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ACME
PRINTING &
PACKAGING PLC

future focussed

ACME PRINTING AND PACKAGING PLC ANNUAL REPORT 2025 - 2026

EVERY TRANSFORMATION BEGINS WITH A VISION CLEAR ENOUGH TO SHAPE WHAT COMES NEXT. FOR ACME PRINTING & PACKAGING, FY 2025/26 BECAME A DEFINING PERIOD OF REBUILDING WITH INTENT, WHERE EVERY DECISION, EVERY ADJUSTMENT, AND EVERY STRUCTURAL REFINEMENT WAS GUIDED BY A SHARPER FOCUS ON LONG TERM RESILIENCE AND SUSTAINABLE GROWTH.

MUCH LIKE THE PRECISION OF LINE ART AND THE DISCIPLINE OF A CAREFULLY ENGINEERED BLUEPRINT, ACME APPROACHED ITS RECOVERY THROUGH STRATEGIC PLANNING AND OPERATIONAL DISCIPLINE. ORGANISATIONAL RESTRUCTURING, LEAN WORKFORCE INTEGRATION, DISCIPLINED COST MANAGEMENT, AND REFINED COMMERCIAL STRATEGIES WERE NOT ISOLATED ACTIONS. THEY FORMED PART OF A LARGER FRAMEWORK DESIGNED TO STRENGTHEN STABILITY WHILE PREPARING THE BUSINESS FOR FUTURE EXPANSION.

THE GEOMETRIC STRUCTURE OF THE DESIGN REFLECTS THE VERY NATURE OF ACME’S INDUSTRY, INSPIRED BY PACKAGING FOLDS, TECHNICAL LAYOUTS, AND MANUFACTURING PRECISION. WITHIN THIS ORDERED COMPOSITION LIES THE STORY OF A COMPANY THAT TRANSFORMED COMPLEXITY INTO CLARITY, CREATING A LEANER AND MORE AGILE OPERATING MODEL CAPABLE OF RESPONDING TO EVOLVING MARKET DEMANDS.

STRENGTHENED BY UPGRADED TECHNOLOGY, MODERNISED CAPABILITIES, AND ITS STRATEGIC TRANSITION TO THE PANNALA FACILITY, ACME NOW MOVES FORWARD WITH RENEWED CONFIDENCE, FIRMLY FOCUSED ON THE OPPORTUNITIES THAT LIE AHEAD.

about us

ABOUT THE COMPANY

A LEGACY OF PACKAGING EXCELLENCE

Established in 1949, ACME Printing & Packaging PLC is one of Sri Lanka's established manufacturers of flexible packaging solutions, with a heritage spanning more than seven decades. From its origins in the manufacture of rolled aluminium foil primarily for the tea industry, ACME has evolved into a diversified flexible packaging manufacturer serving a range of industries and applications.

Today, the Company provides printed and converted flexible packaging solutions incorporating aluminium foil, films, paper and other packaging substrates. Its manufacturing capabilities encompass modern printing and converting technologies, including rotogravure and flexographic printing, together with a range of laminating and packaging-related processes. The Company's products serve customers across several important sectors, including food and beverages, tea, confectionery, dairy and milk powder, pharmaceuticals, consumer products and other industrial applications.

ACME's longstanding presence in the Sri Lankan packaging industry has been built on technical expertise, manufacturing capability, customer relationships and a continued commitment to quality. The Company has maintained internationally recognised quality and food-safety systems, reflecting its focus on meeting the increasingly demanding requirements of customers and end markets.

GROUP STRUCTURE

ACME Printing & Packaging PLC is a publicly quoted company incorporated under the Companies Act No. 7 of 2007 and is listed on the Colombo Stock Exchange. The Company forms part of the Lankem Ceylon Group, providing the Group with an established platform in the flexible packaging sector.

ACME Packaging Solutions (Private) Limited ("APS") is a wholly owned subsidiary of ACME Printing & Packaging PLC. Incorporated in 2006, APS was established to strengthen the Group's manufacturing footprint and expand its capabilities in flexible packaging. The subsidiary operates from the Makandura Industrial Estate in Pannala and forms an integral part of the Group's manufacturing and operational strategy.

Accordingly, the ACME Group comprises the parent company, ACME Printing & Packaging PLC, and its wholly owned subsidiary, ACME Packaging Solutions (Private) Limited, with the two entities working together to provide an integrated platform for manufacturing, customer service and future business expansion.

MANUFACTURING FOOTPRINT AND STRATEGIC TRANSFORMATION

The financial year 2025/2026 represented an important period of transformation for ACME. The Company continued to manage the transition from its long-standing manufacturing operations at Piliyandala towards establishing a modern and more strategically positioned manufacturing platform at Pannala through its subsidiary, ACME Packaging Solutions (Private) Limited.

The development of the Pannala manufacturing facility represents a significant step in the Company's longer-term strategy to modernise its manufacturing infrastructure, improve operational efficiency and create capacity for future growth. The investment programme includes the development of a new factory facility and the introduction of modern, high-technology machinery designed to strengthen the Group's production capabilities and competitiveness.

During the year, the Company also progressed its plans to optimise its working capital structure and strengthen its financial position. These initiatives included the successful implementation of a substantial rights issue, restructuring of the Company's capital and the rationalisation of selected assets. These measures form part of a broader strategy aimed at creating a more sustainable financial and operational platform for the future.

COMMITMENT TO CUSTOMERS AND QUALITY

ACME operates in an industry where product quality, consistency, reliability and timely delivery are critical to customer success. The Company therefore continues to place strong emphasis on manufacturing quality, food safety, process discipline and customer responsiveness.

The Company's longstanding relationships with customers across multiple industries reflect the technical knowledge and packaging expertise developed over several decades. ACME continues to seek opportunities to improve its product offering, manufacturing processes and service capabilities in response to evolving customer requirements and market trends.

The Company also recognises that packaging is increasingly influenced by sustainability, resource efficiency and changing consumer expectations. Accordingly, ACME continues to explore opportunities to improve production efficiency, reduce material wastage, optimise resource utilisation and develop packaging solutions that respond to the changing needs of customers and the wider market.

BUILDING A SUSTAINABLE PLATFORM FOR GROWTH

The Group's strategy is centred on establishing a stronger and more competitive manufacturing platform capable of supporting sustainable long-term growth. The development of the Pannala facility, investment in modern machinery, strengthening of working capital and optimisation of the Group's financial structure are key elements of this strategy.

The relocation and consolidation of manufacturing activities also provide an opportunity to review production processes, improve operational controls and introduce greater efficiencies across the manufacturing value chain. These initiatives are being undertaken with the objective of enhancing productivity, improving margins and strengthening the Company's ability to compete in both existing and emerging market segments.

The Company remains focused on developing its core flexible packaging business while evaluating opportunities to broaden its customer base, enhance product capabilities and utilise its manufacturing platform more effectively.

RESILIENCE AND RENEWAL

The financial year under review was also a period in which ACME continued to address the financial and operational challenges accumulated over previous years. Management remained focused on strengthening liquidity, improving working capital management, enhancing operational discipline and implementing measures to support the Company's long-term viability.

The successful completion of the Company's capital restructuring initiatives and the rights issue during the year provided an important foundation for the next phase of the Company's development. The proceeds have enabled the Company to address key financial obligations, support its working capital requirements and progress its planned capital expenditure programme.

The decision to disposal of the Piliyandala land and factory premises during the year was another significant milestone in the Company's transformation. The transaction will enable the Company to unlock value from an important non-core asset while supporting its transition towards the Pannala manufacturing platform.

These initiatives collectively represent a significant step in ACME's journey from stabilisation towards renewal and sustainable growth.

LOOKING AHEAD

With a heritage extending over seven decades, ACME enters the next phase of its development with a clear focus on strengthening its core business, modernising its manufacturing infrastructure and building a financially and operationally sustainable enterprise.

The Company will continue to focus on:

- Strengthening its position in Sri Lanka's flexible packaging industry
- Improving manufacturing efficiency and productivity
- Developing and utilising the Pannala manufacturing facility
- Investing in modern production technology and equipment
- Strengthening working capital and financial discipline
- Improving customer service and product quality
- Expanding opportunities across existing and new market segments; and
- Creating sustainable long-term value for shareholders and other stakeholders.

ACME's vision remains to be a preferred and dynamic provider of flexible packaging solutions, supported by a culture of continuous improvement, operational excellence and customer focus.

With the strength of its heritage, the capabilities of its people, the support of the Lankem Ceylon Group and the investments being made in its future manufacturing platform, ACME is positioned to build on its established market presence and pursue a more resilient and sustainable future.

VISION

To be the preferred dynamic provider of flexible packaging solutions.

MISSION

To become the major supplier of packaging material in Sri Lanka and be the leader of our chosen business through continuous search for Excellence.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

The financial year ended 31 March 2026 was a year of significant financial and operational transformation for ACME Printing & Packaging PLC ("ACME" or "the Company") and its wholly owned subsidiary, ACME Packaging Solutions (Private) Limited ("APS"). While the Group continued to face pressure on profitability arising from elevated manufacturing costs, subdued margins and the financial burden accumulated over previous years, the year also marked an important turning point in the Group's financial restructuring and capital strengthening.

During the year, the Group recorded revenue of Rs. 909.3 million, compared with Rs. 1.196 billion in the previous financial year. The decline in revenue reflected the challenging operating environment, changes in production and customer mix, and the transition of manufacturing activities as the Group progressed towards its new manufacturing platform at Pannala.

Despite maintaining its market presence across key flexible packaging segments, the Group's gross profit reduced significantly to approximately Rs. 20.9 million, compared with Rs. 50.1 million in 2024/25. The resulting gross margin remained under considerable pressure. The performance was affected by the high cost base of manufacturing, raw material costs, production inefficiencies and the inability to fully pass cost increases through to selling prices.

At Company level, revenue amounted to approximately Rs. 658 million, compared with Rs. 868.5 million in the previous year. The Company recorded a gross profit of approximately Rs. 41.9 million, compared with Rs. 19.4 million in 2024/25. However, the improvement at gross profit level was not sufficient to absorb the Company's operating and financing costs.

PROFITABILITY

The Group recorded a loss for the year of approximately Rs. 494.6 million, compared with a loss of approximately Rs. 406 million in 2024/25. The Company's loss for the year amounted to approximately Rs. 618.3 million, compared with a loss of approximately Rs. 291.9 million in the previous year.

The reported loss reflects not only the underlying operational challenges but also the continued impact of finance costs, depreciation, provisions and impairment-related charges. The Group has continued to take steps to strengthen operational controls, improve cost management and enhance the utilisation of its manufacturing resources.

Management recognises that sustainable improvement in profitability requires a combination of revenue growth, improved production efficiency, better capacity utilisation, disciplined working capital management and a stronger product and customer mix. These areas remain key priorities for the forthcoming financial year.

CAPITAL STRENGTHENING AND FINANCIAL RESTRUCTURING

A major milestone during the year was the successful completion of the Company's Rs. 1.425 billion rights issue, comprising 570 million new ordinary shares issued at Rs. 2.50 per share.

The proceeds from the rights issue provided the Company with an important opportunity to address its historical financial constraints and strengthen its capital structure. The funds were utilised towards settlement of financial obligations, reduction of borrowings, working capital requirements and the Company's planned investment programme.

As a result of the rights issue, the stated capital of the Group increased from approximately Rs. 835.1 million to Rs. 2.260 billion. The strengthening of the capital base, together with the improvement in the Group's equity position, represents a significant step in restoring the financial resilience of the business.

At Group level, total equity improved from a negative Rs. 518.5 million as at 31 March 2025 to positive Rs. 476.5 million as at 31 March 2026. This represents a substantial improvement in the Group's capital position and provides a stronger foundation for the implementation of its business strategy.

The Company also completed a reduction of its stated capital as part of the broader capital restructuring process, enabling the Group to address its historical accumulated losses and establish a more appropriate capital structure for its future operations.

WORKING CAPITAL AND LIQUIDITY

Working capital management remained a key area of focus throughout the year. The Group continued to implement measures to improve the conversion of working capital into cash, optimise inventory levels, strengthen receivables management and manage supplier and financing obligations more effectively.

The financial restructuring undertaken during the year has provided greater flexibility to manage the Group's liquidity requirements. Management has also continued discussions with financial institutions to optimise existing facilities and secure appropriate working capital support for the Group's manufacturing operations.

Going forward, the Group will maintain a disciplined approach to working capital, with particular emphasis on inventory management, collection of receivables, procurement planning and efficient utilisation of available cash resources.

DISPOSAL OF THE PILIYANDALA PROPERTY

An important component of the Group's financial and operational transformation was the disposal of the land and factory premises at Piliyandala.

The property was sold to Singer Sri Lanka PLC for a total consideration of Rs. 630 million, with the transaction completed during July 2026. The disposal enabled the Group to unlock value from a significant non-core asset and supported the Company's transition towards its new manufacturing platform.

The proceeds from the disposal are being managed with a focus on strengthening liquidity, supporting the Group's financial obligations and providing an appropriate financial base for the next stage of the Company's operational development.

INVESTMENT IN THE PANNALA MANUFACTURING PLATFORM

The Group continued to progress the development of its manufacturing platform at Pannala through ACME Packaging Solutions (Private) Limited.

The transition towards Pannala is a strategically important initiative intended to provide the Group with a more efficient and modern manufacturing base. The investment programme includes the development of manufacturing infrastructure and the acquisition and installation of modern machinery and equipment.

The investment is expected to support improved productivity, enhanced production capability, better utilisation of manufacturing resources and the ability to serve customers with improved efficiency and consistency.

The Group will continue to manage the investment programme carefully, balancing the need for modernisation and capacity expansion with available financial resources and projected business requirements.

FINANCE COSTS

Finance costs continued to place significant pressure on the Group's profitability during the year. The historical level of borrowings and the Group's working capital requirements resulted in a substantial finance cost burden relative to operating earnings.

Management has therefore continued to prioritise the restructuring of borrowings, optimisation of banking facilities and reduction of reliance on high-cost short-term funding.

The strengthening of the capital structure through the rights issue, together with the disposal of the Piliyandala property and improved working capital discipline, is expected to provide the Group with greater flexibility to manage its financing requirements.

ASSET MANAGEMENT AND BALANCE SHEET STRENGTHENING

The Group continued to review its asset base with the objective of ensuring that capital is deployed towards productive and strategically important assets.

During the year, management undertook measures to rationalise non-core assets and improve the utilisation of resources. The disposal of the Piliyandala property forms part of this broader approach, while investment in the Pannala facility represents the Group's commitment to directing capital towards its future manufacturing platform.

The Group also continued to review inventory holdings and receivables, including provisions for slow-moving and potentially impaired balances, with the objective of ensuring that reported assets appropriately reflect their recoverable values.

FINANCIAL POSITION

The financial position of the Group at the end of the year reflects both the continuing challenges and the significant restructuring undertaken during the year.

While the Group continued to report accumulated losses, the successful rights issue materially strengthened the capital structure and eliminated the negative equity position at Group level. This represents a significant improvement compared with the position at 31 March 2025.

The management's focus is now on converting the strengthened capital base into sustainable operating performance through improved capacity utilisation, stronger margins, disciplined cost management and enhanced working capital efficiency.

GOING CONCERN AND THE PATH FORWARD

Management acknowledges that the Group has historically experienced financial and operational challenges, including recurring losses, pressure on working capital and a significant finance cost burden. These matters have required the Group to undertake a number of financial and operational restructuring initiatives.

During the year, substantial measures were implemented to address these challenges, including the successful rights issue, capital restructuring, reduction of financial obligations, rationalisation of non-core assets and continued investment in the new manufacturing platform.

Management has also developed detailed forward-looking cash flow projections incorporating the expected operating performance of the Group, planned capital expenditure, working capital requirements and financing arrangements.

The Board and management remain committed to strengthening the Group's financial sustainability and operational resilience. The focus for the coming financial year will be on improving gross margins, increasing production efficiency, strengthening working capital management, optimising the capital structure and converting the investments made in the Pannala manufacturing platform into improved operating performance.

OUTLOOK

The Group enters the new financial year with a significantly strengthened capital structure and a clearer operational platform.

The immediate priorities are to restore sustainable profitability, improve manufacturing efficiency, increase capacity utilisation, strengthen customer relationships and expand revenue opportunities across the Group's established flexible packaging markets.

The investment in the Pannala manufacturing platform is expected to play an important role in this transformation. The Group will continue to pursue opportunities to introduce modern manufacturing technologies, improve product quality, enhance operational efficiency and develop new business opportunities.

Management remains conscious of the challenges within the flexible packaging industry, particularly raw material price volatility, competitive pricing pressures, foreign exchange movements and evolving customer requirements. These challenges will continue to be managed through disciplined pricing, procurement, cost control, working capital management and operational excellence.

The financial year 2025/2026 therefore represents not merely another year of financial performance, but an important stage in ACME's broader transformation. The strengthening of the balance sheet, restructuring of the capital base, rationalisation of non-core assets and development of the Pannala manufacturing platform provide the foundation upon which the Group intends to build a more efficient, resilient and sustainable business.

The Board and management remain focused on delivering sustainable value to shareholders while strengthening the Company's position as a leading participant in Sri Lanka's flexible packaging industry.

CHAIRMAN'S MESSAGE

Dear Shareholder,

I am pleased to present the Annual Report of ACME Printing and Packaging PLC for the financial year ended 31 March 2026.

The year under review was one of transition for both Sri Lanka's economy and your Company. Although greater macroeconomic stability provided a more predictable operating environment, the recovery in demand remained uneven, competitive pressures were intense and the cost base continued to weigh heavily on performance. In this setting, the Board's immediate priorities were to stabilise the financial position, preserve customer confidence, strengthen operational discipline and create a firmer platform for ACME's future.

The financial results demonstrate that this work is not complete. They also show, however, that important progress was made in repairing the balance sheet and reducing financial risk. The Board therefore approaches the year ahead with realism about the challenges that remain and confidence in the stronger foundation now in place.

A CANDID ASSESSMENT OF PERFORMANCE

At Group level, revenue declined by 24.0% to Rs. 909.3 million from Rs. 1,196.4 million in the previous year. Gross profit reduced to Rs. 20.9 million from Rs. 50.1 million, reflecting the combined effect of lower volumes and continued pressure on margins. The Group recorded an operating loss of Rs. 311.8 million and a loss after tax of Rs. 494.6 million, compared with a loss after tax of Rs. 405.9 million in the preceding year.

At Company level, revenue was Rs. 658.0 million, compared with Rs. 868.5 million in 2024/25. Gross profit nevertheless improved to Rs. 41.9 million from Rs. 19.4 million, demonstrating that better commercial and operating outcomes are achievable. This improvement was outweighed by higher overheads, finance costs and an impairment of Rs. 205.6 million on the investment in the subsidiary, resulting in a Company loss after tax of Rs. 618.3 million. These results are unsatisfactory. Restoring profitability will require disciplined pricing, higher capacity utilisation, tighter control of waste and conversion costs, rigorous working-capital management and clear accountability for execution.

A MATERIALLY STRONGER FINANCIAL FOUNDATION

The most significant achievement of the year was the strengthening of the Group's capital and liquidity position through the successful Rights Issue. Stated capital increased by Rs. 1.425 billion to Rs. 2.260 billion. As a result, Group equity moved from a negative Rs. 518.5 million at 31 March 2025 to a positive Rs. 476 million at 31 March 2026. At Company level, equity improved from a negative Rs. 35.8 million to a positive Rs. 810.2 million.

The proceeds enabled a substantial reduction in financial leverage. Group interest-bearing borrowings declined from Rs. 1.660 billion to Rs. 769.6 million, net finance costs fell to Rs. 154.8 million from Rs. 204.9 million, and Group cash and cash equivalents increased to Rs. 484.76 million from Rs. Negative 22.84 million. This recapitalisation has materially reduced immediate financial risk and created room to execute the recovery plan. It does not, however, resolve the underlying operating challenges. At year-end, the Group's current assets of Rs. 1,496.1 million comfortably exceeded current liabilities of Rs. 946 million, resulting in a positive net working capital position of Rs.550 million. This represents a significant improvement in the Group's liquidity position. Maintaining adequate liquidity, further strengthening the balance sheet and directing capital towards investments that generate acceptable returns will remain key priorities under the Board's oversight

Our central task is to convert the stronger balance sheet into sustainable operating performance. Management's priorities are to rebuild profitable revenue, improve plant utilisation, raise productivity, reduce process losses and strengthen reliability. Performance will be measured by clear commercial, operational and financial outcomes, with accountability aligned accordingly.

A key element of this programme is the planned expansion of the Pannala factory and the relocation to Pannala of the machinery presently operated at Piliyandala. Consolidating production at one principal manufacturing location, together with the installation of new productivity-enhancing machinery, is expected to improve workflow, process control, asset utilisation and cost efficiency.

Following the relocation, the Company intends to dispose of the Piliyandala land and building through a transparent and appropriately governed process. Subject to valuation, all necessary approvals and completion on acceptable terms, the disposal is expected to strengthen liquidity significantly. The Board will ensure that any proceeds are deployed prudently, with priority given to reducing financial risk, strengthening the balance sheet and supporting investments that can generate sustainable returns.

The Company is also developing a broader capital and corporate restructuring plan. At 31 March 2026, Company net assets of Rs. 810 million were below half of stated capital of Rs. 2.260 billion, bringing Section 220 of the Companies Act No. 7 of 2007 into application. The Board will discharge the related statutory obligations and report to shareholders on the losses, their causes and the corrective action being taken. The restructuring will be designed not merely to address this statutory position, but to establish a sounder capital structure and sustainable operating model, subject to professional advice and all required approvals.

GROWTH, INNOVATION AND RESPONSIBLE PACKAGING

The long-term fundamentals of flexible packaging remain attractive. Demand is supported by the requirements of the fast-moving consumer goods, food and beverage, pharmaceutical and export sectors. At the same time, customers increasingly expect packaging solutions that combine functionality, quality and cost efficiency with greater environmental responsibility.

Future investment will therefore be selective and evidence-based, directed towards capabilities that strengthen customer relevance, improve productivity and support more responsible packaging solutions. We will seek measurable improvements in material efficiency, energy use and waste management. Capacity expansion will not be pursued as an end in itself; investment must be supported by market demand, technical capability and a clear path to value creation.

OUR PEOPLE AND GOVERNANCE

The recovery of ACME ultimately depends on its people. I thank our employees for their resilience and commitment during a demanding year. As the Company moves forward, we must strengthen technical and managerial capability, foster a culture of accountability and give our people the tools, training and leadership needed to perform at their best.

The Board remains committed to high standards of governance, prudent stewardship and transparent decision-making. After the financial year-end, Mr Asoka Piyadigama resigned from the Board with effect from 31 July 2026. On behalf of the Board, I thank him for his contribution and service. Mr Arjuna Samatrathunga was appointed to the Board with effect from 7 August 2026. We welcome him and look forward to his contribution to the governance and strategic direction of the Company.

OUTLOOK

The outlook is improving, but it remains subject to uncertainty arising from demand conditions, competition, raw material and energy costs, exchange rate movements, and geopolitical developments. The Board will therefore maintain a prudent approach to forecasting, investment and financial commitments.

Our direction is clear: restore operating discipline, rebuild profitable revenue, protect cash, reduce financial risk and invest selectively in capabilities that create sustainable value. The Pannala consolidation, proposed Piliyandala disposal and broader restructuring are integral to that programme. The stronger capital base gives us the opportunity to act and the responsibility to deploy shareholders' funds and any disposal proceeds with care and purpose.

The Board is under no illusion about the scale of the task. Nevertheless, ACME possesses established market relationships, valuable manufacturing assets, industry knowledge and a committed workforce. With disciplined execution and a shared determination to improve, I believe we can progressively restore performance and build a stronger, more competitive and responsible business.

APPRECIATION

I extend my sincere appreciation to our shareholders for the confidence demonstrated through the Rights Issue. I also thank our customers, suppliers, bankers and business partners for their continued support and engagement.

My gratitude goes to my fellow Directors and the members of the Board Committees for their guidance and oversight, and to every member of the ACME team for their contribution during the year.

We enter the new financial year with a strengthened balance sheet, a clear understanding of the work ahead, and an unwavering commitment to rebuild ACME on the foundations of operational excellence, financial discipline, and responsible long-term value creation.

A. HETTIARACHCHY

Chairman

Colombo

31st August 2026

PROFILES OF BOARD OF DIRECTORS

MR A. HETTIARACHCHY

C.Eng, MIEE, MIProdE, MIChemE

Executive Chairman

Mr Hettiarachchy was appointed to the Board on the 12th January 2022 and appointed as the Executive Chairman on 15th January 2022.

Mr Hettiarachchy is a Chartered Chemical Engineer. He is the Chairman of the Board of ISL Services Limited, Deputy Chairman of Lankem Ceylon PLC and the Chairman of Lankem Minerals Ltd. He serves as a Director of the Sri Lanka Institute of Nano Technology. He has served on the Boards of 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 Limited and Puritas Limited 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 S. D. R. ARUDPRAGASAM

FCMA (UK)

Non-Executive Director

Mr S. D. R. Arudpragasam was appointed to the Board on 12th January 2022.

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 The Colombo Fort Land and Building PLC, including Chairman/Managing Director of E.B. Creasy & Company PLC, Chairman of Lankem Ceylon 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. H. K. P JAYASURIYA

FCIM (UK), MBA (WALES)

Executive Director / CEO

(Resigned w.e.f. 31st December 2025)

Mr. Harith Jayasuriya appointed to the Board on 26th September 2022. He was appointed as Chief Executive Officer of ACME Printing and Packaging PLC with effect from 7th March 2022 & appointed as a Executive Director with effect from 26th September 2022.

He holds a Master of Business Administration from University of Wales and is a Fellow Member of the Chartered Institute of Marketing UK. He has functioned in the capacity of Group Director / Chief Marketing Officer at MAC Holdings Pvt Ltd, Director / Chief Executive Officer MAC Travels Pvt Ltd.

He started his career at Coats Thread Lanka Pvt Ltd, a multinational company headquartered in UK. He was a Council Member of the Sri Lanka Australia New Zealand Business Council and a former President of the Sri Lanka Canada Business Council. Mr. Jayasuriya's experience spans over 20 years across multiple industries and possess expertise in the fields of Freight & Logistics, Travel & Tourism, Shipping & Aviation, Strategic Planning, Marketing & Sales, General Management and Business Consultancy.

Mr. H.K.P. Jayasuriya resigned from the Board of ACME Printing and Packaging PLC with effect from 31.12.2025.

MR P. SUREN GOONEWARDENE

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

Non-Executive Director

Mr Suren Goonewardene was appointed to the Board on 30th November 2021.

He holds a bachelor's degree in Business Accounting from Monash University, Australia, Member of the Certified Practising 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 Limited, Chief Operating Officer, Dialog Television and Fixed Line Services, Group Managing Director, Lanka Bell Limited 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 served as Chairman of Associated Motor Finance PLC and serves on the Boards of First Guardian Equities Limited, Dawi Investment Trust (Private) Limited and as the Managing Director of Lankem Ceylon PLC.

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

MR ANUSHMAN RAJARATNAM

B.Sc (Hons.), CPA, MBA

Non-Executive Director

Mr Anushman Rajaratnam was appointed to the Board on 30th November 2021.

Mr Anushman Rajaratnam served as the Managing Director of the Colombo Fort Land & Building PLC (CFLB). 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, a CPA Australia and an MBA from Massachusetts Institute of Technology, USA.

MR. KAMAL G. PUNCHIHEWA

FCA, CPA (Aus.)

