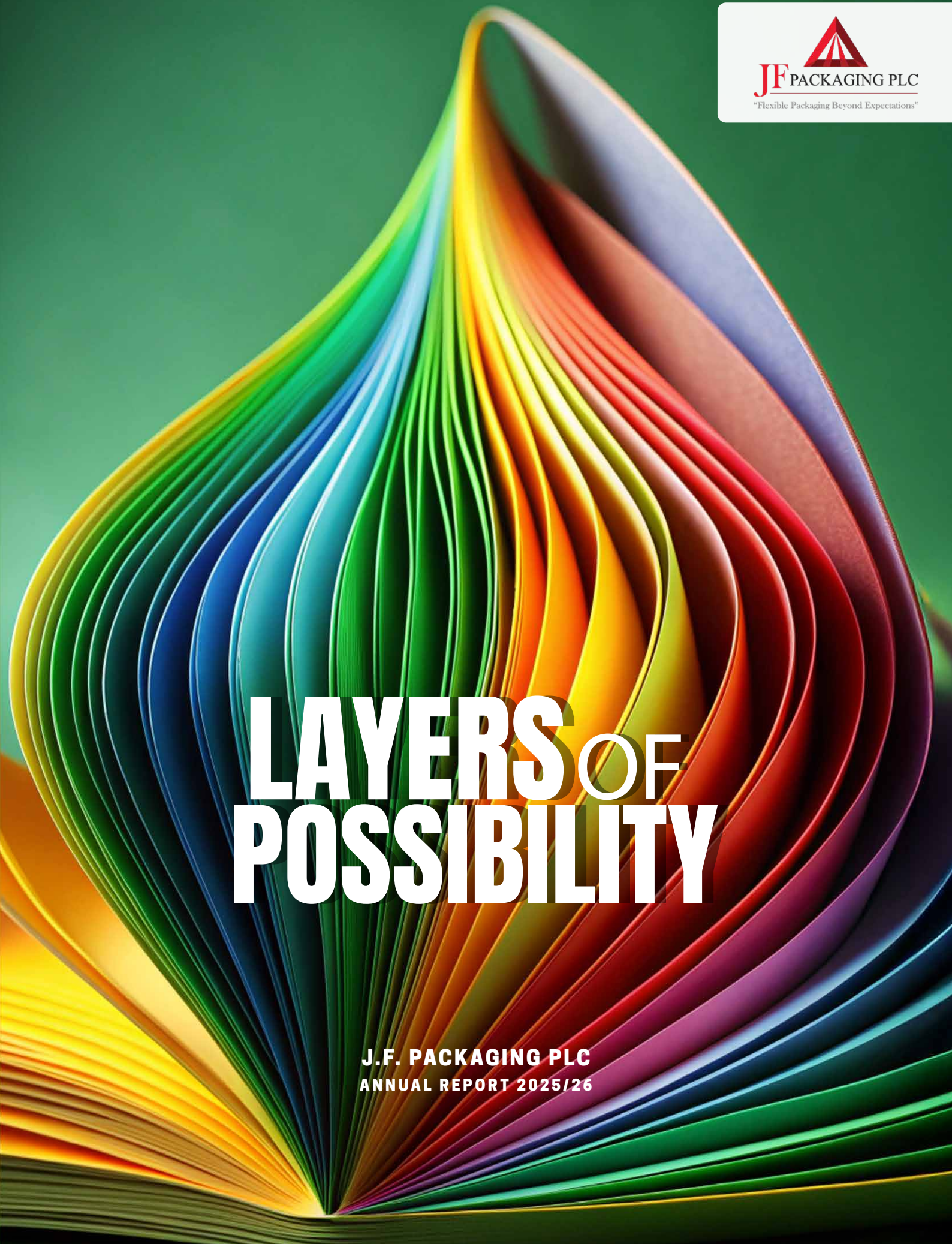
JF PACKAGING PLC

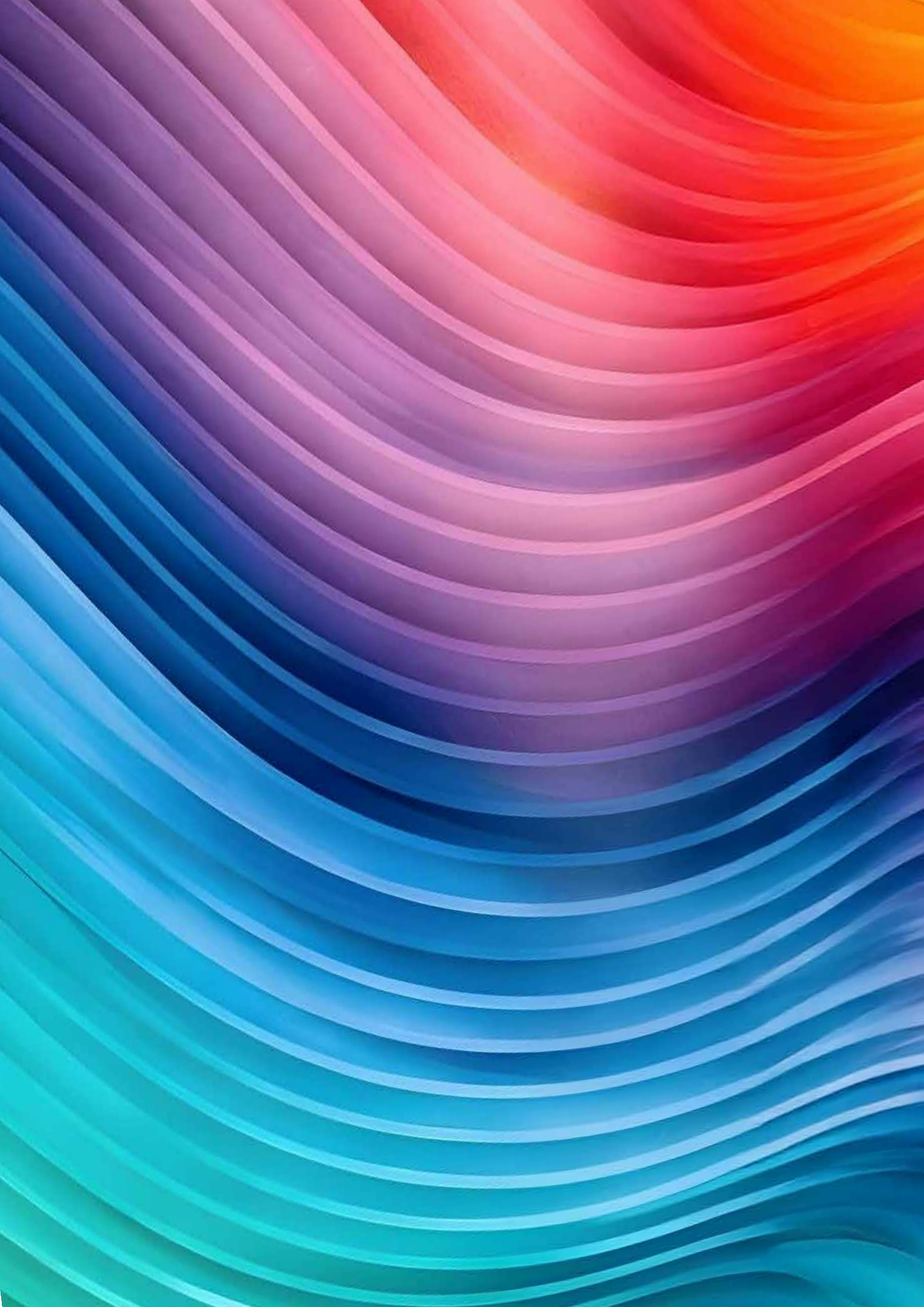
"Flexible Packaging Beyond Expectations"



LAYERS OF POSSIBILITY

J.F. PACKAGING PLC

ANNUAL REPORT 2025/26



LAYERS OF POSSIBILITY

Emerging from a defining IPO, J.F. Packaging PLC enters a new era of growth and transformation. Built layer by layer, our strengths now unfold into boundless possibilities driven by innovation, sustainability, and expanded reach. With a stronger foundation and sharper vision, we are shaping the future of packaging while delivering enduring value to all stakeholders.

JF PACKAGING PLC

"Flexible Packaging Beyond Expectations"

CONTENTS

OVERVIEW

About this Report 4
About Us 6
Our Journey with Key Milestones 10
Awards and Accolades 12
Financial Highlights 16
IPO Highlights 18

LEADERSHIP

Chairman's Review 20
Managing Director's Review 23
Board of Directors 26

DELIVERING VALUE THROUGH GROWTH

Operating Environment 32
Value Creation Model 34
Stakeholder Engagement 36
Business Unit Performance 40
J.F. Packaging PLC 40
Ceylon Tapes (Pvt) Ltd 42
Kiffs (Pvt) Ltd 46
Alliance Five (Pvt) Ltd 48
Our Strategy & Value Creation 50
Sustainability Report 56

STEWARDSHIP

Corporate Governance 62
Risk Management Review 84
Annual Report of the Board of Directors 87
Remuneration Committee Report 90
Nominations and Governance Committee Report 91
Related Party Transactions Review Committee Report 93
Audit Committee Report 94
Statement of Directors' Responsibilities 96

FINANCIAL STATEMENTS

Independent Auditors' Report 98

Statement of Profit or Loss and Other Comprehensive Income 101

Statement of Financial Position 102

Statement of Changes in Equity 103

Statement of Cash Flow 104

Notes to the Consolidated Financial Statements 105

SUPPLEMENTARY INFORMATION

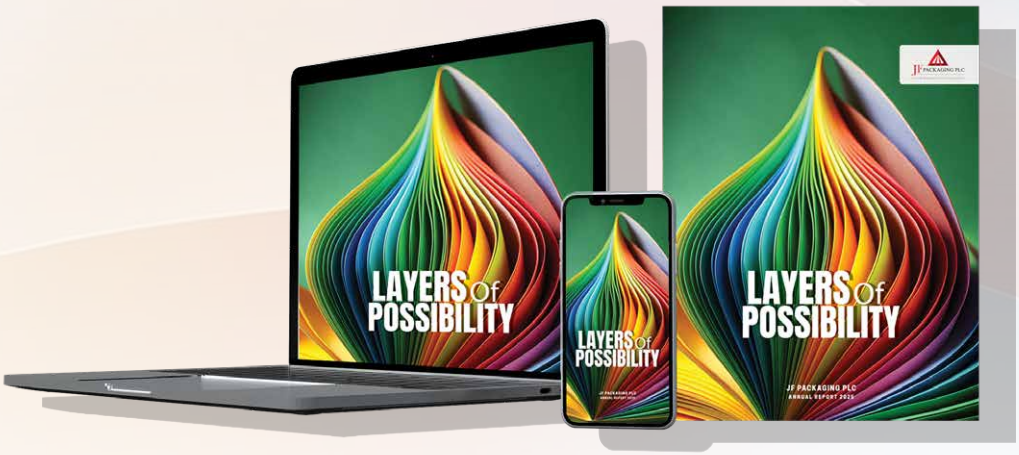
5 Year Summary 151

Share Information 152

Notice of Meeting 154

Form of Proxy 155

ABOUT THIS REPORT



Being the first WorldStar Award-winning flexible packaging company to be listed in Sri Lanka, it is with great pride and a deep sense of responsibility that we present the inaugural Annual Report following our listing. This milestone marks a significant chapter in our journey as Sri Lanka's leading listed flexible packaging company.

This report reflects our strong commitment to transparency, accountability, and long-term value creation. By aligning with established annual reporting guidelines, we aim to provide a comprehensive and integrated view of how our strategy, governance, and performance collectively drive sustainable growth for all stakeholders.

Our journey to this point has been shaped by resilience, innovation, and the unwavering dedication of our people. As we move forward, we remain focused on strengthening our industry leadership, advancing sustainable practices, and consistently delivering excellence to our customers and partners.

We extend our sincere gratitude to our shareholders, customers, employees, and all stakeholders for their continued trust and support. Together, we look forward to building a future defined by growth, responsibility, and shared success.

REPORTING ENTITY

This report covers the operations of J.F. Packaging PLC and its subsidiaries collectively referred to as "Group".

REPORTING SCOPE AND BOUNDARY

This report covers the operations of the Company and the Group for the financial year from 1st April 2025 to 31st March 2026. Details pertaining to the Group's financial performance are presented in the Consolidated Financial Statements on pages 98-148, while a comprehensive Management Discussion and Analysis of Group operations is provided on pages 32-59. The report outlines the key risks, opportunities, and outcomes that could materially influence the Group's ability to create value over time.

CORPORATE GOVERNANCE

Maintaining strong and constructive relationships in our business operations depends greatly on the effective application of sound governance practices. As such, corporate governance is a core focus and is actively reinforced across all levels of the Group. The Corporate Governance section of this report on, pages 62-96 outlines the systems, structures, and practices adopted by the Company and its affiliated entities.

STANDARDS, PRINCIPLES AND FRAMEWORKS

- Sri Lanka Accounting Standards issued by CA Sri Lanka
- Companies Act No. 7 of 2007
- Listing Rules of the Colombo Stock Exchange and subsequent revisions to date
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 including directions and circulars
- Code of Best Practice on Corporate Governance issued by Securities and Exchange Commission of Sri Lanka (2023)
- Code of Best Practices on Related Party Transactions (2017) advocated by SEC

FORWARD-LOOKING STATEMENT

This Annual Report contains forward-looking statements regarding the potential future financial position, performance, and operations of the Group. These statements are based on current expectations, assumptions, and projections about future events. However, such statements inherently involve risks and uncertainties that could cause actual results to differ materially from those anticipated. The Group does not undertake any obligation to publicly update or revise these forward-looking statements in response to future developments or changing circumstances.

INFORMATION VERIFICATION AND QUALITY ASSURANCE

The Board affirms that this Annual Report addresses the key challenges and opportunities that may influence the Group's ability to generate sustainable value in the short, medium, and long term. The Board accepts overall responsibility for maintaining the integrity and accuracy of the Report.

To ensure the reliability and completeness of the information presented, the contents of this Report have been reviewed and verified by the Board of Directors, the Audit Committee and independent auditor, who have validated the accuracy of the annual financial statements.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

The report contains information relevant to all the stakeholders, providing a clear overview of how we engage with our key stakeholders and the material aspects that influence our stakeholder value creation. Material topics are identified based on their significance to stakeholders and their potential impact on the organization's operations, strategy, and long-term sustainability.

FEEDBACK

We welcome your comments, suggestions and queries on this report; please direct your feedback to: info@jfpackaging.lk



Dulanjaya Samaraweera
Chief Financial Officer
J.F. Packaging PLC

ABOUT US



J.F. Packaging PLC, with over 35 years of experience, is a leading Sri Lankan manufacturer of flexible packaging solutions serving both food and non-food sectors. Trusted by renowned multinational corporations and leading FMCG brands, the Company has established itself as a symbol of innovation, reliability, and excellence.

Established in 1987 as a family-owned business, the Company experienced steady growth before being acquired by Lankem Ceylon PLC in 2015. In 2017, a new management team was appointed to drive the next phase of expansion, with a focus on integrated financial planning, sustainability, and a more structured approach to growth.

Under this leadership, the Company expanded its footprint through a series of strategic acquisitions, including Alliance Five (Pvt) Ltd, Kiffs (Pvt) Ltd, and Ceylon Tapes (Pvt) Ltd. These investments strengthened the Group's financial performance, enhanced operational synergies, and provided a natural hedge against foreign currency risks while improving overall financial flexibility.

Despite navigating significant external challenges, including the Easter Sunday attacks, the COVID-19 pandemic, and periods of economic instability and currency depreciation, the Company demonstrated resilience by adapting its operations, improving efficiencies, and enhancing workforce productivity.

The Company's continued focus on innovation, operational excellence, and stringent quality standards has earned it consistent industry recognition, including multiple accolades at the WorldStar Packaging Awards in 2019, 2021, 2025 and 2026.

Today, J.F. Packaging PLC offers a diversified portfolio spanning flexible packaging, injection and blow moulding, adhesive tapes, and sustainable paper-based solutions. These capabilities are supported by state-of-the-art manufacturing facilities, advanced research and development, and robust quality control systems.

Operating in line with globally recognized standards, the Company holds certifications including FSSC, ISO, HACCP, and GMP, ensuring the highest levels of food safety, quality, and occupational health. Its commitment to excellence is further reinforced through recognition at prestigious platforms such as the WorldStar, Asia Star, and Lanka Star Awards.

Following the successful completion of its Initial Public Offering in the previous year - attracting over 7,500 applications and achieving 6.3 times oversubscription - J.F. Packaging PLC is well-positioned to strengthen its role as a prominent, one-stop packaging solutions provider in Sri Lanka, while pursuing sustainable growth and long-term value creation for its stakeholders.

Our Vision

To serve the customers with Packaging Solutions beyond Expectations





Our Mission

- We believe to understand the intrinsic needs of packaging that a customer needs.
- We work closely with our customers, providing continuous streams of innovative ideas at an optimum solution which endures.
- We believe in ethical conduct, values and work with sincerity and integrity towards our value addition process and in the process motivates and develop our stakeholders.
- We consider our suppliers as partners using their expertise to offer the latest of solutions through using entire packaging ingredients in the supply chain.
- We treat the earth with respect and align ourselves to be environmentally friendly in whatever we do and "GO-GREEN" is our Motto.

Our Values

- Integrity
- Innovation
- Diversity
- Excellence
- Sustainability
- Social Responsibility



Our Core Strengths

- Integrated packaging solutions with a diversified product base of complementary subsidiaries
- Over 35 years in packaging solutions business with trusted multinational & FMCG client base
- Most awarded flexible packaging company in Sri Lanka
- Quality driven modern manufacturing facilities
- Dedicated quality assurance team with in-house laboratory facilities, qualified R&D Team and multiple quality certifications
- Commitment to sustainability and innovation

ABOUT US

PRODUCT PORTFOLIO AND BUSINESS SEGMENTS

J.F. Packaging PLC offers a diversified and integrated portfolio of packaging solutions, enabling the Company to serve a broad spectrum of customer needs across both food and non-food sectors. This diversified approach strengthens market resilience while positioning the Company as a comprehensive, one-stop packaging solutions provider.

Our Product Portfolio



Flexible Packaging Solutions

Printed laminates, co-extruded films, three and four-side sealed pouches, center seal pouches, zipper pouches, shrink sleeves, peelable lidding, stretch film, and cling film.



Adhesive Tapes

BOPP clear self-adhesive tapes, coloured and printed tapes, masking tapes, double-sided tissue tapes, paper tapes, paper tube and water-based gum tapes.



Paper-Based Packaging Solutions

Paper tubes, paper canisters, and drums.



PET Bottles and Related Accessories

PET bottles, bottle lids, jar and plastic containers.



Plastic Accessories & Natural Coir-Based Products

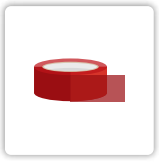
Plastic accessories and Eco-friendly coir-based products.

Core Business Segments and Revenue Contribution

The Company's operations are structured into strategic business units, each contributing distinct value to revenue generation and profitability while collectively enhancing customer convenience through integrated solutions.



Flexible Packaging Solutions



Adhesive Tapes



Paper-Based Packaging Solutions



PET bottles and other accessories



Plastic Accessories & Natural Coir-Based Products

STRATEGIC PERSPECTIVE

The diversified revenue mix provides risk balance and operational stability, reducing dependence on a single product category while enabling the Company to respond effectively to evolving market demands. By offering a wide range of complementary products, J.F. Packaging PLC enhances customer value through convenience, integration, and customization.

The Company continues to strengthen and refine its portfolio by aligning with changing customer preferences, sustainability trends, and innovation opportunities, with a focus on expanding integrated solutions and improving overall product competitiveness.

PRODUCT CATEGORIES BY SEGMENTS



Flexible Packaging Solutions

The Flexible Packaging segment, which contributed approximately half of the Group's revenue, continued to serve a diverse portfolio of industries including FMCG, industrial, export-oriented sectors, agriculture, and logistics. The segment offers a comprehensive range of solutions comprising laminated and unlaminated, printed and unprinted materials, catering to both food and non-food applications.



Adhesive Tapes

The Adhesive Tapes segment offers a diverse range of products including BOPP clear self-adhesive tapes, coloured and printed tapes, masking tapes, double-sided tissue tapes, paper tapes, paper tubes, and water-based gum tapes.



Paper-Based Packaging Solutions

This latest acquisition strengthens the Group's presence on paper-based packaging solutions. The segment offers a range of products including paper canisters, paper drums, paper cores, and textile tubes, catering to export-oriented industries such as apparel and tea, as well as selected FMCG and logistics sectors.



Pet Bottles

The PET Bottles segment offers a comprehensive range of products including PET bottles, jar bottles, lids, handles, and material handling solutions. These products primarily cater to the FMCG sector, serving applications in water, edible oil, confectionery, and cosmetics.



Plastic Accessories & Natural Coir-Based Products

The Plastic Accessories & Natural Coir-Based Products segment's product portfolio includes plastic injection-moulded items such as thread cones, brush handles, and toy components, alongside natural coir-based products including coir brushes and brooms.

INDUSTRIES WE SERVE

- FMCG
- Apparel Exports
- Tea Exports
- Seafood
- Coir
- Industrial

OUR JOURNEY WITH KEY MILESTONES

1987

Established in 1987.

2017

Lankem Ceylon PLC acquired balance stake in J.F. Packaging.

J.F. Packaging acquired 100% stake in Alliance Five and Kiffs. Won 5 awards at Asia Star Awards.

2019

Won WorldStar President Award & Lanka Star Platinum Award for excellence in packaging & food saving.









2015

Lankem Ceylon PLC acquired 72.5% stake in J.F. Packaging.

2018

J.F. Packaging acquired 100% stake in Ceylon Tapes. Received several awards including Platinum Award at Lanka Star Awards.

2020

Won Best Printing Award 2020 & Runner-up in Association of Printers Awards.

2021

Won Packaging Excellence Award at WorldStar Packaging Competition under Food category.

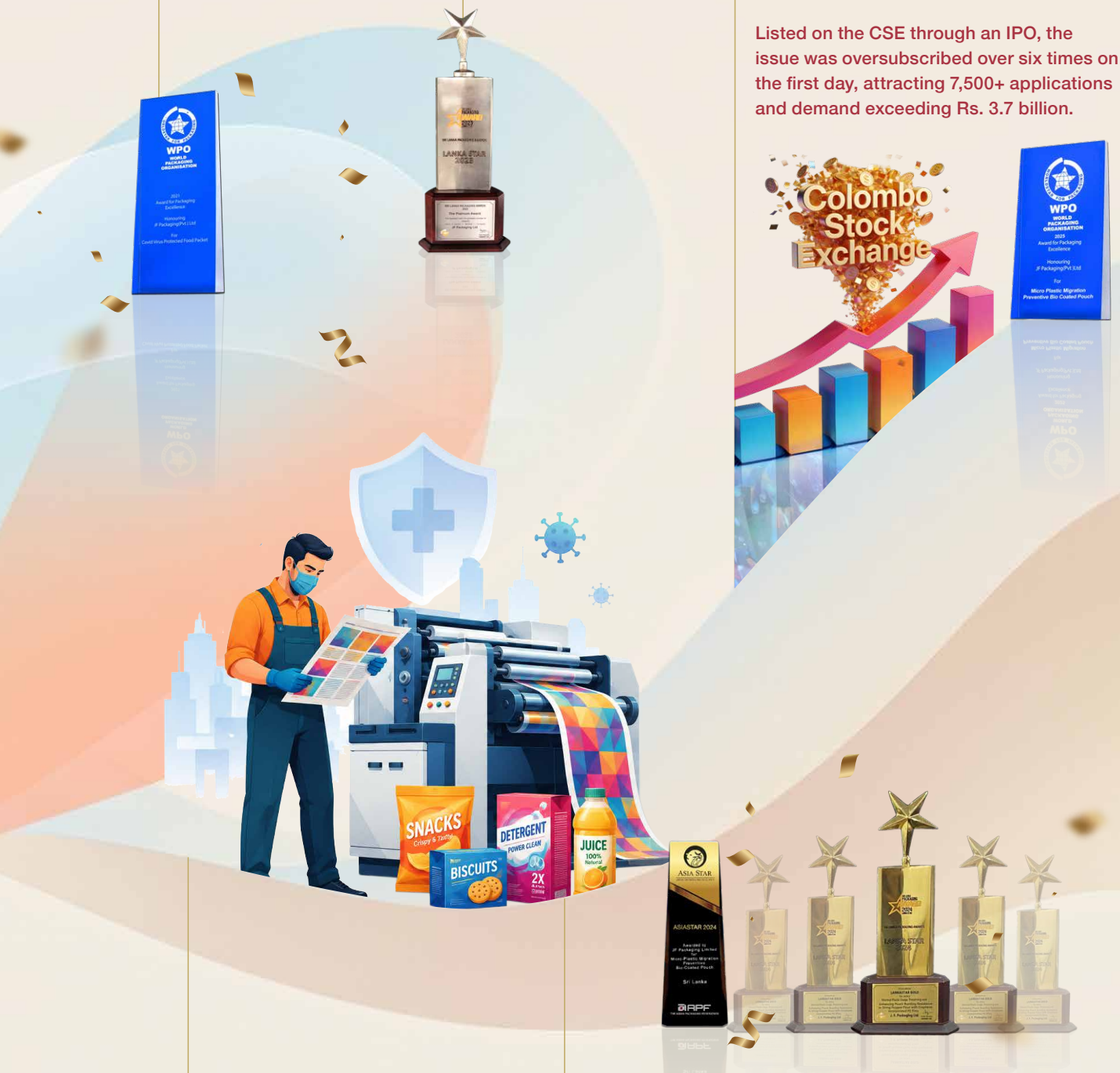
2023

Achieved Rs. 1.2Bn PBT in FY23. Received several awards including Platinum Award at Lanka Star Awards.

2025

Acquisition of paper packaging business. Won Packaging Excellence Award at WorldStar Packaging Competition under food category and 20+ Awards at Lanka Star Awards.

Listed on the CSE through an IPO, the issue was oversubscribed over six times on the first day, attracting 7,500+ applications and demand exceeding Rs. 3.7 billion.



2022

Worked every single day to ensure uninterrupted FMCG packaging supply during COVID restrictions & Received several awards at Lanka Star Awards.

2024

Expanded capacity & upgraded machinery for stretch film, jar bottles, LDPE extruders & laminators. Won one Asia Star Award at Asia Star Awards & several awards including Gold award at Lanka Star Awards.

AWARDS AND ACCOLADES

Awards and Accolades received by J.F. Group

WORLDSTAR AWARDS

World Packaging Organization 02 Awards in 2026

2026

Packaging Excellence Award in 2026

E-Commerce Category



Packaging Excellence Award in 2026

Fresh Fruits and Vegetables Category

2025



Packaging Excellence Award

One Award under Food Category

2021



Packaging Excellence Award

One Award under Food Category

2019



WorldStar President's Award

Only Sri Lankan packaging company to win the WorldStar President's Award
along with another
02 prestigious awards

ASIA STAR AWARDS

Asian Packaging Federation

02 Awards in 2025

2025

Packaging Excellence Award
Consumer Packaging

Thermal Sensitive
Frozen Food Packaging



Packaging Excellence Award
Consumer Packaging

Nutrazen Organic
Coconut Flour Bag

2024



2017



Packaging Excellence Award
Consumer Packaging

One Award under Consumer Food category

Packaging Excellence Award
Consumer Packaging

Total 5 Awards under multiple categories

AWARDS AND ACCOLADES

LANKA STAR AWARDS

Lanka Star Awards - Sri Lanka Institute of Packaging

Total 23 Awards for the Group in 2025

2025



President Award for Nutrazen Organic Coconut Flour Bag

Gold Award for Nutrazen Organic Coconut Flour Bag

Gold Award for Anthocyanin Embedded Cling Film for Peak Food Quality

2024



Total 13 awards

Including a Gold Award for Innovation

2023



Total 11 awards

Including the Platinum Award for the most Awarded Packaging Company in Sri Lanka in 2023

2022
2021
2020
2019



Total 21 awards

Including the Platinum Award

2018



Total 11 awards

Including the Platinum for the most Awarded Packaging Company in Sri Lanka in 2018

Certifications received by the J.F. Group

J.F. Packaging PLC

1. Food Safety System Certification (FSSC 22000 V6)
2. Quality Management System (ISO 9001 : 2015)
3. Food Safety Management System (ISO 22000 : 2018)
4. Occupational Health and Safety Management System (ISO 45001 : 2018)
5. Hazard Analysis Critical Control Points (HACCP)
6. Good Manufacturing Practices (GMP)
7. Active SEDEX Membership: To ensure ethical practices in supply chain. (SMETA 7.0 : 4 Pillar)

Ceylon Tapes (Pvt) Ltd

1. Quality Management System (ISO 9001:2015)
2. Food Safety Management System (ISO 22000 : 2018)
3. Hazard Analysis Critical Control Points (HACCP)
4. Good Manufacturing Practices (GMP)

Kiffs (Pvt) Ltd

1. Quality Management System (ISO 9001:2015)
2. Packaging Standard (Polymer Materials) (SLS 1336)
3. Food Safety Management System (ISO 22000:2018)
4. Good Manufacturing Practices (GMP)
5. Hazard Analysis Critical Control Points (HACCP)

Alliance Five (Pvt) Ltd

1. Quality Management System (ISO 9001:2015)

FINANCIAL HIGHLIGHTS

Revenue grew by

3%
to Rs. 4,505 Mn

Profit After Tax grew by

45%
to Rs. 190 Mn

Total Equity grew by

47%
to Rs. 1,643 Mn

Total Borrowings reduced by

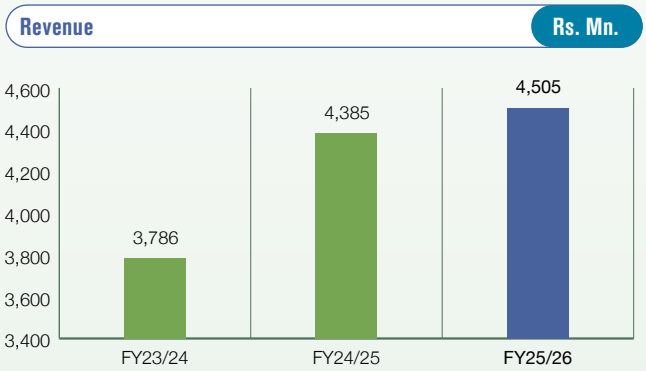
23%
to Rs. 1,601 Mn

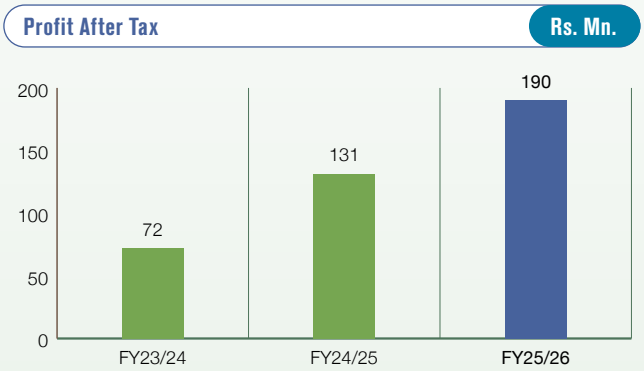
Earning Per Share grew by

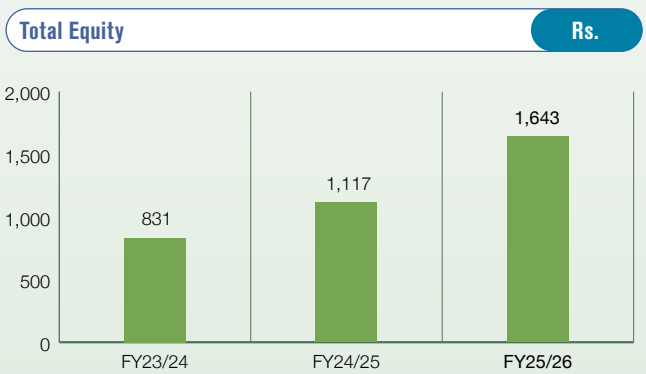
27%
to Rs. 1.37 per share

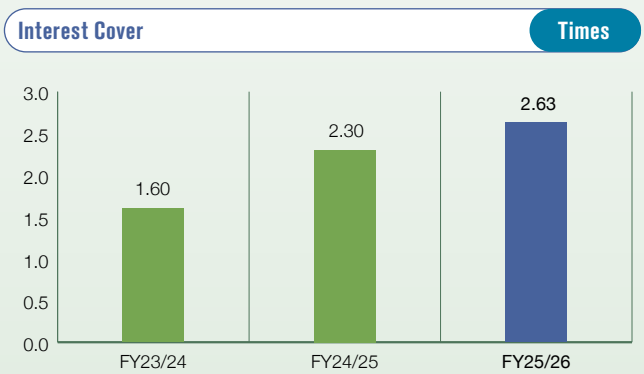
Total Gearing improved by

24%









GROUP FINANCIAL HIGHLIGHTS

		2025/26	2024/25	2023/24
Financial Performance Highlights				
Revenue	Rs'000	4,504,801	4,385,214	3,786,236
Gross Profit	Rs'000	1,169,059	1,146,501	1,026,473
Operating Profit	Rs'000	524,378	607,671	566,212
Profit Before Tax	Rs'000	320,460	303,020	188,060
Profit After Tax	Rs'000	189,908	130,625	71,760
Dividends	Rs'000	86,065	-	-
Gross Profit Margin	%	26%	26%	27%
Operating Profit Margin	%	12%	14%	15%
Interest Cover	Times	2.63	2.30	1.60
Net Profit Margin	%	4%	3%	2%
Financial Position Highlights				
Total Assets	Rs'000	3,817,110	3,722,727	3,511,960
Total Equity	Rs'000	1,643,031	1,116,530	830,870
Total Liabilities	Rs'000	2,164,079	2,606,197	2,681,090
Current Ratio	Times	1.26	1.06	1.21
Debt/Equity	%	97%	187%	263%
Gearing	%	49%	65%	72%
Return on Capital Employed	%	16%	19%	19%
Market and Shareholder Information				
No. of Shares in Issue	Nos'000	172,131	120,407	120,407
Market Price Per Share	Rs.	14.50	-	-
Market Capitalization	Rs'000	2,495,899	-	-
Basic Earnings Per Share	Rs.	1.37	1.08	0.60
Net Assets Per Share	Rs.	9.55	9.27	6.90
Dividend Per Share	Rs.	0.50	-	-
Dividend Payout Ratio	%	36%	-	-
Dividend Yield	%	3.4%	-	-

IPO HIGHLIGHTS

A Defining Milestone – Successful IPO and Financial Transformation

J.F. Packaging PLC, a pioneering packaging company in Sri Lanka guided by the theme "Leading the Change," achieved a significant milestone during the year by successfully transitioning into a listed entity. The past financial year marked a defining moment in the Company's journey, as over a decade of growth and progress in the packaging industry culminated in its listing on the Colombo Stock Exchange.

The Initial Public Offering (IPO), launched on 30 October 2025 with the objective of raising Rs. 600 million, received an overwhelmingly positive response from investors. The issue was oversubscribed on its opening day by more than six times, attracting over 7,500 applications and generating demand in excess of Rs. 3.7 billion. This exceptional level of interest reflects strong investor confidence in the Company's brand, resilient business model, and long-term strategic vision, positioning J.F. Packaging PLC for its next phase of growth and value creation.

6.3 X
Oversubscribed

Rs. 3.78 Bn
In value

7,500 +
Applications



Since its market debut, the Company's shares have traded at an attractive premium to the issue price, further reinforcing the trust placed in J.F. Packaging PLC and reflecting the strength of its fundamentals and future growth prospects. The primary objective of the IPO was the settlement of Rs. 600 million in bank borrowings, which has been successfully achieved immediately upon receipt of the IPO proceeds. Detailed disclosures relating to the objectives and the utilization of IPO proceeds are given on Note 31 to the financial statements.

The settlement of debt has significantly strengthened the Company's financial position by reducing its overall gearing and lowering annual finance costs. These improvements have positively impacted the financial performance for FY 2025/26, with reduced finance expenses contributing to enhanced profitability and improved earnings for shareholders. The strengthened balance sheet now provides a solid foundation to support future capital investments, operational enhancements, and strategic expansion initiatives.

Beyond the immediate financial benefits, the IPO has delivered long-term strategic advantages, including enhanced corporate credibility and brand value, improved governance and transparency, and greater access to financing at competitive terms. It has also strengthened the Company's ability to attract and retain high-quality talent, supported by a stronger employer brand and potential equity-based incentives.

This landmark achievement has unlocked new avenues for growth and positioned the Company to capitalize on emerging opportunities within the packaging industry. With a strengthened financial base and continued focus on strategic priorities, the leadership remains committed to driving sustainable growth, maintaining financial discipline, and delivering long-term value to all stakeholders.



