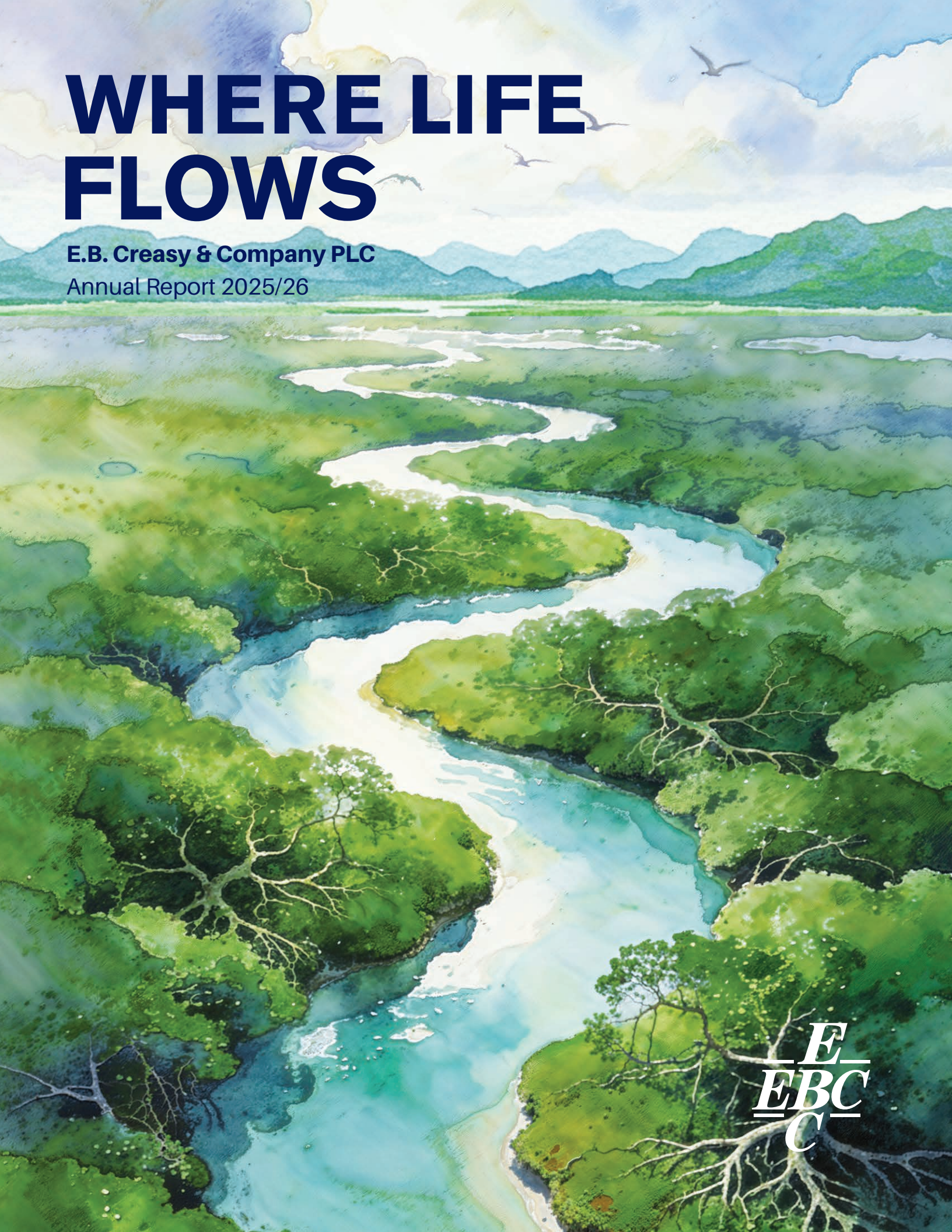
WHERE LIFE FLOWS

E.B. Creasy & Company PLC

Annual Report 2025/26



WHERE LIFE FLOWS

Life moves in a constant flow that is shaped by direction, sustained by balance, and strengthened through connection. Like a river, progress begins at a source and gains momentum as it travels onward, touching lives, nourishing communities, and enabling growth along the way.

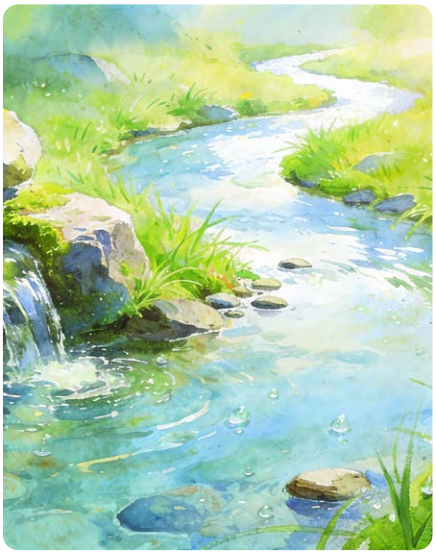
At E.B. Creasy, our role is to support this flow. From its origins in trusted consumer solutions to the wider channels of energy, infrastructure, and innovation, we create continuity across everyday living. Each business acts as a tributary that is distinct in purpose, yet united in direction, contributing to a stronger, more resilient whole.

As the river moves forward, it adapts to the landscape while remaining true to its course. In the same way, we continue to evolve: guided by responsibility, driven by innovation, and focused on delivering long-term value. Through integrated systems and disciplined execution, we ensure that what begins at the source reaches where it matters most.

This is how we move through life: supporting the moments that matter, every day.

E.B. Creasy & Company PLC
Annual Report 2025/26

Where Life Flows



Where Purpose Begins

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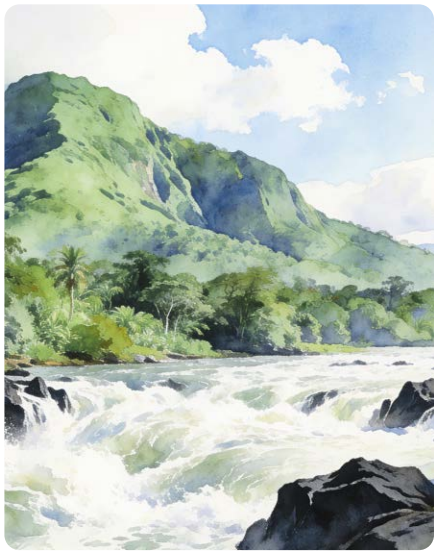
Strength through Connection



Momentum with Meaning



Touching Lives Everywhere

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Independent Auditors' Report

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WELCOME TO OUR INTEGRATED ANNUAL REPORT

We are pleased to present E.B. Creasy & Company PLC's 2nd Integrated Annual Report covering the financial year ended 31st March 2026, which provides a comprehensive and balanced overview of the Group's financial and non-financial performance, outlining how we navigated a dynamic economic environment whilst delivering on our strategic objectives.

Our reporting is guided by the International Integrated Reporting (IR) Framework, enabling a holistic view of our value creation process, corporate governance practices, and risk management approach.

This report is designed to meet the evolving information needs of a broad range of stakeholders, including shareholders, investors, customers, regulators, and the wider community. It provides transparent insight into the Group's financial performance, governance practices and risk management strategies, as well as its commitment to environmental stewardship and social responsibility and future outlook, while also illustrating our contribution to sustainable and inclusive economic development.

Standards and Principles of Preparation

This report for the year ended 31st March 2026 has been prepared in accordance with the reporting requirements of the following regulatory frameworks:

- Standards and guidelines issued by the Institute of Chartered Accountants of Sri Lanka
  - Sri Lanka Financial Reporting Standards (SLFRS)
  - Sri Lanka Accounting Standards (LKAS)
  - Statement of Recommended Practices (SoRPs)
  - Statement of Alternative Treatments (SoATs) and
  - Financial Reporting Guidelines issued by CA Sri Lanka
- Companies Act No. 7 of 2007
- Listing Rules of Colombo Stock Exchange

The sustainability-related financial disclosures for the year ended 31st March 2026 have been prepared in accordance with the following standards.

- SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Disclosures and
- SLFRS S2 Climate-related Disclosures (SLFRS S1 and S2) issued by the Institute of Chartered Accountants of Sri Lanka.
- Industry Specific Standards issued by Sustainability Accounting Standards Board (SASB) under IFRS Foundation.

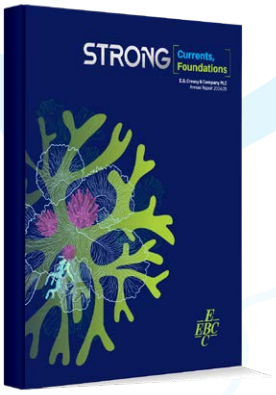
Reporting Boundaries

This report covers the operations of E.B. Creasy & Company PLC and its subsidiaries from 1st April 2025 to 31st March 2026. The report includes information relating to the financial and non-financial developments of the Group including comprehensive coverage of operational results, a review of financial performance, risk management and compliance framework, an overview of corporate governance and sustainability philosophy and practices, among other themes.

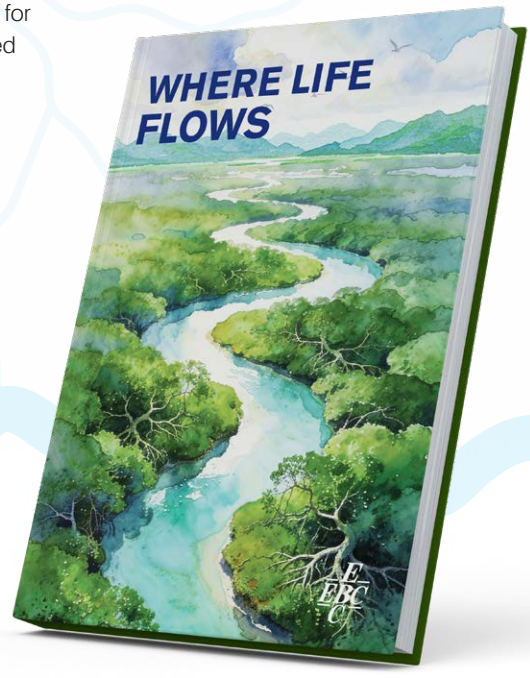
Key Improvements to the Report 2026

The Key Improvements compared to the 2025 Integrated Annual Report include:

- Introduction of a dedicated section for sustainability-related financial disclosures in accordance with SLFRS Sustainability Disclosure Standards(SLFRS S1 and S2).
- Use of the Sustainability Accounting Standards Board (SASB) Industry-Specific Sustainability Accounting Standard as industry guidance.



Annual Report
Web Version



Corporate Governance

Corporate governance, risk management and sustainability practices are integral components discussed extensively in the report. These practices have been pivotal in driving value creation for stakeholders, ensuring transparency, accountability, and effective risk mitigation measures. The Management Discussion and Analysis and Governance sections provide insightful discussions on these critical areas.

Stakeholder Engagement and Materiality

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

Assurance and Transparency

This report has been subjected to rigorous internal and external assurance processes to ensure the accuracy, reliability, and integrity of the information presented. Internal assurance is provided through established governance mechanisms, including oversight by the Audit Committee, reviews conducted by the Internal Audit function, and certifications by Senior Management.

External assurance on the financial statements is provided by M/s KPMG, as detailed in the Independent Auditor's Report. The assurance on the Sustainability-related Financial disclosures is provided by M/s Ernst & Young as detailed in independent Practitioner's Assurance Report to the Board of Directors of E.B. Creasy & Company PLC on the SLFRS Sustainability-related Financial Disclosures presented in the Integrated Annual Report 2025/26.These combined assurance efforts enhance stakeholder confidence and support the credibility and transparency of the Company's reporting.

Forward-Looking Statements

This report contains forward-looking statements relating to the Group's future performance, strategic objectives, risk and opportunities and economic outlook. These statements are based on the Group's current expectations, informed assumptions, projections and prevailing market intelligence. However, they are inherently subject to risks and uncertainties beyond the Group's control, including macroeconomic developments and changes in the regulatory environment.

While such statements are intended to assist stakeholders in assessing the Group's value creation potential over the short to medium term, actual results may differ materially. Accordingly, the E.B. Creasy Group , its Board of Directors, and the preparers of this report disclaim any obligation or liability arising from reliance on these forward-looking statements, and readers are advised to exercise due care when considering them.

Statement by the Board

The Board accepts responsibility for maintaining the accuracy and reliability of the Annual Report, ensuring it presents a fair and balanced overview of the Group's performance while addressing all significant matters that could influence its ability to create value in the short, medium, and long term. The Board's confirmation of its responsibility for the Annual Report and its contents is detailed in the Report of the Board of Directors on pages 112.

The report was approved by the Board of Directors on 01st June 2026.



A.D.T. Mendis
Director/ Group Chief Financial Officer
E.B. Creasy & Company PLC
98, Sri Sangaraja Mawatha,
Colombo 10

Feedback and Queries

Your comments and queries on this report are welcome, and we invite you to communicate your feedback to:
investor.relations@creasy.lk







About Us

With a proud heritage spanning over 148 years, E.B. Creasy Group stands as one of Sri Lanka's leading diversified conglomerates, with an established presence across manufacturing, trading, and distribution. The Group continues to play a pivotal role in driving national economic value creation and progress.

The Group's product portfolio encompasses a range of trusted consumer brands, industrial products and advanced healthcare solutions supported by one of the country's premier distribution networks. Over the years, the E.B. Creasy Group has built enduring partnerships with globally renowned principals, many of which rank among the longest-standing collaborations in the industry.

Built on a strong foundation of core values and driven by innovation, sustainability, and long-term value creation, the Group remains committed to fostering a resilient and forward-looking future for Sri Lanka's economy.



VISION

Providing exceptional products, focusing on diverse consumer needs.

MISSION

To manage our business ethically and efficiently and strive for excellence in our every endeavour.

To foster and sustain our growth, thereby fulfilling national aspirations and creating maximum value for our stakeholders and the community at large.

OUR VALUES

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

Our Journey

1878

Edward Bennet Creasy founded E.B. Creasy in Colombo

Established inbound and outbound logistics operations, laying the cornerstone of the Group's foundation

1929

E.B. Creasy incorporated as a Limited Liability Company

1967

Acquired Darley Butler & Company Limited

1968

E.B. Creasy listed on the Colombo Stock Exchange

1970

Entered the Confectionery industry

1977

Ventured into the Personal Care industry

1983

Commenced trading of hardware products

1994

Expansion in to Food Ingredient industry by establishing the Darley Food division

1995

Acquired Laxapana PLC (previously known as Laxapana Batteries PLC)

1998

Commenced manufacturing of Home Care products

2001

Expansion of healthcare operations by establishing the healthcare division

2011

Acquired Muller & Phipps (Ceylon) PLC

2015

Acquired Lanka Special Steel Limited

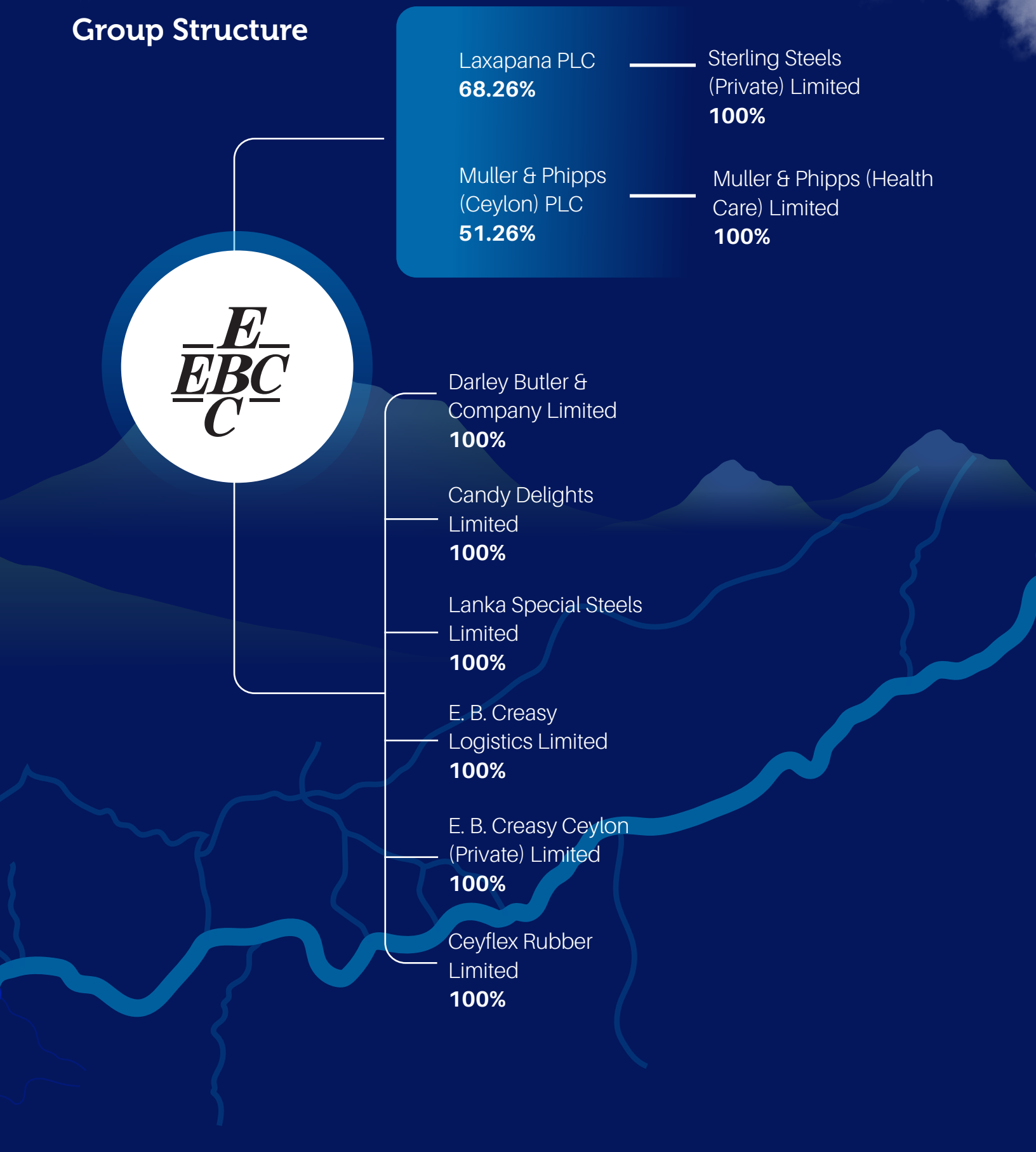
2016

Ventured in to manufacturing of value- added latex products for export

2024

Acquired Sterling Steel (Private) Limited (previously known as Bluescope Lysaght Lanka (Private) Limited)

Group Structure



Segment Analysis

Consumer

Rs. 21.7 Bn
Revenue

61%
Contribution to Group Revenue

Rs. 1.6 Bn
PBT

78%
Contribution to Group PBT

33,439 tCO_2e
Carbon Foot Print

113,817 GJ
Energy Usage

The Consumer segment lies at the core of the group's operations, comprising some of the most trusted brands in Sri Lanka. The business is supported by a robust distribution network ensuring island-wide product availability. The segment is structured across three key sectors: Personal Care, Home Care, and Foods.

The Consumer segment remained the primary driver of performance, contributing 61% and 78% to Group revenue and profitability, respectively. During the year, the segment recorded a revenue of Rs. 21.7 Bn with profit before tax of Rs. 1.6 Bn. Revenue growth in the segment was driven by improved market demand and stronger consumer sentiment. Growth was further supported by successful consumer and dealer promotions conducted throughout the year and the introduction of new products and variants.

Personal Care

The Personal Care sector, comprising the Shaving and Oral Care categories, is underpinned by manufacturing excellence at the award-winning Bic and Denta factory in Millewa. During the year, this facility received several prestigious accolades, including the Platinum Award at Responsible Care Excellence Awards 2025, Gold Flame Award at Sri Lanka National Energy Efficiency Awards 2025, and Gold Award at National Cleaner Production Awards 2025.

Supported by extensive distribution coverage across diverse channels, the Personal Care sector is well positioned to achieve sustained, cost-efficient, and environmentally responsible growth.

Home Care

The Home Care sector is engaged in the manufacture and marketing of a diverse portfolio of brands, many of which are well-established household names, including several that hold leading positions within their respective categories which are manufactured locally.

The sector's portfolio has been upgraded to include a range of biodegradable products, such as Bio Clean, a toilet bowl cleaner, All Out (revamped as Bubble All Out), a liquid laundry detergent, Softny, a liquid fabric conditioner, and Teepol, a dish washing liquid, underscoring the Group's commitment to environmentally responsible product innovation.

During the year, significant investments were made in upgrading the manufacturing facilities of the Home Care sector. On completion, the new facilities will support the growth of our product portfolio to better meet evolving market needs.

Foods

The sector manufactures a range of confectionery products, including medicated candy, hard candy, jelly candy, toffees, and lollipops, while bakery ingredients are imported and distributed through established channels.

In line with the Group's growth strategy and expansion plans for the confectionery sector, the Group invested in upgrading its existing manufacturing facilities and machinery to enhance production capacity, improve operational efficiency, and support product innovation and portfolio expansion.

The Group is a large-scale importer and distributor of bakery ingredients, operating through a dedicated distribution network and offering a portfolio of over 90 products, including yeast and bread improvers, fats, cocoa powder, cake and bread pre-mixes. The division currently serves over 3,000 retail outlets and provides business-to-business (B2B) solutions to industrial bakeries, renowned hotel chains, and restaurants. It has established partnerships with leading overseas suppliers recognised for their high-quality standards and product expertise.

Industrial

Rs. 7.3 Bn
Revenue

21 %
Contribution to Group Revenue

Rs. 321 Mn
PBT

15 %
Contribution to Group PBT

67,915 tCO_2e
Carbon Foot Print

49,702 GJ
Energy Usage

The Industrial segment of the Group comprises two core sectors: Energy & Lighting and Building Solutions. The Energy and Lighting sector offers a range of products including batteries, LED lighting and renewable energy. The Building Solutions sector provides a comprehensive portfolio of construction materials, such as roofing, wall cladding, structural components, galvanised steel wires, chain-link fencing and barbed wires.

During the year, the Industrial segment recorded a 6% revenue growth, concluding with a revenue of Rs. 7.3 Bn, primarily driven by the construction sector boom in the country and competitive pricing resulting from cost reduction initiatives. The segment reported a PBT of Rs. 321 Mn, reflecting an increase of 763%.

Energy & Lighting

The Energy and Lighting sector offers a comprehensive range of energy and lighting products under the Laxapana brand to retail and commercial customers. The sector also supplies integrated solar and battery energy storage systems.

Building Solutions

The Building Solutions sector offers a comprehensive range of building and steel products, including galvanised steel wire products and related materials for construction, agriculture, and industrial applications, as well as steel roofing, wall cladding, and structural building solutions.

During the year, the sector expanded its downstream presence in the retail market through the commencement of production and marketing of barbed wire under the Laxapana brand. The sector also introduced chain-link fencing during the year. In addition, further initiatives are underway to introduce selected roofing products under the Laxapana brand to the retail market.

Wellness & Nutrition

Rs. 6.0 Bn
Revenue

17 %
Contribution to Group Revenue

Rs. 181 Mn
PBT

9 %
Contribution to Group PBT

4,397 tCO_2e
Carbon Foot Print

12,570 GJ
Energy Usage

Wellness & Nutrition

The Wellness and Nutrition segment is made up of the Therapeutics, Specialised Nutrition, and Disposable Hygiene sectors.

This segment is operated with a dedicated sales force, providing island-wide coverage to over 3,500 pharmacies, modern trade partners and private hospitals.

During the year under review, the segment recorded a turnover of Rs. 6 Bn, representing a growth of 15%, while net profitability declined by 19%, resulting in a PBT of Rs. 181 Mn. Profitability was affected by ongoing margin pressures, regulatory challenges, and the discontinuation of certain products at the global level within the segment.

The year saw the introduction of a new brand of baby diapers under the brand name Teddy, and the launch of Rontamil and Rontameal brands in the Nutrition category, as the segment looks for new avenues of growth.

Awards and Certifications



3 5 4 1 6 2 7

1 National Cleaner Production Awards 2025

The Group's BIC and Denta manufacturing facility was honoured with the Gold Award in the Plastic Sector – Medium Category at the National Cleaner Production Awards 2025, organised by the National Cleaner Production Centre under the Ministry of Industry and Entrepreneurship Development, marking its second consecutive recognition for excellence in cleaner production and sustainable manufacturing practices.

2 Green Productivity Awards 2024

During the financial year, the Group's BIC and Denta manufacturing facility was awarded the Gold Award under the Green Productivity Awards 2024 programme conducted by the Sri Lanka Association for the Advancement of Quality and Productivity, marking the facility's inaugural participation and recognising its commitment to productivity excellence and sustainable manufacturing practices.

3 Sri Lanka National Energy Efficiency Awards 2025

The Group's BIC and Denta manufacturing facility was honoured with the Gold Flame Award in the Small-Scale Manufacturing Sector category at the Sri Lanka National Energy Efficiency Awards 2025, organised by the Sri Lanka Sustainable Energy Authority under the Ministry of Energy, marking the facility's first participation in the awards programme and recognising its excellence in energy efficiency and sustainable manufacturing practices.

4 Responsible Care Excellence Awards 2025

The Group's BIC and Denta manufacturing facility was honoured with the Platinum Award at the Responsible Care Excellence Awards 2025, organised by Lanka Responsible Care Council, emerging as the only Platinum Award winner across all sectors and categories in recognition of its excellence in responsible, sustainable, and safe manufacturing practices.

5 Water Stewardship Champion Award 2025

The Group's BIC and Denta manufacturing facility was honoured with the Water Stewardship Champion Award 2025 by the Lanka Responsible Care Council in recognition of its exemplary commitment, progressive initiatives, and leadership in advancing sustainable water management and stewardship practices, in celebration of World Water Day 2025.

6 Sri Lanka Institute of Architects (SLIA) Annual Product Awards 2025

Sterling Steels (Private) Limited was honoured with a Merit Award at the Sri Lanka Institute of Architects Annual Product Awards 2026 under the Zine-Aluminum Coated Profiled Steel Sheet category, recognising the Company's commitment to product innovation, manufacturing excellence, and the delivery of high-quality, durable roofing solutions to the construction industry.

7 TAGS Awards 2025

Received Certificate of Compliance -Manufacturing Sector (Group turnover LKR 10-50 Bn) and Certificate of Recognition for Integrated Reporting.

Financial Highlights

GROUP FINANCIAL HIGHLIGHTS		2025/26	2024/25	2023/24
Financial Performance Highlights				
Revenue	Rs'000	35,356,836	32,065,543	25,822,094
Gross Profit	Rs'000	11,178,501	10,378,542	7,995,088
Operating Profit	Rs'000	2,922,762	2,831,901	1,902,819
Profit Before Tax	Rs'000	2,085,711	1,929,613	666,907
Profit After Tax	Rs'000	1,216,660	1,246,627	280,780
Profit Attributable to Equity Holders of the Parent	Rs'000	1,110,793	1,195,322	195,213
Dividends	Rs'000	532,446	380,319	380,319
Gross Profit Margin	%	32%	32%	31%
Operating Profit Margin	%	8%	9%	7%
Interest Cover	Times	3.49	3.14	1.54
Net Profit Margin	%	3%	4%	1%
Financial Position Highlights				
Total Assets	Rs'000	26,935,483	25,522,157	22,426,638
Total Equity Attributable to Equity Holders of the Parent	Rs'000	9,725,717	7,580,143	6,302,403
Total Liabilities	Rs'000	16,704,764	17,509,403	15,707,699
Current Ratio	Times	1.33	1.05	0.94
Debt/Equity	%	72%	104%	123%
Gearing	%	43%	53%	56%
Return on Capital Employed	%	17%	18%	13%
Market and Shareholder Information				
No. of Shares in Issue	Nos	278,900,380	253,545,800	253,545,800
Market Price Per Share	Rs.	48.50	33.10	23.00
Market Capitalization	Rs'000	13,526,668	8,392,366	5,831,553
Basic Earnings Per Share	Rs.	4.26	4.70	0.77
Net Assets Per Share	Rs.	34.87	29.90	24.86
Dividend Per Share	Rs.	2.00	1.50	1.50
Dividend Payout Ratio	%	47%	32%	195%
Dividend Yield	%	4.1%	4.5%	6.5%

Non-Financial Highlights

Natural Capital

111,839
Total Carbon Footprint
(tCO_2e)

5,921
Greenhouse Gas Emission
Scope 1 (tCO_2e)

3,784
Greenhouse Gas Emission
Scope 2 (tCO_2e)

102,134
Greenhouse Gas Emission
Scope 3 (tCO_2e)

200,211
Energy Consumption within the Organisation
(GJ)

152,606
Total Material Usage
(t)

6,368
Total Waste Generated
(t)

81,018
Total Volume of Water Withdrawn
(M^3)

3,175
Total Units of Solar Generation
(MWh)

Human Capital

2,183
Workforce

1,892
Total Male

291
Total Female

25,001
Total Training Hours

11.5
Training Hours per Employee

Social & Relationship Capital

>9
Social Impacted Projects

27
New Products and Variants

Manufacturing Capital

10
Manufacturing Facilities

Rs. 1.9 Bn
Manufacturing Infrastructure

140,000+
Customer Touch Points

Where Purpose Begins

A clear foundation that defines direction and sets life in motion.



Chairman's Review



> The year under review marked a period of strong and well-rounded growth for the Group, to record the highest-ever Revenue, with notable progress in product innovation, and distribution reach.

Dear Shareholders,
It is my pleasure to present to you the Annual Report of E.B. Creasy & Company PLC–our second Integrated Report–together with the audited financial statements for the year ended 31st March 2026.

Group Performance

The year under review marked a period of strong and well-rounded growth for the Group, to recording the highest-ever revenue, with notable progress in product innovation and distribution reach. Supported by a conducive operating environment, Group turnover grew by 10% to reach Rs. 35.4 Bn, while profitability increased by 8.1% to Rs. 2.1 Bn, reflecting the resilience and effectiveness of our strategic initiatives.

The Consumer segment remained the primary driver of performance, contributing 61% and 78% to Group revenue and profitability, respectively. Growth in this segment was fueled by stronger market demand and improved consumer confidence. Additional momentum came from effective consumer and dealer promotions carried out during the year, the launch of new products and variants, and supportive seasonal trends. Turnover in this segment grew by 11%.

The Industrial segment, accounting for 21% of Group turnover, recorded a revenue growth of 6%, while the Wellness and Nutrition segment, which contributed 17% to Group turnover, posted a revenue growth of 15%. The growth in the Industrial segment was well supported by the revival in the country's construction-related demand whilst the Wellness and Nutrition segment benefitted from expansion of product portfolio and competitive pricing strategies, supported by a growing demand for health and wellness and nutrition products.

Aligned with our growth strategy, we further strengthened our distribution capabilities by expanding the existing dedicated channels for Home Care and Confectionery products; enabling greater focus, improved efficiency, and deeper market penetration.

During the year, the Group successfully completed a rights issue which was oversubscribed, raising Rs. 1.5 Bn in December. This strengthened the Group's capital structure, enhanced financial flexibility, and contributed to a reduction in the gearing ratio, positioning the Group for sustainable growth.

The Board declared two interim dividends of Rs. 1/- per share each in November 2025 and March 2026, amounting to a total dividend of Rs. 2/- per share and an aggregate distribution of Rs. 532 Mn, which was paid during the year.

Performance in Context

Sri Lanka's economic recovery gathered momentum in 2025 despite continued global headwinds, including geopolitical tensions and volatility in commodity

prices. The economy is estimated to have grown by approximately 5%, supported by improved performance across all key sectors, with agriculture, industry and services sectors expanding by 1.4%, 7.8% and 3.3% respectively.

Macroeconomic conditions remained relatively stable throughout 2025, supported by moderate interest rates, easing inflation, and a stable exchange rate environment. However, escalating geopolitical tensions in the Middle East during 2026 have increased external pressures on the economy.

By March 2026, inflation had risen to 2.2% YoY (CCPI), while the Sri Lankan rupee depreciated to 1.6% against the US dollar (USD) during the first quarter of 2026. The evolving global environment may pose downside risks to Sri Lanka's recovery through higher inflation, exchange rate volatility, elevated import costs, and lower tourism earnings and remittances.

Environment and Social Sustainability

This year marked a defining milestone in our sustainability journey, the transition from aspiration to structured, measurable action. The Group formalised its ESG performance framework and voluntarily adopted reporting aligned with SLFRS S1 and S2 ahead of any mandatory requirement, reflecting our proactive commitment to transparency and accountability.

On the environmental front, approximately 2.8 MW of rooftop solar capacity was installed across our locations, generating clean energy, while a comprehensive, independently verified Greenhouse Gas Emissions (GHG) assessment covering Scope 1, 2, and 3 across all subsidiaries, established a credible baseline for future reduction targets.

Beyond environmental performance, we have taken deliberate steps to strengthen social accountability across our people, partners, and communities, embedding responsible governance into every layer of our operations affirming our conviction that a truly resilient business balances, commercial ambition with a deep sense of purpose.

Governance and Board Changes

The Group's longstanding legacy of over a century reflects its unwavering commitment to strong governance. The Group continues to uphold robust corporate governance practices, fostering a culture of integrity, accountability, and transparency in line with best practice standards.

I am pleased to welcome Mr. A. D. T. Mendis to the Board as an Executive Director of the Group with effect from 1st August 2025.

Looking Ahead

The Sri Lankan economy is estimated to grow in the range of 3–4% in the year ahead, although global uncertainties, particularly acute geopolitical tensions and potential disruptions to energy markets due to the ongoing conflict in the Middle East may pose challenges.

The Group will continue to leverage its extensive distribution network, supported by a dynamic field force, as a key competitive advantage. We remain focused on expanding market reach, enhancing operational efficiency, and strengthening our presence across all segments.

