
Interim dividend	**105,312,500**	84,250,000	**105,312,500**	84,250,000
Number of ordinary shares in issue	**4,212,500**	4,212,500	**4,212,500**	4,212,500
Dividend per share	**25.00**	20.00	**25.00**	20.00

14 Property, plant and equipment - Group

(a)

	Land and buildings	Plant, machinery and accessories	Equipment tools and implements	Furniture fittings and office equipment	Motor vehicles	Total
At 31 March 2024						
Cost / valuation	323,500,000	213,941,522	28,524,512	3,827,028	22,510,427	592,303,489
Accumulated depreciation	-	(172,200,556)	(22,566,552)	(3,162,857)	(22,373,879)	(220,303,844)
Net book amount	323,500,000	41,740,966	5,957,960	664,171	136,548	371,999,645
Year ended 31 March 2025						
Opening net book amount	323,500,000	41,740,966	5,957,960	664,171	136,548	371,999,645
Additions	-	718,441	-	584,192	-	1,302,633
Depreciation charge (Note 8)	(8,131,579)	(10,024,557)	(1,236,930)	(446,567)	(136,548)	(19,976,181)
Closing net book amount	315,368,421	32,434,850	4,721,030	801,796	-	353,326,097
At 31 March 2025						
Cost / valuation	323,500,000	214,659,963	28,524,512	4,411,220	22,510,427	593,606,122
Accumulated depreciation	(8,131,579)	(182,225,113)	(23,803,482)	(3,609,424)	(22,510,427)	(240,280,025)
Net book amount	315,368,421	32,434,850	4,721,030	801,796	-	353,326,097
Year ended 31 March 2026						
Opening net book amount	**315,368,421**	**32,434,850**	**4,721,030**	**801,796**	**-**	**353,326,097**
Additions	**-**	**16,533,322**	**9,234,117**	**987,858**	**26,500,000**	**53,255,297**
Depreciation charge (Note 8)	**(6,180,000)**	**(7,254,288)**	**(1,470,387)**	**(130,996)**	**(682,466)**	**(15,718,137)**
Closing net book amount	**309,188,421**	**41,713,884**	**12,484,760**	**1,658,658**	**25,817,534**	**390,863,257**
At 31 March 2026						
Cost / valuation	**323,500,000**	**231,193,284**	**37,758,629**	**5,399,078**	**49,010,427**	**646,861,418**
Accumulated depreciation	**(14,311,579)**	**(189,479,400)**	**(25,273,869)**	**(3,740,420)**	**(23,192,893)**	**(255,998,161)**
Net book amount	**309,188,421**	**41,713,883**	**12,484,760**	**1,658,658**	**25,817,534**	**390,863,257**

14 Property, plant and equipment - Company

(b)

	Land and buildings	Plant, machinery and accessories	Equipment tools and implements	Furniture fittings and office equipment	Motor vehicles	Total
At 31 March 2024						
Cost / valuation	323,500,000	194,665,454	28,524,512	3,827,028	22,510,427	573,027,421
Accumulated depreciation	-	(152,924,488)	(22,566,552)	(3,162,857)	(22,373,879)	(201,027,776)
Net book amount	323,500,000	41,740,966	5,957,960	664,171	136,548	371,999,645
Year ended 31 March 2025						
Opening net book amount	323,500,000	41,740,966	5,957,960	664,171	136,548	371,999,645
Additions	-	718,441	-	584,192	-	1,302,633
Depreciation charge (Note 8)	(8,131,579)	(10,024,557)	(1,236,930)	(446,567)	(136,548)	(19,976,181)
Closing net book amount	315,368,421	32,434,850	4,721,030	801,796	-	353,326,097
At 31 March 2025						
Cost / valuation	323,500,000	195,383,895	28,524,512	4,411,220	22,510,427	574,330,054
Accumulated depreciation	(8,131,579)	(162,949,045)	(23,803,482)	(3,609,424)	(22,510,427)	(221,003,957)
Net book amount	315,368,421	32,434,850	4,721,030	801,796	-	353,326,097
Year ended 31 March 2026						
Opening net book amount	**315,368,421**	**32,434,850**	**4,721,030**	**801,796**	**-**	**353,326,097**
Additions	**-**	**16,533,322**	**9,234,117**	**987,858**	**26,500,000**	**53,255,297**
Depreciation charge (Note 8)	**(6,180,000)**	**(7,254,288)**	**(1,470,387)**	**(130,996)**	**(682,466)**	**(15,718,137)**
Closing net book amount	**309,188,421**	**41,713,884**	**12,484,760**	**1,658,658**	**25,817,534**	**390,863,257**
At 31 March 2026						
Cost / valuation	**323,500,000**	**211,917,217**	**37,758,629**	**5,399,078**	**49,010,427**	**627,585,351**
Accumulated depreciation	**(14,311,579)**	**(170,203,333)**	**(25,273,869)**	**(3,740,420)**	**(23,192,893)**	**(236,722,094)**
Net book amount	**309,188,421**	**41,713,884**	**12,484,760**	**1,658,658**	**25,817,534**	**390,863,257**

(c) Property, plant and equipment include fully depreciated assets, the gross carring amount of which amounted to Rs 184.2 Mn (2025 - Rs 169.7 Mn). These assets are still in use.

(d) The group's land (extent - 3 A - 0 R - 44 P, location - Ekala) and buildings (No. of buildings 09) were last revalued on 31 March 2024 by an Independent Professional Valuer Mr. J.M. Senanayaka Bandara BSc. (Hon) (Estate Management and Valuation), FIV Sri Lanka, IRRV (UK).

a. Fair value of the land and buildings is determined based on Level 2 and Level 3 inputs respectively.

(e) Property, plant and equipment includes assets at valuation on 31 March 2026 as follows,

Company / Group Asset	Valued amount (Rs)
Land	**169,000,000**
Buildings	**154,500,000**

(f) If revalued land and buildings were stated on the historical cost basis, the amounts would be as follows:

	Company / Group 2026		Company / Group 2025	
	Land	Building	Land	Building
Cost at 31 March	**7,508,775**	**35,312,748**	7,508,775	35,312,748
Accumulated depreciation at 31 March	**Nil**	**(24,012,669)**	Nil	(22,600,159)
Net book value	**7,508,775**	**11,300,079**	7,508,775	12,712,589

(g) No property, plant and equipment has been pledged as securities for liabilities.

(h) The directors considered the carrying amount of the balance approximates its fair value.

Fair value hierarchy	At 31 March 2026		At 31 March 2025	
	Level 2	Level 3	Level 2	Level 3
Land	**169,000,000**	**-**	169,000,000	-
Buildings	**-**	**140,188,421**	-	146,368,421
Total value	**169,000,000**	**140,188,421**	169,000,000	146,368,421

Valuation techniques used to determine fair values

The group obtains independent valuations for its freehold land and buildings related to manufacturing sites (classified as property, plant and equipment) at least every three years. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. The level 2 fair value of land held for resale has been derived using the sales comparison approach based on recent sales of comparable properties in the area. Further, the key inputs under this approach are the price per perch from current year sales of comparable lots of land in the area (location and size).The buildings are valued based on the in-situ value per square feet and considered as level 3 inputs to the valuation. Please refer below for the level 3 inputs and sensitivity.

14 Property, plant and equipment (Contd)

	Effective date of valuation	Location	Extent	Price per Sq.ft/Price per perch	Total revalued amount of Building/ Land (Rs)	Sensitivity of fair value measurement to inputs
Building	31-Mar-24	Lot 1 - Part of OTS Idama,ACL Staff Quarters,Sand Piper Road, Nivasipura, Ekala - Kurunduwatta,Kotugoda, Ja ela	1,690 sq.ft.	Rs. 7,500	12,500,000	Positively correlated sensitivity
	31-Mar-24	Assessment Nos. 52 & 52/1, ACL Plastics Factory Premises, Temple Road, Ekala, Ja ela.	447 sq.ft - 14,480 sq.ft and other constructions	Rs.2,200- Rs.4,400	142,000,000	Positively correlated sensitivity
Land	31-Mar-24	Lot 1 - Part of OTS Idama,ACL Staff Quarters,Sand Piper Road, Nivasipura, Ekala - Kurunduwatta,Kotugoda, Ja ela	0A-0R-10.19P	Rs. 650,000	6,500,000	Positively correlated sensitivity
	31-Mar-24	Lot 10, Part of Straatenwyk Estate,Suhada Mawatha, Off Samagi Mawatha, Ekala, Ja ela	3A-0R-34P	Rs.47,000,000	151,000,000	Positively correlated sensitivity
	31-Mar-24	Lot 10, Part of Straatenwyk Estate,Suhada Mawatha, Off Samagi Mawatha, Ekala, Ja ela	0A-0R-20P	Rs.575,000	11,500,000	Positively correlated sensitivity

(i) Capital work in progress of Company as at the reporting date includes expenses incurred for building being constructed at ACL Plastics Factory premises.

