S S P Corporate Services (Private) Limited

Corporate secretaries, Computer bureau services & Payroll services

Co. Reg. No. PV 931

Branch Office:

101, Inner Flower Road, Colombo 3, Sri Lanka.

Tel : 2573894
Fax : 94-11-2573609
E-mail : sspsec@sltnet.lk

your ref :

our ref : RA/506/2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
4-01, West Block
World Trade Centre
Echelon Square
Colombo 1.

31st August 2026

Dear Madam,

ACME PRINTING AND PACKAGING PLC
CLEARANCE FROM EMPHASIS OF MATTER ON GOING CONCERN

We have attached the following documents pertaining to Acme Printing and Packaging PLC, confirming clearance from Emphasis of Matter on Going Concern as at 31st March 2026.

a. Audit Opinion dated 31st August 2026 by Company Auditors, M/s KPMG, Chartered Accountants, published together with the Financial Statements for the year ended 31st March 2026.
b. Confirmation letter dated 31st August 2026 from the Audit Committee Chairman on Clearance from Emphasis of Matter on Going Concern.
c. Declaration signed by two Directors of the Company on behalf of the Board on the Audited Financial Statements for the year ended 31st March 2026 - Independent Auditors Report clearing the Emphasis of Matter on Going Concern.

Yours truly,
For and on behalf of
Acme Printing and Packaging PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED

SECRETARIES

INDEPENDENT AUDITORS' REPORT

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF ACME PRINTING AND PACKAGING PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of ACME Printing and Packaging 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 31st March 2026, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, set out on pages 52 to 100.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Assessment of investment in subsidiary

Refer to Note 2.5 (Use of Estimates and judgements) and Note 14 (Investment in Subsidiaries) to the Financial Statements.

Risk Description	Our response
The Company has recorded investment in subsidiary amounting to Rs. 488.4 Mn as at 31st March 2026. The recoverable amounts of the investment in subsidiary has been determined based on value-in-use calculation.	Our audit procedures included: ● Obtaining an understanding of the management's impairment assessment process. ● Evaluating the nature and background of the investments to identify impairment indications as per Sri Lanka Accounting Standards.

Impairment Assessment of investment in subsidiary

Refer to Note 2.5 (Use of Estimates and judgements) and Note 14 (Investment in Subsidiaries) to the Financial Statements.

Risk Description

Carrying amount of investment in subsidiary where indications existed has been tested for impairment and determined its recoverable amount based on value in use calculations as at 31st March 2026.

We considered the management's impairment assessment of investment in subsidiary to be a key audit matter due to the magnitude of the carrying amounts and use of significant judgments and estimates.

Our response

- Assessing the appropriateness of key assumptions such as projected economic growth rates, inflation rates and discount rates used by the management in the impairment assessment process by comparing with external data with the involvement of our internal specialists.
- Assessing the adequacy of disclosures in the Financial Statements in relation to impairment of investment in subsidiary.

Revaluation of Buildings

Refer to Note 2.5 (Use of Estimates and judgements) and Note 11 (Property, Plant and Equipment) to the Financial Statements.

Risk Description

The Group and the Company carried buildings classified as property, plant and equipment at fair value amounting to Rs. 545.2 Mn and Rs. 362.5 Mn, respectively as at 31st March 2026. Accordingly, the Group and the Company have recognized a fair value gain of Rs. 92.3 Mn and Rs. 56.4 Mn respectively during the year ended 31st March 2026. Subsequently, one bulding held by the Company has been reclassified as Assets Held for Sale at its fair value.

Management's assessment of the fair value of the buildings are based on valuation performed by a qualified independent property valuer in accordance with recognized industry standards

We identified valuation of buildings as a key audit matter because, the determination of the fair values involves significant judgements and estimation, particularly determining the appropriate valuation methodology to be used, and in estimating the key assumptions applied. This key assumption includes market value per square feet used, taking into consideration for differences such as location and size and change in the key assumptions

Our response

Our audit procedures included:

- Assessing the objectivity, independence, competency and capability of the external valuer engaged by the management.
- Reading the professional valuer's report and assessing the key estimates made by external valuer in deriving the fair value of the buildings.
- Engaging our own internal specialized resources to access the reasonability of the valuation technique and the value per square feet used.
- Assessing the adequacy of disclosures made in relation to the fair value of the buildings in the financial statements.

Management Assessment of ability to continue as Going Concern

Refer to Note 2.5 (Use of Estimates and judgements) and Note 33 (Going Concern) to the Financial Statements.