Our Consumer segment will continue to drive innovation, with new product launches and increased focus on sustainability. During the year, the Group undertook a series of strategic capital investments aimed at enhancing its overall manufacturing platform, including capacity expansion, process optimisation, and infrastructure upgrades across its factory network. These initiatives were designed to strengthen operational efficiency, improve scalability, and ensure readiness to support portfolio expansion and evolving business requirements.

The Group's Wellness and Nutrition segment is well positioned to capitalise on favourable growth prospects in the coming years, driven by increasing consumer focus on health and well-being, thereby enhancing resilience, supporting sustainable value creation, and further strengthening its competitive position in the market.

Technology will play a central role in our future, across operations, with plans to transition and accelerate digitalisation initiatives, including process automation and system integration.

As we move forward with added confidence, we remain committed to delivering long-term value, guided by responsibility, driven by innovation, and anchored in our purpose of improving everyday life.

Appreciation

I would like to convey my sincere appreciation to my colleagues on the Board for their guidance and stewardship. I also wish to convey my heartfelt appreciation to the entire management team for their excellent leadership and commitment and to the team of over 2,000 employees that make up the Group for their talent, passion and dedication. To our shareholders, customers and partners, thank you for your continued support, trust in us and the inspiration you give us to keep raising the bar for ourselves and our customers.



S. D. R. Arudpragasam
Chairman/Managing Director

01st June, 2026

Board of Directors



01. K. G. Punchihewa-*Independent Non-Executive Director*
02. P. Y. S. Perera-*Independent Non-Executive Director/Senior Independent Director*
03. R. C. A. Welikala-*Executive Director*
04. S. D. R. Arudpragasam-*Chairman/Managing Director*



05. S. Rajaratnam-*Joint Managing Director*
06. S. W. Gunawardena-*Executive Director*
07. S. B. Perera-*Independent Non-Executive Director*
08. A. D. T. Mendis-*Executive Director*

S. D. R. ARUDPRAGASAM
FCMA (UK)
Chairman/Managing Director

Mr. S.D.R. Arudpragasam joined the Board in 1988 and took on responsibilities as Managing Director in 1989. He was appointed Chairman on 1st October 2017. Mr. Arudpragasam was also appointed as the Chairman of the Parent Company, The Colombo Fort Land & Building PLC (CFLB) with effect from 1st July 2022. He has been associated with the CFLB Group since 1982 and prior to such appointment, he held the position of Deputy Chairman on the Board of CFLB. Mr. Arudpragasam serves as Chairman of several subsidiaries of CFLB including, Lankem Ceylon PLC, C.W. Mackie PLC and C M Holdings PLC in addition to holding other Directorships within the CFLB Group. He also functions as a member on several Board subcommittees of the CFLB Group.

Mr. Arudpragasam is a Fellow Member of the Chartered Institute of Management Accountants (UK).

S. RAJARATNAM
BSc. CA
Joint Managing Director

Mr. S. Rajaratnam joined the Company in 2006 in the capacity of Deputy Managing Director. He was appointed as the Joint Managing Director of E.B. Creasy & Company PLC in 2018. He also serves as a Director on the Board of The Colombo Fort Land and Building PLC (CFLB) and several of the subsidiaries of the CFLB Group. He functions as a member of several Board subcommittees within the CFLB Group and in certain other listed entities.

Mr. S. Rajaratnam holds a Bachelor of Science Degree in Business Administration from Boston College, USA and is a Member of the Institute of Chartered Accountants in Australia.

R. C. A. WELIKALA
Executive Director

Mr. R.C.A. Welikala was appointed to the Board in the year 2000. He has extensive experience in marketing of fast-moving (FMCG) consumer goods and has successfully developed key brands in the E.B. Creasy Group to market leadership positions. He also holds other Directorships within the E.B. Creasy Group.

S. W. GUNAWARDENA
BSc. MBA
Executive Director

Mr. S.W. Gunawardena joined the Company in 2002 and was appointed to the Board in April, 2014. He also serves on the Boards of some of the subsidiaries of the E.B. Creasy Group.

He is currently the Head of the Home Care sector and has initiated many new businesses.

Prior to joining the Company, he had served in leading mercantile establishments in Sri Lanka and overseas.

He serves on the Board of International Household Insecticides Manufacturers BHD and functions as the Treasurer since 2014.

He holds a Bachelor of Science Degree from the University of Colombo and a Master of Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura.

P. Y. S. PERERA
FCA, FCMA (UK)
Independent Non-Executive Director

Mr. Yohan Perera was appointed to the Board as an Independent Non-Executive Director in May 2024.

Mr. Perera is a Chartered Accountant by profession and retired from the position of the Managing Partner of KPMG Sri Lanka and Maldives with effect from 31st March 2023. He served on the KPMG Middle East and South Asia Board during his tenure as Managing Partner of the firm.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and a Fellow Member of the Chartered Institute of Management Accountants, UK. He counts over 40 years of experience in audits of conglomerates and listed companies with diversified business interests.

Mr. Perera served as the President of the CA Sri Lanka during the years 2006 and 2007 and is a former Chairman of the Sri Lanka Auditing Standards Committee. He also served as a Board Member of the Confederation of Asian and Pacific Accountants (CAPA), one of four regional organisations (ROs) recognised by the International Federation of Accountants (IFAC).

He has also served as a Commissioner of the Securities and Exchange Commission of Sri Lanka, Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and Member of the Governing Council of the Postgraduate Institute of Management of the University of Sri Jayewardenepura.

Mr. Perera currently serves as an Independent Non-Executive Director on the Boards of Hayleys PLC, Haycarb PLC, Dipped Products PLC, Overseas Realty (Ceylon) PLC and Commercial Bank of Ceylon PLC as well as Muller & Phipps (Ceylon) PLC and Laxapana PLC, the Listed Subsidiary companies of the E.B. Creasy Group.

Mr. Perera functions as the Senior Independent Director and as the Chairman of the Board subcommittees of the Company effective from 1st January 2025. He also functions as the Chairman of the Board subcommittees of the Listed Subsidiary companies in the E.B. Creasy Group effective from 7th February 2025.

K. G. PUNCHIHEWA
FCA, CPA (Aus.)
Independent Non-Executive Director

Mr. Kamal Punchihewa was appointed to the Board as an Independent Non Executive Director on 1st January 2025. He began his career at M/s B. R. De Silva & Co., Chartered Accountants, in 1983 and became a partner in 1991.

He moved to the mercantile sector as the Financial Controller of Kotagala Plantations Limited (under M/s George Steuarts Management Services) in 1992, and in 1997 was promoted to Group Financial Controller of the George Steuarts Group of Companies, as well as Director of Finance of George Steuart Auto Supplies (Private) Limited. He rejoined the plantation sector as the General Manager – Finance of Kahawatte Plantations Limited in 2002. In 2005 he took his first overseas posting as the Financial Controller of PT Agro Bukit Indonesia and was later promoted to Head of Finance, Plantation Operations and Business Support for the entire Indonesian operation of Good Hope Asia Group, which comprised six oil palm plantation companies. Mr. Punchihewa returned to Sri Lanka in 2011 and joined Lankem Tea & Rubber Plantations (Private) Limited (LT&RP) as Director/Deputy CEO. He was appointed CEO of Agarapatana Plantations Limited in April 2014 and served on its board from 2012 to 2016.

In October 2016, he joined Browns Group as the Group Chief Executive Officer – Plantation Sector, overseeing three regional plantation companies, and subsequently served as the CEO of Maturata Plantations Limited within the same group until July 2020. He joined Richard Pieris Group as the Chief Financial Officer – Plantation Sector in August 2020 and was promoted to Chief Executive Officer of Maskeliya Plantations PLC in February 2021, a role he held alongside his existing responsibilities until March 2023. He currently sits on the board of The Colombo Fort Land & Building PLC (CFLB) and on the boards of several other listed entities within the Colombo Fort Land & Building Group as an Independent Non-Executive Director, as well as on the boards of numerous unlisted entities within the CFLB Group. He was appointed a member of the Company's Board subcommittees effective 7th February 2025 and continues to act as Chairman or member of various subcommittees of several CFLB Group subsidiaries. Mr. Punchihewa has been a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA) since 1988 and a member of CPA Australia since 2014.

S. B. PERERA

FCMA/CGMA(UK) BSc. Mech. Eng. (Hons.)
Independent Non-Executive Director

Mr. Shrihan Perera was appointed to the Board as an Independent Non-Executive Director on 1st January 2025.

He was the Chief Executive Officer of Teejay Group from April 2018 to December 2019. He also served as the Chief Executive Officer of Brandix Apparel Solutions Limited from January 2010 to March 2018. Mr. Perera previously held positions of Group Financial Controller and Treasurer, Group Accounts Manager and Finance Director at Unilever Sri Lanka while counting overall experience over 30 years both with engineering and finance exposure in and amongst competitive conditions and multidimensional challenges. He has wide exposure in FMCG, garment and textile manufacture and service industry.

Mr. Perera currently serves as an Independent Director of Teejay Lanka PLC, Teejay Lanka Prints (Private) Limited and Nubian Threads (Private) Limited. He also serves on the Boards of Fintrex Finance PLC, C.W. Mackie PLC and on the Board of The Colombo Fort Land & Building PLC (CFLB) and certain subsidiaries of CFLB.

Mr. Perera was appointed as a Member of the Board subcommittees of the Company with effect from 7th February 2025. In addition, he functions as the Chairman/Member of certain Board subcommittees of several subsidiary companies of the CFLB Group and other companies.

Mr. Perera holds a Bachelor of Science Degree in Mechanical Engineering Second Class Upper Honours from the University of Moratuwa and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA/CGMA), UK.

A. D. T. Mendis

FCCA-UK, ACA, MCSI-UK, MBA (USQ-AUS), BSc. Finance Special (Hons)
Executive Director

Mr. A.D.T. Mendis was appointed to the Board as an Executive Director on 1st August 2025.

Mr. Mendis graduated with a first-class Honours - BSc. Finance Special Degree from the University of Sri Jayewardenepura. He also holds a Master of Business Administration from the University of Southern Queensland, Australia.

Mr. Mendis is a Member of the Association of Chartered Certified Accountants UK (FCCA), Institute of Chartered Accountants of Sri Lanka (ACA) and Chartered Institute of Securities and Investments of UK (MCSI).

He is a past member of the Financial Reporting Standards Implementation and Interpretation Task Force of CA Sri Lanka. He is also a past committee member of ACCA Sri Lanka Member Network Panel.

He is currently serving as a visiting lecturer for the CA Sri Lanka examinations and has previously served as a visiting lecturer for ACCA and CFA qualifications.

Mr. Mendis commenced his career at KPMG Sri Lanka and has expertise in auditing, SLFRS conversion assignments and providing financial reporting advisory services. After serving leading corporates in the country for 13 years, he joined the E.B. Creasy Group in August 2023.

Mr. Mendis also serves as a Non-Executive Director of Laxapana PLC and Muller & Phipps (Ceylon) PLC, the Listed Subsidiary Companies of the E.B. Creasy Group and is currently the Group Chief Financial Officer providing overall leadership for the finance functions of the E.B. Creasy Group.

- Audit Committee
- Remuneration Committee
- Nominations and Governance Committee
- Related-Party Transactions Review Committee



Strength Through Connection

Distinct businesses flowing together to create greater scale and resilience.

Materiality

Materiality encompasses the economic, social, and environmental dimensions that substantially influence the Group's capacity to create and sustain value across the short, medium, and long term. Material topics are those that reflect the Group's most significant impacts on the economy, environment, and people, as well as the issues most likely to affect the assessments and decisions of key stakeholders. The Group's material topics are identified through a structured and ongoing process, ensuring that disclosures remain relevant, balanced, and decision useful.



Materiality Determination Process

The Group's materiality determination process is guided by four key stages:

Identification

Material topics are identified through continuous engagement with internal and external stakeholders, including shareholders, employees, customers, regulators, suppliers, and the wider community. This process is complemented by monitoring of emerging trends in the industry landscape, regulatory developments, global sustainability frameworks, and macroeconomic conditions that may have a bearing on the Group's operations and strategic direction.

Assessment

Each identified topic is assessed against two dimensions — its significance to the Group, reflecting actual or potential impact on financial performance, operational resilience, and long-term value creation and its relevance to stakeholders, reflecting the degree to which the topic influences the perceptions, decisions, and expectations of the Group's key stakeholder groups.

Prioritisation

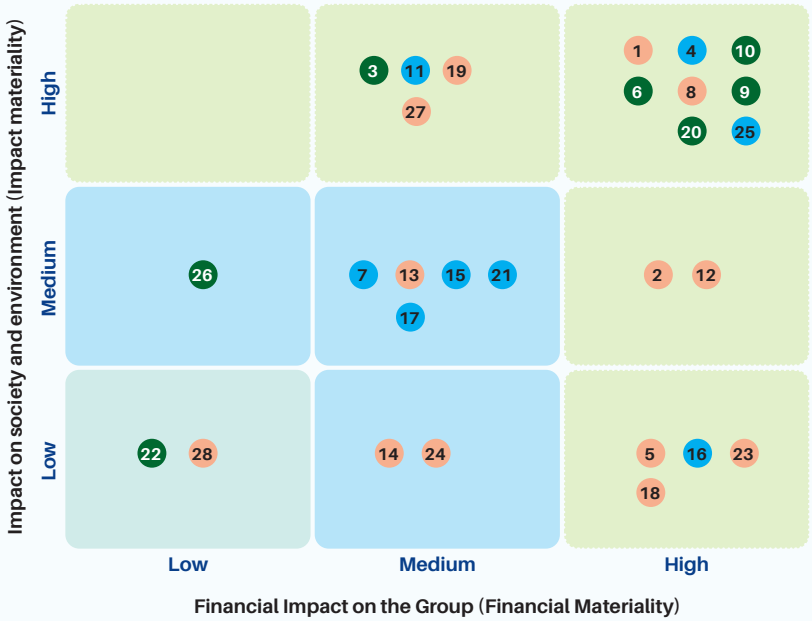
Topics are prioritised based on their combined score across both dimensions. High-priority topics are those that are simultaneously significant to the Group's business and of high relevance to its stakeholders, forming the core of the Group's reporting and strategic response.

Validation

The finalised material topics are assessed for alignment with the Group's strategic objectives and stakeholder expectations, ensuring consistency and comparability across reporting periods.

The Group has identified the following as important stakeholders:

1. Shareholders/investors
2. Customers
3. Principals/suppliers
4. Community
5. Employees
6. Regulators



The Issues deemed material include the following:

1. Customer Health & Safety
2. Marketing and Labeling
3. Supplier Environmental Assessment
4. Economic Performance
5. Market P resence
6. Effluents & Waste
7. Anti-Corruption
8. Occupational Health & Safety
9. Water
10. Emissions
11. Forced or Compulsory Labour
12. Employment
13. Training & Development
14. Non-Discrimination
15. Anti-Competitive Behaviour
16. Procurement Practices
17. Tax
18. Cyber Security
19. Diversity & Equal Opportunity
20. Energy
21. Indirect Economic Impacts
22. Public Policy
23. Labour/Management Relations
24. Supplier Social Assessment
25. Customer Privacy
26. Security Practices
27. Child Labour
28. Right of indigenous People

Social · Environmental · Economic

Value Creation Model

Inputs

Financial Capital

- Shareholder funds Rs. 10,231 Mn
- Net debt Rs. 15,796 Mn
- Total assets Rs. 26,935 Mn

Manufactured Capital

- 10 state-of-the-art manufacturing facilities
- Extensive distribution network covering more than 140,000 retail outlets
- State-of-the-art central warehousing facilities

Human Capital

- 2,183 diverse and talented workforce
- Continuous training and development
- Performance management systems

Intellectual Capital

- Research and development
- Well-loved brands
- Social and digital marketing
- IT Systems and Infrastructure

Natural Capital

- Responsible sourcing
- Development of eco-friendly products
- Clean energy
- Sustainable production and operations
- Waste management
- Water stewardship
- Biodiversity

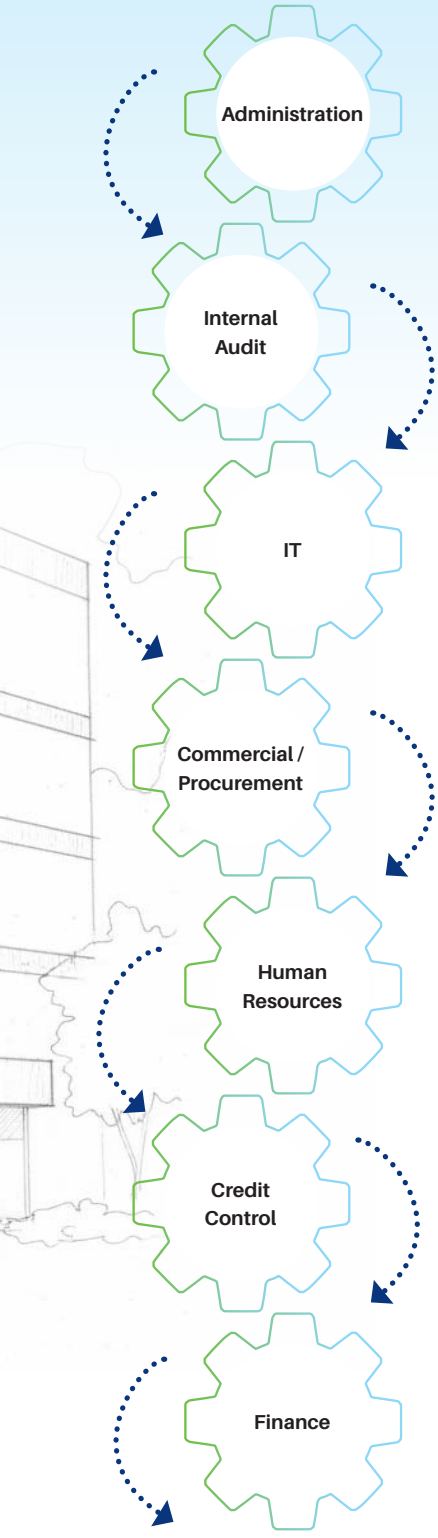
Social & Relationship Capital

- Community engagement

VISION & MISSION



Support Functions



Outputs

Financial Capital

- Turnover: Rs. 35,357 Mn
- PBT: Rs. 2,086 Mn

Manufactured Capital

- CAPEX: Rs. 1,057 Mn
- Ongoing capacity expansion projects

Human Capital

- New recruitments 1,184
- Training hours 25,001
- Staff promotions 143

Intellectual Capital

- 27 new products and variants
- 38 reputed brands
- Various digital marketing campaigns launched
- Investment in IT infrastructure: Rs. 21 Mn

Natural Capital

- Opting for responsibly sourced raw materials
- Efficient resource usage (water, energy)
- Emission controls and waste reduction
- Manufacturing of biodegradable products (Bio Clean, All Out (revamped as Bubble All Out), Softny and Teepol)
- Investment in solar energy generation at manufacturing facilities
- Use of energy-efficient technologies
- Water recycling systems
- Rainwater harvesting at manufacturing facilities
- Waste segregation systems
- Habitat conservation

Social & Relationship Capital

- More than 9 CSR projects carried out

Value Created

- ROCE: 17%
- Dividend per share: Rs. 2.00
- Net assets per share: Rs. 34.87
- EPS: Rs. 4.26

- Enhanced product availability
- Improved customer satisfaction
- Enhanced brand visibility
- Timely delivery

- Improved efficiency
- Enhanced individual and team performance

- Competitive advantage
- Enhanced market recognition
- Strengthened customer trust and loyalty
- Informed decision-making
- Increased digital reach
- Enhanced online visibility

- Improving supply chain sustainability
- Carbon footprint 111,839 tCO_2e
- Increased consumer appeal
- Improved product sustainability credentials
- Reduced landfill waste
- Reduced water usage

- Increased customer retention
- Enhanced satisfaction and brand loyalty
- Positive social impact
- Improved corporate reputation

Our Strategy

Market Expansion & Presence

				Actions/Targets
Enhanced market reach/ strengthened market presence	● Focused marketing efforts to create brand awareness ● Enhance product awareness	● Strengthened retail partnerships ● Capacity expansion	● Expansion into new markets	● Capacity enhancement in the detergent powder/dishwash bar and confectionery operations ● Continuous brand awareness programmes by Personal Care and Home Care sectors
Enhanced distribution channels	● Increase distribution strength	● Expand consumer-specific distribution channels and strategically allocate resources to effectively target key audience segments		● Strategic expansion of distribution operations to enhance geographic coverage, alongside the strengthening of confectionery channels and the development of targeted distribution networks for Personal Care and Home Care products ● Investment on talent recruitment to support distribution expansion
Market analysis	● Monitoring market trends and identified emerging patterns to support proactive, data-driven decisions in product development, sales, and marketing strategies			● Introduction of new products, new variations and pack sizes ● Launched value packs tailored to cost-conscious consumers seeking greater affordability and value
Establish strategic partnerships	● Forge strategic partnerships with leading global organisations to launch new product lines and integrate cutting edge technologies			● The Wellness and Nutrition segment expanded the product portfolio by introducing Rontamil and Rontameal, adult nutritional supplements imported from the Netherlands

Product & Innovation

				Actions/Targets
● Continuous product innovation driven by shifting consumer preferences and industry trends	● Leveraging artificial intelligence and advanced analytics to enable data-driven and informed decision-making across the organisation	● Investment in research and development	● Introduction of new products	● Introduced new products and variants designed to meet evolving consumer needs, with a strong focus on affordability, practicality, and everyday usability

People & Culture

				Actions/Targets
● Effective talent retention	● Merit-based recruitment	● Continuous training and development	● Opportunities for career progression	● 1,184 new recruitments done ● 25,001 training hours conducted ● 143 staff promotions given

Customer & Stakeholder Engagement

					Actions/Targets
● Enhanced digital and social media presence	● Consumer research and feedback to gain insights into customer behaviour trends	● Experiential marketing for direct customer engagement	● Maintain Customer service excellence	● Leverage e-commerce platforms for greater accessibility	● Both Home Care and Personal Care sectors conducted various online and social media campaigns throughout the year. (please refer Social and Relationship Capital section for more details).

Operational Excellence & Cost Efficiency

Cost Management	• Optimise supply chain and procurement • Continuous research and development	• Adopt sustainable sourcing, and streamline logistics	• Selective investment in marketing	**Actions/Targets** • Continued to take gradual steps toward sustainable sourcing, marking the beginning of a supply chain convergence focused on environmental responsibility • Conduct rigorous supplier evaluations to source the highest-quality materials, while engaging in continuous price negotiations to ensure cost efficiency
Technology Integration	• Modernise production with automation	• Integrating the latest technologies into manufacturing processes	• Integrate modern technologies across operations to enhance efficiency, scalability, and data-driven decision-making	• Undertaking strategic capacity expansion across detergent powder, dishwash bar, and confectionery operations, underpinned by investments in advanced manufacturing technologies to enhance operational efficiency, product quality, and scalable growth • Continuous process improvement in Enterprise Resource planing solutions (ERP) with industry leading practices
Performance Measurement & Continuous Improvement	• Maintenance and updation of Key Performance Indicators	• Benchmarking performance with industry leaders to identify improvement opportunities		• Adoptation of Kaizen methodologies, root cause analysis, and Lean Six Sigma principles to drive continuous improvement, enhance operational efficiency, and eliminate process inefficiencies • Conducting regular reviews on process remapping and reengineering • Continuous training and development

Sustainability & Responsibility

- Sustainable sourcing
- Carbon and energy management
- Sustainable product development
- Social responsibility and community engagement
- Consumer engagement and education

Actions/Targets

- The Group advanced its commitment to responsible procurement by strengthening supplier engagement frameworks, prioritising environmentally compliant sourcing practices, and embedding sustainability criteria into its supply chain evaluation processes.
- The Group actively advanced its carbon and energy management agenda through the adoption of sustainable green energy sources, rigorous emission accounting practices, and the implementation of energy efficiency measures across its operations, reinforcing its commitment to environmental responsibility.
- The Home Care sector manufactures a portfolio of environmentally responsible, biodegradable solutions, marketed under the Bio Clean, All Out (revamped as Bubble All Out), Softny, and Teepol brands.
- The Group maintained an active presence in community development through structured Corporate Social Responsibility (CSR) programmes, supporting education, health, and livelihood initiatives in communities proximate to its operational footprint across Sri Lanka.
- The Group leveraged its Home Care brand portfolio to drive consumer awareness on responsible product usage and environmental stewardship, utilising digital and in-store communication channels to promote informed and sustainable purchasing behaviour. (please refer Social and Relationship Capital section for more details).

Stakeholder Engagement

At the heart of the Group's value creation framework lies its stakeholders, serving as foundational pillars by providing vital capital inputs. Recognising their critical role, the Group places highest priority on building and sustaining strong relationships with stakeholders. It continually strives to understand stakeholder needs and expectations and to exceed them wherever possible. The Group's stakeholder network comprises multiple groups that are critical to value creation, including a base of international principals and suppliers as well as a geographically diverse customer base spread across the country.

The Group follows a structured and systematic approach to identifying stakeholders who are integral to its value creation journey. The senior management team identifies stakeholders within their respective domains based on the level of influence they exert on the Group's performance, and the degree of interest or concern they hold in the Group's activities.

Engaging with stakeholders is essential for understanding and anticipating risks and challenges, foreseeing opportunities and strengthening credibility through transparent and consistent communication.

Furthermore, stakeholder engagement plays a key role in shaping the Group's Environmental, Social, and Governance (ESG) strategies and outcomes. Through open dialogue and enhanced transparency, the Group is able to identify, prioritise, and address material, social and environmental sustainability objectives.

Communication remains a vital pillar in sustaining long-term stakeholder relationships. By ensuring a shared understanding of the Group's business ethos and objectives, effective communication supports sustainable business growth. The Group employs multiple modes of communication, tailored to the needs of each stakeholder group as outlined below.

Stakeholder Group	Key Concerns and Expectations
Consumers	• Innovative and quality products • Affordability and accessibility • Access to product information • Effective complaint handling • Environmental and social responsibilities
Business Partners	• Shared business growth • Sustainable business relationships • Ethical and transparent business practices • Shared economic gains • Growth and profitability
Employees	• Career growth • Fair remuneration • Health and safety • Grievance protocols • Ethical work practices • Conducive work environment • Opportunities for direct communication
Investors	• Sustainable growth and return on investment • Good governance • Risk management • Timely communication • Prudent investments and ethical business conduct
Community & Environment	• Corporate social responsibility to address community needs • Environment-friendly business activities • Opportunities for shared growth
Government	• Regulatory compliance • Partnership in economic development

Group Response	Mode of Engagement
• Establish efficient distribution networks for easy accessibility of consumers • Effective value chain with a growing portfolio of affordable products • Provide accurate product information • Develop environmentally friendly products • Community support • Maintain internationally accredited quality standards	• Ongoing market surveys • Feedback through distributors • Customer care hotlines • Websites and social media • Industry exhibitions
• Organic and inorganic growth • Compliance and good governance • Timely orders and payments • Knowledge sharing for mutual benefit • Fulfilling contractual terms • Ethical business operations and compliance	• Market surveys • Ongoing communications and meetings • Timely renewal of contracts • Compliance with agreements • Efficient dispute resolutions • Periodic audits
• Leading HR practices and policies • Empowerment, training and talent development • Performance-based incentives and promotions • Fair recruitment • Diversity and equal opportunity • Robust grievance mechanism	• Performance reviews • Recognition and awards • Safety drills • Training and development programmes • Engagement initiatives • Open-door policy
• Maximise wealth through growth in earnings dividends • Maintain good corporate governance and risk management practices • Timely information disclosures and announcements • Regular dividends	• Annual and quarterly financial reports • Timely announcements to the Colombo Stock Exchange • Press releases • AGMs and EGMs • Corporate websites and social media
• Implement community initiatives to address their pressing needs • Maintain environmental compliance • Create job opportunities for neighbouring communities • Sustainable manufacturing	• Community meetings/activities • Business activities with small and medium enterprises (SMEs)
• Timely payment of taxes and regulatory fees • Renewing certifications and licenses • Compliance with regulatory requirements • Investments in economic development activities in the country	• Regulatory reports/returns • Periodic audits

Operating Environment

Global Economy

Performance in 2025

The Global economy is estimated to have grown by 3.3% in 2025 (according to the International Monetary Fund (IMF) estimates). The year was marked by fluidity and volatility, driven largely by a re-ordering of policy priorities in the United States (US) and the corresponding adaptation of policies in other economies. Trade developments have dominated the headlines, with global economic prospects fluctuating in response. As highlighted in the April 2025 World Economic Outlook (WEO), a series of new US tariff measures raised tariff rates to levels not seen in a century. Countermeasures by US trading partners were limited, resulting in only minimal changes to the effective tariff rate on US exports.

The escalating Middle East crisis, intensified by large-scale US airstrikes on Iran since 28th February 2026, has contributed to growing global economic uncertainty, overshadowing the concerns on tariffs. As the conflict expands into a broader regional issue, market attention has increasingly shifted toward the potential risks it poses to global economic stability, growth, and supply chains. This evolving situation has heightened concerns over energy security, trade and supply chain disruptions, and overall market volatility.

Sri Lankan Economy

Performance in 2025

Sri Lanka's economic recovery gained momentum in 2025, despite ongoing global uncertainties including geopolitical tensions and commodity price volatility. Sri Lanka recorded approximately 5% Gross Domestic Production (GDP) growth in 2025, marking the second consecutive year of economic recovery following the 2022 crisis. As per the Department of Census and Statistics, in the fourth quarter of 2025, GDP growth reached 4.8% compared to 5.5% growth in the 4th quarter of previous year, The three sectors of the economy–agriculture, industry and services expanded by 1.4 %, 7.8 % and 3.3 % respectively in 2025.

The Industry sector growth, although at a decelerated pace in comparison to the 11.1% growth in 2024, remained strong. Whilst all industrial subcategories reported expansion, the highest contributions came from construction which expanded by 9.2 %. The expansion, in construction activity under favourable macroeconomic conditions was a key factor in the rising demand for some of the Group's products.

Overall, the Services sector expanded by 3.3 % compared to the 2.4 % expansion reported in the previous year; supported by increasing tourism, transport and financial services.

Moreover, this recovery was reinforced by surpluses in trade and the current account, contributing to a balance of payments surplus. These developments strengthened overall economic stability and consumer confidence and also supported the expansion of credit in the banking sector in 2025.

The IMF supported reform programme under the Extended Fund Facility (EFF) provided the necessary ground to bear fruit with robust economic recovery, price stability and progress in rebuilding foreign exchange reserves, whilst revenue-based fiscal consolidation and public financial management reforms have strengthened fiscal discipline and mitigated risks. In addition, debt restructuring has delivered substantial relief and has placed public debt on a path to sustainability.

Having complied with the requirements mandated by the IMF, Sri Lanka was expected to receive its sixth tranche of US dollar 350 Mn under the EFF in December 2025, bringing total disbursements to approximately US dollar 2 Bn. However, following the postponement of the fifth review due to cyclone-related impacts that required fresh assessments, the IMF is now expected to combine the fifth and sixth reviews. Upon completion of these reviews, Sri Lanka is likely to receive a larger, combined disbursement.

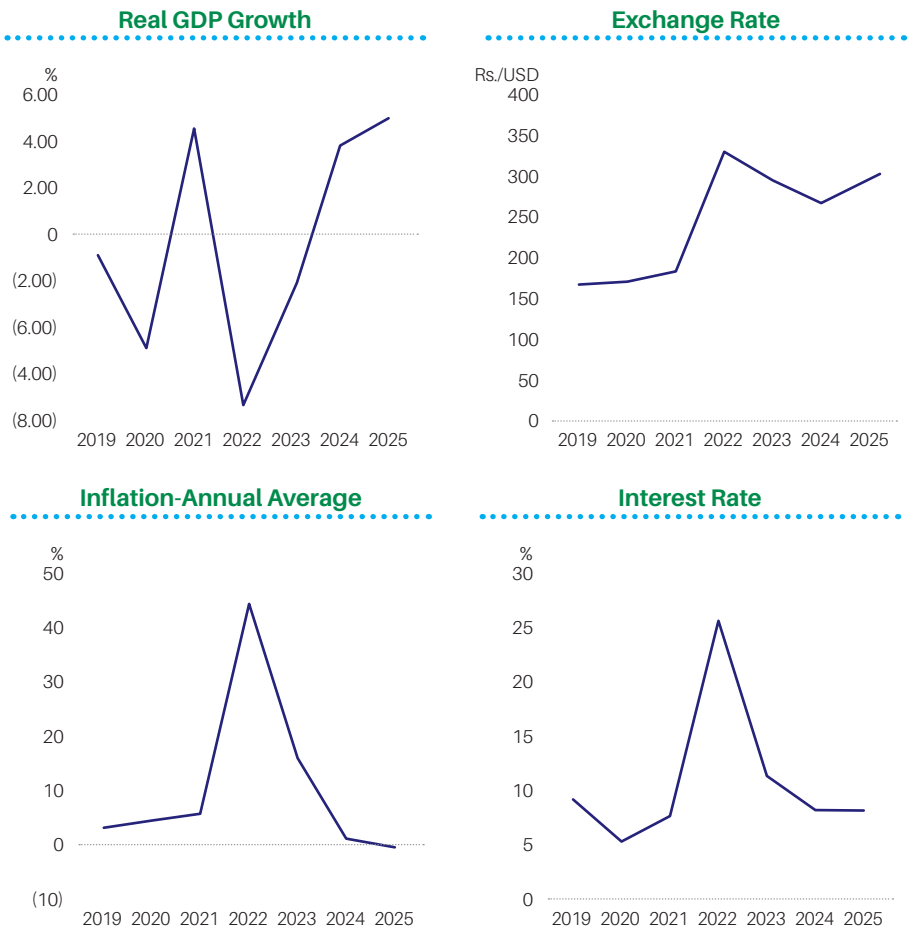
During the year, this growth momentum was severely disrupted by cyclone Ditwah, which struck at the end of November 2025. The disaster caused a large number of deaths, displaced many people, and affected millions more, while damaging homes, infrastructure, and livelihoods across the country. Its impacts are now likely to be compounded by the Middle East crisis, which has escalated to a regional conflict since 28th February 2026. Rising oil prices have already begun to affect Sri Lankan consumers, while disruptions to global supply chains and threats to Sri Lanka's energy security, import-dependent industries, and overall economic stability pose additional challenges to growth and inflation control.