Independent Non-Executive Director

Mr. Kamal Punchihewa, a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA) and a Member of CPA Australia, was appointed to the Board of ACME Printing and Packaging PLC on 5 February 2025. A seasoned finance and plantation sector executive, he has built a career spanning more than four decades across accounting, corporate finance, and plantation management.

Mr. Punchihewa began his career in 1983 with M/s B R De Silva & Co., Chartered Accountants, rising to become a Partner in 1991. He transitioned to the mercantile sector in 1992 as Financial Controller of Kotagala Plantations Ltd., under M/s George Steuarts Management Services, and by 1997 had been appointed Group Financial Controller of the George Steuarts Group of Companies, also serving as Director Finance of George Steuart Auto Supplies (Pvt) Ltd.

He returned to the plantation sector in 2002 as General Manager-Finance of Kahawatte Plantations Ltd. In 2005 he took on his first overseas appointment as Financial Controller of PT Agro Bukit Indonesia, and was subsequently promoted to Head of Finance-Plantation Operations and Business Support for the Indonesian operations of Good Hope Asia Group, overseeing a portfolio of six oil palm plantation companies.

On his return to Sri Lanka in 2011, Mr. Punchihewa joined Lankem Tea & Rubber Plantations (Pvt) Ltd. (LT&RP) 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 the Browns Group as Group Chief Executive Officer-Plantation Sector, overseeing three regional plantation companies, and concurrently served as Chief Executive Officer of Maturata Plantations Ltd. within the Group until July 2020.

In August 2020 Mr. Punchihewa joined the Richard Pieris Group as Chief Financial Officer – Plantation Sector. He was promoted in February 2021 to Chief Executive Officer of Maskeliya

PROFILES OF BOARD OF DIRECTORS

Plantations PLC within the same Group, in addition to his existing role, and held the position until March 2023.

Mr. Punchihewa currently serves as an Independent Non-Executive Director on the boards of several listed and unlisted entities of the Colombo Fort Land & Building Group. He also serves as Chairman or member of board sub-committees across several of the Group's subsidiaries.

He has been a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA) since 1988 and a Member of the Certified Public Accountants (CPA) of Australia since 2014.

MR ASOKA INDRASIRI PIYADIGAMA

FCA, CPA (Aus.)

Independent Non-Executive Director

(Resigned w.e.f 31st July 2026)

Mr A.I. Piyadigama was appointed to the Board of ACME Printing and Packaging PLC on 05th February 2025

Mr Asoka Piyadigama is a Fellow Member (FCA) of the Institute of Chartered Accountants of Sri Lanka and a Member of Certified Practising Accountants (CPA) Australia. He has extensive experience in a range of operational and finance roles, progressing from Manager to Chief Financial Officer, with leading conglomerates such as Carsons Cumberbatch PLC, Lankem Ceylon PLC, and C.W. Mackie PLC, all listed on the Colombo Stock Exchange. In addition to his corporate experience, He has served as an Audit and Business Advisory Manager at KPMG Sri Lanka and Deloitte Fiji. His career also includes holding key Finance and Business Partnering roles within the Manufacturing and FMCG sectors in Australia. Most recently, he was the Chief Executive Officer at the Institute of Chartered Accountants of Sri Lanka.

MR M.S.M. ARJUNA SAMARATUNGA

CGMA, FCMA (UK)

Independent Non-Executive Director

(Appointed w.e.f 07th August 2026)

Mr Arjuna Samaratunga held the position of Country Finance Director, PT.Alliance One Indonesia and PT.Indonesia Tri Sembilan, subsidiaries of Alliance One International headquartered in the US, from October 2012 to January 2024. He was responsible for heading Finance, Human Resources, Information Technology, Company Secretarial, Regulatory affairs and, Corporate Governance and Compliance and was also the Global Team Lead for the ESG Governance Pillar. Prior to joining Alliance One, he worked at INTABAX Lanka Ltd, Paradigm Clothing Company Ltd, Union Apparels Ltd, Trend Setters Ltd, Odel PLC and ID Lanka Ltd, where he held the positions of Chief Operating Officer, Chief Executive Officer and Executive Director.

He brings over 40 years of extensive corporate experience demonstrating business leadership, executive management and expertise in the Plantation sectors, Garment manufacturing and the Retail sector in Sri Lanka and overseas.

He commenced his career at Ford Rhodes Thornton And Company (KPMG) and later moved to Price Waterhouse Coopers, where he received his early training in Finance and Assurance. He is a Fellow member of the Chartered Institute of Management Accountants. He has also specialised in microfinance in the plantation sectors, dealing with out-grower systems both locally and overseas. Coming from a Finance background, his special area of expertise extends to Human Resources and Information Technology, Compliance and ESG.

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MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial year under review was a challenging period for ACME Printing & Packaging PLC as the Group continued its transformation initiatives amidst a highly competitive operating environment. Demand conditions across certain customer segments remained subdued while cost pressures, capacity constraints and operational restructuring activities impacted profitability.

During the year, the Company undertook several strategic initiatives aimed at strengthening its long-term sustainability, including a successful rights issue, reduction of interest-bearing liabilities, commencement of factory relocation and modernization activities, and enhancement of working capital resources. These initiatives are expected to improve operational efficiency and support future growth.

FINANCIAL PERFORMANCE

Group revenue for the year amounted to approximately Rs. 909.2 million compared with Rs. 1.196 billion in the previous year, representing a decline of approximately 24%. The reduction in revenue was primarily attributable to lower order volumes and challenging market conditions experienced during the period.

Gross profit margins remained under pressure due to lower capacity utilization, increased operating costs and the impact of ongoing restructuring activities. Administrative and distribution expenses continued to be carefully managed, however, the reduction in turnover adversely affected operating profitability.

The Group reported a loss after tax of approximately Rs. 494.6 million for the year under review compared with a loss of approximately Rs. 406 million recorded in the previous year. The increase in losses reflects lower revenue generation, finance costs, depreciation charges and costs associated with business transformation initiatives.

FINANCIAL POSITION

Total assets increased to approximately Rs. 1.95 billion as at 31 March 2026 from Rs. 1.86 billion in the previous year. The increase was mainly attributable to the utilization of funds raised through the rights issue and investments made towards modernization and relocation activities.

The Company successfully completed a rights issue during the year, raising Rs. 1.425 billion. The proceeds were allocated towards settlement of intercompany balances, reduction of bank borrowings, relocation and modernization of manufacturing facilities, and enhancement of working capital.

The rights issue significantly strengthened the capital base of the Company and improved liquidity levels. Consequently, the stated capital increased substantially during the year, while borrowings were reduced as part of the Company's debt rationalization strategy.

CASH FLOW AND LIQUIDITY

Management continued to focus on maintaining adequate liquidity and strengthening the balance sheet. Working capital management remained a key priority, with emphasis placed on inventory control, receivable collections and supplier negotiations.

The infusion of fresh equity capital has enhanced the Company's ability to fund operational requirements and support strategic investments without placing additional pressure on debt facilities.

OPERATIONAL REVIEW

The Group continued to serve customers across the printing and packaging sectors while undertaking measures to improve manufacturing efficiency and productivity. During the year, management initiated the relocation and modernization of factory operations, which is expected to provide long-term operational benefits through improved production capabilities, reduced wastage and enhanced cost efficiencies.

The modernization programme is progressing in phases and is expected to contribute positively to future operating performance upon completion.

CAPITAL MANAGEMENT

The Board remained focused on strengthening the Company's financial position. In addition to the successful rights issue, management has pursued measures to optimize the capital structure and reduce leverage.

Subsequent to the year end, the Board proposed a capital reduction exercise aimed at eliminating accumulated losses and creating a more appropriate capital structure for future growth. Subject to shareholder and regulatory approvals, this initiative is expected to improve the presentation of the Company's financial position and support future capital raising opportunities.

RISK MANAGEMENT

The principal risks faced by the Group include fluctuations in customer demand, raw material price volatility, foreign exchange movements, competitive pressures, interest rate exposure and execution risks associated with ongoing restructuring projects.

Management continuously monitors these risks and implements appropriate mitigation measures, including cost management initiatives, customer diversification, improved procurement practices and enhanced operational controls.

OUTLOOK

While market conditions remain challenging, the Board is optimistic regarding the Company's medium-term prospects. The strengthened capital base, reduction in borrowings, modernization of production facilities and ongoing operational improvements are expected to provide a foundation for improved performance.

Management will continue to focus on revenue growth, operational efficiency, prudent cost management and completion of strategic transformation initiatives. The successful execution of these plans is expected to enhance shareholder value and support the Company's return to sustainable profitability over the medium term.

The Board wishes to thank customers, employees, shareholders, financial institutions and business partners for their continued support and confidence in the Company.

CORPORATE GOVERNANCE

Corporate Governance at ACME is centered on generating value for shareholders while fostering a culture of ethical conduct and practice. ACME pledges to uphold the highest standards of ethical principles and professionalism across all its operations. The Group delivers timely, accurate, complete, and reliable information about the Company to all market participants and regulatory bodies, while simultaneously strengthening and refining its corporate governance framework. Moreover, a critical component of corporate governance involves ensuring accountability among specific individuals within an organization through mechanisms designed to mitigate or eliminate the principal-agent problem costs. Corporate governance encompasses a broad spectrum of issues and disciplines, spanning company secretarial and legal matters, to business strategy, executive and non-executive management, and investor relations, as well as accounting and information systems and compensation structures.

The Colombo Stock Exchange issued its Listing Rule 9 on Corporate Governance in 2023, mandating that all listed companies adhere to it progressively, with complete compliance expected by October 1, 2024. Additionally, the Institute of Chartered Accountants published a revised Code of Best Practice on Corporate Governance in December of that year. In response, the Board has examined Listing Rule 9 and chosen to follow a gradual compliance strategy consistent with the stipulated transition arrangements. Compliance against the updated Code will undergo evaluation annually.

THE BOARD OF DIRECTORS

The principal responsibility of the Board is to safeguard and advance long-term shareholder value. It establishes the overall strategic direction for the Group and oversees executive management. Additionally, it ensures that sound corporate governance policies and practices are put into effect within the Group. While carrying out its responsibilities, the Board operates in good faith, exercising due diligence and care, and always prioritizing the best interests of the company and its shareholders.

The Board was composed of 06 Directors, with 05 serving as non-executive directors. Details regarding the names and profiles of the Directors can be found on pages 10 to 12 within this annual report. These individuals bring the necessary skills, experience, and knowledge required to establish strategic direction and supervise company operations. The Board has confirmed that the Independent Non-Executive Directors meet the independence criteria outlined in the Listing Rules, and each Non-Executive Director provides an annual declaration confirming their independent or non-independent status in accordance with applicable statutory regulations.

The Chairman meets with the Independent Non-Executive Directors as and when necessary.

RESPONSIBILITIES OF THE BOARD

Guaranteeing the deployment of robust internal controls and risk management frameworks,

Upholding adherence to the utmost ethical and legal requirements,

Authorizing Annual and Interim Financial Statements before release. Delivering strategic direction and support to the Company in developing strategies and achieving operational and financial objectives.

Overseeing governance and compliance structures.

Endorsing significant acquisitions, divestitures, and capital investments. Sanctioning yearly budgets and strategic roadmaps, examining statutory and SEC regulatory frameworks and verifying compliance, drafting recommendations for dividend payments, bonus allocations, and capital adjustments (increase or decrease),

Carrying out additional powers, responsibilities, and obligations granted under the Company's articles of association.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear demarcation of the responsibilities between our Executive Chairman and our Chief Executive Officer (Currently Vacant). The functions performed by each are distinct and separated, ensuring the balance of power and authority within the organization that no person has unfettered powers of decision-making implementation.

ROLE OF CHAIRMAN

Our Chairman provides leadership and maintains order at Board Meetings, upholds sound corporate governance for our group, and facilitates the effective execution of Board functions and business strategies. His responsibilities include;

- Ensuring the Board follows established procedures and applicable statutes while maintaining full oversight of the Company's affairs,
- Ensuring that its obligations to the various stakeholders and regulatory bodies are met,
- Encouraging effective participation by both Executive and Non-Executive Directors on matters taken up for consideration and,
- Ensuring that shareholders are given adequate opportunity to make observations, express their views and seek clarifications at meetings of shareholders.

ROLE OF CHIEF EXECUTIVE OFFICER (CURRENTLY VACANT)

- Day to day management of the Group's business operations, with the support of the Executive Directors and the senior management team.
- Revision and implementation of the Company's strategies and policies,
- Maintaining a close working relationship with the Chairman and being a sounding board for the Chairman as and when necessary,

CORPORATE GOVERNANCE

- He is accountable for guaranteeing that the correct Board procedures are followed and that the applicable rules and regulations are reviewed regularly and complied with,
- Advises the Board on corporate governance matters and acts as the interface between the management and regulatory authorities as and when necessary,
- Manages the procedure whereby the Directors and the Board can, as needed, obtain independent professional advice at the Company's expense in discharging their/its duties,
- Reviews and approves the operational and financial budgets/ targets in line with the short, medium and long term objectives of the Company and the Group,
- Evaluation of pearl wisdom and performance conducted by the Board on regular basis and,
- Providing the Board explanations for variances and recommend any corrective action that needs to be adopted.

FINANCIAL ACUMEN

The Board of ACME consists of professionals as well as entrepreneurs who have many years of experience in the corporate world. Their proficiency in the diverse areas of business, academic and/or entrepreneurial financial skills, business acumen, broad practical wisdom and unique perspectives enable the efficient and effective decision making and leadership of the Group.

DECISION-MAKING OF THE BOARD

All the Directors are responsible for proper direction of the Company and to ensure the success of the business from year to year. The Board is always equipped with the relevant information necessary for decision-making.

The Board discusses matters relating to formulation and implementation of sound business strategies, ensuring an effective system to secure integrity of information, internal controls and risk management.

The Board has met on seven - occasions during the year under review. The individual attendance by members at the Board meetings is shown below.

Name of the Director	Attendance at Board Meetings 2025/2026							
	27.05.2025	14.08.2025	17.09.2025	24.09.2025	10.11.2025	13.02.2026	10.03.2026	Attendance
1. Mr. A. Hettiarachchy	×	×	✓	×	×	✓	✓	3/7
2. Mr. H. K. P. Jayasuriya (Resigned w.e.f 31st December 2025)	✓	×	×	×	×	-	-	1/5
3. Mr. A. Rajaratnam	×	×	✓	×	×	×	✓	2/7
4. Mr. P. S. Goonewardene	✓	✓	✓	✓	✓	×	✓	6/7
5. Mr. S. D. R. Arudpragasam	✓	✓	✓	✓	✓	✓	✓	7/7
6. Mr. K. G. Punchihewa	✓	✓	✓	✓	✓	✓	✓	7/7
7. Mr. A. I. Piyadigama (Resigned w.e.f 31st July 2026)	✓	✓	✓	×	✓	✓	✓	6/7

✓ Present × Absent - Not Applicable

THE BOARD BALANCE

Coming from diverse business and professional backgrounds, the non-executive directors (including independent non-executive directors) of the Company have shared their valuable experiences to the Board for promoting the best interests of the Company and its shareholders. The non-executive directors have actively participated in the board committees of the Company and they have made significant contribution of their skills and expertise to these committees. The composition of the Executive and Non-Executive Directors in the Board satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange.

HOLDING REGULAR BOARD MEETINGS

The Board meets regularly at least four times a year at quarterly intervals and holds additional meetings as and when the Board thinks appropriate. During the year under review, 07 Board meetings were held.

BOARD COMMITTEES

The Board delegates its powers and authorities from time to time to committees in order to ensure the operational efficiency and specific issues are being handled with relevant expertise. Four board committees have been established and each of them has its specific duties and authorities set out in its own terms of reference.

A. Audit Committee

The Audit Committee consists of three (03) Non-Executive Directors and two (02) of them are independent Directors. The role of the Committee is to review the accounting principles, policies and the practices adopted in the preparation of financial information. The Committee is responsible for consideration and the appointment of the external auditors. Further the Committee supports the Board in discharging their responsibilities in areas such as the overseeing of internal controls, business risk and statutory compliances.

The Audit Committee report including the subjects reviewed during the financial year 2025/26 are reported in detail on pages 34 to 35

B. Remuneration Committee

The Remuneration Committee consists of three (03) Non-Executive Directors and two (02) of them are Independent Directors. The role of the Committee is to determine the remuneration policy for the Chief Executive Officer and the Senior Managers, and to ensure that the statutory and legal requirements pertaining to the remuneration are complied with.

The Remuneration Committee report and the subjects reviewed during the financial year are presented in pages 37.

C. Related Party Transactions Review Committee

The Related Party Transaction Review Committee consists of three (03) Non Executive Directors & two (02) of them are Independent Directors. The objective of the Committee is to exercise oversight on behalf of the Board, that all Related Party Transactions are taken note of and dealt with in a manner consistent with the code of listing rules.

The Related Party Transactions Review Committee report and the subjects reviewed during the financial year are presented in page 36.

All related party transactions as defined by the applicable accounting standards are disclosed on Note 29 of the Financial Statements on pages 88to 90 of this Annual Report.

D. Nomination & Governance Committee The Nomination & Governance

Committee consists of three (03) Non-Executive Directors & two (02) of them are Independent Directors.

The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.

The Nomination & Governance Committee report and the subjects reviewed during the financial year are presented in pages 38 to 39.

SENIOR INDEPENDENT DIRECTOR

In view of the strategic direction of the ACME Group of Companies and the pivotal role played by the Executive Chairman in terms of cultivating and developing external partnerships, maintaining trust and confidence with business partners and key principals, and ensuring the retention of prestigious agencies for the sustenance and growth of the Company and the Group's business as a whole, as well as his Executive Management skills, integrity, expertise, wealth of experience and business acumen, the Board decided that the most appropriate arrangement would be for the Executive Chairman to continue in the role guiding the ACME Group in reaching its organizational goals in the future. Accordingly, in compliance with CSE Listing Rule 9.6.3, the Board of ACME Printing and Packaging PLC. Accordingly, the Board of Directors appointed Mr. P.M.A. Sirimane, as the Senior Independent Director of the Company with effect from 31st October 2023. Consequent to the revision of the CSE Listing Rules in relation to Independent Directors, the Board resolved that the nature of directorship of Mr. Sirimane be changed to Non Executive Director with effect from 1st January 2025. Accordingly, Mr. Sirimane effectively ceased to function as the SID as of end December 2024. Mr. Sirimane resigned from the Board of Directors of the Company with effect from 31st March 2025. Mr. K.G. Punchihewa was appointed Senior Independent Director by the Board of ACME Printing and Packaging PLC with effect from 31st March 2025.

ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

The Directors obtain independent professional advice whenever required to assist in discharging their duties.

COMPANY SECRETARY

All directors have access to the advice and services of the Company Secretary, who is responsible to the Board in ensuring that Board procedures are followed and that applicable rules and regulations are compiled with. Any question of the removal of the Company Secretary should be a matter of to the Board as a whole. S S P Corporate Services (Pvt) Ltd functions as the Secretary of the Board.

INDEPENDENT JUDGMENT OF THE DIRECTORS

The Independent Directors remain independent from day to day management and are free from any business and / or other relationship which may hinder their exercise of unbiased judgment. This enables them to act critically and independently in the best interest of the Company.

DEDICATION OF ADEQUATE TIME & EFFORT

Adequate time is devoted at every meeting to ensure that the Board's responsibilities are discharged satisfactorily.

TRAINING FOR THE DIRECTORS

The policy on Directors training is to provide adequate opportunities for continuous development subject to requirement and relevance for each Director.

CORPORATE GOVERNANCE

SUPPLY OF INFORMATION

The notices of Board Meetings are provided along with the agenda well ahead of the scheduled meeting. The Board Papers are circulated among the Directors ahead of the meeting providing adequate time to review and call for any additional information and clarification to assist them to formulate independent views.

APPOINTMENTS TO THE BOARD

The Company has a formal and transparent procedure for appointment of new Directors to the Board.

APPRAISAL OF BOARD PERFORMANCE

The performance of the Board, its sub Committees and individual Directors are being evaluated annually.

DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS

The names of the Directors and their profiles are disclosed on pages 10 to 12 of this Annual Report.

APPRAISAL OF CHIEF EXECUTIVE OFFICER

The performance of the Chief Executive Officer is being evaluated annually.

CONSTRUCTIVE USE OF ANNUAL GENERAL MEETING

We ensure that all proxy votes are counted and the quantum of proxies lodged on each resolution is conveyed to our Chairman. Separate resolution is proposed at an Annual General Meeting on each substantial separate issue.
At the Annual General Meeting the respective Chairmen of the Remuneration Committee and Audit Committee are present to provide any clarification to shareholders as necessary. The notice and the agenda for the Annual General Meeting together with the Annual Report of the Company containing the relevant documents are sent to the shareholders giving 15 working days' notice prior to the date of the Annual General Meeting.

COMMUNICATION WITH SHAREHOLDERS

All shareholders are invited and encouraged to be present, actively participate and vote at the Annual General Meeting. The Annual general Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company. The external Auditors are invited to attend the Annual General Meeting, for any professional assistance that may be requested. Shareholders who are not in the position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their own choice.

MAJOR TRANSACTIONS

There were no major transactions during the financial year that materially altered our Company's total asset base or the consolidated Group total asset base.

FINANCIAL REPORTING

The Board responsibility to present the Financial Statements accepts in the Statement of Directors' Responsibility shown on page 45. The report of the directors on the state of affairs of the Company is given on this Annual Report on pages 41 to 43. The Auditor's Report on the Financial Statements for the year ended 31st March 2026 is presented on pages 48 to 51 of this Annual Report. The management discussion and analysis of the company is presented on page 14 of this Annual Report. The Board is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

INTERNAL CONTROL

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board's policy is to have systems in place which optimize the Company's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Audit Committee responsibility for identifying, evaluating and monitoring the risks facing the Company and for deciding how these are to be managed. In addition to internal audit carried out by an external professional body, members of the Audit Committee are expected to report to the Board as necessary the occurrence of any material control issues, serious incident or events that have had a major commercial impact, or any significant new risks which have been identified.

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has developed and institutionalized a strong set of corporate values and code of conduct that is circulated to Directors and all employees. The Board ensures that Directors and employees strictly comply with the code of Business Conduct and Ethics at all levels in the performance of their official duties, communications, role modelling and in any other circumstances, so as to prevent the tarnishing of our Company's image in any manner. The violation of the code of ethics is an offence that is subject to disciplinary action.

CORPORATE GOVERNANCE / COMPLIANCE STATEMENT

ACME Printing and Packaging PLC is complied with the Corporate Governance, listing requirement of the Colombo Stock Exchange and adheres to the different regulating authorities.

- Companies Act No.7 of 2007
- Code of Best Practices on Corporate Governance issued jointly by the CA Sri Lanka and the Securities & Exchange Commission of Sri Lanka
- Inland Revenue Act
- Exchange Control Act
- Customs Ordinance The tables given below presents the details and disclosures on the level of compliance with

1. Section 168 of Companies Act, No. 07 of 2007, pertaining to Corporate Governance.
2. Section 7.6 of Listing Rules of the Colombo Stock Exchange.
3. Section 9 of the Listing Rules of the Colombo Stock Exchange.
4. Code of best practices on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities Exchange Commission of Sri Lanka.

1. LEVEL OF COMPLIANCE WITH SECTION 168 OF COMPANIES ACT, NO. 07 OF 2007, PERTAINING TO CORPORATE GOVERNANCE.

Rule No.	Disclosure Requirement	Compliance Status
Section 168 (1) a	The nature of the business together with any change thereof.	Complied
Section 168 (1) b	Financial Statements for the accounting period completed and signed in Complied with section 151.	Complied
Section 168 (1) c	Auditor's report on the Financial Statements	Complied
Section 168 (1) d	Change in accounting policies made during the accounting period.	Complied
Section 168 (1) e	Particulars of entries in the interests register made during the accounting period.	Complied
Section 168 (1) f	Remuneration and other benefits of directors during the accounting period	Complied
Section 168 (1) g	Amount of donations made by the Company during the accounting period.	Complied
Section 168 (1) h	Names of the persons holding office as Directors of the Company as at the end of the accounting period and the names of any persons who ceased to hold office as Company during the accounting period.	Complied
Section 168 (1) i	Amounts paid/payable to the External Auditor as audit fees and fees for other 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

2. LEVEL OF COMPLIANCE WITH SECTION 7.6 OF LISTING RULES OF THE COLOMBO STOCK EXCHANGE-CONTENTS OF ANNUAL REPORT

Rule No.	Disclosure Requirement	Compliance Status
Rule 7.6 (i)	Names of persons who during the financial year were Directors of the Entity.	Complied
Rule 7.6 (ii)	Principal activities of the Entity and Subsidiary during the year and any changes therein.	Complied
Rule 7.6 (iii)	The names and the number of shares held by the 20 largest holders of shares and the percentage of such shares held.	Complied
Rule 7.6 (iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	Complied
Rule 7.6 (v)	Directors' and Chief Executive Officer's holding in shares of the Entity at the beginning and end of financial year.	Complied
Rule 7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Complied
Rule 7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	N/A
Rule 7.6 (viii)	Extent, locations, valuations of land and buildings and investment properties.	Complied
Rule 7.6 (ix)	Number of shares presenting the Entity's stated capital.	Complied
Rule 7.6 (x)	Distribution schedule of the number of holders in each class of security, and the percentage of their holding as per given categories	Complied
Rule 7.6 (xi)	Ratios and market price information	Complied
Rule 7.6 (xii)	Significant changes in the Entity's fixed assets and the market value of land if differs substantially from the book value.	Complied
Rule 7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue ,right issue or private placement	Complied
Rule 7.6 (xiv)	Information in respect of Employee Share Ownership or Stock option Schemes	N/A
Rule 7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of section 09 of the listing Rules.	Complied
Rule 7.6 (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

CORPORATE GOVERNANCE

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

CSE Rule Reference	CSE Rule Reference	Compliance Status
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.	
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 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 Not Applicable No Changes were made to the polices during the period.
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 as and 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.	Not Applicable
.	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 noncompliance, 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	
9.3 BOARD COMMITTEES		
9.3.1	Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include;	The Company maintains the Nominations & Governance Committee, Remuneration Committee, Audit Committee and Related-Party Transactions Review Committee.
	(a) Nominations and Governance Committee	
	(b) Remuneration Committee	
	(c) Audit Committee	
	(d) Related Party Transactions Review Committee.	

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees.	Complied
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Complied
9.4 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.	Complied
	(a) The number of shares in respect of which proxy appointments have been validly made;	
	(b) The number of votes in favour of the resolution;	
	(c) The number of votes against the resolution; and	
	(d) The number of shares in respect of which the vote was directed to be abstained.	
9.4.2	Communication and relations with shareholders and investors.	The Company has established the Policy on relations with Shareholders and Investors and it is published on the corporate website www.acmelk.com
	(a) Have a policy on effective communication and relations with shareholders and investors. (b) Disclose the contact person for such communication. (c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders.	The contact person is mentioned.
		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

CORPORATE GOVERNANCE

CSE Rule Reference	CSE Rule Reference	Compliance Status
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:	Complied
	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;	
	b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID;	
	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 ongoing 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 visual means and participation to be taken into account when deciding the quorum	
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.	Not Complied
	Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Complied
9.6.2	Market announcement in the event Chairperson is an Executive Director and/ or the position of Chairman and CEO are held by the same individual.	Complied
9.6.3	(a) The Company shall appoint 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. ii. The Chairperson and CEO are Close Family Members or Related Parties.	Complied (Company has a Senior Independent Director as Chairman is a Executive Director)
	(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.	Complied
	(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.	Complied
	(e) SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties.	Complied
9.6.4	Rationale for the appointment of a SID set out in the Annual Report.	Complied

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.7 FITNESS OF DIRECTORS AND CEO		
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.	Complied
9.7.3	Fit and Proper Assessment Criteria' set out in Rule 9.7.3	Complied
	(a) Honesty, integrity and reputation - (i)-(vii)	
	(b) Competence and capability - (i)-(ii)	
	(c) Financial soundness - (i)-(iii)	
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them has 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/ CEO resigned w.e.f 31st December 2025
9.7.5	Disclosures in the Annual Report	Complied / CEO resigned w.e.f 31st December 2025
	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria	
	(b) Any non-compliance and remedial action taken to rectify non-compliance	
9.8 BOARD COMPOSITION		
9.8.1	The Board of Directors of a Listed Entity shall consist of five (05) Directors at a minimum.	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.	
9.8.3	Criteria for Determining Independence (i) - (ix)	Complied
	A director shall not be considered independent if he/she,	The Independent Non-Executive Directors who are currently in office satisfied these criteria at the time of their appointment to the Board and continue to satisfy the said criteria
	(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.	