15 Right-of-use assets

15.1 Right-of-use assets

(i) Amounts recognised in the statement of financial position

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Balance at 1 April	**1,509,819**	1,532,019	**1,509,819**	1,532,019
Depreciation during the year	**(22,200)**	(22,200)	**(22,200)**	(22,200)
Balance at the end of the year	**1,487,619**	1,509,819	**1,487,619**	1,509,819

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases

	Group For the Year ended 31 March		Company For the Year ended 31 March	
	2026	2025	2026	2025
Right of use assets amortisation (Note 8)	**22,200**	22,200	**22,200**	22,200
	22,200	22,200	**22,200**	22,200

15.2 The group's leasing activities and how these are accounted for

Property on operating lease:	Victoria Golf Course and Country Resort in Kandy
Land extent:	R 01 - P9
Lease period:	92 years from 24 March 2002
Lease rentals:	
from 2002 to 2011	Rs 21,935 per annum
from 2012 to 2094	Rs 22,203 per annum

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, lease of property was classified as operating leases. From 1 April 2019, lease was recognised as a right-of-use asset. No lease liability is recognised as all the lease payments were done in advance.

Right-of-use assets are measured at cost comprising the lease payments made at or before the commencement date. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use assets held by the group.

16 Investment in subsidiary

Investment in subsidiary wholly consists of Rs 10,000,010 (2025 - Rs 10,000,010) invested in ordinary shares of ACL Polymers (Private) Limited, representing 100% of its issued share capital.

In the Company's financial statements, investments in subsidiaries have been accounted for at cost.

Summarised financial information in respect of ACL Plastics PLC's subsidiaries reflecting amount before inter company eliminations, is set out below.

The significant figures extracted from the financials of ACL Polymers (Pvt) Ltd.

	For the year ended 31 March	
	2026	2025
Revenue	**33,957,850**	-
Finance income - net	**9,469,116**	10,025,768
Profit before taxation	**30,661,475**	8,977,374
Income tax expense	**(11,710,932)**	(2,693,212)
Cash flows from operating activities	**(9,469,566)**	(600)
Cash flows from investing activities	**9,469,116**	-
Cash flows from financing activities	**-**	-
Current assets	**173,436,778**	142,871,091
Total assets	**173,436,778**	142,871,091
Non current liabilities	**-**	-
Current liabilities	**42,706,276**	31,091,133
Total Liabilities	**42,706,276**	31,091,133

17 Financial assets at fair value through other comprehensive income

17. 1 Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.

17. 2 Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

	31 March 2026			31 March 2025		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Diversified holdings						
Hayleys PLC	389,070	2,952,614	83,650,050	389,070	2,952,614	53,302,590
Banking, finance and insurance						
Nations Trust Bank PLC	31,568	512,005	9,131,044	31,297	512,005	5,946,430
People's Insurance PLC	596,134	8,782,500	15,559,097	596,134	8,782,500	16,989,820
Plantations						
Maskeliya Plantations PLC	8,200	374,258	573,180	8,200	374,258	646,980
Kotagala Plantations PLC	56,250	777,830	450,000	45,000	676,580	405,000
Total cost of investments by the Company		13,399,207	109,363,371		13,297,957	77,290,820
Total cost of investments by the Group		13,399,207	109,363,371		13,297,957	77,290,820

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

The company purchased 11,250 shares from Kotagala Plantation PLC and 271 shares from Nations Trust Bank PLC as scrip dividend during the year.

17.3 Movement in financial assets at fair value through other comprehensive income

	Group For the Year ended 31 March		Company For the Year ended 31 March	
	2026	2025	2026	2025
Balance at 1 April	77,290,820	49,267,460	77,290,820	49,267,460
Purchased During the year	101,250	-	101,250	-
Net change in fair value	31,971,301	28,023,360	31,971,301	28,023,360
Balance at the end of the year	109,363,371	77,290,820	109,363,371	77,290,820

18 Financial instruments by category

(a) Financial instruments

Group	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at FVOCI	Total
31 March 2026				
Assets as per the statement of financial position				
Investment instruments	1,653,090,551	-	109,363,371	1,762,453,922
Trade and other receivables (excluding pre-payments)	-	976,463,453	-	976,463,453
Short Term Investments (Note 22)	-	907,856,489	-	907,856,489
Cash and cash equivalents (Note 23)	-	106,664,209	-	106,664,209
	1,653,090,551	1,990,984,151	109,363,371	3,753,438,073

	Financial liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
31 March 2026			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	26,632,220	26,632,220
	-	26,632,220	26,632,220

Company	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at FVOCI	Total
31 March 2026				
Assets as per the statement of financial position				
Investment instruments	1,653,090,551	-	109,363,371	1,762,453,922
Trade and other receivables (excluding pre-payments)	-	837,507,807	-	837,507,807
Short Term Investments (Note 22)	-	907,856,489	-	907,856,489
Cash and cash equivalents (Note 23)	-	106,220,927	-	106,220,927
	1,653,090,551	1,851,585,223	109,363,371	3,614,039,145

	Financial liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
31 March 2026			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	56,958,079	56,958,079
	-	56,958,079	56,958,079

(a) Financial Instruments (Contd.)

Group	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at FVOCI	Total
31 March 2025				
Assets as per the statement of financial position				
Investment instruments	1,133,055,062	-	77,290,820	1,210,345,882
Trade and other receivables (excluding pre-payments)	-	894,780,099	-	894,780,099
Short Term Investments (Note 22)	-	815,810,902	-	815,810,902
Cash and cash equivalents (Note 23)	-	101,457,737	-	101,457,737
	1,133,055,062	1,812,048,738	77,290,820	3,022,394,620

	Financial liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
31 March 2025			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	77,792,106	77,792,106
	-	77,792,106	77,792,106

Company	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at FVOCI	Total
31 March 2025				
Assets as per the statement of financial position				
Investment instruments	1,133,055,062	-	77,290,820	1,210,345,882
Trade and other receivables (excluding pre-payments)	-	752,352,755	-	752,352,755
Short Term Investments (Note 22)	-	815,810,902	-	815,810,902
Cash and cash equivalents (Note 23)	-	101,014,004	-	101,014,004
	1,133,055,062	1,669,177,661	77,290,820	2,879,523,543

	Financial liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
31 March 2025			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	76,940,560	76,940,560
	-	76,940,560	76,940,560

(b) **Credit quality by class of financial assets**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	Rating	Group		Company		Rating Institute
		31 March		31 March		
		2026	2025	2026	2025	
Short term Investments	AA-	**893,203,247**	802,555,919	**893,203,247**	802,555,919	Fitch Ratings
	A+	**14,653,242**	13,254,983	**14,653,242**	13,254,983	Fitch Ratings
Financial assets at fair value through profit or loss	A	**1,567,398,483**	1,053,444,303	**1,567,398,483**	1,053,444,303	Lanka Rating Agency PLC
	AA	**85,692,068**	79,610,759	**85,692,068**	79,610,759	Fitch Ratings
Cash and cash equivalents	AA-	**6,365,472**	20,921,297	**5,921,740**	20,476,965	Fitch Ratings
	A+	**100,199,187**	80,436,039	**100,199,187**	80,436,039	Fitch Ratings

19 Inventories

	Group		Company	
	31 March		31 March	
	2026	2025	2026	2025
Raw materials	**513,161,418**	493,466,044	**513,161,418**	493,466,044
Work-in-progress	**304**	134	**304**	134
Finished goods	**94,524,751**	91,888,852	**94,524,751**	91,888,852
Other stocks	**28,141,429**	26,205,632	**28,141,429**	26,205,632
	635,827,902	611,560,662	**635,827,902**	611,560,662
Provision for obsolete stock [Note 19(a)]	**(29,365,828)**	(33,406,761)	**(29,365,828)**	(33,406,761)
Net book amount	**606,462,074**	578,153,901	**606,462,074**	578,153,901

Raw materials include goods in transit amounting to Rs. 181,083,479 million (2025: Rs. 136,304,446 million) for which payment control had passed to the Group as at the reporting date.