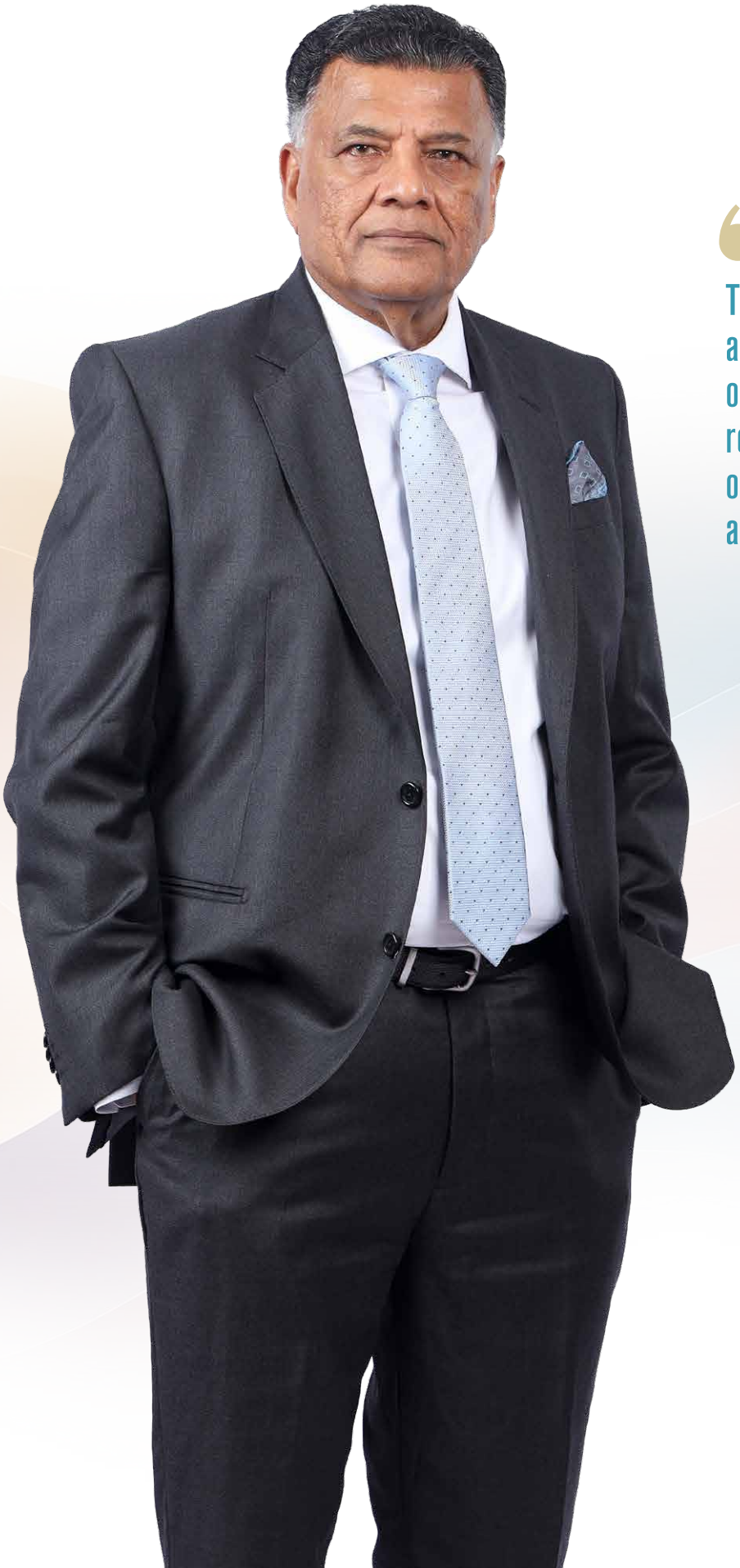
LEADERSHIP

Chairman's Review 20

Managing Director's Review 23

Board of Directors 26

CHAIRMAN'S REVIEW



> The successful listing marked a defining milestone, with the overwhelming investor response reflecting strong confidence in our business model, leadership, and long-term growth prospects.

S. D. R. Arudpragasam
Chairman

Dear Shareholders,

It is my pleasure to present the inaugural Annual Report of J.F. Packaging PLC together with the audited financial statements for the year ended 31st March 2026 following the successful listing of the Company on the Colombo Stock Exchange.

The year under review represents a defining milestone in the evolution of J.F. Packaging. Having successfully transitioned into a listed entity, the Company entered a new phase of growth with a strengthened capital base, enhanced governance standards, and greater opportunities to create sustainable value for all stakeholders. This achievement reflects the collective efforts of our employees, customers, business partners, management team, and shareholders, whose trust and support have been instrumental in our success.

PERFORMANCE DURING THE YEAR

The operating environment during FY 2025/26 reflected Sri Lanka's continued transition from post-crisis recovery towards macroeconomic stabilization. Lower inflation, easing interest rates, improved business confidence, and a gradual recovery in consumer demand provided a more supportive backdrop for economic activity. At the same time, businesses continued to navigate evolving regulatory requirements, global supply chain uncertainties, raw material price fluctuations, and changing customer expectations.

Against this backdrop, J.F. Packaging PLC delivered a resilient performance and continued its consistent growth trajectory. Group revenue increased by 3% to Rs. 4.5 billion, while Profit After Tax grew by a strong 45% to Rs. 190 million. Earnings per Share increased to Rs. 1.37, reflecting the Company's ability to convert operational performance into enhanced shareholder value.

A significant contributor to this performance was the strengthening of the Group's financial position following the successful completion of the Initial Public Offering. The IPO proceeds were utilized as planned to settle Rs. 600 million of borrowings, resulting in a substantial improvement in the Group's capital structure. Total borrowings reduced by 23%, gearing improved from 65% to 49%, and total equity increased by 47% to Rs. 1.6 billion. These improvements have enhanced financial flexibility, reduced finance costs, and created a stronger platform for future growth.

The Board was pleased to recommend a dividend of Rs. 0.50 per share for the year under review, reflecting our commitment to delivering returns to shareholders while maintaining adequate resources to support future expansion and strategic investments.

STRATEGIC PROGRESS

The successful listing of J.F. Packaging PLC stands as one of the most significant achievements in the Company's history. The IPO was oversubscribed more than six times on its opening day, attracting over 7,500 applications and generating demand exceeding Rs. 3.7 billion. This overwhelming investor response reflects confidence in the Company's business model, management team, and long-term growth prospects.

Beyond strengthening the balance sheet, the listing has enhanced the Company's visibility, governance standards, and access to future growth capital. As a publicly listed entity, we recognize our heightened responsibility to maintain transparency, accountability, and sound stewardship while delivering sustainable value creation.

During the year, the Group continued to strengthen its position as a diversified one-stop packaging solutions provider. Our integrated portfolio now spans flexible packaging, PET bottles and accessories, adhesive tapes, paper-based packaging solutions, and rigid plastic packaging and accessories. This diversification provides greater resilience against market volatility while enabling us to offer broader value propositions to customers across multiple industries.

The acquisition and integration of paper-based packaging solutions further expanded our product portfolio and strengthened our ability to respond to increasing demand for sustainable packaging alternatives. At the same time, continued investments in research and development, manufacturing capabilities, and process improvements enhanced our competitiveness and prepared the business for future opportunities.

INNOVATION AND SUSTAINABILITY

The packaging industry continues to evolve rapidly, driven by changing consumer preferences, technological advancement, environmental considerations, and regulatory developments. Sustainability is increasingly becoming both a commercial requirement and a strategic imperative.

J.F. Packaging remains committed to positioning itself at the forefront of these developments. Through our dedicated research and development efforts, we continue to develop innovative packaging solutions that improve functionality, enhance product protection, and support sustainability objectives. Our focus includes recyclable packaging formats, material optimization, and the exploration of environmentally responsible alternatives that align with emerging market requirements.

The Company adopts a structured four-pillar sustainability framework encompassing Economic, Environmental, Social, and Governance (ESG) dimensions to ensure sustainability considerations are embedded across its strategy, operations, decision-making, and stakeholder engagement processes.

The recognition received during the year through multiple local and international awards further validates our commitment to innovation and excellence. These achievements reinforce our reputation as one of Sri Lanka's most awarded packaging companies and reflect the talent, creativity, and dedication of our teams.

Further strengthening this commitment, the Company has commenced the progressive implementation of SLFRS S1 and SLFRS S2 sustainability and climate-related disclosure requirements ahead of any mandatory adoption timeline, demonstrating a proactive approach towards enhancing transparency, strengthening resilience, and aligning with evolving global sustainability reporting practices.

The recognition received during the year through multiple local and international awards further validates our commitment to innovation and excellence. These achievements reinforce our reputation as one of Sri Lanka's most awarded

CHAIRMAN'S REVIEW

packaging companies and reflect the talent, creativity, and dedication of our teams.

GOVERNANCE AND STEWARDSHIP

As a newly listed entity, the Board has placed particular emphasis on strengthening governance practices and ensuring compliance with the highest standards of corporate conduct.

The Board remains committed to maintaining robust governance structures, effective risk management processes, strong internal controls, and transparent stakeholder engagement. We continue to align our practices with applicable regulatory requirements and emerging best practices, recognizing that good governance is fundamental to long-term business sustainability and investor confidence.

The appointment of Independent Non-Executive Directors further enhanced the diversity of experience and expertise available to the Board, strengthening oversight and supporting balanced decision-making.

LOOKING AHEAD

While uncertainties remain within both the global and domestic operating environment, we remain optimistic about the long-term prospects of the Company and the packaging industry.

The gradual recovery of the Sri Lankan economy, growth in FMCG consumption, resilience in export-oriented industries, expansion of modern retail formats, and increasing demand for innovative and sustainable packaging solutions collectively create attractive opportunities for future growth.

The Board's priorities for the coming years will focus on expanding manufacturing capabilities, enhancing operational excellence, accelerating product innovation, strengthening sustainability initiatives, broadening our packaging portfolio, and deepening customer relationships across existing and new markets. Supported by a stronger balance sheet, disciplined capital allocation, and a committed management team, we are well-positioned to capitalize on these opportunities.

APPRECIATION

I would like to convey my sincere appreciation to my colleagues on the Board for their guidance and stewardship.

Further, I wish to express my sincere appreciation to our shareholders for the confidence they have placed in the Company, particularly during this landmark year. I also extend my gratitude to our customers, suppliers, bankers, regulators, and business partners for their continued support and trust.

Most importantly, I thank our management team and employees whose dedication, resilience, and commitment to excellence continue to drive the success of J.F. Packaging PLC.

As we embark on this exciting new chapter as a listed company, we remain committed to creating sustainable long-term value for all stakeholders while continuing to build on the strong foundations established over the years.



S. D. R. Arudpragasam
Chairman

14th August 2026

MANAGING DIRECTOR'S REVIEW



"We achieved a significant improvement in profitability, with year-on-year Profit After Tax increasing by 45% to Rs. 190 million, driven by operational efficiencies, disciplined cost management, an improved product mix and a strengthened capital structure."

K. P. David
Managing Director

MANAGING DIRECTOR'S REVIEW

Dear Shareholders,

I am pleased to present my review of the performance and operations of J.F. Packaging PLC for the financial year ended 31 March 2026.

The year under review was one of significant achievements and strategic progress for J.F. Packaging PLC. The successful listing of the Company on the Colombo Stock Exchange marked a pivotal milestone in our corporate history, enhancing our market presence and supporting our aspirations for future growth. Alongside this accomplishment, we remained committed to executing our strategic priorities, focusing on operational excellence, productivity enhancement, product innovation, and market development. Through these initiatives, we have strengthened the Company's resilience, expanded our growth platform, and reinforced our commitment to delivering sustainable value to shareholders and other stakeholders.

Against a backdrop of gradual economic recovery and evolving market conditions, we continued to demonstrate resilience, agility, and commitment to delivering value to our customers and stakeholders.

OPERATING ENVIRONMENT

Sri Lanka's economic environment showed encouraging signs of stabilization during the year. Improvements in inflation, interest rates, exchange rate stability, and overall business confidence contributed to a more favourable operating environment compared to previous years. However, businesses continued to face challenges arising from fluctuating raw material prices, supply chain uncertainties, increased competition, and changing customer expectations.

The packaging industry itself continues to undergo rapid transformation. Customers increasingly seek packaging solutions that are innovative, cost-effective, sustainable, and capable of supporting evolving consumer preferences. These trends continue to shape our strategic priorities and investment decisions.

Against this backdrop, our focus remained on strengthening customer relationships, improving operational efficiency, investing in innovation, and expanding our capabilities across key business segments.

FINANCIAL PERFORMANCE

The Group recorded revenue of Rs. 4.5 billion during the year, reflecting steady growth despite competitive market conditions.

More importantly, we achieved a significant improvement in profitability, with Profit After Tax increasing by 45% to Rs. 190 million compared to the previous year. Earnings per Share increased to Rs. 1.37, reflecting enhanced value creation for shareholders.

The improvement in profitability was driven by a combination of factors, including operational efficiencies, disciplined cost management, improved product mix, and the strengthening of the Group's capital structure following the successful Initial Public Offering.

From a segmental performance perspective, the Group continued to benefit from the strength of its diversified business portfolio. The Flexible Packaging segment remained the largest contributor, accounting for approximately half of Group revenue. Ceylon Tapes (Pvt) Ltd, together with the newly acquired Paper-Based Packaging Solutions segment, contributed close to 40% of the balance revenue, reinforcing the Group's position as an integrated packaging solutions provider. The remaining revenue was generated by the PET Bottles segment and the Plastic Accessories & Natural Coir-Based Products segment. This balanced revenue mix underscores the Group's resilience, reduces concentration risk, and supports sustainable growth across a broad range of industries and end markets.

The utilisation of IPO proceeds to retire Rs. 600 million of borrowings significantly improved the Group's financial position. Total borrowings reduced by 23%, gearing improved from 65% to 49%, and shareholders' equity increased by 47% to Rs. 1.6 billion.

These developments have enhanced our financial flexibility, reduced funding pressures, and positioned the Group to pursue future growth opportunities from a position of strength.

STRENGTHENING A DIVERSIFIED PACKAGING PLATFORM

Over the years, J.F. Packaging PLC has evolved from a traditional packaging manufacturer into a diversified packaging solutions provider serving a broad range of industries.

Our portfolio today includes:

- Flexible packaging solutions
- PET bottles and accessories
- Adhesive tapes
- Paper-based packaging solutions
- Plastic accessories and natural fibre-based products

This diversification remains one of our key competitive strengths. It enables us to serve customers through multiple packaging formats while reducing exposure to fluctuations within any single product category or market segment.

The continued expansion of our product offering has strengthened our ability to provide integrated packaging solutions and deepen customer relationships across multiple sectors.

OPERATIONAL EXCELLENCE AND EFFICIENCY

Operational excellence remains central to our business strategy.

Throughout the year, we focused on improving manufacturing efficiency, optimising resource utilisation, strengthening quality assurance processes, and enhancing productivity across our operations.

These efforts contributed meaningfully to the improvement in profitability achieved during the year and enabled us to maintain service levels despite ongoing cost pressures within the operating environment.

Our manufacturing facilities continue to be supported by investments in technology, process improvements, and employee capability development. We remain committed to maintaining high standards of quality, consistency, and reliability that our customers have come to expect.

As a result, the Group continues to maintain strong relationships with customers across a diverse range of industries, including food and beverage, consumer products, agriculture, industrial applications, and export-oriented sectors.

INNOVATION AND PRODUCT DEVELOPMENT

Innovation continues to be a critical driver of our long-term growth strategy.

Customer expectations are evolving rapidly, requiring packaging solutions that deliver enhanced functionality,

convenience, sustainability, and cost efficiency. Our approach is centred on understanding these changing requirements and developing products that create tangible value for our customers.

During the year, we continued to invest in research and development initiatives aimed at improving product performance, exploring new materials, and expanding our portfolio of sustainable packaging solutions.

The strengthening of our paper packaging capabilities is an important component of this strategy. As environmental considerations become increasingly important for both consumers and businesses, demand for sustainable packaging alternatives is expected to continue growing.

We believe our diversified product portfolio and commitment to innovation position us favourably to capture emerging opportunities within the packaging industry.

The year under review was marked by several noteworthy accomplishments that strengthened the Group's competitive position and industry leadership. As Sri Lanka's most awarded packaging company, the JF Group achieved outstanding recognition on both local and global platforms, winning 2 WorldStar Awards, 2 Asia Star Awards, and 23 Lanka Star Awards. These achievements reflect the Group's continued investment in innovation, product excellence, and sustainable value creation, reaffirming its standing as a benchmark for quality and excellence within the packaging industry.

Demonstrating its unwavering commitment to international standards and continuous improvement, JF Packaging PLC maintained its ISO 9001, ISO 22000, HACCP, and SLAS certifications while achieving ISO 45001 certification during the year. This milestone further enhanced the Company's occupational health and safety management practices and complemented its broader sustainability agenda. Supported by stringent quality controls, low rejection rates, and a customer-centric approach, the Company continued to deliver superior products and strengthen stakeholder confidence.

CUSTOMERS AND MARKET RELATIONSHIPS

The success of J.F. Packaging has always been built on strong customer partnerships.

We continue to work closely with our customers to understand their requirements and provide customised packaging solutions that support their business objectives. Our ability to offer multiple packaging solutions through a single platform creates value through convenience, consistency, technical expertise, and responsive service.

The trust placed in us by our customers remains one of our greatest assets and serves as a powerful motivation for continuous improvement.

As market requirements evolve, we remain committed to strengthening these relationships and delivering solutions that support the long-term success of our customers.

OUR PEOPLE

The achievements of the year would not have been possible without the commitment and dedication of our employees.

Our people remain the driving force behind our operational success, innovation capabilities, customer service standards, and growth aspirations. We continue to invest in developing talent, strengthening technical competencies, promoting workplace safety, and fostering a culture of accountability and continuous improvement.

The successful execution of our growth initiatives and the transition into a listed company reflect the professionalism and commitment demonstrated by our teams across the organisation.

I extend my sincere appreciation to every member of the J.F. Packaging team for their contribution throughout the year.

OUTLOOK

Looking ahead, we remain optimistic about the future prospects of both the Company and the broader packaging industry.

The gradual recovery of the Sri Lankan economy, increasing consumer demand, growth in manufacturing and export sectors, and rising demand for innovative and sustainable packaging solutions create favourable opportunities for future expansion.

Our strategic priorities for the coming years will focus on:

- Expanding manufacturing capacity and capabilities;
- Enhancing operational efficiencies and productivity;
- Accelerating innovation and product development initiatives;
- Strengthening sustainable packaging solutions;
- Deepening customer engagement and market penetration; and
- Pursuing growth opportunities that complement our diversified business model.

With a strengthened balance sheet, expanded capabilities, diversified product portfolio, and a dedicated team, we are confident in our ability to create sustainable value for all stakeholders.

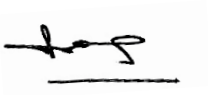
APPRECIATION

I would like to express my sincere gratitude to our customers, suppliers, financial institutions, business partners, and regulatory authorities for their continued support and confidence.

I also thank the Chairman and the Board of Directors for their guidance and leadership throughout this important year.

Most importantly, I thank our employees for their commitment and dedication, and our shareholders for the trust they have placed in J.F. Packaging PLC.

As we embark on the next phase of our journey as a listed company, we remain committed to building a stronger, more innovative, and more sustainable organisation that delivers long-term value to all stakeholders.



K. P. David
Managing Director

14th August 2026

BOARD OF DIRECTORS



Mr. S. D. R. Arudpragasam
Chairman,
Non-Executive Director

Mr. K. P. David
Managing Director,
Executive Director

Mr. Anushman Rajaratnam
Non-Executive Director

Mr. A. Hettiarachchy
Non-Executive Director



Mr. P. Suren Goonewardene
Non-Executive Director

Mr. K. G. Punchihewa
Independent Non-Executive Director

Mr. S. B. Perera
Independent Non-Executive Director

BOARD OF DIRECTORS



Mr. S. D. R. Arudpragasam

FCMA (UK)

Chairman, Non-Executive Director

Mr. S. D. R. Arudpragasam joined the Board and was appointed Chairman of J.F. Packaging PLC on 24th August 2017. Mr. Arudpragasam, whilst being associated with The Colombo Fort Land & Building Group of companies since 1982 and having served on the Board of The Colombo Fort Land & Building PLC (CFLB) since the year 2000 and as Deputy Chairman from 2011, was appointed Chairman of CFLB with effect from 1st July 2022. Mr. Arudpragasam also serves as Chairman of several subsidiaries of CFLB including Chairman, Lankem Ceylon PLC, C.W. Mackie PLC and Chairman/ Managing Director of E.B. Creasy & Company PLC in addition to serving on the Boards of other companies in the CFLB Group. He also functions as a member on several Board Subcommittees of the CFLB Group. Mr. Arudpragasam is a Fellow of the Chartered Institute of Management Accountants (UK).



Mr. K. P. David

FCMA (UK), CGMA, FCMA(SL), MCPM

Managing Director, Executive Director

Mr. K. P. David was appointed to the Board of J.F. Packaging PLC on 30th January 2015 and as the Managing Director on 11th April 2017. Mr. K. P. David brings over three decades of experience in financial and corporate leadership. Beginning his career in the banking sector, he joined Creasy & Company PLC as Group Accountant in 1993, where he played a pivotal role in financial strategy and management. He later served as Head of Finance/Chief Financial Officer at Lankem Ceylon PLC and its subsidiaries until March 2017, steering financial operations and ensuring sustainable growth across the group. In 2007, Mr. David was appointed to the Board of Lankem Ceylon PLC as an Executive Director, a position he held until July 2020, contributing to strategic decision-making and corporate governance.

Since April 2017, he has led the J.F. Packaging Cluster as Managing Director, overseeing operations at J.F. Packaging Ltd, J.F. Ventures Ltd, Ceylon Tapes (Pvt) Ltd, Kiffs (Pvt) Ltd, and Alliance Five (Pvt) Ltd. He successfully managed the post-acquisition change management and the group entry into packaging businesses. Following the group takeover of these subsidiaries, Mr. David demonstrated remarkable resilience and strategic foresight, driving exponential business growth and achieving stable performance across all companies. Under his leadership, J.F. Packaging emerged as the most awarded packaging company in Sri Lanka, securing numerous accolades for its innovation and quality of packaging solutions. Mr. David also holds several other directorships within the Lankem Group, exemplifying his dedication to operational excellence and innovation. He is a Fellow Member (FCMA, CGMA) of the Chartered Institute of Management Accountants (UK) with expertise in finance, leadership, and corporate strategy.



Mr. Anushman Rajaratnam

B.Sc (Hons.), CPA, MBA

Non-Executive Director

Mr. Anushman Rajaratnam joined the Board of J.F. Packaging PLC on 30th January 2015. He joined the Board of Lankem Ceylon PLC in 2005 and served as the Company's Managing Director from 2009 until December 2016. He relinquished that position in December 2016 to take up the role as the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB) in January 2017. In addition, he serves on the Boards of several subsidiary companies and also functions as a member on several Board Subcommittees of the CFLB Group. Prior to joining the CFLB Group, he worked overseas for a leading global accountancy firm.

He holds a Bachelor of Science degree in Economics from the University of Surrey, UK, CPA Australia and MBA from Massachusetts Institute of Technology USA.



Mr. A. Hettiarachchy

C.Eng, MIEE, MIProdE, MIChemE

Non-Executive Director

Mr. A. Hettiarachchy joined the Board on 24th August 2017. Mr. Hettiarachchy is a Chartered Chemical Engineer. He is the Chairman of the Board of ISL Services Ltd, Executive Chairman of Acme Printing and Packaging PLC and the Chairman of Lankem Minerals Ltd. He has served on the Boards of Sri Lanka Institute of Nano Technology, Central Industries PLC, C.W. Mackie PLC, Richard Pieris Finance Ltd, Hayleys PLC and functioned as Managing Director on the Boards of Haycarb PLC, Recogen Ltd and Puritas Ltd and served on several other subsidiaries of Haycarb PLC and Hayleys PLC both in Sri Lanka and overseas.

He was also a Board Member of the National Science Foundation, Coconut Research Institute, Member of the National Nano Committee, Chief of Research and Engineering Systems– Sri Lanka Institute of Nano Technology, and a member of several advisory Boards of the NSF.



Mr. P. Suren Goonewardene

BBA(Aus.), CPA(Aus.), FCMA (SL), FCIM (UK)

Non-Executive Director

Mr. Suren Goonewardene was appointed to the Board of Directors of J.F. Packaging PLC with effect from 1st October 2020. He holds a Bachelor's degree in Business Accounting from Monash University Australia, is a Member of the Certified Practicing Accountants-Australia and is a Fellow Member of the Chartered Institute of Marketing U.K. and Certified Management Accountants of Sri Lanka.

He has functioned in the capacity of Chairman and Managing Director, Bharti Airtel Lanka Ltd, Chief Operating Officer, Dialog Television and Fixed Line Services, Group Managing Director, Lanka Bell Ltd and has also served on the Boards of Ceylon Shipping Corporation and the Civil Aviation Authority of Sri Lanka. He was a Council Member of the Employers' Federation of Ceylon and a former Vice President of the Indian Chamber of Commerce in Sri Lanka. He serves on the Boards of First Guardian Equities Ltd, Dawi Investment Trust (Pvt) Ltd and Acme Printing and Packaging PLC in which company he also functions as a Member of its Board Subcommittees.

Mr. Goonewardene's experience spans across multiple industries and he possesses expertise in the fields of Telecommunication, Information Technology, Strategic Planning, Organizational Restructuring, Investment/ Credit Management, Finance, Marketing & Sales, General Management and Business Consultancy.

BOARD OF DIRECTORS



Mr. K. G. Punchihewa

FCA, CPA (Aus.)

Independent Non-Executive Director

Mr. Kamal Punchihewa is a seasoned finance and plantation industry leader with over four decades of cross-border experience spanning Sri Lanka, Indonesia, and the broader Asian region. He was appointed to the Board of J.F. Packaging PLC as an Independent Non-Executive Director effective from 20th February 2026.

A Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) since 1988 and a Certified Public Accountant (CPA) – Australia since 2014, Mr. Punchihewa brings deep expertise in financial strategy, corporate governance, and operational turnaround.

He began his professional journey at M/s. B.R. De Silva & Co., Chartered Accountants, in 1983, where he rose to Partnership in 1991.

His career in the mercantile sector commenced as Financial Controller of Kotagala Plantations Ltd. under M/s. George Steuarts Management Services in 1992. He was subsequently promoted to Group Financial Controller of the George Steuarts Group of Companies and also served as Director Finance of George Steuart Auto Supplies (Pvt) Ltd. In 2002.

He returned to the plantation sector as General Manager – Finance of Kahawatte Plantations Ltd.

His international career took shape in 2005 when he took up the position of Financial Controller at PT Agro Bukit, Indonesia, and was later promoted to Head of Finance – Plantation Operations and Business Support for the entire Indonesian operations of Good Hope Asia Group, overseeing six oil palm plantation companies. This international tenure further honed his ability to manage multi-company portfolios across borders.

Upon returning to Sri Lanka in 2011, Mr. Punchihewa joined Lankem Tea & Rubber Plantations (Pvt) Ltd. as Director/Deputy CEO. He was appointed Chief Executive Officer of Agarapatana Plantations Ltd. in April 2014 and served on its Board from 2012 to 2016.

In October 2016, he joined Browns Group as Group Chief Executive Officer – Plantation Sector, responsible for three Regional Plantation Companies, subsequently serving as Chief Executive Officer of Maturata Plantations Ltd. until July 2020.

In August 2020, he joined the Richard Pieris Group as Chief Financial Officer – Plantation Sector and was promoted to Chief Executive Officer of Maskeliya Plantations PLC in February 2021, a position he held alongside his CFO responsibilities until March 2023.

Mr. Punchihewa combines rigorous financial discipline with strategic insight, making him a valuable steward of shareholder interests and corporate sustainability.

In addition to his appointment on the Board of J.F. Packaging PLC & Group, he serves as an Independent Non-Executive Director on the Boards of Colombo Fort Land Building PLC, Lankem Ceylon PLC, E.B. Creasy & Co. PLC, Agarapatana Plantations PLC (since November 2024), Kotagala Plantations PLC (since November 2024), Lankem Developments PLC (from January 2025), Laxapana PLC (from January 2025), Muller & Phipps (Ceylon) PLC (from January 2025), and Acme Printing & Packaging PLC.

Mr. Punchihewa leads the Company's Board subcommittees (appointed 20th February 2025) and extends his governance role to multiple CFLB Group subsidiaries, serving on their respective subcommittees in a Chairman or Member capacity.



Mr. S. B. Perera

FCMA / CGMA (UK),
B.Sc. Mech.Eng. (Hons.)

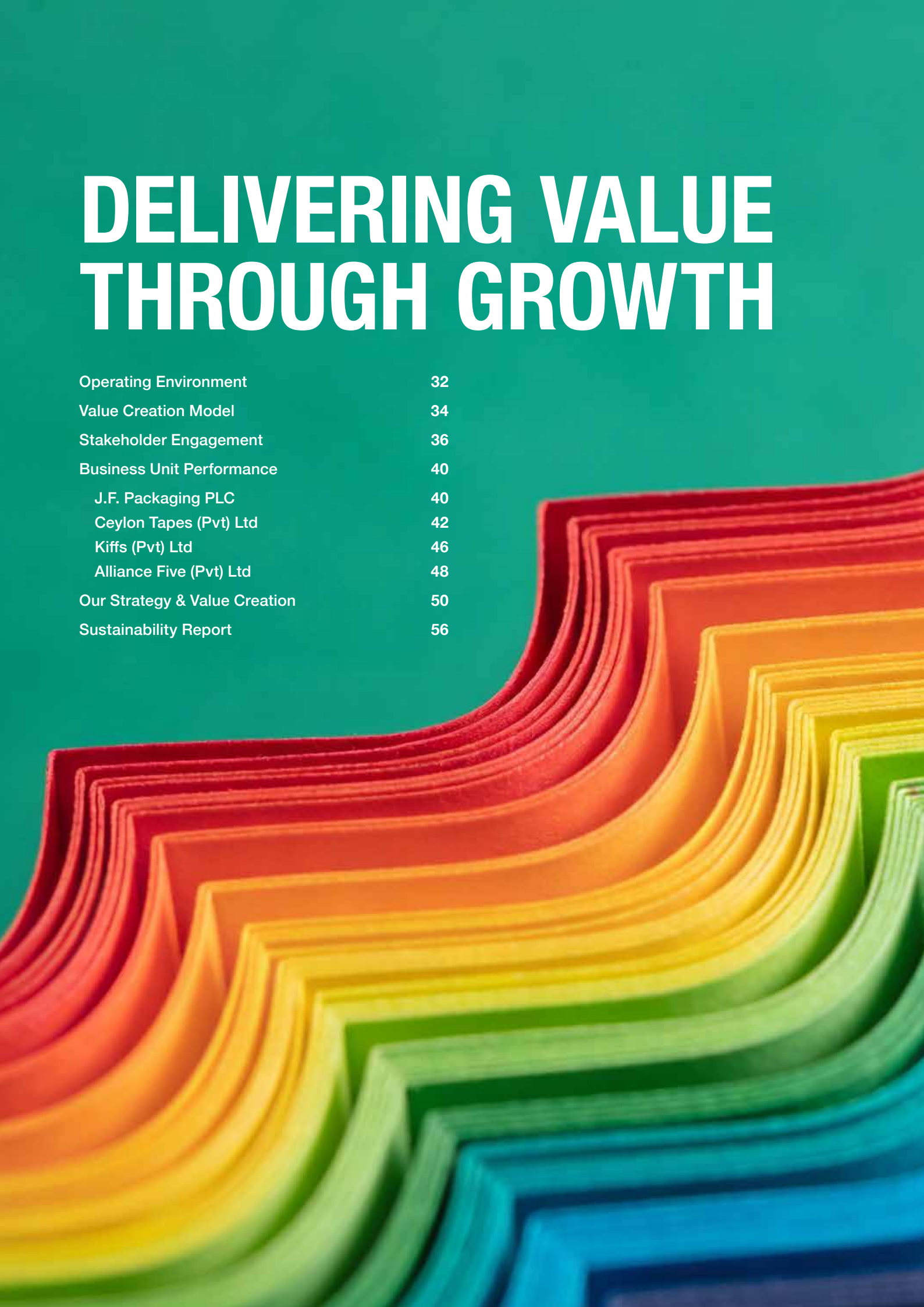
Independent Non-Executive Director

Mr. Shrihan B. Perera was appointed to the Board of J.F. Packaging PLC on 20th February 2025. He was the Chief Executive Officer of Teejay Group from April 2018 to December 2019. He also served as the Chief Executive Officer of Brandix Apparel Solutions Ltd from January 2010 to March 2018. Mr. Perera previously held positions of Group Financial Controller & Treasurer, Group Accounts Manager and Finance Director at Unilever Sri Lanka while counting overall experience of over 30 years both with Engineering and Finance exposure in and amongst competitive conditions and multidimensional challenges. He has wide exposure in FMCG, Garment and Textile Manufacture and Service industry.

Mr. Perera currently serves as an Independent Director of Teejay Lanka PLC and Teejay Lanka Prints (Pvt) Limited. He also serves on the Boards of Fintrex Finance Ltd, C.W. Mackie PLC and on the Boards of certain other listed and unlisted entities of The Colombo Fort Land & Building Group. In addition, he functions as the Chairman/ Member of certain Board Subcommittees of several companies. He holds a Bachelor of Science Degree in Mechanical Engineering-2nd Class Upper Honours from the University of Moratuwa and is a Fellow of the Chartered Institute of Management Accountants/CGMA, UK.

DELIVERING VALUE THROUGH GROWTH

Operating Environment	32
Value Creation Model	34
Stakeholder Engagement	36
Business Unit Performance	40
J.F. Packaging PLC	40
Ceylon Tapes (Pvt) Ltd	42
Kiffs (Pvt) Ltd	46
Alliance Five (Pvt) Ltd	48
Our Strategy & Value Creation	50
Sustainability Report	56



OPERATING ENVIRONMENT

EXTERNAL ENVIRONMENT IMPACTING PERFORMANCE (FY 2025–2026)

The external environment during 2025/26 reflects a transitional phase for Sri Lanka, moving from post-crisis recovery toward gradual macroeconomic stabilization. This evolving landscape has had a direct and multifaceted impact on the growth, revenue generation, and profitability of J.F. Packaging PLC, particularly given its exposure to both domestic consumption-driven sectors and export-oriented industries. The Ditwah cyclone, which occurred in late November 2025, disrupted Sri Lankan economic recovery and negatively impacted both consumers' purchasing behaviour and the businesses.

RECOVERY OF THE SRI LANKAN ECONOMY

Sri Lanka's economic recovery has been a key positive driver for the Company. Following the severe contraction experienced during the 2022 crisis, the economy rebounded strongly in 2024 with approximately 5% growth, supported by improvements in industrial output, agriculture, and tourism-related services. This recovery momentum continued into 2025, with GDP growth estimated between 4%–5%, although at a more moderate pace as structural challenges persisted. For J.F. Packaging PLC, this translated into a gradual revival in demand across FMCG, industrial, and logistics sectors, supporting volume growth in flexible packaging, PET bottles, and adhesive tapes. However, the moderation in growth expectations toward 2026, with forecasts around 4%, indicates that while recovery is underway, it is not yet robust, thereby constraining aggressive expansion in end-market demand and requiring prudent capacity utilization and cost management.

INFLATION & PRICE STABILITY

Inflation and price stability played a critical role in shaping both consumer demand and cost structures. Sri Lanka experienced a period of deflation during 2024 and early 2025, largely due to energy price reductions, currency appreciation, and subdued household demand. Inflation remained extremely low in 2025, even dropping to near-zero levels in some forecasts, before gradually normalizing toward the Central Bank's 5% target by mid-2026. This low inflation environment improved real disposable income and supported consumer purchasing power, thereby benefiting FMCG demand and indirectly increasing packaging volumes. At the same time, subdued inflation helped stabilise input costs such as energy and transportation. However, as inflation trends upward toward 2026, cost pressures on raw materials - particularly imported polymers and chemicals - are expected to re-emerge, potentially compressing margins if cost pass-through to customers remains limited.

INTEREST RATES & EXCHANGE RATE MOVEMENTS

Interest rates and exchange rate dynamics further influenced financial performance and investment decisions. The Central Bank maintained a relatively accommodative monetary policy stance, with policy rates around 7.75%–8.0% during 2025, supporting credit expansion and business activity. Lower borrowing costs enabled corporates, including J.F. Packaging PLC, to access working capital and fund capital expenditure at reasonable rates, improving liquidity and supporting operational scaling. Meanwhile, the Sri Lankan Rupee showed relative stability and periods of appreciation during 2025–2026 due to improved foreign inflows and external sector performance. Currency stability reduced volatility in import costs of raw materials such as resins, films, and adhesives, thereby enhancing cost predictability. However, a stronger currency also posed challenges for export competitiveness, particularly for segments linked to apparel and tea packaging, where global price sensitivity is high.

SECTORAL ANALYSIS: FMCG AND EXPORT MARKETS

Sectoral dynamics within FMCG and export markets significantly shaped demand conditions for the Company. The FMCG sector experienced gradual recovery driven by improved consumer confidence and rising real incomes in a low-inflation environment. This supported demand for flexible packaging solutions, which account for the largest share of the Group revenue. In parallel, Sri Lanka's export sector demonstrated resilience, with total merchandise exports growing by over 6% in 2025. Apparel exports recorded steady growth, reinforcing demand for packaging and labeling solutions linked to garment exports. However, the sector faced external risks, including potential tariff pressures in key markets such as the United States, which could dampen export volumes and indirectly affect packaging demand. The tea sector, another key end-market, showed volatility with declines in export earnings in certain periods due to global demand fluctuations, impacting packaging volumes tied to bulk and value-added tea products. Conversely, tourism emerged as a strong growth driver, generating over USD 3.2 billion in 2025 and targeting further expansion in 2026. The tourism recovery stimulated demand for food packaging, beverage containers, and related products, positively contributing to PET bottle and flexible packaging segments.

POLICY & REGULATORY ENVIRONMENT

Policy and regulatory developments remained a critical external influence, particularly under the IMF-supported reform programme. Fiscal consolidation, tax reforms, and strengthened monetary policy frameworks aimed at restoring macroeconomic stability have improved investor confidence and reduced country risk premiums. However, these reforms also introduced cost pressures through higher taxation, compliance requirements, and regulatory oversight. Of particular relevance to the packaging industry is the increasing regulatory focus on environmental sustainability and plastic usage. Changes in regulations such as single-use plastics and growing compliance requirements are likely to necessitate investments in recyclable materials, biodegradable alternatives,

and process innovation. While this creates long-term opportunities for value-added sustainable packaging solutions, it also requires significant capital investment and technical capability development, impacting short-term profitability.

CHANGING CONSUMER PREFERENCES & DIGITAL TRANSFORMATION

Changing consumer preferences and digital transformation trends are reshaping demand patterns across industries served by the Company. Consumers are increasingly prioritizing convenience, sustainability, and product safety, leading to higher demand for innovative, lightweight, and environmentally friendly packaging solutions. The shift toward modern retail formats, e-commerce, and digital platforms is also driving the need for more durable, visually appealing, and logistics-friendly packaging. For J.F. Packaging PLC, this presents opportunities to expand into high-margin customized packaging, digital printing, and smart packaging solutions. At the same time, the need to invest in advanced machinery, automation, and digital integration increases capital expenditure requirements and operational complexity.

GLOBAL ECONOMIC ENVIRONMENT

The global economic environment during this period remains uncertain and continues to influence Sri Lanka's external sector performance. Global growth is moderating amid geopolitical tensions, trade policy shifts, and inflationary pressures in major economies. For Sri Lanka, external risks such as tariff changes, supply chain disruptions, and fluctuations in commodity prices directly affect export industries and raw material costs. For instance, potential tariff adjustments in key export markets could impact apparel demand, while global oil price volatility influences production and transportation costs. Nevertheless, the gradual recovery in global demand, particularly in tourism and select export categories, provides a supportive backdrop for Sri Lanka's economic stabilization. The diversification of export sectors, including growth in ICT and value-added products, also enhances resilience and creates indirect demand for specialized packaging solutions.