CORPORATE GOVERNANCE

CSE Rule Reference	CSE Rule Reference	Compliance Status
	(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.	
9.8.5	Independent Directors	Complied
	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.	Not Applicable
	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.	
	c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate market announcement is required.	
9.8.6	Enforcement Actions for Non-Compliance with Rules 9.8.1 and 9.8.2: Complied with Rule 9.8.1 and 9.8.2.	Not Applicable
	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	
	b) Where a Listed Entity has failed to comply with Rules 9.8.1 or 9.8.2 and has not disclosed of such noncompliance to the Exchange or the market.	

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.9 ALTERNATE DIRECTORS		
	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association. (a-e) a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment	Not Applicable
	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	
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. Noncompliance to be reported in the Annual Report.	Complied The Company Policy on maximum number of Directorships which a Director can hold in Listed Companies is 25.
9.10.2 .	Market announcement upon the appointment of a new Director. (i - iii)	Not Applicable No new appointment has been done during the year
9.10.3	Immediate Market announcement upon any changes to the composition of the Board Committees. (i - iii)	Not Applicable No changes were made to the composition of the Board Committees during the period.
9.10.4	• Details in relation to the Board members. Name, qualifications and brief profile • Nature of his/her expertise in relevant functional areas. • Whether either the Director or Close Family Members has any material business relationships with other Directors. • 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

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CSE Rule Reference	CSE Rule Reference	Compliance Status
9.10.5	Non-Disclosure of Changes to Board and Committees:	Not Applicable. Company has disclosed resignation of Director to CSE .
	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).	
9.11 NOMINATIONS AND GOVERNANCE COMMITTEE		
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:	Complied
	(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.	
9.11.5	Functions:	Complied
	(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/reappoint 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/noncompliances and the rational for same.	
9.11.6	Disclosures in Annual Report Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)	Complied
9.12 REMUNERATION COMMITTEE		
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

CSE Rule Reference	CSE Rule Reference	Compliance Status
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 shall be based on a policy of non-discriminatory pay practices to ensure the 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:	Complied
	(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.	
	(2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	
9.12.7	Functions:	Complied
	(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.	
9.12.8	(a) Names of Remuneration Committee members.	Complied
	(b) Statement of Remuneration Policy.	
	(c) Aggregate remuneration paid to Executive Directors and NonExecutive Directors	
9.13 AUDIT COMMITTEE		
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
	(2) Quorum - requires that the majority of those in attendance to be independent Directors.	
	(3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.	
	(4) An Independent Director shall be the Chairman of the Committee.	
	(5) Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.	
	(6) The Chairperson of the Audit Committee shall be a member of a professional accounting body.	
9.13.4	Functions of the Audit Committee. Detailed in Rule (1) (i) –(xiii) and (2)	Complied
9.13.5	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;	

CORPORATE GOVERNANCE

CSE Rule Reference	CSE Rule Reference	Compliance Status
	(d) Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements;	Complied
	(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 (RPTR)		
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	(1) 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 of the Related Party Transactions Review Committee:	Complied
	(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.	
9.14.4	(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.	Complied
	(2) Should ensure having access to enough knowledge or expertise complied to assess or aspects of proposed Related Party Transactions and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary.	Not Applicable
	(3) Board of Directors to approve RPT when required by the Committee.	
	(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.	
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied

CSE Rule Reference	CSE Rule Reference	Compliance Status
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 transaction 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 transaction (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;	Not Applicable
	(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.	
9.14.7	(a)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 No transaction during the year
	(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.	
9.14.8	(1)Disclosure in the Annual Report if the aggregate value of all the Nonrecurrent 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
	(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.	
	(3) Report of the Related Party Transactions Review Committee.	
	(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.	
9.14.9	(1) (2) Shareholder approval for acquisition and disposal of substantial assets.	Complied
	(3) Rule 9.14.9(1) does not apply to:	
	a) Transactions between the Listed entity and a wholly owned subsidiary	

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CSE Rule Reference	CSE Rule Reference	Compliance Status
	b) Transaction between wholly owned subsidiaries of the 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 it's banking business.	
	(4) (5) (6) Competent independent advice on acquisition and disposal of substantial asset	
9.14.10	Exempted Related Party Transactions:	Complied
	(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.	
9.15 PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS		
	Penalties for Non-Compliance with Board Committee Composition Requirements	Not Applicable
	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)	
9.17 ADDITIONAL DISCLOSURES		
	Additional Disclosures	Complied
	(i) Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	
	(ii) Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence.	
	(iii) Directors are aware of laws, rules and regulations and their changes particularly to Listing Rules and applicable capital market provisions.	
	(iv) Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Entity operates.	

CSE Rule Reference	CSE Rule Reference	Compliance Status
9.18 ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS		
	Enforcement Procedure For Non-Compliance With Corporate Governance Requirements	Not Applicable
	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 noncompliance 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 noncompliance.	
	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.	
	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	

ENTERPRISE RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

Risk management involves identifying potential risk exposure faced by the Company and implementing proper risk management techniques to mitigate such risks. A disciplined approach to risk management is important in order to ensure successful execution of strategic objectives and to express our acceptance towards risk management for which we have adequately compensated for.

The Board of Directors has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. We consider risk management as a vital component in our operations and build upon management's risk assessment and mitigation processes, which include standardised reviews of long-term strategic and operational planning; executive development and evaluation; regulatory and litigation compliance; health, safety and environmental compliance; financial reporting and controls; and information technology and security. The Company has established appropriate internal control systems and other risk mitigation techniques to ensure the delivery of shareholder wealth and to meet its obligations to other stakeholders.

INTERNAL CONTROLS

The Directors acknowledged their responsibility for the Company's system of internal control. The system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

BUSINESS RISK

The business risk management is a dynamic process due to the constant change and complexity in the operating environment of the Group. The different business operations of the Group and their performance are subject to a variety of risk factors which are constantly monitored and evaluated by the management in order to respond effectively.

COMPETITIVE ENVIRONMENT

Our business is highly competitive. Failure to compete with competitors on areas including price, product range, quality and service would have an adverse effect on the Group's financial results. Hence, we aim to have a broad appeal in price range and format in a way that allows us to compete effectively.

HEALTH AND SAFETY RISKS

The safety of our staff and customer is of paramount importance to us. We operate stringent health and safety processes in line with best practices in our manufacturing facilities, stores and offices.

IT SYSTEMS AND INFRASTRUCTURE

The business is dependent on efficient information technology (IT) systems. We have extensive controls in place to maintain the integrity and efficiency of our IT infrastructure and to ensure consistency of delivery, and all relevant staff is effectively engaged to mitigate IT related risks through effective policy and procedures as well as increased awareness.

INTEREST RATE AND EXCHANGE RATE RISK

The Group mostly uses its foreign currency proceeds to settle import bills, which effectively provides for foreign exchange exposure by minimizing any adverse impact.

By having a centralized treasury management system and through appropriate financial risk management techniques, the Group has been able to mitigate losses arising through interest rate fluctuations.

CREDIT RISK

Credit risks arise due to the nonpayment by debtors which can lead to working capital issues. Export sales are done on letter of credits as much as possible. Company extends credit facilities to customers during the course of business. We undertake actions such as implementation of Group credit policy, evaluation of customers prior to granting credits, periodic review of receivables by the Group Management Committee and credit suspension on overdue accounts and legal procedures for recovery of long overdue receivables to mitigate the credit risk.

MARKET RISK

A broad definition of market risk is exposure to adverse movements in the securities markets for both equity and fixed income investments, which can result in value loss as well as variations in the anticipated returns from those securities. All financial institutions face market risks, created by changes in the macro environment related to political factors, national security economic management and globalisation influences which have an impact on systematic risk factors such as interest rates, currency parity, inflation, and availability of credit. Therefore, understanding market risks requires considering multiple dimensions and complexity in the macro environment.

Market risks are inherent in every security and are thus collectively considered at the portfolio level to take into account the asset allocation decisions of the portfolio.

INVENTORY MANAGEMENT RISK

Plan monthly production based on budgets and sales forecasts and review during production planning meetings held regularly. Adopt various quality standards at different stages to verify the quality until the product is delivered. Carry-out stocks verifications on periodically to identify non- moving stocks and regularly monitor inventory days.

TECHNOLOGICAL AND QUALITY RELATED RISK

Develop a long term plan to replace existing machines with technology advanced machines, obtain certificates from relevant authorities and ensure products comply with most of the local and international standards and already the equipment required to test the quality of products are in place.

GENERAL SECURITIES RISK

Any trading in securities carries inherent investment risks, associated with the entity issuing those securities in particular the price of value of any security can and does fluctuate and may even become valueless, resulting in possible loss not only of returns and profits but even also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities past performance of any investment is not necessary indicative of future performance.

LEGAL COMPLIANCE

ACME Printing and Packaging PLC complies with all legal and regulatory provisions applicable to it. The legal function pro-actively identifies and sets up appropriate systems and processes for legal and regulatory compliance in respect of all our investments. The internal audit function of the Group ensures the safeguarding of Company assets and recommends process improvements in areas where process control failures are noted.

REGULATORY COMPLIANCE

The operations of the ACME Printing and Packaging PLC come within the rules and regulations applicable to companies listed on the CSE and regulations applicable to securities trading set by the Securities and Exchange Commission of Sri Lanka. Our systems and processes are structured to satisfy the criteria set by these regulations and staff are constantly kept aware of the compliance needs imposed by these regulations.

OPERATIONAL RISKS

We manage operational risks by identifying areas of risk, formulating plans for their management, promoting best practices, implementing internal controls and systems and monitoring compliance. Operational risks mainly cover the areas of system failure, continuity of decision making, dealing with contingencies and ensuring efficiency in operations and correct application of recommended management practices.

ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONSHIP

The Board of ACME Printing and Packaging PLC assesses all the issues with regard to employees and industrial relation which influence the performance of the Group. ACME Printing and Packaging PLC takes considerable number of steps to ensure employees are satisfied at all the levels and their issues are addressed in order to retain talented employees. A well structured grievance handling system is in place to handle the grievances of employees at all levels. We make sure to maintain pertinent industrial relationship with all the governmental agencies. There are no issues which affect the Company's performance to be disclosed.

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 31ST MARCH 2026

On behalf of the Board, it is my privilege to present the Report of the Audit Committee for the financial year under review.

The Audit Committee plays a vital role in assisting the Board in discharging its fiduciary duty to shareholders concerning the integrity of the Company's financial reporting process. Our mandate encompasses ensuring compliance with the Companies Act of Sri Lanka and other applicable legislative and regulatory requirements, including the adequacy and transparency of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS). The Committee operates under comprehensive Terms of Reference that define its authority and operating framework, which are periodically reviewed and revised with the concurrence of the Board to remain aligned with evolving governance standards and regulatory expectations.

Beyond its core responsibilities relating to financial reporting, internal controls, and risk management, the Committee has also assumed oversight of the Company's Environmental, Social and Governance ("ESG") reporting and related governance practices. This expanded remit reflects our commitment to ensuring that sustainability disclosures meet emerging regulatory requirements, respond to evolving stakeholder expectations, and reinforce the integration of responsible business practices into the Company's strategic and operational framework.

Through diligent scrutiny and constructive challenge, the Committee continues to uphold the trust placed by stakeholders in the Company's governance, accountability, and commitment to transparent and reliable reporting.

COMPOSITION

The Audit Committee of ACME Printing and Packaging PLC comprised of the following members during the financial year ended 31st March 2026

Mr. K.G. Punchihewa – Chairman (Independent Non-Executive Director)

Mr. A.I. Piyadigama – Member (Independent Non-Executive Director)

Mr. P.S. Goonewardene – Member (Non-Executive Director)

Mr. A.I. Piyadigama resigned from the Board of Directors with effect from 31st July 2026 and, accordingly, ceased to be a member of the Audit Committee from that date. Subsequently, Mr. M.S.M. Arjuna Samaratunga was appointed to the Audit Committee with effect from 7th August 2026.

Accordingly, as at the date of this Report, the Audit Committee comprises Mr. K.G. Punchihewa, Mr. P.S. Goonewardene and Mr. M.S.M. Arjuna Samaratunga.

The Chairman of the Committee, Mr. K.G. Punchihewa 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 possesses a blend of commercial and financial expertise together with integrity, governance experience and business acumen enabling it to effectively discharge its responsibilities.

Brief profiles of the Audit Committee members are given on pages 10 to 12 of this Annual Report.

MEETINGS AND ATTENDANCE

The Audit Committee met five (5) times during the financial year ended 31st March 2026. and the attendance of the members was as follows:

Name of Director	Attendance
Mr. K.G. Punchihewa	5/5
Mr. A.I. Piyadigama	5/5
Mr. P.S. Goonewardene	4/5

The Company's Secretaries, SSP Corporate Services (Private) Limited, functioned as the Secretaries to the Audit Committee.

The proceedings of the Audit Committee are regularly reported to the Board of Directors. In addition to the meetings, matters referred to the Committee were reviewed and recommended in writing to the Board for approval.

Other members of the Board, the Chief Executive Officer and the Chief Financial Officer are invited to attend meetings as and when required.

TERMS OF REFERENCE

The Committee is governed by the specific Terms of Reference set out in the Audit Committee Charter. 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

(b) Efficiency of the system of internal controls

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

(d) Appropriateness of the principal accounting policies used

(e) Financial Statement integrity

(f) Oversight of Environmental, Social and Governance (ESG) reporting and related governance practices

ROLE OF THE AUDIT COMMITTEE

The Audit Committee principally performs an advisory role to the Board and its main objective is to assist the Board of Directors by advising Management in ensuring that the Company follows best practices of sound financial reporting and adheres to relevant accounting standards and principles, adequacy of internal controls and risk control measures, efficient management reporting systems and adherence to statutory requirements.

The Committee also assists the Board in overseeing ESG-related matters including sustainability reporting, governance practices, compliance with applicable environmental and social regulations and the integration of ESG considerations into the Company's risk management framework and business operations.

In fulfilling this role, the Audit Committee is empowered to examine the financial records of the Company and other communications as necessary in order to ensure that the Company adheres to accepted norms of ethical guidance, rules and regulations.

The Audit Committee recommends to the Board the appointment or re-appointment of external auditors, ensuring their independence, and maintains a close professional relationship with them. The Committee also recommends to the Board the fees payable to the external auditors.

ACTIVITIES DURING THE YEAR

Risk Management, Internal Control and Financial Reporting

The Committee obtained and reviewed statements from Management confirming that adequate internal control measures are in place and implemented within the Company, including statements of assurance from the Chief Executive Officer and Chief Financial Officer on the Company's operations and finances.

The Committee continued to review and strengthen the Company's risk management and internal control framework to ensure the adequacy and effectiveness of systems and processes in place for the identification, monitoring and management of key business risks.

The Audit Committee reviewed the financial reporting system adopted in the preparation of the Financial Statements to ensure the reliability of the reporting process and consistency of the accounting policies and methods adopted in compliance with the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, the Securities and Exchange Commission of Sri Lanka Act, Sri Lanka Accounting Standards (SLFRS/LKAS) and other relevant financial reporting requirements.

The Committee satisfied itself that adequate internal controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that financial information is reliable.

During the year, further progress was made in strengthening the internal audit framework and arrangements relating to the internal audit function.

The Committee effectively discharged its responsibility of reviewing and recommending the quarterly unaudited Financial Statements and the annual audited Financial Statements for approval by the Board.

ESG OVERSIGHT

During the year, the Audit Committee reviewed the Company's ESG-related initiatives, policies and reporting practices with a view to enhancing transparency, accountability and long-term sustainability.

The Committee monitored the Company's compliance with applicable environmental and social regulations and reviewed the adequacy of governance practices relating to sustainability matters. The Committee also considered ESG-related risks and opportunities as part of the Company's broader risk management framework and encouraged Management to further strengthen ESG data collection, monitoring and reporting processes.

The Committee will continue to support the development of the Company's ESG framework and sustainability reporting practices in line with evolving stakeholder expectations and regulatory developments.

EXTERNAL AUDIT

The Committee reviewed the independence and performance of the external auditors, Messrs. KPMG, and confirmed that they remained independent and objective throughout the year.

Messrs. KPMG have issued the declaration required under the Companies Act No. 07 of 2007 confirming that they do not have any relationship or interest in the Company which may have a bearing on their independence as auditors.

The Committee also reviewed the nature and extent of non-audit services provided by the external auditors to ensure that their independence was not impaired.

Based on the evaluation of their independence, performance and effectiveness, the Audit Committee has recommended to the Board the re-appointment of Messrs. KPMG as external auditors of the Company for the financial year ending 31st March 2027, subject to the approval of shareholders at the Annual General Meeting.

K.G. PUNCHIHEWA

Chairman – Audit Committee

31st August 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

FOR THE YEAR ENDED 31ST MARCH 2026

The Board of Directors of Acme Printing and Packaging PLC have established the Related Party Transactions Review Committee (RPTRC) in accordance with Section 9 of the Colombo Stock Exchange (CSE) Listing Rules, recognising the imperative of safeguarding minority shareholder interests through robust corporate governance practices. Protecting the interests of all shareholders and maintaining trust are central to the Company's governance philosophy, and the Committee serves as a key assurance mechanism in fulfilling this commitment.

Throughout the financial year, the Committee operated as an independent oversight body, exercising vigilant scrutiny over all transactions involving parties related to the Company and its subsidiaries. Its mandate ensures that no transaction occurs unless it is verified to be on an arm's length basis, reflects commercially reasonable terms, and is neither recurrent nor detrimental to the Company or its minority shareholders. By adhering to these principles, the Committee provides the Board with essential assurance that all dealings are fair, transparent, and aligned with the collective interests of the Company and its stakeholders.

In addition to its primary function, the RPTRC assists the Board in meeting its obligations under applicable regulatory requirements and internal governance policies. The Committee's disciplined approach reinforces stakeholder trust and upholds the integrity of Acme Printing and Packaging PLC's governance framework, ensuring that no related party derives undue advantage from any arrangement undertaken by the Group. This dedication to transparency and fairness underscores the Company's ongoing commitment to ethical business conduct and responsible stewardship.

COMPOSITION

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

Mr. K.G. Punchihewa – Chairman (Independent Non-Executive Director)

Mr. A.I. Piyadigama – Member (Independent Non-Executive Director)

Mr. P.S Goonewardene – Member (Non-Executive Director)

Mr. A.I. Piyadigama resigned from the Board of Directors with effect from 31st July 2026 and, accordingly, ceased to be a member of the Related Party Transactions Review Committee from that date.

Subsequently, Mr. M.S.M. Arjuna Samaratunga was appointed to the Related Party Transactions Review Committee with effect from 7th August 2026.

Accordingly, as at the date of this Report, the Related Party Transactions Review Committee comprises Mr. K.G. Punchihewa, Mr. P.S. Goonewardene and Mr. M.S.M. Arjuna Samaratunga.

The Committee composition complies with the requirements of the Colombo Stock Exchange Listing Rules.

Brief profiles of the members appear on pages 10 to 12 of this Annual Report.

The Company Secretaries, S S P Corporate Services (Private) Limited, functioned as the Secretaries to the Committee.

MEETINGS AND ATTENDANCE

The Committee met four (4) times during the financial year ended 31st March 2026.

Attendance of the members at the meetings is given below:

Name	Capacity	Meetings Attended
Mr. K.G. Punchihewa	Chairman	4/4
Mr. A.I. Piyadigama	Member	4/4
Mr. P.S Goonewardene	Member	3/4

ROLE AND RESPONSIBILITIES

The principal functions of the Committee include:

- Reviewing all proposed Related Party Transactions of the Company.
- Determining whether such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders.
- Reviewing the adequacy of the Company's policies and procedures relating to Related Party Transactions.
- Ensuring compliance with the Colombo Stock Exchange Listing Rules relating to Related Party Transaction, and
- Making recommendations to the Board pertaining to the approval, disclosure, and monitoring of Related Party Transactions.

RELATED PARTY TRANSACTIONS DURING THE YEAR

The Committee reviewed the Related Party Transactions entered into by the Company during the financial year ended 31st March 2026 and confirmed that such transactions were conducted on terms comparable to similar transactions with independent parties and were in the ordinary course of business.

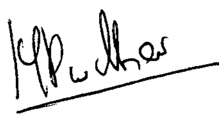
THE COMMITTEE IS SATISFIED THAT,

- There were no non-recurrent Related Party Transactions requiring immediate market disclosure under the Colombo Stock Exchange Listing Rules; and/or
- all recurrent Related Party Transactions entered into during the year were carried out on an arm's length basis and in the best interests of the Company.

The details of Related Party Transactions are disclosed in Note 29 to the Financial Statements.

DECLARATION

The Committee confirms that the Company has complied with the applicable requirements of Section 9 of the Colombo Stock Exchange Listing Rules relating to Related Party Transactions during the financial year ended 31st March 2026.



K.G. PUNCHIHEWA

Chairman

Related Party Transactions Review Committee
31st August 2026

REMUNERATION COMMITTEE REPORT

FOR THE YEAR ENDED 31ST MARCH 2026

The main function of the Remuneration Committee is to assist the Board in developing and administering a fair, transparent and competitive remuneration framework aligned with the long-term strategic objectives of the Company and the interests of shareholders.

The Committee assists the Board in establishing policies and procedures relating to the remuneration of Executive Directors, if any, and senior management, while ensuring that remuneration structures appropriately balance performance, accountability and sustainability.

The Company has in place a Board-approved non-discriminatory remuneration policy for Non-Executive Directors designed to ensure that their independence and objectivity are not impaired.

COMPOSITION

The Remuneration Committee of ACME Printing and Packaging PLC comprised the following members throughout the financial year ended 31st March 2026:

Mr. K.G. Punchihewa – Chairman / Independent Non-Executive Director

Mr. A.I. Piyadigama – Member / Independent Non-Executive Director

Mr. P.S Goonewardane – Member / Non-Executive Director

Mr. A.I. Piyadigama resigned from the Board of Directors with effect from 31st July 2026 and, accordingly, ceased to be a member of the Remuneration Committee from that date. Subsequently, Mr. M.S.M. Arjuna Samaratunga was appointed to the Remuneration Committee with effect from 7th August 2026.

Accordingly, as at the date of this Report, the Remuneration Committee comprises Mr. K.G. Punchihewa, Mr. P.S. Goonewardene and Mr. M.S.M. Arjuna Samaratunga.

Brief profiles of the members are given on pages 10 to 12 of the Annual Report.

The Company Secretaries, S S P Corporate Services (Private) Limited, function as the Secretaries to the Remuneration Committee, to whom a professional fee is paid.

MEETINGS AND ATTENDANCE

The Remuneration Committee met once during the financial year ended 31st March 2026 and the attendance of the members was as follows:

Name	Capacity	Meetings Attended
Mr. K.G. Punchihewa	Chairman	1/1
Mr. A.I. Piyadigama	Member	1/1
Mr. P.S Goonewardene	Member	1/1

The Committee also considered matters through Circular Resolutions where necessary.

FUNCTIONS AND RESPONSIBILITIES

The responsibilities of the Remuneration Committee include:

- Reviewing and recommending remuneration policies and practices of the Company.
- Reviewing the remuneration of Executive Directors and senior management, where applicable.
- Ensuring that remuneration structures are aligned with the Company's strategic objectives and long-term shareholder interests.
- Ensuring that remuneration policies are transparent, equitable and consistent with market practices.
- Reviewing incentive schemes and performance-based remuneration arrangements, where applicable, and
- Ensuring compliance with the Corporate Governance requirements of the Colombo Stock Exchange relating to remuneration matters.

The Committee reviewed the remuneration framework of the Company during the year and was satisfied that the remuneration policies and practices adopted by the Company are appropriate and consistent with the Company's operational requirements and governance standards.

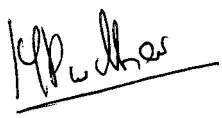
No Director was involved in decisions relating to his own remuneration.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The aggregate remuneration paid to the Directors in respect of the financial year 2025/26 is nil. However, a provision has been made in the accounts for the Independent Non-Executive Directors of the Company for the financial year ended 31st March 2026.

The Committee is satisfied that the remuneration provided to the Independent Non-Executive Directors was commensurate with their responsibilities, level of expertise and time commitment, and did not compromise their independence.

The Company has complied with the applicable Corporate Governance requirements relating to remuneration matters as stipulated in the Listing Rules of the Colombo Stock Exchange.



K.G. PUNCHIHEWA

Chairman

Remuneration Committee

31st August 2026

NOMINATION AND GOVERNANCE COMMITTEE REPORT

FOR THE YEAR ENDED 31ST MARCH 2026

As Chairman of the Nomination and Governance Committee, I am pleased to present the Committee's report for the financial year under review.

The Committee was established to ensure that the governance framework of the Company remains robust, forward-looking, and fully aligned with the requirements of the Colombo Stock Exchange (CSE), the Securities and Exchange Commission of Sri Lanka (SEC), and all other applicable regulatory obligations. Throughout the year, the Committee has sought not only to meet these requirements but to embed within the Board's culture a commitment to continuous improvement in governance practice.

The Committee operates under a Board-approved Terms of Reference that defines its composition, responsibilities, and scope of work. This document is periodically reviewed to remain responsive to evolving regulatory expectations and governance best practices. Under this mandate, the Committee assists the Board in discharging its statutory and fiduciary duties in relation to the selection, appointment, re-election, and re-appointment of Directors and the Chief Executive Officer, with the objective of ensuring the highest standards of corporate governance within the Company and at Board level.

A cornerstone of the Committee's work is the maintenance of a formal, rigorous, and transparent procedure for the appointment of new Directors and the re-election and re-appointment of existing Directors. This process is conducted in accordance with the Articles of Association of the Company, applicable laws and regulations, and the Corporate Governance Rules of the CSE.

At its heart lies the conviction that effective governance begins with the right Board, one that brings together the appropriate balance of skills, experience, independence, and diversity to guide the Company's strategic direction and safeguard stakeholder interests. Through these mechanisms, the Committee strives to ensure that the Board is composed of individuals who collectively possess the capabilities required to provide effective oversight and strategic guidance to the Company.

MEMBERSHIP

The Nomination and Governance Committee of Acme Printing and Packaging PLC comprised the following members throughout the financial year ended 31st March 2026.

Mr. K.G. Punchihewa – Chairman / Independent Non-Executive Director

Mr. A.I. Piyadigama – Member / Independent Non-Executive Director

Mr. P.S. Goonewardene – Member / Non-Executive Director

Mr. A.I. Piyadigama resigned from the Board of Directors with effect from 31st July 2026 and, accordingly, ceased to be a member of the Nomination and Governance Committee from that date. Subsequently, Mr. M.S.M. Arjuna Samaratunga was appointed to the Nomination and Governance Committee with effect from 7th August 2026.