Inflation: Inflation returned to positive territory and well controlled throughout 2025, making a recovery from the deflationay conditions that prevailed in the country during the previous year. Stable monetary policy, improved liquidity conditions, and well managed exchange rates, together with recovering domestic demand, supported the return of inflation to normal levels.On a year-on-year basis, headline inflation remained positive at 2.1% in December, driven mainly by non-food prices.

Interest Rates: Benefiting from the eased monetary policy stance and conditions, the short-term market interest rates adjusted downwards and accordingly, the Average Weighted Call Money Rate (AWCMR) hovered mostly around the open market rate during the first half of 2025 and the Central Bank of Sri Lanka (CBSL) contained interest rates at 7.75 % by end-May 2025. In line with the reduction in short-term interest rates, the overall interest rate structure of the economy witnessed a reduction in the first half of 2025 but rose during the latter part of the year amidst higher credit growth. The overnight policy rate of CBSL as at end-December 2025, stood at 7.75%, reflecting CBSL's balanced stance toward supporting economic recovery while also maintaining price stability amid low inflation and ongoing external risks.

Exchange Rate: The rate stood at Rs 309.99 to the US dollar as at 31st December 2025. During 2025, Sri Lankan rupee depreciated by 5.6% marginally against the US dollar compared to end-2024, despite intermittent volatility.

Snapshot of Sri Lankan Economy



Sources: Central Bank of Sri Lanka website; Department of Census and Statistics website.

Outlook

The Central Bank, in its policy agenda for 2026, projects Sri Lanka's GDP growth to be between 4% and 5% in 2026, which is higher than the 3.6% forecast by the World Bank.

Headline inflation remained low at 2.2% in March, below the 5% target, providing room to absorb the impact of higher domestic energy prices following a surge in global energy costs and trade disruptions. Despite the possible supply-driven movements in the near term, based on currently available information and assumptions, inflation is expected to remain around the target of 5% over the medium term, with the support of appropriate policies.

The exchange rate, which was around Rs. 307–309 per US dollar in January 2026 and approximately Rs. 309 by mid-February, depreciated to Rs. 315.19 by end-March 2026. This represents a currency depreciation of 1.6% as at 31st March 2026, largely driven by rising global oil prices and increased risk aversion amidst geopolitical tensions.

The Implications of the Middle East Conflict

The ongoing conflict in the Middle East has had significant implications for global markets. In Sri Lanka, rising oil prices have already resulted in an approximate 35% increase in fuel prices, leading to higher transport costs across the economy. This is expected to raise domestic production costs and electricity tariffs in the near to medium term.

As a result, inflationary pressures may re-emerge, potentially reversing the gains achieved over recent quarters. While CBSL has maintained its inflation projection at around 5% in the near term, it has cautioned that spillover effects from the conflict could weigh on domestic economic activity if the situation persists.

Although Sri Lanka's economy demonstrated a strong recovery in 2025, supported by structural reforms, improved macroeconomic stability, and IMF-backed policy measures, the outlook for 2026 remains subject to significant downside risks. These include rising energy prices and their impact on inflation and purchasing power, as well as potential disruptions to trade, tourism, and foreign exchange earnings.

Sri Lanka's high reliance on imported goods further increases the vulnerability of domestic prices to global supply shocks and exchange rate fluctuations. These risks may lead to reduced disposable income, a shift towards essential-only spending, and a potential slowdown in retail market momentum in the year ahead.

Accordingly, continued prudent fiscal management, sustained reform efforts, and resilience-building measures will be critical to maintaining economic stability and supporting long-term growth in Sri Lanka.

Integrating Sustainability

The Group's sustainability agenda is guided by a three-pillar ESG framework that integrates Environmental, Social, and Governance considerations into all strategic and operational decisions. This approach ensures that sustainability is embedded into core business practices, driving long-term value creation while strengthening trust with customers, employees, and other stakeholders.

The sustainability framework provides clear guidance for balancing growth with responsibility. It emphasises ethical business practices, prudent resource management, and strong environmental stewardship. By aligning with the triple bottom line 'People, Planet, and Profit',the framework ensures that economic performance, social well-being, and environmental protection advance together rather than as trade-offs.

To reflect its growing focus on sustainability and governance, the Group has introduced a dedicated ESG section in this report. This highlights ongoing efforts to integrate sustainable practices across operations, products, and decision-making, while fostering transparency and long-term stakeholder value.

Driving Value Through ESG

Environment

The Group actively works to reduce waste, optimise energy use, lower emissions, and safeguard water resources and natural ecosystems. Sustainability initiatives are implemented across the value chain from sourcing and manufacturing to packaging and distribution to minimise environmental impact and preserve resources for future generations.



Social

The welfare of employees, customers, and communities is central to the Group's operations. This includes fostering supportive workplaces, promoting well-being and development opportunities, supporting community programmes, and strictly upholding labour standards aligned with international and local regulations.

Governance

The Group pursues long-term growth through responsible business practices, prudent investments, and robust corporate governance. Transparency, accountability, and compliance underpin all operational and financial decisions, contributing meaningfully to broader economic development.

The Group's overarching ESG Policy underpins these pillars, guiding subsidiaries and business units to implement sustainable practices consistently across all operations.

Embedding Sustainability in Operations

Sustainability is fully integrated into operational and strategic decision-making. Climate and resource considerations are central to supply chain planning, production operations, and product development.

The Group recognises that climate variability and resource constraints can affect operational continuity, supply chain reliability, and cost efficiency. Proactive measures including diversified sourcing, contingency planning, and resource optimisation are implemented to strengthen resilience and ensure smooth operations.

In parallel, evolving regulatory and market expectations increasingly demand low-carbon operations, responsible sourcing, and sustainable product development. The Group continuously enhances processes, systems, and operational capabilities to align with these requirements while maintaining efficiency and cost-effectiveness.

Climate Resilience and Environmental Initiatives

Climate resilience is a key element of the Group's sustainability strategy. Key initiatives include:

- Climate risk integration into capital investment decisions.
- Monitoring of environmental performance indicators such as energy, water, and emissions.
- Waste reduction and circular economy initiatives; energy efficiency improvements across production sites.
- Gradual adoption of renewable energy solutions to reduce dependence on fossil fuels.
- Alignment with applicable environmental regulations and voluntary sustainability standards.

These initiatives enable the Group to respond effectively to climate-related challenges while creating operational efficiencies and long-term sustainability opportunities.

Performance Monitoring and Key Focus Areas

The Group monitors key environmental indicators to support informed decision-making and continuous improvement. Priority areas include:

Materials & Waste Management

Structured oversight of material use, reduction of production waste through optimisation, and evaluation of lower-impact raw materials.

Energy Management & Emissions

Investments in energy-efficient technologies, site-level initiatives to reduce consumption and emissions, and gradual transition to cleaner energy sources.

Water Stewardship

Efficient water use, reduced reliance on external sources, recycling and recirculation systems, and compliant treatment of waste water.

Biodiversity Considerations

Operations are managed to minimise environmental impacts, with site-level practices ensuring protection of local ecosystems.

Sustainable Products & Innovation

Sustainability is embedded in product development, including responsible material selection, improved formulations, and cleaner production processes.

Environmental Management

The Group maintains a structured environmental management approach to ensure compliance, minimise impacts, and optimise resource use. Sustainability considerations are embedded into daily operations, supported by formal systems, monitoring, and continuous improvement.

During the year, all manufacturing facilities achieved ISO 14064-1:2018 certification, reflecting robust Greenhouse Gas (GHG) accounting and transparent emissions management. Several facilities are also progressing towards ISO 14001: 2015– Environmental Management System certification, further enhancing environmental practices across the Group.

Regular internal and external assessments ensure adherence to environmental standards across Group's operations, with timely corrective actions taken where required. The Group continues to adopt environmentally responsible operational practices, including energy-efficient technologies, optimisation of natural resources, and adoption of renewable energy solutions.

Looking Forward

Through its integrated sustainability approach, the Group remains committed to embedding responsible practices across all aspects of its business. By aligning strategic priorities with operational excellence, monitoring performance, and continuously improving environmental, social, and governance outcomes, the Group strives to create long-term value for stakeholders. These efforts reflect a dedication not only to ethical business conduct and operational resilience but also to protecting natural resources, fostering social well-being, and ensuring sustainable growth for generations to come.

Independent practitioner's assurance report to the Board of Directors of E B Creasy & Company PLC on the SLFRS Sustainability-related Financial Disclosures presented in the Integrated Annual Report 2025/26

Shape the future with confidence

Ernst & Young
Chartered Accountants
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ey.com

Scope

We have been engaged by E.B. Creasy & Company PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, (here after referred to as "the engagement"), to report on E.B. Creasy & Company PLC's SLFRS Sustainability-related Financial Disclosures (the "Subject Matter") contained in E.B. Creasy & Company PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by E.B. Creasy & Company PLC

In preparing the Subject Matter, E.B. Creasy & Company PLC applied the Sri Lanka Sustainability Disclosure Standards, SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information and SLFRS S2 – Climate-related Disclosures ("Criteria").

Such Criteria were specifically designed for the disclosure of material information on climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity; As a result, the subject matter information may not be suitable for another purpose.

E.B. Creasy & Company PLC's Responsibilities

E.B. Creasy & Company PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised)), and the terms of reference for this engagement as agreed with E.B. Creasy & Company PLC on 20 April 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our

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

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

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procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or the calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with selected key management personnel and relevant staff to understand the business, value chain and sustainability reporting process of the Company.
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified.
- Performed procedures to understand the Company's disclosures in relation to the Conceptual Foundation of SLFRS S1, including fair presentation, materiality, reporting entity, and connected information.
- Conducted procedures to understand the governance processes, controls and procedures employed by the Company to monitor, manage and oversee climate-related risks and opportunities, supported by relevant evidence.
- Perused the minutes of the Board of Directors and Board Audit Committee meetings from the financial year to ensure alignment with the content of governance related disclosures.
- Conducted procedures to comprehend the Company's strategy for managing identified climate-related risks and opportunities, supported by relevant evidence and calculations.
- Performed analytical procedures to obtain explanations and supporting evidence regarding the Company's processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities, including their integration into the overall risk management framework.
- Conducted analytical procedures to gather explanations and supporting evidence to evaluate the Company's performance in relation to its identified climate-related risks and opportunities, including progress towards any targets the Company has set during the assurance engagement.
- Performed procedures to assess the Company's disclosures and compliance with the General Requirements of SLFRS S1.
- Conducted procedures to evaluate the disclosures regarding judgments and uncertainties in the process of preparing the Company's sustainability-related financial disclosures.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of Matter

There are inherent limitations in the identification, measurement and disclosure of underlying Subject Matter against the applicable Criteria due to forward looking

information, uncertainties and management judgements. For clarity, our engagement does not extend to providing assurance on the accuracy or achievability of these

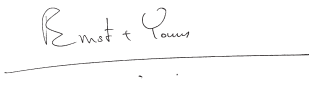
forward-looking information, uncertainties and management judgements.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to SLFRS Sustainability-related Financial Disclosures for the year ended 31st March 2026, in order for it to be in accordance with the Criteria.

Restricted Use

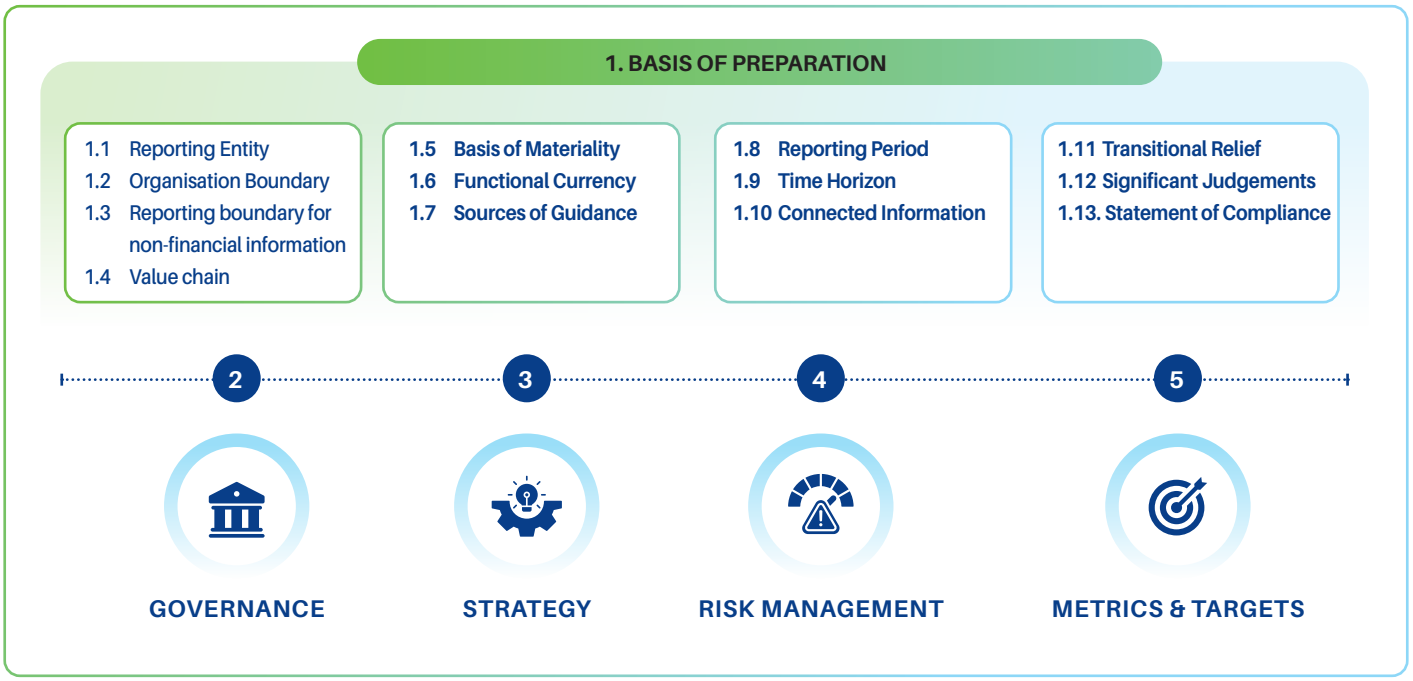
This report is intended solely for the information and use of E.B. Creasy & Company PLC for the purpose of providing an assurance conclusion on the Subject Matter based on the Criteria and is not intended to be and should not be used by anyone other than those specified parties.



Chartered Accountants
01st June 2026
Colombo

SLFRS Sustainability-Related Financial Disclosures

This section provides an overview of the structure of E.B Creasy & Company PLC's (Group) sustainability-related financial disclosures in accordance with SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2). It articulates how the Group integrates climate-related risks and opportunities (CRROs) into its core business model and value chain, aligning these factors with governance, strategy, risk management and metrics and targets.



1. Basis of Preparation

1.1. Reporting Entity,

E.B. Creasy & Company PLC was founded in 1878 and formally incorporated in Sri Lanka as a Public Limited Liability Company on 22nd June 1929 under the Companies Act No. 17 of 1982. The Company was re-registered on 30th July 2008 under the Companies Act No. 07 of 2007. Its registered office is located at No. 98, Sri Sangaraja Mawatha, Colombo 10, Sri Lanka.

1.2. Organisation Boundary

The Group defines its organisational boundary in accordance with SLFRS S1, ensuring consistency with the consolidated financial statements, which include the Parent Company and all subsidiaries over which the Group exercises control.

The Group comprises the Parent Company and nine subsidiaries, including two listed companies: Laxapana PLC, Muller & Phipps (Ceylon) PLC, Darley Butler & Company Limited, Candy Delights Limited, Lanka Special Steels Limited, E.B. Creasy Logistics Limited, Ceyflex Rubber Limited, Sterling Steels (Private) Limited, and Muller & Phipps (Health Care) Limited. These subsidiaries operate across diverse business segments, including Consumer, Industrial and Wellness and Nutrition, reflecting the Group's broad operational footprint.

1.3. Reporting Boundary for Non-financial Information

The sustainability disclosures encompass the Company and its subsidiaries (collectively referred to as "The Group"), consistent with the organisational boundary applied in the preparation of the consolidated financial statements. Reporting boundary for non-financial information has been considered based on financial materiality (Figure 1: Organisational Boundary for Financial and Climate-Related Financial Reporting Boundary).

1.4. Value Chain

In line with the SLFRS Sustainability Disclosure requirements, the Group identifies and reports on the CRROs that could reasonably be expected to affect the Group's prospects. The Group considers three main components (upstream, operation and downstream) of its value chain in this Sustainability Statement. (Figure 2: Organisational Value Chain)

The Group engaged in the full value chain of procurement of raw, packing materials, inbound logistics, manufacturing of consumer, industrial goods and distributing the products through distribution channels (outbound logistics). In addition to that, companies and sectors in the Group engage in trading activities through importing and local sourcing. Renewable energy sector engages in solar engineering, procurement, and construction (EPC) projects. The Group operates ten (10) manufacturing plants and nine (9) different distribution channels serving over 140,000 retail outlets.

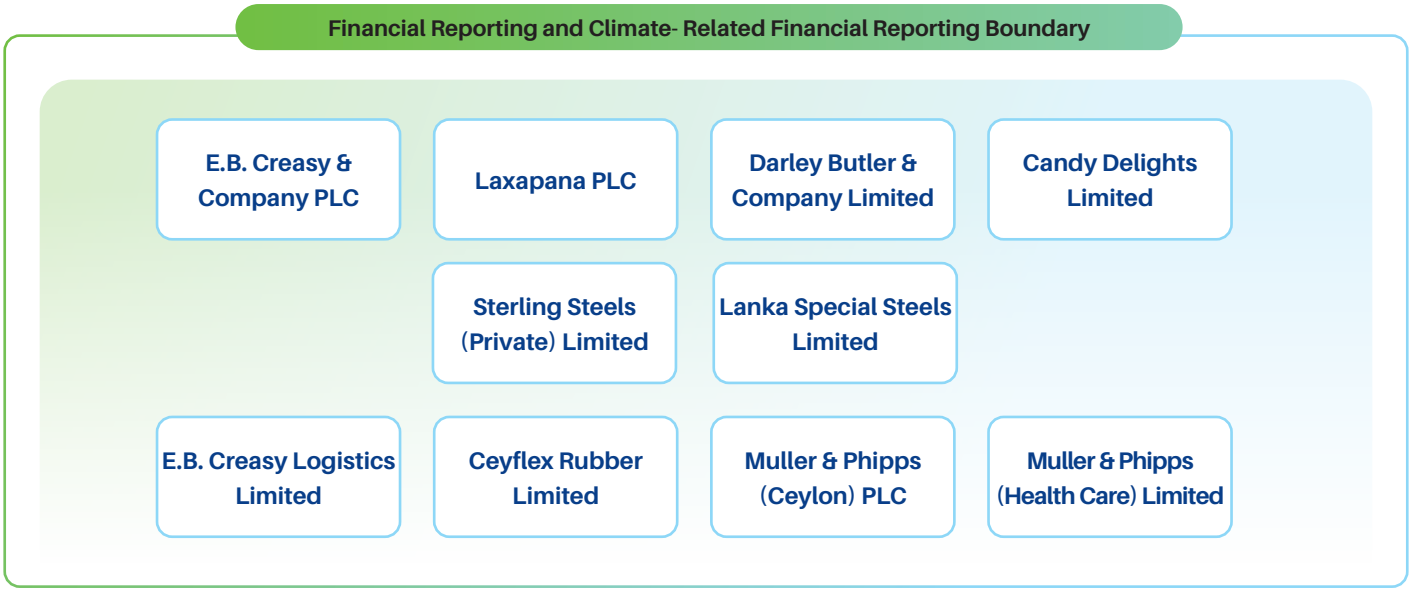


Figure 1:Organisational Boundary for Financial and Climate-Related Financial Reporting Boundary

Organisation Value Chain

Upstream

Represent the indirect impacts arising from the Group's suppliers of materials, labour and energy inputs.

Primary partners include,

I. Raw, packing and trading material suppliers.
II. Contract labour providers
III. Facilities management and logistics partners.
IV. Professional service providers.
V. Energy providers.

Key Sustainability Risks

- Input cost volatility
- Sustainable biomass sourcing

Operation

Refer to direct impacts resulting from the Group's own operations and resource consumption, including its physical plants, warehouses and head office operations.

Key focus areas are:

I. Manufacturing operations in plants.
II. Product R&D and reformulation.
III. Packaging and labeling, quality assurance and finished goods warehousing.
IV. Waste reduction & yield optimisation.
V. Trading operations involved repacking, labeling and warehousing.

Key Sustainability Risks

- Factory operations being affected by climate risk
- Regulations
- Labor Productivity

Downstream

Represent indirect internal impacts generated through the Group's clients encompassing Distributors and Direct clients.

It consists of key activities such as:

I. Last-mile distribution.
II. Retail handling and storage.
III. Marketing and advertising at dealer level.
IV. Returns and reverse logistics.

Key Sustainability Risks

- Rising Environmental, Social, Governance (ESG) compliance demands.
- Market access barriers.
- Reputational exposure.
- Distribution network affected by climate risk.
- ESG-conscious markets.
- Buyer certification compliance sensitive to reputation.
- Audit performance.
- Scope 3 traceability.

Figure 2:Organisational Value Chain

SLFRS Sustainability-Related Financial Disclosures

1.4.1. Stakeholders Engagement in Value Chain

The Group operates within a broad stakeholder landscape comprising local communities, suppliers, regulators, buyers, certification bodies, and investors. These stakeholders play a key role in shaping the Group's sustainability performance, influencing areas such as ethical labour practices, responsible sourcing, regulatory compliance, and market access. The Group maintains structured and ongoing engagement with each stakeholder group through mechanisms including community forums, supplier audits, and investor briefings. This approach supports alignment with ESG expectations, enables proactive risk management, and reinforces the Group's long-term social license to operate.

1.5. Basis of Materiality

The Group discloses climate-related risks and opportunities that could reasonably affect its cash flows, access to finance, or cost of capital over the short, medium, or long term. Materiality is assessed using a structured approach that considers both quantitative and qualitative factors.

1.5.1. Quantitative Criteria

Quantitative materiality is determined by using Group net revenue as the benchmark, with a threshold of +-1% of average revenue calculated over the last three financial years (2023/24 to 2025/26), ensuring a stable and representative measure of financial impact.

1.5.2. Qualitative Criteria

Qualitative materiality considers factors such as potential reputational impacts, risks to the Group's social license to operate, exposure to non-compliance with sustainability-related and low-carbon regulations, stakeholder concerns, and alignment with environmental, social, and economic contexts under SLFRS Sustainability Disclosure Standards.

This combined approach ensures that both measurable financial impacts and broader sustainability considerations are systematically captured in the Group's disclosures.

CRROs not meeting any of these thresholds or criteria are classified as non-material for the reporting period. However, they are retained in the internal documents and monitored for changes in magnitude, likelihood or stakeholder relevance.



+- 1%
of the Group's net revenue over last three financial years
(2023/24 to 2025/26)

1.6. Functional Currency

The financial statements are presented in Sri Lankan rupees (Rs.), which is the functional currency of the Group. All financial information presented in Sri Lankan rupees have been rounded to the nearest thousand, unless stated otherwise. There was no change in the Group's presentation and functional currency during the year under review.

1.7. Sources of Guidance

In preparing sustainability-related financial disclosures under SLFRS S1 and S2, the Group has utilized the following authoritative frameworks and standards. This multi-layered approach ensures that our reporting is comprehensive, technically accurate, and aligned with both the best global practices and national climate objectives.

SLFRS Sustainability Disclosure Standards

Issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

- SLFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information.
- SLFRS S2: Climate-related Financial Disclosure Standard.

Industry-Specific Accounting Standards

- Industry-based Guidance on Implementing SLFRS S2 Consumer Goods: Household and Personal Products Sustainability Accounting Standard (Version 2023-12).
- Food and Beverage: Food Retailers & Distributors Sustainability Accounting Standard (Version 2023-12).
- Resource Transformation: Iron & Steel Producers Sustainability Accounting Standard (Version 2023-12).
- Healthcare: Healthcare Distributors Sustainability Accounting Standard (Version 2023-12).

GHG Emissions Quantification & Classification Standards

Issued by World Resources Institute (WRI) & World Business Council for Sustainable Development (WBCSD).

- The Greenhouse Gas (GHG) Protocol: The primary methodology used for the consistent quantification and classification of Scope 1, Scope 2, and relevant Scope 3 emissions across all business entities.

Global & National Policy Alignments

- Nationally Determined Contributions (NDC 3.0): The updated national climate roadmap (2026–2035), ensuring our emissions reduction and energy efficiency targets support Sri Lanka's transition toward a low-carbon economy.
- National Policy on Renewable Energy and Energy Efficiency: Internal methodologies are aligned with these policies to reflect operational realities and regulatory compliance.

1.8. Reporting Period

This reporting period covers the financial year from 1st April 2025 to 31st March 2026, consistent with the Group's financial reporting period.

1.9. Time Horizon

Group uses the following standardised timeframes, aligned with internal planning cycles, to assess when the financial effects of each risk or opportunity are expected to emerge:

Time Horizon	Definition	Financial Year
Current Year	Within one year from the reporting date	2025/26
Short term	1 to 3 Years	2026/27 to 2028/29
Medium term	4 to 5 Years	2029/30 to 2030/31
Long term	More than 5 Years	2030/31 onwards

1.10. Connected Information

Cross references have been used across the report to demonstrate links between sections.

SLFRS S1 and S2 Section	Primary Location of Disclosures	Location of Connected Information
Governance	SLFRS S1 & S2 disclosures – pages 40-42	Corporate Governance– pages 88-108 Board Audit Committee Report – pages 115-117 Board Remuneration Committee Report – page 118
Strategy	SLFRS S1 & S2 disclosures – pages 43-48	Our Strategy – pages 26-27
Risk Management	SLFRS S1 & S2 disclosures – pages 48-49	Risk Management Report – pages 109-111
Metrics and Targets	SLFRS S1 & S2 disclosures – pages 50-57	Natural Capital Report – pages 82-87

1.11. Transitional Relief

1.11.1. SLFRS S1-Disclosure of information on CRROs

During the first annual reporting period in which the entity applies to this Standard, the entity is permitted to disclose information on only CRROs (in accordance with SLFRS S2) and consequently apply the requirements in this Standard only insofar as they relate to the disclosure of information on CRROs.

1.11.2. SLFRS S1-Disclosure of Comparative Information

In the first annual reporting period when the entity adopts this Standard, it is not obliged to disclose comparative information regarding its CRROs. In the second annual reporting period of applying this Standard, the entity is also not required to provide comparative information about its sustainability-related risks and opportunities (SRROs), other than its CRROs.

1.11.3. SLFRS S2-Disclosure of qualitative information Regarding Anticipated Risks and Opportunities

Entities are permitted to defer the disclosure of qualitative information related to anticipated risks and opportunities for a period of two years following the mandatory application of the standard.

1.11.4. SLFRS S2-Disclosures on Climate resilience

A relief period of two years is provided to fully comply with the requirements for climate resilience disclosure from the date of mandatory application of the standard.

1.12. Significant Judgements, Uncertainties and Proportionality

The Group climate-related financial disclosures involve the application of professional judgement and estimation due to the forward-looking and evolving nature of CRROs. The Group has also relied on the skills, capabilities and resources available during the reporting period when assessing and disclosing the potential impacts of identified CRROs.

1.12.1. Key Areas of Professional Judgement

Sustainability-related financial disclosures prepared by the Group involve the application of Professional judgement in several areas to ensure that the disclosures provide meaningful and decision-useful information to primary users.

Key areas include:

i. ***Identification of CRROs***
Judgement was applied in identifying relevant physical and transition risks and opportunities that may affect the Group's operations, supply chains, and distribution activities across the value chain.

ii. ***Determining Sources of Guidance***
In preparing climate-related disclosures, the Group applied relevant sustainability reporting frameworks and guidance to ensure consistency, comparability, and alignment with emerging reporting expectations.

iii. ***Materiality Assessment***
Judgement was exercised in determining whether identified CRROs could reasonably be expected to affect the Group's financial performance, position, or future cash flows over the short, medium, or long term, and therefore require disclosure.

SLFRS Sustainability-Related Financial Disclosures

iv. Assessment of Significant Events
The Group assesses whether significant internal or external developments, such as regulatory changes or climate-related events, require reassessment of previously identified CRROs and their potential effects across the value chain.

1.12.2. Key Areas of Measurement Uncertainty

Certain disclosures and amounts presented in this report involve measurement uncertainty due to data limitations, evolving methodologies, and the forward-looking nature of climate-related assessments.

Key areas include:

i. Greenhouse Gas Emissions Measurement
GHG emissions estimates rely on available activity data and emission factors and may involve estimation where direct measurement is not feasible.

ii. Emission Factors and Data Sources
Emission calculations are based on publicly available factors and internationally recognised methodologies, which may be updated as improved data becomes available.

iii. Climate-Related Financial Impacts
Amounts disclosed relating to climate-related investments and capital expenditure may be subject to estimation uncertainty due to evolving technology options, regulatory developments, and future operational adjustments.

1.12.3. Forward-Looking Statements and Limitations

This report contains forward-looking statements relating to sustainability related risks, opportunities, strategies, and financial impacts that reflect the Group's current expectations, assumptions, and estimates as of the reporting date. These statements are provided to support investor decision making, but they are inherently uncertain.

1.13. Statement of Compliance

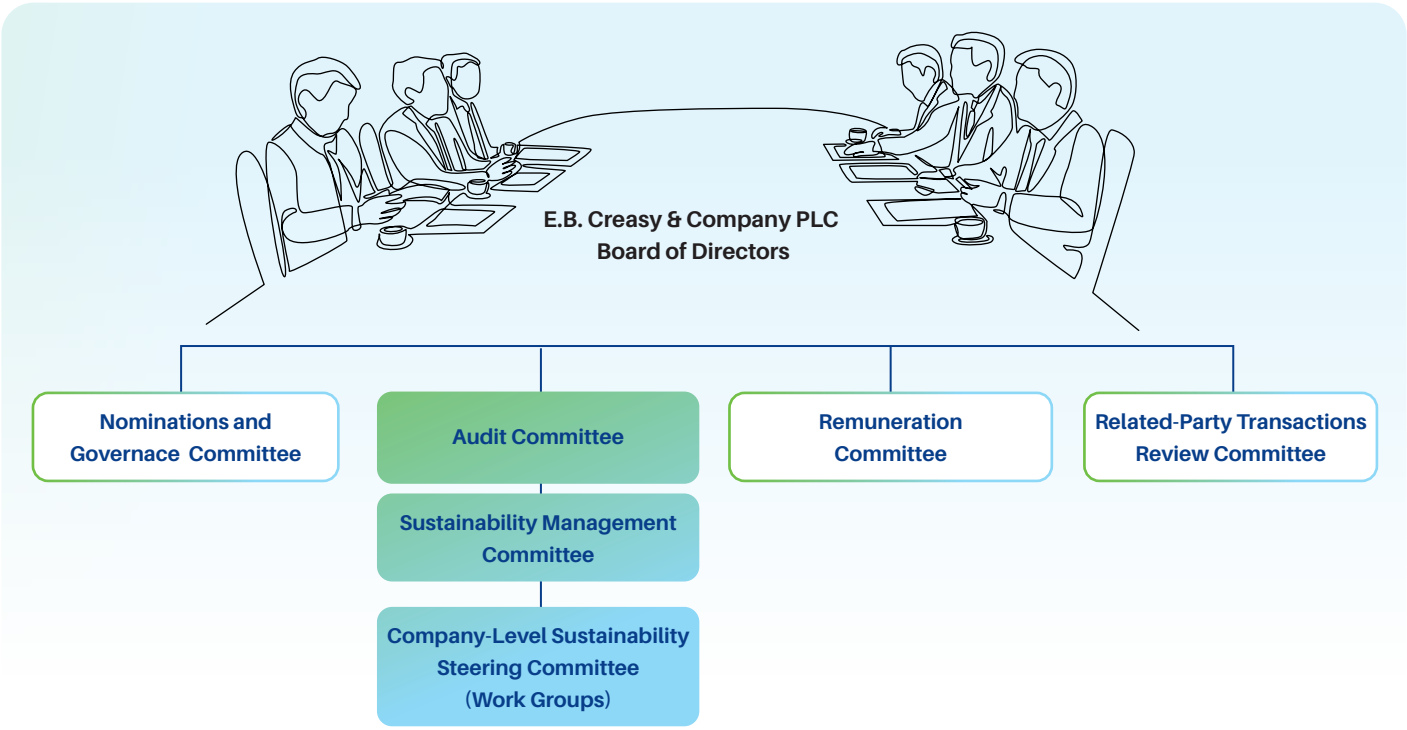
This report represents a complete set of sustainability-related financial disclosures for Group the year ended 31st March 2026. The Group's sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards issued by CA Sri Lanka.