OVERALL IMPLICATIONS FOR J.F. PACKAGING PLC

The external environment during FY 2025/26 presents a moderate outlook for J.F. Packaging PLC. Macroeconomic stabilization, low inflation, easing interest rates, and recovering domestic demand provide a supportive foundation for revenue growth. At the same time, moderating economic growth, regulatory pressures, evolving consumer preferences, and global uncertainties pose challenges to profitability and long-term planning. The Company's ability to navigate this environment will depend on its agility in cost management, investment in sustainable and innovative packaging solutions, and strategic alignment with both domestic recovery trends and export market dynamics.

VALUE CREATION MODEL

J.F. Packaging PLC creates sustainable value through an integrated business model that transforms key inputs into high-quality packaging solutions, delivering value to customers, stakeholders, and the broader economy.

The Company leverages a diverse set of resources to drive its operations and long-term growth:

INPUTS – STRATEGIC RESOURCES

Financial Resources

Strong capital base supported by IPO proceeds, internal cash flows, and banking facilities

Rs. 3,817 Mn	Rs. 1,643 Mn	Rs. 1,601 Mn
Total Assets	Equity Capital	Borrowed Capital

Manufacturing Resources

Advanced manufacturing facilities, machinery, and infrastructure across multiple segments

6	Rs. 342 Mn	Rs. 163 Mn
State-of-the-art manufacturing facilities	Machineries	Buildings

Human Resource

Skilled workforce, experienced management, and technical expertise

471	Performance Management System	Knowledge and Skills
Employees		

Intangible Resources

30+ years of industry experience, proprietary processes, product innovation, and certifications

Internationally recognized certifications (FSSC, ISO, HACCP, GMP)	R&D Capabilities	Organizational tacit knowledge

Stakeholder Connectivity

Strong relationships with multinational & FMCG clients, suppliers, and export partners

Established relationships with major brands and customers	Long-standing relationships with suppliers, banks and partners	Community engagement

BUSINESS ACTIVITIES

The Company integrates its capabilities across the value chain to deliver efficient and innovative solutions:

- **Manufacturing & Operations:** High-volume, quality-driven production across flexible packaging, PET, tapes, and paper segments
- **Financial Management, Pricing & Cost Control:** Margin focused pricing strategies, effective working capital management, cost optimization initiatives, budgetary oversight, and data-driven financial analysis enable improved profitability
- **Procurement & Supply Chain Management:** Strategic sourcing and supplier diversification to ensure cost efficiency and continuity
- **Innovation & R&D:** Development of new packaging formats, lightweight materials, and sustainable solutions
- **Quality Assurance:** Strict adherence to international quality and food safety standards
- **Sales & Customer Engagement:** Key account management, solution-based selling, and customer collaboration
- **Digital & Process Integration:** ERP systems, data analytics, and automation to enhance operational visibility and efficiency
- **Human Resource Management:** Developing, and retaining a skilled and motivated workforce, invest in training and technical capability development, performance management systems and employee engagement initiatives

OUTPUTS

The Group delivers a broad portfolio of integrated packaging solutions:

- Flexible packaging products (laminates, pouches, films)
- PET bottles, containers, and accessories
- Adhesive tapes and related products
- Paper-based packaging (canisters, tubes, drums)
- Coir-based and plastic accessory products

These outputs serve diverse industries including FMCG, apparel exports, tea exports, seafood exports, coir and industrial.

VALUE CREATION DRIVERS

- Market Leadership & Customer Expansion
- Operational Excellence & Cost Leadership
- Manufacturing Capacity Expansion
- Integrated Product & Solution Offering
- Innovation & Sustainable Packaging Leadership
- People, Governance & Digital Transformation

The Group's value creation process is driven by the effective integration of its resources, capabilities, and strategic priorities. By continuously enhancing operational efficiency, fostering innovation, and strengthening stakeholder relationships, the Company, with confidence gained from its recent successful IPO, is progressing towards unlocking new layers of possibilities while creating the following value (outcomes) for its stakeholders.

OUTCOMES

For Customers

- High-quality, reliable, and innovative packaging solutions
- Uninterrupted timely deliveries
- Integrated "one-stop" offerings enhancing convenience and efficiency
- Support in achieving sustainability and cost optimization goals

For Shareholders

- Revenue growth and improved profitability
- Strong return on investment supported by operational efficiency and expansion strategies
- Enhanced market credibility following IPO

For Employees

- Skill development, career growth, and a performance-driven culture
- Safe and inclusive working environment
- Employee Compensation & Benefits

For Suppliers & Partners

- Continued volume of business with long-term partnerships
- Stable demand and transparent engagement
- Improved supply chain resilience and mutual value creation

For Society & Environment

- Contribution to export earnings and economic development
- Promotion of sustainable packaging and resource efficiency
- Employment generation and community engagement initiatives
- Educational support for employees' children

STAKEHOLDER ENGAGEMENT

J.F. Packaging PLC recognizes that sustained success is built on strong, transparent, and mutually beneficial relationships with its stakeholders. As a responsible corporate entity, the Group is committed to fostering long-term and effective engagement with both internal and external stakeholders, ensuring that their perspectives are considered in shaping strategic and operational decisions.

Effective stakeholder engagement enables the Group to gain valuable insights into evolving expectations, emerging risks, and growth opportunities. These insights support informed decision-making and strengthen the Company's ability to deliver sustainable value while progressing towards its strategic objectives. The Group adopts a structured and systematic approach to stakeholder engagement, prioritizing stakeholders based on their level of influence and the extent of their contribution to the business.

The Company maintains a balanced approach in engaging all stakeholders, ensuring open communication, transparency, and responsiveness across all interactions. By understanding key material matters that impact stakeholders, the Group aligns its strategies to address their expectations, thereby enhancing trust, strengthening relationships, and supporting long-term value creation across economic, environmental, and social dimensions.

Through continuous engagement using multiple communication channels, J.F. Packaging PLC remains committed to building constructive partnerships, enhancing stakeholder confidence, and reinforcing its position as a responsible and sustainable organization. The following section outlines the Group's key stakeholder groups, their expectations, and the Company's responses in addressing those expectations.

1 KEY STAKEHOLDERS

- Shareholders & Investors
- Customers
- Employees
- Suppliers & Business Partners
- Regulators & Government Authorities
- Communities & Society
- Financial Institutions

2 STAKEHOLDER EXPECTATIONS

Shareholders
Sustainable returns, transparency, governance and growth

Customers
Quality, continuity of supply, timely delivery and cost efficiency

Employees
Career growth, fair rewards and safe working environment

Suppliers
Long-term partnerships, timely payments and fair dealings

Regulators
Compliance, ethical conduct and environmental responsibility

Communities
Employment, sustainability and social contribution

Banks/Financial Institutions
Financial discipline and risk management

3 OUR RESPONSE FOR STAKEHOLDER EXPECTATIONS

Shareholders & Investors

- Maintain transparent and timely financial reporting
- Ensure strong governance and compliance frameworks
- Drive sustainable profitability and growth strategies
- Enhance investor communication





Customers

- Deliver consistent quality and reliable service levels
- Offer innovative and customized packaging solutions
- Maintain competitive pricing through cost efficiency
- Strengthen long-term partnerships and customer collaboration

Employees

- Invest in training, leadership development, and skill enhancement
- Implement performance-driven culture and reward systems
- Ensure health, safety, and employee well-being
- Enhance engagement through HRIS and communication platforms



Suppliers & Business Partners

- Build strategic partnerships and long-term agreements
- Ensure transparent procurement practices and timely payments
- Diversify supplier base to enhance supply chain resilience
- Collaborate for cost efficiency and innovation

Regulators & Government Authorities

- Maintain full compliance with regulatory and legal requirements
- Strengthen internal controls and governance frameworks
- Align with environmental and sustainability regulations
- Ensure transparent and ethical business practices

STAKEHOLDER ENGAGEMENT

3 OUR RESPONSE FOR STAKEHOLDER EXPECTATIONS CONTD.

Communities & Society

- Support community development and environmental initiatives
- Promote sustainable packaging and awareness programs
- Create employment opportunities and skill development
- Engage in social responsibility and local stakeholder dialogue





Financial Institutions

- Maintain strong financial discipline and liquidity management
- Ensure timely servicing of financial obligations
- Strengthen risk management and internal controls
- Provide transparent communication and reporting

4 ENGAGEMENT METHODS

Shareholders & Investors:
Annual General Meetings (AGMs), investor forums, financial and market disclosures, annual reports, interim financial statements

Customers
Key account management, regular meetings, product development collaboration, feedback mechanisms

Employees
Performance reviews, training programs, engagement surveys, internal communications

Suppliers
Supplier evaluations, regular communication, contract management, partnership meetings

Regulators
Compliance reporting, audits, regulatory submissions

Communities
CSR initiatives, environmental programs, local engagement activities

Banks/Financial Institutions
Frequent update and reporting, review meetings, compliance updates

5 KEY TOPICS OF ENGAGEMENT

- Product quality and innovation
- Pricing and cost competitiveness
- Sustainability and environmental impact
- Operational efficiency and service reliability
- Governance, compliance, and risk management
- Employee well-being and development
- Financial returns and debt servicing

6 OUTCOMES OF ENGAGEMENT

- Strengthened customer loyalty and long-term contracts
- Improved employee engagement and productivity
- Enhanced supplier collaboration and supply chain resilience
- Increased investor confidence and market credibility
- Stronger regulatory compliance and governance standards
- Positive community impact and social license to operate

7 CONTINUOUS IMPROVEMENT APPROACH

J.F. Packaging PLC continuously enhances its stakeholder engagement practices by:

- Leveraging data and feedback mechanisms
- Integrating engagement insights into strategy and decision-making
- Strengthening digital platforms for communication and transparency
- Aligning engagement with ESG and sustainability priorities

STATEMENT OF FINANCIAL VALUE ADDED

Through structured and proactive stakeholder engagement, J.F. Packaging PLC ensures alignment between stakeholder expectations and business strategy, enabling the Company to build trust, enhance resilience, and create sustainable long-term value.

Name	2025/26 Rs. Mn	2024/25 Rs. Mn	Change %
Value Added			
Sales made to external customers	4,504,801	4,385,214	3%
Less: Materials and services brought in from outside	2,510,158	2,554,527	-2%
	1,994,643	1,830,687	
Add: Other Income	4,759	7,288	-35%
Total value available for distribution	1,999,402	1,837,975	9%
Distribution of Value Added			
Payments to employees as wages and benefits	457,045	360,098	27%
Payments to lenders as interest	208,043	275,963	-25%
Payments to shareholders as dividends	84,730	-	
Payments to government as taxes and duties	1,013,525	960,507	6%
Total	1,763,343	1,596,568	10%
Value Retained for Growth / (Deficit)			
Depreciation and amortization	130,881	110,782	18%
Profit after dividends	105,178	130,625	-19%
Total	236,059	241,407	
Total value distributed and retained	1,999,402	1,837,975	

BUSINESS UNIT PERFORMANCE

J.F. PACKAGING PLC

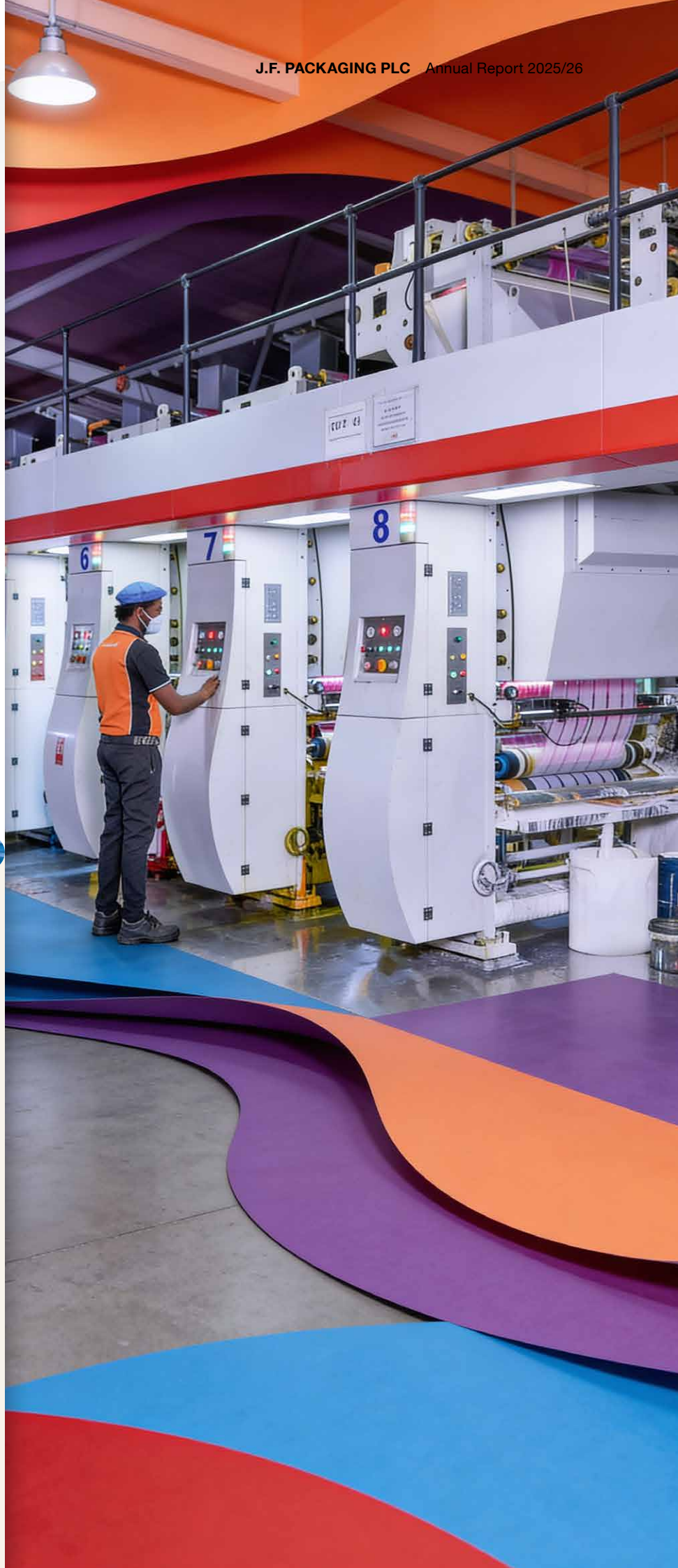
The Company remains the cornerstone of Group's operations, contributing the largest share to Group revenue and reinforcing its position among the leading players in the Sri Lankan packaging industry. The Company offers a comprehensive range of solutions including laminated, unlaminated, printed and unprinted packaging, catering to both food and non-food applications. Its diverse customer base spans across FMCG, export-oriented industries, industrial, agricultural, and logistics sectors, reflecting the segment's versatility and strong market relevance.

JF PACKAGING PLC
"Flexible Packaging Beyond Expectations"

OPERATIONAL PERFORMANCE

During the year under review, the segment demonstrated resilience in maintaining year-on-year sales value, despite operating in a highly competitive environment characterized by price wars, increasing customer bargaining power, and intense industry competition. This performance was driven by proactive sales strategies, strong individual sales performance, and effective order book management, ensuring continuity of business and sustained customer engagement.

The Company benefited from gradual macroeconomic recovery, which positively influenced demand, particularly within the FMCG sector. Lower inflation contributed to improved consumer spending, while easing interest rates supported increased investment activity across industries. Additionally, relative stabilization of the exchange rate helped moderate raw material cost volatility, providing some relief to operational margins. However, global uncertainties continued to pose supply chain challenges, impacting lead times and procurement dynamics.



STRATEGIC RESPONSE

In response to the external and internal challenges, the Company implemented a series of strategic and operational measures to sustain performance and enhance profitability:

- Effective pricing strategies were adopted to maintain margins amid competitive pressures
- Operational cost management initiatives were strengthened, contributing to improved profitability
- Enhanced production planning ensured consistent customer servicing and timely delivery, even in the face of global supply disruptions
- Supplier diversification strategies were implemented to maintain price stability and ensure uninterrupted raw material supply
- Continuous focus on efficiency and process optimization enabled better resource utilization and cost control

These measures collectively reinforced the segment's ability to navigate a complex operating environment while sustaining operational excellence.

KEY ACHIEVEMENTS

The Flexible Packaging segment recorded several notable achievements during the year, reflecting its commitment to innovation, quality, and continuous improvement:

- Profit growth achieved through effective margin management and cost optimization
- Recognition through 27 industry awards, highlighting excellence in packaging innovation and quality
- Introduction of new packaging structures across food and non-food applications, enhancing product diversity
- Implementation of cost-efficient process improvements to optimize material consumption
- Successful development and commercialization of sustainable materials, supporting environmental objectives
- Rollout of HRIS systems to automate HR processes, enhance performance evaluation, and improve transparency
- Installation of energy monitoring systems to improve energy efficiency and cost management
- Investment in new machinery to support capacity expansion and operational efficiency
- Launch of new products for the hospitality sector, aligned with market expansion initiatives
- Integration of Power BI dashboards with ERP systems, enabling real-time monitoring and data-driven decision-making
- Achievement of ISO 45001 certification, strengthening occupational health and safety standards while maintaining low rejection rates
- Gradual integration of ESG principles into the Company's operational and cultural framework

These achievements demonstrate the segment's focus on innovation, digital transformation, sustainability, and operational excellence.

FUTURE OUTLOOK

Looking ahead, the Company is positioned to capitalize on emerging opportunities supported by improving domestic economic conditions. Recovery in the FMCG sector is expected to drive increased demand for packaging solutions, while lower interest rates are likely to support further capacity expansion through strategic capital investments.

The successful completion of the Company's IPO has strengthened investor confidence and financial flexibility, enabling J.F. Packaging PLC to pursue growth opportunities, enhance its production capabilities, and invest in innovation. This positions the Company to respond effectively to evolving customer needs and expand its market presence.

However, external risks such as global geopolitical tensions and supply chain disruptions, including ongoing conflicts, may impact growth prospects and cost structures. The Company remains vigilant and proactive in managing these risks through diversification, strategic sourcing, and operational agility.

At the same time, continued investments in research and development, sustainable packaging solutions, and ESG initiatives will ensure that the Company remains future-ready, aligned with global trends, and responsive to regulatory and customer expectations.

The Company continues to play a pivotal role in driving the Group's performance, supported by its strong market position, diversified customer base, and commitment to innovation. Through strategic agility and forward-looking approach, J.F. Packaging PLC is positioned to sustain growth, enhance competitiveness, and deliver long-term value in an evolving industry landscape.

BUSINESS UNIT PERFORMANCE

CEYLON TAPES (PVT) LTD

The Adhesive Tapes segment, operating under Ceylon Tapes (Pvt) Ltd, represents a well-established business with over 35 years of industry experience and a strong reputation as a leading player in the Sri Lankan adhesive tapes market. The segment offers a comprehensive range of products including BOPP tapes (clear, printed, and colored), masking tapes, and paper-based tubes, catering to industries such as apparel, tea, logistics, and FMCG.

In line with the Group's inorganic growth strategy, the segment expanded its capabilities through a strategic move into paper-based packaging solutions, enhancing its product portfolio and strengthening its position as an integrated packaging solutions provider.

CEYLON TAPES

OPERATIONAL PERFORMANCE & MARKET DYNAMICS

During the year under review, the Ceylon Tapes (Pvt) Ltd maintained its year-on-year sales performance despite operating in a highly competitive environment marked by aggressive pricing strategies from competitors and increasing bargaining power among B2B customers. Performance was also influenced by volatility in raw material prices, particularly petroleum-based inputs, which continued to exert pressure on margins. Notwithstanding these challenges, the Ceylon Tapes (Pvt) Ltd demonstrated resilience by leveraging its strong market presence, long-standing customer relationships, and reputation for shorter order conversion time, quality, and reliability.

STRATEGIC RESPONSE

- Focused on operational excellence and cost leadership to sustain performance in a competitive environment
- Implemented process efficiency improvements to enhance productivity and reduce operational waste
- Strengthened material optimization initiatives to minimize wastage and improve cost efficiency
- Maintained stringent quality control standards to ensure consistent product performance
- Continued emphasis on timely delivery and superior quality, reinforcing long-standing customer trust
- Adopted cost pass-through mechanisms to mitigate raw material price volatility and protect margins
- Enhanced supply chain resilience through supplier diversification to ensure uninterrupted raw material availability

KEY ACHIEVEMENTS

- Successfully retained strong relationships with key customers across core industries
- Introduced cost-efficient process improvements in raw material handling and coating operations
- Maintained internationally recognized quality standards across operations
- Upgraded ERP system to SAP S/4HANA, enabling real-time analytics, improved data visibility, and faster decision-making
- Invested in modern office infrastructure, enhancing managerial efficiency and workplace productivity
- Recognized with a Bronze Award at the Lanka Star Awards for sustainable product innovation
- Continued progress in digital transformation and operational modernization


TOYOTA
15

BUSINESS UNIT PERFORMANCE

CEYLON TAPES (PVT) LTD (CONTD.)



ACQUISITION OF PAPER-BASED PACKAGING SOLUTIONS

In line with the Group's inorganic growth strategy, J.F. Packaging PLC expanded its product portfolio through the acquisition of a paper-based packaging business in 2025. Ceylon Tapes (Pvt) Ltd successfully completed the acquisition of the manufacturing and sales operations of Iceman Paper Products and Iceman Paper Tubes through an asset buy-out arrangement. This strategic move marks a significant step in strengthening the Group's presence in sustainable and biodegradable packaging, complementing its existing product offerings. Iceman is recognized as one of Sri Lanka's leading manufacturers of paper canisters and tubes, supplying hygienic packaging solutions to high-end exporters.

During the year, the focus was on integrating the acquired business into the J.F. Packaging Group, including alignment of products, processes, systems, and organizational culture. The segment's product range includes paper cones, textile tubes, canisters, and paper drums, catering to key industries such as apparel, tea, FMCG, and logistics.

Sales levels were maintained during the integration phase, demonstrating resilience amidst operational transition. Operating under a TIEP facility, over 50% of sales are linked to direct and indirect exports, generating USD-denominated revenue. The segment faced competitive pressures from both local competitors and import substitutes, while export demand showed positive momentum until impacted by geopolitical developments. Notably, evolving customer preferences have driven increased demand for canister-based packaging solutions, reflecting a shift toward sustainable alternatives.

STRATEGIC RESPONSE

- Implemented initiatives to integration of the acquired business with current best practices
- Introduced corporate governance practices and structured management frameworks to enhance operational discipline
- Managed pricing strategies to remain competitive despite market pressures
- Explored cross-selling opportunities by leveraging the Group's integrated product portfolio
- Integrated ERP systems and accounting controls to improve operational visibility and financial governance
- Continued rollout of Power BI dashboards to enable data-driven decision-making
- Strengthened supply chain integration to achieve economies of scale
- Maintained strong focus on quality standards and timely delivery to reinforce customer confidence

KEY ACHIEVEMENTS

- Successfully retained strong relationships with key customers across core industries
- Introduced cost-efficient process improvements in operational management
- Maintained internationally recognized quality standards across operations
- Upgraded ERP system to SAP S/4HANA, enhancing real-time analytics and data visibility
- Improved operational efficiency and decision-making capabilities through digital integration
- Strengthened the segment's foundation for future growth and seamless integration within the Group

FUTURE OUTLOOK

Looking ahead, Ceylon Tapes (Pvt) Ltd is positioned to capitalize on emerging growth opportunities, supported by its strong customer base and extensive industry experience. The expansion into paper-based packaging solutions is expected to unlock cross-selling opportunities, while strengthening the Group's positioning as a one-stop packaging solutions provider. The paper segment, in particular, is aligned with growing demand for sustainable packaging and is expected to play an important role in the future.

Product development initiatives targeting new customer segments, including premium retail packaging solutions for the apparel and tea industries, are expected to further enhance revenue streams. In addition, the introduction of paper drums for the expanding food export sector presents new avenues for growth and diversification.

In line with the Group's manufacturing expansion strategy, planned investments in advanced machinery during the upcoming financial year will enhance production capacity, improve operational efficiency, and support increasing demand.

The Company will continue to focus on market leadership, operational excellence, and innovation, supported by enhancements in managerial capabilities to effectively navigate future growth and operational challenges. The introduction of new product lines, aligned with evolving customer preferences and sustainability trends, will further strengthen competitive positioning.

With a solid operational foundation, strategic investments, and a clear growth roadmap, the Adhesive Tapes and Paper Packaging segments are positioned to deliver sustainable value and long-term growth in the years ahead.

BUSINESS UNIT PERFORMANCE

KIFFS (PVT) LTD

Kiffs (Pvt) Ltd, offers a comprehensive range of PET bottles, jars, bottle lids, and plastic containers catering to both food and non-food applications. The company primarily serves the FMCG and cosmetics industries, supplying leading brands across water, edible oil, confectionery, and personal care categories. With over 25 years of industry experience, the segment has established a strong market presence, supported by technical expertise, consistent quality, and long-standing customer relationships.

KIFFS
MARK OF PERFECTION

OPERATIONAL PERFORMANCE & MARKET DYNAMICS

During the year under review, Kiffs (Pvt) Ltd successfully maintained its market position within the PET bottle packaging industry, with sales performance remaining stable compared to the previous year. The operating environment was characterized by intense competition, including the entry of lower-grade products and aggressive pricing strategies by competitors. Despite these pressures, the Company maintained timely customer deliveries, pricing discipline and margin levels to safeguard profitability.

External demand conditions showed positive momentum, particularly with the increase in tourist arrivals, which supported demand in beverage-related packaging. Additionally, during Cyclone Ditwah, the segment experienced a significant surge in demand for water bottles. Despite operational constraints, the Company demonstrated strong resilience by maintaining supply to affected regions, reinforcing its role as a reliable industry partner during critical periods.

STRATEGIC RESPONSE

- Invested in new machinery aligned with the manufacturing expansion strategy to improve efficiency and meet growing demand
- Implemented strategic pricing adjustments in line with cost fluctuations to mitigate margin pressures
- Leveraged a young and capable management team to drive agile decision-making and operational resilience
- Addressed workforce turnover through proactive recruitment and close monitoring, ensuring uninterrupted production
- Maintained a well-trained and versatile workforce capable of supporting operational requirements

KEY ACHIEVEMENTS

- Successfully onboarded new customers across FMCG, oil, export and cosmetics segments while retaining existing customers
- Introduced new bottle designs for water, oil, jar and juice applications to meet evolving customer preferences
- Achieved progress in innovation through successful R&D in PP blow moulding, targeting new market segments
- Positioned for commercialization of new products for FMCG and agrochemical industries
- Strengthened market leadership position through capacity expansion and product innovation initiatives

FUTURE OUTLOOK

Looking ahead, the Kiffs (Pvt) Ltd is well-positioned to benefit from increasing demand across several high-growth categories. The PET bottles present strong growth potential, while demand for jars - particularly in the confectionery industry - continues to show an upward trend. Additionally, cosmetic containers have demonstrated increasing demand, driven by the expanding cosmetics and Ayurvedic product markets, representing a key opportunity area for future growth.

Ongoing investments in new machinery are expected to enhance capacity and operational efficiency, enabling the company to effectively meet rising demand. The planned commercialization of new product line of PP blow moulding solutions is expected to strengthen the Company's product offering and support its strategy of expanding market leadership and delivering integrated packaging solutions. With a strong operational foundation, continuous innovation, and strategic investments, Kiffs (Pvt) Ltd remains positioned to drive sustainable growth in the years ahead.


KOFFS
MARK OF PERFECTION

BUSINESS UNIT PERFORMANCE

ALLIANCE FIVE (PVT) LTD

Alliance Five (Pvt) Ltd, offers a diversified portfolio comprising plastic injection-moulded products such as thread cones, brush handles, and toy components, alongside natural coir-based products including coir brushes and brooms. With over 30 years of industry experience, the segment has established a strong presence in export-oriented markets, particularly within the apparel and coir industries. Operating as a BOI-registered entity, the company generates 100% USD-denominated revenue through both direct and indirect exports.

Alliance Five

OPERATIONAL PERFORMANCE & MARKET DYNAMICS

During the year under review, the segment continued to serve the B2B export apparel sector as its primary revenue contributor. However, global uncertainties have had an adverse impact on export demand, while macroeconomic pressures created ongoing cost management challenges. Exchange rate stabilization supported year-on-year sales stability, although the latter part of the financial year saw significant volatility in raw material prices due to geopolitical developments, including the Iran-related conflict. Additionally, freight costs increased substantially, further impacting the overall cost structure of the segment.

STRATEGIC RESPONSE

- Strengthened customer relationships through continuous engagement and service excellence
- Maintained focus on quality and timely delivery, reinforcing long-standing customer trust
- Invested in new machinery aligned with the manufacturing expansion strategy to improve efficiency
- Ensured workforce stability through proactive recruitment and close operational monitoring
- Leveraged a well-trained and skilled workforce with strong decision-making abilities
- Implemented strategic pricing adjustments to mitigate the impact of rising costs and protect margins

KEY ACHIEVEMENTS

- Expanded into new overseas markets for thread cone products
- Reinforced existing customer relationships, securing repeat business and future order potential
- Invested in new injection moulding machinery, enhancing production efficiency and capacity
- Strengthened operational capabilities, supporting sustained growth and improved performance
- Continued empowerment of rural women through sustainable economic opportunities in the coir-based product segment

FUTURE OUTLOOK

Looking ahead, Alliance Five (Pvt) Ltd is focused on leveraging its recent machinery upgrades as a platform for future expansion. The workforce-related challenges such as retention, absenteeism, and production scheduling remain areas of focus - particularly during periods of seasonal demand. The segment is supported by a skilled and experienced management team capable of navigating these complexities. Efforts to diversify into new markets and increase direct export exposure are expected to reduce concentration risk and unlock further growth opportunities. Despite ongoing geopolitical and market uncertainties, the segment remains well-positioned to drive sustainable export-led growth and contribute positively to the Group's overall performance.



OUR STRATEGY & VALUE CREATION

THE GROUP FOLLOWS SIX STRATEGIC PILLARS AS OUTLINED BELOW

1 MARKET LEADERSHIP & CUSTOMER EXPANSION

With over three decades of experience in the packaging industry, J.F. Packaging PLC continues to strengthen its position as a leading packaging solution provider in Sri Lanka through a focused and structured approach to market leadership and customer expansion. This pillar represents the first of six interconnected strategic priorities, which collectively operate in an integrated manner to unlock new growth opportunities and drive sustainable performance, as the Group progresses towards becoming a one-stop packaging solutions provider.

The Company has consistently adopted a disciplined approach to market development, driven by continuous evaluation and expansion into new markets and product segments. A strong emphasis is placed on nurturing long-term relationships with existing customers, particularly within the FMCG and multinational sectors, by delivering consistent quality, reliability, and responsiveness. Enhanced key account management practices and closer customer collaboration have enabled improved customer retention, greater order visibility, and increased share of wallet across core segments.

In parallel, J.F. Packaging PLC continues to diversify its customer portfolio by expanding into a broader range of industries, including apparel, tea exports, logistics, agriculture, and industrial sectors. This strategic diversification reduces dependence on any single sector and enhances revenue resilience. Export market expansion remains a key growth driver, supported by internationally recognized certifications and strong product capabilities aligned with global standards.

By targeting export-oriented customers and entering new markets, the Company continues to strengthen its earnings and competitiveness.

The Company is also actively enhancing customer experience through improved delivery reliability, reduced turnaround times, and increased responsiveness, enabled by ERP integration and advanced production planning systems. Continuous innovation in packaging design, including sustainable and value-added solutions, ensures alignment with evolving customer expectations and regulatory trends. Collaborative product development initiatives with customers enable the delivery of tailored packaging solutions that enhance functionality and market appeal.

Further strengthening this pillar, the Company has expanded into new growth areas such as paper-based packaging solutions, aligning with global sustainability trends and customer preferences. Ongoing investments in research and development support the development of sustainable and future-ready packaging solutions, including recyclable and eco-friendly alternatives. The successful completion of the IPO has enhanced investor confidence and strengthened the Company's financial position, providing the necessary capital and flexibility to pursue market expansion opportunities and strategic growth initiatives.

Collectively, these initiatives reinforce our market leadership, enhance customer engagement, and position the Company to achieve sustainable growth in an increasingly competitive and evolving marketplace.



2 OPERATIONAL EXCELLENCE & COST LEADERSHIP

Operational excellence and cost leadership remain central to J.F. Packaging PLC's six strategic pillars, particularly in an environment characterized by raw material price volatility and increasing competitive pressures. The Company is committed to continuously enhancing manufacturing efficiency through process optimization, advanced production planning, and disciplined execution across all operations. Improvements in Overall Equipment Effectiveness, reduction in machine downtime, and streamlined workflow management contribute to higher productivity.

Given the Group's significant reliance on imported raw materials, effective procurement and material management strategies are critical. The Company adopts supplier diversification, strategic sourcing arrangements, and proactive inventory management to mitigate supply disruptions and price fluctuations. Structured material planning processes, supported by accurate forecasting and strict Bill of Material (BOM) discipline, ensure optimal material utilization while minimizing waste, obsolescence, and excess inventory. Continuous analysis of material consumption, production variances, and process efficiencies further supports ongoing cost optimization and operational discipline.

J.F. Packaging PLC also places strong emphasis on process improvement through the adoption of advanced technologies within its manufacturing operations. Automation initiatives, including automated defect detection systems and in-line quality monitoring, enhance production consistency and reduce rework.

The emphasis has been given to First Pass Yield (FPY) mechanisms to ensure that products meet quality standards at the initial stage of production, thereby improving efficiency and reducing material losses. These technology-driven improvements strengthen both cost efficiency and product quality.

Energy efficiency and resource optimization are key focus areas, with investments in energy monitoring systems, energy-efficient machinery, and alternative energy sources such as biomass contributing to reduced operational costs and environmental impact. Improved logistics planning and warehouse management, further enhances operational efficiency.

Quality excellence remains a cornerstone of operational performance, supported by a strong quality assurance framework and adherence to internationally recognized standards, including ISO certifications and other relevant accreditations. A dedicated and experienced quality assurance team ensures consistent product performance, compliance with regulatory requirements, and alignment with customer expectations across both food and non-food packaging segments.

Strong cost governance frameworks, underpinned by effective budgeting, performance monitoring, and KPI tracking, ensure disciplined financial management across all business units. Continuous improvement initiatives, combined with a performance-driven culture and a skilled workforce, helps us to drive its cost leadership position while delivering high-quality products and reliable service to its customers.



OUR STRATEGY & VALUE CREATION

THE GROUP FOLLOWS SIX STRATEGIC PILLARS AS OUTLINED BELOW

3 MANUFACTURING CAPACITY EXPANSION

J.F. Packaging PLC continues to invest in expanding its manufacturing capacity as a key component of its long-term growth strategy, ensuring readiness to meet increasing demand driven by economic recovery, GDP growth, and the expansion of export markets. The Company adopts a holistic approach to capacity expansion, encompassing investments in machinery, factory infrastructure, and people development, thereby creating a strong and scalable operational platform for future growth.

Strategic investments are discussed in expanding production facilities, optimizing plant layouts, and developing new manufacturing spaces to accommodate additional machinery and improve workflow efficiency. These enhancements enable better utilization of available space, streamlined operations, and improved production flow, supporting higher output levels while maintaining operational discipline.

Capital expenditure is directed towards acquiring advanced machinery and upgrading existing equipment across key segments, including flexible packaging, injection and blow moulding, adhesive tapes, and paper-based packaging solutions. These investments are focused on increasing production capacity, improving product quality, and enhancing operational efficiency. Automation and technology integration play a critical role in this transformation, reducing manual intervention, improving consistency, and enabling real-time monitoring and control of production processes.

The Company also adopts a data-driven approach to capacity planning, leveraging analytics and demand forecasting tools to align production capabilities with evolving market requirements. Predictive maintenance practices are increasingly implemented to minimize unplanned downtime, improve equipment reliability, and extend asset life cycles. In parallel, strong emphasis is placed on developing a skilled and capable workforce through continuous training and recruitment, ensuring the effective operation of advanced technologies and complex manufacturing processes.

Capacity expansion initiatives are closely aligned with the Company's sustainability agenda, incorporating energy-efficient machinery, optimized resource utilization, and environmentally responsible practices. A phased and financially disciplined capital investment approach ensures that expansion delivers optimal returns while maintaining financial stability and balance sheet strength.

Through these strategic investments, we are positioned to capture emerging growth opportunities, enhance service levels, and strengthen its competitive advantage, supporting its journey towards becoming a leading, integrated, one-stop packaging solutions provider.



4 INTEGRATED PRODUCT & SOLUTION OFFERING

J.F. Packaging PLC continues to strengthen its position as a comprehensive, one-stop packaging solutions provider by integrating its diverse product portfolio across multiple business segments. The Company offers a wide range of solutions, including flexible packaging, PET bottles and containers, adhesive tapes, paper-based packaging, plastic accessories, and natural coir-based products. This integrated approach enables the Company to serve a broad spectrum of industries and customer requirements, positioning itself as a single, reliable partner for end-to-end packaging needs.

The Company's strategy is centered on delivering complete packaging solutions, encompassing product design, development, manufacturing, and delivery. Supported by strong research and development capabilities and technical expertise, J.F. Packaging PLC works closely with customers to develop customized packaging solutions that enhance product functionality, improve shelf appeal, and optimize logistics efficiency. This collaborative approach not only strengthens customer relationships but also enables the Company to respond effectively to evolving market demands and industry-specific requirements.

Inorganic growth initiatives, including strategic acquisitions and partnerships, play a vital role in expanding the Company's product capabilities and market reach. These initiatives enable rapid entry into new segments, strengthen existing offerings, and create synergies across business units. The integration of paper-based packaging solutions is a notable example, enhancing the Company's ability to offer sustainable alternatives while expanding its product portfolio. Cross-selling opportunities are actively leveraged by offering integrated solutions across multiple product categories, thereby increasing customer value and revenue potential.

Supply chain and operational integration across business units ensure seamless execution, improved efficiency, and consistent quality across the value chain. Sustainability is embedded within the Group's product strategy, with a strong focus on developing recyclable, mono-material, and paper-based packaging solutions that support customers in achieving their sustainability goals. By continuously expanding its capabilities and aligning its offerings with global trends, the Group enhances customer convenience, strengthens its competitive differentiation, and drives long-term value creation.