Accordingly, as at the date of this Report, the Nomination and Governance Committee comprises Mr. K.G. Punchihewa, Mr. P.S. Goonewardene and Mr. M.S.M. Arjuna Samaratunga

MEETING ATTENDANCE

The Nomination and Governance Committee met two (2) times during the financial year ended 31st March 2026 and the attendance of the members was as follows:

Name	Capacity	Meetings Attended
Mr. K.G. Punchihewa	Chairman	2/2
Mr. A.I. Piyadigama	Member	2/2
Mr. P.S. Goonewardene	Member	2/2

In addition, Circular Resolutions were passed by the Committee during the year, where necessary, to facilitate urgent matters requiring the Committee's recommendation to the Board.

Other members of the Board, the Chief Executive Officer and S S P Corporate Services (Private) Limited are invited to attend meetings as and when required. The proceedings and recommendations of the Committee are regularly reported to the Board.

PURPOSE A ND RESPONSIBILITIES OF THE COMMITTEE

The Committee oversees the corporate governance framework of the Company and provides guidance on governance principles, policies and practices to ensure compliance with the Corporate Governance requirements of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka.

The principal responsibilities of the Committee include:

- Reviewing and recommending improvements to the Company's governance framework, policies and practices.
- Monitoring compliance with applicable legal, regulatory and governance requirements and recommending corrective action where necessary.
- Reviewing the structure, size, composition and competencies of the Board, including the balance of skills, experience, independence and diversity.
- Reviewing succession planning arrangements for Directors, the Chief Executive Officer and senior management.
- Assessing the independence of Independent Non-Executive Directors in accordance with the CSE Listing Rules.
- Recommending the appointment, re-election and re-appointment of Directors to the Board.
- Reviewing the fitness and propriety of Directors as required under the applicable regulatory framework, and
- Overseeing Board evaluation processes and governance-related disclosures.

During the year under review, the Committee reviewed the structure and composition of the Board and was satisfied that the Board possesses the appropriate balance of skills, knowledge, experience and independence necessary to discharge its responsibilities effectively.

The Committee also reviewed the fitness and propriety of the Directors and confirmed that the Independent Non-Executive Directors satisfied the independence criteria specified in Rule 9.8.3 of the Listing Rules of the Colombo Stock Exchange.

The newly appointed Directors, where applicable, are provided with appropriate briefings on the Company's business operations, governance framework, Listing Rules, applicable laws and regulations, and their duties and responsibilities as Directors. Existing Directors are also updated periodically on developments in corporate governance and regulatory requirements.

The Committee reviewed the Company's governance policies and practices during the year and recommended amendments and improvements where appropriate to ensure continued compliance with evolving regulatory requirements and best governance practices.

BOARD EVALUATION

The Committee reviewed the process relating to the evaluation of the performance and effectiveness of the Board, Board Committees and the Chief Executive Officer for the financial year ended 31st March 2026 and the results thereof were discussed by the Board.

RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS

In terms of Article 91 of the Articles of Association of the Company, any Director appointed by the Board during the year holds office until the next Annual General Meeting and is eligible for re-election by the shareholders.

Further, in terms of Articles 84 and 85 of the Articles of Association of the Company one-third of the Directors retire by rotation at each Annual General Meeting and may offer themselves for re-election by the shareholders.

The Committee considered the re-appointment of Directors over the age of Seventy years in terms of Section 210 and 211 of the Companies Act No.07 of 2007.

Accordingly, the following Directors are due for re-election and re-appointment at the next Annual General Meeting:

Names of Directors	Re-election/Re-appointment	Article No/Section as per the Companies Act
Mr.M.S.M. Arjuna Samaratunga	Re-election	Article 91
Mr.P.S.Goonewardene	Re-election	Articles 84 & 85
Mr A..Hettiarachchy	Re-appointment	Section 210 & 211
Mr. S.D.R. Arudpragasam	Re-appointment	Section 210 & 211

The Committee considered the qualifications, experience, performance, contribution and independence of the Directors seeking re-election and re-appointment and recommended the same to the Board and shareholders.

The Directors concerned abstained from deliberations relating to their own re-election or re-appointment.

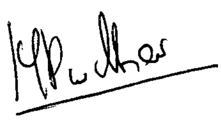
Information relating to the Directors seeking re-election/re-appointment at the forthcoming Annual General Meeting is set out in the Notice of Meeting and in the relevant sections of the Annual Report.

CORPORATE GOVERNANCE COMPLIANCE

The Committee is satisfied that the Company has complied with the applicable Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange during the financial year ended 31st March 2026.

Where any instances of non-compliance, if any, were identified, appropriate disclosures together with explanations and remedial actions taken have been made in the Annual Report.

The Company's compliance status with the Corporate Governance Rules of the Colombo Stock Exchange is disclosed on pages 15 to 31 of the Annual Report.



K.G. PUNCHIHEWA

Chairman

Nomination and Governance Committee

31st August 2026

SENIOR INDEPENDENT DIRECTOR'S REPORT

SENIOR INDEPENDENT DIRECTOR'S REPORT

Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange, read together with the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka, requires that where the Chairman and the Chief Executive Officer ("CEO") are the same person, or where the Chairman is an Executive Director, the Company shall appoint a Senior Independent Director.

In compliance with the foregoing, I, Mr. K.G. Punchihewa, continued to serve as the Senior Independent Director ("SID") of the Company throughout the financial year ended 31st March 2026. I hereby present my report on the discharge of the duties entrusted to me during the year under review.

RATIONALE FOR THE APPOINTMENT OF THE SID

Having regard to the strategic direction of the ACME Printing and Packaging PLC Group, and to the pivotal role played by the Executive Chairman in cultivating and developing external partnerships, sustaining the trust and confidence of business partners and key principals, and securing the retention of prestigious agency relationships which are integral to the sustenance and growth of the Company and the Group as a whole, and further having considered his executive management skills, integrity, expertise, wealth of experience and sound business acumen, the Board resolved that the Chairman should continue to serve in his present capacity.

Accordingly, and in view of the fact that the positions of Chairperson of the Listed Entity and Executive Director are held by the same individual, the Company has appointed a Senior Independent Director ("SID") in full compliance with the applicable corporate governance requirements.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR (SID)

The Senior Independent Director ("SID") provides counsel and guidance to the Chairman on matters bearing on the governance of the Company; reviews the effectiveness of the Chairman, the Board and the Company's operations; and remains available, at all times, to any Director for confidential discussion of matters concerning the affairs of the Company, should the need arise.

TERMS OF REFERENCE AND POWERS OF THE SID

As set out in the Company's policy, the SID shall discharge the following duties effectively:

1. To hold meetings with the Directors (in the absence of the Chairman) on such occasions as may be deemed appropriate.

2. To chair the annual, or more frequent as may be deemed necessary, meeting of the Independent Directors, held in the absence of the other Directors, at which matters and concerns relating to the Entity and the operation of the Board are considered; and to convey the feedback and recommendations arising from such meetings to the Chairperson and the other Members of the Board.

3. To chair, at least annually and on such other occasions as may be deemed appropriate, a meeting of the Non-Executive Directors, held in the absence of the Chairperson, for the purpose of appraising the performance of the Chairperson.

4. To be entitled to a casting vote at the meetings contemplated by Rules 9.6.3 (b) and (c).

5. To act as a sounding board for the Chairman, offering ongoing counsel across the full range of relevant matters affecting the Company.

6. To serve, where necessary, as an intermediary between the Chairman and the views of the other Directors and key stakeholders.

7. To provide the Chairman with candid feedback arising from the annual evaluation process and to identify any areas requiring attention.

8. To make a signed explanatory disclosure in the Annual Report demonstrating the effective discharge of the duties of the SID.

ACTIVITIES DURING THE YEAR

In compliance with the applicable regulatory requirements, I presided over meetings of the Non-Executive Directors during the year, at which the performance of the Chairman was appraised, and matters pertaining to Board succession planning, governance practices, and the concerns of Directors and Shareholders were deliberated.

In addition, I convened and chaired meetings of the Independent Directors at which matters relating to the operations of the Company, the composition of the Board, the effectiveness of Board processes and procedures, and broader governance matters were discussed. The observations and recommendations emerging from such meetings were duly communicated to the Board.

Upon reflection, I am satisfied that I have effectively discharged the duties entrusted to me as the Senior Independent Director ("SID"), in accordance with the applicable corporate governance requirements, throughout the financial year under review.

K.G. PUNCHIHEWA

Senior Independent Director

31st August 2026

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIR OF THE COMPANY

The Board of Directors is pleased to present their Report and the Audited Financial Statements of the Company for the year ended 31st March 2026. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007, the Listing Rules of the Colombo Stock Exchange and are guided by recommended best accounting practices.

1. REVIEW OF THE YEAR

The Chairman's Statement at page 08 to 09 reviews the affairs of the Company for the financial year ended 31st March 2026. These reports form an integral part of the report of the Board of Directors.

2. PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture of a wide range of flexible packaging material for local and export markets. The main industrial sectors serviced are tea, food, confectionary, milk powder, pharmaceuticals and consumer products.

3. FINANCIAL STATEMENTS

The audited financial statements of the Company and Group are given on pages 52 to 55

4. AUDITOR'S REPORT

The Auditor's report on the financial statements is given on page 48 to 51

5. ACCOUNTING POLICIES

The accounting policies adopted in preparation of Financial Statements and the other explanatory notes are given on pages 56 to 100. There were no material changes in the Accounting Policies adopted and are consistent with those followed in the preparation of financial statements for the year ended 31st March 2026.

6. INTEREST REGISTER

The Company maintains an Interest Register and the particulars of those directors who were directly or indirectly interested in a contract of the Company are stated therein.

7. DIRECTORS' INTEREST

None of the directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 29 related party transactions to the financial statements.

8. DIRECTORS REMUNERATION AND OTHER BENEFITS

The remuneration and fees payable to the directors during the financial year ended 31st March 2026 amounted to Rs.3.6 Mn.This Includes directors ' fees of Rs.3.6 Mn accrued in respect of two independent Non-Executive Directors as at 31st March 2026 the said directors' fees remained unpaid.

Directors remuneration in respect of the Company for the financial year ended 31st March 2026 is given in Note 29 to the financial statements.

9. CORPORATE DONATIONS

No Donations were made for political purpose or otherwise by the Company during the year 2025/2026 as well as in 2024/2025.

10. DIRECTORS AND THEIR SHAREHOLDINGS

The Directors of the Company and their respective shareholdings as at 31st March 2026.

	Number of Share held	
	31.03.2026	**31.03.2025**
Mr. A. Hettiarachchy - Executive Chairman	Nil	Nil
Mr. S.D.R. Arudpragasam - Non-Executive	5,600,000	800,000
Mr. R. Rajaratnam - Non-Executive	Nil	Nil
Mr. P.S. Goonewardene - Non-Executive	Nil	Nil
Mr. K.G. Punchihewa - Non-Executive - Independent	Nil	Nil
Mr. A.I. Piyadigama - Non-Executive - Independent	Nil	Nil

Mr. H.K.P. Jayasuriya, Executive Director/CEO resigned from the Board with effect from 31st December 2025.

Mr. A.I. Piyadigama, Independent Non-Executive Director resigned from the Board with effect from 31st July 2026.

The Board wishes to place on record the Company's sincere appreciation to Mr.H.K.P. Jayasuriya and Mr. A.I. Piyadigama for their valuable contribution extended to the Company during their tenure on the Board.

Mr. M.S.M. Arjuna Samaratunga, Independent Non-Executive Director was appointed to the Board with effect from 7th August 2026.

In terms of Article 84 and 85 of the Articles of Association of the Company, Mr. P.S. Goonewardene retires by rotation at the Annual General Meeting and being eligible offers himself for re-election as recommended by the Directors.

In terms of Article 91 of the Articles of Association of the Company, Mr. M.S.M. Arjuna Samaratunga retires at the Annual General Meeting and being eligible offers himself for re-election as recommended by the Directors.

A resolution for the re-appointment of Mr. A. Hettiarachchy, as a Director who is 77 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.7 of 2007. Mr.A. Hettiarachchy's re-appointment is recommended by the Directors.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIR OF THE COMPANY

A resolution for the re-appointment of Mr. S.D.R. Arudpragasam, as a Director who is 75 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.7 of 2007. Mr. S.D.R. Arudpragasam's re-appointment is recommended by the Directors.

11. BOARD SUB-COMMITTEES

The following Board Sub-Committees are functional.

AUDIT COMMITTEE

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

Mr. P.S. Goonewardene -
Member/ Non-Executive Director

Mr. M.S.M.A. Samaratunga -
Member/Independent Non-Executive Director

The report of the audit committee appears on pages 34 to 35

REMUNERATION COMMITTEE

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

Mr. P.S. Goonewardene -
Member/ Non-Executive Director

Mr. M.S.M.A. Samaratunga -
Member/Independent Non-Executive Director

The report of the Remuneration committee appears on page 37.

RELATED PARTY TRANSACTION REVIEW COMMITTEE

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

Mr. P.S. Goonewardene -
Member/ Non-Executive Director

Mr. M.S.M.A. Samaratunga -
Member/Independent Non-Executive Director

The report of the Related Party Transaction Review Committee appears on page 36

NOMINATION AND GOVERNANCE COMMITTEE

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

Mr. P.S. Goonewardene -
Member/ Non-Executive Director

Mr. M.S.M.A. Samaratunga -
Member/Independent Non-Executive Director

The report of the Nomination and Governance Comitee appears on page 38 to 39.

12. AUDITORS

The financial statements for the year ended 31st March 2026 have been audited by Messrs KPMG, Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No.07 of 2007, a resolution relating to their re-appointment and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The fees paid to the Auditors are disclosed in Note 7 to the financial statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

13. DIVIDENDS

The directors do not recommend a dividend for the year ended 31st March 2026.

14. INVESTMENTS

Details of investments held by the Company are disclosed in Note 14 to 15 of the financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 11 to the financial statements.

16. CAPITAL COMMITMENTS

The capital expenditure approved by the Board for the financial year ended 31st March 2026 was Nill (2024/2025 - Nil).

17. GOING CONCERN

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

18. STATED CAPITAL

The Stated Capital of the Company is Rs 2,260,084,629/-.

19. TAXATION

The tax position of the Company is given in Note 9 to the Financial Statements.

20. DISCLOSURE AS PER COLOMBO STOCK EXCHANGE RULE NO.7.6

	31.03.26	31.03.25
Market price per share as at 31st March	Rs. 6.30	Rs. 3.90
Highest share price during the year	Rs.38.30	Rs. 6.50
Lowest share price during the year	Rs. 3.90	Rs. 3.90

21. SHAREHOLDING

The number of registered shareholders of the Company as at 31st March 2026 are 5,346.

22. MAJOR SHAREHOLDERS

The twenty largest shareholders of the Company as at 31st March 2026, together with an analysis are given on page 105

23. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government and the employees have been made on time.

24. CORPORATE GOVERNANCE/INTERNAL CONTROL

The Board of Directors confirms that, as at date of the Annual Report, the company complies with and is committed to good corporate governance. The Company has 3 Non-Executive Directors, 1 Executive Director and 2 Independent Non-Executive Directors on its Board. The Board as a whole decided on the appointment of Independent Non-Executive Directors. The Directors so appointed retire in rotation at each annual general meeting and seek re-election by the shareholders.

The Board of Directors hold regular meetings and also meet if circumstances warrant. The Board reviews It reviews the strategic direction of the Company the exposure of key business risks, the annual budgets and the progress toward achieving these budgets and their capital expenditure programmes.

The Directors are responsible for the Company's systems of internal finance controls. The Board has reviewed the effectiveness of the systems of finance controls for the period up to the date of signing the accounts. The Directors responsibility for the financial statements is described on page 45

25. CONTINGENT LIABILITIES

There were no contingent liabilities as at reporting date which would require adjustments to or disclosure in the financial statements of the Company or Group as at 31st March 2026.

26. EVENTS OCCURRING AFTER THE REPORTING DATE

Details of events after reporting date are set out in Note 32 on page 91.

27. ANNUAL GENERAL MEETING

The 77th Annual General Meeting of the Company will be held on 28th 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 and on behalf of the Board of Directors of

ACME PRINTING AND PACKAGING PLC

A. HETTIARACHCHY

Chairman

P. S. GOONEWARDENE

Director

S S P CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries

31st August 2026

RESPONSIBILITY STATEMENT OF EXECUTIVE CHAIRMAN AND CHIEF FINANCIAL OFFICER

COMPLIANCE WITH LAWS AND REGULATIONS

The Financial Statements of ACME Printing and Packaging PLC and the Consolidated Financial Statements of the Company and its subsidiary (the Group) for the year ended 31st March 2026 are prepared and presented in compliance with the requirements of the followings:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (SLFRS/ LKAS).
- Companies Act No. 07 of 2007.
- Listing Rules of the Colombo Stock Exchange.
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.
- Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka in 2017.

FINANCIAL REPORTING

The Significant Accounting Policies used in the preparation of the consolidated Financial Statements are appropriate and are consistently applied, except unless otherwise stated in the notes accompanying the Financial Statements. The Material Accounting Policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and the Company's External Auditors. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation. The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements reflect a true and fair view and the form & substance of transactions reasonably present the Company's state of affairs. We confirm that to the best of our knowledge, the Financial Statements, Material Accounting Policies and other financial information included in this Annual Report, fairly present all material aspects regarding the financial position, results of the operations and the Cash Flows of the Group during the year under review.

We also confirm that the Group has adequate resources to continue in operation and has applied the Going Concern basis in preparing these Financial Statements.

SYSTEM OF INTERNAL CONTROL

The Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets, and for preventing and detecting fraud as well as other irregularities, which are reviewed, evaluated and updated on an ongoing basis. We have evaluated the internal controls and procedures of the Group for the financial period under review and confirm, based on our evaluations, that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and fraud that involves management or other employees. The Internal Auditors conduct periodic audits to provide reasonable assurance that the established policies and procedures of the Group were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal control and accounting.

REPORT OF INDEPENDENT AUDITORS

The Financial Statements were audited by Messrs KPMG, Chartered Accountants, the Independent Auditors and their report is given in pages 48 to 51.

AUDIT COMMITTEE

The Audit Committee pre-approved the audit and non-audit services provided by Messrs KPMG. The Audit Committee meets periodically with the Internal Auditors and the Independent Auditors to review the manner in which these Auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance. The Audit Committee Report is given on pages 34 to 35.

CONCLUSION

We confirm that to the best of our knowledge, the Group has complied with all applicable laws, regulations and guidelines and there is no material litigation against the Group other than those disclosed in Note 32.3 of the Financial Statements.

The system of internal control is operating effectively.

The Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs and have applied the Going Concern basis in preparing these Financial Statements.

All taxes, duties, levies and all statutory payments by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Group as at 31st March 2026 have been paid, or where relevant provision made.

For and on behalf of the Board of Directors of ACME Printing and Packaging PLC

SAMEERA GAMAGE
Chief Financial Officer

A. HETTIARACHCHY
Chairman

31st August 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

This Statement of Directors' responsibilities is to be read in conjunction with the Report of the Auditors and is made to distinguish the respective responsibilities of the Directors and to the Auditors in relation to the Financial Statements contained in this Annual Report.

The Board accepts responsibility for the preparation and fair presentation of Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Groups'/Company s' Financial Statements, presented in this report for the year ended 31st March 2026 & conform to the requirements of Sri Lanka Accounting Standards (SLFRS/ LKAS) and the Companies Act No 7 of 2007. They also confirm that the Financial Statements presented by them give a true and fair view of Company activities as at that date. The financial information is consistent with that in the Financial Statements.

The Directors are of the view that adequate funds and other resources are available within the Group / Company for the Group/ Company to continue in operation for the foreseeable future.

The Board of Directors has initiated an efficient and concise system of Internal Controls. It also includes Internal Checks and Internal Audits, along with the financial and other controls required to carry on the business smoothly, whilst safeguarding assets in a secure, practical, accurate and reliable manner.

The Directors have also taken all reasonable steps to ensure that the Company and its subsidiaries maintain adequate and accurate accounting books of records which reflects the transparency of transactions and provide an accurate disclosures of the Group's/ Company's financial position.

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 express their opinion.

COMPLIANCE REPORT

The directors confirm that, to the best of their knowledge all taxes and levies payable by the Group/Company and all contributions, levies and taxes payable on behalf of the employees of the Group/ Company, and all other known statutory obligations as at the reporting date have been paid or provided for in the Financial Statements.

APPROVAL OF FINANCIAL STATEMENTS

The Directors report and the Financial Statements of the Company and the Group were approved by the Board of Directors on 31st August 2026.

For and on behalf of the Board of Directors of

ACME PRINTING AND PACKAGING PLC

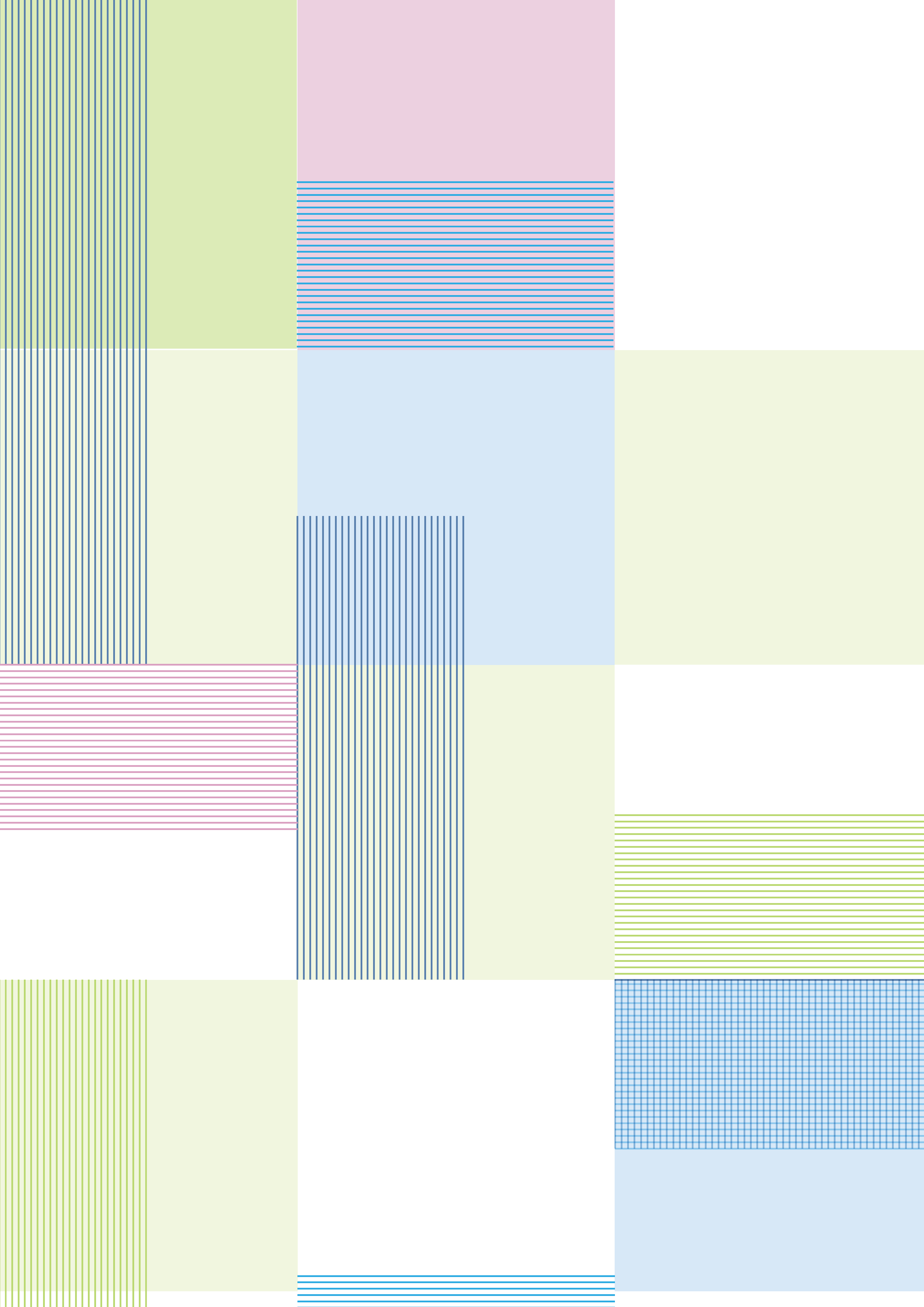
A. HETTIARACHCHY

Chairman

P. S. GOONEWARDENE

Director

31st August 2026



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INDEPENDENT AUDITORS' REPORT

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
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TO THE SHAREHOLDERS OF ACME PRINTING AND PACKAGING PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of ACME Printing and Packaging PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31st March 2026, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, set out on pages 52 to 100.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Impairment Assessment of investment in subsidiary

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

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

Impairment Assessment of investment in subsidiary	
Refer to Note 2.5 (Use of Estimates and judgements) and Note 14 (Investment in Subsidiaries) to the Financial Statements.	
Risk Description	**Our response**
Carrying amount of investment in subsidiary where indications existed has been tested for impairment and determined its recoverable amount based on value in use calculations as at 31st March 2026. We considered the management's impairment assessment of investment in subsidiary to be a key audit matter due to the magnitude of the carrying amounts and use of significant judgments and estimates.	● Assessing the appropriateness of key assumptions such as projected economic growth rates, inflation rates and discount rates used by the management in the impairment assessment process by comparing with external data with the involvement of our internal specialists. ● Assessing the adequacy of disclosures in the Financial Statements in relation to impairment of investment in subsidiary.

Revaluation of Buildings	
Refer to Note 2.5 (Use of Estimates and judgements) and Note 11 (Property, Plant and Equipment) to the Financial Statements.	
Risk Description	**Our response**
The Group and the Company carried buildings classified as property, plant and equipment at fair value amounting to Rs. 545.2 Mn and Rs. 362.5 Mn, respectively as at 31st March 2026. Accordingly, the Group and the Company have recognized a fair value gain of Rs. 92.3 Mn and Rs. 56.4 Mn respectively during the year ended 31st March 2026. Subsequently, one bulding held by the Company has been reclassified as Assets Held for Sale at its fair value. Management's assessment of the fair value of the buildings are based on valuation performed by a qualified independent property valuer in accordance with recognized industry standards We identified valuation of buildings as a key audit matter because, the determination of the fair values involves significant judgements and estimation, particularly determining the appropriate valuation methodology to be used, and in estimating the key assumptions applied. This key assumption includes market value per square feet used, taking into consideration for differences such as location and size and change in the key assumptions	Our audit procedures included: ● Assessing the objectivity, independence, competency and capability of the external valuer engaged by the management. ● Reading the professional valuer's report and assessing the key estimates made by external valuer in deriving the fair value of the buildings. ● Engaging our own internal specialized resources to access the reasonability of the valuation technique and the value per square feet used. ● Assessing the adequacy of disclosures made in relation to the fair value of the buildings in the financial statements.