2. Governance

The Group recognises that effective governance is fundamental to the successful management of SRROs and to the creation of long-term value for stakeholders. In line with the requirements of SLFRS S1 and SLFRS S2, the Board of Directors provides oversight of the Group's sustainability strategy, governance processes, and risk management practices, ensuring that sustainability considerations are integrated into strategic decision-making and business operations. Through defined governance structures, delegated responsibilities, and regular reporting mechanisms, the Group monitors SRROs, including climate-related matters, to support resilience, accountability, and sustainable growth.

2.1 Governance Oversight Structure

The Group follows a four-tier governance oversight structure to ensure effective identification, management, monitoring, and reporting of sustainability-related risks and opportunities. The structure comprises the Board of Directors, Board Audit Committee, Sustainability Management Committee, and operational work groups, each with clearly defined roles and responsibilities.



2.2. Board Audit Committee

The Board Audit Committee comprises three Non-executive independent directors and is responsible for assisting the Board of Directors in fulfilling its oversight responsibilities. The Committee meets quarterly and reviews the effectiveness of the Group's sustainability governance framework and reporting processes. The members possess diverse experience, financial expertise, and business acumen, enabling them to effectively and efficiently discharge their responsibilities.

Reference: Refer to the Board Audit Committee Report on pages [115 to 117] of this Annual Report.

2.2.1 Responsibilities of the Committee

The Terms of Reference of the Board Audit Committee was amended during the financial year ended 31st March 2026 in line with the requirements of the SLFRS S1 – "General Requirements for Disclosure of Sustainability-related Financial Information" and SLFRS S2 – "Climate related Disclosures" and was duly approved by the Committee and the Board to include sustainability-related responsibilities.

The Board Audit Committee's responsibilities are outlined below.

- Oversee the integration of ESG principles into the Group's business operations, risk management framework.
- Oversee the quality and integrity of sustainability-related reporting and disclosures, and monitor compliance with applicable laws, regulations, and relevant standards, including SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures, while ensuring appropriate connectivity and consistency with the Group's financial statements and other public disclosures.

Activities Carried Out during the Year Under Review by Board Audit Committee

- Review the identification, prioritisation, and assessment of Climate-related risks and opportunities .
- Review the strategies to respond to CRROs.

2.3. Skills and Competencies

The Group ensures its Board and Audit Committees possess or have access to sustainability-related expertise. It is essential to have a comprehensive understanding of all matters integral to the Group's Annual Report, including both financial statements and sustainability disclosures. Knowledge of relevant sustainability reporting frameworks and understanding of current ESG trends, regulations, and stakeholder expectations are also important.

During the reporting year, the Group conducted a skills gap analysis of the Board of Directors to assess the level of expertise available in emerging areas, including sustainability and climate-related disclosures. Based on this assessment, steps were taken to enhance Board awareness through briefings and knowledge-sharing sessions on relevant sustainability reporting frameworks and regulatory developments.

Further, the Board of Directors, Members of the Audit Committee and the Management Committee, were provided with expertise development programmes.

Sustainability Training Programme



Sustainability Reporting and the Implementation of SLFRS S1 & S2
- Governance
- Strategy
- Risk Management
- Target and Metrices



Annual report SLFRS S1, S2 Disclosure Requirements



Organisation-level GHG Emission Calculation

2.4. Inform and Address

Sustainability performance, risks and opportunities are reported to the Board Audit Committee on a quarterly basis where supplemented by ad hoc briefings on urgent sustainability related material information. Updates include the following

- Progress on ESG initiatives (e.g., GHG emissions, project highlights, certification),
- Emerging risks and incidents (e.g., Extreme weather event, compliance issues),
- Status of key initiatives (e.g. plastic reduction, water security, emission reduction).
- Review of external communication on sustainability-related matters (e.g. Central Environment Authority (CEA)

The Board Audit Committee reviews CRROs relevant to the Group on a quarterly basis. During these meetings, key developments relating to climate impacts, regulatory expectations, and sustainability initiatives are discussed, enabling the Committees to provide oversight and guidance on climate-related matters and their potential implications for the Group's operations and strategy.

SLFRS Sustainability-Related Financial Disclosures

2.5 Monitor

The Board Audit Committee oversees the quality and integrity of sustainability-related reporting and disclosures, and monitors compliance with relevant standards, including SLFRS S1 and S2. The Management Team regularly updates the Committee on how CRROs are identified, evaluated, and managed, ensuring that such risks are appropriately considered. Through regular oversight, the Board Audit Committee supports the effective management of climate-related initiatives and helps ensure that potential risks are properly identified and addressed.

2.6 Management Role

The Sustainability Management Committee

At the operational level, a Sustainability Management Committee was established during the year to operationalise ESG strategies and execute related action plans. The Committee is responsible for facilitating the implementation of Board-approved sustainability and climate-related strategies, monitoring progress against established objectives, and managing climate-related risks while identifying and pursuing emerging opportunities across the Group. It comprises business divisional heads and cross-functional department heads ensuring broad-based representation and coordinated execution across key business functions.

The Committee oversees the implementation of the Group's sustainability framework, including policies, targets, and initiatives, while ensuring CRROs are identified, assessed, and escalated appropriately. It supports effective management of sustainability matters by strengthening capabilities, controls, and information flows, and by recommending mitigation actions and strategic opportunities. The Committee also promotes integration of sustainability into business operations and decision-making, monitors performance and non-financial reporting, and keeps the Audit Committee informed of key developments, regulatory changes, and progress against targets to support effective governance and continuous improvement.

2.6.1 Responsibilities of the Committee

- Establish mechanisms to promptly escalate SRROs to the Audit Committee.
- Recommend necessary mitigation actions and plan for Identified SRROs.
- Recommend capitalising on opportunity-related sustainability and climate changes.
- Ensure the Audit Committee is sufficiently informed about SRROs when overseeing the Group's strategies, its decisions on major transactions, and its risk management processes and related policies, including the trade-offs associated with those risks and opportunities.
- Establishment of targets related to SRROs and monitor progress towards those targets.
- Reporting Audit Committee on sustainability trends, risks, opportunities, and regulatory changes.
- Ensuring that sustainability is integrated into the Group's business model, culture, and operations.
- Ensure quality of information flows to Audit Committee about sustainability risks, opportunities, decisions, and performance.

Activities Carried Out During the Year Under Review by Sustainability Management Committee

- Identification, prioritisation, and assessment of CRROs
- Develop and review strategies to respond to CRROs .
- Recommend capitalising on opportunities related to climate changes.
- Integrate sustainability into the Group's business model, culture, and operations.

2.7 Delegation

2.7.1. Bottom-up approach

CRROs are managed through clearly defined governance structures embedded within the Group's risk management and sustainability framework. Overall oversight is provided at Board level, while the Audit Committees review CRROs relevant to the Group.

At the management level, the Sustainability Management Committee oversees the management of CRROs and coordinates sustainability-related initiatives across the Group.

The Group follows a delegated, bottom-up approach in managing CRROs. Business sector heads and functional managers are responsible for identifying, assessing, and managing climate-related risks within their respective operations and reporting these matters to the Sustainability Management Committee. This includes monitoring energy consumption, fuel usage, and GHG emission, implementing efficiency improvements, and evaluating renewable energy initiatives. Insights and progress from operational levels are then escalated to Management Committees and the Board of Directors for review and oversight.

2.8 Policies and Procedures

The Group manages CRROs through established governance and operational practices embedded within its overall risk management and sustainability framework.

Climate-related matters are considered as part of the Group's Enterprise Risk Management (ERM) process and are reviewed at Sustainability Management Committee meetings, with oversight by senior management. Key controls include monitoring energy consumption, fuel usage, and GHG emissions across business entities, implementing energy efficiency initiatives, and progressively evaluating renewable energy options.

Capital investment decisions incorporate environmental and energy efficiency considerations, while regulatory and market developments related to climate changes are regularly assessed. Environmental performance data is periodically reviewed to ensure alignment with the Group's sustainability objectives and evolving reporting requirements, including SLFRS S1 and S2.

3. STRATEGY

3.1. Overview of Climate-Related Risks and Opportunities

The Group operates in a complex socio-environmental landscape where CRROs can shape its long-term financial performance. This note outlines the material CRROs identified across ESG areas that could reasonably impact the Group's cash flows, cost of capital, or access to financing.

Climate-Related Risks	Transition Risk	Climate-Related Opportunities
Extreme weather events.	Transition in response to evolving local and global climate and sustainability regulations.	Transitioning from fossil fuel to renewable energy sources.

3.2. Classification of Climate-Related Risks and Opportunities

CRR 1 : Extreme weather events

Description

Increased frequency and severity of extreme weather events, such as heavy rainfall, floods, and droughts, can cause immediate damage to lands, crops, supply chain, infrastructure, and disrupt operations. This may lead to an increased frequency of emergency repair requirements, delay in operational activities and product distribution, loss or damage to the products which will have an impact on revenue and the profits.

Time Horizon Short Term | Medium Term | Long Term

Nature of CRRO Physical Risk: Acute

Define Time Horizon-Refer to Basis of Defining the Time Horizon on page 39

Business Model and Value Chain

Current Impact on the Business Model and Value Chain

During the reporting period, severe flooding associated with a major tropical weather event in Sri Lanka had an effect across the Group's value chain, while the core business model remained operationally resilient.

The most pronounced impact occurred downstream, where distributors experienced substantial disruption due to flooding, leading to extended credit terms and a noticeable lengthening of the working capital cycle. Floodwater damaged the goods at retail level, causing market returns and related financial losses within the downstream channel. At the operational level, flooding affected warehouse facilities, causing damage to stored solar panels and food ingredients. However, the impact to the business model and value chain is not material in the current reporting period.

Anticipated Effects of CRROs to the Business Model and Value Chain

The Group anticipates increased exposure to acute physical climate risks arising from the growing frequency and severity of extreme weather events, including heavy rainfall, floods, and droughts.

Effects on Business Model

The Group's Home Care sector production processes rely significantly on biomass-fueled thermic heaters and climate-sensitive drying operations. Increased rainfall and humidity may elevate biomass moisture content, which could reduce combustion efficiency and increase fuel consumption.

Higher ambient humidity levels may reduce drying efficiency, potentially leading to longer production cycles, reduced throughput, and higher operational costs. Increased moisture in raw materials could affect product quality and shelf life, resulting in potential wastage and margin pressure.

Over time, recurring disruptions may affect cost structures, working capital cycles, and profit stability, requiring additional investments.

SLFRS Sustainability-Related Financial Disclosures

CRR 1 : Extreme weather events (Contd.)

Effects on Value Chain

- **Upstream:** Raw material supply volatility, increased input costs, labour productivity challenges, and potential supplier disruptions.
- **Operation :** Risk of operational interruptions, infrastructure stress, and inventory exposure during flood events.
- **Downstream:** Disruptions in the islandwide distribution network and interruptions to the continuity of the supply chain supporting manufacturing facilities, temporary demand fluctuations and potential stock returns.

Where is it concentrated?

Flood risk within the Kelani river basin has heightened exposure across several operational and distribution nodes of the Group. Currently warehouses are located in Sapugaskanda, Mabima, Biyagama and Kotikawatta.

Manufacturing facilities of the Home Care and Confectionery sectors situated within the Kelani river basin are vulnerable to access limitations during flood conditions, which constrain workforce mobility and temporarily restrict production activities.

Plants operating with boilers and dryers, including Home Care and the Confectionery plants, face operational disruptions during periods of intense rainfall.

These site-level exposures are interconnected with the Group's island-wide distribution network, as flooding and blocked access roads in high-risk areas simultaneously constrain raw material inflows to manufacturing facilities and the outward distribution of finished goods. Such disruptions extend across distributors, wholesalers and retailers, demonstrating the systemic nature of physical climate risk across the value chain rather than isolated operational impacts.

Business Strategy and Decision-Making

The Group's strategy focuses on strengthening value chain by:

- Identification of climate-sensitive assets and infrastructure.
- The Group plans to establish a centralised warehouse facility to reduce reliance on third-party warehouses and minimise associated operational risks, embedding climate-related considerations into capital planning, business continuity and operational decision-making.
- The Group maintains a high level of vigilance over its assets and inventory by continuously monitoring stock and asset values to ensure adequate insurance coverage and ongoing insurability across all operational locations.

How the Group is Resourcing and Plan to Resource Activities

- Allocate capital and operational budgets for Infrastructure upgrades and preventive measures & sustainability projects.
- Engaging external expertise where specialised skills are required.
- Resources will be increased proportionately as the level of risk and potential financial impact increases.

Progress against the Strategic Plans

Planning is underway to establish a centralised warehouse facility to serve all Group companies, reducing reliance on multiple third-party warehouses and associated operational risks.

CRR 1 : Extreme weather events (Contd.)

Financial Effects

Current year financial effects to PL, SOFP and CF

The overall impact is not material to the Group's Income Statement, Statement of Financial Position, or Cash Flows Statement.

Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year

There is no significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.

Anticipated financial effects over short, medium and long term to PL, SOFP and CF

Refer to Transitional Relief on page 39. (1.11.3)

Judgements and Uncertainties	Climate Resilience
Refer to Judgements and Uncertainties on pages 39 and 40.	**Resilience Assessment Using Climate Scenario Analysis** Refer to Transitional Relief on page 39. (1.11.4)

CRR 2 : Transition in Response to Evolving Local and Global Climate and Sustainability Regulations

Description

Tightening climate regulations and rising sustainability requirements, together with increasing expectations from consumers, buyers, and regulatory frameworks demanding emissions reduction and low-carbon operations, are increasing the cost of system implementation across the Group. Compliance may require investments in low-carbon technologies, infrastructure upgrades, process adjustments, and capability development, including research and development. In parallel, commitments to sustainable sourcing, such as transitioning from virgin plastic raw materials and conventional packaging to recyclable, biodegradable, or renewable packaging alternatives, may require changes in suppliers, packaging design, and production processes. These transition requirements may lead to higher input costs, transitional inefficiencies, and increased capital and operating expenditures. Consequently, there may be pressure on revenue and the profitability during the transition period.

Time Horizon Medium Term | Long Term

Nature of CRRO Transition risk

Define Time Horizon-Refer to Basis of Defining the Time Horizon on page 39

Business Model and Value Chain

Current effects of CRROs to the business model and value chain

No material impact to current year's business model and value chain

Anticipated effects of CRROs to the business model and value chain

Effects on Business Model

The Group's business model is expected to progressively integrate low-carbon technologies, sustainable sourcing practices and environmentally friendly packaging solutions, with capital allocation towards emissions reduction and energy efficiency initiatives.

Effects on Value Chain

Upstream

- The Group will need to source sustainable raw materials, potentially increasing raw material costs.
- Suppliers' alignment with sustainability standards and certifications.

Operation

- Ongoing investment in energy-efficient machinery, renewable energy systems and sustainable packaging.
- Gradual replacement of virgin plastics with recyclable or biodegradable alternatives.
- Continuous upgrades to systems and processes to meet evolving climate regulations and customer expectations.

SLFRS Sustainability-Related Financial Disclosures

CRR 2 : Transition in Response to Evolving Local and Global Climate and Sustainability Regulations (Contd.)

Downstream

Growing consumer demand for low-carbon, eco-friendly products is creating new market opportunities. However, if the additional costs associated with sustainable production cannot be adequately absorbed, businesses may face significant margin pressure.

Where is it concentrated?

This will primarily affect the consumer, industrial and other segments that depend on polyethylene-based packaging materials.

Business Strategy and Decision-Making

- Integrate sustainable, low-carbon packaging into product and brand strategy by gradually shifting toward recyclable, biodegradable, or renewable options, including packaging designed to minimise plastic leakage and microplastic generation.
- Supplier partnerships will be strengthened to ensure the right packaging materials are sourced at the right cost, regulatory requirements are met, and customer expectations are fulfilled, without compromising market share.
- Identify and regularly assess risks related to plastic packaging, supplier availability, regulatory changes and cost volatility, embedding them into the enterprise risk management framework with ongoing monitoring of regulatory, supplier and reputational impacts.

How the Group is Resourcing and Plan to Resource Activities

The Group is deploying internal teams and allocating capital investment to support the transition towards reduced plastic use. Initiatives advanced under this approach include the introduction of refill packs to reduce plastic bottle packaging and the measurement of associated carbon emission reductions. These initiatives are implemented through collaboration with packaging suppliers and operational partners, with costs managed within existing budgets where possible.

In parallel, the Group has trialed plastic collection points and is planning further investment in recovery solutions.

Notably, this includes a dedicated commitment to the Ocean Strainers Programme, underscoring the Group's focus on innovative approaches to address plastic leakage and microplastic risks. Going forward, resources will be progressively allocated based on effectiveness and business impact, supported by partnerships and ongoing monitoring to balance sustainability outcomes with cost efficiency.

Progress against the Strategic Plans

The Group made tangible progress in reducing plastic use by introducing refill packs for selected Home Care products, achieving approximately 70% reduction in carbon emissions compared to conventional plastic bottles, attributable to the transition from bottles to refill packs.

Financial Effects

Current year financial effects to PL, SOFP and CF

No material financial impacts have been identified for the current financial year.

Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year

There is no significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.

Anticipated financial effects over short, medium and long term to PL, SOFP and CF

Refer to Transitional Relief on page 39. (1.11.3)

Judgements and Uncertainties

Refer to Judgements and Uncertainties on pages 39 and 40.

Climate Resilience

Resilience Assessment Using Climate Scenario Analysis

Refer to Transitional Relief on page 39. (1.11.4)

CRO 1 : Transitioning from Fossil Fuel to Renewable Energy Sources

Description

The Group has identified a climate-related opportunity to transition fossil fuel-based thermal energy systems to renewable biomass solutions, which requires upfront capital investment but is expected to deliver long-term operational cost efficiencies through lower fuel costs, reduced exposure to fossil fuel price volatility, and improved cost predictability. This transition supports the reduction of Scope 1 greenhouse gas emissions, enhances energy resilience, and contributes positively to operating margins while aligning with the Group's low carbon transition strategy.

Time Horizon Long Term

Define Time Horizon-Refer to Basis of Defining the Time Horizon on page 39

Business Model and Value Chain

Current effects of CRROs to the business model and value chain

The current impact on the business model and value chain is immaterial.

Anticipated effects of CRROs to the business model and value chain

The transition to renewable energy sources is expected to improve operational resilience, reduce long-term energy costs, and strengthen the sustainability profile of the Group, while supporting cleaner and more sustainable value chain operations.

Where is it concentrated?

The Group's thermal energy use is concentrated in Home Care operations. Transitioning to locally sourced renewable biomass will support a more stable thermal energy supply, reducing dependency on conventional energy sources and enhancing the efficiency of production processes.

Business Strategy and Decision-Making

- Conduct Energy Audit – Assess current energy consumption and efficiency across Home Care and Confectionery operations to identify high-energy-use processes and prioritise transition areas.
- Secure local biomass supply – Partner with sustainable local suppliers to ensure reliable and environmentally responsible feedstock.
- Pilot and optimise – Test biomass solutions, evaluate energy efficiency, emissions reduction and operational feasibility.
- Scale implementation and capital expenditure planning – Expand biomass adoption across sites, adapt equipment, optimise processes, train staff and plan capital investments for system upgrades and operational adjustments.
- Energy consumption, emissions and operational efficiency will be continuously monitored to track performance against climate targets. Future plans include improving measurement systems, strengthening risk management, and enhancing alignment with long-term sustainability objectives.

How the Group is Resourcing and Plan to Resource Activities

The Group is focused on advancing its transition to locally sourced renewable biomass as part of its sustainability agenda.

- The Group is deploying teams, capital and operational expertise to transition to locally sourced renewable biomass.
- Energy audits on operations consuming thermal energy help identify energy losses and prioritise high-energy-use processes
- Pilot projects, including replacing diesel dryers with a biomass boiler at home care plants are guiding operational optimisation.

Resources are planned for phased scaling, encompassing equipment upgrades, process adjustments, staff training and partnerships with local biomass suppliers. Progress will be monitored through energy, emissions and efficiency metrics to ensure alignment with the Group's climate targets.

Progress against the Strategic Plans

Feasibility study for the Home Care biomass project is ongoing to guide process optimisation and energy transition planning.

SLFRS Sustainability-Related Financial Disclosures

CRO 1 : Transitioning from Fossil Fuel to Renewable Energy Sources (Contd.)

Financial Effects

Current year financial effects to PL, SOFP and CF

No material financial impacts have been identified for the current financial year.

Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year

There is no significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.

Anticipated financial effects over short, medium and long term to PL, SOFP and CF

Refer to Transitional Relief on page 39. (1.11.3)

Judgements and Uncertainties	Climate Resilience
Refer to Judgements and Uncertainties on pages 39 and 40.	**Resilience Assessment Using Climate Scenario Analysis** Refer to Transitional Relief on page 39. (1.11.4)

4. Risk Management

4.1 Processes and Policies Relating to Climate-related Risks

Climate-Related risk, as defined by Group's ESG Policy and Procedure, refers to the potential for environmental and climate-related factors to adversely affect the Group's operations, supply chains, and markets. These impacts may arise directly or indirectly, including through their influence on other established risk categories, and may result in both financial and non-financial consequences.

Recognised as a material risk category within Group's Enterprise Risk Management (ERM) Framework, climate risks manifest through physical risks arising from extreme weather events or long-term climatic shifts such as flooding, drought, and rising temperatures and transition risks stemming from changes in environmental policy, evolving stakeholder expectations, technological advancement, and shifting market preferences in the move towards a low-carbon economy. Given Group's diversified operations spanning trading, manufacturing, consumer goods distribution, and industrial activities across Sri Lanka, the Group is exposed to climate-related dynamics across multiple value chain nodes, making the effective identification, assessment, and management of these risks integral to safeguarding its operational continuity and long-term strategic objectives.

Beyond risk, the evolving sustainability landscape also presents meaningful climate-related opportunities for the Group, including growing demand for transitioning from fossil based fuel to sustainable green energy.

4.2. Identification, Assessment, Prioritisation and Monitoring Process of Identified CRROs

4.2.1. Identification

The Group has undertaken a comprehensive assessment to identify key CRROs. These risks have been classified into transition risks and physical risks, with physical risks further categorised as acute and chronic, in line with SLFRS S2.

Risk Identification Sources

Material ESG risks and opportunities are identified using inputs from:

- Climate data (rainfall intensity, temperature anomalies, long-term variability) (source-World Bank Climate Change Knowledge Portal CCKP)
- Ministry of Environment, Sri Lanka: Updated Nationally Determined Contributions (NDCs) 3.0 (2026-2035) and the National Adaptation Plan (NAP).
- Sri Lanka Country Climate and Development Report (CCDR)-World Bank (2025)
- The Institute of Chartered Accountants: Preparer's Guide to SLFRS S1 and S2 (Climate-related Disclosures)

This ensures both physical and transition risks are detected across the entity's value chain.

Use of Climate-Related Scenario Analysis

The Group has taken transition relief and does not conduct climate scenario analysis to identify CRROs.

(Refer Note 1.11.4. Transitional Relief in page no 39)

4.2.2. Assessment

The Group's Sustainability risk management processes are evolving and entail a bottoms-up approach in risk identification and management and top-down approach in review and monitoring. While Business level CRROs are reported to Audit and Sustainability Management Committees, key risks are aggregated at Group-level, facilitating a holistic and high-level overview of the Group's risk exposures.

- **Nature**
  - Transition Risks: Risks related to the transition to a lower-carbon economy.
  - Physical Risks: Risks related to the physical impacts of climate change.
  - Climate-related opportunities relate to efforts to mitigate and adapt to climate change, such as resource efficiencies and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience along the supply chain.

- **Likelihood:**

Probability of occurrence based on historical patterns, emerging data, and expert review.

Description	Probability of Occurrence
Very Likely	81% - 100%
Likely	61% - 80%
Possible	41% - 60%
Unlikely	21% - 40%
Very Unlikely	0% - 20%

- **Severity of the Effect**

Description	Financial Impact
Severe	3% impact to Group revenue
Significant	1% impact to Group revenue
Moderate	0.5% impact to Group revenue
Minor	0.1% impact to Group revenue
Negligible	Less than 0.1%

4.2.3. Prioritisation

The Group prioritises CRROs using a structured assessment framework based on financial impact, likelihood, time horizon, operational exposure, strategic relevance, regulatory and compliance significance, and stakeholder implications. Each CRRO is evaluated relative to other enterprise risks to identify the most material issues affecting operations, assets, and long-term value creation. Management-level committees are responsible for monitoring, mitigating, and implementing measures to address high-priority CRROs effectively.

4.2.4. Monitoring

A structured system is in place for the quarterly monitoring, review, and reporting of SRROs by the Audit Committee. This system enables early identification, timely escalation, and consistent oversight of material ESG risks across all levels of governance. The Audit Committee monitors the progress and current performance of CRROs, while key risk areas are also monitored at business-unit level in coordination with the respective responsible teams.

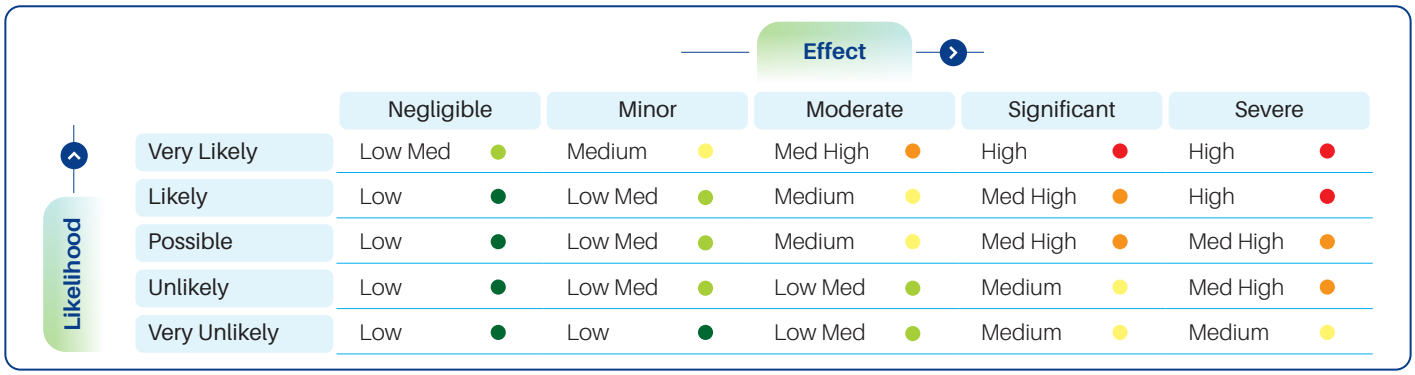
4.2.5. Changes in the Process

As this is the first year of implementation, there have been no changes to the Group's processes arising from climate-related activities or policy changes.

A bottom-up approach is followed, where business units assess potential opportunities based on operational feasibility, cost-benefit considerations, and alignment with the Group's sustainability objectives. Identified opportunities are then escalated to the Sustainability Management Committee for review, which evaluates their viability and provides guidance on implementation and integration into business operations.

4.2.6. Embedding to the Overall Risk Management Framework

CRROs are managed through the Group's established risk management processes. These processes identify, assess, and monitor CRROs alongside other strategic and operational risks, with their potential financial, operational, and transitional impacts reflected in risk registers and strategic decision-making. Responsibilities for oversight and escalation are delegated to relevant management-level committees, ensuring that CRROs are systematically captured and considered in line with the Group's risk governance and decision-making practices. The approach to integrating CRROs remains consistent across all entities within the organisational boundary.



SLFRS Sustainability-Related Financial Disclosures

5. Metrics and Targets

5.1. Cross-Industry Metrics

5.1.1. Greenhouse Gas (GHG) Emissions

Group is committed to transparent reporting of its climate-related metrics and targets. This disclosure, prepared in accordance with SLFRS S1 and S2 standards, outlines our approach to measuring and managing GHG emissions.

The Group measures its GHG emissions in accordance with GHG protocol and ISO 14064-1:2018 and reports as per the SLFRS S2 standard requirements. These disclosures cover all consolidated operations within the financial control boundary and include Scope 1, Scope 2 (location-based), and relevant Scope 3 categories. The Financial control approach has been adopted for GHG measurement, as it reflects the Group's ability to direct the financial and investment policies of its subsidiaries, including major capital decisions related to energy and emissions.

During the reporting period, Group has measured its absolute gross GHG emissions, expressed in metric tonnes of CO_2 equivalent (tCO_2e), to better understand its climate impact and to guide mitigation initiatives across the Group's GHG emissions reduction journey. The measurement covers three main categories of emissions:

- **Scope 1 Emissions:** These are direct emissions from fuel combustion from company owned vehicles, generators and boilers, fugitive emissions and other on-site process emissions of the company.
- **Scope 2 Emissions:** These are indirect emissions resulting from the generation of purchased electricity consumed by the company. Measuring these helps Group evaluate energy efficiency opportunities and the potential for switching to renewable sources.
- **Scope 3 Emissions:** These encompass all other indirect emissions associated with the company's value chain, both upstream and downstream. This includes emissions from raw material sourcing, transportation and distribution, product use, and end-of-life disposal. Scope 3 accounts for a significant portion of the Company's total emissions and highlights the broader climate impact beyond direct operations.

5.1.2. Measurement Approach

Scope 1 and Scope 2 emissions are disaggregated by individual emission sources and presented at both operational and consolidated Group levels in accordance with the defined organisational boundary and the financial control approach. These emissions are quantified based on activity data collected from all entities and facilities under financial control and are reported consistently with the Group's financial reporting structure.

Scope 3 emissions are assessed and disclosed in alignment with the GHG Protocol Corporate Value Chain (Scope 3) Standard, considering all fifteen defined Scope 3 categories, namely: Purchased goods and services, capital goods, fuel- and energy-related activities (not included in Scope 1 or 2), Upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, and investments.

Each of these 15 categories is systematically evaluated for applicability across the respective business entities under financial control, taking into account the nature, scale, and operational characteristics of each segment. As business activities vary across entities, not all fifteen categories are relevant to every business unit. Nevertheless, all categories that are identified as applicable and material have been assessed and quantified, where feasible, to ensure comprehensive, transparent, and consistent value chain emissions reporting.

5.1.3. Basis of Determination of Organisational Boundary and Operational Boundary

The organisational boundary for GHG quantification of Group is defined using the financial control approach in accordance with the GHG Protocol. Under this approach, the Group accounts for 100% GHG Emissions from operations over which it has financial control. This approach ensures alignment with financial reporting principles and provides a comprehensive representation of emissions attributable to the Group's controlled operations.

Accordingly, the GHG inventory includes the emissions arising from all the subsidiaries across Scope 1, Scope 2 and relevant Scope 3 emission sources are consolidated for emissions reporting purposes.

Reporting Boundry for GHG Reporting

Company Name	Geographical Location
E.B. Creasy & Company PLC	Colombo 10, Millewa, Gonawala, Ekala, Homagama, Sapugaskanda
Laxapana PLC	Homagama, Sapugaskanda
Muller & Phipps (Ceylon) PLC	Colombo 10
Darley Butler & Company Limited	Sapugaskanda
Candy Delights Limited	Ekala, Sapugaskanda
Lanka Special Steels Limited	Sapugaskanda
E.B. Creasy Logistics Limited	Colombo 10
Ceyflex Rubber Limited	Horana
Sterling Steels (Private) Limited	Sapugaskanda
Muller & Phipps (Heath Care) Limited	Sapugaskanda



5.1.4 Methodology Used for the Measurement and Disclosure of GHG Emissions

The Group measures its GHG emissions using the Greenhouse Gas Protocol to ensure consistency, accuracy, and comparability across all emission scopes

5.1.5 GHG Measurement Standards Applied

The following standards and guidance are applied in developing the Group's GHG inventory:

- Greenhouse Gas (GHG) Protocol – Corporate Accounting and Reporting Standard (2004).
- GHG Protocol Scope 2 Guidance, an amendment to the Corporate Accounting and Reporting Standard.
- ISO 14064-1:2018 standard.
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard, a supplement to the GHG Protocol.
- Technical Guidance for Calculating Scope 3 Emissions (Version 1.0), supporting the Scope 3 Standard.

5.1.6 GHG Disclosures

GHG-related disclosures are prepared in alignment with SLFRS S2 – Climate-related Disclosure Standard.

5.1.7 GHG Verification

External verification and assurance of GHG emissions are conducted in accordance with ISO 14064-1:2018 from Sri Lanka Climate Fund (Private) Limited enhancing the credibility and robustness of the reported emissions data.

Summary of GHG Emissions

Scope	2025/26 (tCO_2e)
Scope 1	5,921
Scope 2	3,784
Scope 3	102,134
Total	**111,839**

GHG Scope 1, Scope 2

Description	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Total (tCO_2e)
Consolidated accounting group	5,921	3,784	9,705
Other investee (investment in associate, joint ventures)	NA	NA	NA
Total (financial control approach)	**5,921**	**3,784**	**9,705**

GHG Scope 3 Emissions

Scope 3 Category	Greenhouse Gas Emissions (Metric Tonnes CO_2e) 2025/26
Category 1: Purchased goods and services	92,015
Category 2: Capital goods	400
Category 3 : Fuel and energy-related Activities	1,458
Category 4 : Upstream transportation and distribution	3,547
Category 5 : Waste generated in operations	967
Category 6 : Business travel	8
Category 7 : Employee commuting	119
Category 9 : Downstream transportation and distribution	355
Category 12 : End of life treatment of sold products	1,675
Category 13 : Downstream leased assets	1,183
Other : Transmission and distribution loss	395
Municipal water pumping	12
Total	**102,134**



The Sri Lanka Climate Fund verified the GHG quantification and underlying methodology of E B Creasy & Co. PLC, Laxapana PLC, and Muller & Phipps (Ceylon) PLC. The external assurance obtained affirms the robustness and reliability of the Group's GHG disclosures.