OUR STRATEGY & VALUE CREATION

THE GROUP FOLLOWS SIX STRATEGIC PILLARS AS OUTLINED BELOW

5 PEOPLE, GOVERNANCE & DIGITAL TRANSFORMATION

J.F. Packaging PLC recognizes its people, governance structures, and digital capabilities as a core strategic pillar and critical enablers of sustainable growth and long-term success. The Company continues to invest in developing both technical and managerial capabilities through structured training programs, succession planning, and continuous competency development initiatives. A strong emphasis is placed on fostering a performance-driven culture, supported by a robust performance management system that aligns individual objectives with organizational goals. The implementation of a Human Resource Information System (HRIS) has further enhanced transparency, efficiency, and consistency in performance evaluation, employee data management, and overall HR productivity.

Employee engagement and retention remain key priorities, with initiatives focused on creating a positive and inclusive work environment, enhancing employee well-being, and encouraging innovation and collaboration. The Company actively promotes open communication and employee voice, while also building strong management capabilities through HR programs, cross-functional exposure, and structured development pathways. These efforts ensure the availability of skilled talent capable of driving the Company's strategic objectives.

Strong corporate governance practices are embedded across the organization, with active oversight by the Board of Directors and its committees. Clearly defined policies, roles, and responsibilities, together with robust internal control systems, ensure accountability, transparency, and compliance with regulatory requirements, including those of the Colombo Stock Exchange. Risk management frameworks are integrated into business operations to proactively identify, assess, and mitigate risks, including emerging areas such as climate-related risks. The Company also places strong emphasis on stakeholder engagement, maintaining open and transparent communication with shareholders, customers, employees, regulators, and the wider community to build trust and long-term relationships.

Digital transformation remains a key strategic priority, with the implementation of integrated ERP systems providing real-time visibility across finance, operations, supply chain, and human resource functions. Advanced analytics tools and business intelligence platforms support data-driven decision-making, predictive insights, and improved operational planning. Automation of key processes enhances efficiency, accuracy, and responsiveness, while enabling better resource utilization. Through these initiatives, the Group continues to strengthen its position as a modern, technology-enabled organization, well-equipped to adapt to evolving business environments and sustain long-term growth.



6 INNOVATION & SUSTAINABLE PACKAGING LEADERSHIP

Innovation and sustainability are at the core of J.F. Packaging PLC's long-term strategy, particularly in an industry where environmental responsibility and regulatory expectations continue to evolve. The Company remains committed to continuous investment in research and development to create innovative packaging solutions that meet changing customer needs while minimizing environmental impact. This forward-looking approach ensures that the Company remains agile, competitive, and future-ready in a rapidly transforming global packaging landscape.

A key strategic focus is the development of sustainable packaging solutions, including recyclable, mono-material, and biodegradable alternatives. The Company is actively advancing initiatives to reduce material consumption through light weighting and to improve resource efficiency across production processes. Investments in advanced manufacturing technologies and process innovations further support the production of high-quality packaging with a reduced environmental footprint, while maintaining performance and cost efficiency.

J.F. Packaging PLC also embraces circular economy principles by promoting waste reduction, recycling, and responsible waste management practices. Operational waste is systematically collected and directed towards approved recycling channels, ensuring minimal environmental impact. In addition, energy efficiency initiatives - such as the installation of energy monitoring systems, adoption of energy-efficient machinery, and utilization of alternative energy sources including biomass - contribute to reducing the Group's overall carbon footprint.

The Company aligns its innovation strategy with evolving global regulatory requirements and increasing customer demand for sustainable packaging, thereby supporting clients in achieving their own sustainability goals. This commitment is further validated by industry recognition, with the Group securing a total of 27 awards in 2025, reflecting its continued excellence in packaging innovation and sustainability.

By embedding sustainability into product development, operational practices, and strategic decision-making, J.F. Packaging PLC is positioned as a future-ready organization, leading the transition towards responsible packaging solutions while delivering long-term value to its stakeholders.



SUSTAINABILITY REPORT

J.F. Packaging PLC recognizes sustainability as a fundamental driver of long-term value creation for its stakeholders, particularly within the packaging industry where environmental responsibility and innovation are increasingly critical.

Sustainability initiatives are embedded into day-to-day operations, and the Company's ongoing efforts have been recognized through numerous international and local awards for packaging innovation and excellence. While the Company operates in a sector that relies on plastic-based materials, it remains committed to minimizing its environmental impact through continuous research and development, responsible resource management, and sustainable product innovation.

The Company adopts a structured four-pillar sustainability framework Economic, Environmental, Social, and Governance (ESG) - to ensure that sustainability considerations are integrated across its strategy, operations, and stakeholder engagement. In doing so, J.F. Packaging PLC remains committed to complying with all applicable laws and regulations while allocating the necessary resources to support its sustainability objectives.



ECONOMIC SUSTAINABILITY

J.F. Packaging PLC remains focused on delivering sustainable economic returns to its stakeholders while operating as a responsible corporate citizen contributing to national economic growth. The Company continues to maintain strong operational performance, supporting key industries such as FMCG, apparel, tea, and exports.

A strategic emphasis on cost leadership, operational efficiency, and disciplined financial management, supported by targeted investments in capacity expansion and advanced technologies, enables the Company to enhance long-term competitiveness. These initiatives ensure efficient resource utilization and sustained profitability in a dynamic.

Economic Sustainability Focus

The following measures have been undertaken by the Group to strengthen its social sustainability initiatives:

- **Sustainable Profitability –** Consistently maintaining disciplined financial performance over the years, ensuring long-term value creation for shareholders
- **Strategic Investments –** Investing in sustainable initiatives such as paper-based packaging and areas focusing capacity expansion, advanced machinery, and technology upgrades to capture future growth opportunities
- **Integrated Packaging Solutions –** Maintaining a diversified portfolio across flexible packaging, adhesive tapes, and PET bottles to reduce risk and ensure revenue stability
- **Customer Focus –** Ensuring uninterrupted supply through timely delivery and consistent product quality, serving leading multinational and FMCG brands
- **Value Creation Post-IPO –** Leveraging the enhanced capital base and investor confidence following the IPO to drive growth and innovation
- **Cost Management Efficiency –** Implementing structured cost management initiatives, from SKU-level bill of material discipline to overhead cost control, supported by efficient resource utilization and process improvements
- **Operational Excellence –** Enhancing productivity through improved manufacturing efficiency and accurate execution of operations
- **Support to Key Industries –** Serving key sectors such as FMCG, apparel, tea, and exports, contributing to sustained business growth
- **Foreign Exchange Earnings –** Generating USD-denominated revenue through export-oriented segments, providing a natural hedge against imported raw material costs

ENVIRONMENTAL SUSTAINABILITY

J.F. Packaging PLC recognizes the environmental responsibilities associated with operating in a predominantly plastic-based packaging industry and remains committed to minimizing its environmental footprint through innovation and efficient resource management. The Company actively focuses on material optimization, waste reduction, and energy efficiency across its manufacturing operations, supported by continuous process improvements and investments in modern, energy-efficient machinery.

A key priority is the development of sustainable packaging solutions through ongoing research and development, including lightweight structures, recyclable materials, and alternative substrates such as paper-based packaging. These initiatives are designed to balance product performance with environmental considerations while supporting customers in achieving their sustainability goals.

The Company also continues to strengthen its environmental practices through responsible waste management, energy monitoring systems, and gradual integration of environmentally conscious processes, ensuring alignment with regulatory requirements and global sustainability trends.

Environmental Sustainability Focus

The following actions and measures have been undertaken by the Group to strengthen its environmental sustainability initiatives:

- **Environmental Compliance & Standards –** Full compliance with Environmental Protection License (EPL) requirements and adherence to internationally recognized standards, including ISO certifications
- **Sustainable Products & Innovation –** A dedicated R&D team drives the development of sustainable packaging solutions, including increased use of biodegradable raw materials, conversion of non-recyclable structures into recyclable formats, and transition from multi-layer to mono-material structures to enhance recyclability. This has been recognized with multiple awards
- **Material Efficiency –** Continuous monitoring and control of raw material consumption through internal systems to improve material utilization and reduce waste
- **Energy Efficiency & Alternative Energy –** Installation of energy meters across key machinery to monitor and optimize energy consumption; investment in energy-efficient machinery and use of biomass as an alternative energy source
- **Process Improvements –** Adoption of advanced technologies and process innovations to reduce raw material usage and enhance production efficiency
- **Expansion into Paper-Based Packaging –** Strategic acquisition of paper-based packaging operations, marking a significant step towards enhancing sustainable product offerings and reducing reliance on plastic-based materials
- **Waste Management –** All production waste is responsibly managed through third-party recycling partners, ensuring minimal environmental impact and zero direct disposal into the environment
- **Sustainability Recognition –** Recipient of multiple local and international awards recognizing innovation in sustainable packaging solutions



SUSTAINABILITY REPORT

SOCIAL SUSTAINABILITY

J.F. Packaging PLC is committed to fostering a positive and inclusive social impact by prioritizing its employees, communities, and business partners. The Company invests in employee development, technical training, and leadership capabilities, creating a skilled workforce that supports operational excellence and long-term growth. A strong emphasis is placed on health, safety, and employee well-being, supported by internationally recognized standards and best practices.

The Company also promotes a performance-driven and collaborative culture, supported by structured HR systems and continuous engagement initiatives. Workforce stability is maintained through proactive recruitment and development programs, ensuring operational continuity.

Beyond its operations, J.F. Packaging PLC contributes to society through community engagement and livelihood development initiatives, including empowering rural communities through coir-based product segments. Strong and long-standing relationships with customers, suppliers, and local stakeholders further reinforce the Company's commitment to responsible business practices.

Social Sustainability Focus

The following actions and measures have been undertaken by the Group to strengthen its social sustainability initiatives:

- **Training & Development –** Provision of regular training programs to enhance employee skills, technical capabilities, and overall competencies
- **Equitable Work Environment –** Promotion of a diverse and inclusive workplace that provides equal opportunities for all employees, supported by a zero-tolerance approach towards discrimination
- **Compliance with Labour Laws –** Strict adherence to all applicable labour laws and regulations to ensure fair and ethical employment practices
- **Employee Welfare & Education Support –** Provision of free school books annually for employees' children and scholarship programs to recognize and support high academic achievers
- **Health & Safety –** Commitment to employee well-being through robust health and safety practices, including ISO 45001 certification, provision of personal protective equipment (PPE), regular fire drills, and access to onsite medical facilities
- **Ethical Labour Practices –** Upholding high standards in ethical sourcing and labour practices, including strict prohibition of child labour and implementation of pre-employment health checks
- **Performance-Driven Culture –** Implementation of transparent and results-oriented performance management systems, ensuring fair compensation, recognition, and career development aligned with employee contributions
- **Community Engagement –** Contribution to community development through employment generation and participation in social initiatives such as blood donation campaigns and community programs
- **Quality Assurance & Consumer Safety –** Maintaining rigorous quality control processes to ensure safe and high-quality packaging solutions for both food and non-food applications
- **Human Rights –** Respecting and upholding human rights, and refraining from engaging in or support of any form of discrimination
- **Supply Chain Responsibility –** Screening our suppliers and partners on adherence to social responsibility principles that are in line with this policy





GOVERNANCE SUSTAINABILITY

Strong governance forms the foundation of J.F. Packaging PLC's sustainability framework, ensuring transparency, accountability, and ethical conduct across all operations. The Company maintains robust governance structures, internal controls, and compliance mechanisms aligned with regulatory requirements and industry's best practices.

A structured risk management framework is in place to identify, assess, and mitigate operational, financial, and climate-related risks, supporting long-term resilience. The Company continues to enhance its governance practices through improved oversight, clear accountability, and adherence to regulatory standards.

In line with evolving reporting requirements, J.F. Packaging PLC is strengthening its Environmental, Social and Governance (ESG) disclosure and reporting practices, aligning with emerging standards. The integration of digital systems, including ERP and data analytics tools, further enhances governance by improving operational visibility, control, and decision-making, ensuring sustainable and responsible growth.

Governance Focus

The following measures have been undertaken by the Group to strengthen its social sustainability initiatives:

- **Board Oversight & Independence –** Active involvement of an independent Board in strategic decision-making, governance, and oversight of key risks
- **Strong Governance Framework –** Well-defined governance structure with clear terms of reference, roles, accountability, and effective Board oversight
- **Compliance with CSE Regulations –** Adherence to Section 9 of the Listing Rules, including the implementation of Environmental, Social & Governance (ESG) policies
- **Accountability & Transparency –** Commitment to maintaining high levels of accountability and transparency in all operations and stakeholder communications
- **Audit & Assurance –** Regular internal and external audits to ensure compliance, enhance process efficiency, and support continuous improvement
- **Risk Management –** Implementation of a structured risk management framework covering operational, financial, and climate-related risks
- **Internal Controls –** Robust internal control systems to safeguard assets, ensure accurate financial reporting, and mitigate risks
- **Financial Discipline –** Maintaining strong pricing strategies, effective budgeting, working capital management, and cash flow control to ensure financial stability



STEWARDSHIP



Corporate Governance 62
Risk Management Review 84
Annual Report of the Board of Directors 87
Remuneration Committee Report 90
Nominations and Governance Committee Report 91
Related Party Transactions Review Committee Report 93
Audit Committee Report 94
Statement of Directors' Responsibilities 96

CORPORATE GOVERNANCE

J.F. Packaging PLC is committed to upholding the highest standards of corporate governance in order to safeguard the interests of all stakeholders and ensure long-term sustainable value creation. Governance principles are embedded into the Group's day-to-day operations, with an emphasis on accountability, ethical conduct, and responsible decision-making across all levels of the organization.

The Company's approach to corporate governance is guided by the principles of transparency, integrity, independence, and compliance, ensuring that all business activities are conducted in line with best practices and regulatory expectations. Robust governance structures, supported by clearly defined roles, policies, and internal controls, enable effective oversight and disciplined execution of the Company's strategic objectives.

J.F. Packaging PLC adheres to the corporate governance practices recommended by the Listing Rules of the Colombo Stock Exchange. These requirements ensure sound governance practices across the Group, promoting accountability, transparency, and effective oversight. The details set out below demonstrate how the Group applies and maintains sound corporate governance practices in accordance with these requirements.

THE BOARD, COMPOSITION AND MEETINGS

The Board of Directors of J.F. Packaging PLC is responsible for the governance practices adopted in all the companies within the Group. The Board currently comprises of the Chairman, Managing Director, and five other Directors. All the Directors are professionals who possess a wealth of experience and knowledge in varied fields of Management, Marketing, Finance and Science & Engineering.

Name	Designation	Directorship Status
Mr. S. D. R. Arudpragasam	Chairman	Non-Executive Director
Mr. K. P. David	Managing Director	Executive Director
Mr. A. Rajaratnam	Director	Non-Executive Director
Mr. A. Hettiarachchy	Director	Non-Executive Director
Mr. P. S. Goonewardene	Director	Non-Executive Director
Mr. K. G. Punchihewa	Director	Independent Non-Executive Director
Mr. S. B. Perera	Director	Independent Non-Executive Director

The number of meetings of the Board and the individual attendance by members is shown below:



Name	Designation	Board Meeting Attended
Mr. S. D. R. Arudpragasam	Chairman	10/10
Mr. K. P. David	Managing Director	10/10
Mr. A. Rajaratnam	Director	7/10
Mr. A. Hettiarachchy	Director	1/10
Mr. P. S. Goonewardene	Director	7/10
Mr. K. G. Punchihewa	Director	10/10
Mr. S. B. Perera	Director	10/10

Directors absence at meetings have been excused by the Board.

RESPONSIBILITIES OF THE BOARD

- Offer guidance on overall direction and related strategies, financial and non-financial objectives of J.F. Packaging PLC
- Formulation, implementation and monitoring of business strategy of the Company
- Overseeing the effectiveness of the internal control systems and proactive risk management system
- Ensuring compliance with legal requirements and ethical standards. Approval of budgets, corporate plans, major investments and divestments
- Approval of interim and annual Financial Statements for publication
- Approval and review of the succession planning of the Board and top management
- Approval of any issue of equity and debt securities of the Company
- Any other matter which is important to ensure that the Company conducts its business in the best interest of all stakeholders
- Ensure compliance with Company Policies

The Directors have made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to the Listing Rules and applicable Capital Market provisions.

FIT & PROPER ASSESSMENT

The Company's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the Colombo Stock Exchange.

COMPANY SECRETARY AND INDEPENDENT PROFESSIONAL ADVICE

J.F. Packaging PLC and all the Directors seek advice from Corporate Managers & Secretaries (Private) Ltd, who are qualified to act as Secretaries as per the provisions of the Companies Act No. 07 of 2007. In addition, the Board seeks professional advice as and when, and where necessary from independent external professionals.

INDEPENDENT JUDGEMENT

The Board of Directors as a whole and individually are committed to exhibit high standards of integrity and independence of judgement on various issues from strategy to performance.

TRAINING FOR DIRECTORS

The Directors are provided with adequate and relevant training opportunities for their continuous development.

DIRECTORS - OTHER DIRECTORSHIPS

The details pertaining to the names of the companies (in Sri Lanka) in which the Directors serve as a Director or key management personnel are presented on pages 66 to 70.

SEGREGATION OF THE ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The role of Chairman and Chief Executive Officer is clearly segregated. The Managing Director functions in the capacity of Chief Executive Officer who is responsible for the operational matters of the Company.

CHAIRMAN'S ROLE

The Chairman oversees good governance of the Company's affairs and monitors the satisfactory performance of duties and responsibilities allocated to the Board Members.

The Chairman conducts the Board Meetings ensuring effective participation of all Directors. The Chairman ensures that the Board is in complete control of the Company's affairs.

FINANCIAL ACUMEN

Currently, the Board includes six finance professionals who possess knowledge to offer the Board necessary guidance on matters relating to finance.

BOARD BALANCE

The Board at present comprises of one Executive Director and six Non-Executive Directors of whom two are independent.

The Independent Non-Executive Directors have submitted signed and dated declarations of their independence or non-independence to the Board. The Board makes a determination annually as to the independence or non-independence of each Independent Non-Executive Director based on such declarations made on the defined criteria and other information available to the Board. The names of Directors determined to be "Independent" are set out in the Annual Report.

SUPPLY OF INFORMATION

J.F. Packaging PLC has set up procedures to receive timely information which includes monthly reports on performance comprising of financial statements and reviews including a clear agenda prior to the meetings. Minutes of all the meetings are properly recorded and circulated among Directors.

Apart from Board Meetings, Executive Director and Senior Managers meet weekly or more frequently to monitor performance of the business segments, identify key areas for improvement, discuss critical operational issues which require senior management involvement for resolving and to monitor the performance against the budget.

Decisions and important information from these meetings are conveyed to all Board Members at the Board Meetings. Monthly accounts and key financial parameters and performance of each division are discussed and necessary action is taken.

CORPORATE GOVERNANCE

NOMINATIONS AND GOVERNANCE COMMITTEE AND APPOINTMENTS TO THE BOARD

There is a formal and transparent procedure for the appointment of new Directors to the Board, which is in accordance with the recommendations made by the Nominations and Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance.

The Board as a whole annually assesses the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessments are taken into account when new Board appointments are considered and when incumbent Directors come up for re-election.

Upon the appointment of a new Director to the Board, the Company makes the required disclosures to the shareholders by making announcements to the Colombo Stock Exchange.

The Nominations and Governance Committee Report is set out on page 91 of the Annual Report.

RE-ELECTION OF DIRECTORS

In terms of the Articles of Association of the Company, a Director appointed to the Board (other than an appointment to an Executive Office) holds office until the next Annual General Meeting and seeks re-election by the shareholders at that meeting. The Articles require one-third of Directors in office (excluding the office of Chairman, Managing or Joint Managing Director and any other Executive Office) to retire at each Annual General Meeting. The Directors to retire are those who have been longest in office since their last election. Retiring Directors are eligible for re-election by the shareholders.

The Nominations and Governance Committee of the Company has duly recommended to the Board the re-election and reappointment of the Directors at the forthcoming Annual General Meeting and the Board of Directors has duly approved the said re-election and reappointment of the Directors. Further, the Members have refrained from participating in decisions relating to his/her own appointment.

DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee Report is set out on page 90 of this report.

DISCLOSURE OF REMUNERATION

Aggregate remuneration paid to Executive and Non-Executive Directors is disclosed in Note 24.5 to the Financial Statements on page 140.

RELATIONSHIP WITH SHAREHOLDERS

Constructive Use of AGM/General Meetings

J.F. Packaging PLC always welcomes the active participation of shareholders at General Meetings in order to promote and continue an effective dialogue between the two parties. Opportunities are available to shareholders to raise questions from the Chairman and other Directors at the Annual General Meeting/General Meetings. The required number of days' notice has been given in accordance with the Articles of Association of the Company and the Companies Act No. 07 of 2007.

The Company's principal communicator, with all its stakeholders is its Annual Report and Quarterly Financial Statements.

The policy on Relations with Shareholders and Investors is available on the Company's website https://jfpackaging.lk, where contact persons are also provided. Major issues and concerns of shareholders are communicated to all Directors by the Senior Management, Corporate Secretaries, and Registrars of the Company.

MAJOR TRANSACTIONS

J.F. Packaging PLC publishes its Annual Report together with quarterly, half yearly, nine months and twelve months ended interim reports in order to communicate information to the shareholders in a timely manner. All material and price sensitive information are included in these reports together with major transactions if any during the particular period of reporting.

PRICE SENSITIVE INFORMATION

Due care is exercised with respect to share price sensitive information.

ACCOUNTABILITY AND AUDIT

Financial Reporting

J.F. Packaging PLC and its Board of Directors consider timely publication of its Annual and Quarterly Financial Statements and other price sensitive information as a high priority enabling the shareholders to make effective economic decisions and ensures to comply with the statutory requirements and procedures laid down by the Colombo Stock Exchange and the Securities and Exchange Commission with regard to these publications. These publications include all material, financial and non-financial information to facilitate the requirements of existing and potential shareholders. The Board undertakes the responsibility for the preparation and presentation of the financial statements and ensures that they are prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) adopted by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 7 of 2007.

The Annual Report of the Board of Directors on the affairs of the Company is given on pages 87 to 89 of this Annual Report. The Directors are of the belief that the Company is capable of operating in the foreseeable future after the adequate assessment of the Company's financial position and resources. Therefore, the going concern principle has been adopted in the preparation of these Financial Statements. The Auditor's Report on Financial Statements is given on pages 98 to 100 containing the Auditor's reporting responsibility. Non-financial information of business segments is given on pages 40 to 49.

COMPLIANCE WITH LEGAL REQUIREMENTS

The Board is conscious of its responsibility to the shareholders, the government and the society in which it operates and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board strives to ensure that the Company and its subsidiaries comply with the laws and regulations of the country.

INTERNAL CONTROLS

The Board of Directors takes overall responsibility for the Company's internal control system. A separate Audit and Compliance Section has been established to review the effectiveness of the Company's internal controls to ensure reasonable assurance that assets are safeguarded and all transactions are properly authorized and recorded.

However, any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable time frame.

The Board of Directors has ensured that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes which have been carried out in accordance with Sri Lanka Accounting Standards and regulatory requirements. A statement of Directors' Responsibilities for financial reporting is given on page 96.

AUDIT COMMITTEE

The Audit Committee report is set out on pages 94 to 95 of this report.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions are disclosed in Note 24 to the financial statements. The Report of the Related Party Transactions Review Committee appears on page 93.

RIGHTS OF EMPLOYEES/OTHER STAKEHOLDERS

The Group identifies the rights of employees. Several employee performances enhancing mechanisms such as performance appraisals and training initiatives are in place for the career building of the employees. The constant responsiveness to all stakeholders' interests will ensure that the Governance process will continue to add value in the future.

COMPLIANCE STATUS WITH THE COLOMBO STOCK EXCHANGE LISTING RULES ON CORPORATE GOVERNANCE

The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 71 to 81.

COMPANY POLICIES

The Company has established a comprehensive suite of corporate policies that align with the Listing Rules of the Colombo Stock Exchange (CSE) and reflect the Company's commitment to ethical governance, transparency, and sustainable business practices. These policies encompass key areas such as:

- Matters relating to the Board of Directors
- Board Committees
- Corporate Governance, Nominations, and Re-election
- Remuneration
- Internal Code of Business Conduct and Ethics
- Risk Management and Internal Controls
- Relations with Shareholders and Investors
- Environmental, Social, and Governance (ESG) Sustainability
- Control and Management of Company Assets and Shareholder Investments
- Corporate Disclosures
- Whistleblowing
- Anti-Bribery and Corruption

These policies are publicly accessible on the Company's website at https://jfpackaging.lk ensuring transparency and adherence to best practices in corporate governance.

CORPORATE GOVERNANCE

DETAILS OF DIRECTORS' OTHER DIRECTORSHIPS

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

C - Chairman
DC - Deputy Chairman
EC - Executive Chairman
EX - Executive Director
NE - Non-Executive Director
INE - Independent Non-Executive Director
GMD - Group Managing Director
MD - Managing Director
JMD - Joint Managing Director
CEO - Chief Executive Officer
D - Director
Alt - Alternate Director
SINE - Senior Independent Non-Executive Director

Companies	Mr. S. D. R. Arudpragasam	Mr. K. P. David	Mr. Anushman Rajaratnam	Mr.A. Hettiarachchy	Mr. P. S. Goonewardene	Mr. K. G. Punchihewa	Mr. S. B. Perera
J.F. Packaging PLC	✓ C/NE	✓ MD/EX	✓ NE	✓ NE	✓ NE	✓ INE	✓ INE
The Colombo Fort Land and Building PLC	✓ C/NE		✓ GMD/EX			✓ INE	✓ INE
C M Holdings PLC	✓ C/NE		✓ NE				
York Arcade Holdings PLC	✓ C/NE		✓ NE				
Lankem Ceylon PLC	✓ C/NE		✓ EX	✓ DC/NE	✓ MD/EX	✓ INE	✓ INE
Lankem Developments PLC	✓ C/NE		✓ NE			✓ INE	✓ INE
Kotagala Plantations PLC	✓ C/NE		✓ NE			✓ INE	✓ INE
Agarapatana Plantations PLC	✓ C/NE		✓ NE			✓ INE	✓ INE
E.B. Creasy & Company PLC	✓ C/MD/EX					✓ INE	✓ INE
Muller & Phipps (Ceylon) PLC	✓ C/NE					✓ INE	✓ INE
Laxapana PLC	✓ C/NE					✓ INE	✓ INE
Beruwala Resorts PLC	✓ C/NE		✓ NE				✓ INE
Marawila Resorts PLC	✓ C/NE		✓ NE				✓ INE
Sigiriya Village Hotels PLC	✓ C/NE		✓ NE				✓ INE
C W Mackie PLC	✓ C/NE		✓ NE				✓ INE
ACME Printing & Packaging PLC	✓ NE		✓ NE	✓ C/EX	✓ NE	✓ SINE	
Colombo Fort Investments PLC	✓ C/NE		✓ NE				
Colombo Investment Trust PLC	✓ C/NE		✓ NE				
Fintrex Finance PLC							✓ NE
Teejay Lanka PLC							✓ INE

Companies	Mr. S. D. R. Arudpragasam		Mr. K. P. David		Mr. Anushman Rajaratnam		Mr.A. Hettiarachchy		Mr. P. S. Goonewardene		Mr. K. G. Punchihewa		Mr. S. B. Perera	
Tulsi Investments (Private) Limited	✓	D												
American Lloyd Travels Ltd	✓	D			✓	D								
C. W. M. Hotel Holdings Ltd	✓	D			✓	D								
Candy Delights Ltd	✓	C/MD												
Capital Finance Ltd					✓	D								
Capital Investments Ltd	✓	D												
Capital Leasing Company Ltd	✓	D			✓	D								
Century Equity Trust Ltd	✓	D												
Ceyflex Rubber Ltd	✓	C												
Colombo Fort Holdings Ltd	✓	D												
Colombo Fort Hotels Ltd	✓	C			✓	D								
Colombo Fort Travels Ltd	✓	D												
Colonial Motors (Ceylon) Ltd	✓	C/NE			✓	D								
Consolidated Tea Plantations Ltd	✓	D			✓	D					✓	D	✓	D
Corporate Systems Ltd	✓	C												
Creasy Plantation Management Ltd	✓	D												
Darley Butler & Company Ltd	✓	C/MD												
E.B. Creasy Logistics Ltd	✓	C												
E.B. Creasy Trading Ltd	✓	D												
Far Eastern Exports (Colombo) Ltd	✓	D			✓	D								
Financial Trust Ltd					✓	D								
Fortland Finance Ltd	✓	C												
First Guardian Equities Limited									✓	D				
Guardian Asset Management Ltd	✓	D												
Great Eastern Resorts Ltd					✓	D								

CORPORATE GOVERNANCE

Companies	Mr. S. D. R. Arudpragasam		Mr. K. P. David		Mr. Anushman Rajaratnam		Mr.A. Hettiarachchy		Mr. P. S. Goonewardene		Mr. K. G. Punchihewa		Mr. S. B. Perera	
Horton Plains Resorts and Spa Ltd					✓	D								
Imperial Hotels Ltd	✓	C			✓	D								
J.F. Ventures Ltd	✓	C	✓	D	✓	D	✓	D	✓	D	✓	D		
Lanka Special Steel Ltd	✓	C												
Lankem Agrochemicals Ltd	✓	C	✓	D	✓	D			✓	D				
Lankem Cargo Storage Ltd	✓	D			✓	D								
Lankem Chemicals Ltd	✓	C	✓	D	✓	D			✓	D				
Lankem Consumer Products Ltd	✓	C	✓	D	✓	D			✓	D				
Lankem Minerals Ltd	✓	D			✓	D	✓	C	✓	D				
Lankem Paints Ltd	✓	C	✓	D	✓	D			✓	D				
Lankem Plantation Services Ltd	✓	D												
Lankem Research Ltd	✓	C	✓	D	✓	D			✓	D				
Lankem Technology Services Ltd	✓	C	✓	D					✓	D				
Muller & Phipps (Health Care) Ltd	✓	C												
Nature's Link Ltd	✓	C	✓	D					✓	D				
Nutriklim (Ceylon) Ltd	✓	D												
Nubion Threads Limited													✓	C
Rubber & Allied Products (Colombo) Ltd	✓	C			✓	D								
Sherwood Holidays Ltd	✓	C												
Sigiriya Resorts Ltd					✓	D								
Sunagro Farms Ltd	✓	C	✓	D	✓	D			✓	D				
Sunagro Lifescience Ltd	✓	C			✓	D	✓	D	✓	D				
Sunrise Resorts Ltd					✓	D								
Tropical Beach Resorts Ltd					✓	D								
Udaveriya Plantations Ltd	✓	D			✓	D								
Weligama Hills Ltd	✓	D			✓	D								

Companies	Mr. S. D. R. Arudpragasam		Mr. K. P. David		Mr. Anushman Rajaratnam		Mr.A. Hettiarachchy		Mr. P. S. Goonewardene		Mr. K. G. Punchihewa		Mr. S. B. Perera	
York Hotel Management Services Ltd	✓	C			✓	D								
York Tours Ltd					✓	D								
Alliance Five (Pvt) Ltd	✓	C	✓	MD	✓	D	✓	D	✓	D	✓	D		
Associated Farms (Pvt) Ltd	✓	C	✓	D					✓	D				
ACME Packaging Solutions (Pvt) Ltd	✓	D			✓	D	✓	C	✓	D				
BOT Hotel Services (Pvt) Ltd	✓	C	✓	D										
Ceylon Tapes (Pvt) Ltd	✓	C	✓	MD	✓	D	✓	D	✓	D	✓	D	✓	D
Ceytape (Pvt) Ltd	✓	C	✓	MD	✓	D	✓	D	✓	D	✓	D		
Colombo Fort Group Services (Pvt) Ltd	✓	D			✓	D								
Colombo Fort Properties (Pvt) Ltd					✓	D								
Colombo Residencies (Pvt) Ltd	✓	D												
Company Holdings (Pvt) Ltd	✓	D												
Consolidated Commercial Investments (Pvt) Ltd					✓	D								
Consolidated Holdings (Pvt) Ltd	✓	D			✓	D								
Consolidated Trust (Pvt) Ltd					✓	D								
Dawi Investments Trust (Private) Ltd									✓	NE				
E.B. Creasy Ceylon (Pvt) Ltd	✓	C												
Galle Fort Hotel (Pvt) Ltd	✓	D			✓	D								
Group Three Associate (Pvt) Ltd	✓	C												
Kiffs (Pvt) Ltd	✓	C	✓	MD	✓	D	✓	D	✓	D	✓	D		
Lankem Exports (Pvt) Ltd	✓	C	✓	D					✓	D				
Lankem Tea & Rubber Plantations (Pvt) Ltd	✓	C			✓	D								
Maitland & Knox (Pvt) Ltd	✓	D			✓	D								

CORPORATE GOVERNANCE

Companies	Mr. S. D. R. Arudpragasam		Mr. K. P. David	Mr. Anushman Rajaratnam		Mr.A. Hettiarachchy		Mr. P. S. Goonewardene	Mr. K. G. Punchihewa	Mr. S. B. Perera	
Mayfield Investments (Pvt) Ltd				✓	D						
Motor Mart Ceylon (Pvt) Ltd	✓	D		✓	D						
Oakley Investments (Pvt) Ltd	✓	D		✓	D						
Property and Investment Holdings (Pvt) Ltd	✓	D		✓	D						
Sterling Steels (Pvt) Ltd	✓	C									
Teacom (Pvt) Ltd	✓	C		✓	D						
Transways (Pvt) Ltd				✓	D						
Teejay Lanka Prints (Private) Limited										✓	D
Unicom Clearing and Forwarding (Pvt) Ltd	✓	C		✓	D						
Union Commodities (Pvt) Ltd	✓	C		✓	D						
Union Commodities Exports (Pvt) Ltd	✓	C		✓	D						
Union Commodities Teas (Pvt) Ltd	✓	C		✓	D						
Union Group (Pvt) Ltd	✓	D		✓	D						
Union Investments (Pvt) Ltd	✓	D		✓	D						
Voyages Ceylan (Pvt) Ltd				✓	D						
Waverly Power (Pvt) Ltd	✓	C		✓	D						
York Conventions (Pvt) Ltd				✓	D						
ISL Services Limited						✓	C				
Fortigrains (Lanka) Private Limited						✓	D				
Quantum Tech Solutions (Pvt) Limited						✓	C				
Kelani Valley Canneries Ltd				✓	D						
Sunquick Lanka Properties (Pvt) Ltd				✓	D						
Sunquick Lanka (Pvt) Ltd				✓	D						

COMPLIANCE WITH LISTING RULES OF COLOMBO STOCK EXCHANGE (CSE) - RULE 9 - CORPORATE GOVERNANCE

Rule	Corporate Governance Principles	Adherence
9.2	**POLICIES**	
9.2.1	Establish and maintain the following policies.	Complied.
	a) Matters relating to the Board of Directors. b) Board Committees. c) Corporate Governance, Nominations and Re-election. d) Remuneration. e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities. f) Risk management and internal controls. g) Relations with Shareholders and Investors. h) Environmental, Social and Governance Sustainability. i) Control and Management of Company Assets and Shareholder Investments. j) Corporate Disclosures. k) Whistleblowing. l) Anti-Bribery and Corruption.	The Company has established and continues to maintain the said policies. The policies have been duly published on the corporate website https://jfpackaging.lk.
9.2.2	Any waivers from compliance with the internal code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	Not Applicable.
9.2.3	Listed entities shall disclose in its Annual Report. (I) The list of policies that are in place in conformity with Rule 9.2.1. above with reference to its website. (ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	Complied.
9.2.4	Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy.	Will be made available when requests are received.
9.2.5	I. If a Listed Entity fails to comply with Rule 9.2.1, the Exchange will issue a Notice of Show Cause, granting seven (7) Market Days to provide reasons for the non-compliance. ii. If no response is received within the given time or if the explanation is deemed insufficient, enforcement measures will follow as outlined below: a. A letter of warning will be issued by the Exchange. b. If the Entity fails to rectify the non-compliance within three (3) months from the date of the warning letter, a penalty of Rs. 250,000 will be imposed. iii. The Exchange will make a Market Announcement regarding the non-compliance, enforcement action, and penalty. The penalty must be settled within seven (7) Market Days from notification. Failure to do so will result in referral to the SEC under Section 65 of the SEC Act.	Not applicable.
9.3	**BOARD COMMITTEES**	
9.3.1	Establishment of Committee.	
	(a) Nominations and Governance Committee. (b) Remuneration Committee. (c) Audit Committee. (d) Related Party Transactions Review Committee.	The Company maintains the Nominations & Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee.

CORPORATE GOVERNANCE

Rule	Corporate Governance Principles	Adherence
9.3.2	Compliance with composition, responsibilities and disclosures required in respect of the above-Board committees.	Complied.
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees.	Complied.
9.4	**ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS.**	
9.4.1	Records of all resolutions and the following information upon a resolution being considered at any General Meeting shall be maintained. a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained.	Complied.
9.4.2	Communication and relations with shareholders and investors. a) Have a policy on effective communication and relations with shareholders and investors.	The Company has established the policy on relations with Shareholders and Investors and it is published on the corporate website https://jfpackaging.lk.
	b) Disclose the contact person for such communication.	The contact person is mentioned.
	c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders.	Major issues and concerns of shareholders are effectively communicated to the Directors by the Senior Management and the Corporate Secretaries & Registrars as and when they arise.
	d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange.	Complied.
9.5	**POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS**	
9.5.1	Establish and maintain formal policy governing matters relating to the Board. a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO.	Complied.
	b) Where Role of Chairman and CEO are combined appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID	Not Applicable.
	c) Board diversity - experience, skills, competencies, age, gender, industry requirements. d) Maximum number of Directors and rationale. e) Frequency of Board meetings. f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance. g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements. i) Specify the maximum number of directorships in Listed Entities that may be held by Directors. j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum.	The Company has established the policy on matters relating to the Board of Directors and it is published on the corporate website https://jfpackaging.lk.