Management Assessment of ability to continue as Going Concern	
Refer to Note 2.5 (Use of Estimates and judgements) and Note 33 (Going Concern) to the Financial Statements.	
Risk Description	**Our response**
The Group and the Company incurred a net loss of Rs. 494.6 Mn and Rs. 618.3 Mn, respectively during the year ended 31st March 2026. Further, the Group and the Company have reported accumulated losses amounting to Rs. 2,504.3 Mn and Rs. 2,010 Mn as at 31st March 2026. However, the Board of Directors have determined that use of the going concern basis of accounting is appropriate in preparing the financial statements. Their assessment of the going concern was based on actions taken subsequently to the reporting date, the feasibility of management plans and cash flow forecasts for the 12 months period. We considered the management's going concern assessment to be a key audit matter due to use of significant judgments, uncertainties and estimates involved in cash flow forecasts.	Our audit procedures included: ● Obtaining an understanding and evaluating the appropriateness of the management's assessment of going concern along with the future business plans of the Company. ● Testing the appropriateness of the assumptions used for the cash flow forecasts and management plans by comparing with actions taken by the Company subsequent to the reportin date, actual results of the subsequent period and planned actions. ● Performing our own sensitivity analysis to test the adequacy of the assumptions. ● Assessing the adequacy of disclosures made in relation to the going concern in the financial statements.

INDEPENDENT AUDITORS' REPORT

OTHER INFORMATION

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

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

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

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

Chartered Accountants

Colombo, Sri Lanka

31st August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group		Company	
For the year ended 31st March		2026	2025	2026	2025
		Rs'000	Rs'000	Rs'000	Rs'000
Revenue	5	909,292	1,196,433	657,950	868,468
Cost of Sales		(888,354)	(1,146,293)	(616,053)	(849,028)
Gross Profit		20,938	50,140	41,897	19,440
Other Income	6	139,157	15,704	30,740	25,706
Administrative Expenses		(324,134)	(242,850)	(291,418)	(193,568)
Distribution Expenses		(16,756)	(24,204)	(16,255)	(23,228)
Other Expenses		(176,393)	-	(111,907)	-
Provision reversal/ (made) for impairment of Amount due from related parties and trade receivables	17.1/18.1	45,348	(29,157)	81,129	(5,948)
Impairment of investment in subsidiary		-	-	(205,600)	-
Loss from Operations		(311,840)	(230,367)	(477,414)	(177,598)
Finance Income	8.1	650	353	501	255
Finance Costs	8.2	(155,450)	(205,290)	(120,908)	(134,379)
Net Finance Costs		(154,800)	(204,937)	(120,407)	(134,124)
Loss before Taxation		(466,640)	(435,304)	(597,821)	(311,722)
Income Tax (Expenses)/ Reversal	9	(27,995)	29,381	(20,464)	19,825
Loss for the Year		(494,635)	(405,923)	(618,285)	(291,897)
Other Comprehensive Income for the Year					
Revaluation Surplus	22	92,303	34,785	56,405	34,785
Actuarial Loss on Defined Benefit Obligations	26	(48)	(11,507)	(157)	(9,191)
Deffered tax effect on actuarial loss on defined benefit obligation	25	14	3,452	47	2,757
Deffered tax effect on revaluation surplus	25	(27,691)	(10,436)	(16,921)	(10,436)
Total Other Comprehensive Income for the Year, (Net of tax)		64,578	16,294	39,374	17,915
Total Comprehensive Expense for the Year		(430,057)	(389,629)	(578,911)	(273,982)
Basic Loss per Share	10	(2.04)	(1.85)	(2.55)	(1.33)
Figures in brackets indicate deductions.					

The Notes to the Financial Statements on pages 56 to 100 form an integral part of these consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
As at 31st March		2026	2025	2026	2025
		Rs'000	RS'000	Rs'000	RS'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	11	444,324	1,084,711	108,936	748,357
Intangible Assets	12	5,812	7,749	5,812	7,749
Right-of-Use Assets	13	2,109	3,232	-	-
Investment in Subsidiary	14	-	-	488,400	-
Financial assets measured at Fair Value through OCI	15	-	25	-	25
Total Non-Current Assets		452,245	1,095,717	603,148	756,131
Current Assets					
Inventories	16	129,065	303,885	124,581	132,327
Trade and Other Receivables	17	197,031	417,739	178,772	171,013
Amounts due from Related Companies	18	32,407	31,394	55,166	564,248
Cash and Cash Equivalents	19	508,381	14,292	355,353	12,904
		866,884	767,310	713,872	880,492
Non-current assets held for sale	20	629,185	-	629,185	-
Total Current Assets		1,496,069	767,310	1,343,057	880,492
Total Assets		1,948,314	1,863,027	1,946,205	1,636,623
EQUITY & LIABILITIES					
Equity					
Stated Capital	21	2,260,085	835,085	2,260,085	835,085
Revaluation Reserve	22	720,702	656,090	560,196	520,712
Accumulated Losses		(2,504,318)	(2,009,649)	(2,010,021)	(1,391,626)
Total Equity		476,469	(518,474)	810,260	(35,829)
Non-Current Liabilities					
Interest Bearing Borrowings	23	190,597	262,385	62,537	97,358
Lease Liabilities	24	2,232	2,235	-	-
Deferred Tax Liabilities	25	300,722	245,050	218,145	180,807
Defined Benefit Obligation	26	32,277	26,593	21,751	17,782
Total Non-Current Liabilities		525,828	536,263	302,433	295,947
Current Liabilities					
Interest Bearing Borrowings	23	579,020	1,397,309	539,045	1,138,788
Lease Liabilities	24	3	2,055	-	-
Trade and Other Payables	27	304,911	362,096	244,478	166,090
Amounts due to Related Companies	28	38,464	46,646	26,370	34,495
Bank Overdraft	19	23,619	37,132	23,619	37,132
Total Current Liabilities		946,017	1,845,238	833,512	1,376,505
Total Liabilities		1,471,845	2,381,501	1,135,945	1,672,452
Total Equity and Liabilities		1,948,314	1,863,027	1,946,205	1,636,623

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 56 to 100 form an integral part of these consolidated Financial Statements.

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

SAMEERA GAMAGE

Chief Financial Officer

The Board of Directors are responsible for the preparation and presentation of the financial statements.

Signed for and on behalf of the Board:

MR. A. HETTIARACHCHY

Chairman

31st August 2026

COLOMBO

MR. P.S. GOONEWARDENE

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March	Group			
	Stated Capital	Revaluation Reserve	Accumulated Losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Balance as at 1st April 2024	835,085	631,921	(1,595,851)	(128,845)
Transfer to retained earnings		(180)	180	-
Comprehensive Expense for the Year				
Loss for the Year	-	-	(405,923)	(405,923)
Revaluation Surplus, net of tax	-	24,349	-	24,349
Other Comprehensive Expense for the Year, (net of tax)	-	-	(8,055)	(8,055)
Total Comprehensive Expense for the Year	-	24,349	(413,978)	(389,629)
Balance As at 31st March 2025	835,085	656,090	(2,009,649)	(518,474)
Balance as at 1st April 2025	835,085	656,090	(2,009,649)	(518,474)
Comprehensive Expense for the Year				
Loss for the Year	-	-	(494,635)	(494,635)
Revaluation Surplus, net of tax		64,612	-	64,612
Other Comprehensive Expense for the Year, (net of tax)	-	-	(34)	(34)
Total Comprehensive Income/ (Expense) for the Year	-	64,612	(494,669)	(430,057)
Transactions with owners of the company, recognized directly in Equity				
Rights Issue of Shares	1,425,000	-	-	1,425,000
Total transactions with owners of the Company	1,425,000	-	-	1,425,000
Balance As at 31st March 2026	2,260,085	720,702	(2,504,318)	476,469

For the year ended 31st March	Company			
	Stated Capital	Revaluation Reserve	Accumulated Losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Balance as at 1st April 2024	835,085	496,363	(1,093,295)	238,153
Comprehensive Expense for the Year				
Loss for the Year	-	-	(291,897)	(291,897)
Revaluation Surplus, net of tax	-	24,349	-	24,349
Other Comprehensive Expense for the Year, (net of tax)	-	-	(6,434)	(6,434)
Total Comprehensive Income/ (Expense) for the Year	-	24,349	(298,331)	(273,982)
Balance as at 31st March 2025	835,085	520,712	(1,391,626)	(35,829)
Balance as at 1st April 2025	835,085	520,712	(1,391,626)	(35,829)
Comprehensive Expense for the Year				
Loss for the Year	-	-	(618,285)	(618,285)
Revaluation Surplus, net of tax		39,484	-	39,484
Other Comprehensive Expense for the Year, (net of tax)	-	-	(110)	(110)
Total Comprehensive Income/ (Expense) for the Year	-	39,484	(618,395)	(578,911)
Transactions with owners of the Company, recognized directly in Equity				
Rights Issue of Shares	1,425,000	-	-	1,425,000
Total transactions with owners of the Company	1,425,000	-	-	1,425,000
Balance As at 31st March 2026	2,260,085	560,196	(2,010,021)	810,260

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 56 to 100 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group		Company	
For the year ended 31st March		2026	2025	2026	2025
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Loss before taxation		(466,640)	(435,304)	(597,821)	(311,722)
Adjustments for :					
Depreciation on Property, Plant & Equipment	11	78,794	65,527	36,675	32,442
Amortization of Right to Use Assets	13	1,123	3,054	-	-
Amortization of intangible Assets	12	1,937	1,792	1,937	1,792
Provision for Defined Benefit Obligations net of interest on plan assets	26.2	6,375	5,099	4,368	3,599
Provision / (Reversed) made for Slow Moving Inventories	16.1	(11,819)	38,956	5,724	26,235
Impairment for / (Reversal) of Amounts Due from Related Parties	17	35	198	(65,204)	(3,113)
Provision for Impairment of investment in subsidiary		-	-	205,600	-
Provision / (Reversed) made on Trade Receivables	17.1	(45,383)	28,959	(15,925)	9,061
Provision / (Reversed) made on Other Trade Receivables	17.2	(297)	-	959	-
Provision for Non Recurring Cost of Living Gratuity		41,801	-	41,801	-
Disposal Gain of Property, Plant and Equipment	6	(8)	(420)	(8)	(114)
Property, Plant and Equipment Written Off		42,189	-	39,999	-
Trade Receivables Written Off		34,056	-	15,719	-
Trade Payable (Written off)/Written Back		(8,517)	-	2,190	-
Written off of investment in FVOCI		25	-	25	-
Inventory Written Off		86,316	-	42,857	-
Interest Income	8	(203)	(353)	(203)	(255)
Interest Expense	8	59,943	201,746	119,102	130,640
(Gain) / Loss on translation of Foreign Currency		1,427	(195)	1,509	-
Operating Loss before working capital changes		(178,847)	(90,941)	(160,699)	(111,435)
Decrease / (Increase) in Inventories		100,323	75,945	(40,835)	122,950
Decrease/ (Increase) in Trade & other Receivables		232,333	(11,610)	(8,512)	(18,128)
Increase in Amount due from Related Parties		(1,048)	(14,633)	(119,714)	(24,399)
(Decrease) / Increase in Amount Due to Related Parties		(8,183)	29,244	(8,125)	24,447
(Decrease) / Increase in Trade & Other Payables		(91,897)	121,568	32,889	33,123
Cash generated from/ (used in) Operations		52,682	109,573	(304,993)	26,558
Interest Paid		(282,698)	(120,986)	(223,175)	(81,672)
Employee Benefit paid	26.2	(14,551)	(2,778)	(14,369)	(1,892)
Net Cash used in Operating Activities		(244,567)	(14,191)	(542,537)	(57,006)
Cash Flows from Investing Activities					
Proceeds from Disposal of Property, Plant & Equipment		8	828	8	828
Purchase of Property, Plant & Equipment	11	(17,478)	(71,585)	(10,033)	(16,482)
Interest Received	8	203	353	203	255
Purchase of Intangible Assets		-	(6,765)	-	(6,765)
Proceeds from Withdrawal from Plan Assets		13,813	-	13,813	-
Net Cash Flow used in / (generated from) Investing Activities		(3,454)	(77,169)	3,991	(22,164)
Cash flows from financing activities					
Repayment of Long Term Borrowings	23.1	(83,570)	(47,409)	(33,411)	(34,522)
Proceeds from Rights Issue		1,425,000	-	1,425,000	-
Proceeds from Long Term Loans	23.1	-	54,929	-	25,000
Repayment of Lease	24	(2,055)	(4,780)	-	-
Proceeds from Short Term Borrowings	23.2	1,124,492	734,439	1,111,685	733,481
Proceeds from Related Companies		-	20,000	-	20,000
Repayment of Short Term Borrowings	23.2	(1,404,780)	(702,447)	(1,305,302)	(686,922)
Repayment of borrowings obtained from related companies	23.3	(303,464)	(10,000)	(303,464)	(10,000)
Net Cash Flow from Financing Activities		755,623	44,732	894,508	47,037
Net Increase / (Decrease) in Cash & Cash Equivalents		507,602	(46,628)	355,962	(32,133)
Cash & cash equivalents at the beginning of the year		(22,840)	23,788	(24,228)	7,905
Cash & cash equivalents at the end of the year	19	484,762	(22,840)	331,734	(24,228)

Figures in brackets indicate deductions.

The Notes to the Financial Statements on pages 56 to 100 form an integral part of these Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. DOMICILE AND LEGAL FORM

ACME Printing and Packaging PLC ("the Company") is a public quoted company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

The registered office of the Company is located at No 98, Sri Sangaraja Mawatha, Colombo-10. The operations are conducted at Pannala.

The Consolidated Financial Statements of the Group as at and for the year ended 31st March 2026 comprise the Company and its subsidiary (together referred to as the "Group" and individually as "Group entities"). The Company has a fully owned subsidiary, ACME Packaging Solutions (Pvt) Ltd.

1.2. PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principle activities of the Company and the subsidiary (ACME Packaging Solutions (Pvt) Ltd.) are manufacturing of flexible packaging materials.

There were no significant changes in the nature of the principal business activities of the companies in the Group during the financial year under review.

1.3. PARENT COMPANY AND ULTIMATE PARENT COMPANY

The Company's parent undertaking is Lankem Ceylon PLC, while the ultimate parent undertaking and controlling party is Colombo Fort Land & Building PLC.

1.4. NUMBER OF EMPLOYEES

The numbers of employees of the Group and the Company as at 31st March 2026 are as follow:

Group	152 (2025 - 182)
Company	94 (2025 - 116)

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group and the separate 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 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

The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka. www.casrilanka.com

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 Board of Directors on 31st August 2026.

2.3. BASIS OF MEASUREMENT

The Consolidated Financial Statements have been prepared on historical cost basis except for the following:.

Retirement Benefit Obligation based on actuarial valuation has been measured at fair value.

Financial assets measured at Fair Value Through Other Comprehensive Income.

Classes of Land, Buildings and Machinery under Property, Plant and Equipment are carried at fair value.

2.4. FUNCTIONAL AND PRESENTATION CURRENCY

The Consolidated Financial Statements are presented in Sri Lankan Rupees which is the Group's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand unless otherwise stated.

2.5. USE OF ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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.

Information about critical judgments, estimates and assumptions in applying accounting policies that could have a significant effect on the amounts recognized in the Financial Statements are mentioned below:

	Policy No.
Valuation of Land, Building and Plant & Machinery	3.5.3
Impairment	3.9
Retirement Benefit Obligation	3.12
Deferred Taxation	3.15.5.2
Measurement of Fair Value of Financial Instruments	3.4

2.5.1 Assumptions and Estimation Uncertainties.

Information about the assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st March 2026 is included in the following notes.

Note 26: Measuring of defined benefit obligations: Key actuarial assumptions

Note 25: Recognition of deferred tax liability

Note 11: Valuation of Property, Plant and Equipment

Note 17: Impairment of trade receivables

2.6. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The assets and liabilities of the Group presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

2.7. 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 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 net basis, or to realize the assets and settle the liability simultaneously.

2.8. GOING CONCERN

The Management has made an assessment of its ability to continue as a going concern for the foreseeable future, and they do not foresee a need for liquidation or cessation of trading. Therefore, the financial statement of the Group continues to be prepared on a going concern basis as disclosed in Note 33 to the financial statements.

2.9. MEASUREMENT OF FAIR VALUE

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. 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:inputs are unadjusted quoted prices in active markets for identical assets or liabilities. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: inputs are 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 are inputs that are not based on observable market data (unobservable inputs).

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

2.10 ACCOUNTING POLICIES AND COMPARATIVE INFORMATION

The accounting Policies applied by the Group Consistent with those used in the Previous year. Previous year's Figures and phrases have been rearranged, wherever necessary, to conform to the current year's presentation.

3. MATERIAL ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements, unless otherwise indicated.

3.1. BASIS OF CONSOLIDATION

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. 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. 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 if 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 when control ceases.

3.1.3 Loss of Controls

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.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except foreign currency transaction gains or losses) arising from intra-group transactions are eliminated in preparing the Financial Statements. Unrealised losses are eliminated in the same way as unrealised gains, only to the extent that there is no evidence of impairment.

3.2. FOREIGN CURRENCY

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group of companies exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

3.3. ASSETS AND BASES OF THEIR VALUATION

Assets classified as Current Assets in the Statement of Financial Position are Cash, Bank balances and those of which are expected to be realized in cash during, the normal operating cycle of the Group's business, or within one year from the reporting date, whichever is shorter. Assets other than current assets are those which the Group intends to hold beyond a period of one year from the reporting date.

3.4. FINANCIAL INSTRUMENTS

3.4.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities 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 an 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.

3.4.2 Classification and subsequent measurement

3.4.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at; amortised cost; Fair Value Through Other Comprehensive Income (FVTOCI) or Fair value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequently to their 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 at 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 outstanding.

On the initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

a) Business Model Assessment

The Group makes an assessment of the objectives of the business model in which a financial asset is held as 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 realising 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 the business model) and how those risks are managed;
- The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sale and expectation about future sales activity.

- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

b) Assessment whether Contractual Cash Flows are Solely Payment of Principal and Interest

For the purpose 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 cost), as well as a profit margin.

In assessing whether the contractual cash flows are solely payment 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 limits the Group's claim to cash flows from specific assets (e.g. non-recourse features)

The prepayment feature is consistent with the solely payment 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 compensation for early termination of the contract.

c) Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised 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 recognised in OCI and are never reclassified to profit or loss.

3.4.2.2 Financial Liabilities

Financial liabilities are classified as measured at amortized cost using 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.

3.4.3 Derecognition

3.4.3.1 Financial Assets

The Group derecognises 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 Company 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 recognised 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.

3.4.3.2 Financial Liabilities

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 recognised in profit or loss.

3.4.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.5. PROPERTY, PLANT & EQUIPMENT

3.5.1 Recognition and measurement

Property, Plant and Equipment are recognized, if it is probable that future economic benefits associated with the asset will flow to the Group and cost of the asset can be measured reliably.

Property, Plant & Equipment are initially measured at its cost and subsequently at cost or revaluation less accumulated depreciation and accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 and capitalized borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When Significant 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.

3.5.2 Cost Model

The Group applies cost model to Property, Plant and Equipment except for free hold land, Buildings and Machinery, and records at cost of purchase or construction together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

3.5.3 Revaluation Model

The Group applies the revaluation model for the entire class of Free hold lands, Buildings and Machinery. Such assets are carried at a revalued amount, being their fair value at the date of revaluation, less subsequent accumulated impairment losses. Lands and the buildings of the Group are revalued at once in every three years on a roll over basis to ensure that the carrying amounts do not differ materiality from the fair values at the reporting date. A revaluation is carried out when there is substantial difference between the fair value and carrying amount of the property and is undertaken by professionally qualified valuers. On revaluation of an asset, any increase in the carrying amount is recognized in Other Comprehensive Income and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of the previous write down.

Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited in the Other Comprehensive Income to the extent of any credit balance existing in the capital reserve in respect of that asset. The decrease recognized in Other Comprehensive Income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

3.5.4 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/ other expenses” in profit or loss.

3.5.5 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.

3.5.6 Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of Property, Plant and 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.

3.5.7 Depreciation

Items of Property, Plant and Equipment are depreciated from the date they are available for use or, in respect of self constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of Property, Plant and Equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. 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. Land is not depreciated.

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

Assets	Years
Building	44
Plant & Machinery	10
Furniture & Fittings	5-10
Motor Vehicles	5-10
Computer Equipment	10
Cylinders	3

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 required.

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

3.5.8 Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work-in-progress, while the capital assets which have been completed during the year and put to use are transferred to Property, Plant and Equipment.

3.6 LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- The Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. Where the Lease agreement includes an annual adjustment on a variable such as GDP deflater the Group shall annually reassess the liability considering such variable and recognize the amount of remeasurement of the lease liabilities as an adjustment to the right-of use asset.

I. As a Lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of rightof-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the 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, the Group incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

3.7 INTANGIBLE ASSETS

Intangible assets that are acquired by the Group are measured at Cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Amortization is calculated to write off the cost of intangible asset less their estimated residual values under the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current period are as follows:

Computer software	5 years

3.8 INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Raw materials	Cost of purchases together with any incidental expenses
Packing materials and consumables	Cost of purchases together with any incidental expenses
Finished goods	Cost of materials and overheads absorbed.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.9 IMPAIRMENT

3.9.1 Non- derivative Financial Assets

3.9.1.1 Financial instruments

The Group recognizes loss allowances for ECLs (Expected Credit Loss) on financial assets measured at amortised cost

The Group measures loss allowances at an amount equal to lifetime 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 debtor 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.

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

3.9.1.2 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.

3.9.1.3 Presentation of allowance for ECL in the statement of financial position

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

3.9.1.4 Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off based on historical experience of recoveries of similar assets and based on the assessment carried out by the Group. 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 for recovery of amounts due.

3.9.2 Non - Financial Assets

The carrying amounts of the Group's non-financial assets, other than 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.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The recoverable amount of an asset or cash-generating unit 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.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. 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 units, and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 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.

3.11 LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from the reporting date. All known liabilities have been accounted for in preparing these Financial Statements. Provision and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.12 EMPLOYEE BENEFITS

3.12.1 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. All the employees who are eligible for Employees' Provident Fund and Employees' Trust Fund are covered by relevant contribution funds in line with the respective statutes. Employers' contribution to defined contribution plans are recognized as an employee benefit expense in the Profit or Loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments available.

(a) Employees' Provident Fund

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

(b) Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund.

3.12.2 Retirement Benefit Obligation

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 for each plan 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. Any unrecognized past service costs and the fair value of any plan assets are deducted.

An actuarial valuation was carried out by a qualified firm of actuaries using the Projected Unit Credit (PUC) method as recommended by LKAS 19- "Employee Benefits". When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in profit or loss on a straightline basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

The assumptions based on which the results of actuarial valuation was determined, are included in Note 25.3 to the financial statements.

The Group recognizes all actuarial gain/losses arising from defined benefit plans in Other Comprehensive Income.

However, according to the Payment of Gratuity Act No.12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The group recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

3.13 STATED CAPITAL

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.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

3.14 ASSETS CLASSIFIED AS HELD FOR SALE

Non – current assets that are expected to be recovered permanently through a disposal rather than through continuing use are classified as held for sale. Immediately before classification as held for sale these assets are re-measured in accordance with the Group's accounting policies. Therefore, the assets are measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on the above assets is first allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which are continued to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the income statement. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated and any equity accounted investee is no longer accounted.

3.15 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive income, the Directors are of the opinion that function of expenses method presents fairly the elements of the Group is performance, and hence such presentation method is adopted in line with the provisions of LKAS 1 in Presentation of Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.15.1 Revenue Recognition

The Group revenue represents sales to customers outside the Group and sales within the Group which are intended for internal consumption.

Revenue will be recognised upon satisfaction of performance obligation. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on the time of dispatch of the goods.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

(a) Sale of Goods

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

Type of product	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under SLFRS 15
Sale of Goods	The Company sells flexible packaging materials to customers.	Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, usually on dispatch of the goods. Sales are measured at the fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales taxes) and variable consideration (e.g. discounts and rebates).

3.15.2 Expenditure Recognition

All expenses incurred in running the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

For the purpose of the presentation of the Statement of Profit or Loss and Other Comprehensive Income, the Directors are of the opinion that function of expenses method presents fairly the elements of the enterprise's performance; hence such presentation method is adopted.

3.15.3 Finance Income and Finance Costs

Finance income comprises interest income on funds invested recognized as it accrues in profit or loss, using the effective interest method and foreign currency gains and losses are reported on a net basis.

Finance Costs comprise interest expense on bank overdrafts and Borrowings recognized in profit or loss using the effective interest method and foreign currency gains and losses are reported on a net basis.

3.15.4 Other Income

Other income is recognised based on the accrual basis.

Other income comprises rent income and net gains and losses on the disposal of Property, Plant and Equipment and other non-current assets including investments have been accounted for in the assets.

3.15.5 Taxation

Income tax expense comprises current and deferred tax.

Income tax expense is recognized in Statement of Profit or Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.15.5.1 Current tax

Current tax expenses for the current and comparative periods are measured at the amount paid or expected to be payable to the Commissioner General of Inland Revenue on taxable income for the respective year of assessment computed in accordance with the provisions of the Inland Revenue Act. No. 04 of 2023 as amended by subsequent legislation enacted or substantively enacted by the reporting date.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date.

3.15.5.2 Deferred tax

Deferred tax is recognized using the Statement of Financial Position liability method, providing for 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 reporting date.

The principal temporary differences arise from depreciation on Property, Plant and Equipment; and provisions for defined benefit obligations.

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 reporting 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.

3.16 STATEMENT OF CASH FLOWS

The Statement of Cash Flows has been prepared using 'indirect method'. Interests paid are classified as operating cash flows while dividends paid are classified as financing cash flows. Interests and dividends received are classified as investing cash flows for the purpose of presentation of Cash Flow Statement.

For the purpose of Statement of Cash Flow, cash & cash equivalents consist of cash at bank and in hand and shortterm deposits net of outstanding bank overdrafts.

3.17 SEGMENTAL INFORMATION

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 Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group is a Public Limited Company in Sri Lanka. During the year ended 31st March 2026, the Group operated as a single business unit under one management team offering the flexible packaging materials to business customers.

There are no distinguishable components to be identified as segments for the Group.

3.18 RELATED PARTY TRANSACTIONS

Disclosures have been made in respect of the transactions between parties who are defined as related parties as per LKAS 24 – Related Party Disclosures.

3.19 EVENTS OCCURRING AFTER THE REPORTING DATE

All material events occurring after reporting date have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

3.20 EARNINGS PER SHARE

The Group presents basic earnings per share (EPS) 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.21 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Contingent Assets and Liabilities are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Group's control. All material capital commitments and Contingent Liabilities of the Group are disclosed in the Notes 30 and 31 to the consolidated Financial Statements.

4. NEW/ AMENDMENTS TO ACCOUNTING STANDARD ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued following new Sri Lanka Accounting Standards which will become applicable for financial periods beginning after 1st April 2026. Accordingly, the Group has not applied these new standards in preparing these Financial Statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements.

SLFRS S1 - General Requirements for Disclosures of Sustainability related Financial Information

SLFRS S2 - Climate-Related Disclosures

SLFRS 18 – Presentation and Disclosure in Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE

	Group		Company	
For the year ended 31st March	**2026**	**2025**	**2026**	**2025**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Geographical Market				
Local Sales	909,292	1,196,433	657,950	868,468
	909,292	1,196,433	657,950	868,468

5.1 TIMING OF REVENUE RECOGNITION

	Group		Company	
For the year ended 31st March	**2026**	**2025**	**2026**	**2025**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Goods transferred at a point of time	909,292	1,196,433	657,950	868,468
Total Revenue with contracts of Customers	909,292	1,196,433	657,950	868,468

There is no seperately identifiable segments for the above mentioned revenue streams.