SLFRS Sustainability-Related Financial Disclosures

5.1.8 Key Assumptions and Sources of GHG Measurement

Scope	Emission Sub-Category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 1	Stationary combustion	Diesel, petrol, LPG, furnace oil, fuelwood for stationary thermal uses	Fuel purchase records, Fuel consumption records	2006 IPCC V2_2_Ch2_ Stationay_ Combustion	IPCC (AR6) 2024
Scope 1	Mobile combustion	Petrol, Diesel used in company vehicles and transport	Fuel bills	2006 IPCC V2_3_Ch3_ Mobile_ Combustion	IPCC (AR6) 2024
Scope 1	Process combustion	Acetylene consumption	SAP Records	Case-Specific Emission Factor	
Scope 1	Fugitive Emissions	Refrigerant and air conditioning refilled, emissions from fire suppression equipment	Supplier refill Invoices		IPCC (AR6) 2024
Scope 2	Electricity Consumption	Electricity use	Monthly CEB bills	SLSEA 2022 EF	
Scope 3	Category 1: Purchased goods and services	Purchased raw materials, packaging materials, and related services	Purchase orders, SAP records	DEFRA 2025, Supply Chain Greenhouse Gas Emission Factors v1.30_ NAICS, Climatic	IPCC (AR6) 2024
Scope 3	Category 2: Capital goods	Purchased capital assets	Capex records	Supply Chain Greenhouse Gas Emission Factors v1.30_ NAICS	N/A
Scope 3	Category 3: Fuel and energy-related activities	Upstream energy processing	Fuel and electricity purchase data	DEFRA 2025	IPCC (AR6) 2024
Scope 3	Category 4: Upstream transportation and distribution	Inbound Transport (Inputs)	Good receiving records, distance travelled	DEFRA 2025	IPCC (AR6) 2024
Scope 3	Category 5: Waste generated in operations	Production waste, Packaging waste	Waste disposal records	DEFRA 2025	IPCC (AR6) 2024
Scope 3	Category 6: Business travel	Staff travel (vehicle, air)	Travel logs, ticket records	DEFRA 2025, ICAO Carbon Emissions Calculator	IPCC (AR6) 2024
Scope 3	Category 7: Employee commuting	Worker and staff commuting	Survey data	India GHG Report 2007	IPCC (AR6) 2024
Scope 3	Category 9: Downstream transportation and distribution	Factory to buyer logistics	Outward goods records, delivery advice system files	DEFRA 2025	IPCC (AR6) 2024
Scope 3	Category 12: End-of life treatment of sold products	Disposal of products sold, packaging	Sales data	DEFRA 2025	IPCC (AR6) 2024
Scope 3	Category 13: Downstream leased assets	Leased hectarage	Lease agreements	Research-based factor	IPCC (AR6) 2024

5.1.9 Climate-Related Physical Risks

The group is in the path to assess the amount and percentage of assets or business activities vulnerable to climate-related physical risks as part of strengthening the risk monitoring process of the Groups' and through assessing the geographic vulnerability of the warehouses, Manufacturing plants and distributor locations through climate risk assessment process.

5.1.10 Climate-Related Transition Risks

The Group has not assessed the amount and percentage of assets or business activities vulnerable to climate-related risks as of 31st March 2026.

5.1.11 Climate-Related Opportunities

As of 31st March 2026, the Group has not yet quantified the amount and percentage of assets or business activities aligned with climate-related opportunities. However, the Group continues to explore opportunities arising from the transition from fossil fuels to renewable energy sources across its operations.

5.1.12. Capital Expenditure

During the reporting period, the Group allocated around Rs. 86 Mn specifically for climate-related initiatives. This includes Rs. 73 Mn invested in the car park roof-mounted solar photovoltaic (PV) project, supporting the transition towards renewable energy and improved energy efficiency within operations. In addition, the Group invested in the relocation of warehouse premises to enhance resilience against climate-related disruptions.

These investments reflect the Group's ongoing efforts to strengthen operational resilience while progressively supporting the transition to lower-carbon operations

5.1.13 Internal Carbon Pricing

As of financial year end,the Group has not yet implemented an internal carbon pricing mechanism within its operations. The Group currently does not apply a shadow price or internal carbon charge to its business activities or investment decisions. While internal carbon pricing is increasingly recognised as a strategic tool for managing climate-related financial risks and driving low-carbon transition, the Group has not adopted this practice during the reported financial year.

5.1.14 Remuneration

As of financial year end, the Group does not currently operate a dedicated ESG-linked remuneration framework within its organisational structure. The Group's existing remuneration structures are primarily governed by financial performance metrics and broader corporate governance principles, without the formal incorporation of environmental, social, and governance-related key performance indicators as part of incentive or compensation arrangements. Nevertheless, the Group acknowledges the growing global emphasis on integrating sustainability performance into remuneration practices, recognising that such alignment can serve as a powerful mechanism for embedding ESG accountability at the highest levels of organisational leadership. In this context, the Group is actively evaluating the feasibility and structure of incorporating ESG-related considerations into its remuneration frameworks, with the intent to develop a more comprehensive and forward-looking approach in future reporting periods, consistent with evolving best practices in corporate sustainability governance.

5.2 Industry-Specific Metrics

In identifying its industry-based metrics, Group referred to the industry-based Guidance on Implementing SLFRS S2 and assessed the applicability of relevant sector-specific standards to its diversified operations. Based on this assessment, the Group has identified industry-based metrics relevant to its operating segments, including emissions intensity, energy intensity, water withdrawal and consumption, refrigerant management, packaging intensity, and land use impacts, drawing from the SASB-aligned standards applicable to household and personal products, food retailers and Distributors, Iron and Steel Producers and Health Care Distributors.

Sustainability Accounting Standards Board (SASB) Index

Household & Personal Products Sustainability Accounting Standard

Table 1: Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Water Management	(1) Total water withdrawn, (2) Total water consumed; percentage of each in regions with high or extremely high baseline water stress.	Quantitative	Thousands cubic metres (m^3), Percentage (%)	CG-HP-140a.1	(1) 25 (10^3 m^3) (2) 11 (10^3 m^3) No facilities are currently located in High or Extremely High-water stress areas.
	Description of water management risks and discussion of strategies and practices to mitigate those risks.	Discussion and Analysis	n/a	CG-HP-140a.2	The product range of Home Care and Personal Care sector are not water intense majority are dry products. Therefore, this is not relevant to business model and value chain.

SLFRS Sustainability-Related Financial Disclosures

Topic	Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Environmental & Social Impacts of Palm Oil Supply Chain	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as, (a) Identity Preserved, (b) Segregated, (c) Mass Balance or (d) Book & Claim.	Quantitative	Metric tons (t), Percentage (%)	CG-HP-430a.1	Palm oil is not used as raw material of Home Care and Personal Care sector therefore this is not relevant to business model & value chain.

Table 2: Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Units of products sold, total weight of products sold	Quantitative	Number, Metric tons (t)	CG-HP-000.A	(1) 328,962,849 (2) 21,874 t
Number of manufacturing facilities	Quantitative	Number	CG-HP-000.B	6

Food Retailers & Distributors Sustainability Accounting Standard

Table 1: Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Fleet Fuel Management	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-FR-110a.1	(1) The sector does not own and operate vehicle fleets to deliver products between its distribution and retail locations (2) Renewable fuel is not used for fleet vehicles
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	Quantitative	Metric tons (t) CO_2-e	FB-FR-110b.1	34 tCO_2-e
	Percentage of refrigerants consumed with zero ozone-depleting potential	Quantitative	Percentage (%) by weight	FB-FR-110b.2	94%
	Average refrigerant emissions rate	Quantitative	Percentage (%)	FB-FR-110b.3	66%
Energy Management	(1) Operational energy consumed, (2) Percentage grid electricity and (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-FR-130a.1	(1) 12,290 GJ (2) 19% (3) 2% (The renewable energy (2%) represents solar-generated energy/ on-grid solar system)

Topic	Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standards	Quantitative	Presentation currency	FB-FR-430a.1	Group is in the initial stage of assessing the applicability to certify environmental or social sustainability sourcing standards.
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Discussion and Analysis	n/a	FB-FR-430a.3	Group is in the initial stage of assessing the applicability of animal welfare and assessing supply chain environmental and social risk management processes.
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	FB-FR-430a.4	The Group aims to reduce the environmental impact of packaging through sustainable materials, optimised packaging, and waste reduction initiatives

Table 2: Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Number of (1) retail locations and (2) distribution centres	Quantitative	Number	FB-FR-000.A	1) The Company does not own or operate any retail locations. 2) 1 (Both CDL and Darley Bakery operate from a single location.)
Total area of (1) retail space and (2) distribution centres	Quantitative	Square metres (m_2)	FB-FR-000.B	1) The Company does not own or operate any retail locations. 2) 1,073 m2
Number of vehicles in commercial fleet	Quantitative	Number	FB-FR-000.C	The sector does not own and operate vehicle fleets to deliver products between its distribution and retail locations
Tonne-kilometres travelled	Quantitative	Tonne-kilometres	FB-FR-000.D	The sector does not own and operate vehicle fleets to deliver products between its distribution and retail locations

SLFRS Sustainability-Related Financial Disclosures

Iron & Steel Producers Sustainability Accounting Standard

Table 1: Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	Quantitative	Metric tons (t), CO_2-e, Percentage (%)	EM-IS-110a.1	(1) 1,988 tCO_2e (2) There is no limiting regulations
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-IS-110a.2	The organisation is currently in its first year of emissions reporting. Establishment of reduction targets and strategies for both long-term and short-term emission management are currently being discussed at the management level
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-IS-130a.1	40,355 GJ 20% 5%
	(1) Total fuel consumed, (2) Percentage coal, (3) Percentage of natural gas and (4) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-IS-130a.2	(1) 32,187 GJ (2) No coal, natural gas and the renewable on-grid solar system with a total annual generation capacity of 591,317 kWh
Water Management	(1) Total water withdrawn, (2) total water consumed; Percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	EM-IS-140a.1	(1) 27 (10^3 m^3) (2) 22 (10^3 m^3) No facilities are currently located in high or extremely high-water stress areas
Supply Chain Management	Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	Discussion and Analysis	n/a	EM-IS-430a.1	This is not relevant to process of Lanka Special Steels Limited

Table 2: Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	Quantitative	Metric tons (t), Percentage (%)	EM-IS-000.A	The company does not produce raw steel and does not operate basic oxygen furnace (BOF) or electric arc furnace (EAF) processes. Accordingly, this disclosure is not applicable.
Total iron ore production	Quantitative	Metric tons (t)	EM-IS-000.B	There is no iron ore processing at Lanka Special Steels Limited
Total coking coal production	Quantitative	Metric tons (t)	EM-IS-000.C	There is no coal use in production process

Healthcare Distributors Sustainability Accounting Standard

Table 1: Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Fleet Fuel Management	Payload fuel economy	Quantitative	Litres/RTK	HC-DI-110a.1	The Company does not own or operate vehicles. Product distribution is managed by distributors who collect goods directly from the Company's warehouse. Since these logistics activities fall outside the Company's control, payload fuel economy is not disclosed.
	Description of efforts to reduce the environmental impact of logistics	Discussion and Analysis	n/a	HC-DI-110a.2	The Company does not own or operate vehicles

Table 2: Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Disclosure Reference and/or Response
Number of pharmaceutical units sold by product category	Quantitative	Number	HC-DI-000.A	116,640,840 items
Number of medical devices sold by product category	Quantitative	Number	HC-DI-000.B	There is no material sale in device section

5.3 Climate-Related Targets

The Group recognises that meaningful climate targets must be grounded in accurate data and thorough analysis. The organisation is currently engaged in the groundwork necessary to establish credible, well-informed targets in the coming period.



Momentum with Meaning

Integrated systems that carry value forward in a steady, efficient, and enduring manner.

Capital Management

Financial Capital

Just as a river requires a steady and balanced flow to sustain its journey, The Group's Financial Capital ensures the continuous flow of resources needed to support operations, investments, innovation, and stakeholder value creation. Backed by prudent financial management, disciplined capital allocation, and diversified revenue streams, the Group maintains a strong financial foundation that enables it to adapt to changing market conditions while continuing to invest in sustainable growth opportunities across its diversified business portfolio.



Rs. 35.4 Bn
Revenue

Rs. 2.1 Bn
Profit Before Tax

Rs. 26.9 Bn
Total Assets

The Group continued to demonstrate financial resilience during the year under review, supported by disciplined capital management, strategic investments, and prudent treasury practices. Despite operating in a dynamic economic environment, the Group remained focused on sustaining liquidity, optimising funding structures, strengthening operational efficiencies, and delivering sustainable long-term value to stakeholders.

Revenue

The Group recorded a 10% growth in revenue during the financial year, reaching Rs. 35 Bn.

The Consumer segment recorded a revenue growth of 11%, reaching Rs. 22 Bn, driven by improved market demand, stronger consumer sentiment, and the introduction of portfolio extensions and product variants. Continued investments in brand visibility and market penetration further strengthened the segment's performance during the year.

The Wellness and Nutrition segment also reported a growth of 15% stemming from introduction of new brands and product variants with extensive marketing and promotional campaigns aimed at expanding consumer reach and strengthening market presence.

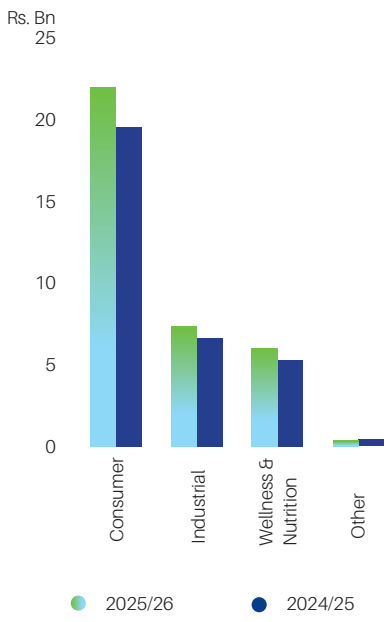
Meanwhile, the Industrial segment also reported a growth of 6% totaling to Rs. 7.3 Bn mainly attributable to the gradual recovery of the construction industry, which positively influenced market demand and business activity across the building solutions, energy, and lighting sectors. Further, strategic initiatives aimed at expanding into the downstream retail segment also contributed positively to revenue growth.

Gross Profit

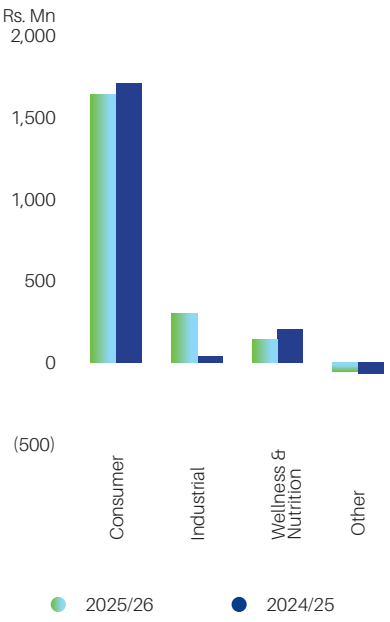
The Group's gross profit increased by 8% to Rs. 11.2 Bn compared to the previous financial year. Despite prevailing market challenges, the Group maintained a strategic focus on preserving margins through effective pricing strategies, disciplined procurement practices, and operational efficiencies across all business segments.

Cost Management

Group overhead expenses increased by 9% to Rs. 8.3 Bn during the year, reflecting continued investments in business expansion and long-term capability development.



PBT



Administrative expenses rose by 8% to Rs. 3 Bn, primarily due to employee-related costs incurred in strengthening the Group's human capital capabilities to support future growth, operational sustainability, and strategic business initiatives.

The Group also continued to invest in enhancing brand visibility and market presence through sustained brand-building initiatives and the expansion of distribution infrastructure. Dedicated distribution channels established for Home Care and Confectionery product categories contributed towards strengthening market reach and customer accessibility. Consequently, sales and distribution expenses increased by 9.4% to Rs. 5.3 Bn during the year.

Profitability

The Group's profit before tax increased by 8% to Rs. 2.1 Bn during the financial year, largely driven by the exceptional performance of the Industrial segment, which recorded a remarkable 763% increase in profitability. This growth was primarily attributable to increased sales volumes in the building solutions, energy, and lighting sectors, supported by favorable market conditions and effective branding initiatives.

Meanwhile, the Consumer segment reported a 6% decline in profit before tax to Rs. 1.6 Bn. This was mainly attributable to the expansion of distribution channels and investments made in developing dedicated distribution networks for specific product ranges.

The Wellness and Nutrition segment recorded a 19% decline in profit before tax to Rs. 181 Mn, primarily due to increased sales and distribution expenses arising from the expansion of distribution infrastructure, strategic recruitment initiatives and marketing activities.

The Group's net finance cost declined by 7% to Rs. 837 Mn during the year. This reduction was mainly attributable to the utilisation of proceeds from the rights issue to settle short-term interest-bearing borrowings.

Group's profit after tax stood at Rs. 1.2 Bn, reflecting a marginal decline of 2% compared to the previous year due to the increase in tax expenses to Rs. 869 Mn.

Cash Flow Performance

The Group maintained a strong focus on liquidity management and working capital optimisation throughout the year.

Net cash generated from operating activities increased significantly to Rs. 1.5 Bn from Rs. 871 Mn in the previous year. This improvement was primarily driven by higher profitability, and effective working capital management.

Net cash used in investing activities amounted to Rs. 1.4 Bn, mainly reflecting capital expenditure investments undertaken to enhance production capacity, strengthen the Group's manufacturing capabilities, and support investments in financial assets.

Net cash generated from financing activities amounted to Rs. 218 Mn, primarily due to proceeds received from the rights issue undertaken by E.B. Creasy & Company PLC where the proceeds were utilised to settle short-term interest-bearing borrowings. In addition, the Group strengthened its balance sheet by converting a significant portion of its short-term borrowings into long-term financing facilities, thereby enhancing the overall debt maturity profile.

Asset Strength

The Group's total asset base increased by 6% to Rs. 27 Bn as at 31st March 2026, reflecting continued investments in strategic growth initiatives and operational capacity enhancement.

Capital expenditure during the year amounted to Rs. 1,057 Mn and was primarily directed towards investments in buildings and machinery to support the expansion of the detergent powder, dishwash bar, confectionery production facilities, and infrastructure development at the Group's head office.

Financial Capital

Inventory levels decreased by 5% during the year, reflecting the Group's continued focus on maintaining optimal inventory levels while ensuring uninterrupted operational efficiency and effective supply chain management.

Trade receivables increased by 13% in line with revenue growth, while trade payables recorded a marginal decline of 1% aligning with lower inventory holding compared to previous financial year.

Funding Profile

During the financial year, the Company strengthened its capital base through a rights issue comprising 25,354,580 ordinary shares at a price of Rs. 60/- per share, offered to existing ordinary shareholders in the proportion of one new ordinary share for every 10 ordinary shares held.

The proceeds from the rights issue were utilised to settle the Company's short-term interest-bearing borrowings and to make further investments in its subsidiary, Darley Butler & Company Limited, thereby supporting the Group's long-term strategic growth objectives.

Furthermore, the Group enhanced its balance sheet strength by converting a significant portion of short-term borrowings into long-term financing arrangements, improving the maturity profile of its debt portfolio. The Group also secured additional long-term funding facilities to support ongoing capital expansion projects.

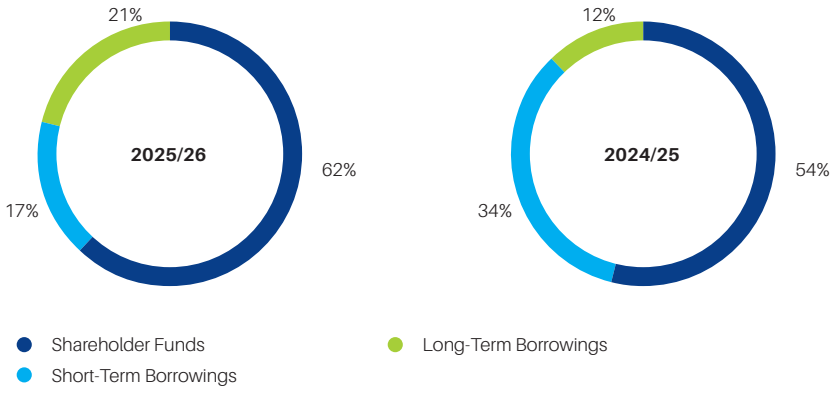
Collectively, these strategic financing initiatives contributed towards strengthening the Group's position of liquidity, improving financial flexibility, and enhancing overall financial stability.

Shareholder Returns

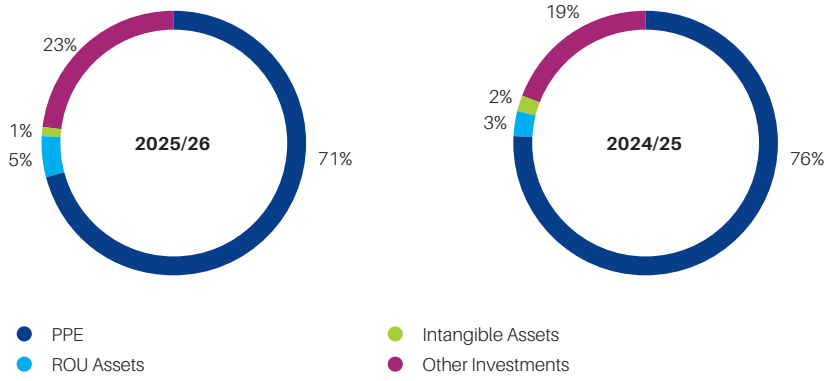
Earnings per share (EPS) declined by 9.4% to Rs. 4.26, while return on equity (ROE) also declined to 13%, from 17% in the previous year. This was mainly due to the impact of the rights issue which increased the Company's equity base as well as the impact of the profitability recorded during the financial year compared to the previous year.

The Board has declared and paid two interim dividends of Rs. 1/- per share each, amounting to a total dividend of Rs. 2/- per share and total payout of Rs. 532 Mn.

Funding Profile



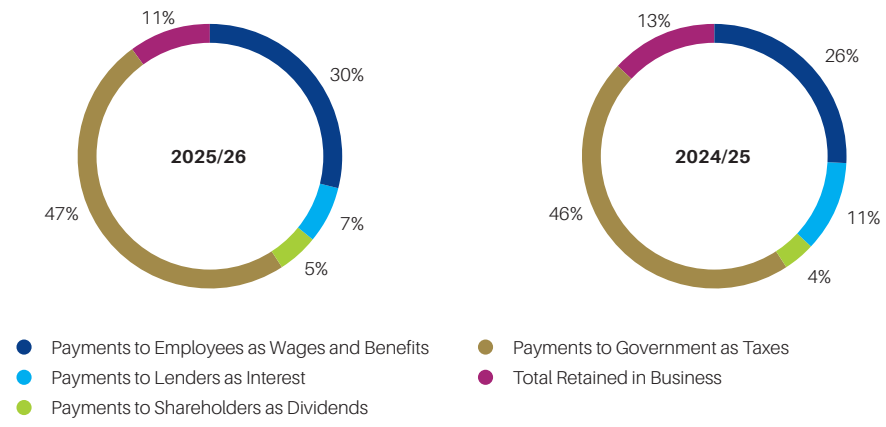
Non Current Asset Composition



Statement of Financial Value Added

	2025/26 Rs. Mn	2024/25 Rs. Mn	Change %
Value Added			
Sales Made to External Customers	35,357	32,066	10%
Less: Materials and Services Bought in from Outside	(23,513)	(22,096)	6%
	11,844	9,970	
Add: Other Income	98	126	-22%
Total Value Available for Distribution	**11,942**	**10,094**	
Distribution of Value Added			
Payments to Employees as Wages and Benefits	3,616	2,633	37%
Payments to Lenders as Interest	847	1,064	-20%
Payments to Shareholders as Dividends	564	412	37%
Payments to Government as Taxes	5,635	4,636	22%
Total	**10,662**	**8,745**	
Value Retained for Growth			
Depreciation and Amortisation	627	514	22%
Profit After Dividends	653	835	-22%
Total	**1,280**	**1,349**	
Total Value Distributed and Retained	**11,942**	**10,094**	

Value Distribution



Manufactured Capital

Manufactured Capital of the Group forms the essential infrastructure that enables the Group's value creation journey. As a diversified conglomerate engaged in manufacturing, marketing, and distribution of reputed brands, the Group's Manufactured Capital is both extensive and diverse, encompassing production facilities, warehousing, logistic networks, and distribution channels that support the seamless flow of products and services across the country. Together, these capabilities strengthen operational efficiency, market reach, and the Group's ability to deliver long-term value to its stakeholders.



Rs. 1.9 Bn
Manufacturing Infrastructure

2,500 KW
Solar Systems Total Capacity

10
Manufacturing Facilities

140,000+
Customer Touch Points

As a conglomerate whose value creation spans over manufacturing as well as marketing and distribution of a portfolios of reputed brands, the Group's Manufactured Capital is a vital enabler of its value creation process and is equally diverse.

In line with the Group's business strategies, significant enhancements were made to its Manufactured Capital during the year. These include the following:

- Detergent powder and dish wash bar manufacturing capacity expansion project: This strategic initiative is designed to expand production capacity for both detergent powder and dishwash bar products, enabling the Group to meet increasing market demand more effectively. The project will enhance manufacturing efficiency, strengthen supply reliability, and support consistent product availability across key markets. By scaling up production capabilities, the Group can achieve greater economies of scale, optimise cost structures, and sustain competitive pricing.

- Furthermore, the expansion will provide increased operational flexibility, allowing the Group to respond swiftly to evolving consumer preferences and market dynamics. This initiative not only reinforces the Group's market position but also supports its long-term growth objectives and commitment to operational sustainability.

- The refurbishment of the Candy Delights Limited factory premises is being undertaken with a forward-looking approach to accommodate future expansion requirements. This initiative focuses on optimising the utilisation of existing space while creating the capacity needed to scale operations in line with growing demand. The refurbishment is expected to enhance operational efficiency, streamline workflow layouts, and facilitate the seamless integration of new machinery and production lines.

  In parallel, the establishment of a new production line at the facility forms part of the Group's ongoing efforts to support upcoming product innovations. This addition will strengthen manufacturing capabilities, enable greater product diversification, and improve responsiveness to evolving consumer preferences. Collectively, these initiatives reinforce the Group's readiness for long-term growth, enhance operational flexibility, and strengthen its competitive position while maintaining adaptability for future development.

- The Group initiated the acquisition of its first chain-link fencing manufacturing machine as part of its strategy to diversify its product portfolio and expand its presence in the Industrial segment. This investment marks a transition into in-house production of chain-link fencing, enabling greater control over quality, improved cost efficiency, and enhanced supply reliability.

  The initiative is expected to unlock new revenue streams by catering to increasing demand across construction, infrastructure, and security sectors, while also strengthening the Group's ability to offer a more comprehensive range of solutions to its customers. Furthermore, this investment establishes a solid foundation for future capacity expansion and continued growth within the Industrial segment.

- Further, aligned with the launch of Laxapana-branded barbed wire products, strategic enhancements to production capabilities were implemented to elevate product quality, strengthen process precision, and ensure consistent delivery in line with the brand's quality benchmarks.

Distribution

The Group's extensive distribution network is a key component of its Manufactured Capital, enabling the efficient movement of products across Sri Lanka. It supports broad market coverage across general trade, modern trade, and independent supermarket channels, ensuring consistent product availability across a retail footprint exceeding 140,000 touchpoints.

Backed by well-coordinated logistics operations and structured inventory management practices, the network enables optimal stock positioning, timely delivery, and enhanced service levels. This strengthens the Group's island-wide reach, operational reliability, and scalability.

Aligned with the Group's growth strategy, the distribution network was further strengthened during the year through the introduction of two dedicated channels for Home Care and Confectionery products. This expansion increases the total number of specialised distribution channels to four, enhancing focus, execution, and market reach across key product segments.

Key Investments into Enhancing Manufactured Capital

Asset Type	2025/26 Carrying value (Rs. '000)	2024/25 Carrying value (Rs. '000)
Land	4,288,912	4,288,912
Buildings	917,118	939,832
Plant and Machinery	1,999,627	2,147,054
Motor Vehicles	17,796	26,692
Furniture and Fittings	446,627	358,106
Capital work-in-progress	715,099	248,515

The Group's manufactured capital is further strengthened by its investment in IT and digital infrastructure, enabling seamless integration of logistics, inventory management, and operational processes. Through the use of enterprise systems and digital tools, the Group enhances supply chain visibility, supporting improved coordination, real-time decision-making, and greater operational efficiency.

These capabilities drive timely execution, reinforce process reliability, and enhance the overall responsiveness of the distribution network. Accordingly digital and IT infrastructure will be a priority for the future.



Ongoing refurbishments at the Gonawala plant to support the expansion of detergent powder operations



The award-winning BIC and Denta manufacturing facility at Millewa

Moving forward, the Group's future investments in Manufactured Capital will need to be carefully prioritised and strategically structured in response to rapid technological advancements, particularly in artificial intelligence (AI) and robotic manufacturing globally. Global trends point to a strategic shift from traditional physical assets towards intelligent and technology-enabled manufacturing systems. Increasingly, companies are investing in smart production systems that generate operational data, embedding AI in robotic manufacturing processes and adopting automated warehousing solutions to enhance efficiency. AI-driven predictive maintenance is also enabling organisations to optimise asset utilisation while reducing reliance on maintaining large asset pools. In addition, technologies such as digital twins allow companies to simulate and optimise production lines and warehouse layouts virtually, improving efficiency while minimising unnecessary capital expenditure.

The Group recognises the importance of progressively aligning its future Manufactured Capital investments with these emerging trends to drive operational efficiency and cost savings.

The Group will also prioritise sustainability in its future Manufactured Capital investments, in line with emerging carbon-efficient capital concepts. Energy-efficient factories and utilities are increasingly being adopted, with greater integration of renewable energy sources. The Group will look to redesign existing utilities to improve resource efficiency and transition towards zero-waste machinery.

Human Capital

At EBC Group our people are the life force that spurs progress, "to begin at the source and continues to ensure that it reaches where it matters most". Through changing market cycles and evolving customer expectations, that spans over a century, the dedication, responsibility, innovation and disciplined execution of our employees continue to ensure the group adapts to its landscape, gathering momentum, whilst staying true to its purpose.

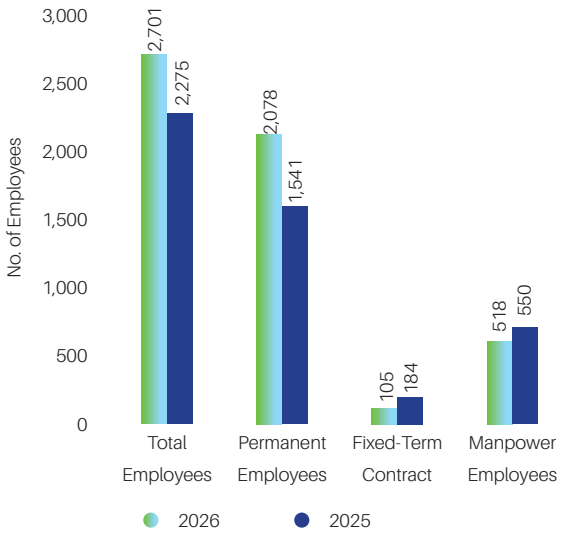


The Group's journey, spanning over a century since its inception in 1878, has been shaped by the expertise, dedication, and passion of its people. Through changing market cycles and evolving customer expectations over a century, the employees of the Group have been the cornerstone of the Group's success across its diverse business portfolio.

The Group in turn, is committed to fostering a workplace where our people can thrive, innovate, and contribute meaningfully to its continued progress. Opportunities for both vertical and horizontal mobility across the business units and the companies, independency and autonomy experienced in strategy formulation and execution, and progressive and dynamic working culture that make up the Group, play a key role towards this commitment.

The Group comprises 2,183 Company employees and approximately 518 manpower employees as at March 2026, compared to 1,725 Company employees and 550 manpower employees in the previous financial year.

Workforce Composition by Type of Employment



The Group's Human Capital strategy is aligned with and supports its broader business strategy. Hence, the strategic priorities include the timely provisioning of skilled human capital to support business expansion, workforce planning aligned to new business models and distribution structures, development and motivation of internal talent, strengthening of leadership capability across production, sales and marketing and other back-office support service functions.

2025 marked a year of significant transformation and accelerated growth for the Group, with further expansion of its sales and distribution footprint across General Trade (GT) distribution and Confectionery business.

Human resources department (HR) facilitated to establish a new distribution channel, Range 03 under GT and expansion of Confectionary business as an island-wide separate distribution channel. This expansion required the rapid mobilisation of approximately 300 field operational employees across the island within a compressed timeframe of around 6 months. This was achieved with HR's close, efficient and timely collaboration with the business leadership that ensured seamless business continuity and effective execution throughout the expansion phase. Other key strategic HR initiatives during the year focused on the following areas:

- **Talent mobility and internal career progression**
  Aligned with the Group's strategy to expand its distribution network, apart from sourcing operational sales staff from outside, for supervisory and managerial levels, due priority was given to existing employees who were promoted to take the positions in the expanded channels recognising and empowering internal talent whilst strengthening leadership capacity within the organisation.

- **Field force engagement and retention initiatives**
  Several initiatives were implemented to strengthen engagement with the field force. These included quarterly meetings across different distribution channels, along with interactive sessions followed by evening fellowships with field staff by HR to gather first-hand insights and identify opportunities for improvement. The Group also organised outbound residential training programmes for field staff, complemented by entertainment sessions to encourage team bonding and morale.