Rule	Corporate Governance Principles	Adherence
9.5.2	Confirm compliance of 9.5.1. in Annual Report - If non compliant provide explanations with reasons and proposed remedial action.	Complied.
9.6	**CHAIRPERSON AND CEO**	
9.6.1	Chairperson shall be a Non-Executive Director. Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed.	Complied. Not Applicable.
9.6.2	Market Announcement in the event Chairperson is an Executive Director and/or the positions of Chairman and CEO are held by the same individual.	Not Applicable.
9.6.3 (a)	The requirement for a SID Appoint of an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties.	Not Applicable.
9.6.3 (b)	Senior Independent Director shall meet with the Independent Directors at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors and provide feedback and recommendations to the Board.	Not Applicable.
9.6.3 (c)	Senior Independent Director shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually to appraise the Chairman's performance.	Not Applicable.
9.6.3 (d)	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties.	Not Applicable.
9.6.4	Set out the rationale for appointment of SID in the Annual Report.	Not Applicable.
9.7	**FITNESS OF DIRECTORS AND CEOS**	
9.7.1	Fitness of Directors and CEO in terms of the Listing Rules.	Complied.
9.7.2	Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper before such nominations are placed before Shareholders' meeting or appointments are made.	Complied.
9.7.3	'Fit and Proper Assessment Criteria' set out in Rule 9.7.3. a) Honesty, Integrity and Reputation - (i)-(vii) b) Competence and Capability - (i)-(ii) c) Financial Soundness - (i)-(iii)	Complied.
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied.
9.7.5	Disclosures in the Annual Report.	Complied.
	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria.	Complied.
	(b) Any non-compliance/s and remedial action taken to rectify non-compliance.	Not Applicable.
9.8	**BOARD COMPOSITION**	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied.
9.8.2	(a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.	Complied.
	(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Not Applicable.

CORPORATE GOVERNANCE

Rule	Corporate Governance Principles	Adherence
9.8.3	Criteria for determining independence:	
	A Director shall not be considered independent if he/she: i. Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director. ii. Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. iii. Currently has/had during the preceding financial year a close Family Member who is a Director and/or CEO in the Listed Entity. iv. Has a Significant Shareholding in the Listed Entity. v. Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. vi. Is employed in another Company or business; a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. vii. Is a director of another Company; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding. viii. Has a Material Business Relationship or a Significant Shareholding in another company or business; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same, and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity. ix. Is above the age of seventy (70) years. Provided that a person above the age of seventy (70) years may nevertheless be considered independent if compliant with Rule 9.8.3 (ix) (a) to (d) and the requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent.	Complied.
9.8.5	Independent Directors	
9.8.5 (a)	Each Independent Director to submit a signed and dated declaration annually of his “independence” or “non-independence” against the criteria specified in the Listing Rules.	Complied.
9.8.5 (b)	Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors` declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report.	Complied.

Rule	Corporate Governance Principles	Adherence
9.8.5. (c)	If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required.	Not Applicable.
9.8.6	Enforcement Actions for Non-Compliance with Rules 9.8.1 and 9.8.2.	Complied with Rules. 9.8.1 and 9.8.2.
	a. In the event a Listed Entity fails to comply with Rules 9.8.1 and/or 9.8.2 of these Rules.	9.8.6 A and B Not Applicable.
	b. Where a Listed Entity has failed to comply with Rules 9.8.1 or 9.8.2 and has not disclosed such non-compliance to the Exchange or the market.	
9.9	**ALTERNATE DIRECTORS**	
	Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association. a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an Executive Director of the Listed Entity. c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. d) Immediate Market Announcement regarding the appointment of an Alternate Director. e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.	Not Applicable.
9.10	**DISCLOSURES RELATING TO DIRECTORS**	
9.10.1	Disclose its policy on the maximum number of directorships in Listed Entities Board members shall be permitted to hold as per Rule 9.5.1. Non-compliance to be reported in the Annual Report (maximum number of Listed Company Directorships - 25).	Complied. The Company Policy on maximum number of Directorships which a Director can hold in Listed Companies is 25.
9.10.2	Market Announcement on appointment of new Director (i - iii).	Complied.
9.10.3	Immediate Market Announcement regarding any changes to the composition of the Board Committees (i - iii).	Complied.
9.10.4	Details in relation to the Board members. Name, qualifications and brief profile.	
	⊕ Nature of his/her expertise in relevant functional areas	Complied.
	⊕ Whether either the Director or Close Family Members has any material business relationships with other Directors	Not Applicable.
	⊕ Whether Executive, Non-Executive and/or Independent Director ⊕ Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) ⊕ Number of Board meetings attended ⊕ Names of Board Committees in which the Director serves as Chairperson or a member ⊕ Attendance of committee meetings ⊕ TOR and powers of SID	Complied.

CORPORATE GOVERNANCE

Rule	Corporate Governance Principles	Adherence
9.10.5	Non-Disclosure of Changes to Board and Committees. a. Failure to disclose new appointments or changes to the Board of Directors. b. Failure to disclose changes to the composition of Board Committees in terms of Rule 9.10.3 (ii).	Not Applicable.
9.11	**NOMINATIONS AND GOVERNANCE COMMITTEE**	Refer Nominations & Governance Committee Report.
9.11.1	Establishment of Nominations and Governance Committee.	Complied.
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied.
9.11.3	Written terms of reference.	Complied.
9.11.4	Composition. 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. b) Not comprise of Executive Directors of the Listed Entity. 2. An Independent Director shall be appointed as the Chairperson. 3. Identify members in the Annual Report.	Complied.
9.11.5	Functions (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees. (ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors. (iii) Establish and maintain a formal and transparent procedure to evaluate, select and appoint/ re-appoint Directors. (iv) Establish and maintain a set of criteria for selection of Directors. (v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop a succession plan for the Board of Directors and Key Management Personnel. (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities; (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices. (ix) Periodically review and update the Corporate Governance Policies/Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/ non-compliances and the rational for same.	Complied.
9.11.6	Disclosures in Annual Report. Nomination and Governance Committee Report and contents to be incorporated - Sections (a)-(m)	Complied.

Rule	Corporate Governance Principles	Adherence
9.12	**REMUNERATION COMMITTEE**	Refer Remuneration Committee Report.
9.12.1	The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received.	Complied.
9.12.2	Listed Entity shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules.	Complied.
9.12.3	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	Complied.
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied.
9.12.5	The Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied.
9.12.6	Composition: 1. The members of the Remuneration Committee shall; a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. b) Not comprise of Executive Directors of the Listed Entity.	Complied.
	2. Where both the Parent Company and the subsidiary are 'Listed Entities', the Remuneration Committee of the Parent Company may be permitted to function as the Remuneration Committee of the subsidiary.	Complied.
	3. An Independent Director shall be appointed as the Chairperson.	
9.12.7	Functions: 1. Recommend the 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. 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.	Complied.
9.12.8	Disclosure in Annual Report.	
9.12.8 (a)	Names of Remuneration Committee members.	Complied.
9.12.8 (b)	A statement regarding the remuneration policy; and,	Complied.
9.12 (c)	The aggregate remuneration of the Executive and Non-Executive Directors.	Complied.
9.13	**AUDIT COMMITTEE**	Refer 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.	Complied.
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties.	Complied.
9.13.3 (1)	Composition of the Audit Committee.	Complied.
9.13.3 (2)	Quorum - requires that the majority of those in attendance to be independent Directors.	Complied.
9.13.3 (3)	Compulsory to meet on a quarterly basis prior to recommending the financials to be released to the market.	Complied.
9.13.3 (4)	An Independent Director shall be the Chairman of the Committee.	Complied.
9.13.3 (5)	Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.	Complied.

CORPORATE GOVERNANCE

Rule	Corporate Governance Principles	Adherence
9.13.3 (6)	The Chairperson of the Audit Committee shall be a member of a professional accounting body.	Complied.
9.13.4	Functions of the Audit Committee. Detailed in Rule (1) (i) -(xiii) and (2).	Complied.
9.13.5	Disclosures in Annual Report.	Complied.
	Disclosure in the Annual Report relating to Audit Committee: a) Names of chairperson and members with nature of directorship; b) Status of risk management and internal control – Company and group; c) Statement on CEO and CFO assurance on operations and finances; d) Opinion on compliance with financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements; e) Availability of formal Audit Charter; f) Internal audit assurance and summary of the work internal audit function; g) Details demonstrating effective discharge of functions and duties; h) Statement on external auditors' assurance on their independence; i) Confirmation on determining auditor's independence.	
9.14	**RELATED PARTY TRANSACTIONS REVIEW COMMITTEE**	
9.14.1	Establishment of Committee. Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied.
9.14.2	The Related Party Transactions Review Committee shall comprise. → Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors; → May comprise of Executive Directors; → An Independent Director shall be appointed as the Chairperson.	Complied.
9.14.3	Functions: 1. Committee shall be responsible for reviewing the Related Party Transactions. 2. Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. 3. The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. 4. Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.	Complied.
9.14.4	General Requirements. 1. The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2. Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary. 3. Board of Directors to approve RPT when required by the committee.	Complied.

Rule	Corporate Governance Principles	Adherence
9.14.4 (Contd.)	4. If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: a) be present while the matter is being considered at the meeting; and, b) vote on the matter.	Not Applicable.
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee.	Complied.
9.14.6	Shareholder Approval. 1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction. a) Non-recurrent transactions. (i) transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements. (ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non-recurrent transactions entered into with the same Related Party during the same financial year; (iii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates.	Not Applicable.
	b) Recurrent transactions. (i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or (ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and; (iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public.	Not Applicable.
9.14.7 (1) (a)	Disclosures. Immediate disclosure of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements;	Complied.
9.14.7 (1) (b)	Immediate disclosure of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.	Complied.
9.14.8 (1)	Disclosure in the Annual Report if the aggregate value of all the Non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Listed Entity, whichever is lower, as per the latest Audited Financial Statements.	Complied.
9.14.8 (2)	Disclosures in the Annual Report if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of Group Entity Consolidated Revenue) as per the latest Audited Financial Statements.	Complied.
9.14.8 (3)	Report of the Related Party Transactions Review Committee.	Complied.
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to Related Party Transactions, or a negative statement otherwise.	Complied.
9.14.9 (1) (2)	Acquisition and Disposal of Assets from/to Related Parties.	
	Shareholder approval for acquisition and disposal of substantial assets.	Not Applicable.

CORPORATE GOVERNANCE

Rule	Corporate Governance Principles	Adherence
9.14.9 (3)	Rule 9.14.9(1) does not apply to: a. Transactions between the Listed Entity and a wholly owned subsidiary. b. Transaction between wholly owned subsidiaries of the Listed Entity. c. Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended). d. Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of its banking business.	Not Applicable.
9.14.9 (4) (5) (6)	a. Competent independent advice on acquisition and disposal of substantial asset.	Not Applicable.
9.14.10	Exempted Related Party Transactions: a. Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public. b. The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares. c. The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules). d. A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction. e. The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka. f. Directors' fees and remuneration, and employment remuneration	Complied.
9.15	**PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS**	
	a. When a Listed Entity fails to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6), or 9.14.2 b. Where a Listed Entity has failed to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 and has not disclosed of such non-compliance to the Exchange or the market: → If non-compliance is rectified: (a) - (b) → If non-compliance is not rectified: (c) - (e)	Not Applicable.
9.17	**ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS**	
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	Complied.
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence.	Complied.
(iii)	Directors are aware of laws, rules and regulations and their changes particularly to Listing Rules and applicable capital market provisions.	Complied.
(iv)	Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Entity operates.	Complied.

Rule	Corporate Governance Principles	Adherence
9.18	**ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**	
	a. Immediate Market Announcement on non-compliance in the event of failure to comply with any of the requirements contained in Rules 9.3.1, 9.8.1, 9.8.2 (a), 9.11.4 (1), 9.11.4 (2), 9.12.6, 9.13.3 (1), 9.13.3 (4), 9.13.3 (6) or 9.14.2 about such non-compliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules. b. The non-compliance must be rectified within three (03) months from the date of non-compliance. c. If not rectified within three months, the Entity's Securities shall be transferred to the Watch List immediately upon the expiration of the said period. d. While the Securities are on the Watch List, Directors, CEO, their Close Family Members, parent Entity, and entities where they hold 50% or more voting rights, cannot transact in the Entity's Securities without prior SEC approval. This restriction continues for three (03) months after resignation or until compliance is restored-whichever is earlier. e. Upon being placed on the Watch List, the Entity must make a Market Announcement including: ⊖ The remedial action proposed within six (06) months. ⊖ The following statements: i. Any change in the plan will be announced within 1 Market Day after Board approval. ii. If the plan is not implemented within 6 months, trading will be suspended. iii. If suspension lasts more than 6 months, delisting will follow. f. At the first General Meeting following the transfer to the Watch List, shareholders must be informed of the non-compliance, remedial actions, and that continued failure will result in suspension and potential delisting. g. The outcome of the above General Meeting must be announced to the Market by the next Market Day, including any decisions made. h. The Entity must rectify non-compliance within six (06) months from the date of Watch List transfer. i. Failure to comply within six months will result in trading suspension. The Exchange will also announce the enforcement action and any penalties imposed. j. In addition to actions under 9.18(c) and 9.18(i), the Exchange shall impose penalties on the Listed Entity and/or its Directors as of the date of non-compliance. k. If suspension exceeds six (06) months, the Securities shall be delisted under Rule 11.3. l. The Exchange's decision to delist the Securities and any attached conditions shall be communicated to the SEC.	Not Applicable.

CORPORATE GOVERNANCE

COMPLIANCE WITH LISTING RULES OF COLOMBO STOCK EXCHANGE (CSE) - RULE 7.6 - CONTENTS OF THE ANNUAL REPORT

CSE Rule Reference 7.6	Content of the Annual Report	Adherence
(i)	Board of Directors of the Entity during the financial year.	Complied.
(ii)	Principal activities of the Entity and the Subsidiaries during the year and any changes therein.	Complied.
(iii)	The names and the number of shares held by the 20 largest holders of voting shares and the percentage of such shares held.	Complied.
(iv)	The public holding details.	Complied.
(v)	A statement of each Director's holding and Chief Executive Officer's (CEO) holding in each class of shares of the Entity.	Complied.
(vi)	Information pertaining to material foreseeable risk factors of the Entity.	Complied.
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	Not Applicable. During the financial year there were no material issues pertaining to employees and industrial relations of the Entity.
(viii)	Extent, locations, valuations and the number of buildings of the Entity's land holding and investment properties.	Complied.
(ix)	Number of shares representing the Entity's stated capital.	Complied.
(x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holding.	Complied.
(xi)	Financial ratios and market price information.	Complied.
(xii)	Significant change in the Company's fixed assets and market value of land, if the value differs substantially from the book value as at the end of the year.	Complied.
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year.	Complied.
(xiv)	Information in respect of Employee Share Option Schemes (ESOS) and Employee Share Purchase Schemes (ESPS).	Not Applicable.
(xv)	Disclosures pertaining to corporate governance practices in terms of Section 9 of the Rules.	Complied.
(xvi)	Related Party Transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower.	Complied.

COMPLIANCE WITH COMPANIES ACT NO. 7 OF 2007

CSE Rule Reference 7.6	Content of the Annual Report	Adherence
168 (1) (a)	The state of the Company's affairs and nature of the business of the Company or any of its subsidiaries together with any change thereof during the accounting period.	Complied.
168 (1) (b)	Signed Financial Statement of the Company for the accounting period completed.	Complied.
168 (1) (c)	Auditor's Report on Financial Statements of the Company.	Complied.
168 (1) (d)	Accounting Policies and any changes thereto.	Complied.
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period.	Complied.
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	Complied.
168 (1) (g)	Total amount of donations made by the Company during the accounting period.	Complied.
168 (1) (h)	Names of the Directors of the Company at the end of the accounting period and name of Directors who ceased to hold office during the accounting period.	Complied.
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period.	Complied.
168 (1) (j)	Other relationships or any interest of Auditors with the Company or any of its subsidiaries.	Complied.
168 (1) (k)	Acknowledgment of the content of this report and signature on behalf of the Board.	Complied.

RISK MANAGEMENT REVIEW

The Board of Directors recognizes risk management as a critical component in delivering sustainable performance and achieving long-term strategic objectives. The identification, evaluation, and mitigation of risks are integral to maintaining steady progress and ensuring resilience in an increasingly complex and dynamic operating environment.

Given the nature of the business environment in which the Group operates, risks may arise from both internal and external sources, encompassing controllable and uncontrollable factors. Accordingly, the Group has established a structured risk management framework to proactively identify potential risks, assess their impact and likelihood, and implement appropriate mitigation strategies at the operational and strategic levels. This approach enables informed decision-making and supports the achievement of corporate objectives while maintaining risk exposures within acceptable limits.

RISK MANAGEMENT FRAMEWORK

The Group's risk management framework is designed to support business units, risk owners, and executive management in effectively carrying out their responsibilities. Ultimate oversight of risk management rests with the Board of Directors, which, through the Audit Committee, ensures that risk management practices are aligned with the Group's strategic direction and mitigation priorities.

The Board receives regular updates on key risk indicators across various risk categories, enabling continuous monitoring and timely intervention where required. Identified risks are systematically evaluated and prioritized based on their potential impact and probability. Business units are responsible for implementing both preventive and corrective controls to manage risk exposures within defined tolerance levels.

The Group adopts a proactive and integrated approach to risk management, embedding risk awareness into day-to-day operations and decision-making processes. While every effort is made to anticipate and manage potential risks, the nature and scope of risks are subject to change, and certain external factors may remain beyond the direct control of the Group.

The foreseeable risks have been identified and are presented below under the main categories.

BUSINESS RISKS

The Group operates in a competitive and evolving business environment, where certain inherent risks may impact on its performance and growth trajectory. One of the key risks arises from the dependence on large FMCG & multinational customers, where the potential loss of key accounts could result in a decline in revenue. To mitigate this risk, the Company continues to focus on diversifying its customer base while strengthening long-term relationships with existing clients.

The intensifying competitive landscape within the packaging industry also presents a notable risk, particularly through price competition which may exert downward pressure on margins. In response, the Group emphasizes enhancing brand loyalty, expanding its product portfolio, and delivering value-added, innovative packaging solutions to maintain its competitive positioning.

In addition, some capacity constraints due to space limitations pose a challenge to future growth. The lack of adequate factory space to accommodate additional machinery may restrict the Company's ability to scale operations in line with increasing demand. To address this, the Group is actively evaluating expansion opportunities and strategic investments in infrastructure to support its long-term growth objectives.

CLIMATE-RELATED RISKS

The Group operates in a geographical region that is increasingly exposed to climate-related events, including floods, cyclones, and extreme weather conditions. These risks have the potential to disrupt operations, supply chains, and overall business continuity.

Under extreme weather conditions, the Group may experience delays in customer deliveries and potential damage to production facilities, equipment, and inventory. To mitigate these risks, the Company has implemented comprehensive insurance coverage, established remote raw material storage facilities, and strengthened its disaster management processes to ensure operational resilience and continuity.

In the case of extraordinary climate events, the impact could be more severe, including significant disruptions to supply chains and logistics, failure of critical utilities such as power, water, fuel, and communication networks, and damage to key assets. Additionally, such events may influence changes in customer demand patterns. To address these risks, the Group has undertaken several strategic initiatives, including the development of new facilities, maintaining adequate insurance coverage, enhancing disaster recovery and response mechanisms, diversifying supply chains, and integrating climate risk considerations into its overall risk management framework.

COMPLIANCE RISKS

J.F. Packaging PLC operates within a highly regulated environment, where compliance with legal, regulatory, and industry standards is critical to sustaining business operations, protecting reputation, and maintaining stakeholder confidence.

The increasing regulatory pressure on plastic packaging presents a key compliance risk, with potential impacts on business volumes, cost structures, and supply chain dynamics. To address this, the Group continues to invest in the development of sustainable packaging solutions while closely monitoring regulatory developments to ensure timely adaptation to changing requirements.

Non-compliance with Colombo Stock Exchange (CSE) regulations could result in regulatory enforcement actions, financial penalties, and reputational damage. The Group mitigates this risk by assigning clear accountability for compliance, strengthening governance frameworks, and ensuring continuous awareness of evolving legal and regulatory requirements.

The Group also recognizes the importance of complying with environmental regulations, including Environmental Protection Licensing (EPL) requirements. Failure to comply may lead to fines, license cancellation, operational disruptions, and reputational impact. Accordingly, the Company has established clear responsibility structures, enhanced regulatory monitoring, and implemented a formal Environmental Management System (EMS) to ensure adherence to environmental standards.

Compliance with food safety standards remains critical given the Company's presence in food packaging. Non-compliance could result in customer complaints, loss of certifications, and export market restrictions. To mitigate this, the Group maintains robust Food Safety Management Systems (FSMS), implements Hazard Analysis and Critical Control Point (HACCP) frameworks, and conducts regular employee training.

Additionally, waste disposal compliance is managed through structured waste identification, classification, and disposal processes, ensuring that all waste is handled through authorized facilities and licensed transporters, thereby safeguarding environmental and regulatory compliance.

The Group also addresses data privacy risks by implementing comprehensive data protection policies, appointing responsible personnel, and ensuring secure handling of sensitive information through appropriate technological controls, including data encryption.

FINANCIAL RISKS

J.F. Packaging PLC operates in a dynamic financial environment where effective management of liquidity, cost structures, and market-related variables is critical to sustaining profitability and growth.

One of the key risks faced by the Group is working capital pressure, arising from extended credit terms offered to customers while requiring upfront payments for imported raw materials. This may impact the Company's ability to meet payment obligations and could lead to delays in shipment clearance. To mitigate this risk, the Group continues to strengthen debtor collection processes and enhance access to credit facilities through banks and suppliers.

Foreign exchange risk remains a significant exposure due to the high reliance on imported raw materials. Adverse currency movements may increase input costs, impact profitability, and affect pricing competitiveness. The Group manages this risk through natural hedging strategies by increasing USD-denominated revenue, implementing dynamic pricing mechanisms, negotiating effectively with suppliers, and seeking treasury advisory support.

The Group is also exposed to interest rate risk, where increases in market interest rates may elevate finance costs and constrain future investment and expansion plans. The successful IPO has enabled a reduction in debt exposure, while ongoing financial strategies and working capital efficiencies support the management of interest-related risks.

Additionally, inflationary pressures can impact consumer purchasing power and increase local cost structures, thereby affecting demand and profitability. The Group responds to this through dynamic pricing strategies, cost rationalization initiatives, and diversification into export markets to strengthen revenue resilience.

RISK MANAGEMENT REVIEW

GEOPOLITICAL RISK

J.F. Packaging PLC operates within a global supply chain that is increasingly exposed to geopolitical tensions and conflicts. Such developments can disrupt energy supply, international trade routes, and logistics networks, leading to raw material shortages, delays in procurement, and heightened price volatility, particularly for petroleum-based inputs that are critical to the Group's operations.

These disruptions may result in production interruptions, increased input costs, and broader economic instability, including fuel shortages and inflationary pressures, which can impact both operational efficiency and customer demand.

To mitigate these risks, the Group continues to strengthen its supply chain management practices, including supplier diversification and improved planning mechanisms. Pricing strategies are regularly reviewed, with cost pass-through mechanisms implemented where necessary to protect margins. In addition, the Company leverages data-driven forecasting and analytics tools to anticipate potential disruptions and respond proactively to changing market conditions.

OPERATIONAL RISKS

J.F. Packaging PLC's operations are subject to a range of operational risks that may impact production efficiency, delivery timelines, and overall business performance. Effective management of these risks is essential to ensure uninterrupted operations and consistent service delivery to customers.

A key operational risk faced by the Group is the shortage of skilled labour, which may lead to disruptions in production and challenges in meeting delivery deadlines, ultimately affecting sales volumes. To address this, the Company continues to strengthen its human resource practices by enhancing recruitment processes, improving employee engagement, and implementing retention strategies to maintain the required workforce capacity.

The Group is also exposed to the risk of major machinery breakdowns, particularly in critical equipment such as extruders, printers, laminators, and slitters. Such breakdowns could result in production delays and reduced output. To mitigate this risk, the Group maintains robust preventive maintenance programs and has established structured machinery replacement plans to ensure operational continuity and efficiency.

In addition, ERP system-related risks may arise from system downtime, data integrity issues, or cybersecurity threats, potentially disrupting business operations and affecting data accuracy and compliance. The Group addresses these risks through investments in reliable IT infrastructure, scheduled system maintenance, and implementation of strong access controls and security measures to safeguard data and ensure system stability.

SUPPLY CHAIN RISKS

J.F. Packaging PLC operates within a complex and globally interconnected supply chain, with a significant reliance on imported raw materials. As such, the Group is exposed to risks arising from fluctuations in global raw material prices and potential disruptions in supply continuity, which may impact production efficiency, cost structures, and customer service levels.

Increases in global raw material prices, particularly for petroleum-based inputs, may lead to margin compression and reduced competitiveness, potentially affecting sales volumes in a highly price-sensitive market. To mitigate this risk, the Group maintains close monitoring of global market trends and pricing movements, actively engages in supplier negotiations, and strategically manages inventory by procuring materials during favourable price periods.

Delays in raw material supply present another key risk, which may result in shipment delays, disruptions in production schedules, and potential loss of customer confidence. In response, the Company continues to strengthen its supply chain management processes by enhancing coordination and communication with suppliers, improving internal planning mechanisms, and assigning clear accountability for monitoring outsourced supply chain functions.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of J.F. Packaging PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March 2026. The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007, and the Colombo Stock Exchange Listing Rules and are guided by recommended best practices.

GENERAL

The Company was re-registered on 16th July 2007 as required under the Companies Act No. 07 of 2007.

PRINCIPLE ACTIVITIES, BUSINESS AND FUTURE PROSPECTUS

The principal activities of the Company together with those of its subsidiary companies have been described along with the Corporate Information in this Annual Report. A review of the Company's business and its performance during the year with comments on financial results and future prospects is contained in the Chairman's Message, The Managing Director's Review and in the Management Discussion & Analysis of this Annual Report. This Report together with the Financial Statements reflect the state of affairs of the Company. The Directors, to the best of their knowledge and belief, confirm that the Company has not engaged in any activities that contravene laws and regulations and prudential requirements and that there are no material non-compliances other than those disclosed in the Annual Report.

INITIAL PUBLIC OFFERING AND LISTING OF THE SHARES OF THE COMPANY ON THE COLOMBO STOCK EXCHANGE

The Company was listed on the Main Board of the Colombo Stock Exchange on 19th November 2025, through an Offer for Subscription of Fifty One million Seven hundred and Twenty Four thousand One hundred and Forty Four (51,724,144) new Ordinary Voting Shares at an issue price of Rs. 11.60 per share. Consequent to the Listing of the Company, the Company changed its status to a Public Limited Company from a Limited Company and accordingly the name of the Company was changed to J.F. Packaging PLC with effect from 9th January 2026.

FINANCIAL STATEMENTS

The Financial Statements of the Group are given on pages 101 to 148.

AUDITORS' REPORT

The Auditors' Report on the Financial Statements is given on pages 98 to 100.

ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 105 to 116.

INTEREST REGISTER

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192 (2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest is disclosed in Note 24 to the Financial Statements on pages 137 to 141.

During the financial year, the Company has not entered into any contracts in which the Directors have had a material interest. Neither the Directors nor their close family members have had any material business relationships with other Directors.

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Group for the financial year 2025/26 is Rs. 29.5 Mn (2024/25 – Rs. 16.8 Mn) and in respect of the Company for the financial year 2025/26 is Rs. 25.4 Mn (2024/25 – Rs. 12.6 Mn).

DIRECTORS' INTEREST IN SHARES

The Directors of the Company who have an interest in the shares of the Company have disclosed their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act No. 07 of 2007. Details pertaining to Directors' direct Shareholdings are as follows:

Name	No. of Shares as at 31.03.2026	No. of Shares as at 31.03.2025
Mr. S. D. R. Arudpragasam	-	-
Mr. K. P. David	1,356,200	-
Mr. A. Rajaratnam	-	-
Mr. A. Hettiarachchy	-	-
Mr. P. S. Goonewardene	-	-
Mr. K. G. Punchihewa	-	-
Mr. S. B. Perera	-	-

DIRECTORATE

The names of the Directors who held office during the financial year and who are currently in office are given below and brief profiles of the Directors appear on pages 28 to 30.

Mr. S. D. R. Arudpragasam - Chairman
Mr. K. P. David - Managing Director
Mr. Anushman Rajaratnam - Director
Mr. A. Hettiarachchy - Director
Mr. P. S. Goonewardene - Director
Mr. K. G. Punchihewa - Director
Mr. S. B. Perera - Director

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Mr. S. D. R. Arudpragasam, who is over seventy years of age, retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. A. Hettiarachchy, who is over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. P. S. Goonewardene who retires by rotation in accordance with Articles 84 and 85 of the Articles of Association, being eligible offers himself for re-election.

CORPORATE DONATIONS

No donations were made during the year under review (2024/25 - Nil)

CORPORATE GOVERNANCE

The Corporate Governance principles adhered to by the Company are given on pages 71 to 83.

AUDITORS

The Financial Statements of the Company for the year have been audited by Messrs. KPMG Chartered Accountants, the retiring auditors, who have expressed their willingness to continue as Auditors of the Company and are recommended for reappointment. A resolution to reappoint them and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors, Messrs. KPMG Chartered Accountants, were paid Rs. 3.7 Mn during the year under review (2024/25 – Rs. 3.2 Mn) as audit fees and fees for audit related services by the Group. In addition, they were paid Rs. 1.4 Mn (2024/25 – Rs. 1.4 Mn) by the Group for non-audit related work, which consisted mainly of tax related work. In addition to the above, Group companies are engaged with other audit firms. Audit fees in respect of these firms amounted to Rs. 4.4 Mn during the year under review (2024/25 – Rs. 3.7 Mn). As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors do not have any interest in the Company.

REVENUE

The revenue of the Group for the year was Rs. 4,504 Mn (2024/25 – Rs. 4,385 Mn)

RESULTS

The Group made a Profit Before Tax of Rs. 320 Mn against a profit of Rs. 303 Mn in the previous year. The detailed results are given in the Statement of Profit or Loss and Other Comprehensive Income on page 101.

DIVIDENDS

The Company paid a First Interim Dividend of Rs. 0.50 per share for the year ended 31st March 2026 on 23rd February 2026 to the shareholders registered as at the end of trading on 05th February 2026. The Board of Directors confirmed that the company satisfied the Solvency Test requirement under section 56 of the Companies Act No.07 of 2007 and obtained a Solvency Certificate from the Auditors in respect of the above dividend.

INVESTMENTS

Investments made by the Group are given in Notes 14 to the Financial Statements on page 126.

PROPERTY, PLANT AND EQUIPMENT

During 2025/26, the Group invested Rs. 245 Mn in Property, Plant & Equipment (2024/25 – Rs. 231 Mn). Further, Directors are of the opinion that the net amounts of Property, Plant & Equipment other than freehold land, appearing in the Statement of Financial Position are not greater than their market value as at 31st March 2026. The market value of the freehold land as at 31st March 2026 are disclosed in Note 11.1 to the Financial Statements on page 123.

STATED CAPITAL

The stated capital of the Company as at 31st March 2026 was Rs. 1,049,047,143.18 and is represented by 172,130,944 issued and fully paid Ordinary Shares.

RESERVES

The total Group Reserves as at 31st March 2026 comprised FVOCI Reserve of Rs. (4.8) Mn, Retained Earnings of Rs. 393 Mn and Revaluation Reserve of Rs. 206 Mn. Whereas the total Group Reserves as at 31st March 2025 comprised, FVOCI Reserve of Rs. 161 Mn, Retained Earnings of Rs. 301 Mn and Revaluation Reserve of Rs. 206 Mn. The movements are shown in the Statement of Changes in Equity in the Financial Statements.

TAXATION

The Group's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, and subsequent amendments thereto. Income tax and other taxes paid and liable by the Group are disclosed in Note 9 to the financial statements on page 120.

RELATED PARTY TRANSACTIONS

During the financial year there were no recurrent related party transactions nor non-recurent related party transactions which exceeded the respective thresholds mentioned in Section 9.14 of the Colombo Stock Exchange Listing Rules. The Company has complied with the requirements of the Listing Rules on Related Party Transactions.

The related party transactions presented in the financial statements are disclosed in Note 24 from page 137.

SHARE INFORMATION

Information relating to earnings, dividend, net assets, market value per share and share trading is given on page 152.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Events occurring after the Reporting Period that would require adjustments to or disclosures are disclosed in Note 30 on page 148.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments and contingent liabilities as at the date of the Statement of Financial Position are disclosed in Note 27 on page 148.

EMPLOYMENT POLICY

The Company's recruitment and employment policy is nondiscriminatory. The occupational health and safety standards receive substantial attention. Appraisals of individual employees are carried out to evaluate their performance and realize their potential. This process benefits the Company and the employees.

SHAREHOLDERS

It is the Company's policy to endeavour to ensure equitable treatment to its shareholders.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments of the Company due in relation to employees and the Government have been made.

ENVIRONMENTAL PROTECTION

The Company's business activities can have direct and indirect effects on the environment. It is the Company's policy to minimize any adverse effect its activities have on the environment and to promote co-operation and compliance with the relevant authorities and regulations. The Directors confirm that the Company has not undertaken any activities which have caused or are likely to cause detriment to the environment.

INTERNAL CONTROL

The Board of Directors takes overall responsibility for the Company's internal control system. The Board and management annually review the effectiveness of the Company's internal controls to ensure reasonable assurance that assets are safeguarded against unauthorized use or disposal and to ensure all transactions are properly authorized, recorded and maintained. It includes all controls including financial, operational and compliance controls and risk management. The Board reviews the recommendations of both Internal and External Auditors and takes appropriate action to maintain an adequate internal control system. However, any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable time frame.

The Board of Directors has ensured that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes which have been carried out in accordance with Sri Lanka Accounting Standards and Regulatory requirements.

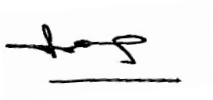
GOING CONCERN

The Directors, after making necessary inquiries and reviews including reviews of the Company's budget for the subsequent year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

For and on behalf of the Board



S. D. R. Arudpragasam
Chairman



K. P. David
Managing Director

By Order of the Board



Corporate Managers & Secretaries (Private) Limited
Secretaries

Colombo
14th August 2026

REMUNERATION COMMITTEE REPORT

The Remuneration Committee is responsible to the Board for developing and setting the Company's Remuneration Policy and recommending the policy applicable for the Executive Directors and for the key management personnel of the Company. In addition, they lay down guidelines and parameters for the compensation structure of the management staff. There is a Board-approved non-discriminatory remuneration policy for all Non Executive Directors to ensure that their Independence is not impaired.

REMUNERATION POLICY

The key objective of the Committee is to attract, motivate and retain qualified and experienced personnel and to ensure that the remuneration of executives at each level of management is competitive and are rewarded in a fair manner based on their performance.

The Remuneration Committee of J.F. Packaging PLC comprises of the following members during the financial year ended 31st March 2026:

Mr. K. G. Punchihewa

Chairman -
Independent Non-Executive Director

Mr. S. B. Perera

Member -
Independent Non-Executive Director

Mr. S. D. R. Arudpragasam

Member- Non-Executive Director

Brief profiles of the Committee members are given on pages 28 to 30.

The Remuneration Committee meets on a need basis. The proceedings of the Committee meetings are reported to the Board of Directors. The Remuneration Committee has well defined Terms of Reference outlining the Committee's composition, quorum, authority and its responsibilities.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Ltd. function as the Secretaries to the Remuneration Committee.

MEETINGS AND ATTENDANCE

The Remuneration Committee met on one occasion during the financial year. The attendance of the Committee was as follows:

Name	Designation	Meetings Attended
Mr. K. G. Punchihewa	Chairman	1/1
Mr. S. B. Perera	Member	1/1
Mr. S. D. R. Arudpragasam	Member	1/1

The main function of the Remuneration Committee is to assist the Board in developing and administering an equitable and transparent method for setting policy on the overall human resources strategy of the Group, the remuneration of Directors and senior management of the Group, plan for succession of Key Management Personnel to ensure leadership continuity and organizational stability and for determining their remuneration packages on the basis of their merit, qualifications and competence, and having regard to the Company's operating results, individual performance and comparable market statistics.

The Managing Director assists the Committee by providing relevant information and participating in the deliberations of the Committee.

All Non-Executive Directors receive a fee for serving on the Board and on Sub-Committees. They do not receive any performance-related incentive payments.

The details of the aggregate remuneration of the Executive and Non-Executive Directors are given in Note 24.5 to the financial Statements.



K. G. Punchihewa

Chairman

Remuneration Committee

14th August 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations & Governance Committee ensures that the governance framework of the Company aligns with the requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

The Committee supports the Board in fulfilling its statutory and fiduciary responsibilities relating to corporate governance and selection/appointment of new Directors and re-election and re- appointment of current Directors to ensure the highest levels of Corporate Governance in the Company and among members of the Board of Directors.

A formal and transparent procedure is in place for the appointment of new Directors to the Board, and the re-election and reappointment of current Directors which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance. The composition and the scope of work of the Committee are in line with the Terms of Reference of the Committee approved by the Board.

COMPOSITION

In compliance within the Corporate Governance Rules of the Colombo Stock Exchange, the Board of Directors of the Company established a Nominations and Governance Committee of the Company with effect from 20th February 2025, which comprised of the following Members during the financial year ended 31st March 2026:

Mr. K. G. Punchihewa

Chairman,
Independent Non-Executive Director

Mr. S. B. Perera

Member,
Independent Non-Executive Director

Mr. S. D. R. Arudpragasam

Member, Non-Executive Director

The Independent Directors of the Listed Entity have submitted their declarations and the said Independent Directors meet and continue to meet the criteria for determining independence.

Mr. K. G. Punchihewa and Mr. S. B. Perera who were appointed to the Board as Independent Non Executive Directors meet the criteria for independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board. Brief profiles of the current members of the Committee are given on pages 28 to 30 of the Annual Report.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Ltd function as the Secretaries to the Nominations and Governance Committee.

MEETING ATTENDANCE

The Nominations and Governance Committee has met on two occasions during the financial year ended 31st March 2026 and the attendance was as follows:

Name	Designation	Meetings Attended
Mr. K. G. Punchihewa	Chairman	2/2
Mr. S. B. Perera	Member	2/2
Mr. S. D. R. Arudpragasam	Member	2/2

KEY RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The Committee oversees the corporate governance structure of the organization, providing an overview of the principles, policies, and practices of the Board of Directors. This framework enables the Company to meet the governance requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

Furthermore, the Committee is responsible for reviewing and recommending improvements to the Company's governance policies and practices.