6 OTHER INCOME

	Group		Company	
For the year ended 31st March	**2026**	**2025**	**2026**	**2025**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Rent income	-	-	14,850	18,000
Scrap sales	7,848	7,510	6,769	3,211
Profit on Disposal - Fixed Asset	8	-	8	-
Sundry Income	698	-	698	-
Domestic Services	4,942	7,523	4,942	4,495
Intercompany Services	1,187	671	1,283	-
Writeback of other payables	124,474	-	2,190	-
	139,157	15,704	30,740	25,706

7 LOSS BEFORE TAX

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
	Rs'000	Rs'000	Rs'000	Rs'000
Loss before tax is stated after charging all expenses including the following,				
Directors' Emoluments	3,600	25,428	3,600	25,428
Audit fees and expenses - Audit & Audit Related Services	1,755	1,600	1,095	1,000
- Non Audit Services	900	483	420	132
Depreciation on Property, Plant and Equipment	78,794	65,527	36,675	32,442
Amortisation of Right of use Assets	1,123	3,054	-	-
Amortisation of Intangible Assets	-	-	1,937	-
Provision (Reversed) / made for impairment of Amount due from related parties and trade receivables (Note 17.1/18.1)	(45,349)	29,157	(81,129)	5,948
Provision (Reversed) / made for impairment of other receivables	(1,256)	-	959	-
Provision (Reversed) / made for Slow Moving Inventories	(11,819)	38,956	5,724	26,235
Staff and related costs				
- Salaries, wages & other related cost	190,014	203,794	144,348	142,150
- Defined contribution plans - EPF & ETF	24,759	23,134	18,388	19,454
- Defined benefit plan cost	6,378	5,099	4,371	3,599
	221,151	232,027	167,107	165,203

8 NET FINANCE COSTS

8.1 FINANCE INCOME

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
	Rs'000	Rs'000	Rs'000	Rs'000
Interest Income	203	353	203	255
Gain on Translation of Foreign Currency	447	-	298	-
Total Finance Income	650	353	501	255

8.2 FINANCE COSTS

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
	Rs'000	Rs'000	Rs'000	Rs'000
Interest on Long term loans	26,001	74,011	4,297	22,154
Interest on overdraft and short term loans	94,660	92,208	82,711	73,825
Interest on Loans due to Related Parties	30,777	34,662	30,777	34,661
Guarantee Commission Expenses	1,317	-	1,317	-
Interest on Lease Liabilities	822	865	-	-
Loss on translation of Foreign Currency	1,873	3,544	1,806	3,739
Total Finance Costs	155,450	205,290	120,908	134,379
Net Finance Costs	154,800	204,937	120,407	134,124

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 INCOME TAX (EXPENSE)/ REVERSAL

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
	Rs'000	Rs'000	Rs'000	Rs'000
Current Tax Expense				
Taxation on Profit for the year (Note 9.1)	-	-	-	-
Deferred Tax Expense				
Deffered Tax Charge recognized through Profit or Loss (Note 25.1)	(27,995)	29,381	(20,464)	19,825
Total Income Tax Expense included in statement of profit or loss	(27,995)	29,381	(20,464)	19,825
Deferred tax recognized in other comprehensive income (Note 25.2)	(27,677)	(6,984)	(16,874)	(7,679)
Taxes included in total comprehensive income	(55,672)	22,397	(37,338)	12,146

9.1 RECONCILIATION OF THE ACCOUNTING LOSS AND TAX EXPENSE

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
	Rs'000	Rs'000	Rs'000	Rs'000
Loss before taxation	(466,640)	(435,304)	(597,821)	(311,722)
Inter Company Adjustments	(187,452)	-	-	-
Non-business income	(212)	(353)	(212)	(255)
Aggregate disallowable expenses	264,662	205,389	263,267	110,650
Aggregate allowable expenses	(69,342)	(53,766)	(41,831)	(15,323)
Loss from business	(458,984)	(284,034)	(376,597)	(216,650)
Total Taxable Loss	(458,984)	(284,034)	(376,597)	(216,650)
Non-business income - Interest income	203	353	203	255
Tax loss utilised	(203)	(353)	(203)	(255)
Taxable income	-	-	-	-
Income tax @ -30%	-	-	-	-

9.1.1 Current tax rates

Group/ Company

The profits and income of the Company and it's subsidiary are liable to pay income tax on its taxable income at the rate of 30% as per the Inland Revenue Act No. 45 of 2022 (2025 : 30%).

9.2 ACCUMULATED TAX LOSSES

	Group		Company	
For the year ended 31st March	**2026**	**2025**	**2026**	**2025**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Tax losses brought forward	1,723,092	1,494,452	1,112,643	938,725
Adjustment in respect of prior years	(33,659)	(55,041)	(16,322)	(42,477)
	1,689,433	1,439,411	1,096,321	896,248
Loss Expired During the year	(881,710)	-	(625,308)	-
Losses incurred for the year	458,984	284,034	376,597	216,650
Tax losses setoff during the year	(203)	(353)	(203)	(255)
Tax losses carried forward	1,266,504	1,723,092	847,407	1,112,643

10 LOSS PER SHARE

10.1 BASIC LOSS PER SHARE

Basic loss per ordinary share is calculated by dividing the loss for the year attributable to ordinary shareholders by weighted average number of ordinary shares, in issue during the year.

	Group		Company	
For the year ended 31st March	**2026**	**2025 Restated**	**2026**	**2025 Restated**
Loss attributable to ordinary shareholders (Rs'000)	(494,635)	(405,923)	(618,285)	(291,897)
Weighted Average Number of shares	242,931,834	219,687,500	242,931,834	219,687,500
Loss per Share (Rs.)	(2.04)	(1.85)	(2.55)	(1.33)

10.2 MOVEMENT IN ORDINARY SHARES

	Outstanding Number of Shares		Weighted Average Number of Shares	
For the year ended 31st March	**2026**	**2025**	**2026**	**2025**
No. of Shares Issue as at 1st April	95,000,000	95,000,000	95,000,000	95,000,000
Right issue of Ordinary Shares	570,000,000	–	147,931,834	–
Number of shares in Issue as at 31st March	665,000,000	95,000,000	242,931,834	95,000,000
Restatement due to right issue	–	–	–	124,687,500
Weighted average number of ordinary shares as at 31st March	665,000,000	95,000,000	242,931,834	219,687,500

Weighted average number of ordinary shares as at 31st March 2025 has been restated based on the no. of shares issued for right issue in 2026 as per Sri Lanka Accounting Standards LKAS 33 – "Earnings per Share".

10.3 DILUTED LOSS PER SHARE

Diluted loss per share is same as the basic loss per share.

11 PROPERTY, PLANT AND EQUIPMENT

11.1 GROUP

	Land	Buildings	Plant & Machinary	Furniture & Fittings	Computer & Acessories	Motor Vehicles	Factory Equipment	Office Equipment	Cylinder Stocks	Lab Equipment	CWIP	Total
	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/ Revalued Amount												
Balance as at 1st April 2024	231,900	473,286	365,571	11,108	11,829	2,448	-	-	190,745	-		1,286,887
Transferred during the year	-	-	(1,352)	(3,412)	(3,158)	-	3,071	1,693	-	-		(3,158)
Additions during the year	-	-	17,287	506	4,210	-	573	317	48,692	-		71,585
Disposal during the year	-	-	-	-	-	-	-	-	(51,888)	-		(51,888)
Surplus on revaluation	34,785	-	-	-	-	-	-	-	-	-		34,785
Balance as at 31st March 2025	266,685	473,286	381,506	8,202	12,881	2,448	3,644	2,010	187,549	-		1,338,211
Balance as at 1st April 2025	266,685	473,286	381,506	8,202	12,881	2,448	3,644	2,010	187,549	-		1,338,211
Additions during the year	-	-	-	405	135	-	-	483	16,107	85	263	17,478
Writteoff during the year	-	-	(62,933)	(439)	(295)	(115)	-	-	(26,747)	-	(263)	(90,792)
Surplus on revaluation	-	92,303	-	-	-	-	-	-	-	-	-	92,303
Accumulated depreciation adjustment due to revaluation	-	(20,388)	-	-	-	-	-	-	-	-	-	(20,388)
Classified as held for sale (Note 20)	(266,685)	(362,500)	-	-	-	-	-	-	-	-		(629,185)
Balance as at 31st March 2026	-	182,701	318,573	8,168	12,721	2,333	3,644	2,493	176,909	85	-	707,627
Accumulated depreciation												
Balance as at 1st April 2024	-	-	64,315	7,239	3,329	2,448	-	-	161,440	-	-	238,771
Transferred during the year	-	-	(167)	(2,504)	(382)	-	1,067	1,604	-	-	-	(382)
Charge for the year	-	10,194	34,143	547	1,703	-	310	48	18,582	-	-	65,527
Disposal during the year	-	-	-	-	-	-	-	-	(50,416)	-	-	(50,416)
Balance as at 31st March 2025	-	10,194	98,291	5,282	4,650	2,448	1,377	1,652	129,606	-	-	253,500
Balance as at 1st April 2025	-	10,194	98,291	5,282	4,650	2,448	1,377	1,652	129,606	-	-	253,500
Charge for the year	-	10,194	35,247	611	2,005	-	335	119	30,277	5	-	78,793
Write off during the year	-	-	(23,598)	(38)	(295)	(115)	-	-	(24,556)	-	-	(48,602)
Accumulated depreciation adjustment due to revaluation	-	(20,388)	-	-	-	-	-	-	-	-	-	(20,388)
Balance as at 31st March 2026	-	-	109,940	5,855	6,360	2,333	1,712	1,771	135,327	5	-	263,303
Net carrying value												
As at 31st March 2025	266,685	463,092	283,215	2,920	8,231	-	2,267	358	57,943	-	-	1,084,711
As at 31st March 2026	-	182,701	208,633	2,313	6,361	-	1,932	722	41,582	80	-	444,324

11.2 COMPANY

	Land	Buildings	Plant & Machinary	Furniture & Fittings	Computer & Acessories	Motor Vehicles	Cylinder Stocks	CWIP	Total
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs'000	Rs. 000
Cost/ Revalued Amount									
Balance as at 1st April 2024	231,900	320,671	207,450	4,887	10,436	2,448	76,674	-	854,466
Transferred during the year	-	-	-	-	(2,921)	-	-	-	(2,921)
Additions during the year	-	-	357	485	3,887	-	11,753	-	16,482
Disposal during the year	-	-	-	-	-	-	(6,873)	-	(6,873)
Revaluation Surplus	34,785	-	-	-	-	-	-	-	34,785
Balance as at 31st March 2025	266,685	320,671	207,807	5,372	11,402	2,448	81,554	-	895,939
Balance as at 1st April 2025	266,685	320,671	207,807	5,372	11,402	2,448	81,554	-	895,939
Additions during the year	-	-	-	405	89	-	9,276	263	10,033
Write off during the year	-	-	(62,933)	(439)	(295)	(115)	(8,566)	(263)	(72,611)
Revaluation Surplus	-	56,405	-	-	-	-	-	-	56,405
Accumulated Depreciation adjustment due to Revaluation	-	(14,576)	-	-	-	-	-	-	(14,576)
Classified as held for sale (Note 20)	(266,685)	(362,500)							(629,185)
Balance as at 31st March 2026	-	-	144,874	5,338	11,196	2,333	82,264	-	246,005
Accumulated depreciation									
Balance as at 1st April 2024	-	-	39,354	1,108	3,284	2,448	75,253	-	121,447
Transferred during the year	-	-	-	-	(145)	-	-	-	(145)
Charge for the year	-	7,288	21,129	484	1,656	-	1,885	-	32,442
Disposal during the year	-	-	-	-	-	-	(6,162)	-	(6,162)
Balance as at 31st March 2025	-	7,288	60,483	1,592	4,795	2,448	70,976	-	147,582
Balance as at 1st April 2025	-	7,288	60,483	1,592	4,795	2,448	70,976	-	147,582
Charge for the year	-	7,288	20,818	547	1,909	-	6,113	-	36,675
Write off during the year	-	-	(23,598)	(38)	(295)	(115)	(8,566)	-	(32,612)
Accumulated Depreciation adjustment due to Revaluation	-	(14,576)	-	-	-	-	-	-	(14,576)
Balance as at 31st March 2026	-	-	57,703	2,101	6,409	2,333	68,523	-	137,069
Net carrying value									
As at 31st March 2025	266,685	313,383	147,324	3,780	6,607	-	10,578	-	748,357
As at 31st March 2026	-	-	87,171	3,237	4,787	-	13,741	-	108,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11.3 FULLY DEPRECIATED PROPERTY PLANT & EQUIPMENT STILL IN USE

	Group		Company	
As at 31 st March	**2026**	**2025**	**2026**	**2025**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Furniture and fittings	19,875	32,048	11,290	29,111
Motor vehicles	2,446	2,446	2,446	2,446
Computer & Accessories	6,374	28,498	5,226	27,350
Plant & Machinary	7,801	-	7,529	-
Cylinders	91,715	104,881	68,834	74,988
Factory Equipments	-	1,378	-	
Office Equipments	-	1,287	-	
Lab Equipments	-	2,384	-	
	128,211	172,921	95,325	133,895

11.4 REVALUATION OF PROPERTY PLANT & EQUIPMENT

The Buildings of ACME Group was revalued as at 31st March 2026 by Messrs. Wathsala Wickramanayake - (F.R.I.C.S) an independent valuer. The Land & Plant and Machinery were revalued as at 31st March 2025 and 31st March 2022 respectively by Messrs Wathsala Wickramanayake & Messrs P.P.T Mohideen-F.I.V (Sri Lanka)/ F.R.I.C.S (UK) an independent valuers. The surplus on revaluation relating to Land, Buildings and plant & machinery were incorporated in the financial statements. Such assets were valued on an open market value for existing use basis. The surplus arising from the revaluation was transferred to the revaluation reserve.

Valuation Technique

Market Comparable Method

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 of prices of similar assets, making appropriate adjustements for any differences in the nature, size, location or condition of the specific property.

Depreciated Replacement Cost Method

The Depreciated Replacement Cost ("DRC method") has been used as the fair value of buildings. The cost approach is based on the assumption that an informed buyer will pay no more for a property than the cost of building a brand - new property with similar utility. In determining the DRC, the current condition of the buildings and future usability have been considered. This approach involves the analysis of transactions relating to direct comparable where available. Where evidence of direct comparison is not available, consideration is given to properties in locations further afield making appropriate allowances for configuration, permitted use, size, etc.

The Directors of the Company are of the view that the fair values of the Land and Machineries as at 31st March 2026 have not changed significantly since its last valuation performed.

The table below sets out the significant unobservable inputs used in measuring buildings constructed on leasehold lands categorized as Level 3 in the fair value hierarchy as at 31 March 2026.

Asset Category	Company	Location	Range of Extent	Fair Value Rs'000	Carrying Value Rs'000	Revaluation Surplus / (Loss) Rs'000	Significant Unobservable Inputs (Level 03)	Date of Valuation	Sensitivity of fair value to significant unobservable inputs
Land	ACME Printing and Packaging PLC	Piliyandala	463.8 perches	266,685	231,900	34,785	Rs. 500,000 per perch	31st March 2025	Postively Correlated
Building	ACME Printing and Packaging PLC	Piliyandala	76,344 sq ft	362,537	306,095	56,442	Ranging from Rs. 1,000-7,500 per square feet	31st March 2026	Postively Correlated
Building	ACME Packaging Solutions (Private) Limited	Pannala	30,648 sq ft	182,765	146,803	35,962	Ranging from Rs. 1,750-6,750 per square feet	31st March 2026	Postively Correlated

Asset Category	Company	Location	Range of Extent	Fair Value Rs'000	Carrying Value Rs'000	Revaluation Surplus / (Loss) Rs'000	Significant Unobservable Inputs (Level 03)	Date of Valuation	Sensitivity of fair value to significant unobservable inputs
Plant & Machinery	ACME Printing & Packaging PLC	Piliyandala	-	194,676	191,710	2,966	Fair value of a new machine -Depreciated percentage	31st March 2022	Postively Correlated
Plant & Machinery	ACME Packaging Solutions (Private) Limited	Pannala	-	155,878	110,110	45,768	Fair value of a new machine -Depreciated percentage	31st March 2022	Postively Correlated

11.5 Carrying amount of revalued assets had those were carried at cost of less accumulated depreciation are as follows.

	Group				Company			
	2026		2025		2026		2025	
	Cost	Carrying Value	Cost	Carrying Value	Cost	Carrying Value	Cost	Carrying Value
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Land	-	-	13,944	13,944	-	-	13,944	13,944
Building	146,737	69,606	262,220	148,286	-	-	152,654	78,126
Plant & Machinery	551,245	-	551,245	12,935	273,278	-	273,278	321

11.6 Buildings of ACME Packaging Solutions (Private) Limited are constructed on land which is on a 50 years lease period obtained from the Government of Sri Lanka.

11.7 PROPERTIES PLEDGED AS SECURITIES

There are no any properties mortgaged to financial institutions as at 31st March 2026.

11.8 ASSESSMENT OF IMPAIRMENT

The Board of Directors has assessed for impairment if any over property, plant & equipment as at 31st March 2026. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of property, plant & equipment.

12 INTANGIBLE ASSETS

	Group		Company	
As at 31 st March	2026	2025	2026	2025
	Rs'000	Rs'000	Rs'000	Rs'000
Cost / Valuation				
Balance as at 1st April	9,923	-	9,686	-
Transferred from PPE	-	3,158	-	2,921
Additions during the year	-	6,765	-	6,765
Balance as at 31st March	9,923	9,923	9,686	9,686
Accumulated Depreciation				
Balance as at 1st April	2,174	-	1,937	-
Transferred from PPE	-	382	-	145
Charge for the year	1,937	1,792	1,937	1,792
Balance as at 31st March	4,111	2,174	3,874	1,937
Carrying value as at 31st March	5,812	7,749	5,812	7,749

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13 RIGHT-OF-USE ASSETS

Group	Land	Motor Vehicles	Machinery	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Cost				
Balance as at 1st April 2024	2,379	5,267	15,945	23,591
Remeasurement during the year	218	-	-	218
Balance as at 31st March 2025	2,579	5,267	15,945	23,809
Balance as at 1st April 2025	2,597	5,267	15,945	23,809
Balance as at 31st March 2026	2,597	5,267	15,945	23,809
Accumulated Amortization				
Balance as at In 1st April 2024	298	5,267	11,958	17,523
Ammortization during the year	125	-	2,929	3,054
Balance at 31st March 2025	423	5,267	14,887	20,577
Balance as at 1st April 2025	423	5,267	14,887	20,577
Amortization during the year	65	-	1,058	1,123
Balance as at 31st March 2026	488	5,267	15,945	21,700
Carrying Value as at 31st March 2025	2,174	-	1,058	3,232
Carrying Value as at 31st March 2026	2,109	-	-	2,109

14 INVESTMENT IN SUBSIDIARY

As at 31st March	% of	2026	2025	2026	2025
	Holding	No.of. Shares		Rs'000	Rs'000
ACME Packaging Solutions (Private) Limited					
Investment in ordinary shares	100%	50,132,874	6,757,874	788,610	94,610
Deemed Investment		-	-	12,800	12,800
Less: Provision for impairment (Note 14.1)		-	-	(313,010)	(107,410)
		50,132,874	6,757,874	488,400	-

14.1 PROVISION FOR IMPAIRMENT

	Company	
	2026	2025
	Rs'000	Rs'000
Balance as at 1st April	107,410	107,410
Provision made during the year	205,600	-
Balance as at 31st March	313,010	107,410

14.2 The recoverable amount of ACME packaging Solutions (Private) Limited has been determined based on discounted cash flow method.

As the recoverable amount was lower than the carrying cost of the investment, an impairment provision amounting to Rs. 313.01 Mn has been recognized as at 31st March 2026.

Key assumptions used in the value in use calculation are as follows;

Revenue growth rate	
2026 - 2027 Financial Year	(96.4%)
2027 - 2028 Financial Year	14.9%
2028 - 2029 Financial Year	4.3% - 5.3%
Discount rate	15.4%
Terminal growth rate	5%

15 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	% of holding	Group		Company	
As at 31 st March		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Unquoted Investments					
Ingrin Institute of Printing & Graphics	0.05%	-	25	-	25
		-	25	-	25

The Group designated the investment shown above as equity securities as FVOCI because these equity securities reprsents investment that the Group intends to hold for the long term strategic purpose.

On 31st March 2026, the Company has written off its investment in Ingrin Institute of Printing and Graphics because holding this no longer aligns with its investment strategy.

	Company	
As at 31 st March	2026	2025
	Rs.'000	Rs.'000
Balance as at 1st April	25	25
Derecognition of investment	(25)	–
Balance as at 31st March	–	25

The Company has not recognized fair value gain/loss since initial recognition. Accordingly, the Company has recognized loss from derecognition of the investment during the year ended 31st March 2026.

16 INVENTORIES

	Group		Company	
As at 31 st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Raw materials	94,378	209,532	92,197	112,913
Work-in-progress	27,211	61,632	25,488	12,860
Machinery spares	34,669	43,951	34,669	31,055
Finished goods	26,094	43,054	23,750	10,476
Goods in transit	2,299	13,121	2,299	13,121
	184,651	371,290	178,403	180,425
Provision for slow moving Inventories (Note 16.1)	(55,586)	(67,405)	(53,822)	(48,098)
	129,065	303,885	124,581	132,327

16.1 PROVISION FOR SLOW MOVING INVENTORIES

	Group		Company	
As at 31 st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April	67,405	28,449	48,098	21,863
Provision (Reversed) / made during the year	(11,819)	38,956	5,724	26,235
Balance as at 31st March	55,586	67,405	53,822	48,098

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
As at 31 st March	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Trade receivables	135,699	370,269	125,327	117,083
Provision for impairment of trade receivables (Note 17.1)	(455)	(45,838)	(424)	(16,349)
	135,244	324,431	124,903	100,734
Deposits and prepayments	60,794	94,552	52,876	70,267
Withholding Tax receivable	32	12	32	12
Provision for impairment on other receivables (Note 17.2)	(959)	(1,256)	(959)	-
	197,031	417,739	178,772	171,013

17.1 PROVISION FOR IMPAIRMENT OF TRADE RECEIVABLES

	Group		Company	
As at 31 st March	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Balance as at 1st April	45,838	16,879	16,349	7,288
Provision (Reversed) / made for impairment of trade receivables	(45,383)	28,959	(15,925)	9,061
Balance as at 31st March	455	45,838	424	16,349

17.2 PROVISION FOR IMPAIRMENT OF OTHER RECEIVABLES

	Group		Company	
As at 31 st March	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Balance as at 1st April	1,256	18,310	-	17,324
Charged for the year	959	-	959	-
Write-off during the year	(1,256)	(17,054)	-	(17,324)
Balance as at 31st March	959	1,256	959	-

18 RELATED PARTY RECEIVABLES

	Group		Company	
As at 31 st March	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
ACME Packaging Solutions (Pvt) Ltd.	-	-	25,109	614,759
C.W. Mackie PLC	21,848	9,754	21,848	-
Candy Delights Limited	3,268	1,837	3,268	1,837
Lankem Ceylon PLC	6,301	15,160	5,891	10,188
Colombo Fort Group Services (Pvt) Ltd	1,041	1,167	1,041	1,167
J. F. Packaging PLC	182	4	182	4
E B. Creasy Logistic Ltd	-	1,326	-	1,326
Sunagro Lifescience Limited	-	2,344	-	2,344
	32,640	31,592	57,339	631,625
Provision for impairment (Note 18.1)	(233)	(198)	(2,173)	(67,377)
	32,407	31,394	55,166	564,248

18.1 PROVISION FOR IMPAIRMENT OF RELATED PARTY RECEIVABLES

	Group		Company	
As at 31 st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April	198	-	67,377	70,490
Provision made / (Reversal) for the year	35	198	(65,204)	(3,113)
Balance as at 31st March	233	198	2,173	67,377

19 CASH AND CASH EQUIVALENTS

	Group		Company	
As at 31 st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash in hand	1,329	1,420	1,329	1,028
Cash at bank	507,052	12,872	354,024	11,876
Cash and Cash Equivalents	508,381	14,292	355,353	12,904
Bank overdraft	(23,619)	(37,132)	(23,619)	(37,132)
Cash and Cash equivalents in the Statement of Cash Flows	484,762	(22,840)	331,734	(24,228)

20 NON-CURRENT ASSETS HELD FOR SALE

Group/Company For the year ended 31 March 2026	Revalued amount	Accumulated depreciation	Written down Value
	Rs'000.	Rs'000.	Rs'000.
Land	266,685	-	266,685
Building	362,500	-	362,500
	629,185		629,185

The Board of Directors' meeting held in March 2026 approved to sell land and building situated at Piliyandala. Accordingly, this is presented as a non- current assets held for sale. Efforts to sell the disposal properties have started and a sale was completed by July 2026.

Valuation techniques and significant unobservable inputs used in the valuation are disclosed under Note 11.

21 STATED CAPITAL

	No. of shares		Value of Shares	
As at 31 st March	2026	2025	2026	2025
	'000	'000	Rs.'000	Rs.'000
At the beginning of the year	95,000	95,000	835,085	835,085
Right Issue during the year	570,000	-	1,425,000	-
At the end of the year	665,000	95,000	2,260,085	835,085

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per individual at meetings of the shareholders or one vote per share in the case of a poll.

Rights issue of ordinary shares

The Company made a Rights Issue of 570,000,000 Ordinary Shares at a price of Rs 2.50/- per Share to the ordinary shareholders of the Company as at the end of trading on 19th February 2026, in the proportion of six (6) new Ordinary Shares for every One (1) existing issued Ordinary Share held in the Capital of the Company. The Issue closed on 4th March 2026. The total number of shares subscribed for on the Right Issue was 570,000,000 shares and the total consideration received was Rs 1,425,000,000. The proceeds of the Rights Issue will be utilized for factory relocation and modernization, repayment of intercompany loan and bank borrowings, and working

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

capital requirements.

Right issue funds utlisation as at 31st March 2026 following objectives,

Objective No.	Objective as per circular	Amount allocated as per circular in Rs	Proposed date of utilization as per circular	Amount allocated from proceeds in Rs (A)	% of total proceeds	Amount utilized Rs (B)	"% of utilization against allocation (B/A)"	Clarification if not fully utilised including where funds are invested
01.	Settlement of Intercompany Loans	425,000,000	Immediately upon the completion of the rights issue.	425,000,000	30%	425,000,000	100%	N/A
02.	Settlement of Bank borrowings	175,000,000	Immediately upon the completion of the rights issue.	175,000,000	12%	175,000,000	100%	N/A
03.	Relocation and modernization of factory	475,000,000	Before 31st March 2026	475,000,000	33%	23,316,369	5%	Balance funds remained at right issue A/C as at 31.03.2026. subsequently invested in fixed deposit A/C & money market A/C with HNB.
04.	Working Capital	350,000,000	Within 30 days upon the completion of the rights issue.	350,000,000	25%	110,000,000	31%	Balance funds remained at right issue A/C as at 31.03.2026. subsequently invested in fixed deposit A/C & money market A/C with HNB.
		1,425,000,000		1,425,000,000		733,316,369		

22 REVALUATION RESERVE

	Group		Company	
As at 31 st March	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Balance as at 1st April	656,090	631,921	520,712	496,363
Revaluation Surplus	92,303	34,785	56,405	34,785
Tax effect on revaluation surplus	(27,691)	(10,436)	(16,921)	(10,436)
Transfrred to retained earnings	-	(180)	-	-
Balance as at 31st March	720,702	656,090	560,196	520,712

Revaluation reserve relates to the resultant surplus on revaluation of land, buildings and machinery of the Group.This reserve is realized upon the derecognition of the revalued propety.