An outbound training programe conducted for field staff at MAS Fabirc Park, Thulhiriya

- **Employee well-being and welfare policies**
  The Group remained committed to fostering a supportive and inclusive workplace culture by prioritising employee well-being and welfare throughout the year. Various initiatives, including annual employee gatherings, medical camps, employee welfare support, free meal distributions, and assistance extended during times of bereavement and hardship, were undertaken to promote the physical and emotional wellbeing of employees and their families while strengthening workplace engagement and morale.



Annual medical camp conducted at BIC and Denta plant



International Women's Day celebrations at Group head office

- **Strengthening the ESG and compliance culture**
  The Group further strengthened its governance and compliance framework by making its corporate governance policies accessible to all employees. Awareness sessions conducted by HR are ongoing to ensure employees remain well-informed about governance standards and ethical practices.



Awareness session conducted on Corporate Governance policies

- **Digital HR process transformation initiatives**
  Whilst the Group has already digitalised its key HR processes, plans are underway to further enhance digitisation by incorporating performance management, onboarding and offboarding processes, and employee documentation into the HR digital platform.

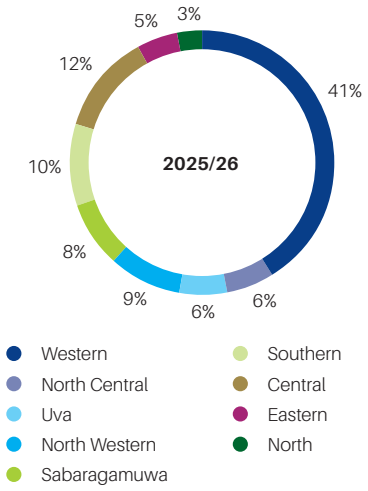
Diversity, Equity and Inclusivity

Our workforce reflects the rich diversity of Sri Lanka, comprising employees from different religions, age groups, genders, and socioeconomic backgrounds. As an organisation with an island-wide sales and distribution network, we have created employment opportunities for individuals from across the country, enabling broad regional representation within our workforce.

Diversity of Group Employees by Regions	No. of Employees *(without contract employees)*
Western	898
Central	271
Southern	216
North Western	192
Sabaragamuwa	177
North Central	132
Uva	127
Eastern	104
North	66
	2,183

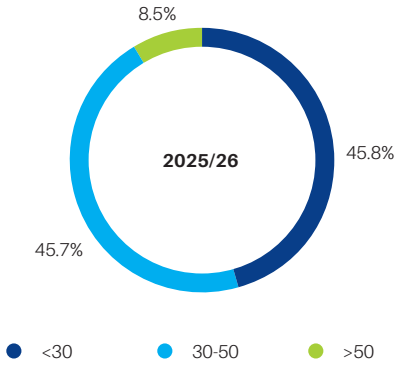
Human Capital

Workforce Composition by Regions



Diversity of Group Employees by Age Group	No. of Employees *(without contract employees)*
<30	999
30-50	997
>50	187
	2,183

Diversity of Employees by Age Group



Diversity of Employees by Gender

(Without contract employees)



291 **1,892**

As a large-scale manufacturing and distribution Group with a presence across every part of the country, we give careful consideration and priority to recruiting personnel who can effectively serve diverse socioeconomic segments. This approach ensures that our team is well-equipped to understand and respond to the unique needs of each socioeconomic segment of the community.

Through our manufacturing operations, we continue to generate meaningful employment opportunities that support regional economic development by hiring employees, particularly from rural areas.

In strengthening our sales function, we actively recruit dynamic talent and invest in developing their capabilities, under the Group's Sales Trainees Pool programme.

Furthermore, the Group is committed to ensuring that all employees and applicants are treated with fairness and respect, with equal access to opportunities in recruitment, training, development, promotion, and rewards.

The Group strictly prohibits discrimination on the basis of gender, age, ethnicity, religion, disability, or any other non-merit factor. We foster an inclusive workplace culture that values diversity of background, thought, and experience, recognising that diversity fuels innovation, strengthens employee engagement, and drives sustainable performance.

Through these initiatives, we remain committed to fostering a diverse and equitable workplace that reflects the communities we serve. We strive to cultivate an environment where all employees feel respected and valued, are encouraged to express their perspectives openly, and experience a strong sense of belonging within the organisation.

Policies Guiding Our People Practices

- Internal Code of Business Ethics and Conduct
- Anti Bribery, Corruption and Gift Acceptance Policy
- Environmental, Social and Governance
- Whistle Blowing
- Risk Management and Internal Controls
- Personal Data Protection and Privacy
- Policy on Grievance Handling
- Health and Safety

Recruitment

Recruitment at the Group is aligned with business growth requirements and focuses on attracting individuals with the right skills, experience, and market understanding. We maintain a strong commitment to equal opportunity and non-discriminatory hiring practices, ensuring that all candidates are treated fairly regardless of origin, religion, race, gender, or any other personal attribute; with qualification for the job being the only criterion.

All newly recruited employees undergo a structured induction programme conducted by HR, enabling employees to better understand the business and integrate smoothly into the organisation.

Employee Remuneration and Other Benefits

The Group offers competitive remuneration and benefits to all employees, guided by well-established compensation practices that take into account relevant external market benchmarks, the business environment, and overall Group performance. As a predominantly sales and marketing–driven organisation, the Group provides its field staff with competitive salary structures and performance-based incentive schemes aligned with industry standards. Bonuses to employees are paid twice a year. Employees are also supported with internal career progression opportunities within their respective business channels, as well as opportunities to explore roles across other business units within the Group. The Group sponsors employees for study courses, training programmes and offers study loan schemes to staff where applicable.

In addition to financial rewards, the Group remains committed to supporting employee well-being through a range of welfare initiatives. Annual medical camps and health check-ups are conducted across all factories. Medical and hospitalisation expenses of employees are reimbursed. A death donation scheme is in place to provide financial assitance to employees at their time of need. Factory employees are provided with free lunch, dinner and a midnight meal for night shifts.

Employee Grievance Handling

Recognising that timely resolution of employee concerns is essential for employee satisfaction and the long-term sustainability of the business, the Group maintains a formal grievance handling mechanism that ensures employees can raise concerns in a safe, fair, and confidential environment. This framework enables employees to report real or perceived instances of unfair treatment, ensures that grievances are addressed constructively, and promotes open communication while preventing workplace conflicts.

Employees may raise grievances through two methods: the Step Ladder System and the Open-Door policy. Under the Step Ladder System, concerns are first discussed with the immediate supervisor and, if unresolved, escalated to higher management or HR. Alternatively, the Open-Door policy allows employees to directly approach HR for prompt and impartial resolution.

Performance Management

The Group has established a comprehensive performance management system designed to support a goal-oriented and transparent performance appraisal process across both executive and non-executive grades. Annual evaluations are conducted for every employee, followed by constructive feedback that encourages continuous learning, professional growth, and development.

The organisation promotes a performance-driven culture through structured recognition and career advancement opportunities. High-performing employees are recognised and considered for promotions, reinforcing the Group's commitment to excellence while motivating employees to achieve their full potential. This approach strengthens employee engagement and satisfaction, ultimately enhancing workforce productivity and supporting the Group's strategic vision.

Training & Development

Sustaining and enhancing the value of our people remains a strategic priority in the Group's Human Capital management approach. Continuous learning and development are thus encouraged to ensure that employees are equipped with the knowledge, skills, and competencies required to support both individual and organisational growth in fast evolving markets. Training needs are identified by the respective heads of departments, who assess skill gaps and submit requests accordingly. Based on these inputs, HR designs and schedules appropriate training programmes to address the identified needs.

During the year under review, the Group continued to invest in employee development through structured training programmes aligned with operational and strategic priorities. These covered quality and productivity improvement, workplace health and safety, and compliance with ISO standards on quality, environmental management, and occupational health and safety. Employees also received training in sales skills, product knowledge, pharmacology, and sales systems to strengthen market effectiveness. In addition, programmes on performance management, leadership development, and outbound residential training were conducted to enhance managerial capability and team effectiveness. Technical competencies were further reinforced through training in good manufacturing practices and data-driven decision-making using business intellegence tools. Continuous training was also given on the SAP ERP system.

In addition to formal training programmes, employees benefit from on-the-job coaching, supervisory guidance, peer learning, and field accompaniment for sales personnel, providing both structured and experiential learning opportunities that support performance and career progression. Regular departmental meetings and sales conferences are also conducted to facilitate knowledge sharing, performance review, and alignment with business objectives.



A session conducted at the Sales Trainees Pool programme

Human Capital

Summary of training conducted in 2025/2026

Month	No. of Programmes Conducted	Training Man-Hours
Apr-25	11	5,999
May-25	4	784
Jun-25	12	1,804
Jul-25	10	1,553
Aug-25	5	405
Sep-25	8	694
Oct-25	10	5,359
Nov-25	9	385
Dec-25	7	2,049
Jan-26	7	3,141
Feb-26	3	1,532
Mar-26	3	1,296
	89	**25,001**

Occupational Health and Safety

The Group is committed to safeguarding the health, safety, and overall well-being of its employees, recognising that a safe and supportive work environment is essential for sustainable value creation. This commitment is supported by well-defined structures, policies, and procedures that are consistently implemented across the Group's 10 manufacturing facilities and distribution operations.

A strong safety-first culture is maintained across all operational locations, with each factory certified to recognise Occupational Health and Safety (OHS) standards. Designated OHS representatives and committees are appointed at every facility and are provided with the necessary professional training on workplace safety protocols, emergency response procedures, and the proper use of personal protective equipment (PPE), to effectively oversee and promote workplace safety practices. These initiatives help reinforce safe working practices and ensure that employees remain well-equipped to manage potential workplace hazards.

Further, strengthening this commitment, the Group has collectively adopted an initiative, a three-year strategic plan on health and safety, with clearly defined key performance indicators (KPIs) to be achieved on a year-on-year basis, ensuring continuous improvement in workplace safety and risk management.

The Group complies with all applicable Health and Safety legislation in Sri Lanka, including regulations enacted under the Factories Ordinance No. 45 of 1942 and its subsequent amendments. Majority of our manufacturing facilities are certified to ISO 45001 OHS standard and comply with required international OHS standards.

Response to the Changing World of Work

The Group remains mindful of evolving global and local workforce trends that are reshaping the world of work. Globally, organisations are increasingly focusing on the digitalisation of HR functions, the use of workforce analytics, stronger ESG-driven governance practices, and the adoption of skills-based workforce models. At the same time, there is a growing emphasis on employee mental health and overall well-being as a critical component of sustainable organisational performance.

Within the local context, the labour market continues to experience heightened competition for skilled talent, increased mobility of employees across industries, migration of skilled professionals, and changing workforce expectations, with employees seeking greater autonomy and flexibility in their work environment.

In response to these developments, the Group plans to further strengthen its people strategies through targeted reskilling and upskilling initiatives, the fast adoption of digital HR platforms to enhance workforce management, and the continued implementation of employee engagement and retention programmes. These initiatives are aimed at building a resilient, capable, and future-ready workforce that can support the Group's long-term growth and sustainability objectives.

Initiatives Planned for 2026 and Beyond

- Further digitisation of HR processes to increase efficiency
- Employer branding enhancement
- Future skills development
- Integration of ESG principals in to people management practices
- Succession planning
- Field force sustainability and retention

Intellectual Capital

From trusted consumer and wellness & nutrition brands to energy, building solutions and industrial products, our collective knowledge, brand equity, technical expertise, systems, processes, and industry partnerships enable each business to operate with purpose while contributing to a stronger and more resilient whole.

As markets evolve and customer expectations continue to change, we remain focused on strengthening our intellectual capabilities through innovation, digital integration, technical know-how, and disciplined execution. Guided by responsibility and a commitment to continuous improvement, we leverage our institutional knowledge and integrated systems to ensure that what begins at the source reaches where it matters most.



Tacit Knowledge & Systems

Research & Development

Product Brand Equity

Distribution Network

Accreditations

With a legacy of over 148 years and leadership across several core product categories in Sri Lanka, the Group's intellectual capital serves as a cornerstone of its long-term value creation. Through its deep institutional knowledge, trusted relationships, and well-established systems, the Group continues to drive product differentiation, innovation, and quality, sustaining a strong competitive advantage in the markets it serves.

Strategic strides to bolster and harness our Intellectual Capital in 2025

- Expanded the Group's distribution architecture to four channels with the addition of two new channels, enhancing market reach and distribution efficiency.
- Barbed wire products are now manufactured and marketed under the well-established Laxapana brand, leveraging its strong consumer trust and existing distribution network.
- Initiated the manufacture of chain-link fencing, expanding the Group's product portfolio.
- Added a new product brand to our Wellness and Nutrition portfolio, with the introduction of Rontamil and Rontameal, adult nutritional supplements imported from the Netherlands, further diversifying the Group's healthcare brand offering.
- Sterling Steels (Private) Limited entered into a formal Memorandum of Understanding (MoU) with the University of Moratuwa to strengthen industry led research and innovation in Sri Lanka's steel building construction sector.
- The healthcare stores received Good Distribution Practice (GDP) certification from the National Medicinal Regulatory Authority (NMRA).

Intellectual Capital

Brand Equity of Our Diverse Products

As both a manufacturer and an importer, operating in Consumer, Industrial, and Wellness & Nutrition segments, the Group's portfolio of brands represents a critical component of its value creation and the sustainability of its profitability. The Group owns or represents a total of 38 brands in Sri Lanka. Of these, 18 are the Group's own home-grown brands, several of which are market leaders and significant players in their respective categories and have become well-established household names. Among its flagship brands, Ninja (mosquito repellent coils and vaporizers), Amritha (incense sticks), and BIC (razors) stand out as market leaders. In addition, 7 international brands across the Consumer, Industrial and Wellness and Nutrition segments are represented by the Group as the sole distributor in Sri Lanka, reflecting long-standing partnerships with globally renowned principals.

The longevity of many of these brands, together with their strong market positions, underscores the significance of brand equity in the Group's value creation journey. Sustained brand trust, product quality, and consistent market presence have enabled the Group to build enduring relationships with consumers, retailers, and international partners.

A notable example is the Group's representation of BIC, a globally recognised French brand, underscoring a well-established partnership that has spanned over four decades in Sri Lanka. This relationship represents one of the longest-standing distributor partnership in BIC's global network. The trust and confidence developed with its principal enabled the Group to obtain approval to commence local value addition in 1993, through the manufacture of the handle of BIC shavers. Today, through its local manufacturing facility, the Group produces the shaver handle and assembles it with imported shaver heads, thereby contributing to local manufacturing capability and economic value creation.

The strength of the Group's brand portfolio is further reflected in the longevity and market leadership of several of its proprietary brands. The Laxapana brand, which has a heritage of nearly 70 years, is the Group's oldest brand and has earned the trust of households across Sri Lanka through its long-standing reputation for durability and reliability. The Ninja brand continues to hold the distinction of being the only local brand to achieve market leadership in the mosquito coil category. In addition, the Group's proprietary Amritha brand has leveraged its strong product quality and brand recognition to expand into several export markets while maintaining its position as the market leader in Sri Lanka.

The Group's long-standing representation of several pharmaceutical principals such as Johnson & Johnson Innovative Medicines in Sri Lanka for over 50 years further reflects the confidence placed in the Group by leading global principals. This enduring partnership underscores the Group's adherence to stringent quality standards as well as its proven marketing, regulatory, and distribution capabilities, enabling internationally recognised healthcare brands to effectively reach Sri Lankan consumers.

Similarly, within the Consumer segment, the Group's confectionery subsidiary, Candy Delights Limited, initially focused on the import and distribution of Hacks, the medicated candy brand of Cadbury Schweppes. In the 1990s, the company secured the opportunity to manufacture the product locally, reflecting the Group's strong technical capabilities, the high quality of its manufacturing facilities, and the trust it has built with its principal over time.

During the year, the Group strategically extended the Laxapana brand to its newly launched barbed wire product within the retail segment, capitalising on the brand's longevity, established market equity, and enduring consumer trust built over decades in Sri Lanka.

BRANDS
that have stood
the test of time



Distribution Network

The Group's distribution arm, Darley Butler & Company Limited, represents one of Sri Lanka's long-established island-wide distribution networks and today ranks among the country's biggest distribution channels in terms of market reach and capacity.

Built over decades of operations across Sri Lanka, the network is supported by deep-rooted relationships with dealers, Fast Moving Consumer Goods (FMCG) retailers, pharmacies, industrial customers, and institutional buyers. In Sri Lanka's relatively small but highly relationship-driven market, these enduring partnerships, founded on trust, reliability, and consistent service delivery, form a significant element of the Group's relational capital. They strengthen customer loyalty, reinforce supplier confidence, and create meaningful barriers to entry, resulting in higher switching costs for retailers and greater entry challenges for potential competitors.

Beyond its physical infrastructure, the true strength of the Group's distribution platform lies in its embedded knowledge, systems, and processes. Territory management frameworks, demand forecasting capabilities, credit risk assessment mechanisms, and market intelligence gathered across diverse regions form part of the Group's structural capital. This accumulated know-how enables efficient route optimisation, effective inventory management, and responsive service to evolving customer needs.

The tacit knowledge, systems, and operational experience built over more than 140 years, together with the Group's reputation as a trusted distributor, enable it to fully harness its distribution infrastructure to ensure that products are consistently available across the island, from village boutiques to modern supermarkets in major cities, as well as in remote regions.

During the year, in line with its strategic priorities, the Group further strengthened its distribution capabilities by expanding the number of distribution channels from two to four. Two dedicated channels were introduced for the Confectionery and Home Care sectors, both identified as key growth categories for the year ahead. This expansion enhances route-to-market efficiency and strengthens the Group's ability to serve diverse customer segments more effectively.

Research and Development

Research and development (R&D) represents a vital component of the Group's structural and human capital, supporting growth, long-term profitability, and sustainable competitive advantage in fast-evolving FMCG and industrial markets. In its ongoing pursuit to enhance customer value, the Group places significant strategic emphasis on strengthening its R&D capabilities. Recognising that innovation cannot be conducted in isolation, the Group integrates R&D closely with business planning, business development, production, and marketing functions to ensure that research initiatives remain commercially relevant and aligned with market demand.

The Group is driven by a strong commitment to innovation and continuous evolution in response to changing consumer needs. This effort is well supported by a dedicated R&D team, ensuring a solid scientific foundation for product development and improvement. This in-house capability strengthens product formulation, quality assurance, and continuous improvement, reinforcing brand credibility and operational excellence. The integration of scientific expertise with real-time market intelligence from the Group's distribution channels, enables a demand-led innovation approach that shortens time-to-market and reduces product development risk.

During the year, the Group further strengthened its investment in R&D, reflecting its continued commitment to innovation and product advancement. In the Industrial segment, the Group's subsidiary Sterling Steels (Private) Limited formalised a strategic collaboration with the University of Moratuwa through a MoU with its Department of Civil Engineering. The partnership aims to strengthen academic–industry research linkages within Sri Lanka's steel building construction sector, with the University leading applied research initiatives while Sterling Steels (Private) Limited provides technical expertise, industry insights, and access to facilities and materials for testing and industrial exposure.



Official exchange of the MoU

These initiatives reinforce the Group's structural capital through embedded technical systems and research processes, enhance human capital through specialised scientific expertise, and strengthen relational capital through collaboration with academic institutions and industry stakeholders.

The Group's Home Care sector continues to demonstrate this innovation-driven approach through its portfolio of home-grown brands. This is exemplified by the launch of Bio Clean, a biodegradable toilet bowl cleaner developed in collaboration with the University of Colombo, The portfolio further includes All Out (revamped as Bubble All Out), a biodegradable liquid laundry detergent; Softny, a biodegradable fabric conditioner; and Teepol, a biodegradable dishwashing solution, each reflecting the Group's commitment to sustainable product development and environmentally responsible solutions.

Building on this foundation, the division subsequently introduced the Bio Clean Toilet Seat Cleaner, an eco-friendly disinfecting solution designed to enhance hygiene while minimising environmental impact.

Intellectual Capital

The continuous focus on research and development at Sterling Steels (Private) Limited, has been a key enabler of its product leadership in the premium steel segment and has positioned the Company as the only supplier in the country certified by the Green Building Council of Sri Lanka. This certification, earned for product durability, the use of a lead-free paint system, and solar reflector technology, reflects the Company's sustained investment in R&D and its commitment to developing environmentally responsible products. These innovations provide a clear competitive advantage while aligning the Company's operations with the sustainability expectations of its stakeholders.

Tacit Knowledge, Systems and Processes

With a history spanning over 148 years, the accumulated tacit knowledge of the Group represents a vital component of the Group's Intellectual Capital. This knowledge, embedded in its people, systems, and organisational processes, supports the manufacture, marketing, and distribution of the Group's diverse product portfolio. It encompasses organisational know-how, brand reputation, operational systems, and quality certifications that collectively enable efficient operations and sustained value creation. The experience-based insights of management, sales teams, and technical personnel enhance decision-making and strengthen the Group's ability to manage complex supply chains, regulatory requirements, and evolving market conditions. Such tacit knowledge also supports long-term product differentiation and represents a capability that is inherently difficult for competitors to replicate.

Within the Wellness and Nutrition segment, a portfolio of globally recognised brands such as Johnson & Johnson and Cow & Gate play a pivotal role in driving value creation and enhancing market competitiveness. These globally recognised products are trusted for their safety, efficacy, and adherence to international healthcare standards, providing confidence to healthcare professionals and patients alike. During the year, the segment further strengthened its offering with the launch of Rontamil and Rontameal, adult nutritional supplements imported from the Netherlands.

The Group's market-leading brands, such as Ninja, Amritha and BIC, continue to hold strong leadership positions within their respective categories. This sustained success is underpinned by the Group's deep reservoir of tacit knowledge, which has played a critical role in maintaining its competitive advantage and market leadership over time.

Tacit knowledge and process expertise are evident across the Group's facilities. Notably, in the Group's steel manufacturing operations at Lanka Special Steels Limited, process and product-related know-how accumulated over the years has enabled the Company to meet the stringent quality and performance standards required by its diverse global customer base, including users in Sri Lanka, the United States, Canada, Japan, and India. The manufacturing process, ranging from wire drawing and galvanising to downstream product fabrication involves a sophisticated array of temperature controls, speed settings, and technical parameters. Mastery of these processes requires specialised expertise and intuitive operational knowledge developed by engineers, process controllers, and technicians over time.

Continuous learning and process refinement have significantly enhanced manufacturing performance at Lanka Special Steels Limited. As operational expertise has matured, the Company has achieved notable reductions in quality challenges and production rejections experienced in earlier years, demonstrating the value of accumulated technical knowledge and process mastery.

In the Wellness and Nutrition segment, ethical governance is further reinforced through strict adherence to the healthcare compliance and business integrity guidelines issued by our principals. Compliance with these standards is regularly assessed through periodic audits conducted by the principal, ensuring that the Group's operations remain aligned with internationally recognised best practices in healthcare compliance and ethical conduct.

In addition, in our manufacturing facilities across the segments, advanced process technology and integrated enterprise systems, including SAP-based manufacturing management platforms, strengthen operational efficiency and enable the effective utilisation of the Group's accumulated intellectual capital.

Accreditations and other Commitments to External Standards

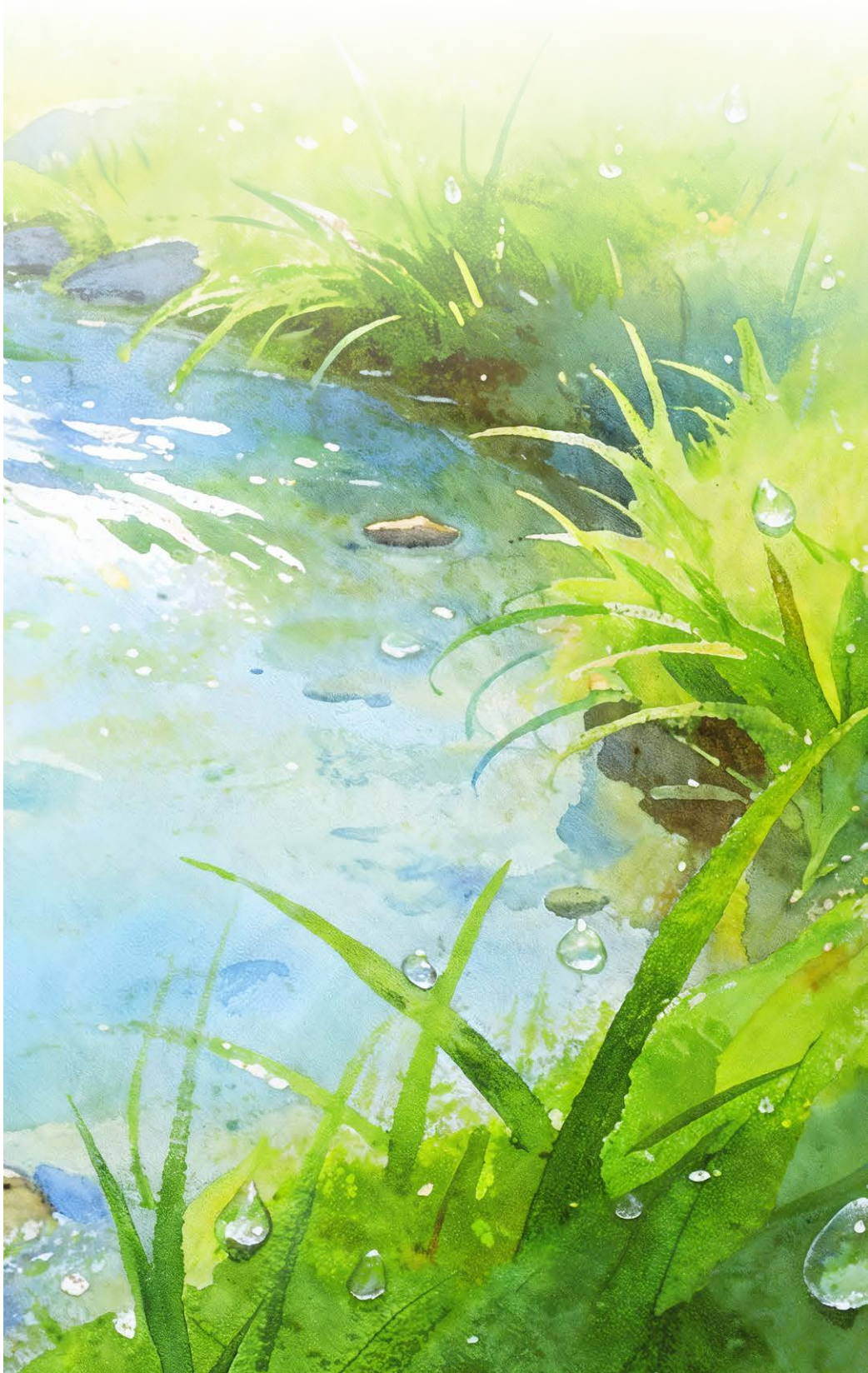
The Group's commitment to quality in its products, processes, and systems has long been embedded in its organisational culture and values. This commitment led the Group to pursue several certifications and accreditations well before they became mandatory. These include product certifications, regulatory compliance standards, and environmental and quality certifications across its manufacturing facilities. Such accreditations strengthen brand credibility, enhance market access, reduce regulatory risk, and reinforce stakeholder confidence in the Group's operations.

Accreditations & Standards

- ISO 9001:2015 - Quality Management System,
- ISO 14001:2015 - Environmental Management System
- ISO 45001:2018 - Occupational Health and Safety Management System
- ISO 50001:2018 - Energy Management System
- ISO 14064-1:2018 - Carbon Footprint Verification
- Maintaining Carbon Neutral status at Millewa BIC and Denta manufacturing plant, since 2017
- Lanka Special Steel is the pioneer in SLS 31 barbed wire manufacturing and is the only one to be SLS 139 certified for GI wires
- Compliance with the World Health Organisation's Good Storage Practices continued to reinforce our regulatory knowledge and ethical governance framework
- Healthcare stores received Good Distribution Practice (GDP) certification from the National Medicinal Regulatory Authority

Looking ahead, the Group will continue to strengthen its distribution network, recognising it as a key driver of market reach and competitive advantage. Accordingly, the recruitment, training, and development of sales and marketing personnel will remain a high priority to ensure the effective execution of the Group's route-to-market strategies and to further enhance customer engagement across its distribution channels.

While pursuing sustainable growth in both revenue and profitability, the Group expects the Consumer and Industrial segments to remain as key growth drivers in the period ahead. In line with this strategic focus, the Group will increase brand-building and market communication initiatives to strengthen brand visibility, expand market share, and support the continued growth of these priority segments.



Social & Relationship Capital

Just as a river is strengthened by the tributaries that flow into it and the connections it forms along its journey, the Group's Social Capital is built on the strength of its relationships with customers, suppliers, business partners, and communities. These connections are vital to sustaining the flow of our operations, enabling collaboration, trust, and shared value creation across our diverse business portfolio. By fostering long-standing partnerships and maintaining responsible stakeholder engagement, we continue to build a resilient network that supports sustainable growth and long-term progress.



Customer Relationships

Wider Community

Value Chain Partners

The Group's Social Capital comprises its customers, suppliers, principals, and the wider community, all of whom play a critical role in the Group's ability to create and sustain value over time. The Group's history, spanning more than 148 years, reflects the enduring trust and strong relationships it has built with its stakeholders. These long-standing connections continue to underpin its reputation, support business resilience, and enable the Group to operate effectively within the markets and communities it serves.

During 2025, the Group's management of Social Capital was influenced by evolving external conditions and stakeholder expectations. With the gradual normalisation of the economy following the economic crisis in 2022, customer preferences shifted towards greater value consciousness, necessitating an increased focus on affordable product formats, including value packs, and sustained promotional activity, particularly within modern trade channels, to support accessibility and retention.

Competitive intensity remained high across key segments, notably in Personal Care and Home Care sectors, where the Group continued to compete with multinational and established local brands. In response, targeted pricing strategies, consumer promotions, and brand positioning initiatives were undertaken to protect market share and sustain customer loyalty.

At the same time, the Group navigated ongoing supply chain complexities, cost pressures, and the need for strengthened engagement with suppliers and business partners. These factors required enhanced coordination and responsiveness to ensure product availability, maintain service levels, and support mutually beneficial, long-term relationships across the value chain.

The Group also remained committed to preserving stakeholder trust through responsible community engagement and transparent business practices. In doing so, it continued to proactively manage regulatory requirements, particularly in relation to healthcare products governed by the National Medicines Regulatory Authority (NMRA), while upholding applicable ethical standards and industry best practices. This disciplined approach supported the safeguarding of the Group's reputation and its social license to operate, reinforcing confidence among customers, regulators, and the wider community.

CUSTOMERS

As a diversified conglomerate engaged in the manufacture and distribution of Fast Moving Consumer Goods (FMCG), as well as industrial and healthcare products, a diverse and evolving customer base lies at the core of the Group's value creation.

Serving a wide spectrum of consumers, businesses, and institutions, the Group is committed to understanding and anticipating customer needs, delivering quality, reliability, and innovation across all its offerings. Strong customer relationships, built on trust, consistency, and long-term engagement, enable the Group to enhance satisfaction, foster loyalty, and create sustainable value for all stakeholders. The enduring partnerships with many international brands, some spanning over several decades and consistently leading the market in Sri Lanka, stand as testimony to the strength of these relationships.

The Group's approach to value creation for customers focuses on meeting evolving needs while delivering consistent, high-quality experiences. Key strategic focus areas include:

- Brand Building Initiatives – Strengthening brand equity through targeted marketing campaigns, sponsorships, and promotional activities that enhance recognition and trust.
- Continuous Improvement in product quality and service delivery, ensuring reliability, consistency, and an enhanced customer experience across all touchpoints.
- Affordability – Offering value-oriented product formats and competitive pricing strategies to make products accessible to a wider customer base.
- Digitalisation – Leveraging digital platforms and tools to engage customers, gather insights, and streamline service delivery.
- Investment in Innovation – Developing new products and solutions that respond to emerging consumer preferences and market trends.
- Active customer feedback and engagement mechanisms
- Establishing structured channels to capture customer insights, monitor satisfaction, and adapt offerings in response to changing expectations.

Through these initiatives, the Group reinforces customer loyalty, strengthens market presence, and contributes to sustainable long-term value creation, demonstrating how customer-centric strategies underpin both operational success and social capital development. During the year, the Group enhanced value creation for customers through several initiatives.

Broadening the Product Portfolio through Innovation

- Introduced 27 new products and variants.

Enhanced Affordability through Local Assembly

- The Group improved the pricing of its LED lighting products by introducing local assembly of LED fittings, which were previously imported as finished products. This initiative reduced costs for customers while supporting local operations and operational efficiency.

Improved Product Availability and Distribution

- Product accessibility was strengthened through enhanced distribution and supply chain efficiencies, complemented by the introduction of two new distribution channels during the year. These measures ensured consistent product availability, better service to customers, and expanded market reach.

27
New products and variants



Social & Relationship Capital

Customer Engagement

The Group's diverse business segments maintain customer engagement through a range of tailored approaches. These include regular marketing communications, targeted promotional campaigns, brand building initiatives, digital and social media initiatives, customer loyalty programmes, and direct feedback mechanisms. By combining consistent outreach with interactive engagement channels, the Group ensures that customer needs, preferences, and expectations are continuously understood and addressed, strengthening relationships and supporting long-term value creation.