The Committee monitors the effectiveness of compliance with the relevant regulatory and legal requirements and makes recommendations to the Board on such matters and any corrective action to be taken, as the Committee may deem appropriate.

Whilst exercising the oversight with respect to the corporate governance by the Board of Directors, the Committee also considers and recommends succession arrangements from time to time for the retiring Directors, and Key Management Personnel considering the additional/new expertise required. The Committee regularly reviews the structure, size, composition, including gender representation and competencies (including the skills, knowledge and experience) of the Board members and makes recommendations to the Board regarding any changes.

The fitness and propriety of the Directors were considered during the year as and when required to ensure compliance with requirements and Corporate Governance Rules of the CSE.

COMMITTEE ACTIVITIES IN 2025/2026

Performance evaluations of the Board were conducted, reviewed by the Committee, and discussed at Board Meeting.

The Policies of the Company were reviewed and recommended by the Committee and approved by the Board and duly established during the financial year 2024/2025. The Committee ensured that the Policies were uploaded on the Company website. The Subcommittee Charters and Terms of Reference were reviewed and recommended by the respective Board Subcommittees and approved by the Board.

The Committee also checked the independence of the Directors against the criteria for independence as set out in the CSE Listing Rules. The Committee ensured that the declaration of independence is carried out by the Independent Directors and concluded that all Independent Directors of the Company meet the criteria for determining independence.

The Directors were briefed on the structure, processes & resources of the Company, the applicable corporate governance framework, applicable Listing Rules, securities market regulations and other applicable laws and regulations.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Further an annual update was given to existing Directors on Corporate Governance, Listing Rules, securities market regulations and other applicable laws and regulations. Any major issues relating to the Company are communicated to the Independent Directors and special meetings of the Board are held as and when the need arises to address such matters.

RE-APPOINTMENTS/RE-ELECTIONS

In terms of the Articles of Association a Director appointed by the Board holds office until the next Annual General Meeting, at which he seeks re-election by the Shareholders. The Articles require that one-third (1/3) of the Directors in office (excluding a Director appointed to the office of Chairman or Deputy Chairman or Chief Executive or Managing or Joint Managing Director or and any other Executive Office) to retire at each Annual General Meeting. The Directors to retire are those who have been longest in office since their last election. Retiring Directors are eligible for re-election.

Furthermore, Special Notices have been received by the Company from a shareholder giving notice of the intention to move the Ordinary Resolutions more fully set out in the Notice of Meeting of this Report, at the forthcoming Annual General Meeting.

Accordingly, respective members of the Committee whilst refraining from participating in recommending their own re-election/ reappointment, in terms of the Articles of Association of the Company and being eligible, recommended the re-election of Mr. P. S. Goonewardene who retires by rotation in terms of the Articles of Association of the Company, and being eligible, be re-elected as a director at the forthcoming Annual General Meeting to be held on 23rd September 2026, based on his performance and the contribution made to achieve the objectives of the Board.

In view of the strategic direction of the Company and the Group and the pivotal roles played by Mr. S. D. R. Arudpragasam, Chairman and Mr. A. Hettiarachchy, Director in terms of sustenance and growth of the Company and the Group as a whole as well as their Management skills, integrity, expertise, wealth of experience and business acumen, the Committee has recommended to the Board to reappoint as Directors Mr. S. D. R. Arudpragasam and Mr. A. Hettiarachchy who are over seventy years of age and who retire in terms of Section 210 of the Companies Act No. 7 of 2007.

The Directors coming up for re-election/ reappointment do not have any close family relationship with the Directors, the Listed Entity nor do they have any relationship with shareholders holding over 10% of shares of the Company other than those disclosed hereunder:

Information of Directors who are to be re-elected/reappointed at the AGM are as follows:

Board Member	Date first appointed as Director	Date last re-appointed / re-elected as a Director	Committees served on	Any relationships including close family relationships between the member and the Directors of J.F. Packaging PLC, the Company or its shareholders holding more than ten per- centum (10%) of the shares of J.F. Packaging PLC
Mr. S. D. R. Arudpragasam - Chairman (Non-Executive Director)	24.08.2017	10/09/2025	Nominations & Governance Committee and Remuneration Committee	Mr. S. D. R. Arudpragasam is a Director of Lankem Ceylon PLC which holds in Slash a/c with HNB 69.95% of equity in J. F. Packaging PLC as at 31.03.2026.
Mr. A. Hettiarachchy - (Non-Executive Director)	24.08.2017	10/09/2025	Nil	Mr. A.Hettiarachchy is a Director of Lankem Ceylon PLC which holds in Slash a/c with HNB 69.95% of equity in J. F. Packaging PLC as at 31.03.2026.
Mr. P. S. Goonewardene (Non-Executive Director)	01.10.2020	30/09/2022	Nil	Mr. P. S. Goonewardene is a Director of Lankem Ceylon PLC which holds in Slash a/c with HNB 69.95% of equity in J. F. Packaging PLC as at 31.03.2026

The names, qualifications, principal commitments and other Directorships or Chairmanships of the aforesaid Directors coming up for re-election / reappointment and of the rest of the Board members of J. F. Packaging PLC are given in their profiles on pages 28 to 30 and under the caption “Details of Directors’ other Directorships” appearing on pages 66 to 70.

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity has failed to comply with any provisions of such Rules, a statement explaining the reason for such non-compliance and the proposed remedial action taken for the rectification of such non-compliance has been made. The Company’s compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 71 to 81.



K. G. Punchihewa

Chairman

14th August 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee (RPTRC) which was formed in conformity with the listing rules of the Colombo Stock Exchange is entrusted with the responsibility of ensuring compliance with the rules and regulations governing Related Party Transactions for Listed Entities with its focus being enhancement of corporate transparency and fairness to all stakeholders.

POLICY AND TERMS OF REFERENCE

The Committee has established a clear Policy and Terms of Reference approved by the Board, setting forth the procedure to identify related parties and the process of reporting the transactions with related parties to the Committee on a quarterly basis. It also specifies the approval process and disclosure requirements, including market announcements and Annual Report disclosures.

COMPOSITION

The Related Party Transactions Review Committee of the Company comprised of the following members during the financial year ended 31st March 2026.

Mr. K. G. Punchihewa

Chairman,
Independent Non-Executive Director

Mr. A. Rajaratnam

Member, Non-Executive Director

Mr. S. B. Perera

Member,
Independent Non-Executive Director

The Company's Secretaries Corporate Managers and Secretaries (Pvt) Ltd, function as the Secretaries to the Related Party Transactions Review Committee.

Brief profiles of the current members of the Committee are given on pages 28 to 30 of the Annual Report.

MEETINGS OF THE COMMITTEE

The Related Party Transactions Review Committee (RPTRC) meets on a quarterly basis at a minimum or as often as may be deemed necessary. During the financial year, the Committee met five times, having held meetings in each calendar quarter, to review the related party transactions. The attendance of the Committee was as follows:

Name	Designation	Meetings Attended
Mr. K. G. Punchihewa	Chairman	5/5
Mr. S. B. Perera	Member	5/5
Mr. A. Rajaratnam	Member	3/5

Further the RPTRC also reviews and recommends Related Party Transactions by Resolutions in writing.

Other members of the Board and the Management were present at discussions where appropriate. The proceedings of the RPTRC are regularly reported to the Board of Directors.

POLICIES, PROCEDURES AND FUNCTIONS OF THE COMMITTEE

The Policies and Procedures adopted by the Related Party Transactions Review Committee when reviewing and recommending transactions are consistent with Section 9.14 of the Listing Rules of the Colombo Stock Exchange. The Functions of the Committee are as follows;

- Review all proposed Related Party Transactions (Except for exempted transactions)
- Determining whether the relevant Related Party Transaction is fair and is conducted on normal commercial terms and is in the best interest of the Company and its stakeholders and is not prejudicial to its minority shareholders.
- Acquire appropriate knowledge or expertise to assess all aspects of proposed Related Party Transactions where necessary. This includes obtaining independent professional or expert advice from suitably qualified persons when required
- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes
- Establish guidelines for Senior Management to follow in ongoing dealings with related parties
- Direct the transactions for Board approval/ Shareholder approval as deemed appropriate
- Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules and regulations are made in a timely and detailed manner

CONCLUSION

The Related Party Transactions Review Committee has reviewed the Related Party Transactions entered during the financial year under review and has communicated its comments and observations to the Board of Directors.

The Board of Directors has also declared in the Annual Report that there were no recurrent and non recurrent related party transactions which exceeded the respective thresholds mentioned in Section 9 of the Colombo Stock Exchange Listing Rules. Details of Related Party Transactions are disclosed on page 137 of the Annual Report. The Company has complied with the requirements of the Listing Rules on Related Party Transactions.



K. G. Punchihewa

Chairman

Related Party Transactions Review Committee

14th August 2026

AUDIT COMMITTEE REPORT

The objective of Audit Committee is to assist the Board in effecting its oversight responsibilities on financial reporting. This includes responsibility to the shareholders in relation to the integrity of the Company's financial reporting process in accordance with the Companies Act and other legislative reporting requirements including the adequacy of disclosures in the financial statements in accordance with the Sri Lanka Accounting Standards. The Audit Committee also monitors the Company's internal control systems and facilitates compliance with the legal and regulatory requirements. The Committee also evaluates the performance and the independence of the Company's external audit functions.

COMPOSITION

The Audit Committee of the Company comprised of the following members during the financial year ended 31st March 2026.

Mr. K. G. Punchihewa

Chairman,
Independent Non-Executive Director

Mr. S. B. Perera

Member,
Independent Non-Executive Director

Mr. A. Rajaratnam

Member, Non-Executive Director

Mr. K. G. Punchihewa, the Chairman of the Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and a Member of the Certified Public Accountants (CPA) – Australia.

The Committee has a blend of experience in the commercial sector with financial expertise and high standing of integrity and business acumen to carry out their role effectively and efficiently. The Committee comprises of three finance professionals.

Brief profiles of the current members of the Committee are given on pages 28 to 30 of the Annual Report.

The Company's Secretaries Corporate Managers and Secretaries (Pvt) Ltd, function as the Secretaries to the Audit Committee.

MEETINGS OF THE COMMITTEE

During the financial year 2025/26, the Committee met six times. The attendance of the Committee was as follows:

Name	Designation	Meetings Attended
Mr. K. G. Punchihewa	Chairman	6/6
Mr. S. B. Perera	Member	6/6
Mr. A. Rajaratnam	Member	3/6

Meetings of the Audit Committee have been held in each quarter of the financial year. In addition to these Meetings on several occasions the committee has also adopted resolutions in writing in relation to matters under the purview of the audit committee.

The proceedings of the audit committee are regularly reported to the Board of Directors.

The Managing Director and the Chief Financial Officer attend the meetings of the Audit Committee. Further other members of the Board and Management Committee, as well as the External and Internal Auditors, were present at discussions where appropriate.

KEY RESPONSIBILITIES OF THE COMMITTEE

The Committee is governed by the specific terms of reference set out in the Audit Committee charter which has been reviewed and recommended by the Audit Committee and approved by the Board.

The Committee focuses on the following objectives in discharging its responsibilities, taking into consideration the terms of reference together with the requirements of the Listing Rules of the Colombo Stock Exchange.

(a) Risk Management

The Committee reviews and assesses the effectiveness and sufficiency of the Company's risk management function to ensure that the Company's assets are adequately safeguarded.

(b) Efficiency of the system of internal controls

The Committee reviews the effectiveness of the internal control systems, financial reporting, compliance with laws and regulations, as well as the adequacy and effectiveness of the governance processes within the Company. The Committee also obtains a statement of compliance from the Managing Director and the Chief Financial Officer on the Company's operations, finances, risk management and internal control systems.

(c) Independence and objectivity of the external (statutory) Auditors

The Committee exercises independent oversight on internal and external assurance functions ensuring both internal and external auditor's independence, objectivity and the effectiveness of the audit processes.

(d) Appropriateness of the principal accounting policies used

The Committee reviews the key judgements applied in the preparation of the financial statements described in the relevant accounting policies and notes to the Financial Statements.

(e) Financial Statement integrity

The Committee reviews and ensures that the Financial Reporting system is in accordance with the Sri Lankan Accounting Standards and other regulatory and statutory requirements.

ACTIVITIES DURING THE FINANCIAL YEAR 2025/26

Financial Reporting

The Committee reviewed and discussed the quality and integrity of the financial reporting system adopted by the Company in the preparation and presentation of its quarterly and annual financial statements to ensure reliability of the processes and consistency of the accounting policies adopted and their compliance with the Sri Lanka Financial Reporting Standards.

The Audit Committee obtained Statements of Compliance from the Management where appropriate and reviewed the adequacy of disclosures and presentation of the Annual and Interim Financial Statements before recommending them for approval by the

Board. Further, the Committee reviewed the procedures established by the Management to comply with Statutory and Regulatory requirements and is satisfied that the financial reporting requirements under the Listing Rules of the Colombo Stock Exchange, Companies Act No. 07 of 2007, Securities and Exchange Commission Act and other relevant financial reporting related regulations and requirements are met.

INTERNAL AUDIT, RISK AND CONTROL

The Committee reviewed and approved the Annual Internal Audit Plan by ensuring there are no unjustified restrictions or limitations in the scope of the Internal Audit.

The Company's internal audit function has been outsourced to Deloitte, Chartered Accountants. The internal auditors report quarterly to the Committee on the adequacy and effectiveness of internal controls in the Company and compliance with rules and regulations and established policies of the Company.

The periodic reports submitted by the Internal auditors where appropriate were reviewed by the Committee with the management responses on financial and operational audits, carried out in line with the approved Annual Audit Plan. The Audit Committee obtains the required assurances from the Management and the Internal Auditors on the remedial action in respect of identified risks to maintain the effectiveness of internal control procedures in place.

COMPLIANCE

During the year under review, the Committee has assisted the Board in ensuring compliance with the statutory provisions prior to publication of Interim Financial Statements and the Annual Report. The Committee has taken necessary measures to ensure that the interim Financial Statements and the Annual Report are published in a timely manner, and they are prepared and presented in accordance with the Sri Lanka Accounting Standards and in compliance with the Companies Act and the regulatory requirements. The Committee has assessed the adequacy of existing controls and risk management procedures and recommended to the Board additional controls and risk mitigating strategies that could be implemented to strengthen the existing internal control system. Further, the Committee has, where necessary, reviewed the routine operations of the Company and assessed the prospects of its business operations and accordingly makes sure that the going concern assumption used in the preparation of the financial statements is appropriate.

ETHICS AND GOOD GOVERNANCE

The Committee continuously emphasizes upholding ethical values of the staff members. In this regard, the Policy on Internal Code of Business Conduct and Ethics, the Policy on Whistleblowing and the Policy on Anti-Bribery and Corruption have been established. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistleblowing or identified through other means. The Whistleblower Policy guarantees strict confidentiality of the identity of the Whistleblowers.

EXTERNAL AUDIT

The Company has appointed KPMG, Chartered Accountants, as its External Auditors and the services provided by them are segregated between audit assurance services and other advisory services. The Committee has reviewed the progress and the conduct of the statutory audit function and discussed the audit-related issues with the Auditors. KPMG Chartered Accountants has also issued a declaration as required by the Companies Act 7 of 2007 that they do not have any relationship or interest in any of the companies in the Group which may have a bearing on the independence of their role as auditors. During the year under review, the Committee evaluated the independence and performance of the External Auditors and is satisfied that the independence of the External Auditors have not been impaired by an event or service that gives rise to a conflict of interest. The Committee obtained written assurance from the External Auditors that they have been independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements.

The Audit Committee has recommended to the Board the reappointment of KPMG, Chartered Accountants for the financial year ending 31st March 2027 subject to the approval of the Shareholders at the Annual General Meeting of the Company. The current External Auditors, KPMG has been functioning as the external auditor of the Company for over 20 years. A partner rotation of the External Auditor takes place periodically and the last change took place during the year under review.



K. G. Punchihewa
Chairman
Audit Committee

14th August 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors (Board) of the Company is responsible for the adequacy of the Company's system of internal controls and for reviewing its design and effectiveness regularly. However, such a system is designed to manage, rather than eliminate the risk of failure to achieve business objectives of the Group. Accordingly, the system of internal controls can only provide reasonable and not absolute assurance against material misstatements of losses or frauds.

The Board is of the view that the prevalent internal control systems instituted, by them, and which comprise internal checks, internal audits, risk management policies and financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Board has established various Committees, such as the Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee to strengthen the process of identifying and reviewing the adequacy and integrity of the system of internal controls and risk management.

The Directors are of the view that the Company and its Group have adequate resources to continue operations in the foreseeable future and have continued to use the going concern basis in the preparation of these Financial Statements. The Directors have provided the Auditors, Messrs. KPMG, Chartered Accountants, with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Auditors have examined the Financial Statements together with all financial records and related data and expressed their opinion, which appears as reported by them on pages 98 to 100 of this Report.

The Directors are Responsible for:

- preparing the Annual Report and the Consolidated Financial Statements in accordance with the Companies Act No.7 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and are required to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company and its subsidiaries as at the reporting date and of the profit and loss of the Company and its subsidiaries for the financial year ending on that reporting date;
- preparing Financial Statements which give a true and fair view of the state of affairs as at the reporting date and the Profit or Loss for the period then ended of the Company and the Group in accordance with SLFRSs and LKASs;
- keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the Group and the Company enabling them to ensure that the Group Financial Statements comply with Section 148, of the Companies Act and audit of such statements to be carried out readily and properly.
- establishing an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, and regularly reviewing the effectiveness of such process;
- taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities; and maintaining the integrity of the statutory and audited information available to the public;
- In addition, the Directors consider that, in preparing the Financial Statements:
  - suitable accounting policies have been selected and applied consistently;
  - judgements and estimates made have been reasonable and prudent;
  - the Financial Statements comply with IFRS as adopted for use in Sri Lanka (SLFRSs/LKASs);
  - all Accounting Standards which they consider applicable have been followed in preparing the Parent Company Financial Statements; and
  - it is appropriate that the Group and Parent Company Financial Statements have been prepared on a "Going Concern" basis.

The Directors also confirm that to the best of their knowledge, the Financial Statements are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole; and this Directors' Report contains a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face. The Board of Directors of the Company is of the view that the Board has discharged its responsibilities accordingly.

By Order of the Board



S. D. R. Arudpragasam
Chairman



K. P. David
Managing Director

14th August 2026

FINANCIAL STATEMENTS

Independent Auditors' Report	98
Statement of Profit or Loss and Other Comprehensive Income	101
Statement of Financial Position	102
Statement of Changes in Equity	103
Statement of Cash Flow	104
Notes to the Consolidated Financial Statements	105



INDEPENDENT AUDITORS' REPORT

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF J.F. PACKAGING PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of J.F. Packaging PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at March 31, 2026,statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 105 to 148 of the Annual Report.

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 of March 31, 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.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,
W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F. R. Ziyard ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

Revenue Recognition	
Refer to the accounting policies in "Note 3.14 to the Financial Statements: Revenue", "Note 05 to the Financial Statements: Revenue"	
Risk Description	**Our responses**
The Group and company have recognized revenue from sale of goods amounting to Rs. 4,504,801,000/- and Rs. 2,356,951,000/- respectively. Revenue is recognized when control has been transferred to the buyer. In addition, the Group considers revenue as an important element in measuring management performance and how management are incentivized. These factors could create an incentive for revenue to be recognized prior to control being transferred. We identified the recognition of revenue as a key audit matter because revenue is a significant audit risk and one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of revenue recognition by management to meet specific targets or expectations.	Our audit procedures included; - Obtaining an understanding of the design, implementation and operating effectiveness of management's key internal controls in relation to recognition of revenue such as matching a sample of sales invoices recognized to sales orders and dispatch notes. - On a sample basis, comparing specific revenue transactions recorded before and after the financial year end with the underlying goods delivery notes and invoices to assess whether the related revenue had been recognized in the correct financial period. - Assessing whether there was any evidence of management bias by forming an expectation of the current year revenue profile, with reference to historical trends, and comparing it to actual. - Performing test of details over revenue by inspecting a sample of invoices and credit notes in order to ensure revenue is recognized and measured in accordance with the contractual terms of the contract and the Group accounting policies. - Assessing the quantification of adjustments arising from management's revenue recognition assessment for compliance with SLFRS 15 during the year and disclosures for the same.

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 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 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.

INDEPENDENT AUDITORS' REPORT

KPMG

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the 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.

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2599.



Chartered Accountants
Colombo, Sri Lanka

14th August 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Revenue	5	4,504,801	4,385,214	2,356,951	2,371,137
Cost of Sales		(3,335,742)	(3,238,713)	(1,927,694)	(1,962,176)
Gross Profit		1,169,059	1,146,501	429,257	408,961
Other Income	6.1	4,759	7,288	101,026	149,928
Selling and Distribution Expenses		(232,784)	(206,118)	(84,913)	(78,536)
Administrative Expenses		(380,344)	(340,000)	(117,857)	(129,246)
Other Expenses	6.2	(36,312)	-	(36,312)	-
Operating Profit		524,378	607,671	291,201	351,107
Finance Income		27,579	16,005	5,922	1,852
Finance Expenses		(231,497)	(320,656)	(163,480)	(252,331)
Net Finance Expenses	7	(203,918)	(304,651)	(157,558)	(250,479)
Profit Before Tax	8	320,460	303,020	133,643	100,628
Income Tax Expense	9	(130,552)	(172,395)	(24,280)	(40,169)
Profit for the Year		189,908	130,625	109,363	60,459
Other Comprehensive Income/ (Expense)					
Items that will not be reclassified to Profit or (Loss)					
Actuarial Gain / (Loss) on Defined Benefit Plan	22	(16,889)	(7,102)	(8,200)	(2,924)
Change in Fair Value - Equity Investment at FVOCI		(237,093)	228,004	-	-
Net Tax on Other Comprehensive Income	21	76,640	(65,867)	2,460	877
Other Comprehensive Income / (Expense) for the year, net of Tax		(177,342)	155,035	(5,740)	(2,047)
Total Comprehensive Income for the Year		12,566	285,660	103,623	58,412
Earnings per Share / Diluted EPS (Rs.)	10.1	1.37	1.08	0.79	0.50

The Accounting Policies and Notes on pages 105 to 148 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Assets					
Non-Current Assets					
Property, Plant & Equipment	11	1,025,218	891,500	694,892	691,557
Right of Use the Asset	12	26,748	45,080	17,917	28,667
Intangible Assets - CWIP	13.2	6,512	3,191	-	-
Intangible Assets - Goodwill	13.3	210,662	210,662	-	-
Investments in Subsidiaries	14.1	-	-	1,424,939	1,424,939
Equity Investments at FVOCI	14.2	318,542	555,636	-	-
Deferred Tax Assets	21	37,603	-	24,799	46,619
Total Non-Current Assets		1,625,285	1,706,069	2,162,547	2,191,782
Current Assets					
Inventories	15	868,087	814,803	546,299	536,974
Trade and Other Receivables	16	1,126,517	930,751	548,012	428,763
Amounts Due from Related Parties - Trade	24.1.1	97,932	94,265	63,506	70,363
Amounts Due from Related Parties - Non Trade	24.1.2	1,113	47,268	196,764	193,334
Income Tax Receivable		2,109	2,497	2,109	2,497
Investments at Amortised Cost	17	3,232	3,232	-	-
Cash and Cash Equivalents	18	82,835	123,842	40,597	29,305
Total Current Assets		2,181,825	2,016,658	1,397,287	1,261,236
Total Assets		3,807,110	3,722,727	3,559,834	3,453,018
EQUITY					
Stated Capital	19	1,049,047	449,047	1,049,047	449,047
Revaluation Reserve		205,755	205,755	188,700	188,700
FVOCI Reserve		(4,784)	160,738	-	-
Retained Earnings		393,013	300,990	1,156,473	1,138,915
Total Equity		1,643,031	1,116,530	2,394,220	1,776,662
Non-Current Liabilities					
Interest Bearing Borrowings	20	352,950	641,967	12,451	317,819
Deferred Tax Liabilities	21	-	3,597	-	-
Retirement Benefit Obligations	22	82,548	56,795	39,638	27,875
Total Non-Current Liabilities		435,498	702,359	52,089	345,694
LIABILITIES					
Current Liabilities					
Interest Bearing Borrowings	20	995,069	1,207,155	727,256	970,612
Trade and Other Payables	23	434,334	401,458	190,813	160,264
Amounts Due to Related Parties - Trade	24.2.1	8,740	8,757	2,196	9,077
Amounts Due to Related Parties - Non Trade	24.2.2	3,372	6,193	-	746
Income Tax Payable		34,110	44,480	-	-
Bank Overdraft	18	252,956	235,795	193,260	189,963
Total Current Liabilities		1,728,581	1,903,838	1,113,525	1,330,662
Total Liabilities		2,164,079	2,606,197	1,165,614	1,676,356
Total Equity and Liabilities		3,807,110	3,722,727	3,559,834	3,453,018

The Accounting Policies and Notes on pages 105 to 148 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

It is certified that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Dulanjaya Samaraweera
Chief Financial Officer

The Directors are responsible for the preparation and presentation of these Financial Statements.

Approved and Signed for and on behalf of the Board of Directors of J.F. Packaging PLC.

S. D. R. Arudpragasam
Chairman

K. P. David
Managing Director

14th August 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2026 Group	Stated Capital Rs.000	Revaluation Reserves Rs.000	FVOCI Reserves Rs.000	Retained Earnings Rs.000	Total Rs.000
Balance as at 1st April 2024	449,047	205,755	731	175,337	830,870
Profit for the year	-	-	-	130,625	130,625
Other Comprehensive Expense for the year, net of tax	-	-	160,007	(4,972)	155,035
Balance as at 31st March 2025	449,047	205,755	160,738	300,990	1,116,530
Balance as at 1st April 2025	449,047	205,755	160,738	300,990	1,116,530
Profit for the year	-	-	-	189,908	189,908
Other Comprehensive Income for the year, net of tax	-	-	(165,522)	(11,820)	(177,342)
Shares Issued	600,000	-	-	-	600,000
Dividend Paid	-	-	-	(86,065)	(86,065)
Balance as at 31st March 2026	1,049,047	205,755	(4,784)	393,013	1,643,031

For the year ended 31st March 2026 Company	Stated Capital Rs.000	Revaluation Reserves Rs.000	FVOCI Reserves Rs.000	Retained Earnings Rs.000	Total Rs.000
Balance as at 1st April 2024	449,047	188,700	-	1,080,503	1,718,250
Profit for the year	-	-	-	60,459	60,459
Other Comprehensive Expense for the year, net of tax	-	-	-	(2,047)	(2,047)
Balance as at 31st March 2025	449,047	188,700	-	1,138,915	1,776,662
Balance as at 1st April 2025	449,047	188,700	-	1,138,915	1,776,662
Profit for the year	-	-	-	109,363	109,363
Other Comprehensive Income for the year, net of tax	-	-	-	(5,740)	(5,740)
Shares Issued	600,000	-	-	-	600,000
Dividend Paid	-	-	-	(86,065)	(86,065)
Balance as at 31st March 2026	1,049,047	188,700	-	1,156,473	2,394,220

The Accounting Policies and Notes on pages 105 to 148 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CASH FLOW

For the year ended 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Cash Flows from Operating Activities					
Profit before Taxation	8	320,460	303,020	133,643	100,628
Adjustment for;					
Depreciation / Amortization	11/13	111,039	90,999	69,986	71,765
Right of Use Asset - Amortisation	12	19,842	19,783	10,750	10,797
Interest Expense	7	199,024	264,108	135,194	206,751
Lease Interest	7	9,019	11,855	7,328	9,320
Unrealized (Gain) on Translation of Foreign Currency		(2,556)	4,894	1,040	(238)
Gain on Disposal of Property, Plant & Equipment	6.1	-	(1,267)	-	(1,103)
Interest Income	7	(3,308)	(2,840)	(5,922)	(1,852)
Dividend Income	6.1	-	-	(101,026)	(145,278)
Defined Benefit Plan Cost - Retiring Gratuity	22	14,452	10,872	7,584	5,579
Provision/(Reversal) of Impairment of Trade Debtors	16.1	2,684	(1,266)	4,180	3,533
Trade Receivable Write Off	16.1	-	(69,797)	-	(53,054)
Provision/(Reversal) for Obsolete Inventories	15.1	14,474	15,836	24,135	(1,257)
Inventory Write Off	15.1	(3,752)	(2,048)	-	-
Operating Profit before Working Capital Changes		681,378	644,149	286,892	205,591
(Increase)/Decrease in Inventories		(64,006)	(90,776)	(33,459)	(87,091)
(Increase)/Decrease in Trade and Other Receivables		(198,061)	55,279	(123,429)	108,757
(Increase)/Decrease in Amounts due from Related Parties		42,489	6,768	3,427	(16,704)
Increase/(Decrease) in Trade and Other Payables		34,535	31,907	28,642	12,631
Increase/(Decrease) in Amounts due to Related Parties		(2,838)	(999)	(7,627)	(6,515)
Cash generated from/ (Used in) Operations		493,497	646,328	154,446	216,669
Income Tax Paid		(105,484)	(153,380)	-	-
Interest Paid		(199,024)	(264,108)	(135,194)	(206,751)
Retiring Gratuity Paid	22	(5,588)	(4,761)	(4,021)	(2,393)
Lease interest paid	20.1.2	(9,019)	(11,855)	(7,328)	(9,320)
Net Cash Flow from/ (used in) Operating Activities		174,382	212,224	7,903	(1,795)
Cash Flows from Investing Activities					
Purchase & Construction of Property, Plant & Equipment & Intangible Assets	11/13	(248,160)	(230,916)	(73,403)	(91,324)
Interest Received	7	3,308	2,840	5,922	1,852
Dividends Received	6.1	-	-	101,026	145,278
Proceeds on Disposal of Property, Plant & Equipment		-	1,611	-	1,225
Net movement in investment in Fixed Deposits		-	(219)	-	-
Net Cash Flow generated from / (Used in) Investing Activities		(244,852)	(226,684)	33,545	57,031
Cash Flow from Financing Activities					
Proceeds from Long Term Loans	20.2	75,000	-	-	-
Repayment of Long Term Loans	20.2	(611,092)	(284,308)	(589,042)	(284,308)
Shares Issued	19	600,000	-	600,000	-
Dividend Paid		(84,730)	-	(84,730)	-
Repayment of lease rental	20.1.2	(22,592)	(15,688)	(10,822)	(4,980)
Net Movement in Short Term Borrowings	20.3	55,716	291,283	51,143	223,122
Net Cash Flow generated from / (Used in) Financing Activities		12,302	(8,713)	(33,451)	(66,166)
Net Increase/(Decrease) in Cash & Cash Equivalents during the year		(58,168)	(23,173)	7,997	(10,930)
Cash & Cash Equivalents at the beginning of the year		(111,953)	(88,780)	(160,660)	(149,730)
Cash & Cash Equivalents at the end of the year		(170,121)	(111,953)	(152,663)	(160,660)
Analysis of Cash & Cash Equivalents at the end of the year					
Cash in Hand & Bank	18	82,835	123,842	40,597	29,305
Bank & Other Borrowings	18	(252,956)	(235,795)	(193,260)	(189,963)
		(170,121)	(111,953)	(152,663)	(160,658)

The Accounting Policies and Notes on pages 105 to 148 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. Domicile and Legal Form

"J.F. Packaging PLC (the "Company") is a public limited liability Company domiciled in Sri Lanka. It was formerly known as J.F. Packaging Limited, which was converted from Private Limited to Limited Company on 29 March 2019. The registered office is located at No. 98, Sri Sangaraja Mawatha, Colombo 10 and the principal place of business is located at No. 306, Minuwangoda Road, Kotugoda.

The Ordinary shares of the Company was listed on the Colombo Stock Exchange on 19th November 2025. Accordingly, as per the Companies Act, No. 07 of 2007, name of the Company has been changed as J.F. Packaging PLC with the change of Company status and issued new registration number PQ 00352063 with effect from 09 January 2026.

The Consolidated Financial Statements of J.F. Packaging PLC as at and for the year ended 31st March 2026 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as 'Group entities').

The immediate and ultimate parent companies of J.F. Packaging PLC are Lankem Ceylon PLC and The Colombo Fort Land & Building Company PLC.

The Group has a common financial year which ends on the 31st of March.

1.2. Principal Activities and Nature of the Operation

During the year, the principal activities of the company and the group were as follows:

J.F. Packaging PLC

The principal activity of the company is manufacturing and selling printed and unprinted flexible packaging and related products.

JF Ventures Ltd

Whilst the principal activity of the Company was primarily in the manufacturing and trading of cereal products, in 2021 it changed its business activities in order to facilitate diversification and the commencement of new lines of business including Investment Holding. However, the company has not conducted any manufacturing and trading of cereal products related business activities since 2017 and now primarily functions as an Investment Holding Company.

Kiffs (Pvt) Ltd

The principal activity of the Company is manufacturing PET Bottles and other accessories.

Ceylon Tapes (Pvt) Ltd

The principal activity of the Company is manufacturing adhesive tapes, paper-based products and other related products.

Alliance Five (Pvt) Ltd

The principal activity of the Company is injection moulding and manufacturing of fiber brushes and brooms.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the company have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Accounting Standards comprise:

- Sri Lanka Financial Reporting Standards ("SLFRS");
- Sri Lanka Accounting Standards ("LKAS");
- Statements of Recommended Practices (SoRPs);
- Statement of Alternate Treatment (SoATs) and
- Financial Reporting Guidelines issued by the CA Sri Lanka

2.2 Approval of Financial Statements by Directors

The consolidated financial statements for the year ended 31st March 2026 were authorized for issue by the Directors on 14th August 2026.

2.3. Basis of Measurement

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following;

- Financial assets measured at fair value
- Valuation of Employee Benefits
- Lands measured at revalued amounts

2.4. Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency.

2.5. Use of Estimates and Judgments

The preparation of Consolidated financial statements in conformity with Sri Lanka Accounting Standards (LKASs/SLFRSs) requires the management to make judgments, estimates and assumptions that affect the application of policies and reported values of assets, liabilities, income, expenses and accompanying disclosures including contingent liabilities.

Estimates and judgements which management has assessed to have the most significant effect on the amounts recognized in the financial statements have been discussed in the individual notes of the related financial statement line items. The estimates and associated assumptions are based on historical experience and various other factors that are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

believed to be reasonable under the circumstances, the results of which form the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Items that have a significant effect on Judgements, estimates and assumptions and the respective notes that they are included in are as follows,

Item	Note No.
Going concern	2.9
Valuation of freehold land	11.1 & 11.2
Impairment on financial assets	3.3.1.4
Income tax expense and deferred tax assets	9 & 21
Measurement of fair value of unquoted investment	25.2
Measurement of loss rate to compute ECL allowance for trade receivables	25.3.1
Measurement of defined benefit obligations: key actuarial assumptions	22
Provisions, commitments, and contingencies	3.12, 3.13 & 27

2.6. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair values are categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.7. Comparative Information

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.8 Materiality and Aggregation

Each material class of similar items is presented separately in the consolidated Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by LKAS 1: Presentation of Financial Statements.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

2.9. Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and being satisfied that it has the resources to continue in business for the foreseeable future confirm that they do not intend either to liquidate or to cease operations of any business unit of the Group. Furthermore, when determining the basis of preparing the financial statements for the year ended 31st March 2026, considering the current economic conditions in Sri Lanka, management has assessed the current and anticipated impact on the Group and Company and has concluded that the use of the going concern basis of accounting remains appropriate.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these Financial Statements and have been applied consistently by the Company and Group, unless otherwise stated.

3.1. Basis of Consolidation

The Consolidated Financial Statements (referred to as the 'Group') comprise the Financial Statements of the Company and its Subsidiaries.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions/events in similar circumstances and where necessary, appropriate adjustments have been made in the Consolidated Financial Statements.

3.1.1. Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 3.1.2). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 3.8). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

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.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination.

This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.1.2. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it 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. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

3.1.3. Non-Controlling Interest

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4. Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.1.5. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.2. Foreign Currency

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate.

The foreign currency gain or loss on monetary items is the difference between the amortized cost in Sri Lankan Rupees at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities which are stated at historical cost denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate at the dates of the transactions. Non-monetary assets and liabilities that are stated at fair value, denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate that the fair value was determined. Foreign exchange differences arising from translation are recognized in profit or loss and other comprehensive income.

3.3. FINANCIAL INSTRUMENTS

3.3.1. Financial assets – recognition and measurement

3.3.1.1. Initial recognition

Trade receivables are initially recognized when they originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.3.1.2. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for the recognition are not considered sales for this purpose, consistent with the Group continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.3.1.3. De-recognition

Financial Asset

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial Liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.3.1.4. Impairment Policy - Financial Assets

Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs (Expected Credit Loss) on:

- Financial assets measured at amortized cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. 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 Company's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 365 days past due;
- The restructuring of a loan or advance would not be considered otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market tor a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recover amounts due.

Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such exists, then the assets recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, 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.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment

loss in respect of assets 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 amortization, if no impairment loss had been recognized.

3.4. Liabilities

Initial recognition and measurement

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Classification and subsequent measurement

i. Other financial liabilities

Other financial liabilities including deposits, debt issued by the Group and the other borrowed funds are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.5. Property, Plant and Equipment

Property, Plant and Equipment are tangible items that are held for use in the production or supply of goods or services, or for administrative purposes and are expected to be used during more than one period.

3.5.1. Recognition and Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except for Lands which is stated at revalued amounts. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

A revaluation of land is done when there is a substantial difference between the fair value and the carrying amount of the land, and is undertaken by professionally qualified valuers once in every 3 years.

Increases in the carrying amount on revaluation are credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases in the same individual asset are charged against the revaluation reserve directly in the equity. All other decreases are recognized in profit and loss.

3.5.2. Gains and Losses on Disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income/expenses" in profit or loss.

3.5.3. Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3.5.4. De-recognition

The carrying amount of an item of Property, Plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of Property, Plant & Equipment is included in profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.5.5. Depreciation

Depreciation is based on the cost of an asset or other amount substituted for cost, less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Depreciation is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. No depreciation is provided on assets under construction.