(a) **Provision for obsolete stock**

	Group		Company	
	31 March		31 March	
	2026	2025	2026	2025
Balance at the beginning of the year	**33,406,761**	23,149,157	**33,406,761**	23,149,157
Inventory write off during year	**(10,319,659)**	-	**(10,319,659)**	-
Provision charge during the year	**6,278,726**	10,257,604	**6,278,726**	10,257,604
Balance at the end of the year	**29,365,828**	33,406,761	**29,365,828**	33,406,761

20 Trade and other receivables

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Trade receivables - non related parties	**4,683,097**	4,857,932	**4,683,097**	4,857,932
Loss allowance for trade and other receivables	**-**	-	**-**	-
	4,683,097	4,857,932	**4,683,097**	4,857,932
Trade receivable from related parties [Note 32.6 (b)]	**815,148,105**	753,138,493	**789,912,957**	724,431,646
Loan given to parent company [Note 32.6 (c)]	**113,720,498**	113,720,498	**-**	-
Advances and prepayments	**9,703,096**	-	**9,623,096**	-
Other receivables	**42,911,753**	23,063,177	**42,911,753**	23,063,177
	986,166,549	894,780,100	**847,130,903**	752,352,755

Other receivables mainly consist of Interest receivables amounting to Rs. 17,109,420 (2025 - Rs. 13,835,740), VAT receivables amounting to Rs. 24,134,629 (2025 - Rs. 7,019,964) for both the Group and Company.

The average interest rate (based on AWPLR rates) on loan given to holding company is 8.33% (2025 - 9.01%).

The trade receivable balances and intercompany receivables not impaired are as follows.

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Up to 3 months	**970,409,410**	879,022,961	**831,373,764**	736,595,616
3 to 6 months	**13,709,817**	15,757,139	**13,709,817**	15,757,139
More than 6 months	**Nil**	Nil	**Nil**	Nil
	986,166,549	894,780,099	**847,130,903**	752,352,755

Past due but not impaired

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The carrying amounts of the trade and other receivables are dominated in following currencies:

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
US dollars	**13,682,704**	55,827,505	**13,682,703**	55,827,505
Sri Lankan Rupees	**975,875,545**	838,952,595	**833,448,200**	696,525,250
	986,166,549	894,780,100	**847,130,903**	752,352,755

21 Financial Assets at fair value through profit of loss

21. 1 Unit trust investments at fair value through profit or loss

Financial assets at fair value through profit or loss comprise the following individual investments:

	31 March 2026			31 March 2025		
	Number of Units	Cost	Fair value	Number of Units	Cost	Fair value
NDB Wealth Management Limited	**2,221,158**	**65,000,000**	**85,692,068**	2,221,153	65,000,000	79,610,759
Capital Alliance Investment Limited	**38,946,801**	**1,420,000,000**	**1,567,398,483**	28,054,928	1,020,000,000	1,053,444,303

21. 2 Movement in financial assets at fair value through profit or loss

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Balance at 1 April	**1,133,055,062**	35,044,738	**1,133,055,062**	35,044,738
Investment made during the year	**400,000,000**	1,050,000,000	**400,000,000**	1,050,000,000
Net change in fair value	**120,035,489**	48,010,324	**120,035,489**	48,010,324
Balance at the end of the year	**1,653,090,551**	1,133,055,062	**1,653,090,551**	1,133,055,062

Financial assets at fair value through Profit or Loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss. Investments in unit trust are included in financial assets at fair value through profit or loss.

22 Short term Investments

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Short term investments	**907,856,489**	815,810,902	**907,856,489**	815,810,902
	907,856,489	815,810,902	**907,856,489**	815,810,902

23 Cash and cash equivalents

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Cash at bank and in hand	**106,664,209**	101,457,737	**106,220,927**	101,014,004
	106,664,209	101,457,737	**106,220,927**	101,014,004

For the purposes of the statement of cashflows, the year end cash and cash equivalents comprise the following:

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Cash at bank	**106,564,209**	101,356,737	**106,120,927**	100,913,004
Cash in hand	**100,000**	101,000	**100,000**	101,000
	106,664,209	101,457,737	**106,220,927**	101,014,004

24 Trade and other payables

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Trade payables	**45,021,458**	68,138,080	**45,021,459**	68,138,080
Payables to related parties [Note 32.6 (a)]	**600,000**	164,169	**33,957,850**	164,169
Payroll related payables and other taxes	**9,790,188**	716,127	**9,790,189**	716,128
Other payables	**12,073,195**	14,328,972	**9,041,203**	13,477,432
	67,484,841	83,347,348	**97,810,701**	82,495,808

Other payables mainly consist of accured expenses amounting to Rs.5,387,014 (2025 - Rs. 4,550,346), SSCL payables amounting to Rs. 6,531,349 (2025 - Rs. 4,940,505) for both the Group and Company.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

25 Current income tax payable

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Balance at the beginning of the year	**101,128,798**	97,415,694	**70,889,209**	65,727,294
Provision for the current year (Note 11)	**304,728,423**	199,519,142	**294,991,855**	196,825,930
(Over) / under provision in respect of prior years	**(759,823)**	(2,144,819)	**(943,109)**	(2,144,819)
Additional provision for tax contingency	**1,791,214**	-	**-**	-
Payments made during the year	**(216,050,442)**	(193,661,219)	**(213,174,080)**	(189,519,196)
Balance at the end of the year	**190,838,170**	101,128,798	**151,763,875**	70,889,209

26 Defined benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
At the beginning of the year	**17,821,020**	12,508,030	**17,821,020**	12,508,030
Expense recognised in statement of profit and loss (Note 26.1)	**2,915,890**	2,327,607	**2,915,890**	2,327,607
Actuarial loss/(gain) recognised in OCI (Note 26.2)	**(752,543)**	3,403,327	**(752,543)**	3,403,327
	19,984,367	18,238,964	**19,984,367**	18,238,964
Payments made during the year	**-**	(417,944)	**-**	(417,944)
Balance at the end of the year	**19,984,367**	17,821,020	**19,984,367**	17,821,020

26.1.1 Amount recognised in the statement of profit and loss

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Current service cost	**1,871,207**	732,833	**1,871,207**	732,833
Past service cost	**-**	-	**-**	-
Interest cost	**1,044,683**	1,594,774	**1,044,683**	1,594,774
	2,915,890	2,327,607	**2,915,890**	2,327,607

26.1.2 Amount recognised in comprehensive income

	Group		Company	
	31 March		31 March	
	2026	2025	2026	2025
Acturial loss/ (gain)	(752,543)	3,403,327	(752,543)	3,403,327
	(752,543)	3,403,327	(752,543)	3,403,327

The Company maintains a non-contributory defined benefit plan providing for gratuity benefits payable to employees expressed in terms of final monthly salary and service.

As at 31 March 2026, the gratuity liability was actuarially valued under the Project Unit Credit (PUC) method by a professionally qualified actuary firm Actuarial and Management Consultants (Private) Limited.