23 INTEREST BEARING BORROWINGS

	Group		Company	
As at 31 st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Payable after one year				
Term loans (Note 23.1)	190,597	262,385	62,537	97,358
	190,597	262,385	62,537	97,358
Payable within one year				
Term loans (Note 23.1)	68,718	58,518	39,851	33,251
Short Term Loans (Note 23.2)	398,587	678,876	388,158	581,775
Loans Payable to Related Parties (Note 23.3)	-	303,463	-	303,463
Interest Payable	111,715	356,452	111,036	220,299
	579,020	1,397,309	539,045	1,138,788
Total Interest Bearing Borrowings	769,617	1,659,694	601,582	1,236,146

23.1 TERM LOANS

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April	320,903	313,383	130,609	140,131
Loans obtained during the year	-	54,929	-	25,000
Capitalised During the Year	21,981	-	5,190	-
	342,884	368,312	135,799	165,131
Repayments made during the year	(83,569)	(47,409)	(33,411)	(34,522)
Balance as at 31st March	259,315	320,903	102,388	130,609
Payable within one year	68,718	58,518	39,851	33,251
Payable after one year	190,597	262,385	62,537	97,358
	259,315	320,903	102,388	130,609

23.2 SHORT TERM LOANS

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April	678,875	646,510	581,775	534,842
Opening Balance Adjustment	-	374	-	374
Loans obtained during the year	1,124,492	734,439	1,111,685	733,481
	1,803,367	1,381,323	1,693,460	1,268,697
Repayments made during the year	(1,404,780)	(702,447)	(1,305,302)	(686,922)
Balance as at 31st March	398,587	678,876	388,158	581,775

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23.3 LOANS PAYABLE TO RELATED PARTIES

	Group		Company	
As at 31st March	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Balance as at 1st April	303,463	293,463	303,463	293,463
Loans obtained during the year	-	20,000	-	20,000
	303,463	313,463	303,463	313,463
Repayments made during the year	(303,463)	(10,000)	(303,463)	(10,000)
Balance as at 31st March	-	303,463	-	303,463
Loans payable to related parties are as follows:				
Lankem Ceylon PLC	-	159,375	-	159,375
E.B. Creasy & Company PLC	-	134,088	-	134,088
Agarapathana Plantation PLC	-	10,000	-	10,000
	-	303,463	-	303,463

23.4 ASSETS PLEDGED AS SECURITY AGAINST INTEREST BEARING BORROWINGS

Company	Rate of Interest(P.A)	Balance as at 31st March 2026	Balance as at 31st March 2025	Terms of Repayment	Security Pledged
		Rs'000	Rs'000		
ACME Printing and Packaging PLC	NATIONAL DEVELOPMENT BANK PLC - Rs.62.1 Mn (AWPLR+2.0)%	25,300	39,100	Repayable in 54 equal monthly installements commencing from May 2023	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
	NATIONAL DEVELOPMENT BANK PLC - Rs. 50.0 Mn (AWPLR+2.0)%	20,211	31,482	Repayable in 53 equal monthly installements commencing from May 2023	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
	SOFTLOGIC FINANCE PLC - Rs. 33.7 Mn (AWPLR+2.0%)	44,387	39,197	Repayable in 72 monthly installements commencing from April 2026	N/A
	SEYLAN BANK PLC Rs. 25 Mn (AWPLR+2.5%	12,490	20,830	Repayable in 36 monthly installements commencing from Oct 2024	Monthly transfer of Rs. 0.15mn to Savings Account.
		102,388	130,609		
ACME Packaging Solutions (Pvt) Ltd.	SAMPATH BANK PLC - Rs. 75 Mn (AWPLR+2.5%)	-	36,250	Repayable in 60 equal monthly installments commencing from December 2018	Primary mortgage bond for Rs. 90 Mn over leashhold property inclusive of machinaries installed therein situated at Pannala and monthly transfer of Rs. 0.1 Mn to savings account.
	SAMPATH BANK PLC - Rs. 15 Mn (AWPLR+2.5%)	-	6,642	Repayable in 60 equal monthly installments commencing from December 2018	Primary mortgage bond for Rs. 90 Mn over leashhold property inclusive of machinaries installed therein situated at pannala
	NATIONAL DEVELOPMENT BANK PLC Rs. 32.7 Mn (AWPLR+2.0%)	13,323	20,589	Repayable in 53 equal monthly installments commencing from May 2023	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
	SOFTLOGIC FINANCE PLC Rs. 108.6 Mn (AWPLR+2.0%)	143,604	126,813	Repayable in 72 monthly installments commencing from April 2026	N/A
		156,927	190,294		
	Total Term Loans	259,315	320,903		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company	Rate of Interest(P.A)	Balance as at 31st March 2026	Balance as at 31st March 2025	Terms of Repayment	Security Pledged
		Rs'000	Rs'000		
ACME Packaging Solutions (Pvt) Ltd.	SAMPATH BANK PLC Rs. 160 Mn (AWPLR+2.5)%	-	97,101	Repayable in 180 days.	Primary mortgage bond for Rs.90Mn over leasehold property Inclusive machinaries installed therein situated at Pannala and monthly transfer of Rs.01Mn to savings account.
	NATIONAL DEVELOPMENT BANK PLC (AWPLR+2.0%)	10,429	-	Repayable in 180 days	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs. 0.1 Mn to savings accounts
		10,429	97,101		
ACME Printing & Packaging PLC	DFCC BANK PLC-Rs. 210 Mn (AWPLR+4.0%)	223,169	218,340	Repayable within 180 days	Mortage for Rs.200 Mn over stocks kept at 318,Gonamditta Road, Pliyandala and book debts of th Company with an insurance policy over stocks assigned in favour of the bank
	PEOPLE'S BANK Rs. 150.0 Mn (AWPLR+2.5)%	149,189	149,189	Repayable within 180 days	Documents of title to goods shipped indemnity of the borrower letter of set-off import trust receipt covering goods control under borrower
	HATTON NATIONAL BANK PLC - Rs. 150 Mn (AWPLR + 3.0%)	-	199,880	Repayable within 180 days	Primary floating mortgage bond for Rs.99 Mn. Over immovable property situated at Gonamaditta road with buildings and every thing standing thereon
	NATIONAL DEVELOPMENT BANK PLC - Rs. 50 Mn (AWPLR + 2.0%)	15,800	14,366	Repayable within 240 days	Primary Mortgage Bond over stocks and book debt of the borrowers and monthly transfer of Rs.01 Mn to savings accounts.
		388,158	581,775		
	Total Short Term Loans	398,587	678,876		

23.5 LOANS PAYABLE TO RELATED COMPANIES

Company	Related company	Tearms of Repayment	Balance as at 31st March 2026	Balance as at 31st March 2025	Interest Rate
			Rs'000	Rs'000	
ACME Printing and Packaging PLC	Lankem Ceylon PLC	On Demand	-	159,375	(AWPLR +2.0) %
	E.B.Creasy & Company PLC	On Demand	-	134,088	(AWPLR +2.0) %
	Agarapathana Plantation PLC	On Demand	-	10,000	FIXED-16%
			-	303,463	

24 LEASE LIABILITIES

	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	4,290	8,852	-	-
Remeasurement during the year	-	218	-	-
Lease Interest During the Year	822	865	-	-
Lease rentals paid during the year	(2,877)	(5,645)	-	-
Balance at the end of the year	2,235	4,290	-	-
Due within one year	3	2,055	-	-
Due after one year	2,232	2,235	-	-
	2,235	4,290	-	-

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Presented in Statement of Profit or Loss				
Interest on lease liabilities	822	865	-	-
Amotization on Right of Use Asset	1,123	3,054	-	-
Presented in Statement of Cash flows				
Cash flows from financing activities	(2,055)	(4,780)	-	-
Cash flows from operating activities	(822)	(865)	-	-

24.1 MATURITY ANALYSIS

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Payable within one year	3	2,055		
Payable after one year	2,232	2,235		
	2,235	4,290		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24.2 DETAILS OF LEASES

Lessee	Location	Nature	Period
Government of Sri Lanka	Pannala	Land	2/21/2008 - 2/21/2058

25 DEFERRED TAX LIABILITIES

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April	(245,050)	(267,447)	(180,807)	(192,953)
Recognised in statement of profit or loss	(27,995)	29,381	(20,464)	19,825
Recognised in other comprehensive income	(27,677)	(6,984)	(16,874)	(7,679)
Balance as at 31st March	(300,722)	(245,050)	(218,145)	(180,807)

25.1 RECOGNISED IN STATEMENT OF PROFIT OR LOSS

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Due to changes in temporary differences	(27,995)	29,381	(20,464)	19,825
	(27,995)	29,381	(20,464)	19,825

25.2 RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Due to changes in temporary differences	(27,677)	(6,984)	(16,874)	(7,679)
	(27,677)	(6,984)	(16,874)	(7,679)

25.3 DEFERRED TAX ASSETS AND LIABILITIES ARE ATTRIBUTABLE TO THE FOLLOWING:

	Group				Company			
	2026	2026	2025	2025	2026	2026	2025	2025
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Taxable Temporary differences								
Property,Plant & Equipment	(68,575)	(20,572)	(41,177)	(12,353)	(9,764)	(2,929)	39,896	11,967
Revaluation Reserve	(1,029,171)	(308,752)	(917,804)	(275,341)	(800,280)	(240,084)	(724,809)	(217,443)
Right of Use Assest	(2,109)	(633)	(3,232)	(970)	-	-	-	-
Retirement Benefit Plan Asset	-	-	(19,066)	(5,720)	-	-	(19,066)	(5,720)
	(982,232)	(329,957)	**(981,279)**	**(294,384)**	(810,044)	(243,013)	**(703,979)**	**(211,196)**

	Group				Company			
	2026	2026	2025	2025	2026	2026	2025	2025
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deductible Temporary differences								
Retirement Benefit Obligation	39,175	11,752	45,659	13,697	28,648	8,594	36,848	11,055
Provision for Trade Receivables	455	136	47,094	14,128	424	127	16,349	4,905
Provision for slow moving inventories	55,586	16,676	67,405	20,222	53,822	16,147	48,098	14,429
Lease Liabilities	2,235	671	4,290	1,287	-	-	-	-
	97,451	29,235	164,448	49,334	82,894	24,868	101,297	30,389
		(300,722)		(245,050)		(218,145)		(180,807)

25.4 Deferred tax asset has not been recognised on accumulated tax losses of the Group and the Company due to uncertainty regarding the availability of future taxable profits against which the deferred tax asset would be utilized. Therefore, the Group and the Company have not recognised deferred tax assets on the below accumulated tax losses.

	Group			
	2026		2025	
	Deductible Temporary Difference	Tax Effect	Deductible Temporary Difference	Tax Effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
On Accumulated Tax Losses	1,266,504	379,951	1,723,092	516,928

	Company			
	2026		2025	
	Deductible Temporary Difference	Tax Effect	Deductible Temporary Difference	Tax Effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
On Accumulated Tax Losses	847,407	254,222	1,112,643	333,793

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 NET DEFINED BENEFITS OBLIGATIONS / PLAN ASSETS

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Present value of the Funded Obligations		36,848		36,848
Present value of the Unfunded Obligations	39,175	8,811	28,649	-
Present Value of the Obligations (Note 25.2)	39,175	45,659	28,649	36,848
Fair Value of Retirement Benefit Assets (Note 25.1)	(6,898)	(19,066)	(6,898)	(19,066)
Present Value of Net Obligation	32,277	26,593	21,751	17,782

26.1 FAIR VALUE OF RETIREMENT BENEFIT ASSETS

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair Value of Plan assets at the beginning of the year	19,066	16,875	19,066	16,875
Expected Return on Plan Assets	2,005	2,023	2,005	2,023
Acturial (Loss) / Gain	(360)	168	(360)	168
Withdrawal during the year	(13,813)	-	(13,813)	-
Fair Value of Plan assets at the end of the year	6,898	19,066	6,898	19,066

26.2 PRESENT VALUE OF THE DEFINED BENEFIT 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	45,659	29,640	36,848	23,759
Provision for the year	8,379	7,122	6,372	5,622
Gratuity paid during the year	(14,551)	(2,778)	(14,368)	(1,892)
Acturial (Gain) / Loss	(312)	11,675	(203)	9,359
Balance at the end of the year	39,175	45,659	28,649	36,848
Expenses Recognized in the Statement of Profit / (Loss)				
Current Service Cost	3,814	3,566	2,688	2,771
Interest Cost	4,566	3,556	3,685	2,851
	8,380	7,122	6,373	5,622
Expected Return on Plan Assets / (Gain)	(2,005)	(2,023)	(2,005)	(2,023)
Total expenses recognized in the statement of profit or loss	6,375	5,099	4,378	3,599
Amount Recognised in Other Comprehensive Income				
Acturial (Gain) / Loss Recognised in retirement benefit Obligation	(312)	11,675	(203)	9,359
Acturial (Gain) / Loss Recognised in retirement benefit Obligation	360	(168)	360	(168)
Total expense recognized in the statement of other comprehesive income	48	11,507	157	9,191

An actuarial Valuation was carried out by Mr. Samath Perera FSA of Gratuity.lk as at 31st March 2026, The valuation method used by the Actuary is the “Projected Unit Credit Method”, the method recommended by Sri Lanka Accounting Standard 19 “Employee Benefits” (LKAS 19).

26.3 ACTUARIAL ASSUMPTIONS

These key assumptions were made in arriving at the retirement benefit obligation as at 31st March 2026.

	Group		Company	
	2026	2025	2026	2025
Discount rate	10.0%	10.5%	10.0%	10.5%
Expected return on Fund assets	10.5%	12.0%	10.5%	12.0%
Salary increment rate	10.0%	10.0%	10.0%	10.0%
Staff turnover	19.5%	14.0%	14.0%	14.0%
Average future working life time	10.88	5.7	18.2	5.7

Maturity Analysis	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
within the next 12 months	2,175	5,910	2,175	3,709
Between 1-2years	6,304	11,507	6,057	8,690
Between2-5 years	9,364	12,758	-	10,633
Between5-10 years	20,380	11,780	19,465	10,510
Beyond 10 years	952	3,704	952	3,306
Total	39,175	45,659	28,649	36,848

Discount rate is determined based on the treasury bonds/bills average market yield of weighed average duration.

26.4 SENSITIVITY ANALYSIS

If there is a change in the assumption by 1%, the following would be the impact on retirement benefit obligation as at 31st March 2026.

	2026			
	Group		Company	
	Discount Rate	Salary Increment	Discount Rate	Salary Increment
	Rs'000	Rs'000	Rs'000	Rs'000
Increase by 1%	(17,150)	40,791	(27,331)	29,943
Decrease by 1%	40,993	(17,221)	30,092	(27,445)

	2025			
	Group		Company	
	Discount Rate	Salary Increment	Discount Rate	Salary Increment
	Rs'000	Rs'000	Rs'000	Rs'000
Increase by 1%	(43,661)	47,767	(35,125)	(38,672)
Decrease by 1%	47,830	(26,597)	38,722	35,140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 TRADE AND OTHER PAYABLES

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade payables	39,989	107,365	37,826	58,970
Advance receipt from Trade Debtors	3,258	3,436	2,426	3,434
Accrued expenses	131,441	20,354	129,098	15,686
Tax related payables	96,174	98,419	50,223	67,649
Other payables	34,049	132,522	24,905	20,351
	304,911	362,096	244,478	166,090

28 AMOUNT DUE TO RELATED COMPANIES

	Group		Company	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lankem Ceylon PLC	15,527	20,836	7,206	9,364
E B Creasy Logistics Limited	829	1,151	567	1,151
J.F Packaging PLC	150	99	97	45
Ceylon Tapes (Pvt) Ltd	-	316	-	149
Colombo Fort Group Services (Pvt) Ltd	20,290	4,244	17,073	3,785
The Colombo Fort Land & Building PLC	1,428	-	1,427	-
C. W. Makie PLC	240	-	-	-
Lankem Mineral Limited	-	20,000	-	20,000
	38,464	46,646	26,370	34,495

29 RELATED PARTY TRANSACTIONS

29.1 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (KMP)

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

The Company has identified the Board of Directors (including Executive and Non-Executive Directors) as KMP of the Company.

As the Company is the Immediate parent of the Subsidiary, ACME Packaging Solutions (Pvt) Ltd, the Board of Directors of the Company has the authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. Accordingly the Board of Directors of the Company (Including Executive and Non-Executive) are KMPs of the Group.

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Compensation of Directors				
Short term benefits	3,600	25,428	3,600	25,428
Post employment benefits	Nil	NIL	Nil	NIL

No other payments such as post employment benefits, termination benefits or share based payments have been paid to key management personnel during the year.

No loans have been given to the Directors of the Company/Group.

29.2 TRANSACTIONS WITH RELATED COMPANIES

29.2.1 Recurrent related party transactions

Recurrent related party transactions which in aggregate value exceeded 10% of the gross revenue of the Company as at 31st March 2026 which required additional disclosures in the Annual Report under Colombo Stock Exchange listing Rule 9.14.8 (2) are as follows;

Name of the Related Party	Relationship	Nature of the Transaction	Aggregated Value of Related Party Transaction entered into during the year Financial Year Rs'000	Transactin Value as a % of net revenue	Terms and conditions
ACME Packaging Solution (Pvt) Ltd.	Subsidiary	Sale of Goods	**123,686**	**19%**	On arm's length basis - 5% to 10% GP margin
C W Mackie PLC	Affiliate	Sale of Goods	**70,865**	**11%**	Based on market value

29.3 RELATED PARTY TRANSACTIONS

Company name	Relationship	Nature of Transaction	Transaction Amount		As at 31st March	
			2026	2025	2026	2025
			Rs'000	Rs'000	Rs'000	Rs'000
ACME Packaging Solutions (Pvt) Ltd.	Subsidiary	Sale of goods	123,686	419,575	25,109	614,759
		Purchases of goods	(152,802)	(61,788)		
		Machinery Rent Income	17,972	21,240		
		Shared Salaries (inclusive of tax)	-	20,263		
		Settlements	(578,506)	(391,757)		
Lankem Ceylon PLC	Immediate Parent	Raw Material Purchases		(5,103)	(1,315)	(204,900)
		Repayment	3,223	1,959		
		Loan Settled	159,375	-		
		Sales of Goods from acme- Incl. Taxes	13,012	12,026		
		Settlement	(17,309)	(2,221)		
		Adminstration Fee	(185,430)	736		
		Administration Fee Paid	184,323	-		
		Fund Transfer received	(11,750)	-		
		Fund Transfer Settlement	11,750	-		
		Settlement of Interest	62,558	-		
		Interest Charged	(16,167)	(18,049)		
E.B. Creasy PLC	Affiliate	Interest Charged	(13,120)	(15,124)	-	(196,606)
		Interest Paid	75,637	-		
		Loan Settlement	134,089	-		
E.B. Creasy Logistics Ltd	Affiliate	Shipment Clearance	(6,194)	(8,116)	(567)	175
		Repayment	5,452	4,815		
C.W Mackie PLC	Affiliate	Sales of Goods - Incl. Taxes	70,864		21,848	
		Settlement	(49,016)	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Relationship	Nature of Transaction	Transaction Amount		As at 31st March	
			2026	2025	2026	2025
			Rs'000	Rs'000	Rs'000	Rs'000
Lankem Minerals Ltd	Affiliate	Advance received		(20,000)	-	(20,000)
		Sales	36,000	-	-	-
		Settlements	(16,000)	-	-	-
JF Packaging PLC	Affiliate	Purchase	-	(939)	85	(41)
		Sales	6,820	1,066	-	-
		Reimbursement Expenses	(58)	-	-	-
		Settlements	(6,636)	(1,236)	-	-
		Set Off	-	1,737	-	-
Candy Delights Limited	Affiliate	Sales	17,637	34,175	3,268	1,837
		Settlement of dues	(16,206)	(35,336)	-	-
Sunagro Lifescience Limited	Affiliate	Sales	2,928	10,630	-	2,344
		Settlement of dues	(5,272)	(8,286)	-	-
Colombo Fort Group Service (Pvt) Ltd	Affiliate	Service Fee and Admin Expenses	(18,468)	(13,507)	(16,035)	(2,618)
		Reimbursment of Admin Fee	3,217	2,238	-	
		Settlements of dues	1,834	(1,071)		
Ceylon Tape (Pvt) Ltd	Affiliate	Purchases	-	(414)	-	(149)
		Settlement of dues	149	265		
Agarapathana Plantation PLC	Affiliate	Loan granted	-	(20,000)	-	(10,706)
		Settlements of dues	10,000	10,000	-	-
		Interest Charged	(1,490)	(1,146)	-	-
		Interest Settled	2,196	740	-	-
The Colombo Fort & Building PLC	Ultimate Parent	Corporate Guarantee Commission	(1,427)	-	(1,427)	-

The above mentioned transactions are recurring and were carried out at "arms length" basis.

30 CAPITAL COMMITMENTS

There were no material capital commitments requiring disclosure in the financial statements as at 31 March 2026.

31 CONTINGENT LIABILITIES

There were no material contingent liabilities requiring recognition or disclosure in the financial statements as at 31 March 2026.

32 EVENTS OCCURRING AFTER THE REPORTING DATE

There are no events after the reporting date which would require adjustment or disclosure in financial statements other than following;

32.1 SALE OF LAND AND BUILDING

Subsequent to the reporting date, on 24 July 2026, the Company completed the sale of its land and factory premises to Singer Sri Lanka PLC for a consideration of Rs. 630 million, in accordance with the Sale and Purchase Agreement entered into with the purchaser.

As at 31 March 2026, the land and building had been classified as non-current assets held for sale in accordance with SLFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The completion of the sale subsequent to the reporting date does not result in an adjustment to the financial statements for the year ended 31 March 2026.

32.2 CAPITAL REDUCTION

32.2.1 Capital Reduction - ACME Printing and Packaging PLC

The Board of Directors has held an Extraordinary General Meeting ("EGM") on 11 June 2026 to seek shareholder approval for a proposed capital reduction amounting to Rs. 1,595,084,628.50, in accordance with the applicable provisions of the Companies Act and the Company's Articles of Association and the proposed capital reduction was approved by the shareholders on 11th June 2026.

As at the reporting date, the proposed capital reduction remains subject to shareholder and regulatory approvals, where applicable, and accordingly no adjustment has been made to these financial statements.

32.2.2 Capital Reduction - ACME Packaging Solutions Pvt Ltd

The Board of Directors has held an Extraordinary General Meeting ("EGM") on 5th August 2026 to seek shareholder approval for a proposed capital reduction amounting to Rs. 738,610,256 in accordance with the applicable provisions of the Companies Act and the Company's Articles of Association and the proposed capital reduction was approved by the shareholders on 05th August 2026.

As at the reporting date, the proposed capital reduction remains subject to shareholder and regulatory approvals, where applicable, and accordingly no adjustment has been made to these financial statements

32.3 D.C. COLOMBO CASE NO. DSP/0015/08

The Commercial and Industrial Workers' Union filed proceedings against ACME Printing and Packaging PLC seeking payment of arrears in respect of Non-Recurring Cost of Living Gratuity (NRCOLG) allowances claimed to be due to members of the Union and the continuation of such payments in accordance with the formulas agreed under the relevant collective agreement and/or contracts of employment.

Subsequent to the reporting date, on 10th July 2026, the High Court dismissed the Company's appeal and upheld the judgment of the District Court in favour of the Labour Union. The judgment confirms that a present obligation existed as at 31st March 2026.

Based on the judgment and the subsequent assessment of the obligation, the Company has recognized a provision of Rs. 41,800,748 in the financial statements for the year ended 31st March 2026 in respect of the estimated liability arising from this matter.

33 GOING CONCERN

The Group and the Company incurred net loss of Rs. 494.6 Mn (2025: Rs. 405.9 Mn) and Rs. 618.3 Mn (2025: Rs. 291.8 Mn), respectively during the year ended 31st March 2026. Further, the Group and the Company have reported accumulated losses amounting to Rs. 2,504.3 Mn (2025: Rs. 2,009.6 Mn) and Rs. 2,010 Mn (2025: Rs. 1,391.6 Mn) as at 31st March 2026 and as of that date, the Company's net assets are less than the half of the stated capital and faces a serious loss of capital situation.

Therefore, these events or conditions indicate that a material uncertainty exists that may cast substantial doubts on the Group's and Company's ability to continue as a going concern and therefore that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Notwithstanding this, the financial statements have been prepared on a going concern basis by the Management, due to reliance on the business plan and after performing comprehensive review of the Company's affairs including, but not limited to;

- The immediate parent company has acquired ACME Group of Companies with a strategic view to enhance the market presence in the packaging industry during the year 2022. Hence, the Board of Directors of the Parent do not have any intention to liquidate the ACME Printing and Packaging PLC or to cease the operations in the near future.

- The Company has relocated its factory to Pannala and expanded its production operations by consolidating with its subsidiary company and through the adoption of technologically advanced machinery, with the aim of improving operational efficiency and productivity.

- The Company Benefit from cost savings arising from the write-off of obsolete inventories and long-outstanding receivable balances during the year ended 31st March 2026, thereby reducing the likelihood of similar charges in future periods.

- The Company has implemented a voluntary retirement scheme for employees associated with the Piliyandala factory to optimize the workforce and reduce employee-related costs.

- ACME Group has identified a strategic priority in expanding its customer base, recognizing its potential to enhance profitability. In line with this objective, discussions are currently underway with the customers.

- The Company has completed disposal of its land and building located in Piliyandala and generated net proceeds of approximately Rs. 630 million in July 2026. The proceeds are primarily intended to be utilized for the settlement of short-term borrowings, including existing interest-bearing borrowings, with any remaining funds allocated for working capital requirements and general corporate purposes of the Company.

- The Board of Directors has approved and completed in June 2026, the reduction of its stated capital in compliance with the Companies Act No 7 of 2007, as a measure to mitigate the serious loss of capital situation. Accordingly, there is no serious loss of capital condition after completion of stated capital reduction as at the approval of these financial statements by the board of directors.

- The Directors of Lankem Ceylon PLC confirm that they undertake to provide financial assistance to the Subsidiary to ensure that it can pay its external debts as and when they fall due and payable for a period of at least 12 months from the date of signing these financial statements.

As a consequence, in view of the above, the Board continues to have a reasonable expectation that the Company has adequate resources to continue in operations for at least the next 12 months that the going concern basis of accounting remains appropriate. Management firmly believe that the Company will be able to continue as a going concern into the foreseeable future and, accordingly, the Financial Statements of the Company have been prepared on a going concern basis without making adjustments that may be required to the recorded assets and the classification of liabilities if the Company is unable to continue as a going concern..

34. FINANCIAL RISK MANAGEMENT

34.1 INTRODUCTION AND OVERVIEW

The Company has exposure to the following risks from its use of financial instruments:

1. Credit risk

2. Liquidity risk

3. Market risk

4. Interest Rate risk

5. Operational risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout this Financial Statement.

34.2 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

34.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the financial risk management strategy of the Group is to minimize the impact of risks that arise due to the use of financial instruments. The risks that are unmanaged can potentially result in the Group being unable to achieve its budgeted profits in a given financial year. Hence, importance is given by the Group to manage financial risk.

34.4 MARKET RISK MANAGEMENT

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to the change in market factors such as exchange rates and interest rates. Such risks could affect Group's income and expenses and could have a potentially adverse impact on the profits attributable to the shareholders. The objective of market risk management is to manage and control market risk exposure within acceptable limits while optimizing returns.

34.5 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 obligations and arises principally from the Group receivables from customers.