The estimated useful lives for the current and comparative years are as follows:

Buildings	20 years
Plant and machinery	10 years
Motor Vehicles	7 years
Lab Equipment	10 years
Computer Hardware	4 years
Office equipment	7 years
Gravure Print Cylinders	7 years
Furniture and fittings	7 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.6. Leased Assets

Recognition and initial measurement (as a lessee)

At the commencement date, a lessee shall recognize a right-of-use asset and a lease liability at the lease.

Right of use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Subsequent measurement

Right of use asset

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

Lease liability

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.6.1. Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is initially recognized at cost. Such goodwill is identified into cash-generating units and is annually tested for impairment. After initial recognition goodwill is stated at cost less accumulated impairment losses.

The goodwill arising on the acquisition of subsidiaries is presented as an intangible asset.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceed the cost of the acquisition of the entity, it is recognized immediately in the Consolidated Statement of Profit or Loss. Goodwill is not amortised.

Computer Software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets. Costs incurred on software that is not completed as at the reporting date are classified as capital work in progress. Upon completion and when the software is ready for use, the accumulated costs are transferred to intangible assets.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over the estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives on Intangible Assets for current and comparative periods are as follows:

Computer software	4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.7. Inventories

Inventories are measured at the lower of cost and net realizable value after making due allowances for obsolete & slow moving items.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3.8. Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of other than goodwill 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 amortization, if no impairment loss had been recognized.

3.9. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3.10. Stated Capital

Ordinary Shares

Ordinary shares are classified as equity. As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears.

3.11. Employee Benefits

3.11.1. Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.11.2. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(a) Employees' Provident Fund

The Group and employees contribute 12% and 8% respectively on the salary of each employee to the Employees' Provident Fund.

(b) Employees' Trust Fund

The Group contributes 3% of the salary of each employee to the Employees' Trust Fund. The total amount recognized as an expense to the Group for contribution to ETF is disclosed in the notes to Financial Statements.

3.11.3. Defined Benefit Plan – Gratuity

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The retirement benefit plan adopted is as required under the Payment of Gratuity Act No.12 of 1983.

Provision for gratuity on the employees of the Group are based on the Projected Unit Credit (PUC) method as recommended by LKAS 19- "Employee Benefits".

3.12. Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably; and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.13. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Company under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

3.14. Revenue Recognition

J.F. Packaging PLC - Sales of Flexible Packaging

Nature and timing of satisfaction of performance obligations including significant payment terms

Customers obtain control of flexible packaging when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 60 - 90 days. Contracts permit the customer to return an item if there is a fault with the items.

Alliance Five (Pvt) Ltd - Sales from Injection moulding and Fiber Brushes & Brooms

Nature and timing of satisfaction of performance obligations including significant payment terms

Customers obtain control of standard PP Injection Plastics Accessories & Fiber Based Brushes when the goods are shipped to the customers and based on the shipping terms agreed with the customers. Invoices are generated at that point in time. Invoices are usually payable within 90 days. No discounts are provided for PP Injection Plastics Accessories & Fiber Based Brushes. Contracts permit the customer to return an item if there is a fault in the items. Returned goods are exchanged only for new goods- i.e. no cash refunds are offered.

Kiffs (Pvt) Ltd - Sales from PET Bottles products & other accessories

Nature and timing of satisfaction of performance obligations including significant payment terms

Customers obtain control of standard PET Bottles Products when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 45 - 75 days. Contracts permit the customer to return an item if there is a fault in the items. Returned goods are exchanged only for new goods- i.e. no cash refunds are offered.

Ceylon Tapes (Pvt) Ltd - Sale of Adhesive Tapes & related products

Nature and timing of satisfaction of performance obligations. Including significant payment terms

Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 45 - 75 days. Selling prices vary depending on the customer. Customer to return an item. Returned goods are exchanged only for new goods- i.e. no cash refunds are offered.

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and turnover related taxes. Revenue is recognized when persuasive evidence exists, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Other income

Gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets are recognised by comparing the net sales proceeds with the carrying amount of the corresponding asset and are recognised net within 'other income' in the statement of profit or loss.

3.15. Expenses

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and losses on disposal of available for sale financial assets, fair value losses on financial assets at fair value through profit or loss and impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.16. Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

The principal temporary differences arise from depreciation on property, plant and equipment; and provisions for defined benefit obligations. Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at the balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

3.17. Earnings Per Share

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

3.18. Events Occurring After the Reporting Period

All material post balance sheet events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.19. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short- term commitments.

3.20. Related Party Transactions

Disclosure has been made in respect of transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the respective notes to the Consolidated Financial Statements.

3.21. Segmental Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segmental results assets and liabilities include items directly attributable to segment as well as these can be allocated on a reasonable basis.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

A number of new standards are effective for annual periods beginning on or after 1st January 2025 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. SLFRS 18 Presentation and Disclosure in Financial Statement

SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

B. Amendments to SLFRS 9 & SLFRS 7 – Classification and measurement of financial Instruments

C. General Requirements for Disclosure of Sustainability related Financial Information (SLFRS S1) and Climate-related Disclosures (SLFRS S2)

5. REVENUE

5.1 Set out below the Disaggregation of the group's / company's revenue from contract with customers.

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Revenue from Contracts with Customers				
Total Gross Revenue	5,347,603	5,098,196	2,807,159	2,617,701
Revenue collected as Tax				
SVAT	(120,579)	(210,278)	(24,827)	(37,616)
VAT	(722,223)	(502,704)	(425,381)	(208,948)
Total Net Revenue	4,504,801	4,385,214	2,356,951	2,371,137
Primary geographical markets				
Sri Lanka	4,408,224	4,310,807	2,356,882	2,369,699
Other	96,577	74,407	69	1,438
Total net Revenue	4,504,801	4,385,214	2,356,951	2,371,137

5.2. Timing of Revenue Recognition.

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Products transferred at a point in time	4,504,801	4,385,214	2,356,951	2,371,137
Total Revenue with Contracts of Customers	4,504,801	4,385,214	2,356,951	2,371,137

5.3. Business Segment Analysis of Revenue

Segment information is presented in respect of the Group's business segments. Business segments are based on the Group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group comprises the following main business segments:

- Packaging Products - Manufacturing & Selling Packaging Products
- Injection and Blow moulding Products - Manufacturing & Selling Injection & Blow moulding Products

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Packaging Products		Injection and Blow moulding Products		Total	
	2026	2025	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Total Revenue	3,306,470	3,137,793	1,303,900	1,331,909	4,610,370	4,469,702
Inter-segment revenue	(101,842)	(71,796)	(3,727)	(12,692)	(105,569)	(84,488)
Revenue from external customers	3,204,628	3,065,997	1,300,173	1,319,217	4,504,801	4,385,214
Segment gross profit	701,543	650,720	467,516	495,781	1,169,059	1,146,501
Operating overheads	(295,073)	(235,404)	(206,050)	(190,327)	(501,123)	(425,731)
Depreciation and amortisation	(102,350)	(90,233)	(28,531)	(20,548)	(130,881)	(110,781)
Contribution to defined benefit plan for gratuity	(11,181)	(7,882)	(3,570)	(2,990)	(14,751)	(10,872)
Reversal/(provision) impairment of debtors	(3,925)	(3,344)	1,240	4,610	(2,685)	1,266
Other operating income	3,493	6,018	1,266	1,270	4,759	7,288
Operating Profit	292,507	319,875	231,871	287,796	524,378	607,671
Finance Income	19,626	15,329	7,953	676	27,579	16,005
Finance Expenses	(214,971)	(295,905)	(16,526)	(24,751)	(231,497)	(320,656)
Profit Before Taxation	97,162	39,299	223,298	263,721	320,460	303,020
Income Tax Expense	(52,941)	(61,452)	(77,611)	(110,943)	(130,552)	(172,395)
Profit/(loss) for the year	44,221	(22,153)	145,687	152,778	189,908	130,625
Total Assets	3,002,511	3,063,711	804,599	659,016	3,807,110	3,722,727
Total Liabilities	1,663,577	2,204,151	500,502	402,046	2,164,079	2,606,197
Capital Expenditure	144,755	212,567	103,405	18,350	248,160	230,916
Addition to Right of Use Assets	1,510	-	-	-	1,510	-
Total Depreciation & Amortisation	102,350	90,234	28,531	20,548	130,881	110,781

The Company operates as a single business unit under the direction of the Managing Director, providing flexible packaging solutions to business clients. As such, there are no separately identifiable components that qualify as reportable segments for the Company.

6. OTHER INCOME AND EXPENSES

6.1 Other Income

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Profit on Disposal of Property, Plant and Equipment	-	1,267	-	1,103
Sundry Income	1,266	1,270	-	-
Dividend Income - Unquoted Companies	-	-	101,026	145,278
Scrap Sales	3,493	4,751	-	3,547
	4,759	7,288	101,026	149,928

6.2. Other Expenses

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Sundry Expenses - IPO Expenses	36,312	-	36,312	-
	36,312	-	36,312	-

7. NET FINANCE EXPENSES

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
(a) Finance Income				
Gain on Translation of Foreign Currency	24,271	13,165	-	-
Commission Income on Corporate Guarantee	2,267	1,718	5,729	1,718
Interest Income	1,041	1,122	193	134
Total Finance Income	27,579	16,005	5,922	1,852
(b) Finance Expense				
Bank Charges	19,624	19,395	17,128	16,490
Factoring Charges	7,100	12,849	7,100	12,849
Overdraft Interest	22,233	20,779	13,797	15,287
Trust receipt Loan Interest	81,755	76,887	70,757	66,464
Term Loan Interest	85,382	150,630	43,540	112,151
Commission Expense on Corporate Guarantee	2,554	2,963	-	-
Loss on Translation of Foreign Currency	3,830	25,298	3,830	19,770
Lease Interest (Note 20.1)	9,019	11,855	7,328	9,320
Total Finance Expense	231,497	320,656	163,480	252,331
Net Finance Expense	203,918	304,651	157,558	250,479

8. PROFIT BEFORE TAX

The Profit before taxation is stated after charging all the expenses including the following:

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Salaries & Wages	392,819	310,047	153,621	140,203
Defined Contribution Plan Cost - EPF & ETF	49,774	39,179	24,206	21,780
Defined Benefit Plan Cost - Retiring Gratuity (Note 22)	14,452	10,872	7,584	5,579
Depreciation and Amortization	111,039	90,999	69,986	71,766
Amortization of ROU Asset (Note 12)	19,842	19,783	10,750	10,797
Directors' Remuneration	29,487	16,758	25,480	12,600
Auditors' Remuneration - Audit fees	3,705	3,245	1,825	1,515
- Non-audit services	1,441	1,407	185	-
Legal expenses	2,481	2,545	2,481	2,545
Provision/(Reversal) for Impairment of Trade Debtors (Note 16.1)	2,684	(1,266)	4,180	3,533
Provision / (Reversal) for Obsolete Inventories (Note 15.1)	14,474	15,836	24,135	(1,257)
Inventory Write off	3,752	2,048	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. INCOME TAX EXPENSE

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Current Income Tax Expense				
Taxation on Profit for the Year (Note 9.1)	78,734	104,856	-	-
Under Provision in respect of Previous year	(3,374)	(4,729)	-	-
WHT on Dividends of Subsidiaries	19,752	26,062	-	-
	95,112	126,188	-	-
Deferred Tax Expense				
Origination of Temporary Differences (Note 21)	35,440	46,207	24,280	40,169
	35,440	46,207	24,280	40,169
	130,552	172,395	24,280	40,169

9.1 Current Income Tax Expense

Reconciliation of Accounting Profit to Income Tax Expense				
Accounting Profit before Taxation	320,460	303,020	133,643	100,628
Aggregate Disallowable Expenses	228,292	147,434	164,279	92,138
Aggregate Allowable Expenses	(166,708)	(171,611)	(79,229)	(117,741)
Tax Exempt Income	-	(457)	-	-
Adjustments- Income not part of Assessable Income	(2,727)	-	(100,944)	(145,278)
Net Statutory Gain / (Loss) from Business	379,317	278,386	117,749	(70,253)
Statutory Loss from Entities/(Tax loss utilized during the year)	(116,871)	71,133	(117,749)	70,253
Statutory Profit	262,446	349,519	-	-
Taxable Income	262,446	349,519	-	-
Income Tax @ 30% (2024/25-30%)	78,734	104,856	-	-
	78,734	104,856	-	-

The Group/Company is liable to pay income tax on its taxable income at 30% as per the Inland Revenue (Amendment) Act No. 45 of 2022 (2024–30%).

9.2. Accumulated Tax losses

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Tax losses brought forward	582,577	581,838	581,697	581,838
Tax loss for the year	-	71,133	-	70,253
Tax loss utilized during the year	(116,871)	-	(117,749)	-
Adjustment in respect of previous years	(127,025)	(70,394)	(125,267)	(70,394)
Tax losses carried forward	338,681	582,577	338,681	581,697

9.3. Reconciliation of Effective Tax Rate

A reconciliation between Tax Expense and the product of Accounting Profit multiplied by the Statutory Tax Rate is as follows;

For the year ended 31st March	Group				Company			
	2026		2025		2026		2025	
	Rs.000	Effective Tax Rate %	Rs.000	Effective Tax Rate %	Rs.000	Effective Tax Rate %	Rs.000	Effective Tax Rate %
Profit before taxation	320,460		303,020		133,643		100,628	
Disallowable expenses	228,292	71%	147,434	49%	164,279	123%	92,138	92%
Allowable expenses	(166,708)	-52%	(171,611)	-57%	(79,229)	-59%	(117,741)	-117%
Exempt Income	-	0%	(457)	0%	-	0%	-	0%
Adjustment - Income not part of Assessable Income	(2,727)	-1%	-	0%	(100,944)	-76%	(145,278)	-144%
Statutory loss from Entities/(Tax loss utilized during the year	(117,749)	-37%	71,133	23%	(117,749)	-88%	70,253	70%
Income Tax expense	78,734	24%	104,856	35%	-	0%	-	0%

10.1. Earnings Per Share

Earnings per share is based on the profit for the year attributable to equity holders of the Company, divided by the weighted average number of ordinary shares in issue during the year.

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
Profit attributable to Equity Holders of the Company (Rs.000)	189,908	130,625	109,363	60,459
Weighted Average Number of Ordinary Shares (No.'000)	139,113	120,407	139,113	120,407
Earning per Share (Rs.)	1.37	1.08	0.79	0.50

There was no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is same as basic earning per share shown above.

10.2. Dividend Per Share

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
Dividends for Ordinary Shareholders (Rs.'000)	86,065	-	86,065	-
No. of Ordinary Shares in issue (No.'000)	172,131	120,407	172,131	120,407
Dividend per Ordinary Share (Rs.)	0.50	-	0.50	-

Dividend per share for the year ended 31st March 2026 is the interim cash dividend paid for the financial year 2025/26.

11. PROPERTY PLANT & EQUIPMENTS

Group	Land	Buildings	Plant and Machinery	Motor Vehicle	Lab Equipment	Computer Hardware	Gravure Print Cylinders	Furniture and Fittings	Office Equipment	Leasehold Building	Capital Working Progress	Total as at 31st March 2026	Total as at 31st March 2025
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
COST/ REVALUATION													
Balance as at beginning of the year	384,000	300,773	1,127,928	51,301	5,137	39,257	285,814	18,471	67,623	15,649	17,358	2,313,311	2,120,806
Additions during the year	-	45,851	141,871	-	-	3,036	29,027	6,154	18,283	-	617	244,839	230,916
Transfers during the year	-	17,358	-	-	-	-	-	-	-	-	(17,358)	-	-
Disposals during the year	-	-	(59)	-	-	-	-	(35)	(677)	-	-	(771)	(38,411)
Balance as at end of the year	384,000	363,982	1,269,740	51,301	5,137	42,293	314,841	24,590	85,229	15,649	617	2,557,380	2,313,311
ACCUMULATED DEPRECIATION													
Balance as at beginning of the year	-	185,706	869,619	36,444	5,135	21,852	232,380	10,321	49,347	11,007	-	1,421,811	1,368,939
Charge for the year	-	15,763	57,864	3,797	2	7,739	15,323	1,686	7,891	974	-	111,039	90,939
Depreciation on disposals	-	-	(12)	-	-	-	-	(35)	(642)	-	-	(689)	(38,067)
Balance as at end of the year	-	201,469	927,471	40,241	5,137	29,591	247,703	11,972	56,596	11,981	-	1,532,161	1,421,811
Net Book Value as at 31st March 2026	384,000	162,513	342,269	11,060	-	12,702	67,138	12,618	28,633	3,668	617	1,025,218	891,500

Company	Land	Buildings	Plant and Machinery	Motor Vehicle	Lab Equipment	Computer Hardware	Gravure Print Cylinders	Furniture and Fittings	Office Equipment	Total as at 31st March 2026	Total as at 31st March 2025
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
COST/ REVALUATION											
Balance as at beginning of the year	348,000	294,573	746,965	32,756	5,137	19,055	285,814	7,227	27,609	1,767,136	1,713,837
Additions during the year	-	8,178	27,115	-	-	871	29,027	517	7,695	73,403	91,324
Disposals during the year	-	-	(59)	-	-	-	-	(35)	(502)	(596)	(38,025)
Balance as at end of the year	348,000	302,751	774,021	32,756	5,137	19,926	314,841	7,709	34,802	1,839,943	1,767,136
ACCUMULATED DEPRECIATION											
Balance as at beginning of the year	-	179,917	594,798	32,756	5,135	10,945	232,380	4,335	15,314	1,075,579	1,041,757
Charge for the year	-	14,739	31,773	-	2	3,773	15,323	592	3,784	69,986	71,725
Depreciation on disposals	-	-	(12)	-	-	-	-	(35)	(467)	(514)	(37,903)
Balance as at end of the year	-	194,656	626,559	32,756	5,137	14,718	247,703	4,892	18,631	1,145,051	1,075,579
Net Book Value as at 31st March 2026	348,000	108,095	147,462	-	-	5,208	67,138	2,817	16,171	694,892	691,557

11.1. Group/Company

The freehold land of the Company and the Group were revalued on the basis of market comparable method by an independent chartered valuer, Ms. Wathsala Wickramanayake FRICS (B.Sc. Estate Management & Valuation (sp) (Hons) (USJP), MBA (PIM), on 31st March 2025. This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, and condition of specific property. In this process, outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for, since the price may not adequately reflect the fair market value. The fair value measurement for all Lands has been categorized at level 03 fair value based on input valuation.

	J.F. Packaging PLC	Ceylon Tapes (Pvt) Ltd.
Location	No.306, Minuwangoda Road, Kotugoda.	No. 23/20, Samagi Mawatha, Ward No. 6, Ekala.
Extend of the land	348 Perches	45 Perches
Cost	Rs. 42,199,750/-	Rs.11,250,000/-
Valuation	Rs.348,000,000/-	Rs.36,000,000/-

11.2. Sensitivity Analysis

Possible changes at the reporting date to one of the significant unobservable inputs, holdings the other inputs content, would have the followings impacts.

Market Price per Perch (10% movement)	Market Value 31.03.2025 Rs.000	Increase +10% Rs.000	Decrease -10% Rs.000
J.F. Packaging PLC	348,000	34,800	(34,800)
Ceylon Tapes (Pvt) Ltd.	36,000	3,600	(3,600)
	384,000	38,400	(38,400)

11.3. Fully Depreciated Asset Still in use

The cost of fully depreciated property, plant and equipment of the Group and the Company which are still in use amounted to:

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Plant and Machinery	694,611	662,410	428,752	401,901
Motor Vehicle	36,111	36,111	32,756	32,756
Computer Hardware	11,482	20,904	5,725	16,571
Cylinders	170,623	145,858	170,623	145,858
Office Equipment & Furniture	33,842	26,636	12,180	8,271
Tools & Equipment	15,336	15,335	-	-
Lab Equipment	5,115	5,115	5,115	5,115
	967,120	912,369	655,151	610,472

12. Right of use the Asset

	Group 2026	Group 2025	Company 2026	Company 2025
Land and Building				
Balance at the beginning of the year	45,080	64,863	28,667	39,464
Addition during the Year	1,510	-	-	-
Amortization charge for the year	(19,842)	(19,783)	(10,750)	(10,797)
Balance at the end of the year	26,748	45,080	17,917	28,667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

J.F. Packaging PLC

The company leases land and the building which located in, No 06 Agaradaguru Mawatha Ekala has been obtained on lease for 5 years from 01st December 2022 to 30th November 2027 with the option to terminate the agreement after 02 years by giving 01 year prior notice. The management has no taken a decision to terminate the lease as at 31st March 2026. During the lease period, the Company has the right to use the land for the business purposes.

Kiffs (Pvt) Ltd

The company leases land and the building which is located in, Pahalakaragahamuna, Kadawatha has been obtained as a lease for 10 years from 01st July 2016 to 30th June 2026 with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has not taken a decision to terminate the lease as at 31st March 2026. During the lease period, the Company has the right to use the land for the business purposes.

Ceylon Tapes (Pvt) Ltd

The company leases its factory land and the buildings which is located in, Ekalakuruduwatta in Ragam pattu of Aluthkurukorale which has been obtained as a lease for 20 years from 9th June 2016 to 8th June 2036, with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has not taken a decision to terminate the lease as at 31st March 2026. During the lease period, the Company has the right to use the land for the business purposes.

Alliance Five (Pvt) Ltd

The company leases land and the building which located in, Nedungahawatta and Alubogahawatta has been obtained on lease for 10 years from 01st January 2017 to 31st December 2026 with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has no taken a decision to terminate the lease as at 31st March 2026. During the lease period, the Company has the right to use the land for the business purposes.

13. INTANGIBLE ASSETS

13.1. Computer Software

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Cost				
Balance at the beginning of the year	18,012	18,012	11,151	11,151
Additions during the year	-	-	-	-
Balance at the end of the year	18,012	18,012	11,151	11,151
Accumulated Amortization				
Balance at the beginning of the year	18,012	17,952	11,151	11,110
Charge for the year	-	60	-	41
Balance at the end of the year	18,012	18,012	11,151	11,151
Written Down Value	-	-	-	-

13.2 Nature of the Capital WIP

Capital Working Progress - Software	6,512	3,191	-	-

Fully Amortized but Still in use

The cost of fully amortized intangible assets of the Group and the Company which are still in use amounted to:

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Computer Software	18,012	18,012	11,151	11,151

13.3. Goodwill

	Group	
As at 31st March,	2026	2025
	Rs.000	Rs.000
Balance at the beginning of the year	210,662	210,662
Balance at the end of the year	210,662	210,662

This represents the excess of the cost of acquisition over the attributable net assets of the following subsidiary companies. The aggregate carrying amount of Goodwill allocated to each company is as follows:.

	Company	
As at 31st March,	2026	2025
	Rs.000	Rs.000
Kiffs (Pvt) Ltd	143,777	143,777
Alliance Five (Pvt) Ltd	42,185	42,185
Ceylon Tapes (Pvt) Ltd	24,700	24,700
	210,662	210,662

The Group has carried out an impairment assessment for the Goodwill recognized in the Consolidated Financial Statements as at 31st March 2026. For the purpose of impairment assessment the Group considered each Company as separate CGUs.

Recoverable amounts of these investments were measured as follows:

13.3.1. Recoverable values measured with reference to the value in use

The values assigned to the key assumptions represents management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Investee	Significant unobservable inputs	Value of the inputs
Kiffs (Pvt) Ltd (KF)	Average Growth Rate	13.5%
	Terminal Growth Rate	3%
	Discount Rate	10%
	Term	3 years (terminal value thereafter)
Alliance Five (Pvt) Ltd (AF)	Average Growth Rate	10.9%
	Terminal Growth Rate	3%
	Discount Rate	10%
	Term	3 years (terminal value thereafter)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Investee	Significant unobservable inputs	Value of the inputs
Ceylon Tapes (Pvt) Ltd. (CT)	Average Growth Rate	19.6%
	Terminal Growth Rate	3%
	Discount Rate	10%
	Term	3 years (terminal value thereafter)

Above assumptions have been determined based on the historical performance of the CGU adjusted for market information related to discount rate.

The management has identified that a reasonably possible change in below key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which assumption would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount		
Company Name	KF	AF	CTP
Discount Rate	24%	25%	16%
Terminal Growth Rate	-12%	-20%	-5%

The fair value measurement was categorized as a Level 03 fair value based on the inputs in valuation technique used.

The Board of Directors believes there is no requirement of impairment as at 31st March 2026.

14. INVESTMENTS

14.1. Investments in Subsidiaries

	Effective Holding	No of Shares 31.03.2026	Cost 31.03.2026	No of Shares 31.03.2025	Cost 31.03.2025
Unquoted Investments	%		Rs.000		Rs.000
(a) Equity Shares					
JF Ventures Ltd	100%	139,800,019	1,398,000	139,800,019	1,398,000
(b) Preference Shares					
Ceylon Tapes (Pvt) Ltd		160,000	26,939	160,000	26,939
			1,424,939		1,424,939

14.1.1. Recoverable values measured with reference to their respective fair value less cost to sell

The recoverable values of these subsidiaries were determined with reference to their net assets values as follows,

Subsidiary	Range of Input
JF Ventures Ltd	Rs. 10.05 - 10.15
Ceylon Tapes (Pvt) Ltd	Rs. 200.00-220.00

14.2. Equity Investments at FVOCI

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Quoted Investments	14.2.1	5,459	3,979	-	-
Unquoted Investments	14.2.2	313,083	551,657	-	-
		318,542	555,636	-	-

14.2.1. Quoted Investments

As at 31st March	Group No of share 2026	Group Fair value 2026 Rs.000	Group No of shares 2025	Group Fair value 2025 Rs.000
Nations Trust Bank PLC	7,848	2,270	7,781	1,478
Chevron Lubricants Lanka PLC	12,000	2,145	12,000	1,650
National Development Bank PLC	7,793	1,013	7,793	834
Ceylon Hospitals PLC	520	31	130	17
Total Quoted Investments		5,459		3,979

14.2.2. Unquoted Investments

As at 31st March	Group No of Share 2026	Group Cost 2026 Rs.000	Group Fair value 2026 Rs.000	Group No of shares 2025	Group Fair value 2025 Rs.000
Asia Pacific Golf Courses Ltd	2,500	250	250	2,500	250
Cosolidated Tea Plantation Ltd	6,018,518	325,000	313,083	6,018,518	551,657
		325,250	313,333		551,907
Less: Provision for Impairment - Asia Pacific Golf Courses Ltd			(250)		(250)
Total Unquoted Investments			313,083		551,657

Provision for Unquoted Investments

As at 31st March	Company No of share 2026	Company Fair value 2026 Rs.000	Company No of shares 2025	Company Fair value 2025 Rs.000
Asia Pacific Golf Courses Ltd	2,500	250	2,500	250
Less: Provision for Impairment of Unquoted Investments		(250)		(250)
Total Unquoted Investments		-		-

No Strategic investments were disposed during 2025/26, and there were no transfer of any cumulative gain or loss within equity relating to these investments.

The fair value of unquoted investments is classified as level 03 in their value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. INVENTORIES

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Raw material	786,698	751,558	526,989	540,563
Work in progress	106,744	73,869	63,836	25,405
Finished goods	113,234	127,093	76,661	78,815
Consumables	53,411	43,561	40,837	30,080
	1,060,087	996,081	708,323	674,863
Less: Provision for Obsolete Inventories (Note 15.1)	(192,000)	(181,278)	(162,024)	(137,889)
	868,087	814,803	546,299	536,974

15.1 Provision for Obsolete Inventories

Balance at the beginning	181,278	167,490	137,889	139,146
Provision/ (Reversal) during the year	14,474	15,836	24,135	(1,257)
Write off during the year	(3,752)	(2,048)	-	-
Balance at the year end	192,000	181,278	162,024	137,889

16. TRADE & OTHER RECEIVABLES

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Trade Receivables	802,928	700,318	428,355	392,827
Impairment of Trade Receivables (Note 16.1)	(45,175)	(42,491)	(21,522)	(17,342)
	757,753	657,827	406,833	375,485
Other Receivables	9,044	750	8,814	750
Deposits, Advances and Prepayments	300,399	231,774	129,056	50,903
Staff Loan	4,253	2,440	3,309	1,625
Tax Recoverable	55,068	37,960	-	-
	368,764	272,924	141,179	53,278
Total Trade and Other Receivables	1,126,517	930,751	548,012	428,763

16.1 Impairment of Trade Receivables

Balance at the beginning	42,491	113,554	17,342	66,863
Write - off during the year	-	(69,797)	-	(53,054)
Provision/ (Reversal) during the year	2,684	(1,266)	4,180	3,533
Balance at the year end	45,175	42,491	21,522	17,342

17. INVESTMENTS AT AMORTIZED COST

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Fixed Deposits	3,232	3,232	-	-
	3,232	3,232	-	-

18 . CASH AND CASH EQUIVALENTS

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Favorable balances				
Cash at Bank	82,055	123,152	40,439	29,147
Cash in Hand	780	690	158	158
	82,835	123,842	40,597	29,305
Unfavorable balances				
Bank Overdraft	(252,956)	(235,795)	(193,260)	(189,963)
Cash and Cash Equivalents in the Statement of the Cashflows	(170,121)	(111,953)	(152,663)	(160,658)

19. STATED CAPITAL

	Group / Company			
	No of shares 2026	Value of Shares 2026	No of shares 2025	Value of Shares 2025
		Rs.000		Rs.000
Fully paid ordinary shares at beginning of the year	120,406,800	449,047	120,406,800	449,047
Issued during the year	51,724,144	600,000	-	-
At the end of the Year	172,130,944	1,049,047	120,406,800	449,047

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders or one vote per share in the case of a poll.

20. INTEREST BEARING BORROWINGS

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Payable after one year				
Lease Liability (Note 20.1)	18,800	37,682	12,451	27,734
Long Term Loans (Note 20.2)	334,150	604,285	-	290,085
	352,950	641,967	12,451	317,819
Payable with in one year				
Lease Liability (Note 20.1)	19,650	21,535	14,282	9,821
Long Term Loans (Note 20.2)	43,800	309,757	-	298,957
Short Term Loans (Note 20.3)	931,619	875,863	712,974	661,834
	995,069	1,207,155	727,256	970,612
Total Interest bearing Borrowings	1,348,019	1,849,122	739,707	1,288,431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20.1. Lease Liability

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	59,217	74,905	37,555	42,535
Addition during the year	1,825	-	-	-
Repayments during the year	(31,611)	(27,543)	(18,150)	(14,300)
Interest charged during the year	9,019	11,855	7,328	9,320
Balance as at end of the year	38,450	59,217	26,733	37,555
Payable within one year	19,650	21,535	14,282	9,821
Payable after one year	18,800	37,682	12,451	27,734
	38,450	59,217	26,733	37,555

20.1.1 Amount Recognized in Income Statement

Interest on Lease Liabilities	9,019	11,855	7,328	9,320
Amortization - Right-of-use Assets	19,842	19,783	10,750	10,797
	28,861	31,638	18,078	20,117

20.1.2 Amount Recognized in Statement of Cashflow

Interest repayment during the year	(9,019)	(11,855)	(7,328)	(9,320)
Capital repayment during the year	(22,592)	(15,688)	(10,822)	(4,980)
	(31,611)	(27,543)	(18,150)	(14,300)

20.1.3 Maturity Analysis

Maturity analysis of contractual Undiscounted Cash flow,				
Within next 12 months	25,012	31,393	18,755	18,150
Between 1 to 2 years	15,430	24,722	13,310	18,755
More than 2 years	9,346	21,972	-	13,310
	49,788	78,087	32,065	50,215

20.2. Long Term Loans

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning	914,042	1,198,350	589,042	873,350
Loans obtained during the year	75,000	-	-	-
Payments made during the year	(611,092)	(284,308)	(589,042)	(284,308)
Balance at the end	377,950	914,042	-	589,042
Payable within one year	43,800	309,757	-	298,957
Payable after one year	334,150	604,285	-	290,085
	377,950	914,042	-	589,042

20.3. Short Term Loans

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Trust Receipt Loans	712,974	661,834	712,974	661,834
Short Term Loans	218,645	214,029	-	-
	931,619	875,863	712,974	661,834

20.4 Assets pledged as Security Against Interest Bearing Borrowings (Long Term Loans)

Company	Lender	Balance as at 31.03.2026 Rs.000	Balance as at 31.03.2025 Rs.000	Terms of the Facilities	Security Pledged
JF Packaging PLC	**Sampath Bank PLC**				
	Loan 01 Facility - Rs. 99.87 Mn	-	22,975	Repayable over 5 years in 60 monthly installments, 01-12 month - Rs. 322,500/-, 13-24 month - Rs. 1,000,000/-, 25-36 month - Rs. 1,750,000/-, 37-48 month - Rs. 2,250,000/-, 49-60 month - Rs. 3,000,000/-	Corporate guarantee of Lankem Ceylon PLC for Rs. 98,870,000/- & Mortgage over shares of Alliance Five (Pvt) Ltd.
	Loan 02 Facility - Rs. 25.66 Mn	-	6,035	Repayable over 5 years in 60 monthly installments, 01-12 month - Rs.125,000/-, 13-24 month - Rs.250,000 /-, 25-36 month - Rs.450,000/-, 37-48 month - Rs.575,000/-, 49-60 month - Rs.738,800/-	Mortgage over Dry laminating machine and related equipment.
	Loan 03 Facility - Rs. 2.85 Mn	-	380	Repayable over 5 years in 60 monthly installments of Rs.47,500/-	
		-	29,390		
	Bank of Ceylon				
	Loan 01 Facility - Rs. 150.0 Mn	-	51,574	Repayable over 6 years in 72 monthly installments, 01-12 month - Rs. 500,000/-, 13-24 month - Rs. 750,000 /-, 25-36 month - Rs. 1,702,000/-, 37-48 month - Rs. 2,119,000/-, 49-60 month - Rs. 2,536,000/-, 61-72 month - Rs. 2,607,000/-	Primary mortgage of Land, building and machinery situated at No. 306, Minuwangoda Road, Kotugoda.
	Loan 02 Facility - Rs. 150.0 Mn	-	27,636	Repayable over 5 years in 60 monthly installments, 01-12 month - Rs. 500,000/-, 13-24 month - Rs. 750,000 /-, 25-36 month - Rs. 1,000,000/-, 37-48 month - Rs. 1,333,000/-, 49-60 month - Rs. 1,415,000/-	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company	Lender	Balance as at 31.03.2026 Rs.000	Balance as at 31.03.2025 Rs.000	Terms of the Facilities	Security Pledged
	Loan 03 Facility - Rs. 140.0 Mn	-	44,723	Repayable over 6 years in 72 monthly installments, 01-12 month - Rs. 500,000/-, 13-24 month - Rs. 750,000 /-, 25-36 month - Rs. 1,000,000/-, 37-48 month - Rs. 1,828,000/-, 49-60 month - Rs. 1,995,000/-, 61-72 month - Rs. 2,397,000/-	
	Loan 04 Facility - Rs. 295.68 Mn	-	161,857	Repayable over 5 years in equal monthly capital of Rs.4,927,975/-	Mortgage over stocks and book debts held at factory premises at No. 306, Minuwangoda Road, Kotugoda
	Loan 05 Facility - Rs. 236.37 Mn	-	152,767	Repayable over 6 years in 72 monthly installments, 01-12 month - Rs. 500,000/-, 13-24 month - Rs. 1,000,000 /-, 25-36 month - Rs. 3,283,000/-, 37-48 month - Rs. 4,283,000/-, 49-60 month - Rs. 5,033,000/-, 61-72 month - Rs. 5,599,000/-	Primary mortgage of Land, building and machinery situated at No. 306, Minuwangoda Road, Kotugoda.
		-	438,557		
	Nation Trust Bank PLC				
	Approved Facility - Rs. 117.36 Mn	-	91,276	Repayable over 5 years in monthly installments; 01-12 month - Rs. 1,500,000/-, 13-24 month - Rs. 2,000,000 /-, 25-36 month - Rs. 2,500,000/-, 37-48 month - Rs. 3,000,000/-, 49-60 month - Rs. 2,342,639/-	Mortgage over stocks and book debts held at factory premises at No: 306,Minuwangoda Road, Kotugoda. Corporate guarantee from Lankem Ceylon PLC for Rs. 107.69 Mn.
		-	91,276		
	Siyapatha Finance PLC				
	Loan 01 Approved Facility - Rs.60 Mn	-	29,819	Repayable over 31 monthly installments; 01 - 12 month - Rs. 2,250,000/-, 13 - 25 month - Rs. 2,500,000 /-, 25 - 30 month - Rs. 3,000,000/-, 31 month - Rs. 3,165,914/-	Corporate guarantee from Ceylon Tapes (Pvt) Ltd and a loan agreement for Rs. 60,041,261/-
		-	29,819		
		-	589,042		

Company	Lender	Balance as at 31.03.2026 Rs.000	Balance as at 31.03.2025 Rs.000	Terms of the Facilities	Security Pledged
Ceylon Tapes (Pvt) Ltd	**Hatton National Bank PLC**				
	Loan 01 Facility - Rs. 325 Mn	314,200	325,000	Repayable over 7 years in 84 monthly installments 01-12 month - Interest Only, 13-24 month - Rs. 900,000 /-, 25-36 month - Rs. 2,400,000/-, 37-48 month - Rs. 3,900,000/-, 49-60 month - Rs. 5,900,000/-, 61-72 month - Rs. 6,500,000/-, 73-78 month - Rs. 7,060,000/-, 79-83 month - Rs. 8,060,000/-, 84 month-Rs. 7,140,000/-	Commercial Property owned by Union Commodity (Pvt) Ltd, No. 79, Biyagama Road, Talwatte, Kelaniya.
	Loan 02 Facility - Rs. 75 Mn	63,750	-	Repayable over 5 years in equal monthly capital of Rs. 1.250,000/-	Primary Mortgage Bond for Rs. 60 Mn over Machinery Situated at No. 60/1, Aniyakanda Estate, Nagoda, Kandana. Corporate guarantee from J.F. Packaging PLC for Rs. 75 Mn.
		377,950	325,000		
		377,950	914,042		

21. DEFERRED TAX LIABILITIES/(ASSETS)

	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance as at the beginning of the year	3,597	(108,477)	(46,619)	(85,911)
Charge / (Reversal) to Other Comprehensive Income	(76,640)	65,867	(2,460)	(877)
Charge / (Reversal) to Profit or Loss	35,440	46,207	24,280	40,169
Balance as at the end of the year	(37,603)	3,597	(24,799)	(46,619)

The Group/Company has arrived; the deferred tax assets/liability are by applying the 30% tax rate applicable for the expected source of income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21.1. Deferred Tax Composition

	Group			
	2026		2025	
	Temporary Difference	Tax Effect on Temporary Difference	Temporary Difference	Tax Effect on Temporary Difference
	Rs.000	Rs.000	Rs.000	Rs.000
Deferred Tax Assets				
Retirement benefit obligations	82,548	24,764	56,795	17,039
General Provision for Trade Receivables	45,175	13,552	42,491	12,747
General Provision for Inventory	192,000	57,600	181,278	54,383
Unrealized Exchange Loss	2,185	656	9,743	2,923
Tax Losses carried forward	338,681	101,604	466,547	139,964
Change in fair value - Equity Investments - unquoted	11,917	3,575	-	-
Lease Liability	38,450	11,535	59,217	17,765
Deferred Tax Liabilities				
Property, Plant & Equipment	(226,935)	(68,081)	(220,924)	(66,277)
Change in fair value - Equity Investments - unquoted	-	-	(226,657)	(67,997)
Right of Use the Asset	(26,748)	(8,024)	(45,080)	(13,524)
Unrealized Exchange Gain	(1,376)	(413)	(4,849)	(1,455)
Revaluation Gain	(330,550)	(99,165)	(330,550)	(99,165)
Net Deferred Tax Asset / (Liability)	125,347	37,603	(11,989)	(3,597)

	Company			
	2026		2025	
	Temporary Difference	Tax Effect on Temporary Difference	Temporary Difference	Tax Effect on Temporary Difference
	Rs.000	Rs.000	Rs.000	Rs.000
Deferred Tax Assets				
Retirement benefit obligations	39,638	11,891	27,875	8,362
General Provision for Trade Receivables	21,522	6,457	17,342	5,203
Inventory Provision	162,024	48,607	137,889	41,367
Tax Losses carried forward	338,681	101,604	466,547	139,964
Lease Liability	26,733	8,020	37,555	11,266
Deferred Tax Liabilities				
On Property, Plant & Equipment	(182,218)	(54,665)	(197,104)	(59,131)
Unrealised exchage loss	-	-	(239)	(72)
Right of Use the Asset	(17,917)	(5,375)	(28,667)	(8,600)
Revaluation Gain	(305,800)	(91,740)	(305,800)	(91,740)
Net Deferred Tax Asset	82,663	24,799	155,398	46,619

21.1.1. Accumulated Tax Losses

The deferred tax asset arising from accumulated tax losses carried forward was recognized only up to the extent of the expected future taxable profits. In estimating the future taxable profits, the Company / Group has considered the expected level of future business operations along with the impact of the implementation of the strategic plan.