The key assumptions used by the actuary include the following :

	Group / Company	
	31 March	
	2026	2026
Rate of discount	11%	10.50%
Salary increment rate	10%	10%
Retirement age	60 years	60 years

26.2 Sensitivity of the actuarial assumptions

	Change	31 March 2026			
		Group		Company	
		Financial position-liability	Comprehensive income-(charge) / credit	Financial position-liability	Comprehensive income-(charge) / credit
Discount rate	+1%	18,507,099	1,477,268	18,507,099	1,477,268
	-1%	21,647,689	(1,663,322)	21,647,689	(1,663,322)
Future salary increases	+1%	21,673,894	(1,689,527)	21,673,894	(1,689,527)
	-1%	18,459,616	1,524,751	18,459,616	1,524,751

	Change	31 March 2025			
		Group		Company	
		Financial position-liability	Comprehensive income-(charge) / credit	Financial position-liability	Comprehensive income-(charge) / credit
Discount rate	+1%	16,491,104	1,329,916	16,491,104	1,329,916
	-1%	19,321,812	(1,500,792)	19,321,812	(1,500,792)
Future salary increases	+1%	19,341,811	(1,520,791)	19,341,811	(1,520,791)
	-1%	16,450,807	1,370,213	16,450,807	1,370,213

26.3 Maturity analysis

The weighted average duration of the defined benefit obligations is 8.6 years (2025 – 8.7 years). The expected maturity analysis of post-employment benefits is as follows:

Group 31 March 2026	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	**1,100,344**	**1,884,170**	**2,964,665**	**14,035,186**	**19,984,365**

Group 31 March 2025	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	1,154,392	2,022,844	2,059,902	12,583,881	17,821,019

Company 31 March 2026	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	**1,100,344**	**1,884,170**	**2,964,665**	**14,035,186**	**19,984,365**

Company 31 March 2025	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	1,154,392	2,022,844	2,059,902	12,583,882	17,821,020

The weighted average duration of the defined benefit obligations is 9.82 years (2025 – 11.54 years). The expected maturity analysis of undiscounted post-employment benefits is as follows:

Group 31 March 2026	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	**1,236,342**	**2,117,045**	**3,331,084**	**15,769,872**	**22,454,342**

Group 31 March 2025	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	1,289,823	2,260,161	2,301,566	14,060,201	19,911,751

Company 31 March 2026	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	**1,236,342**	**2,117,045**	**3,331,084**	**15,769,872**	**22,454,342**

Company 31 March 2025	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations	1,289,823	2,260,161	2,301,566	14,060,201	19,911,751

27 Deferred income tax liabilities

Deferred income taxes are calculated on temporary differences under the liability method using the future effective tax rate of 30% (2025 - 30%).

27.1 The gross movement in the deferred income tax account was as follows:

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Balance at the beginning of the year	**81,490,643**	83,404,686	**81,490,643**	83,404,686
Origination / (Reversal) of temporary differences recognized in statement of profit or loss	**6,016,359**	10,020,195	**6,016,359**	10,020,195
Origination of temporary differences recognised in other comprehensive income	**225,763**	(11,934,238)	**225,763**	(11,934,238)
Balance at the end of the year	**87,732,765**	81,490,643	**87,732,765**	81,490,643

27.2 The movement in the deferred income tax account was as follows:

(a) Movement in deferred income tax liability

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Balance at the beginning of the year	**101,222,692**	116,147,986	**101,222,692**	116,147,986
Origination/(reversal) of temporary differences recognised in statement of profit or loss	**789,038**	(4,012,054)	**789,038**	(4,012,054)
Origination of temporary differences recognised in other comprehensive income	**-**	(10,913,240)	**-**	(10,913,240)
Balance at the end of the year	**102,011,730**	101,222,692	**102,011,730**	101,222,692

(b) Movement in deferred income tax asset

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Balance at the beginning of the year	**19,732,049**	32,743,300	**19,732,049**	32,743,300
Origination / (Reversal) of temporary differences recognised in statement of profit or loss	**(5,678,847)**	(14,032,249)	**(5,678,847)**	(14,032,249)
Origination / (Reversal) of temporary differences recognised in other comprehensive income	**225,763**	1,020,998	**225,763**	1,020,998
Balance at the end of the year	**14,278,965**	19,732,049	**14,278,965**	19,732,049
Net deferred income tax liability at the end of the year	**87,732,765**	81,490,643	**87,732,765**	81,490,643

27.3 Composition of deferred income tax liabilities and deferred income tax assets is as follows:

(i) Composition of deferred income tax liabilities

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Property, plant and equipment	**101,960,375**	101,222,692	**101,960,375**	101,222,692
Unrealized exchange gain	**577,449**	-	**577,449**	-
	102,537,824	101,222,692	**102,537,824**	101,222,692

(ii) Composition of deferred income tax assets

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Retirement benefit obligations	**5,995,310**	5,346,306	**5,995,310**	5,346,306
Provision for obsolete stock	**8,809,748**	10,022,028	**8,809,748**	10,022,028
Unrealized exchange loss	**-**	4,363,714	**-**	4,363,714
	14,805,058	19,732,048	**14,805,058**	19,732,048

28 Stated capital

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Number of ordinary shares issued and fully paid				
Issued ordinary shares as at 01st April	**4,212,500**	4,212,500	**4,212,500**	4,212,500
Effect of shares split	**37,912,500**	37,912,500	**37,912,500**	37,912,500
Balance at the end of the year	**42,125,000**	42,125,000	**42,125,000**	42,125,000
Stated capital				
Total ordinary shares (Rs)	**79,974,555**	79,974,555	**79,974,555**	79,974,555
Balance at 31 March	**79,974,555**	79,974,555	**79,974,555**	79,974,555

The ordinary shares of ACL Plastics PLC are quoted on the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are eligible for one vote per share at General Meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The number of ordinary shares increased by way of a sub division of shares whereby One (1) ordinary shares be sub- divided to in to Ten (10) ordinary shares with effective from 29th December 2025.

28.1 Float adjusted market capitalization

The Company complies with option 5 of the Listing Rules 7.13.1 (a) – less than Rs 2.5 Bn Float Adjusted Market Capitalization which requires 20% minimum Public Holding.

29 Revaluation reserve

The revaluation reserve is used to record increments and decrements on the revaluation of land and buildings. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings, see accounting policy note 2.8 for details.

	Group		Company	
	31 March		31 March	
	2026	2025	2026	2025
At beginning of year	**204,727,723**	201,070,223	**204,727,723**	201,070,223
Deferred tax adjustment on revaluation	**-**	-	**-**	-
Deferred tax on addition to the revaluation	**-**	9,101,075	**-**	9,101,075
Depreciation transfer - gross	**(7,776,536)**	(7,776,536)	**(7,776,536)**	(7,776,536)
Deferred tax on transfer	**2,332,961**	2,332,961	**2,332,961**	2,332,961
At the end of the year	**199,284,148**	204,727,723	**199,284,148**	204,727,723

30 Reserves

30.1 Revenue reserve

Revenue reserves consists of amounts that have been transferred from time to time from retained earnings as resolved at general meetings of the Company for the purpose of general applications.

30.2 Financial assets at FVOCI

The following table shows a breakdown of the statement of financial position line item 'Financial assets at FVOCI' and the movements in this reserve during the year. A description of the nature and purpose of the reserve is provided below the table.