- Wherever feasible, the Group prioritises customer engagement whilst also leveraging broader outreach strategies to connect with customer network across the island.
- During the year, the Group expanded and strengthened its distribution network, enhancing its ability to capture real-time market intelligence and customer feedback. This enabled more responsive decision-making, improved demand planning, and elevated levels of customer service.
- The Group maintains a general hotline and customer concerns are promptly directed to the relevant brand managers, ensuring timely corrective action and a seamless customer experience.
- Customer feedback is actively encouraged and systematically collected to drive continuous improvement and product development. The Group's feedback mechanisms includes regular documentation and analysis of customer responses. This structured approach enables the Group to refine its product offerings, enhance service quality, and better meet evolving customer needs, reinforcing trust, loyalty, and long-term value creation.
- Facilitating knowledge sharing with key stakeholders, including customers, distributors, and suppliers. Through structured engagement, product insights, market intelligence, and best practices are disseminated, enhancing service delivery, operational efficiency, and informed decision-making across the value chain.

Brand Building Initiatives During the Year

The Group also placed emphasis on strengthening customer engagement through targeted marketing initiatives, including campaigns such as Denta Ran Sina, Sunny Washing Machine Bonanza, and the sponsorship of the Miss Sri Lanka pageant. These efforts, supported by an increased focus on digital channels and in-market promotional activities, enabled deeper insights into evolving consumer needs and preferences.

Supporting the transition to refill packs, the Group's FMCG distribution arm, Darley Butler & Company Limited, launched the "We Must Change" campaign to encourage consumers to reuse bottles and adopt refill-based purchasing for household brands such as Teepol, Bio Clean, Softny and All Out (revamped as Bubble All Out).



Newest additions to the refill pack range

Sterling Steels (Private) Limited was the "Official Roofing partner" for "Construct 2025", the flagship construction industry exhibition organised by the National Construction Association of Sri Lanka. The exhibition took place from 15–17 August 2025 at the BMICH, Colombo.



Denta Ran Sina

Denta conducted a consumer trade promotion giving away 122 gold coins for the prize winners



Sunny Washing Machine Bonanza

Under this promotional campaign, 100 lucky winners were awarded brand-new washing machines.



Title Sponsor-Miss Sri Lanka 2025
BIC Twin Lady was the title sponsor for the Miss World Sri Lanka 2025. Twin Lady also sponsored mini pageants, Shining Start and Miss Popular.



Co-Sponsor-Miss World Sri Lanka 2025
Denta was recognised as the co-sponsor for Miss World Sri Lanka, awarding titles for the Most Beautiful Smile.



Amritha - Vesak Bethi Gee Event Sponsorship
Amritha sponsored and facilitated media coverage for the Vesak Bethi Gee event organised by the Prime Minister's Office in partnership with the Sri Lanka Broadcasting Corporation (SLBC) and City FM.



Bubble Dharani "Lakshapathi Vasana"
In collaboration with Dharani, Sri Lanka's premier women's and lifestyle media brand, Bubble conducted the third round of prize money giveaways for winners of the "Dharani Lakshapathi Vasana" campaign.



PRINCIPALS & SUPPLIERS

As a long-standing importer and distributor of internationally reputed brands, the Group's relationships with its principals represent a critical component of its Social Capital and a key driver of value creation. These partnerships, built on trust, shared values, and consistent performance, have enabled the Group to sustain mutually beneficial relationships and deliver high-quality products to the market. The longevity of these associations reflects the Group's commitment to ethical business practices, reliability, and stewardship of global brands within the Sri Lankan market.

A notable example is the Group's representation of BIC, a globally recognised French brand, which would reach its 50th year in Sri Lanka, next year. This relationship stands as one of the longest-standing distributor partnership within BIC's global network, underscoring the strength of the trust and confidence established over time. Such collaboration have also enabled the Group to deepen its value contribution, including securing approval to commence local value addition in 1993 through the manufacture of components for BIC shavers.

Some of EBC Group's longest Supplier Relationships

Supplier Name	Brand	Source Country	Duration of Relationship (Years)
Société Bic S.A.	BIC	France	49
Lesaffre Group	LESSAFRE	France	35
Nobel Hygiene (Private) Limited. (India)	FRIENDS	India	8
Danone S.A.	Cow & Gate	UK	50+
Cadbury Schweppes	Hacks	UK	61
Puratos Group	Puratos	Belgium	4
Johnson & Johnson Innovative Medicines	Johnson & Johnson	USA	51

The Group sustains and strengthens its relationships with principals through a structured and collaborative engagement approach. This includes mutual knowledge-sharing programmes and regular supplier audits, which support alignment with global standards, quality assurance, and continuous improvement.

Social & Relationship Capital

In addition, these relationships are reinforced through ongoing strategic dialogue, joint business planning, and performance reviews, enabling both parties to respond effectively to market dynamics and emerging opportunities. Technical training programmes, product development support, and the sharing of market intelligence further enhance capabilities and ensure the effective positioning of principal brands within the local market.

The Group also maintains consistent communication and transparent reporting practices, fostering trust and accountability. Compliance with principals' operational, ethical, and quality standards is prioritised, while investments in infrastructure and processes ensure adherence to global best practices.

Through these integrated efforts, the Group strengthens long-term partnerships, enhances operational efficiency, and delivers sustained value to both principals and end customers.

Our Win-Win Strategic Partnerships for Research, Innovation, and Value Creation

The Group's network of partnerships extends beyond its immediate value chain to include academic institutions, professional bodies, government entities, and research organisations. These collaborations reflect the priority placed on research and development (R&D), innovation, and knowledge sharing, enabling the Group to build mutually beneficial relationships that support long-term value creation.

During the year, Sterling Steels (Private) Limited entered into a formal strategic collaboration with the University of Moratuwa, Department of Civil Engineering, through the signing of a Memorandum of Understanding (MoU). This partnership is aimed at strengthening academic and industry-driven research within Sri Lanka's steel building construction sector, underscoring a shared commitment to innovation, knowledge exchange, and the practical application of research to address real-world challenges.

Under the MoU, the University leads applied research initiatives, while Sterling Steels (Private) Limited contributes technical expertise, industry insights, and access to facilities and materials to support research, testing, and industrial exposure.

Further, Bio Clean Toilet Bowl Cleaner was initially developed in collaboration with the University of Colombo, where its early research and formulation took place. The product was later refined and further developed by the Group to enhance its effectiveness and performance.

COMMUNITY

The Group's approach to community upliftment is guided by three key pillars: creating opportunities for shared growth, promoting environmentally responsible business practices, and undertaking structured corporate social responsibility (CSR) initiatives. These pillars reflect the Group's commitment to inclusive and sustainable value creation across the communities in which it operates.

Leveraging its operational footprint, the Group's manufacturing and warehousing facilities work closely with the communities in their respective localities, engaging in a range of initiatives aimed at uplifting livelihoods and strengthening social well-being. In addition to generating direct and indirect employment, these interactions support local economic participation, skills development, and capacity building.

Through environmentally responsible practices, the Group seeks to minimise its ecological footprint while raising awareness and encouraging sustainable behaviours within surrounding communities. Complementing this, targeted CSR initiatives focus on addressing priority social needs, fostering long-term community development, and strengthening stakeholder relationships.

Collectively, these efforts contribute to resilient communities, enhanced social capital, and the creation of shared value for both the Group and society at large.

BIC - Community Development Initiative: Supporting Education and Sports

As part of its ongoing commitment to community development and social responsibility, the Group's Personal Care sector , undertook a targeted initiative to support Udawala Secondary School, a rural school located in Mandaram Nuwara. The Group contributed to the improvement of the school playground, and donated sports equipment.



BIC - Supporting Higher Education Continuity

In addition to supporting rural schools, the Group extended its assistance to the University of Peradeniya following the recent flood related disruptions. The contribution enabled the provision of essential learning equipment, enabling the continuation of academic activities with minimal interruption. This initiative underscores the Group's continued commitment to supporting national educational institutions and strengthening community resilience through targeted social investments.



Brand-Integrated CSR-Bio Clean Initiative
During the year, the Group, in collaboration with Sri Lanka Railways and the Central Environmental Authority, continued the **"Bio Clean Haritha Dumriya Project"**, which was initiated in the previous year under the Bio Clean brand.



Through this ongoing initiative, the Group supports the upkeep of cleaner and more hygienic public facilities across selected railway stations, reinforcing environmentally responsible practices within public transport infrastructure.

The project reflects a shared value approach, enhancing community well-being while strengthening brand visibility through on-site presence and engagement. By aligning CSR initiatives with core brand activities, the Group extends its social impact while reinforcing product relevance and consumer awareness.

Other CSR initiatives during the year:

Sunny - "Diyani" Awareness Programme
Sunny sponsored "Diyani," a series of awareness programmes conducted in collaboration with the Sri Lanka Police and Sri Lanka Broadcasting Corporation(SLBC), focusing on women's empowerment and safety.



"Hadata Hadak" Humanitarian Initiative
The Group continued its humanitarian efforts through "Hadata Hadak," supporting communities affected by Cyclone Ditwah.



Bubble - Knowledge Challenge Competition Sponsorship
Bubble sponsored the "Pehesara Denuma Minuma" quiz competition, conducted in commemoration of C.W.W. Kannangara.



Amritha Dambadiva Vandana
Amritha sponsored the Dambadiva Vandana pilgrimage tour in partnership with Derana FM.



BIC Breast Cancer Awareness Campaign
BIC Twin Lady launched a targeted social media campaign to raise awareness of breast cancer among women. In addition, the brand partnered with Lanka Hospitals to offer discounted cancer screening services, reinforcing its commitment to women's health and well-being.



Looking forward, the Group will continue to focus on innovation and product development to meet evolving consumer needs while enhancing value for both existing and potential customers.
The channels of engagement and communication will also continue to be Group's priority. Integrating environmental sustainability into products, while promoting eco-friendly everyday consumption, will remain a key driver of Group's value proposition.

The Wellness and Nutrition segment will expand its portfolio of principals in the coming year.

Improving the operational efficiency of distribution channels will remain a continuous priority, enabling the Group to enhance product availability and extend Group's reach to a more diverse customer base.

Natural Capital

Just as the continuous flow of a river depends on the balance of the surrounding landscape and climate, while also nourishing everything it touches along its course,the Group's approach to Natural Capital is guided by the same philosophy. We recognise that sustainable business growth must go hand in hand with the protection, conservation, and responsible stewardship of natural resources. Through mindful environmental practices and long-term sustainability initiatives, we remain committed to preserving the ecosystems that support our operations, communities, and future growth.

111,839 (tco_2e)
GHG Emission

200,211 GJ
Total Energy Consumption

3,175 MWh
Total Units of Solar Generation

81,018 M^3
Total Water Withdrawn

As a diversified conglomerate engaged in the manufacture and assembly of products, as well as the distribution of internationally recognised brands, the Group approaches environmental sustainability through a balanced and forward-thinking strategy. The Group continuously strives to minimise the environmental footprint of its manufacturing operations as well as the products and packaging, it manufactures and distributes.

Through ongoing operational improvements, the Group focuses on enhancing resource efficiency, reducing emissions and energy consumption, and adopting environmentally responsible manufacturing processes. At the same time, sustainability integrated innovation in product design and packaging plays a key role in advancing sustainable outcomes across its distribution portfolio.

The Group's Research and Development (R&D) function plays an invaluable role in this journey, driving initiatives that reduce the carbon footprint of products and packaging while identifying opportunities for environmentally responsible alternatives. These efforts reflect the Group's commitment to safeguarding natural resources while supporting sustainable business growth.

The Group's Environmental, Social and Governance (ESG) Policy provides the framework that guides its environmental sustainability strategy. In alignment with this policy, the Group focuses on four key priority areas: materials and waste management, energy and emissions, water and effluents, and compliance with environmental legislation.



Furthermore, across the Group, sustainability governance is reinforced through certified management systems including ISO 14001:2015 (Environment Management System), ISO 50001:2018 (EnMS) (Energy Management), ISO 45001:2018 (OHS), and 14064-1:2018 Greenhouse Gas (GHG) verification, whilst the Personal Care plant in Millewa has maintained carbon neutral status since 2017, supporting continuous improvement.

Materials & Waste

The Group adopts a three-pronged approach to the conservation and efficient use of materials. Firstly, by carefully managing material consumption and striving for optimal utilisation across operations. Secondly, by reducing waste and rejects through continuous process improvements and product innovation. Thirdly, by exploring the use of alternative materials that help lower the overall carbon footprint of products and operations.

The integration of lean management practices by the Group further supports these efforts on a continuous basis, by driving efficiency and minimising the waste of resources, whether in the form of materials, energy, or human capital.

Optimising Material use: Achievements During the Year

During the year, the Group implemented several initiatives to improve material efficiency, reduce waste generation, and support circular economy principles across operations and product design. They include the following.

- The Personal Care Millewa facility enhanced packaging sustainability by eliminating Polythene Terephthalate (PET) plates from imported razor packs and increasing carton capacity, reducing packaging intensity and transport emissions, while also avoiding approximately 7.8 metric tonnes of virgin cardboard through the internal reuse of imported BIC head cardboard boxes, contributing to lower resource use and emissions. The Personal Care sector further advanced sustainability through product innovation and consumer engagement initiatives, achieving a 16.3% reduction in plastic usage in the Denta Teen toothbrush by redesigning the handle, while also promoting responsible disposal practices through used toothbrush and razor collection programmes, supported by collection bins placed at selected universities.

- The Home Care sector advanced sustainability by developing biodegradable product formulations to reduce environmental impact at the product level, while introducing refill packs in place of plastic bottles, collectively reducing plastic usage by approximately 70% and significantly lowering the plastic footprint of primary packaging.

- At Sterling Steels (Private) Limited and Lanka Special Steels Limited, automation of production processes improved raw material utilisation and reduced scrap generation. Metal scrap, plastics, and polythene waste are also directed to authorised recyclers to support material recovery.

- The installation of energy-efficient machinery, including servo-controlled molding systems, improved tufting and finishing equipment, and upgraded shrink tunnels, helped reduce plastic runner waste during production.



Energy-efficient Purlin manufacturing machinery installed at Sterling Steels (Private) Limited

- Roofing sheet products were designed with durability and recyclability in mind, supporting longer product life cycles and circular economy principles.

- At Laxapana PLC, improved Light Emitting Diode (LED) driver designs replaced electrolytic capacitor-based drivers with integrated circuit-based onboard drivers, enhancing product durability and reducing potential electronic waste.

Waste Reduction and Responsible Disposal

- During the year, the Home Care sector partnered with INSEE Ecocycle (Private) Limited to implement a comprehensive waste management solution, reinforcing its commitment to responsible waste management. Through this partnership, thermal destruction is now handled externally, enabling the phase-out of the factory's on-site incinerator, directly contributing to reduced local emissions and supporting progress towards GHG emissions targets. This transition not only strengthens overall waste reduction efforts but also supports more sustainable and compliant waste management practices, marking a meaningful step towards in environmental performance. Furthermore, Darley Butler & Company Limited obtained the License for Scheduled Waste Management (Generator Category) from the Central Environmental Authority (CEA) for its warehouse premises, to ensure proper regulatory management of agro chemicals.

- Several other ongoing initiatives also contribute to waste reduction and responsible disposal practices. One such initiative is the operation of a continuous closed-loop system in which damaged plastic bottles generated during production are collected, recycled, and reused in the manufacture of new bottles. This process helps reduce production waste while minimising the reliance on virgin plastic materials, supporting more efficient resource utilisation.

Natural Capital

- During the year, the Group's Personal Care sector launched a pilot initiative to collect used toothbrushes and razors in collaboration with the Faculty of Technology at the University of Sri Jayewardenepura (USJP). Dedicated collection bins were introduced to encourage responsible disposal, and the collected items were subsequently handed over to authorised recyclers for environmentally responsible processing.



Collection bins set up at USJP

Group Launches Refill Pouches Promoting More Sustainable Choices

During the year, the Group introduced refill pouches, enabling consumers to reuse existing bottles and reduce reliance on rigid plastic packaging. Several Home Care brands, including All Out (revamped as Bubble All Out), Softny, Bio Clean and Teepol, are now available in refill pouches.



Newest additions to the refill pack range

Internal packaging analysis indicates that this transition has avoided approximately 19.3 metric tonnes of plastic, representing approximately 70% reduction compared with the equivalent volume packaged in conventional bottles. The reduction in plastic production is also estimated to prevent approximately 0.09 tCO_2e of GHG emissions. Beyond climate benefits, reducing the volume of plastic placed on the market helps lower the risk of plastic leakage into the environment and the generation of microplastics that can persist in terrestrial and aquatic ecosystems.

Supporting this transition, the Group's Fast Moving Consumer Goods (FMCG) distribution arm, Darley Butler & Company Limited, launched the "We Must Change" campaign to encourage consumers to reuse bottles and adopt refill-based purchasing for household brands such as Teepol, Bio Clean, Softny and All Out (Revamped as Bubble All Out). Introduced across modern and general trade outlets island-wide, the initiative promotes a simple behavioural shift, refill instead of replace, while maintaining product convenience and performance.



Launching of "We Must Change" campaign

Through this initiative, the Group continues to improve resource efficiency and reduce the environmental footprint of its packaging, while supporting consumers in making more sustainable everyday choices.

The development and introduction of Bio Clean, a biodegradable toilet bowl cleaner, All Out (Revamped as Bubble All Out), a biodegradable liquid laundry detergent, Softny, a biodegradable fabric conditioner and Teepol, a biodegradable liquid dish washing product, further reflect the Group's continued focus on sustainable product development with environmental considerations at the forefront.



Our Bio Degradable Toilet Bowl Cleaner, Bio Clean

Energy

The Group's energy management approach focuses on the continuous reduction of energy consumption through investments in energy-efficient technologies and the implementation of operational practices that enhance energy efficiency and reduce the overall carbon footprint. In parallel, the Group is progressively transitioning towards low-carbon energy solutions to meet its operational energy requirements.



Energy efficient high Productivity chain-link fencing machinery installed at Lanka Special Steels (Private Limited)

As part of its transition towards lower-carbon energy sources, the Group has progressively adopted renewable energy solutions across several of its operations. These initiatives contribute to reducing dependence on grid electricity and lowering Scope 2 emissions. These include solar power generation at the Group's head office and other locations listed below.

Renewable Energy Infrastructure Across the Group

Solar Locations	Capacity	Generation (KWh)
EBC Head Office	400 kW	471,460
EBC Millewa plant	300 kW	80,660
EBC Gonawala plant	300 kW	291,742
EBC Ekala plant	200 kW	246,299
Laxapana PLC-Homagama plant	300 kW	377,507
Candy Delights Limited	200 kW	74,748
Lanka Special Steels Limited	500 kW	1,451,177
Ceyflex Rubber Limited	300 kW	181,610



Solar panel installations at head office car park

Energy Efficiency and Optimisation Initiatives

During the year, as part of its ongoing efforts to reduce energy consumption, the Group implemented several initiatives to enhance energy efficiency, optimise energy use, and reduce the carbon footprint across its manufacturing operations.

- To enhance the efficiency of the biomass thermic heater at the Home Care Millewa plant and reduce GHG emissions, several targeted improvements were implemented. Radiator units were upgraded to improve heat transfer efficiency, while automated temperature controllers and sensors were integrated into the thermic heater system to optimise energy usage and minimise thermal losses. Additionally, in the tunnel dryer section, an extra radiator unit was installed to preheat incoming air through energy recovery. Collectively, these initiatives have improved overall thermal efficiency and proportionally reduced GHG emissions, contributing to more sustainable and energy-efficient operations at the plant.
- Implementation of energy sub-metering and Energy Management Systems (EnMS) at the Personal Care manufacturing facility enabled real-time monitoring, anomaly detection, and verification of energy savings. In addition, electricity sub-meters were installed at the Home Care manufacturing facilities, allowing detailed tracking of consumption at departmental and process levels. This improved visibility of high-usage equipment, enhanced energy management, and supported data-driven optimisation initiatives.
- Sterling Steels (Private) Limited and Lanka Special Steels Limited installed new automatic energy-efficient machinery and lighting systems, improving operational efficiency.

These initiatives collectively underscore the Group's strong commitment to enhancing energy efficiency, advancing sustainable manufacturing practices, and minimising the environmental footprint of its operations. By systematically integrating these measures across its value chain, the Group not only reduces resource consumption and emissions but also strengthens operational resilience and long-term cost efficiency.

Moreover, these efforts demonstrate a proactive approach to environmental stewardship, aligning business growth with responsible resource management. As the Group continues to build on these foundations, it remains focused on creating lasting value for stakeholders while contributing meaningfully to broader sustainability goals and the preservation of Natural Capital.

Water & Effluents

The Group focuses on responsible water usage and effluents management, by investing in water efficient technologies, reducing water withdrawals, recycling and re-using water and treating wastewater prior to discharging. Initiatives during the year are outlined below.

As part of its ongoing resource management efforts, the Home Care sector installed water sub-meters at key operational points, including the Effluent Treatment Plant (ETP) outlet, to improve monitoring of water consumption and treated effluent discharge. This initiative supports more accurate tracking of water usage, enables the identification of conservation opportunities, and strengthens water and effluent management across the facility during the year. Sterling Steels (Private) Limited initiated a rainwater harvesting project, aimed at capturing and utilising rainwater within the facility. This initiative represents a positive step towards responsible water use and conservation.

Natural Capital

Emissions

The Group measures its GHG emissions across Scope 1, Scope 2, and Scope 3, encompassing the full value chain from direct operations to upstream and downstream activities. This comprehensive emissions inventory serves as the foundation for informed target setting, guiding future reduction initiatives and enabling consistent monitoring of progress over time. The Group implemented advanced emission control measures for its biomass boiler operations to enhance environmental performance. The flue gas treatment system was upgraded with a wet scrubber to effectively remove particulate matter, including dust, ash, and fine particles, while also reducing acidic gas components. High-efficiency water sprinklers were integrated to improve particulate capture and optimise overall scrubbing efficiency. Additionally, the boiler flue gas stack height was increased to promote enhanced atmospheric dispersion, thereby minimising ground-level pollutant concentrations and improving local air quality. Collectively, these structural and process enhancements demonstrate the Group's commitment to technically robust emissions management.

Summary of GHG Emissions

Scope	2025/26 (tCO2e)
Scope 1	5,921
Scope 2	3,784
Scope 3	102,134
Total	**111,839**

Biodiversity and Land Use

BIC and Denta manufacturing facilities have embraced nature-based solutions to harmonise industrial operations with ecological resilience. A purposefully designed pond captures excess rainwater from the facility's rainwater harvesting system, transforming it into a thriving wetland microhabitat that supports diverse wetland flora and fauna. This initiative not only enhances on-site water management but also fosters biodiversity by creating a refuge for aquatic and semi-aquatic species.



Rainwater pond at BIC and Denta facility

Complementing this, the facility maintains a carefully curated herbal garden as an ex-situ conservation space, safeguarding valuable medicinal plant species while promoting awareness of their ecological and cultural significance. Within the operational environment, innovative movable vertical gardens further contribute to greening efforts, optimising limited space to improve air quality and provide additional microhabitats. Together, these initiatives reflect a thoughtful integration of sustainable land use practices, reinforcing the Group's commitment to biodiversity conservation and ecological balance within its industrial footprint.



Herbal garden at BIC and Denta facility

Compliance and Commitment to External Standards

Sterling Steels (Private) Limited's GREENSL® Label Certification

Sterling Steels (Private) Limited, a subsidiary of the Group, has received the GREENSL® Label Certification for its flagship product, STERLING™. This certification recognises the company's efforts to provide environmentally responsible steel solutions.

The GREENSL® Labelling System, an ISO Type I ecolabel, evaluates the environmental performance of building materials across their lifecycle. STERLING™ is the only Zinc-Aluminum roofing product in Sri Lanka to meet these requirements.

This certification reflects the product's efficient use of resources and lower environmental impact. It also supports the Group's approach to align with green building practices and meet the growing demand for sustainable construction materials.

Beyond certifications, the Group's environmental commitment has been further validated through a series of prestigious national recognitions received during the year. These awards cover key areas including cleaner production, green productivity, energy efficiency, and responsible care, reflecting the breadth of the Group's sustainability efforts across its operations, with recognition from multiple independent national bodies affirming that the Group's sustainability approach is acknowledged well beyond its own walls.



Group's BIC and Denta manufacturing facility was honoured with the Gold Flame Award in the Small Scale – Manufacturing Sector category at the Sri Lanka National Energy Efficiency Awards 2025.



The Group's BIC and Denta manufacturing facility was honoured with the Gold Award in the Plastic Sector – Medium Category at the National Cleaner Production Awards 2025.



Group's BIC and Denta manufacturing facility was awarded the Gold Award at the Green Productivity Awards 2024.



Group's BIC and Denta manufacturing facility was honoured with the Platinum Award at the Responsible Care Excellence Awards 2025.



Group's BIC and Denta manufacturing facility was honoured with the Water Stewardship Champion Award 2025.

Summary of environmental certifications held by the Group

Standard /Certification	Time Period	Certified Factories
ISO 14001:2015 (EMS)	Since 2016	Personnel Care Millewa, Home Care Homagama, Home Care Millewa, Sterling Steels (Private) Limited
ISO 50001:2018 (Energy Management)	Since 2022	Personnel Care Millewa
ISO 14064-1:2018 (GHG verification)	Since 2016	Personnel Care Millewa
Carbon Neutral	Since 2017	Personnel Care Millewa

Looking ahead, the Group will continue to enhance the environmental performance of its manufacturing processes, products, and packaging through ongoing research and development and the adoption of new and more sustainable technologies. Transition towards sustainable energy sources will remain a key priority. In this regard, the Group plans to progressively convert diesel-powered dryers to biomass or other lower-carbon energy alternatives where feasible. In addition, the Group will explore opportunities to obtain carbon credits from its solar power installations, further strengthening its climate action initiatives. The Group also intends to introduce ocean strainers to capture plastic waste before it reaches the marine environment, supporting efforts to reduce marine pollution and protect aquatic ecosystems.

Corporate Governance

The E.B. Creasy Group is committed to conducting the business activities ethically and in accordance with high standards of corporate governance.

The approach to corporate governance is guided by ethical culture, accountability, stewardship, independence, continuous improvement, strategy and risk management.

Given below is a demonstration as to how we adhere to good corporate governance practices recommended by the Listing Rules of the Colombo Stock Exchange.

The Board of Directors

Board, Composition and Meetings

The Board comprises of Chairman/ Managing Director, Joint Managing Director and six other Directors of whom three are Independent Non-Executive Directors, who possess expertise in the fields of finance, management and marketing.

Names of Directors

- Mr. S. D. R. Arudpragasam (Chairman/ Managing Director) – Executive
- Mr. S. Rajaratnam (Joint Managing Director) – Executive
- Mr. R. C. A. Welikala - Executive
- Mr. S. W. Gunawardena - Executive
- Mr. P. Y. S. Perera (Senior Independent Director) - Independent Non-Executive
- Mr. K. G. Punchihewa - Independent Non-Executive
- Mr. S. B. Perera - Independent Non-Executive
- Mr. A. D. T. Mendis - Executive (Appointed with effect from 01.08.2025)

Mr. A. D. T. Mendis was appointed to the Board as an Executive Director with effect from 01.08.2025.

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 five occasions during the year under review. The individual attendance by members at the Board meetings is shown below:

Name of the Director	Attendance
Mr. S. D. R. Arudpragasam	5/5
Mr. S. Rajaratnam	5/5
Mr. R. C. A. Welikala	4/5
Mr. S. W. Gunawardena	5/5
Mr. P. Y. S. Perera	5/5
Mr. K. G. Punchihewa	5/5
Mr. S. B. Perera	5/5
Mr. A. D. T. Mendis *(Appointed with effect from 01.08.2025)*	3/3

In addition to Board meetings, matters are referred to the Board and decided by resolutions in writing.

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

Responsibilities of the Board

- Determining the strategic direction of the Company and also setting the corporate values.
- Implementation and review of business strategy.
- Ensuring of an effective internal control system and a proactive risk management system.
- Ensuring compliance with ethical, legal, health, environment and safety standards.
- Approval of Interim and Annual Financial Statements for publication.
- Ensuring succession arrangements of the Board and top management.
- Approval of budgets, corporate plans, major capital investments, divestments and acquisitions.
- Ensure all stakeholder interests are considered in corporate decisions.
- Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and compliance with financial regulation.
- Approval of any issue of equity and debt securities of the Company.
- Ensuring compliance with the Company policies.

Company Secretaries and Independent Professional Advice

The Company and all the Directors may seek advice from Corporate Managers & Secretaries (Private) Limited (CMSL) who are qualified to act as Secretaries as per the provisions of the Companies Act No. 07 of 2007. CMSL assists the Board in ensuring that Board procedures

are followed and that relevant rules and regulations are complied with. The Board in discharging its duties seeks independent professional advice from external parties when necessary.

Independent Judgement

The Board is committed to exhibiting high standards of integrity and independence of judgement. Each Director dedicates the time and effort necessary to carry out his responsibilities.

Financial Acumen

The Board comprises of six finance professionals who possess the knowledge and the competence to offer the Board the necessary guidance on matters relating to finance.

Board Balance

The Board comprises of three Independent Non-Executive Directors and five Executive Directors.

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

Mr. P.Y.S. Perera, Mr. K.G. Punchihewa and Mr. S.B. Perera, Independent Non-Executive Directors meet the criteria for defining independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

Fit & Proper Assessment

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

Chairman's Role

The Chairman is an Executive Director and is responsible for steering the Board to preserve order and to facilitate the effective discharge of Board functions. He conducts Board proceedings in a manner which always ensures the following:

- The effective participation of Directors.
- Effective contribution from Directors within their respective capabilities, for the benefit of the Company.
- Ascertainment of the views of Directors on issues under consideration.

The Board is in complete control of the Company's affairs and is alert to its obligation to all shareholders and other stakeholders.

Senior Independent Director

In view of the strategic direction of the E.B. Creasy Group of Companies and the pivotal role played by the Chairman/ Managing Director 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 current Chairman/Managing Director to continue in the role guiding the E.B. Creasy Group in reaching its organisational goals in the future.

Accordingly, in compliance with CSE Listing Rule 9.6.3, the Board of E.B. Creasy & Company PLC has appointed Mr. P.Y.S. Perera as the Senior Independent Director with effect from 1st January 2025.

Mr. P.Y.S. Perera is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and a Fellow Member of the Chartered Institute of Management Accountants, UK, and counts over 40 years of experience in audits of conglomerates and listed companies with diversified business interests. He served as a Partner at KPMG Sri Lanka and Maldives for 33 years, served as the President of CA Sri Lanka during the years 2006 and 2007, and is a former Chairman of the Sri Lanka Auditing Standards Committee.

The Senior Independent Director's report appears on page 124 of this Annual Report.

Supply of Information

Directors are furnished with monthly reports on performance comprising of Financial Statements and such other reports and documents as are necessary.

Apart from Board meetings, the Key Management Personnel meet regularly to monitor the performance of the varied business segments, and to review the progress towards achieving the budgets. Prompt corrective action is being taken after discussing the operational issues.

At Board meetings, the Directors are informed of important decisions taken at the aforementioned meetings in relation to routine operational matters for a final decision. Other matters of relevance to the industries in which the Company operates are also conveyed to the Board.

Nominations & Governance Committee/ Appointments to the Board

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

The Board as a whole annually assesses the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such

Corporate Governance

assessments are taken into account when new Board appointments are considered and when incumbent Directors come up for re-election.

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

The report of the Nominations and Governance Committee is set out on pages 119 to 121.

Re-Election and Reappointment of Directors

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

The Nominations & Governance Committee of the Company has duly recommended to the Board the re-election and reappointment of the Directors at the forthcoming Annual General Meeting and the Board of Directors has duly approved the said re-election and reappointment of the Directors. Further, it is recorded that Mr. K.G. Punchihewa, member of the Committee, refrained from participating in the decision relating to his own re-election.

Directors' Remuneration

Remuneration Committee

The Remuneration Committee Report is set out on page 118.

Disclosure of Remuneration

Aggregate remuneration paid to the key management personnel is disclosed in Note 30(e) to the Financial Statements on pages 207 to 208.

Relations with Shareholders Constructive Use of AGM/General Meetings

The Board considers the Annual General Meeting/General Meetings an opportunity to communicate with shareholders and encourages their participation. The Board offers clarification and responds to concerns shareholders have over the contents of the Annual Report as well as other matters which are relevant to the Company.

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

Others

The Company's principal communicator with all its stakeholders are its Annual Report and Quarterly Financial Statements. The Company also maintains a website (www.ebcreasy.com) which offers any individual or a corporate body, information on the Company and its activities.

Major Transactions

There have been no transactions during the year under review which fall within the definition of "Major Transactions" as set out in the Companies Act.

Price Sensitive Information

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

Accountability and Audit

Financial Reporting

The Board places emphasis on complete disclosure of financial and non-financial information within the bounds of commercial reality. This enables both existing and prospective shareholders to make fair assessment on the Company's performance and future prospects.

The Board undertakes the responsibility for the preparation and presentation of financial statements and ensures that they are prepared and presented in accordance with the Sri Lanka Accounting Standards adopted by The Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

The Board values the timely publication of annual and quarterly results and other price-sensitive information enabling shareholders to make effective economic decisions and strives to take all possible steps to comply with the statutory requirements and procedures laid down by the Colombo Stock Exchange and the Securities and Exchange Commission with regard to those publications.

The Annual Report of the Board of Directors presents a balanced and understandable assessment of the Company's financial position, performance and future prospects.

Disclosures

The Annual Report of the Board of Directors is given on pages 112 to 114 in this Report. The Auditor's Report on the Financial Statements is given on pages 127 to 130 of this Annual Report. Financial information of business segments are given on pages 208 to 209.

Going Concern

The Directors are of the belief that the Company is capable of operating in the foreseeable future after adequate assessment of the Company's financial position and resources. Therefore, the going concern principle has been adopted in the preparation of Financial Statements.

Compliance with Legal Requirements

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

Internal Control

The Board of Directors takes overall responsibility for the Company's system of internal controls and for reviewing its

effectiveness. The system is designed to safeguard assets against unauthorised use or disposal and to ensure that proper records are maintained. It includes all controls including financial, operational and compliance controls and risk management.