21.1.2. Revaluation Surplus on Freehold Land

As per Section 6 and Chapter IV of the Inland Revenue Act No. 24 of 2017, free hold lands used for business or investment purpose would be liable to tax at the time of realisation. Accordingly, deferred tax is recognised on the revaluation surplus of freehold lands which are treated as capital assets used in the business for tax purpose.

22. RETIREMENT BENEFIT OBLIGATIONS

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Present Value of the Unfunded Obligations	82,548	56,795	39,638	27,875

Present Value of the Unfunded Obligations

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	56,795	43,582	27,875	21,765
Provision for the year	14,452	10,872	7,584	5,579
	71,247	54,454	35,459	27,344
Gratuity Paid	(5,588)	(4,761)	(4,021)	(2,393)
Actuarial Losses	16,889	7,102	8,200	2,924
Balance at the end of the year	82,548	56,795	39,638	27,875
Expenses Recognized in the Statement of Profit or Loss				
Current Service Cost	8,206	4,989	4,518	2,314
Interest on Obligations	6,246	5,883	3,066	3,265
Provision for the year	14,452	10,872	7,584	5,579
Recognized in the Other Comprehensive Income				
Actuarial Losses	16,889	7,102	8,200	2,924
Total Recognized in the Statement of Profit or Loss and Other Comprehensive Income	31,341	17,974	15,784	8,503

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The retirement benefit obligation of the Company and its subsidiaries as at 31st March 2026 is based on actuarial valuation carried out by Messrs. Actuarial and Management Consultants (Private) Ltd. LKAS 19 - 'Employee benefit' requires to apply Project Credit Unit method to make a reliable estimate of the retirement benefit obligation in order to determine the present value of the retirement benefit obligation. These key assumptions were made in arriving at the retirement benefit obligation as at 31st March 2026 in respect of following companies are stated below.

	Discount Rate	Expected Salary Increment Rate	Retirement Age	Liability as at 31.03.2026 Rs. Mn
J.F. Packaging PLC	10.0%	10%	60 Years	39.64
Kiffs (Pvt) Ltd.	10.0%	10%	60 Years	5.80
Alliance Five (Pvt) Ltd	10.0%	10%	60 Years	13.96
Ceylon Tapes (Pvt) Ltd	10.0%	10%	60 Years	23.15

	Discount Rate	Expected Salary Increment Rate	Retirement Age	Liability as at 31.03.2025 Rs. Mn
J.F. Packaging PLC	11.0%	10%	60 Years	27.88
Kiffs (Pvt) Ltd	11.0%	10%	60 Years	5.18
Alliance Five (Pvt) Ltd	11.0%	10%	60 Years	8.99
Ceylon Tapes (Pvt) Ltd	11.0%	10%	60 Years	14.75

Discount Rate

A long-term Treasury Bond rate of 10.0% p.a. (2025: 11.1%) has been used to discount future liabilities taking into consideration the remaining working life of eligible employees.

Sensitivity of assumptions employed in actuarial valuation

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2026		2025	
Group	Increase	Decrease	Increase	Decrease
	Rs.000	Rs.000	Rs.000	Rs.000
Movement by 1%				
Discount Rate	(3,851)	4,267	(3,875)	4,387
Future salary scale	4,436	(4,224)	4,595	(4,120)

	2026		2025	
Company	Increase	Decrease	Increase	Decrease
	Rs.000	Rs.000	Rs.000	Rs.000
Movement by 1%				
Discount Rate	(1,790)	1,980	(1,949)	2,220
Future salary scale	2,139	(1,969)	2,339	(2,085)

Maturity Analysis

The following payments are expected on employee benefit liabilities in future years from the fund as follows,

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Within the next 12 months	19,439	5,417	9,978	2,947
Between 1 and 2 years	16,104	8,622	6,888	3,773
Between 3 and 5 years	14,961	10,835	9,321	6,253
Beyond 5 years	32,044	31,921	13,451	14,902
	82,548	56,795	39,638	27,875

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Trade Payables	152,212	109,240	128,620	98,034
Unclaimed Dividend	1,335	-	1,335	-
Other Payable	136,082	131,597	44,886	21,749
Other Tax Payables	26,005	32,591	5,543	19,642
Accrued Expenses	118,700	128,030	10,429	20,839
	434,334	401,458	190,813	160,264

24 RELATED PARTY TRANSACTIONS

24.1 Amounts Due from Related Parties

24.1.1. Amounts due from Related Parties - Trade

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
C.W.Mackie PLC	37,915	21,922	3,370	-
E.B.Creasy & Co PLC	17,705	20,107	16,423	18,437
Lankem Ceylon PLC	1,513	14,163	539	9,445
SunAgro LifeScience Ltd	171	197	-	-
Union Commodities (Pvt) Ltd	21,416	18,253	20,320	17,637
Kiffs (Pvt) Ltd	-	-	8,363	-
Candy Delights Ltd	21,424	18,714	14,008	14,734
Acme Printing & Packaging PLC	394	539	394	390
Acme Packaging Solutions (Pvt) Ltd	203	370	203	203
Darley Butler & Co. Ltd	1,017	-	1,017	-
Ceylon Tapes (Pvt) Ltd	-	-	2,647	9,517
Marawila Resorts PLC	93	-	92	-
Sigiriya Village Hotels PLC	179	-	179	-
Impairment of Amounts Due from Related Parties - Trade (Note. 24.1.1.1)	(4,098)	-	(4,049)	-
	97,932	94,265	63,506	70,363

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24.1.1.1. Movement for Impairment of Amounts Due from Related Parties - Trade

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	-	-	-	-
Charge during the year	4,098	-	4,049	-
Balance at the end of the year	4,098	-	4,049	-

24.1.1.2. Impairment of Amounts Due from Related Parties - Trade

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
C.W.Mackie PLC	85	-	7	-
E.B.Creasy & Co PLC	104	-	90	-
Lankem Ceylon PLC	36	-	36	-
SunAgro LifeScience Ltd	4	-	-	-
Union Commodities (Pvt) Ltd	3,568	-	3,568	-
Kiffs (Pvt) Ltd	-	-	9	-
Candy Delights Ltd	12	-	5	-
Acme Printing & Packaging PLC	179	-	179	-
Acme Packaging Solution Ltd	110	-	110	-
Ceylon Tapes (Pvt) Ltd	-	-	45	-
	4,098	-	4,049	-

24.1.2. Amounts due from Related Parties - Non-trade

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Lankem Ceylon PLC	1,144	46,904	1,144	46,904
JF Ventures Ltd	-	-	12,233	27,727
Alliance Five (Pvt) Ltd	-	-	78,892	35,731
Kiffs (Pvt) Ltd	-	-	40,902	40,798
Ceylon Tapes (Pvt) Ltd	-	-	64,835	42,174
Lanka Special Steel (Pvt) Ltd	21	-	-	-
Beruwala Resorts PLC	400	-	400	-
Colombo Fort Group Services (Pvt) Ltd	24	364	-	-
Impairment of Amounts Due from Related Parties - Non-Trade (Note. 24.1.2.1)	(476)	-	(1,642)	-
	1,113	47,268	196,764	193,334

24.1.2.1. Movement for Impairment of Amounts Due from Related Parties - Non-Trade

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	-	-	-	-
Charge during the year	476	-	1,642	-
Balance at the end of the year	476	-	1,642	-

24.1.2.2. Impairment of Amounts Due from Related Parties - Non-Trade

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Lankem Ceylon PLC	76	-	76	-
Kiffs (Pvt) Ltd	-	-	44	-
Alliance Five (Pvt) Ltd	-	-	10	-
Ceylon Tapes (Pvt) Ltd	-	-	1,112	-
Beruwala Resorts PLC	400	-	400	-
	476	-	1,642	-

24.2. Amounts Due to Related Parties

24.2.1. Amounts due to Related Parties - Trade

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Kiffs (Pvt) Ltd	-	-	-	2,254
Lankem Ceylon PLC	-	161	-	-
C.W.Mackie PLC	-	1,858	-	1,858
Colombo Fort Group Services (Pvt) Ltd	5,088	2,419	-	2,419
E B Creasy Logistics Ltd	3,652	4,319	2,196	2,546
	8,740	8,757	2,196	9,077

24.2.2. Amounts due to Related Parties - Non-trade

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Lankem Ceylon PLC	3,372	5,447	-	-
Sterling Steels (Pvt) Ltd	-	746	-	746
	3,372	6,193	-	746

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24.3. Transaction with Related Entities

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 - Related Party Disclosure, the details of which are reported below.

For the year Ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Parent				
(Purchases)/Sale of Goods	(552)	(143)	(1,192)	720
(Reimbursement)/ Charging of Expenses	(61,543)	(36,308)	(38)	(29,360)
Settlement of dues	(62,351)	39,401	(113,640)	28,004
Dividend Paid	60,203	-	60,203	-
Subsidiaries				
(Purchases)/Sale of Goods	-	-	(14,281)	8,933
(Reimbursement)/ Charging of Expenses	-	-	1,187,167	69,487
Settlement of dues	-	-	(147,746)	(65,400)
Dividend Income	-	-	97,490	145,278
Related Entities				
(Purchases)/Sale of Goods	453,842	501,242	191,643	201,044
(Receipt)/Payment of Outstanding Balances	(429,009)	(513,602)	(181,537)	(190,210)
(Reimbursement)/ Charging of Expenses	2,525	3,036	58	-

24.4. Terms and Conditions of Transactions with Related Parties

Transactions with related parties are carried out in the ordinary course of the business at commercial rates. Outstanding balances at the end of the year are unsecured. Interest on outstanding balances has been charged at the prevailing market rate (unless otherwise stated).

24.5. Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard 24 - Related Party Disclosures, Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, Key Management Personnel include the members of the Board of Directors of J.F. Packaging PLC and its subsidiary companies.

(a) Loans to Key Management Personnel

No loans have been given to Key Management Personnel during the year.

(b) Key Management Personnel Compensation

Details of compensation for Executive and Non-Executive Directors are disclosed below.

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Short-term Employee Benefits	29,487	16,758	25, 480	12,600
Post Employment Benefits	-	-	-	-

(c) Transactions with close family members

There were no transactions with close family members during the year.

24.6. The Directors of the Company are also Directors of the following companies:

Name of the Company	Relationship	Name of the Director						
		Mr. S. D. R. Arudpragasam	Mr. K. P. David	Mr. Anushman Rajaratnam	Mr. P. S. Goonewardene	Mr. A. Hettiarachchy	Mr. S. B. Perera	Mr. K. G. Punchihewa
The Colombo Fort Land and Building PLC	Ultimate Parent	X		X			X	X
Lankem Ceylon PLC	Intermediate Parent	X		X	X	X	X	X
E.B.Creasy & Co PLC	Related Entities	X					X	X
JF Ventures Ltd	Subsidiary	X	X	X	X	X		X
Kiffs (Pvt) Ltd	Subsidiary	X	X	X	X	X		X
Ceylon Tapes (Pvt) Ltd	Subsidiary	X	X	X	X	X	X	X
Alliance Five (Pvt) Ltd	Subsidiary	X	X	X	X	X		X
Acme Printing & Packaging PLC	Related Entities	X		X	X	X		X
Acme Packaging Solutions (Pvt) Ltd	Related Entities	X		X	X	X		
C.W.Mackie PLC	Related Entities	X		X			X	
Candy Delights Ltd	Related Entities	X						
Colombo Fort Group Services (Pvt) Ltd	Related Entities	X		X				
Darley Butler and Co. Ltd	Related Entities	X						
E. B. Creasy Logistics Ltd	Related Entities	X						
Kelani Valley Canneries Ltd	Related Entities			X				
SunAgro LifeScience Ltd	Related Entities	X		X	X	X		
Union Commodities (Pvt) Ltd	Related Entities	X		X				
Sterling Steels (Pvt) Ltd.	Related Entities	X						
Beruwala Resorts PLC	Related Entities	X		X			X	
Marawila Resorts PLC	Related Entities	X		X			X	
Sigiriya Village Hotels PLC	Related Entities	X		X			X	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS

25.1. Financial Instruments - Statement of Financial Position

The Financial instruments recognised in the statement of financial position are as follows:

		Group		Company	
		2026	2025	2026	2025
	Note	Rs.000	Rs.000	Rs.000	Rs.000
Financial Assets - Measured at Fair Value					
Equity Investments at FVOCI	14.2	318,542	555,636	-	-
		318,542	555,636	-	-
Financial Assets					
At Amortized Cost					
Trade & Other Receivables	16	771,050	661,017	418,956	377,860
Amounts Due from Related Parties - Trade	24.1.1	97,932	94,265	63,506	70,363
Amounts Due from Related Parties - Non Trade	24.1.2	1,113	47,268	196,764	193,334
Investments at Amortised Cost	17	3,232	3,232	-	-
		873,327	805,782	679,226	641,557
Bank & Cash Balances	18	82,835	123,842	40,597	29,305
Total Financial Assets		1,274,704	1,485,260	719,823	670,862
Financial Liabilities - Not measured at Fair Value					
Non-Current Liabilities					
Interest bearing Borrowings	20	352,950	641,967	12,451	317,819
		352,950	641,967	12,451	317,819
Current Liabilities					
Interest bearing Borrowings	20	995,069	1,207,155	727,256	970,612
Trade and Other Payables	23	434,334	401,458	190,813	160,264
Amounts Due to Related Parties - Trade	24.2.1	8,740	8,757	2,196	9,077
Amounts Due to Related Parties - Non Trade	24.2.2	3,372	6,193	-	746
		1,441,515	1,623,563	920,265	1,140,699
Bank Overdraft	18	252,956	235,795	193,260	189,963
Total Financial Liabilities		2,047,421	2,501,325	1,125,976	1,648,481

25.2. Measurement of Fair Values

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly – i.e. as prices-or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Equity Investments at FVOCI (Quoted) - Level I	5,459	3,979	-	-
Equity Investments at FVOCI (Unquoted) - Level III	313,083	551,657	-	-
	318,542	555,636	-	-

Unquoted investments have been valued based on the adjusted Net Asset values of the Company as follows;

	Group	
As at 31st March	31.03.2026	31.03.2025
	Rs.000	Rs.000
Cosolidated Tea Plantation Ltd.	52.02	91.66

25.2.1. Reconciliation of level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values.

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Unquoted Investments				
Balance as at 1st April	551,657	325,000	-	-
Gain included in OCI	(238,574)	226,657	-	-
Balance as at 31st March	313,083	551,657	-	-

25.3. Financial Risk Management

The Group has exposure to the following risks from its use of Financial instruments:

1. Credit Risk
2. Liquidity Risk
3. Market Risk (including currency risk and interest rate risk)

This note represents qualitative and quantitative information about the Group's exposure to each of the above risks, the Group's objectives, policies and procedures for measuring and managing risk.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25.3.1. Credit Risk

Exposure to credit risk

Credit risk is the risk of Financial loss to the Group if a customer or counter party to a Financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers, investments in debt securities.

The Group's credit exposure is closely monitored. Credit given is reviewed with the predetermined approval procedures and contractual agreement made for every high value transaction. The carrying amount of financial assets represents the maximum credit exposure.

		Group		Company	
As at 31st March		2026	2025	2026	2025
	Note	Rs.000	Rs.000	Rs.000	Rs.000
Trade & Other Receivables	16	816,225	703,508	440,478	395,202
Amounts Due from Related Parties - Trade	24.1.1	97,932	94,265	63,506	70,363
Amounts Due from Related Parties - Non Trade	24.1.2	1,113	47,268	196,764	193,334
Investments at Amortised Cost	17	3,232	3,232	-	-
Balances with Banks		82,055	123,152	40,439	29,147
		1,000,557	971,425	741,187	668,046

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

Impairment Losses

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade Receivables. Therefore the Board of Directors has decided to assess each receivable separately based on the segment, age of customer relationship, historical data of payment statistics as at every reporting date.

The ageing of Trade Receivables at the reporting date was:

	Group				Company			
As at 31st March	2026		2025		2026		2025	
	Gross	Impairment	Gross	Impairment	Gross	Impairment	Gross	Impairment
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Past due 0-365 days	757,753	-	657,827	-	406,833	-	375,485	-
More than one year	45,175	45,175	42,491	42,491	21,522	21,522	17,342	17,342
	802,928	45,175	700,318	42,491	428,355	21,522	392,827	17,342

Amounts due from related Companies

Amounts due from related Companies are expected to be settled within one year from the reporting date hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Based on historic default rate the Group believes that, apart from the above, no impairment losses is necessary in respect of Trade & Other Receivables, Amounts Due from Related Parties (Trade & Non-Trade) and Loans Due from Related Parties for past dues or past due by up to 365 days.

Balances with Banks

The Group held cash and cash equivalents of Rs. 82.8 Mn as at 31 March 2026 (2025 - Rs.123.8 Mn) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which the group cash balances were held are as follows;

Hatton National Bank PLC - AA-(lka)

Standard Chartered Bank – AAA (lka)

Commercial Bank of Ceylon PLC – AA-(lka)

Bank of Ceylon –AA-(lka)

National Development Bank PLC – A-(lka)

Seylan Bank PLC - A+ (lka)

Sampath Bank PLC – AA-(lka)

Nations Trust Bank PLC – A(lka)

DFCC Bank PLC – A(lka)

Amana Bank PLC – BBB-(lka)

25.3.2. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding netting agreements.

	Group				Company			
As at 31st March 2026	Carrying Amount	Contractual Cash Flows	Less than One Year	More than One year	Carrying Amount	Contractual Cash Flows	Less than One Year	More than One year
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Other Financial Liabilities								
Term Loans / Finance Obligations	1,348,019	1,348,019	989,951	358,068	739,707	739,707	727,256	12,451
Loans, Trade & Non Trade Amounts due to Related Companies	12,112	12,112	12,112	-	2,196	2,196	2,196	-
Trade & Other Payables	434,337	434,337	434,337	-	190,812	190,812	190,812	-
Bank Overdrafts	252,956	252,956	252,956	-	193,260	193,260	193,260	-
	2,047,424	2,047,424	1,689,356	358,068	1,125,975	1,125,975	1,113,524	12,451

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2025	Group				Company			
	Carrying Amount Rs.000	Contractual Cash Flows Rs.000	Less than One Year Rs.000	More than One year Rs.000	Carrying Amount Rs.000	Contractual Cash Flows Rs.000	Less than One Year Rs.000	More than One year Rs.000
Other Financial Liabilities								
Term Loans / Finance Obligations	1,849,122	1,867,992	1,217,013	650,979	1,288,431	1,301,090	978,941	322,150
Loans, Trade & Non Trade Amounts due to Related Companies	14,950	14,950	14,950	-	9,823	9,823	9,823	-
Trade & Other Payables	401,458	401,458	401,458	-	160,264	160,264	160,264	-
Bank Overdrafts	235,795	235,795	235,795	-	189,963	189,963	189,963	-
	2,501,325	2,520,195	1,869,216	650,979	1,648,481	1,661,140	1,338,991	322,150

25.3.3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, etc. will affect the Group's income or the value of its holdings of Financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

25.3.3.1. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange fluctuations.

Exposure to currency risk

The summarized quantitative data about the company's exposure to currency risk as reported to the management of the company is as follows;

	Group		Company	
	2026 USD	2025 USD	2026 USD	2025 USD
Cash and cash equivalents	66,650	217,912	24,813	17,125
Trade Receivables	864,223	612,930	64,889	59,726
Trade Payables	(361,072)	(382,602)	(246,374)	(141,380)

The following significant exchange rates were applicable during the year for the Group.

	Average rate		Reporting date spot rate	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
USD	301.28	297.91	311.77	296.35

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD/LKR exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the fair value of the Group's forward exchange contracts. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

31st March 2026	Group				Company			
	Strengthening Profit or loss	Equity, net of tax	Weakening Profit or	Equity, net of tax	Strengthening Profit or loss	Equity, net of tax	Weakening Profit or	Equity, net of tax
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
USD (1% movement)	1,776,469	1,243,528	(1,776,469)	(1,243,528)	(488,456)	(341,919)	488,456	341,919

25.3.3.2. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuate because of the changes in the market interest rates. The exposure to the risk of changes in market interest rate relates primarily to the Company's long-term debt obligations and investments with floating interest rates.

At the reporting date, the interest rate profit of the Company's interest bearing financial instruments was as follows;

	Group		Company	
	Carrying Amount		Carrying Amount	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Variable rate instruments				
Financial assets	86,067	127,074	40,597	29,305
Financial liabilities	1,600,975	1,795,629	932,967	1,189,106

Sensitivity Analysis

The following table demonstrate the sensitivity to a reasonably possible change in , with all other variables held constant, of the profit before tax. A reasonably possible of +/- 0.1% is used, consistent with current trends in interest rates.

		Effect on Profit before Tax	
	Strengthening/ (Weakening) interest rates	Group	Company
		Rs.000	Rs.000
As at 31st March 2026	+100	15,149	8,924
	-100	(15,149)	(8,924)
As at 31st March 2025	+100	19,578	14,491
	-100	(19,578)	(14,491)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

26. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return of capital, as well as the level of dividends to ordinary shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher level of borrowing and the advantages and security afforded by a sound capital position.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings by total equity. Total borrowings including non-current and current borrowings as shown in the statements of financial position. Total equity is calculated as Total equity in the statements of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Debt to Equity ratio at the end of the reporting periods is as follows:

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Total Liabilities	1,600,975	2,084,917	932,967	1,478,393
Less:Cash and cash equivalents	(82,835)	(123,842)	(40,597)	(29,305)
Net Debt	1,518,140	1,961,075	892,370	1,449,088
Equity	1,643,030	1,116,530	2,394,221	1,776,663
Debt to Equity ratio (Gearing Ratio)	0.92	1.76	0.37	0.82

27. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

J.F. Packaging PLC has issued Corporate Guarantees and Promissory notes for borrowings obtained by the related companies as indicated below as at 31 March 2026;

Name of the Company	Amount
	Rs.000
Kiffs (Pvt) Ltd	120,000
Alliance Five (Pvt) Ltd	92,000
Ceylon Tapes (Pvt) Ltd	75,000
	287,000

There are no material contingent liabilities or capital commitments outstanding as at the reporting date other than those disclosed above which require adjustments to or disclosures in the financial statements.

28. SUBSIDIARY COMPANIES OF THE GROUP

Details of subsidiaries in which J.F. Packaging PLC held an indirect interest are set out below:

Indirect Subsidiary	Effective Holding
	%
Kiffs (Pvt) Ltd	100%
Alliance Five (Pvt) Ltd	100%
Ceylon Tapes (Pvt) Ltd	100%

29. COMPARATIVE INFORMATION

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

30. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events that occurred after the reporting date that required adjustments to or disclosure in the Financial Statements.

INITIAL PUBLIC OFFER

The Initial Public Offering of the Company for 51,724,144 Ordinary Voting Shares at Rs. 11.60 per share opened on 30th October 2025 and the Issue having been oversubscribed closed on the same day. The Company was listed on the Main Board of the Colombo Stock Exchange on 19th November 2025.

The utilization of IPO Proceeds as at 31st March 2026 is as follows:

Objective as per Prospectus	Amount Allocated as per Prospectus in Rs.	Proposed Date of Utilization as per Prospectus	Amount Allocated from Proceeds in Rs. (A)	% of Total Proceeds	Amounts Utilized in Rs. (B)	% of Utilization Against Allocation (B/A)	Clarification if not fully utilized including where the funds are invested
i. Settlement of Term Loans							
Bank of Ceylon -83080582	34,747,314	Immediately Post IPO	34,747,314	5.8%	32,752,314	94%	
Bank of Ceylon -87323197	112,484,197	Immediately Post IPO	112,484,197	18.7%	107,451,197	96%	
Bank of Ceylon -80204645	20,971,442	Immediately Post IPO	20,971,442	3.4%	19,638,442	94%	
Bank of Ceylon -79608472	38,894,000	Immediately Post IPO	38,894,000	6.5%	36,358,000	93%	Note
Bank of Ceylon -89468508	128,126,850	Immediately Post IPO	128,126,850	21.4%	123,198,875	96%	
Nations Trust Bank PLC	83,243,256	Immediately Post IPO	83,243,256	13.9%	78,629,089	94%	
Siyapatha Finance PLC	20,997,434	Immediately Post IPO	20,997,434	3.5%	15,896,351	76%	
	439,464,493		439,464,493	73.2%	413,924,268	94%	
ii. Settlement of Bank of Ceylon revolving import loans							
Bank of Ceylon	160,535,577	Immediately Post IPO	160,535,577	26.8%	186,075,802	116%	Note
	160,535,577		160,535,577	26.8%	186,075,802	116%	
Total	600,000,070		600,000,070	100.0%	600,000,070	100%	

Note: As disclosed in the prospectus, until the receipt of IPO proceeds, the Company continued to service its monthly loan instalments using internally generated funds. Consequently, the outstanding term loan balance of Rs. 439,464,493 as at 31st August 2025 decreased to Rs. 413,924,268 by the time the share allotment was completed, and the funds became available for utilization. Following this reduction, the allocation of IPO proceeds allocated for the settlement of import loans increased from Rs. 160,535,577 to Rs. 186,075,802, reflecting an equivalent adjustment corresponding to the reduction in the term loan balance.

SUPPLEMENTARY INFORMATION

5 Year Summary	151
Share Information	152
Notice of Meeting	154
Form of Proxy	155

5 YEAR SUMMARY

For the year ended 31st March	2026	2025	2024	2023	2022
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Trading Results					
Revenue	4,504,801	4,385,214	3,786,236	5,219,864	2,455,101
Profit/(Loss) before Tax	320,460	303,020	188,060	1,171,241	20,561
Income Tax (Expense)/Reversals	(130,552)	(172,395)	(116,300)	(260,594)	(20,294)
Profit/(Loss) for the Year	189,908	130,625	71,760	910,647	267
Assets Employed					
PPE & ROU Assets	1,051,966	936,580	819,920	732,599	752,509
Investments	318,542	555,636	327,632	1,824	1,993
Intangible Assets	217,174	213,853	210,721	210,775	210,732
Investment in Associate	-	-	-	-	-
Other Non-Current Assets	37,603		108,477	58,446	71,370
Net Current Assets/(Liabilities)	453,244	112,820	354,316	525,759	(414,813)
Total Assets Employed	2,078,529	1,818,889	1,821,066	1,529,403	621,791
Equity					
Stated Capital	1,049,047	449,047	449,047	449,047	449,047
Reserves	200,971	366,493	206,486	160,265	192,134
Retained Earnings	393,011	300,990	175,337	112,353	(705,772)
Total Equity	1,643,031	1,116,530	830,870	721,666	(64,591)
Long-Term Liabilities	352,950	641,967	946,613	780,249	651,682
Retirement Benifit and Deferred Tax Liabilities	82,548	60,392	43,582	27,488	34,700
Total Non Current Liabilities	435,498	702,359	990,195	807,737	686,382
Total Equity and Non Current Liabilities	2,078,529	1,818,889	1,821,066	1,529,403	621,791
Earnings per share (Rs)	1.37	1.08	0.60	756.31	0.22
Net assets per share (Rs)	9.55	9.27	6.90	5.99	(0.54)
Return on Equity (%)	12%	12%	9%	126%	0%
Gearing (%)	49%	65%	72%	71%	103%

SHARE INFORMATION

MARKET VALUE

The market value of the Company's ordinary shares was as follows.

	31.03.2026
	Rs.
Highest Price	17.90
Lowest Price	12.50
Market value as at the year end	14.50

PUBLIC HOLDING

The Percentage of shares held by the public as at 31st March 2026 was 28.20%

The applicable option under CSE Rule 7.13.1(i) (a) (i) on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 31st March 2026 was Rs. 703,843,430.02

PUBLIC SHAREHOLDERS

The number of Public Shareholders as at 31st March 2026 was 3,924

Distribution of Ordinary Shares

No. of Shares Held		31st March 2026		
		No. of Shareholders	Total Holding	% of Total Shares
1	1,000	1,564	610,911	0.36
1,001	10,000	2,052	6,611,041	3.84
10,001	100,000	262	9,242,784	5.37
100,001	1,000,000	45	13,191,327	7.66
Over 1,000,000		10	142,474,881	82.77
		3,933	172,130,944	100.00

Categories of Shareholders	31st March 2026		
	No. of Shareholders	Total Holding	% of Total Shares
Individuals	3,822	27,518,686	15.99
Institutions	111	144,612,258	84.01
	3,933	172,130,944	100.00

20 MAJOR SHAREHOLDERS

Distribution of Ordinary Shares

		31st March 2026	
	Name of the Shareholder	No. of Shares	%
1	Hatton National Bank PLC/ Lankem Ceylon PLC	120,406,800	69.95%
2	Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd	5,499,998	3.20%
3	Senkadagala Finance PLC/A.S.Marapana	2,993,239	1.74%
4	Seylan Bank PLC/Mohamed Mushtaq Fuad	2,498,159	1.45%
5	Commercial Bank of Ceylon PLC/K.D.S.R. Kulatunga	2,190,998	1.27%
6	Corporate Managers & Secretaries (Pvt) Ltd	2,155,173	1.25%
7	Mrs. Fathima Farzana Haniffa	2,090,000	1.21%
8	Hatton National Bank PLC/Anushman Rajaratnam	1,784,314	1.04%
9	Ranavav Holdings (Pvt) Ltd	1,500,000	0.87%
10	Mr. K. P. David	1,356,200	0.79%
11	Mr. Amrit Rajaratnam	928,100	0.54%
12	People's Leasing and Finance PLC /Nagoya Ceylon Trading (Pvt) Ltd	860,489	0.5%
13	Mrs. Nirmala Sanjivi Dharshika Perera	780,549	0.45%
14	Mr. Kangadaran Mathivanan	750,000	0.44%
15	Senkadagala Finance PLC/M.M.Fuad	562,678	0.33%
16	PMF Finance PLC/M.S.Hamzadeen	525,447	0.31%
17	Mr. Herath Pathiranalage Surath Poojitha Herath	512,279	0.30%
18	Senkadagala Finance PLC/A.M.Ilyas	501,500	0.29%
19	Mr. Iranjan Duminda Bandarigodage	500,000	0.29%
20	Mr. Mohamed Razni Ziard	414,290	0.24%
		148,810,213	86.46%

NOTICE OF MEETING

Notice is hereby given that the 22nd Annual General Meeting of J.F. Packaging PLC will be held on 23rd September 2026, at 10.00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01 for the following purposes, namely:

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2026 with the Report of the Auditors' thereon.
2. To re-elect as a Director, Mr. P. S. Goonewardene who retires by rotation in accordance with Articles 84 and 85 of the Articles of Association.
3. To reappoint Mr. S. D. R. Arudpragasam who is over seventy years of age as a Director.

   Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment (see Note No. 6).
4. To reappoint Mr. A. Hettiarachchy who is over seventy years of age as a Director.

   Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment (see Note No. 7).
5. To authorise the Directors to determine donations to Charities.
6. To reappoint as Auditors, Messrs. KPMG, Chartered Accountants and authorise the Directors to determine their remuneration.

By Order of the Board

Corporate Managers & Secretaries (Private) Limited

Secretaries

Colombo

14th August 2026

Notes:

1. A member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed for this purpose.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Pvt) Limited at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than forty-eight hours before the time fixed for the meeting.
4. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the meeting and submit the same to the Company Secretaries in accordance with the instructions given on the reverse of the Form of Proxy.
5. Please refer the CSE website and the "Circular to Shareholders" dated 14th August 2026 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.
6. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

Resolved –

"That Mr. S.D.R. Arudpragasam who would have reached seventy five years of age as at the date of the Annual General Meeting, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. S.D.R. Arudpragasam."

7. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

Resolved –

"That Mr. A. Hettiarachchy who is seventy seven years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. A. Hettiarachchy ."

FORM OF PROXY

I/We ..... of

..... being a member/member of J.F. Packaging PLC,

hereby appoint .....

of ..... whom failing

1.	Sri Dhaman Rajendram Arudpragasam	of Colombo or failing him
2.	Kamalanesan Ponniah David	of Colombo or failing him
3.	Anushman Rajaratnam	of Colombo or failing him
4.	Ariyawansa Hettiarachchy	of Colombo or failing him
5.	Peter Suren Goonewardene	of Colombo or failing him
6.	Kamal Gardiye Punchihewa	of Colombo or failing him
7.	Shrihan Blaise Perera	of Colombo

as my/our proxy to represent me/us and to speak and vote on my/our behalf at the Annual General Meeting of the Company to be held on 23rd September 2026, at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

	For	Against
1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon	☐	☐
2. To re-elect as a Director Mr. P. S. Goonewardene	☐	☐
3. To reappoint as a Director Mr. S. D. R. Arudpragasam	☐	☐
4. To reappoint as a Director Mr. A. Hettiarachchy	☐	☐
5. To authorize the Directors to determine donations to Charities	☐	☐
6. To reappoint as Auditors, Messrs. KPMG, Chartered Accountants, and to authorize the Directors to determine their remuneration	☐	☐

Signed this ..... day of ..... Two Thousand and Twenty Six.

.....

Signature of Shareholder(s)

Note:

Instructions as to completion are stated on the reverse thereof. Please delete the inappropriate words.

A proxy need not be a member of the Company. If no words are deleted or there is in the view of the proxy doubt (by reason of the way in which instructions contained in the proxy form have been completed) as to the way in which the proxy should vote, the proxy will vote as he thinks fit.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Please perfect the Form of Proxy, after filling in legibly your full name and address by signing in the space provided and filling in the date of signature.
2. In the case of Company/Corporation, this Form of Proxy must be executed either under its Common Seal or by its Attorney or by an Authorized Officer on behalf of such Company/ Corporation duly authorized in writing.
3. In the case of a proxy signed by an Attorney, the relative Power of Attorney should also accompany the completed Form of Proxy for registration, if such Power of Attorney has not been Registered with the Company.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company's Secretaries, Corporate Managers and Secretaries (Pvt) Limited 8-5/2 Leyden Bastian Road, Colombo 1, not less than 48 hours before the time appointed for the holding of the meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. S. D. R. Arudpragasam - Chairman
Mr. K. P. David - Managing Director
Mr. Anushman Rajaratnam
Mr. A. Hettiarachchy
Mr. P. S. Goonewardene
Mr. K. G. Punchihewa
Mr. S. B. Perera

SECRETARIES

Corporate Managers & Secretaries (Private) Limited
8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01

BANKERS

Commercial Bank of Ceylon PLC
Bank of Ceylon
Sampath Bank PLC
Hatton National Bank PLC
DFCC Bank PLC
Seylan Bank PLC
Nations Trust Bank PLC
Amana Bank PLC

LAWYERS

Julius & Creasy
371, R. A. de Mel Mawatha, Colombo 03

AUDITORS

KPMG, Chartered Accountants
32 A, Sir Mohamed Macan Markar Mawatha, Colombo 03

NAME OF THE COMPANY

J.F. Packaging PLC

LEGAL FORM

Public Quoted Company with Limited Liability incorporated in Sri Lanka under the Joint Stock Companies Ordinance 1861

DATE OF INCORPORATION

18th June 2004

COMPANY NUMBER

PQ 00352063

STOCK EXCHANGE LISTING

The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

(Date of Listing 19th November 2025)

REGISTERED OFFICE

No. 98, Sri Sangaraja Mawatha, Colombo 10

PRINCIPAL ACTIVITIES OF THE COMPANY

Manufacturing and selling printed and unprinted flexible packaging and related products

SUBSIDIARY COMPANIES AND THEIR PRINCIPAL ACTIVITIES

J.F. Ventures Ltd

Investment Holding

Kiffs (Pvt) Ltd

Manufacturing PET Bottles and Other Accessories

Ceylon Tapes (Pvt) Ltd

The principal activity of the Company is manufacturing adhesive tapes, paper based products and other related products

Alliance Five (Pvt) Ltd

Injection moulding and manufacturing of fiber brushes and brooms

This Annual Report is conceptualised, designed and produced by Redworks.

REDWORKS
Member of the Ogilvy Group



NO. 98, SRI SANGARAJA MAWATHA,
COLOMBO 10