(a) Movement of other reserve

	Group		Company	
	Financial assets at FVOCI	Total	Financial assets at FVOCI	Total
At 1 April 2024	34,157,339	34,157,339	34,157,339	34,157,339
Changes in the fair value of financial assets at FVOCI	29,835,525	29,835,525	29,835,525	29,835,525
At 31 March 2025	63,992,864	63,992,864	63,992,864	63,992,864
Changes in the fair value of financial assets at FVOCI	31,971,301	31,971,301	31,971,301	31,971,301
At 31 March 2026	95,964,165	95,964,165	95,964,165	95,964,165

(b) Nature and purpose of other reserves

Financial assets at FVOCI

The group has elected to recognise changes in the fair value of investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

31 Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

	Group		Company	
	31 March		31 March	
	2026	2025	2026	2025
Profit before tax	**1,109,585,753**	672,135,753	**1,078,924,277**	663,158,379
Adjustments for:				
Depreciation of property, plant and equipment (Note 14)	**15,718,137**	19,976,181	**15,718,137**	19,976,181
Dividend income (Note 7)	**(4,878,677)**	(2,145,887)	**(4,878,677)**	(2,145,887)
Interest expense (Note 10)	**980,974**	376,990	**980,974**	376,990
Interest income (Note 10)	**(55,010,675)**	(68,062,589)	**(45,541,559)**	(58,036,821)
Unrealised gain on financial assets measured at FVTPL	**(120,035,489)**	(48,010,324)	**(120,035,489)**	(48,010,324)
Unrealized exchange (gain)/loss on investment in fixed deposits	**(92,045,587)**	-	**(92,045,587)**	-
Amortization of leasehold properties (Note 15.1)	**22,200**	22,200	**22,200**	22,200
Provision for defined benefit obligations (Note 25.1)	**2,915,890**	2,327,607	**2,915,890**	2,327,607
Changes in working capital:				
Increase in inventories	**(28,308,173)**	(14,412,182)	**(28,308,173)**	(14,412,182)
Decrease / (Increase) in receivables and prepayments	**(91,386,450)**	717,633,310	**(94,778,147)**	717,301,321
Increase / (Decrease) in trade and other payables	**(15,862,507)**	62,624,200	**15,314,889**	61,908,393
Cash generated from operations	**721,695,395**	1,342,465,259	**728,288,736**	1,342,465,857

32 Directors' interests in contracts and related party transactions

32.1 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of the parent undertaking ACL Cables PLC, which owns 65.2% of the Company's issued share capital.

32.2 Mr. U.G. Madanayake, Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Polymers (Private) Limited which is a 100% owned subsidiary of ACL Plastics PLC.

32.3 Mr. U.G. Madanayake, Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Metals and Alloys (Private) Limited, ACL Kelani Magnet Wire (Private) Limited, Ceylon Copper (Pvt) Ltd, ACL Electric (Pvt) Ltd.

32.4 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of Kelani Cables PLC, Ceylon Bulbs and Electricals Ltd and Lanka Olex Cables (Pvt) Ltd.

		Relationship	Company Year ended 31 March	
			2026	2025
(a)	Sale of goods (inclusive of taxes)			
	ACL Cables PLC	Parent entity	**1,615,178,305**	1,426,137,773
	Kelani Cables PLC	Affiliate	**1,637,034,631**	1,355,912,260
			3,252,212,936	2,782,050,033
(b)	Purchase of goods (inclusive of taxes)			
	ACL Cables PLC	Parent entity	**7,078,344**	9,170,547
	ACL Polymers (Pvt) Ltd	Subsidiary	**33,957,850**	-
	Kelani Cables PLC	Affiliate	**6,342,671**	4,721,319
			47,378,865	13,891,866
(c)	Interest income from loans			
	ACL Cables PLC	Parent entity	**-**	14,329,835
			-	14,329,835
(d)	Loan settled from related party			
	ACL Cables PLC	Parent entity	**-**	450,000,000
			-	450,000,000
(e)	Interest income on loans - Group			
	ACL Cables PLC to ACL Polymers (Private) Limited		**9,469,116**	10,025,768
			9,469,116	10,025,768

32.6 Balances arising from above related party transactions as at the statement of financial position date are as follows;

		Relationship	Group 31 March		Company 31 March	
			2026	2025	2026	2025
(a)	Payable to related parties					
	ACL Cables PLC	Parent entity	**-**	-	**-**	-
	ACL Polymers (Private) Limited	Subsidiary	**-**		**33,957,850**	-
	Kelani Cables PLC	Affiliate	**-**	164,169	**-**	164,169
			-	164,169	**33,957,850**	164,169
(b)	Receivable from related parties					
	ACL Cables PLC	Parent entity	**288,182,512**	481,350,416	**262,947,364**	452,643,570
	Kelani Cables PLC	Affiliate	**526,965,593**	271,788,076	**526,965,593**	271,788,076
			815,148,105	753,138,492	**789,912,957**	724,431,646
(c)	Receivable on loans					
	ACL Cables PLC	Parent entity	**113,720,498**	113,720,498	**-**	-
			113,720,498	113,720,498	**-**	-

32.7 Terms and conditions

Transactions relating to dividends were on the same terms and conditions for all the shareholders.

All inter-company loans are granted on the terms of "payable on demand" and the interest is charged based on AWPLR - 0.2%. The average interest rate for the year was 8.33% (2025 - 9.01%).

Related party transactions disclosed above are based on the price lists approved by the board of directors.

There were no other related parties or related party transactions during the year ended 31 March 2026 other than those disclosed above.

(e) Key management compensation

Key management includes directors (executive and non-executive) of the Company. The compensation paid or payable to key management is shown below:

	Group 31 March		Company 31 March	
	2026	2025	2026	2025
Directors' emoluments	**920,000**	570,000	**920,000**	570,000

33 Commitments & Contingencies

Commitments

Financial commitments

The company has a commitment on letter of credit amounting to LKR 83.8 million as at 31 March 2026 (2025-42 million).

Capital commitments

There were no material capital commitments outstanding at the balance sheet date. (2025-Nill)

Contingent Liabilities

The company has a bank guarantee amounting to LKR 15 million given to third parties as at 31 March 2026 (2025-15 million).

ACL Polymers (Private) Limited

The Department of Inland Revenue raised an assessment on income tax for the year of assessment 2007/2008 relating to the exemption claimed for profits under Section 17 of the Inland Revenue Act, No. 10 of 2006. The Company submitted an appeal against the assessment within the stipulated time frame in accordance with the Inland Revenue Act. The Court of Appeal delivered judgment in favor of ACL Polymers (Private) Limited on 9 December 2023. However, the Department of Inland Revenue has appealed to the Supreme Court against the Court of Appeal judgment and the matter remains pending before the Supreme Court. The disputed assessment amounts to approximately Rs. 29 million, for which management has recognized a provision within current income tax liabilities. Although the Court of Appeal judgment was in favor of the Company, management has decided not to reverse the provision pending the final determination of the matter by the Supreme Court. Based on the information currently available, management believes the provision recognized appropriately reflects the Company's exposure relating to the assessment.

34 Going Concern

The Directors have assessed the Company's ability to continue as a going concern and are satisfied that it has adequate resources to continue its operations for the foreseeable future.

The Company recorded a profit after tax of Rs.778,859,172 (2025: Rs.458,457,073) for the year ended 31 March 2026 and, as at that date, had a net asset position of Rs. 4,276,998,288 (2025: Rs.3,570,953,735) In making this assessment, the Directors have considered the Company's profitability, cash flow forecasts, working capital position and the continued support available from related companies within the ACL Group. Based on this assessment, the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

35 Events after the reporting period

The Directors have reviewed all material events occurring after the reporting date and up to the date of approval of these financial statements. On 3 August 2026, the Board of Directors declared an interim dividend of Rs. 3.75 per ordinary share amounting to Rs. 157,968,750 in respect of the financial year ended 31 March 2026. The dividend is scheduled to be paid on 2 September 2026. As the dividend was declared after the reporting date, no provision has been recognised in these financial statements as at 31 March 2026.

Other than the above, no events have occurred subsequent to the reporting date that would require adjustment to or disclosure in these financial statements.