The maximum risk exposure of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk position

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade and Other Receivable	135,699	370,269	125,327	117,033
Amounts due from related parties	32,640	31,592	57,339	631,625
Cash at Bank	507,052	12,872	354,024	11,876

TRADE AND OTHER RECEIVABLES

The group assesses its credit risk through expected credit loss on its trade receivables

ECL is calculated based on the delinquency status and the actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect the differences between economic conditions during the period over which the historical data has been collected, Current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from residential customers segment as at 31st March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31st March	Gross carrying amount	Group Loss allowance 2026	Loss allowance 2025	Gross carrying amount	Loss allowance 2026	Loss allowance 2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Less than 30 days	39,334	(22)	(337)	34,114	(18)	(126)
More than 30 days but less than 60 days	81,354	(218)	(191)	77,363	(195)	(48)
More than 60 days but less than 90 days	10,815	(78)	(92)	10,815	(78)	(65)
More than 90 days but less than 180 days	3,882	(70)	(1,163)	2,721	(66)	(751)
More than 180 days but less than 365 days	269	(23)	(8,582)	269	(23)	(8,582)
More than 365 days	44	(44)	(35,472)	44	(44)	(6,777)
Total Gross Trade Receivable	**135,699**	(455)	**(45,838)**	125,327	(424)	**(16,349)**
Total Net Trade Receivable		135,244			124,903	

CASH AND CASH EQUIVALENTS

The credit risk arising from the deposits made in financial institutions are managed by the Group policy directions provided by the Board of Directors. ACME Printing and Packaging PLC transacts only with a limited number of institutions all of which have stable credit ratings. The Group's exposure and credit rating of counter-parties are continuously monitored. The credit ratings of each institution where the Group held its deposits are listed below.

Institute	Credit Rating
1. NDB Bank	A-(lka)
2. Commercial Bank PLC	AA-(lka)
3. Sampath Bank PLC	AA-(lka)
4. Seylan Bank PLC	A+(lka)
5. Peoples Bank	AA-(lka)
6. Nations Trust Bank	A(lka)
7. Softlogic Finance PLC	B(lka)
8. Hatton National Bank	AA-(lka)

34.6 LIQUIDITY RISK

The liquidity risk of the Group arises from having insufficient cash resources to meet its obligations as they arise. Insufficient liquidity resources could have an adverse impact on the Group's operations while impairing investor, customer and supplier confidence thereby weakening its competitive position. The Group had adopted a number of strategies in order to ensure that sufficient cash resources are available to meet both operational and investment liquidity whilst meeting its debt servicing obligations.

The Group closely monitors cash inflows and outflows both at Consolidated and sector levels to ensure matching of cash flows wherever possible.

The Following are the remaining contractual maturity of financial liabilities at the reporting date. The amounts are gross and undiscounted and includes contractual interest payments.

GROUP	Carrying Value	Contractual cashflows	Less than one year	More than one year
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31st March 2026				
Interest Bearing Borrowings	769,617	769,617	579,020	190,597
Lease Liabilities	2,235	2,235	3	2,232
Bank Overdraft	23,619	23,619	23,619	-
Trade Payables	39,989	39,989	39,989	-
Other Payables	165,490	165,490	165,490	-
Amounts due to Related Companies	38,464	38,464	38,464	-
	1,039,414	1,039,414	846,584	192,829
As at 31st March 2025				
Interest Bearing Borrowings	1,659,694	1,659,694	1,397,309	262,385
Lease Liabilities	4,290	6,487	3,111	3,376
Bank Overdraft	37,132	37,132	37,132	-
Trade Payables	107,365	107,365	107,365	-
Other Payables	152,876	152,876	152,876	-
Amounts due to Related Companies	46,646	46,646	46,646	-
	2,008,003	2,010,202	1,744,439	265,761

COMPANY	Carrying Value	Contractual cashflows	Less than one year	More than one year
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31st March 2026				
Interest Bearing Borrowings	601,582	601,582	539,045	62,537
Bank Overdraft	23,619	23,619	23,619	-
Trade Payables	37,826	37,826	37,826	-
Other Payables	154,002	154,002	154,002	-
Related Party Payables	26,370	26,370	26,370	-
	843,399	843,399	780,862	62,537
As at 31st March 2025				
Interest Bearing Borrowings	1,236,146	1,236,146	1,138,788	97,358
Bank Overdraft	37,132	37,132	37,132	-
Trade Payables	58,970	58,970	58,970	-
Other Payables	36,037	36,037	36,037	-
Related Party Payables	34,495	34,495	34,495	-
	1,402,780	1,402,780	1,305,422	97,358

34.7 INTEREST RATE RISK

Interest rate risk is the risk that the fair value of the cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises on interest bearing financial instruments recognised in the Statement of Financial Position.

The interest rate risk of the Company and the Group arises from financial instruments which are exposed to variable or fixed rate interest rates. Variable interest rates expose the Company and the Group to cash flow due to the impact on the quantum of interest payable. Financial instruments with fixed interest rates are subject to variations in fair values due to market interest movements.

The Group closely monitors market interest rate movements and implement appropriate strategies in order to minimise the interest rate risk associated with financial instruments with rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Profile

At the end of the reporting period the interest rate profile of the Company's interest bearing financial instruments were as follows,

	Group		Company	
	2026	2025	2026	2025
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Variable rate instruments				
Financial Asset				
- Cash at Bank	507,052	12,872	354,024	11,876
Financial liabilities				
- Interest bearing borrowings	769,617	1,356,231	601,582	932,683
- Bank Overdraft	23,619	37,132	23,619	37,132
- Interest bearing Related Party Borrowings	-	303,463	-	303,463
	793,236	1,696,826	625,201	1,273,278
Net Exposure	286,184	1,683,954	271,177	1,261,402

At the reporting date the interest rate sensitivity profile of the Group's financial instruments were as follows,

Impact on Profit and Loss

	Group		Company	
	2026	2025	2026	2025
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Decrease of 100 basis points in rupee interest rate	(7,932)	(16,968)	**(6,252)**	(12,733)
Increase of 100 basis points in rupee interest rate	7,932	16,968	**6,252**	12,733

34.8 OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

35 DETERMINATION OF FAIR VALUES

This note explains the methodology for valuing our financial assets and liabilities, and provides an analysis of these according to a 'fair value hierarchy', determined by the market observability of valuation inputs.

	Group			Company		
	Fair Value through profit or loss	Amortized Cost	Fair Value through other comprehensive income	Fair Value through profit or loss	Amortized Cost	Fair Value through other comprehensive income
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
As at 31st March 2026						
Financial Assets						
Financial assets at fair value through OCI	-	-	-	-	-	-
Trade & Other receivables	-	135,699	-	-	125,327	-
Amounts due from Related Parties	-	32,640	-	-	57,339	-
Cash & Cash Equivalents	-	508,381	-	-	355,353	-
	-	676,720	-	-	538,019	
Financial Liabilities						
Trade & Other payables	-	205,478	-	-	191,828	-

	Group			Company		
	Fair Value through profit or loss	Amortized Cost	Fair Value through other comprehensive income	Fair Value through profit or loss	Amortized Cost	Fair Value through other comprehensive income
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Amount due to related companies	-	38,464	-	-	26,370	-
Interest bearing borrowings	-	769,617	-	-	601,582	-
Lease liabilities	-	2,235	-	-	-	-
Bank overdraft	-	23,619	-	-	23,619	-
	-	1,039,412	-	-	843,399	-
As at 31st March 2025						
Financial Assets						
Financial assets at fair value through OCI	-	-	25	-	-	25
Trade & Other receivables	-	370,269	-	-	117,083	-
Amounts due from Related Parties	-	31,592	-	-	631,625	-
Cash & Cash Equivalents	-	14,292	-	-	12,904	-
	-	416,153	25	-	761,612	25
Financial Liabilities						
Trade & Other payables	-	260,241	-	-	95,007	-
Amount due to related companies	-	46,646	-	-	34,495	-
Interest bearing borrowings	-	1,659,694	-	-	1,236,146	-
Lease liabilities	-	4,290	-	-	-	-
Bank overdraft	-	37,132	-	-	37,132	-
	-	2,008,003	-	-	1,402,780	-

35.1 VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position.

The different levels have been defined as follows ;

Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2 : Valuation techniques based on observable inputs, either directly or indirectly 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 3 : 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31st March 2026	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Group				
Financial assets not measured at fair value				
Trade & Other receivables	-	-	135,699	135,699
Amounts due from Related Parties	-	-	32,640	32,640
Cash & Cash Equivalents	-	508,381	-	508,381
	-	508,381	168,239	676,720
Financial liabilities not measured at fair value				
Interest Bearing Borrowings	-	769,617	-	769,617
Trade & Other Payables	-	-	205,478	205,478
Amounts due to Related Parties	-	-	38,464	38,464
Bank Overdraft	-	-	23,619	23,619
	-	769,617	267,561	1,037,177

31st March 2025	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Group				
Financial assets not measured at fair value				
Trade & Other receivables	-	-	370,269	370,269
Amounts due from Related Parties	-	-	31,592	31,592
Cash & Cash Equivalents	-	14,292	-	14,292
	-	14,292	401,861	416,153
Financial assets measured at fair value through OCI	-	-	25	25
	-	-	25	25
Financial liabilities not measured at fair value				
Interest Bearing Borrowings	-	1,356,231	303,463	1,659,694
Trade & Other Payables	-	-	260,241	260,241
Amounts due to Related Parties	-	-	46,646	46,646
Lease Liabilities	-	-	4,290	4,290
Bank Overdraft	-	37,132	-	37,132
	-	1,393,363	614,640	2,008,003

31st March 2026	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Company				
Financial assets not measured at fair value				
Trade & Other receivables	-	-	125,327	125,327
Amounts due from Related Parties	-	-	57,339	57,339
Cash & Cash Equivalents	-	355,353	-	355,353
	-	355,353	182,666	538,019
Financial liabilities not measured at fair value				
Interest Bearing Borrowings	-	601,582	-	601,582
Trade & Other Payables	-	-	191,828	191,828
Amounts due to Related Parties	-	-	26,370	26,370
Bank Overdraft	-	23,619	-	23,619
	-	625,201	241,817	1,174,500

31st March 2025	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Company				
Financial assets not measured at fair value				
Trade & Other receivables	-	-	117,083	117,083
Amounts due from Related Parties	-	-	631,625	631,625
Cash & Cash Equivalents	-	12,904	-	12,904
	-	12,904	748,708	761,612
Financial assets measured at fair value through OCI	-	-	25	25
	-	-	25	25
Financial liabilities not measured at fair value				
Interest Bearing Borrowings	-	932,683	303,463	1,236,146
Trade & Other Payables	-	-	95,007	95,007
Amounts due to Related Parties	-	-	34,495	34,495
Bank Overdraft	-	37,132	-	37,132
	-	969,815	432,965	1,402,780

35.2 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE

Set out below is a comparison of the carrying amounts and fair values of the financial instruments of the Group which are not measured at fair value in the Financial Statements. These tables do not include non-financial assets and liabilities.

	Group				Company			
	2026		2025		2026		2025	
	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Financial Assets :								
Trade & Other Receivables	135,699	135,699	370,269	370,269	125,327	125,327	117,083	117,083
Amount due from related companies	32,640	32,640	31,592	31,592	57,339	57,339	631,625	631,625
Cash & Cash Equivalents	508,381	508,381	14,292	14,292	355,353	355,353	12,904	12,904
	676,720	676,720	416,153	416,153	538,019	538,019	761,612	761,612
Financial Liabilities :								
Trade & Other Payables	205,478	205,478	260,241	260,241	191,828	191,828	95,007	95,007
Related Party Payables	38,464	38,464	46,646	46,646	26,370	26,370	34,495	34,495
Interest Bearing Borrowings	769,617	769,617	1,659,694	1,659,694	601,582	601,582	1,236,146	1,236,146
Lease liabilities	2,235	2,235	4,290	4,290	-	-	-	-
Bank Overdraft	23,619	23,619	37,132	37,132	23,619	23,619	37,132	37,132
	1,039,412	1,039,412	2,006,766	2,006,766	843,399	843,399	1,402,780	1,402,780

CASH AND CASH EQUIVALENTS

The carrying amount of the Cash and Cash Equivalents approximate the fair value as they are short term in nature.

TRADE AND OTHER RECEIVABLES / AMOUNT DUE FROM RELATED COMPANIES

Other Receivables / Amount due from Related Companies are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore, carrying amount approximates the fair value as at the reporting date.

TRADE AND OTHER PAYABLES / AMOUNT DUE TO RELATED COMPANIES

Trade and Other Payables / Amount due to Related Companies are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore, carrying amount approximates the fair value as at the reporting date.

INTEREST BEARING BORROWINGS

Interest bearing borrowings are repriced monthly in line with the changes in the market rates. Hence carrying value of these borrowings approximate the fair value.

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REAL ESTATE PORTFOLIO

Classification	Name of the Company	Location	Land Perches		No. of Buildings	Building in Sq.ft	Value (Rs'000) Cost/ Valuation
			Lease Hold	Free Hold			
Property, Plant & Equipments	ACME Packaging Solutions (Pvt) Ltd.	Pannala	**478.7**	**-**	**7**	**30,648**	**152, 614**

FIVE YEAR SUMMARY

	Company		Group				
Year Ended 31st March,	2026	2025	2026	2025	2024	2023	2022
TRADING RESULTS (RS.'000)							
Revenue	657,950	868,468	909,292	1,196,433	1,105,785	991,359	1,189,150
Profit/(loss) before taxation	(597,827)	(311,722)	(466,639)	(435,304)	(378,152)	24,967	(183,009)
Taxation	(20,464)	19,825	(27,995)	29,381	(232,464)	94,466	3,618
Profit/(loss) after taxation	(618,284)	(291,897)	(494,634)	(405,923)	(610,616)	119,433	(179,391)
STATEMENT OF FINANCIAL POSITION (RS.'000)							
Property, plant and equipment	108,936	748,357	444,324	1,084,711	1,048,116	949,551	869,348
Intangible assets	5,812	7,749	5,812	7,749	-	-	-
Right of Use Assets	-	-	2,108	3,232	6,068	17,923	6,711
Investments	-	25	-	25	25	25	25
Net current assets	551,347	(496,013)	591,856	(1,077,928)	(786,610)	(242,540)	(469,343)
Deferred liabilities and long term liabilities	302,432	295,947	525,826	536,263	396,445	335,468	129,640
Stated capital	2,260,085	835,085	2,260,085	835,085	835,085	835,085	592,813
Revaluation reserve	560,196	520,712	720,702	656,090	631,921	550,821	408,288
Revenue reserve	(2,010,020)	(1,391,626)	(2,514,317)	(2,009,649)	(1,595,851)	(985,763)	(722,005)
KEY INDICATORS							
Net Profit / (Loss) Margin(%)	(93.97)	(33.61)	(54.40)	33.93	(55.22)	12.05	(15.09)
Return on average net assets(%)	(159.67)	(288.54)	2355	125.42	(472.24)	32.46	(48.75)
Interest cover (Times covered)	3.97	(1.39)	2.01	(1.16)	0.50	(1.06)	0.26
Current ratio (Times)	1.61	0.64	1.58	0.42	0.54	0.76	0.28
Gearing Ratio (%)	7.17	103.00	28.81	145.00	(109)	44.39	23.12
Fixed assets to shareholders funds (%)	13.44	(2,088.72)	93.25	(209.21)	(813.47)	245.08	727.95
Profit / (Diluted) Loss per Share (Rs.)*(Restated)	(2.55)	(1.33)	(2.04)	(1.85)	(2.78)	1.48	(4.36)
Net assets per share (Rs.)*	1.22	(0.38)	0.72	(5.46)	(1.36)	9.72	6.78

* Earnings and net assets per share is based on the number of weighted average shares in issue, at the end of the related year.

SHAREHOLDERS' INFORMATION

1 GENERAL

Stated Capital	Rs. 2,260,084,629/-
Class of shares	Ordinary Shares
Voting rights	One vote per ordinary share

2 STOCK EXCHANGE LISTING

The issued ordinary shares of ACME Printing and Packaging PLC are listed with Colombo Stock Exchange of Sri Lanka. The Audited Income Statement and Statement of Comprehensive Income for the year ended March 31, 2026, and the Audited Statement of Financial Position of the Company as at that date have been submitted to the Colombo Stock Exchange.

3 DISTRIBUTION OF SHAREHOLDINGS AS AT 31ST MARCH 2026

	Number of Shareholders as at 31st March 2026 - 5,346 (31st March 2025 - 2,097)								
No. of Share holdings	Resident			Non-resident			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 to 1,000	2,299	638,111	0.10	15	6,837	0.00	2,314	644,948	0.10
1,001 to 10,000	1,541	6,663,828	1.00	3	7,316	0.00	1,544	6,671,144	1.00
10,001 to 100,000	1,115	41,502,152	6.24	4	167,264	0.03	1,119	41,669,416	6.27
100,001 to 1,000,000	339	95,066,693	14.29	1	105,150	0.02	340	95,171,843	14.31
Over 1,000,000	29	520,842,649	78.32	-	-	0.00	29	520,842,649	78.32
Total	5,323	664,713,433	99.95	23	286,567	0.05	5,346	665,000,000	100.00

Categories of Shareholders	31st March 2026		31st March 2025	
	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders
Individuals	170,152,528	5,148	16,590,040	2,003
Institutions	494,847,472	198	78,409,960	94
Total	665,000,000	5,346	95,000,000	2,097

4 SHARE VALUATION

The Market value of ACME Printing and Packaging PLC, (Last traded price of an ordinary share) as of March 31st, 2026 was Rs. 6.30 Per share. The highest and the lowest values recorded for the year ended March 31st, 2026 were Rs. 38.30 and Rs. 3.20 Respectively.

5 PUBLIC SHAREHOLDING

Public shareholding as at 31st March 2026 - 28.99% comprising of 5,346 shareholders

6 FLOAT ADJUSTED MARKET CAPITALIZATION

Float adjusted market capitalization as at 31st March 2026 was Rs. 1,214,871,210/-

TWENTY MAJOR SHAREHOLDERS AS AT

No	Name	31st March 2026		31st March 2025	
		Number of Shares	Percentage %	Number of Shares	Percentage %
1	LANKEM CEYLON PLC	**335,827,655**	**50.50**	**23,846,993**	**25.10**
2	DARLEY BUTLER & CO LTD	**129,588,760**	**19.49**		
3	HATTON NATIONAL BANK PLC/SRI DHAMAN RAJENDRAM ARUDPRAGASAM	**5,600,000**	**0.84**	**800,000**	**0.84**
4	MR. D.G.N. SAMARASEKARA	**5,580,966**	**0.84**		
5	MR. K. NEROOZAN	**5,153,890**	**0.78**		
6	MR. U.G.J. CHAMINDA	**2,734,100**	**0.41**	**602,653**	**0.63**
7	MR. K. THINESKUMAR	**2,649,429**	**0.40**		
8	MRS. S. VASUDEVAN	**2,500,000**	**0.38**	**984,751**	**1.04**
8	MR. A.H. MUSTHAKEEM	**2,500,000**	**0.38**		
10	MR. M.H.A. KAMIL	**2,489,839**	**0.37**	**494,416**	**0.52**
11	MR. D.J.P.B. FERNANDO	**2,354,178**	**0.35**		
12	MS. H.N.M.U. SANDAMALI	**1,836,830**	**0.28**		
13	ASSETLINE FINANCE PLC/M.S.HIRIPITIYA	**1,780,000**	**0.27**		
14	MR. C.N. PAKIANATHAN	**1,729,054**	**0.26**	**681,535**	**0.72**
15	MR. W.A.K. PERERA	**1,647,332**	**0.25**		
16	MR. S.C. DE ZOYSA	**1,510,204**	**0.23**		
17	MR. G. WICKREMASINGHE	**1,500,000**	**0.23**		
18	MR. W.A. DHARMATHILAKA	**1,400,000**	**0.21**		
19	PEOPLE S LEASING AND FINANCE PLC/ L.P.HAPANGAMA	**1,257,088**	**0.19**		
20	MR. J.K. MAYAKADUWAGE	**1,216,433**	**0.18**		
	SUB TOTAL	**510,855,758**	**76.84**	**83,503,313**	**87.90**
	OTHER	**154,144,242**	**23.16**	**11,496,687**	**12.10**
	ISSUED CAPITAL	**665,000,000**	**100.00**	**95,000,000**	**100.00**

NOTICE OF MEETING

Notice is hereby given that the Seventy Seventh Annual General Meeting of ACME Printing and Packaging PLC will be held on 28th 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 purpose of transacting the following items of business:

AGENDA

1. To receive and consider the Audited Financial Statements for the year ended 31st March 2026 together with the Annual Report of the Board of Directors and of the Auditors thereon.

2. To re-elect as a Director Mr. P.S. Goonewardene, who retires by rotation in terms of Article 84 and 85 of the Articles of Association as recommended by the Board of Directors.

3. To re-elect as a Director Mr. M.S.M.A. Samaratunga, who retires in terms of Article 91 of the Articles of Association as recommended by the Board of Directors.

4. To consider and if thought fit to pass the following Ordinary Resolution pertaining to the re-appointment of Mr. A. Hettiarachchy, as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No.7 of 2007; and whose reappointment is recommended by the Board of Directors

ORDINARY RESOLUTION

"That the age limit of 70 years referred to in Section 210 of the Companies Act, No.7 of 2007 shall not apply to Mr. Ariyawansa Hettiarachchy, Director who is 77 years of age (having reached 70 years of age on 21st January 2019) and accordingly that Mr. Ariyawansa Hettiarachchy be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No.7 of 2007".

5. To consider and if thought fit to pass the following Ordinary Resolution pertaining to the re-appointment of Mr. S.D.R. Arudpragasam, as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No.7 of 2007; and whose reappointment is recommended by the Board of Directors

ORDINARY RESOLUTION

"That the age limit of 70 years referred to in Section 210 of the Companies Act, No.7 of 2007 shall not apply to Mr. Sri Dhaman Rajendram Arudpragasam, Director who is 75 years of age (having reached 70 years of age on 16th August 2021) and accordingly that Mr. Sri Dhaman Rajendram Arudpragasam be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No.7 of 2007".

6. KPMG, Chartered Accountants who are deemed to have been re-appointed as Auditors in terms of Section 158 of the Companies Act No. 07 of 2007.

7. To authorize the Board of Directors to determine contributions to charities.

By Order of the Board of Directors of ACME Printing and Packaging PLC

S S P CORPORATE SERVICES (PRIVATE) LIMITED

SECRETARIES

Colombo

31st August 2026

1. A shareholder entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such proxy need not be a Shareholder of the Company.

2. A Form of Proxy is enclosed.

3. The completed Form of Proxy should be deposited at the Registered Office of the Company, No.98, Sri Sangaraja Mawatha, Colombo 10, not later than 48 hours before the time appointed for the holding of the meeting.

FORM OF PROXY

I...(NIC No..)

of..being a member of

the above Company, hereby appoint: Mr/Mrs/Miss ....(NIC No...)
of...as my proxy to represent me and failing him

Mr. Ariyawansa Hettiarachchy	of Colombo or failing him
Mr. Sri Dhaman Rajendram Arudpragasam	of Colombo or failing him
Mr. Anushman Rajaratnam	of Colombo or failing him
Mr. Peter Suren Goonewardene	of Colombo or failing him
Mr. Kamal Gardiye Punchihewa	of Colombo or failing him
Mr. Moratota Samaratunga Mudiyanselage Arjuna Samaratunga	of Colombo

to represent me and vote on my behalf at the Annual General Meeting of the Company to be held on 28th September 2026 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting and to VOTE as indicated below:

		FOR	AGAINST
1.	To receive and consider the Audited Financial Statements for the year ended 31st March 2026 together with the Annual Report of the Board of Directors and of the Auditors thereon.		
2.	To re-elect as a Director Mr. P,S. Goonewardene, who retires by rotation in terms of Articles 84 and 85 of the Articles of Association as recommended by the Directors.		
3.	To re-elect as a Director Mr. M.S.M.A. Samaratunga, who retires in terms of Article 91 of the Articles of Association as recommended by the Directors.		
4.	To re-appoint Mr. A. Hettiarachchy, who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of Meeting.		
5.	To re-appoint Mr. S.D.R. Arudpragasam, who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of Meeting.		
6.	To authorize the Board of Directors to determine the Remuneration of the Auditors, Messrs KPMG, who are deemed to have been re-appointed as Auditors.		
7.	To authorize the Board of Directors to determine contributions to charities.		

Signed this .... day of ....Two Thousand and Twenty Six.

Signature: ....

* Please delete the inappropriate words.

Note:

1. Instructions for completion of Form of Proxy are given overleaf.

2. Every alternation or addition to the Form of Proxy must be fully authenticated by the full signature of the Shareholder signing the Form of Proxy. Such signature should as far as possible be placed in proximity to the alteration or addition intended to be authenticated.

3. A proxy need not be a member of the Company.

INSTRUCTIONS FOR COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, and your instructions as to voting, by signing in the space provided and filling in the date of signature.

2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given or if there is any doubt as to how the Proxy should vote by reason of the manner in which the instructions are carried out, the proxy in his/her discretion may vote as he/she thinks fit.

3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 98, Sri Sangaraja Mawatha, Colombo 10, not less than 48 hours before the time appointed for holding the meeting.

4. If the Form of Proxy is signed by an attorney, the original power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.

NOTE:

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No.7 of 2007 applies to corporate shareholders of ACME Printing and Packaging PLC. Section 138 provides for representation of Companies at meetings of other Companies. A Corporation, whether a Company within the meaning of this Act or not, may, where it is a member of another Corporation, being a Company within the meaning of this Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an individual shareholder of that other Company.

CORPORATE INFORMATION

NAME OF THE COMPANY

ACME Printing and Packaging PLC

LEGAL FORM

A Public Quoted Company with limited liability incorporated Under the provisions of Company Act No. 7 of 2007.

SUBSIDIARY COMPANY

ACME Packaging Solutions (Private) Limited

A Fully owned Subsidiary Company with limited liability incorporated Under the provisions of Companies Act No. 7 of 2007.

DIRECTORS

1. A. Hettiarachchy

2.H. K. P Jayasuriya
(Resigned w.e.f. 31 .12. 2025)

2. S. D. R. Arudpragasam

3. A. Rajaratnam

4. P. S. Goonewardene

5. A. I. Piyadigama
(Resigned w.e.f. 31 .07. 2026)

6. K. G. Punchihewa

7.S. M. A. Samaratunga
(Appointed w.e.f 07.08.2026)

REGISTERED OFFICE

No 98, Sri Sangaraja Mawatha, Colombo 10.

Tel : +94 11 556 6000
Fax : +94 11 280 7480

E-mail: info@acmelk.com

Web : www.acmelk.com

FACTORY

Factory & Office - Pannala

Katugampola Industrial Estate (West)
Makandura, Gonawila,

Sri Lanka

Tel : +94 31 2298201-2,

E-mail : solutions@acmelk.com

SECRETARIES

S S P Corporate Services (Private) Limited

No 101, Inner Flower Road, Colombo 03.

EXTERNAL AUDITORS

KPMG Sri Lanka,

Chartered Accountants,

P. O. Box 186, Colombo 03.

BANKERS

1. National Development Bank PLC

2. Hatton National Bank PLC

3. Sampath Bank PLC

4. Seylan Bank PLC

5. Nations Trust Bank PLC

6. People's Bank

7. Commercial Bank of Ceylon PLC

8. Amana Bank PLC

9. DFCC Bank PLC

10. Bank of Ceylon

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