Risk Description

The Group and the Company incurred a net loss of Rs. 494.6 Mn and Rs. 618.3 Mn, respectively during the year ended 31st March 2026. Further, the Group and the Company have reported accumulated losses amounting to Rs. 2,504.3 Mn and Rs. 2,010 Mn as at 31st March 2026.

However, the Board of Directors have determined that use of the going concern basis of accounting is appropriate in preparing the financial statements. Their assessment of the going concern was based on actions taken subsequently to da reporting date, the feasibility of management plans and cash flow forecasts for the 12 months period.

We considered the management's going concern assessment to be a key audit matter due to use of significant judgments, uncertainties and estimates involved in cash flow forecasts.

Our response

Our audit procedures included:

- Obtaining an understanding and evaluating the appropriateness of the management's assessment of going concern alone with the future business plans of the company.
- Testing the appropriateness of the assumptions used for the cash flow forecasts and management plans by comparing with actions taken by the company subsequent to the reportin date, actual results of the subsequent period and planned actions.
- Performing our own sensitivity analysis to test the adequacy of the assumptions.
- Assessing the adequacy of disclosures made in relation to the going concern in the financial statements.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Although the net assets of the Company was less than half of its stated capital resulting a serious loss of capital situation in terms of section 220 of the Companies Act No. 07 of 2007. as at reporting date,the company has already held an extra ordinary genaral meeting on 17th September 2025 as required by section 220 of the Companies Act No.07 of 2007.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3029.

Chartered Accountants

Colombo, Sri Lanka

31st August 2026

To : Colombo Stock Exchange
04-01, West Block, World Trade Center
Echelon Square
Colombo 1

ACME PRINTING AND PACKAGING. PLC
CONFIRAMTION BY THE AUDIT COMMITTEE
RE: CLEARANCE FROM EMPHASIS OF MATTER ON GOING CONCERN

I the undersigned, being the Chairman of the Audit Committee of ACME Printing and Packaging PLC (Listed Entity), hereby confirm that in accordance with the Audit Opinion dated 31st August 2026, by the Company's Auditors Messrs. KPMG, published together with the Financial Statements for the year ended 31st March 2026, the Listed Entity is cleared from the Audit Opinion pertaining to "Emphasis of Matter on Going Concern" declared in the Audited Financial Statements for the year ended 31st March 2026.

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K.G Punchihewa
Chairman
Audit Committee
ACME Printing and Packaging PLC

Date : 31st August 2026

Est. 1949

ACME PRINTING & PACKAGING PLC
PRINTING & PACKAGING PLC

ACME PRINTING & PACKAGING PLC

Excellence in Printing & Packaging Redefined

Company Reg. No. PQ 196

DECLARATION

To : Colombo Stock Exchange
04-01, West Block, World Trade Center
Echelon Square
Colombo 1

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026
INDEPENDENT AUDITORS REPORT CLEARING THE EMPHASIS OF MATTER ON GOING CONCERN

ACME Printing and Packaging PLC (hereinafter called "the Entity") hereby declare that:

a) The Securities of the Entity were transferred to the Watch List by the Colombo Stock Exchange (CSE) (the Exchange) on 20th September 2024 in terms of section 7.5(d) (ii) of the Listing Rules as the year ended 31st March 2024 audited financial statements contained an Emphasis of Matter on Going Concern which had arisen as a result of the material uncertainty exists that may cast significant doubt on the Group and the Company's ability to continue as a going concern

b) As per the Audited Financial Statements for the year ended 31st March 2026 the matter giving rise to the Emphasis of Matter on Going Concern, has been resolved consequent to the strengthen of financial position of the company and group and such fact has been independently verified by the Auditors of ACME Printing and Packaging PLC via the Independent Audit Report dated 31st August 2026, which is part and parcel of the Annual Report for the year ended 31st March 2026, published on the Colombo Stock Exchange website on 31st August 2026.

c) Accordingly, the Directors are of the opinion that the securities of the Entity should be transferred out of the Watch List.

For and on behalf of ACME Printing and Packaging PLC

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Director Director

Date : 31st August 2026

Registered Office: No. 98, Sri Sangaraja Mawatha, Colombo 10, Sri Lanka.
Tel: +94 11 4641818 | Fax: +94 11 4209830

Office & Factory: Katugampola Industrial Estate (West) Makandura Gonawila, Pannala, Sri Lanka.
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