GLOBAL REPORTING INITIATIVE (GRI) INDEX 'IN ACCORDANCE' - CORE

Statement of use : ACL Plastics PLC Reporting period 1st April 2025 to 31st March 2026

GRI Used : Foundation used 2021

Applicable GRI Sector Standard(s) : There is no applicable sector for the cable compounds manufacturing sector

GRI Index No.	Disclosure	Description	Location / Page Reference	Omission (if any)		
				Requirement(s) omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1	Organizational details (legal name, ownership, headquarters, countries of operation)	Inner Back Cover			
	2-2	Entities included in the organization's sustainability reporting	41			
	2-3	Reporting period, frequency and contact point	34			
	2-4	Restatements of information	5, 151			
	2-5	External assurance	97-99			
	2-6	Activities, value chain and other business relationships	41			
	2-7	Employees	15			
	2-8	Workers who are not employees	15			
	2-9	Governance structure and composition	55			
	2-10	Nomination and selection of the highest governance body	58, 95			
	2-11	Chair of the highest governance body	56			
	2-12	Role of the highest governance body in overseeing management of impacts	56			
	2-13	Delegation of responsibility for managing impacts	64			
	2-14	Role of the highest governance body in sustainability reporting	66			
	2-15	Conflicts of interest	88			
	2-16	Communication of critical concerns	66			
	2-17	Collective knowledge of the highest governance body	58-59			
	2-18	Evaluation of the performance of the highest governance body	57			
	2-19	Remuneration policies				
	2-20	Process to determine remuneration	92			
	2-21	Annual total compensation ratio		2-21	Confidential information	
	2-22	Statement on sustainable development strategy	32,66			

GLOBAL REPORTING INITIATIVE (GRI) INDEX 'IN ACCORDANCE' - CORE

GRI Index No.	Disclosure	Description	Location / Page Reference	Omission (if any)		
				Requirement(s) omitted	Reason	Explanation
	2-23	Policy commitments	54,82			
	2-24	Embedding policy commitments	54,82			
	2-25	Processes to remediate negative impacts	42			
	2-26	Mechanisms for seeking advice and raising concerns	53			
	2-27	Compliance with laws and regulations	54			
	2-28	Membership associations	Inner Back Cover			
	2-29	Approach to stakeholder engagement	28			
	2-30	Collective bargaining agreements (plant-level unions)		2-30	Not Applicable	Group does not have any collective bargaining agreements
GRI 3: Material Topics 2021	3-1	Process to determine material topics	30			
	3-2	List of material topics	42-52			
	3-3	Management of material topics	42-52			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	152			
	201-2	Financial implications and risks due to climate change	49-52			
	201-3	Defined benefit plan obligations and other retirement plans	134-136			
	201-4	Financial assistance received from government		201-4	Not Applicable	No Such assistance received during the period under review
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	27			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	65			
	205-2	Communication and training about anti-corruption policies and procedures	63			
	205-3	Confirmed incidents of corruption and actions taken	63			
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	66			
GRI 207: Tax 2019	207-1 to 207-4	Approach to tax, tax governance, country-by-country reporting	109			

GRI Index No.	Disclosure	Description	Location / Page Reference	Omission (if any)		
				Requirement(s) omitted	Reason	Explanation
GRI 301: Materials 2016	301-1	Materials used by weight/ volume		301-1	Confidential Information	
	301-2	Recycled input materials used	24			
	301-3	Reclaimed products and packaging materials	24			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	24			
	302-2	Energy consumption outside of the organization		302-2	Unable to collect Data	
	302-3	Energy intensity	24			
	302-4	Reduction of energy consumption	24			
	302-5	Reductions in energy requirements of products and services	24			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	23			
	303-2	Management of water discharge-related impacts	23			
	303-3	Water withdrawal	23			
	303-4	Water discharge	23			
	303-5	Water consumption	23			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions		305-1	Unable to Collect Data	
	305-2	Energy indirect (Scope 2) GHG emissions		305-2		
	305-3	Other indirect (Scope 3) GHG emissions		305-3		
	305-4	GHG emissions intensity		305-4		
	305-5	Reduction of GHG emissions		305-5		
	305-6	Emissions of ozone-depleting substances		305-6		
	305-7	NOx, SOx, and other significant air emissions	24			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	24			
	306-2	Management of significant waste-related impacts	24			
	306-3	Waste generated	24			
	306-4	Waste diverted from disposal (metal scrap recycling)	24			
	306-5	Waste directed to disposal	24			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers screened using environmental criteria	26-27			

GLOBAL REPORTING INITIATIVE (GRI) INDEX 'IN ACCORDANCE' - CORE

GRI Index No.	Disclosure	Description	Location / Page Reference	Omission (if any)		
				Requirement(s) omitted	Reason	Explanation
	308-2	Negative environmental impacts in the supply chain and actions taken	26-27			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	15			
	401-2	Benefits provided to full-time employees not provided to temporary/part-time employees	15			
	401-3	Parental leave		401-3	Not Applicable	
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	15			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	15			
	403-2	Hazard identification, risk assessment, and incident investigation	15			
	403-3	Occupational health services	40			
	403-4	Worker participation, consultation, and communication on OH&S	15, 40			
	403-5	Worker training on occupational health and safety	15, 40			
	403-6	Promotion of worker health	15			
	403-7	Prevention and mitigation of OH&S impacts directly linked by business relationships	15, 40			
	403-8	Workers covered by an occupational health and safety management system	15			
	403-9	Work-related injuries	15			
	403-10	Work-related ill health	40			
GRI 404: Training and Education 2016	404-1	Average hours of training per employee per year	15			
	404-2	Programs for upgrading employee skills and transition assistance	15, 40			
	404-3	Percentage of employees receiving regular performance and career development reviews	15			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	58			
	405-2	Ratio of basic salary and remuneration of women to men		405-2	Not Applicable for Entity's operations	

GRI Index No.	Disclosure	Description	Location / Page Reference	Omission (if any)		
				Requirement(s) omitted	Reason	Explanation
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken		406-1	Not Applicable for Entity's operations	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers where freedom of association may be at risk		407-1	Not Applicable for Entity's operations	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		408-1	Not Applicable for Entity's operations	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		409-1	Not Applicable for Entity's operations	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	40			
	413-2	Operations with significant actual/potential negative impacts on local communities	40			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers screened using social criteria	27			
	414-2	Negative social impacts in the supply chain and actions taken		414-2	No such actions were recorded during the year under review	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of health and safety impacts of product categories	25			
	416-2	Incidents of non-compliance concerning health and safety impacts of products	25			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	19			
	417-2	Incidents of non-compliance concerning product and service information and labeling	19			
	417-3	Incidents of non-compliance concerning marketing communications	17			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	20			

INFORMATION TO SHAREHOLDERS

Distribution of Shares as at 31st March 2026

Category	Number of Shareholders	%	Number of Ordinary Shares
1 - 1,000 shares	2,150	1.25%	527,019
1,001 - 5,000 shares	579	3.40%	1,430,766
5,001 - 10,000 shares	164	3.04%	1,281,381
10,001 - 50,000 shares	156	8.02%	3,378,314
50,001 - 100,000 shares	24	4.10%	1,727,580
100,001 - 500,000 shares	22	9.98%	4,202,680
500,001 - 1,000,000 shares	3	5.00%	2,107,570
Over 1,000,000 shares	1	65.21%	27,469,690
Total	3,099	100%	42,125,000

Analysis Report of Shareholders as at 31st March 2026

Category	Number of Shares	Total Holdings %
Institutional	29,636,923	70.35%
Individuals	12,488,077	29.65%
Total	42,125,000	100%

Twenty Largest Shareholders

	2026		2025	
	Number of Shares	% of Holding	Number of Shares	% of Holding
ACL Cables PLC	**27,469,690**	**65.21%**	2,746,969	65.21%
Sithampalam A	**930,420**	**2.21%**	94,592	2.25%
Jayawardhana L.T.R.S.L	**642,150**	**1.52%**	70,546	1.67%
Seylan Bank Plc/Emile Joseph Gunesekera & Mich	**535,000**	**1.27%**	53,500	1.27%
Corea E.	**483,760**	**1.15%**	48,376	1.15%
Vasudevan S. & Vasudevan S.	**305,000**	**0.72%**	50,000	1.19%
Sunilgavasker V.	**260,000**	**0.62%**	65,000	1.54%
Suriyabandara U.I.	**256,689**	**0.61%**	25,537	0.61%
Durga S.	**226,690**	**0.54%**	22,669	0.54%
Hatton National Bank Plc/Arunasalam Sithamplam	**209,000**	**0.50%**	20,900	0.50%
Madanayake H.A.S.	**208,010**	**0.49%**	20,801	0.49%
Abdulhussein Y.H.	**190,000**	**0.45%**	20,000	0.47%
Gautam R	**188,400**	**0.45%**	24,420	0.58%
Abdulhussein R.H	**185,370**	**0.44%**	25,664	0.61%
Raaymakers M.A.T.	**185,070**	**0.44%**	30,922	0.73%
Madanayake N.C.	**177,510**	**0.42%**	17,751	0.42%
Mahir B.A.	**169,946**	**0.40%**	8,676	0.21%
Mannapperuma M D H	**150,010**	**0.36%**	14,976	0.36%
Wickramesooriya V.S.P. & Wickramesooriya S.E.	**150,000**	**0.36%**	20,045	0.48%
Sarjee M S S	**141,800**	**0.34%**	-	0.00%

* Comparative figures have not been adjusted to reflect the subdivision of shares

Information to Shareholders (Contd.)

		Company 31 March 2026	2025
Company			
a)	Basic/diluted earnings per share (Rs)	**18.77**	10.88
b)	Dividend per share (Rs)	**25.00**	20.00
c)	Dividend payout ratio	**0.13**	0.18
d)	Net assets value per share (Rs)	**101.53**	847.70
e)	Market value per share (Rs)	**131.25**	615.75
	- Highest value (Rs)	**1,950.00**	749.75
	- Lowest value (Rs)	**115.25**	376.25
	- Closing Value (Rs)	**131.25**	615.75
f)	No of tradings for the year	**23,278**	8,707
g)	Total No of shares traded	**4,232,606**	712,432
h)	Total turnover (Rs)	**1,680,356,127**	362,882,207
i)	Percentage of Shares held by the public	**33.87%**	33.87%
j)	Number of Public shareholders	**2,166**	1,609
k)	No. of foreign Shareholders	**22**	14
l)	Market Capitalization (Rs)	**5,528,906,250**	2,593,846,875
m)	Float adjusted Market Capitalization (Rs)	**1,872,908,625**	878,535,937
Group			
a)	Basic/diluted earnings per share (Rs)	**18.94**	11.03
b)	Dividend per share (Rs.)	**25.00**	20.00
c)	Dividend payout ratio	**0.13**	0.18
d)	Net assets value per share (Rs.)	**104.40**	87.19

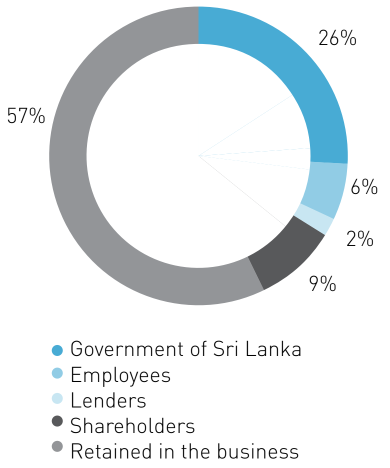
* Earnings per share have been calculated, for all periods, based on the net assets of the Group and number of shares in issue as at 31 March 2026

During the year, ACL Plastics PLC increased the number of issued ordinary voting shares by way of a sub division, and issued ten (10) ordinary voting shares for every one (1) ordinary voting share, without any change to the stated capital of the Company.

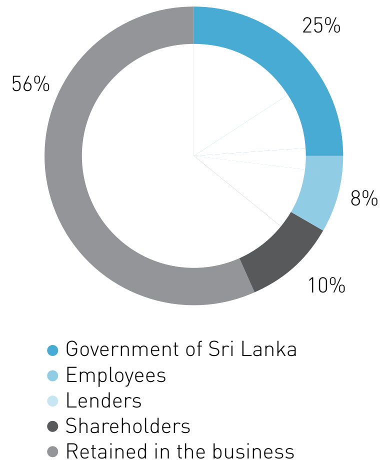
STATEMENT OF VALUE ADDED - GROUP

	%	2026 Rs. '000	%	2025 Rs. '000
Total revenue		2,851,073		2,441,286
Other operating & interest income		126,828		108,693
		2,977,901		2,549,979
Cost of material and services bought in		(1,786,513)		(1,726,641)
Total value added by the group		1,191,388		823,338
Value added shared with				
Government of Sri Lanka	26%	311,776	25%	207,395
(Taxes)				
Employees	6%	74,338	8%	66,576
(Salaries and other costs)				
Lenders	2%	22,187	0%	377
(Interest on loan capital)				
Shareholders	9%	105,313	10%	84,250
(Dividends)				
Retained in the business	57%	677,774	56%	464,741
(Depreciation & retained profits)				
	100%	1,191,388	100%	823,338

2025/26



2024/25



DECADE AT A GLANCE - GROUP

Trading Results

Year Ended	31 March 2026 LKR '000	31 March 2025 LKR '000	31 March 2024 LKR '000	31 March 2023 LKR '000	31 March 2022 LKR '000	31 March 2021 LKR '000	31 March 2020 LKR '000	31 March 2019 LKR '000	31 March 2018 LKR '000	31 March 2017 LKR '000
Turnover	**2,851,073**	2,441,286	2,373,422	2,477,267	2,955,017	1,900,005	1,580,780	1,487,779	1,355,597	1,449,361
Profit before tax	**1,109,586**	672,136	574,681	870,652	844,496	208,245	223,005	57,361	95,380	244,715
Taxation	**(311,776)**	(207,395)	(119,001)	(235,692)	(123,471)	(28,956)	(67,239)	(27,563)	(21,049)	(75,064)
Profit after tax	**797,810**	464,741	455,680	634,960	721,026	179,289	155,765	29,798	74,330	169,651

Balance Sheet

As At	31 March 2026 LKR '000	31 March 2025 LKR '000	31 March 2024 LKR '000	31 March 2023 LKR '000	31 March 2022 LKR '000	31 March 2021 LKR '000	31 March 2020 LKR '000	31 March 2019 LKR '000	31 March 2018 LKR '000	31 March 2017 LKR '000
Stated capital	**79,975**	79,975	79,975	79,975	79,975	79,975	79,975	79,975	79,975	79,975
Capital reserve	**199,284**	204,728	201,070	164,668	185,884	190,989	126,210	129,492	132,774	112,935
Revenue reserve	**170,000**	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Other Reserves	**95,964**	63,993	34,157	29,929	35,798	30,086	3,494	7,588	9,559	9,985
Retained profit	**3,852,506**	3,154,038	2,770,486	2,372,161	1,798,618	1,106,946	948,371	815,866	807,205	754,931
	4,397,729	3,672,734	3,255,688	2,816,733	2,270,275	1,577,996	1,328,050	1,202,921	1,199,513	1,127,826
Property plant & equipment	**392,678**	354,463	372,000	329,679	347,903	329,862	280,958	274,992	290,636	239,201
Operating lease prepayment	**1,488**	1,510	1,532	1,554	1,576	1,599	1,621	1,621	1,643	1,665
Financial assets at fair value through OCI	**109,363**	77,291	49,267	43,227	49,096	43,383	16,792	20,886	22,856	23,083
Deferred tax asset	**-**	-	-	-	-	-	0	1,957	3,960	1,774
Current assets	**4,260,240**	3,523,258	3,046,940	2,726,735	2,651,287	1,682,240	1,213,830	1,044,853	1,058,201	962,210
Current & non current liabilities	**(366,040)**	(283,788)	(214,052)	(284,463)	(779,586)	(479,089)	(185,151)	(141,388)	(177,784)	(100,108)
Capital employed	**4,397,729**	3,672,734	3,255,688	2,816,733	2,270,276	1,577,995	1,328,050	1,202,921	1,199,512	1,127,825
Ratios										
Gross profit margin	**31%**	24%	22%	32%	24%	10%	15%	5%	8%	18%
Net profit margin after tax	**28%**	19%	19%	26%	24%	9%	10%	2%	5%	12%
Sales growth	**17%**	3%	-4%	-16%	56%	20%	6%	10%	-6%	24%
Profit growth	**65%**	17%	-34%	3%	306%	-7%	289%	-40%	-61%	104%
Current ratio	**16.49**	19.10	25.79	14.04	3.68	4.11	12.37	17.97	10.24	16.73
Net asset per share	**104.40**	871.76	772.86	668.66	538.94	374.60	315.26	285.56	284.75	267.73
Dividend per share	**25.00**	20.00	15.00	15.00	10.00	6.00	6.00	6.00	6.00	6.00
Basic/diluted earnings per share	**18.94**	11.03	108.17	150.73	171.16	42.56	36.98	7.07	17.65	40.27
Market value per share	**131.25**	615.75	392.75	392.00	362.25	254.50	115.20	78.80	111.00	183.90
Price earning ratio	**6.93**	5.58	3.63	2.60	2.12	5.98	3.12	11.14	6.29	4.57
Dividend cover ratio	**7.58**	5.52	7.21	10.05	17.12	7.09	6.16	1.18	2.94	6.71
Dividend payout ratio	**13%**	18%	14%	10%	6%	14%	16%	85%	34%	15%
Gross profit	**879,549**	574,688	532,830	786,787	712,998	192,239	231,508	78,450	110,653	259,273
Number of shares	**42,125**	4,213	4,213	4,213	4,213	4,213	4,213	4,213	4,213	4,213
Dividend paid	**105,313**	84,250	63,188	63,188	42,125	25,275	25,275	25,275	25,275	25,275
Current liabilities	**258,323**	184,476	118,139	194,252	720,539	409,713	98,143	58,157	103,383	57,503

GLOSSARY OF FINANCIAL TERMS

Accounting Policies
The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

Amortization
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AWDR
The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly based on the weighted average of all outstanding interest bearing deposits of commercial banks and the corresponding interest rates.

AWPLR
The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

Basic Earnings Per Share
Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Borrowings
All interest bearing liabilities.

Capital Employed
Total equity, minority interest and interest bearing borrowings.

Capital Reserves
Reserves identified for specific purposes and considered not available for distribution.

Cash Equivalents
Liquid investments with original maturity period of three months or less.

Contingent Liability
A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the enterprise.

Credit Rating
An evaluation of a corporate's ability to repair its obligations or the likelihood of not defaulting, carried out by an independent rating agency.

Credit Risk
Risk that the counterparty to a transaction fails to meet its contractual obligations in accordance to the agreed terms and conditions.

Corporate Governance
The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of the entity, the supervision of executive action and accountability to owners and others.

Current Ratio
Current assets divided by current liabilities. A measure of liquidity.

Debt /Equity
Debt as a percentage of total equity less minority interest if any.

Deferred Taxation
The tax effect of temporary differences deferred to/from another period, which would only qualify for inclusion on a tax return at a future date.

Dividends
Distribution of profits to holders of equity investment.

Dividend Cover
Profit attributable to ordinary shareholders divided by dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Yield
Dividend per share as a percentage of the market price. A measure of return on investment

Derivatives
Financial contracts whose values are derived from the values of underlying assets.

Earnings per Share
Earnings Per Ordinary Share (EPS) Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Effective Tax Rate
Income tax expenses divided by profit from ordinary activities before tax.

Equity
Shareholders' funds.

Fair Value
The amount at which an asset is exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

Fair Value Through Profit or Loss (FVPL) Financial instruments that are held for trading and are designated as at fair value through profit and loss.

Financial Asset
Any asset that is cash or an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity or a contractual right to exchange financial instruments with another entity under conditions that are potentially favorable.

Financial Instruments
Any contract that gives rise to a financial assets of one entity and financial liability or equity instrument of another entity.

Financial Liability
A contractual obligation to deliver cash or another financial asset to another entity or exchange financial instruments with another entity under conditions that are potentially unfavourable.

Gearing
Proportion of total interest bearing borrowings to capital employed.

Impairment
Occurs when recoverable amount of an asset is less than its carrying amount.

Interest Cover
Profit before tax plus net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Liquidity Risk
The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Loans and receivables
A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

Market Capitalization
Number of shares in issue multiplied by the market value of a share at the report date.

Market Risk
Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

Net Assets Per Share
Shareholders' funds divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

Net Worth
Total equity less minority interest if any.

Operating Profit
Profit before tax, share of profit of associates and net finance cost.

Price Earnings Ratio
Market price of a share divided by earnings per share as reported at that date.

Prudence
Inclusion of a degree of caution in the exercise of judgment needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities or expenses are not understated.

Related Parties
Parties who could control or significantly influence the financial and operating policies of the business.

Return on Equity
Profit before tax divided by total equity less minority interest if any.

Return on Total Assets
Profit before tax plus finance cost divided by total average assets.

Revenue Reserves
Reserves considered as being available for distribution and investments.

Segments
Constituent business units grouped in terms of similarity of operations.

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

Value Addition
The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of material and services bought in.

Working Capital
Capital required to finance day-to-day operations computed as the excess of current assets over current liabilities.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting of A C L Plastics PLC will be held at the Auditorium of A C L Plastics PLC, No. 60, Rodney Street, Colombo 08 on 30th September 2026 at 10.00 a.m. for the following purposes.

01. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2026 with the report of the Auditors thereon.

02. To re–elect as a Director Mr Priyantha Somawansa who retires by rotation being eligible for re-election in terms of Article No. 85 of Articles of Association.

03. To consider and if thought fit to pass the following Ordinary Resolutions, of which special notice has been given by a Shareholder of the Company.

    (a) That Mr. U. G. Madanayake, who has passed the age of 70 years in May 2006, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him.

    (b) That Mrs. N. C. Madanayake, who has passed the age of 70 years in August 2013, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to her.

04. To re-appoint Messrs. Deloitte Partners, Chartered Accountants as Auditors and authorize the Directors to determine their remuneration.

05. To authorize the Directors to determine donations to charities.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

21st August 2026

NOTE:

(a) A Shareholder is entitled to appoint a Proxy to attend and vote in his stead and a FORM OF PROXY is attached to this Report for this purpose. A Proxy need not be a Shareholder of the Company. The instrument appointing a Proxy must be deposited at the Registered Office, No. 60, Rodney Street, Colombo 08, not less than forty-eight (48) hours before the time appointed for the Meeting.

(b) Shareholders are kindly requested to hand-over duly perfected and signed Attendance Slip to the Registration counter.

FORM OF PROXY - ACL PLASTICS PLC

I/We (Name)..

....

of...

....being a Shareholder/ Shareholders

of the above Company hereby appoint (Name and NIC of Proxy Holder) ....

....

or failing him/ her ....of...

....

as my/ our Proxy to represent me/us, to speak and vote whether on a show of hands or on a poll for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 30th September 2026 at 10.00 a.m. and at any adjournment thereof.

Signed this .... day of 2026

....
Signature

INSTRUCTIONS FOR COMPLETION OF PROXY

The instrument appointing a Proxy shall in the case of an individual be signed by the appointor or by his Attorney and in the case of a corporation as per its Articles of Association / Companies Act or signed by its Attorney or by an Officer on behalf of the Corporation.

IMPORTANT NOTICE TO SHAREHOLDERS

Consequent to the change of Articles of Association in accordance with the digitalization initiative, please provide the following information to investor.relations.acl.lk for future Notices of Meetings to be sent to the e-mail address provided by you.

Full name :..

Residential Address:...

Email Address :..

NIC :..

CORPORATE INFORMATION

Name

ACL Plastics PLC

Legal Form

A quoted public Company with limited liability, incorporated in Sri Lanka in 1991.

Registration Number

PQ 87

Stock Exchange Listing

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

Registered Office

60, Rodney Street, Colombo 08

Contact Details

Telephone: (094) 112 697 652

Fax : (094) 112 699 503

E-mail : info@acl.lk

Internet : www.acl.lk

Board of Directors

U. G. Madanayake - Chairman

Suren Madanayake - Managing Director

Mrs. N. C. Madanayake

Mohan Joseph Ratnayake

Rohan Somawansa

Company Secretary

M/s. Corporate Affairs (Pvt) Ltd
No: 68/1, Dawson Street,
Colombo 02.

Group Chief Financial Officer

Mahesh Amarasiri

MBA, FCMA, CGMA, B.Sc (Eng), MIESL

Auditors

Messrs. Deloitte partners

Chartered Accountants

Bankers

Standard Chartered Bank

Hatton National Bank

Nations Trust Bank

Memberships of Associates

The Plastics & Rubber Institute of Sri Lanka

Feedback and Queries

The Company welcomes feedback and queries regarding this report and encourages readers to direct their responses to; investor.relations@acl.lk or

write to:

Messrs Corporate Affairs (Private) Limited. 68/1, Dawson Street, Colombo 02.

Designed & produced by

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Printed by Digital Plates & Printing by
Softwave Printing and Publishing (Pvt) Ltd

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PLASTICS