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

The Board of Directors has ensured that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes which have been carried out in accordance with Sri Lanka Accounting Standards and regulatory requir ements. A Statement on Directors' Responsibilities for Financial Reporting is given on page 125.

Audit Committee

The Audit Committee Report is set out on pages 115 to 117 of this Report.

Related-Party Transactions Review Committee

The Related-Party Transactions are disclosed in Note 30 to the Financial Statements.

The Report of the Related-Party Transactions Review Committee appears on pages 122 to 123.

Others

Rights of Employees/Other Stakeholders

The Company identifies the rights of employees. Several employee performance enhancing mechanisms such as training initiatives are in place for the career building of the employees.

The constant responsiveness to all stakeholders' interests will ensure that the governance process will continue to add value in the future.

Compliance Status with the Colombo Stock Exchange Listing Rules on Corporate Governance

The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 96 to 108.

Company Policies

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

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

These policies are publicly accessible on the Company's website at www.ebcreasy.com ensuring transparency and adherence to best practices in corporate governance.

No changes have been made to these Policies during the period under review.

Directors' Other Directorships

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

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

Corporate Governance

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Rajaratnam		Mr. R.C.A. Welikala		Mr. S.W. Gunawardena		Mr. A.D.T. Mendis		Mr. P.Y.S. Perera		Mr. K.G. Punchihewa		Mr. S.B. Perera	
The Colombo Fort Land and Building PLC*	√	C/NE	√	NE									√	INE	√	INE
E.B. Creasy & Company PLC*	√	C/ MD/ EX	√	JMD/ EX	√	EX	√	EX	√	EX	√	SID	√	INE	√	INE
Laxapana PLC*	√	C/NE	√	NE	√	NE	√	NE	√	NE	√	INE	√	INE	√	INE
Muller & Phipps (Ceylon) PLC*	√	C/NE	√	NE	√	NE	√	NE	√	NE	√	INE	√	INE	√	INE
C M Holdings PLC*	√	C/NE	√	NE												
York Arcade Holdings PLC*	√	C/NE	√	NE												
Lankem Ceylon PLC*	√	C/NE											√	INE	√	INE
Lankem Developments PLC*	√	C/NE											√	INE	√	INE
Kotagala Plantations PLC*	√	C/NE											√	INE	√	INE
Agarapatana Plantations PLC*	√	C/NE											√	INE	√	INE
Beruwala Resorts PLC*	√	C/NE	√	NE											√	INE
Marawila Resorts PLC*	√	C/NE	√	NE											√	INE
Sigiriya Village Hotels PLC*	√	C/NE	√	NE											√	INE
J.F. Packaging PLC* (Formerly known as J.F. Packaging Ltd. Name change effective from 09.01.2026 consequent to the Initial Public Offering of the Company.)	√	C/NE											√	INE	√	INE
C W Mackie PLC*	√	C/NE													√	INE
ACME Printing & Packaging PLC*	√	NE											√	SID		
Colombo Fort Investments PLC*	√	C/NE	√	NE												
Colombo Investment Trust PLC*	√	C/NE	√	NE												
American Lloyd Travels Limited*	√	D	√	D												
ACME Packaging Solutions (Private) Limited	√	D														
Alliance Five (Private) Limited*	√	C											√	D	√	D
Associated Farms (Private) Limited*	√	C														
BOT Hotel Services (Private) Limited*	√	C	√	D												
C. F. Travels Limited*			√	D												
C. W. M. Hotels Holdings Limited	√	D														
Candy Delights Limited*	√	C/ MD	√	JMD	√	D	√	D	√	D						
Capital Finance Limited			√	D												
Capital Investments Limited*	√	D														
Capital Leasing Company Limited*	√	C														
Century Equity Trust Limited	√	D														
Ceyflex Rubber Limited*	√	C	√	D	√	D	√	D								
Colombo Fort Holdings Limited*	√	D	√	D												

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Rajaratnam		Mr. R.C.A. Welikala		Mr. S.W. Gunawardena		Mr. A.D.T. Mendis		Mr. P.Y.S. Perera	Mr. K. G. Punchihewa		Mr. S.B. Perera	
Colombo Fort Hotels Limited*	√	C	√	D											
Colombo Fort Travels Limited*	√	D	√	D											
Colonial Motors (Ceylon) Limited*	√	C/NE	√	D											
Consolidated Tea Plantations Limited*	√	D										√	D	√	D
Corporate Systems Limited*	√	C	√	D	√	D	√	D							
Creasy Plantation Management Limited*	√	D													
Ceylon Tapes (Private) Limited*	√	C										√	D	√	D
Ceytape (Private) Limited*	√	C										√	D	√	D
Colombo Fort Group Services (Private) Limited*	√	D													
Colombo Residencies (Private) Limited	√	D													
Company Holdings (Private) Limited	√	D	√	D											
Consolidated Commercial Investments (Private) Limited			√	D											
Consolidated Holdings (Private) Limited	√	D													
Darley Butler & Company Limited*	√	C/ MD	√	JMD	√	D	√	D	√	D					
E. B. Creasy Logistics Limited*	√	C	√	D	√	D	√	D	√	D					
E. B. Creasy Trading Limited*	√	D	√	D	√	D									
E. B. Creasy Ceylon (Private) Limited*	√	C	√	D	√	D	√	D							
E. B. Creasy Milk Foods Limited* (Striking Off in progress)	√	C	√	D	√	D									
Far Eastern Exports (Colombo) Limited*	√	D													
Financial Trust Limited			√	D											
Fortland Finance Limited	√	C	√	D											
Guardian Asset Management Limited*	√	D	√	D											
Great Eastern Resorts Ltd			√	D											
Galle Fort Hotel (Private) Limited*	√	D	√	D											
Group Three Associate (Private) Limited*	√	C	√	D	√	D	√	D							
Imperial Hotels Limited*	√	C	√	D											
JF Ventures Limited*	√	C										√	D	√	D
Kiffs (Private) Limited*	√	C										√	D	√	D
Lanka Special Steel Limited*	√	C	√	D	√	D	√	D	√	D					
Lankem Agrochemicals Limited*	√	C													
Lankem Cargo Storage Limited*	√	D													
Lankem Chemicals Limited* (Striking Off in progress)	√	C													
Lankem Consumer Products Limited* (Striking Off in progress)	√	C													

Corporate Governance

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Rajaratnam		Mr. R.C.A. Welikala		Mr. S.W. Gunawardena		Mr. A.D.T. Mendis		Mr. P.Y.S. Perera	Mr. K.G. Punchihewa	Mr. S.B. Perera
Lankem Minerals Limited*	√	D											
Lankem Paints Limited*	√	C											
Lankem Plantation Services Limited*	√	D											
Lankem Research Limited* (Striking Off in progress)	√	C											
Lankem Technology Services Limited* (Striking Off in progress)	√	C											
Lankem Exports (Private) Limited*	√	C											
Lankem Tea & Rubber Plantations (Private) Limited*	√	C											
Muller & Phipps (Health Care) Limited*	√	C	√	D	√	D	√	D	√	D			
Maitland & Knox (Private) Limited	√	D	√	D									
Motor Mart Ceylon (Private) Limited* (Striking Off in progress)	√	D	√	D									
Nature's Link Limited*	√	C											
Nutriklim (Ceylon) Limited	√	D	√	D									
Oakley Investments (Private) Limited	√	D	√	D									
Property and Investment Holdings (Private) Limited	√	D	√	D									
Rubber & Allied Products (Colombo) Limited*	√	C											
Sherwood Holidays Limited*	√	C	√	D									
Sigiriya Resorts Limited			√	D									
SunAgro Farms Limited*	√	C											
SunAgro LifeScience Limited*	√	C											
Sunrise Resorts Limited			√	D									
Sterling Steels (Private) Limited*	√	C	√	D	√	D	√	D					
Tropical Beach Resorts Limited			√	D									
Teacom (Private) Limited*	√	C											
Transways (Private) Limited*			√	D									
Udaveriya Plantations Limited	√	D											
Unicom Clearing and Forwarding (Private) Limited*	√	C											
Union Commodities (Private) Limited*	√	C											
Union Commodities Exports (Private) Limited	√	C											
Union Commodities Teas (Private) Limited*	√	C											

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Rajaratnam		Mr. R.C.A. Welikala		Mr. S.W. Gunawardena		Mr. A.D.T. Mendis		Mr. P.Y.S. Perera		Mr. K.G. Punchihewa		Mr. S.B. Perera	
Union Group (Private) Limited*	√	D														
Union Investments (Private) Limited*	√	D	√	D												
Villa Investments (Private) Limited			√	D												
Voyages Ceylan (Private) Limited*			√	D												
Weligama Hills Limited	√	D														
Waverly Power (Private) Limited*	√	C	√	D												
York Hotel Management Services Limited*	√	C	√	D												
York Tours Limited*			√	D												
York Conventions (Private) Limited*			√	D												
Hayleys PLC											√	INE				
Heycarb PLC											√	INE				
Dipped Products PLC											√	INE				
Overseas Realty (Ceylon) PLC											√	INE				
Commercial Bank of Ceylon PLC											√	INE				
Plantation Human Development Trust													√	D		
Fintrex Finance PLC															√	NE
Teejay Lanka PLC															√	INE
Teejay Lanka Prints (Private) Limited															√	D
Teejay India Private Limited															√	D
Teejay Mauritius Private Limited															√	D
Nubian Threads Private Limited															√	C
World Vision Lanka (Guarantee) Ltd											√	INE				
Icon Business School (Private) Limited									√	NE						
Infinity Space Business School (Private) Limited									√	NE						

The companies marked * are Subsidiaries or Associates of The Colombo Fort Land & Building Group.

Mr. S.B. Perera resigned from the Boards of J F Ventures Ltd, Ceytape Ltd, Alliance Five (Pvt) Ltd, Kiffs (Pvt) Ltd and Teejay India Private Ltd with effect from 10.05.2025 and also from the Board of Teejay Mauritius Private Ltd with effect from 31.05.2025.

Mr. K.G. Punchihewa ceased to be a Director of Plantations Human Development Trust (PHDT) with effect from 28.09.2025.

Mr. S.D.R. Arudpragasm was appointed as the Non-Executive Chairman of C.W. Mackie PLC with effect from 01.04.2026. Further, Mr. S.D.R. Arudpragasam was appointed as the Non-Executive Chairman of Colonial Motors (Ceylon) Limited with effect from 02.04.2026.

Mr. A.D.T. Mendis was appointed as an Executive Director to the Board of E.B. Creasy & Co. PLC with effect from 01.08.2025. He was also appointed as a Director to the Boards of Darley Butler & Co. Ltd, Candy Delights Ltd, Lanka Special Steels Ltd, E.B. Creasy Logistics Ltd and Muller & Phipps (Health Care) Ltd with effect from 01.04.2026.

Corporate Governance

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

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

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

CSE Rule Reference	Corporate Governance Principles	Adherence
9.2	**POLICIES**	
9.2.1	**Establish and maintain the following policies:** 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; and l) Anti-Bribery and Corruption.	Complied. The Company has established and continues to maintain the said policies. The policies have been duly published on the corporate website www.ebcreasy.com
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 their Annual Report:	
	(i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website;	Complied.
	(ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	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. (ii) If no response is received within the given time or if the explanation is deemed insufficient, enforcement measures will follow as outlined below: a. A letter of warning will be issued by the Exchange. b. If the Entity fails to rectify the non-compliance within three (3) months from the date of the warning letter, a penalty of Rs. 250,000 will be imposed. (iii) The Exchange will make a Market Announcement regarding the non-compliance, enforcement action, and penalty. The penalty must be settled within seven (7) Market Days from notification. Failure to do so will result in referral to the SEC under Section 65 of the SEC Act.	Not Applicable
9.3	**BOARD COMMITTEES**	
9.3.1	Establishment of Committees	Complied.
	(a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related-Party Transactions Review Committee	The Company maintains the Nominations & Governance Committee, Remuneration Committee, Audit Committee and Related-Party Transactions Review Committee.

Corporate Governance

CSE Rule Reference	Corporate Governance Principles	Adherence
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 Listed Entity shall not be the Chairperson of the Board Committees.	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. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied.
9.4.2	Communication and relations with shareholders and investors. a) Have a policy on effective communication and relations with shareholders and investors	The Company has established the Policy on relations with Shareholders and Investors and it is published on the corporate website www.ebcreasy.com
	(b) Disclose the contact person for such communication.	The contact person is mentioned.
	(c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders.	Major issues and concerns of shareholders are effectively communicated to the Directors by the Senior Management and the Corporate Secretaries & Registrars as and when they arise.
	(d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	Complied.
9.5	**POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS**	
9.5.1	Establish and maintain formal policy governing matters relating to the Board a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO 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 on-going compliance and/or non-compliance g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements i) Specify the maximum number of directorships in Listed Entities that may be held by Directors. j) Participation at meeting of the Board and Board committees by audiovisuals means and participation to be taken into account when deciding the quorum.	Complied. The Company has established the policy on matters relating to the Board of Directors and it is published on the corporate website www.ebcreasy.com

CSE Rule Reference	Corporate Governance Principles	Adherence
9.5.2	Confirm compliance of 9.5.1. in Annual Report – If non compliant provide explanations with reasons and proposed remedial action.	Complied
9.6	**CHAIRPERSON AND CEO**	
9.6.1	Chairperson shall be a Non-Executive Director	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. Since the Chairperson and the Managing Director of the Company is the same person a Market Announcement was made on 31.10.2023 stating the rationale for combining the two roles.
9.6.3	**REQUIREMENT FOR A SENIOR INDEPENDENT DIRECTOR (SID)**	
9.6.3 (a)	Appoint an Independent Director as the SID in the following instances:	Complied.
	i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties.	The Company has appointed a Senior Independent Director since the Chairperson and the Managing Director of the Company is the same person.
9.6.3 (b)	Senior Independent Director shall meet with the Independent Directors at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors and provide feedback and recommendations to the Board.	Complied.
9.6.3 (c)	Senior Independent Director shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually to appraise the Chairman's performance.	Complied.
9.6.3 (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.
9.7	**FITNESS FOR 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 (a) Honesty, Integrity and Reputation - (i)-(vii) (b) Competence and Capability - (i)-(ii) (c) Financial Soundness - (i)-(iii)	Complied.
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them 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.
9.7.5	Disclosures in the Annual Report	Complied.
	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria	Complied.
	(b) Any non-compliance and remedial action taken to rectify non-compliance	Not Applicable

Corporate Governance

CSE Rule Reference	Corporate Governance Principles	Adherence
9.8	**BOARD COMPOSITION**	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied.
9.8.2 (a)	The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.	Complied.
9.8.2 (b)	Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Not Applicable.
9.8.3	**CRITERIA FOR DETERMINING INDEPENDENCE**	
(i) - (ix)	A director shall not be considered independent if he/she, (i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director. (ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) Currently has/had during the preceding financial year a close Family Member who is a Director and/or CEO in the Listed Entity. (iv) Has a Significant Shareholding in the Listed Entity. (v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) Is employed in another Company or business: a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) Is a director of another Company: a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) Has a Material Business Relationship or a Significant Shareholding in another company or business: a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity. (ix) Is above the age of seventy (70) years. Provided that a person above the age of seventy (70) years may nevertheless be considered independent if compliant with Rule 9.8.3 (ix) (a) to (d) and The requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent.	The Independent Non-Executive Directors who are currently in office satisfied these criteria and continue to satisfy the said criteria.
9.8.5	**INDEPENDENT DIRECTORS**	
9.8.5 (a)	Each Independent Director to submit a signed and dated declaration annually of his "independence" or "non-independence" against the criteria specified in the Listing Rules.	Complied.

CSE Rule Reference	Corporate Governance Principles	Adherence
9.8.5 (b)	Make an annual determination as to the "independence" or "non- independence" of each Independent Director based on the Directors` declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report.	Complied.
9.8.5 (c)	If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate market announcement is required	Not Applicable.
9.8.6	Enforcement Actions for Non-Compliance with Rules 9.8.1 and 9.8.2	Complied with Rule 9.8.1 and 9.8.2
	A. In the event a Listed Entity fails to comply with Rules 9.8.1 and/or 9.8.2 of these Rules	9.8.6 A and B Not Applicable
	B. Where a Listed Entity has failed to comply with Rules 9.8.1 or 9.8.2 and has not disclosed of such noncompliance to the Exchange or the market	
9.9	**ALTERNATE DIRECTORS**	
9.9 (a-e)	Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association. a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. b) If an Alternate Director is appointed for a Non-Executive Director, such alternate should not be an executive Director of the Listed Entity. c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. d) Immediate Market Announcement regarding the appointment of an Alternate Director e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.	Complied.
9.10	**DISCLOSURES RELATING TO DIRECTORS**	
9.10.1	Disclose its policy on the maximum number of Directorships in Listed Entities Board members shall be permitted to hold as per Rule 9.5.1. Non compliance to be reported in the Annual Report.	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)	Complied. Immediate announcement was made to the Colombo Stock Exchange on the appointment of a new Director in line with the requirements of the Listing Rules.
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.

Corporate Governance

CSE Rule Reference	Corporate Governance Principles	Adherence
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.
9.10.5	Non-Disclosure of Changes to Board and Committees	Not Applicable
	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** (1) The members of the Nominations and Governance Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) An Independent Director shall be appointed as the Chairperson (3) Identify Members in the Annual Report	Complied.
9.11.5	**Functions** (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees (ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/ 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/non-compliances and the rational for same.	Complied.

CSE Rule Reference	Corporate Governance Principles	Adherence
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.
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** (1) The members of the Remuneration Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity	Complied.
9.12.6 (2)	An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Complied.
9.12.7	**Functions** (1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. (2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO	Complied.
9.12.8 (a)	Names of Remuneration Committee members.	Complied.
9.12.8 (b)	Statement of Remuneration Policy.	Complied.
9.12.8 (c)	Aggregate remuneration paid to Executive Directors and Non-Executive Directors.	Complied.
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.
9.13.3 (2)	Quorum - requires that the majority of those in attendance to be independent Directors.	Complied.
9.13.3 (3)	Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.	Complied.
9.13.3 (4)	An Independent Director shall be the Chairman of the Committee.	Complied.
9.13.3 (5)	Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.	Complied.

Corporate Governance

CSE Rule Reference	Corporate Governance Principles	Adherence
9.13.3 (6)	The Chairperson of the Audit Committee shall be a member of a professional accounting body.	Complied.
9.13.4	Functions of the Audit Committee. Detailed in Rule (1) (i) –(xiii) and (2)	Complied.
9.13.5	Disclosure in the Annual Report relating to Audit Committee. (a) Names of chairperson and members with nature of directorship (b) Status of risk management and internal control – Company and Group (c) Statement on CEO and CFO assurance on operations and finances (d) Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. (e) Availability of formal Audit Charter (f) Internal audit assurance and summary of the work internal audit function (g) Details demonstrating effective discharge of functions and duties (h) Statement on external auditors' assurance on their independence (i) Confirmation on determining auditor's independence	Complied.
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 of; - 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:** (1) Committee shall be responsible for reviewing the Related-Party Transactions (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related-Party Transactions. (3) The objective and the economic and commercial substance of the Related-Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related-Party Transactions on an end-to-end basis across the Entity's operations.	Complied.
9.14.4	(1) The Related-Party Transactions Review Committee shall meet at least once a calender quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) Should ensure having access to, enough knowledge or expertise 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. (3) Board of Directors to approve RPT when required by the Committee	Complied.
	(4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related-Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) Be present while the matter is being considered at the meeting; and (b) Vote on the matter.	Not Applicable.
9.14.5	Review of Related-Party Transactions by the Related-Party Transactions Review Committee	Complied.

CSE Rule Reference	Corporate Governance Principles	Adherence
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; (iii) The transactions are not in the ordinary course of business and in the opinion of the Related-Party Transactions Review Committee, are on terms favorable to the Related-Party than those generally available to the public.	Not Applicable.
9.14.7 (1) (a)	Immediate disclosure of any non-recurrent Related-Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements;	Complied.
9.14.7 (1) (b)	Immediate disclosure of the latest transaction, if the aggregate value of all non-recurrent Related-Party Transactions entered into with the same Related-Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related-Party during the Financial year.	Complied.
9.14.8 (1)	Disclosure in the Annual Report if the aggregate value of all the Non-recurrent Related-Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Listed Entity, whichever is lower, as per the latest Audited Financial Statements.	Complied.
9.14.8 (2)	Disclosures in the Annual Report if the aggregate value of the recurrent Related-Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of Group Entity Consolidated Revenue) as per the latest Audited Financial Statements.	Complied.
9.14.8 (3)	Report of the Related-Party Transactions Review Committee	Complied.
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to Related-Party Transactions, or a negative statement otherwise.	Complied.

Corporate Governance

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

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

Corporate Governance

COMPLIANCE WITH COMPANIES ACT NO. 7 OF 2007

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

Risk Management

OVERVIEW

The Board of Directors recognises the importance of risk identification, assessment and mitigation activities to be vital in maintaining sustainable growth and making steady progress towards achievement of the corporate objectives. In the pursuit of opportunities, it is unavoidable that we are subject to various risks. These risks arise from the products/services we offer and the business activities that the Group is engaged in. An effective risk management is fundamental to the business activities of the Group. The management ensures that such risks are systematically identified, and the procedures are in place to manage and control such risks. Hence, a well-structured Risk Management Framework is in place under which the risks are being assessed.

RISK GOVERNANCE

The risk management function serves to enable the business risk owners and executive management to carry out their respective responsibilities for the execution of risk framework. The ultimate risk oversight responsibilities remain at the Board level and the Board of Directors, either directly or through the Audit Committee, ensures that decision-making is aligned with the Group's strategies. The Board receives regular updates on key risks indicators of the Company level as well as the Group Level.

Under the Framework, the identified risks are prioritised and business units use both preventive and mitigation controls to manage risk exposures within the prescribed tolerance limits.

The principal foreseeable risks have been identified and are set out below with mitigation strategies. The nature and the scope of risks are subject to change and not all of the factors listed are within the control of the Group.

Description of Risk	Mitigation Strategies
Inflation Risk Inflationary pressure leads to higher cost of production causing profitability to plummet. Headwinds from high volatility of commodity prices, oil prices and freight costs.	● Adopt dynamic pricing strategies. ● Cost rationalisation measures and budgetary controls. ● Supplier relationship management.
Foreign Currency Risk Adverse movements in the exchange rates may have negative impact on the financial performance of the Group.	● Manage exchange rate risk through appropriate financial risk management techniques ● Centralised treasury advisory. ● Efficient price negotiations with suppliers. ● Dynamic pricing strategies.
Funding/Liquidity Risk Funding and Liquidity risk leads to hinder the growth of the Group.	● Maintain an effective treasury function to forecast funding requirement. ● Use Group's strength as a listed conglomerate to raise economical funding when required. ● Maintain a contingent funding plan.
Credit Risk Arising from debtor's bankruptcy, deterioration of customer's liquidity and creditworthiness.	● Adherence to business specific credit control policies and credit worthiness verification procedures. ● Protection against credit risk through Bank Guarantees and efficient follow up and collection practices. ● Distributor Financing Schemes to share credit risk. ● Customer relationship management. ● Periodic review of receivables, legal and other recovery actions.
Interest Rate Risk Adverse movements in the interest rates may lead to an increase in finance cost..	● Use appropriate financial and hedging strategies. ● Negotiate for concessionary interest rates using Group's strength. ● Effective corporate financial management to maintain an optimal capital structure. ● Focus on working capital efficiencies.

Risk Management

Description of Risk	Mitigation Strategies
Product/Service Quality Risk Product quality is crucial as the Group's portfolio includes pharmaceutical products, consumer goods and infant milk powder.	• Adequate business-specific quality control divisions to ensure maintenance of high-quality standards throughout business value chain • Continuous training, quality management and assurance programmes to strengthen the product quality • Internal and external quality inspection • Standardised manufacturing processes • Ongoing investment and improvement initiatives in manufacturing facilities
Geo- Political Risk Adverse impacts arise due to possible supply chain disruptions, trade sanctions and demand fluctuations.	• Business diversification and market expansion • Ensure supply chain resilience • Scenario planning and risk modelling
Health and Safety Risk Likelihood that an individual may be harmed or suffers adverse health effects. Possibility of a customer facing health and safety risks while consuming a product or service provided by any of the businesses.	• The Group gives highest priority to the employee safety • Health and safety related policies and procedures have been implemented across the group and reviewed periodically • Operations and plants are designed considering employee health and safety • Quality policies and frameworks are in place at all our businesses and operations are carried out under strict quality controls • Staff are continuously trained on conducting operations in adherence to health and safety protocols
Cyber Risk A cyber-attack or data centre failure resulting in business disruption or breach of corporate or personal data confidentiality.	• Safeguard critical IT and operational assets by strict IT protocols, firewalls and business continuity plan • Foster a positive culture of cyber-security through continued awareness sessions
Regulatory and Compliance Risk Risk of introducing new regulations that could adversely affect the business and the complexity in complying with regulatory requirements.	• Continuous monitoring of compliance with regulatory requirements • Lobby against regulations that could have a negative impact on business/industry • Look for alternative strategies within the regulatory framework
Human Resource Risk Impact to business competitiveness due to the difficulties to recruit/retain required talent and issues pertaining to industrial relations.	• Build strong employer brand and better industrial relations • Competitive compensation packages • Career development opportunities • Empowerment training and talent development
Operational Risk Potential losses due to inadequate internal controls, failures of internal processes, machinery and systems as a result of natural and human activities.	• Business continuity plans to ensure the smooth operation of the businesses • Regular internal audits • Routine maintenance to ensure optimal efficiency of machinery and equipment • Detailed plans to support necessary future capital investments

The Group did not encounter any material issues pertaining to employees and industrial relations during the financial year under review.



The EBC Group's risk governance framework is structured around the **Three Lines of Defense model**, ensuring a systematic and effective approach to risk management. This model clearly delineates roles and responsibilities across the organisation, fostering a culture of accountability, transparency, and robust corporate governance.

The first line is comprised of the Operational team, who are directly responsible for managing day-to-day operations. They are tasked with adhering to established policies, procedures, and control measures to ensure risks are effectively managed at the source. In addition to ensuring compliance, they proactively monitor and identify emerging risks that may impact business performance. By maintaining operational discipline and vigilance, they play a key role in safeguarding the Group's resilience and long-term success.

The second line of defense consists of the Corporate Management Team, which oversees the performance of business units and ensures that risk management responsibilities are carried out in line with the Group's approved frameworks. This layer provides an oversight of the broader risk environment and reports developments that may influence the Group's overall risk profile. Supporting this function are key Business Support Units, including Finance, Credit Control, Internal Audit, Information Technology, Treasury, and Human Resources. Together, they provide subject-matter expertise, enforce compliance, and facilitate consistent risk oversight across the Group.

The third line of defense is carried out by the internal audit function, which provides independent and objective assurance on the adequacy and effectiveness of the Group's risk management processes and internal controls. In parallel, the external auditors conduct an independent audit of the Group's financial statements, providing assurance on the integrity of the financial reporting and affirming the Group's status as a going concern. Both the internal and external auditors report directly to the Audit Committee, thereby ensuring transparency, accountability, and strong corporate governance.

Annual Report of the Board of Directors

The Board of Directors of E.B. Creasy & Company PLC presents their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2026.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007 and the Colombo Stock Exchange Listing Rules and are guided by recommended best practices.

Principal Activities, Business Review/ Future Developments

The principal activities of the Company together with those of its subsidiary companies are described in the segment analysis. A review of the Group's business and its performance during the year with comments on financial results and future developments is contained in the Chairman's Review, Management Discussion and Analysis and Capital Management sections of this Annual Report. These reports together with the Financial Statements reflect the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws, regulations and prudential requirements and that there are no material non-compliances other than those disclosed in the Annual Report.

Financial Statements

The Financial Statements of the Company are given on pages 131 to 211.

Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 127 to 130.

Accounting Policies

The accounting policies adopted in the preparation of the Financial Statements are given on pages 138 to 150.

Interest Register

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies Act No. 07 of 2007. These have been entered in the Interest Register which is maintained by the Company. The Company carries out transactions in the ordinary course of business with entities in which a Director of the Company is a Director and the said transactions are disclosed in Note 30 " Related-Party Transactions", on pages 204 to 208.

The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

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

Directors' Interest in Shares

The Directors of the Company who have an interest in the shares of the Company have disclosed their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act No. 07 of 2007.

Details pertaining to Directors' direct shareholdings are set out below:

Name of Director	No. of Shares as at 31.03.2026	No. of Shares as at 31.03.2025
Mr. S. Rajaratnam	174,169	158,336
Mr. S. W. Gunawardena	59,400	54,000

Directors' Remuneration

Directors' remuneration in respect of the Group for the financial year 2025/2026 is given in Note 30(e) to the Financial Statements on pages 207 and 208.

Director's Remuneration in respect of the Group for the financial year 2025/2026 was Rs. 673 Mn (2024/25 - Rs. 557 Mn.) and in respect of the Company for the financial year 2025/2026 is Rs. 582 Mn (2024/25- Rs. 475 Mn).

Corporate Donations

Donations made by the Group amounted to Rs. 7.8 Mn (2024/25 - Rs. 0.5 Mn).

Directorate

The names of the Directors who held office during the financial year are listed below. Brief profiles of the Directors appear on pages 20 and 21.

Mr. S. D. R. Arudpragasam-Chairman/Managing Director
Mr. S. Rajaratnam-Joint Managing Director
Mr. R. C. A. Welikala-Director
Mr. S. W. Gunawardena-Director
Mr. P.Y.S. Perera-Director
Mr. K.G. Punchihewa-Director
Mr. S.B. Perera-Director
Mr. A.D.T. Mendis-Director (Appointed w.e.f. 01.08.2025)

Mr. A.D.T. Mendis was appointed to the Board with effect from 1st August 2025.

In terms of Articles 84 and 85 of the Articles of Association, Mr. K.G. Punchihewa retires by rotation and being eligible offers himself for re-election.

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

Corporate Governance

The Corporate Governance Principles adhered to by the Company are given on pages 96 to 108.

Auditors

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

Further, during the financial year, M/s. KPMG Chartered Accountants, were appointed as the external auditors of the subsidiary companies, Candy Delights Limited and Lanka Special Steels Limited, consequent to the resignation of the former External Auditors of the said entities.

Accordingly, the Auditors, M/s. KPMG, were paid Rs. 20.9 Mn during the year under review (2024/25 –Rs. 14.1 Mn) as audit fees and fees for audit related services by the Group. In addition, they were paid Rs. 1.1 Mn (2024/25 – Rs. 1.2 Mn) by the Group for non-audit related work, which consisted mainly of tax related work.

In addition to the above, Group Companies are engaged with other audit firms. Audit fees in respect of these firms amounted to Rs. 82,000 during the year under review (2024/25 – Rs. 5.2 Mn).

As far as the Directors are aware the auditors do not have any relationship (other than that of an auditor) with the Company. The auditors do not have any interest in the Company.

Revenue

The revenue of the Group for the year was Rs. 35,356.84 Mn (2024/25 – Rs. 32,065.54 Mn).

Results

The Group made a profit before tax of Rs. 2,085.71 Mn (2024/25 – Rs. 1,929.61 Mn). The detailed results are given in the Statement of Profit or Loss and Other Comprehensive Income on page 131.

Dividends

The Company paid a First Interim Dividend of Rs.1.00 per share for the year ended 31st March 2026 on 25th November 2025 to the shareholders registered as at the end of trading on 7th November 2025.

Further, the Company paid a second interim dividend of Rs.1/- per share for the year ended 31st March 2026 on 25th March 2026 to the shareholders registered as at the end of trading on 9th March 2026.

The Board of Directors confirmed that the Company satisfied the Solvency test requirement under Section 56 of the Companies Act No. 07 of 2007 and obtained a Solvency Certificate from the Auditors in respect of the above Dividends.

Investments

Investments made by the Group are given in Note 14 on pages 165 to 171.

Property, Plant & Equipment

During 2025/26, the Group invested Rs. 1,057 Mn in property, plant and equipment (2024/25 – Rs. 794 Mn). Further, your Directors are of the opinion that the net amount at which land and other property, plant and equipment appear in the Statement of Financial Position are not greater than their market values as at 31st March, 2026.

Rights Issue of Shares

The Company made a rights issue of 25,354,580 ordinary shares at a price of Rs.60/- per Share to the holders of the Issued ordinary shares of the Company as at end of trading on 13th November 2025, in the proportion of One (01) new Ordinary Share for every Ten (10) existing issued ordinary shares held in the Capital of the Company. The Issue closed on 9th December 2025. The Issue was fully subscribed and the consideration received was Rs.1,521,274,800/-. The purpose of the rights issue was to settle the short-term interest-bearing borrowings of the Company and for further investment in Subsidiary Company, Darley Butler & Co. Ltd.

The details of utilisation of the Rights Issue proceeds are set out on page 215.

Stated Capital

Consequent to the rights issue of shares, the stated capital of the Company as at 31st March, 2026 was Rs.1,547,005,005.00 and is represented by 278,900,380 issued and fully paid ordinary shares.

Reserves

The total Group reserves as at 31st March, 2026, comprised of general reserves of Rs. 9.55 Mn, revaluation reserve of Rs. 2,513.68 Mn, fair value reserve of Rs. 187.42 Mn and retained earnings of Rs. 5,468.06 Mn whereas the total Group reserves as at 31st March, 2025, comprised of general reserves of Rs. 9.55 Mn, revaluation reserve of Rs. 2,513.68 Mn, fair value reserve of negative Rs. 33.51 Mn and retained earnings of Rs. 5,064.71 Mn. The movements are shown in the Statement of Changes in Equity in the Financial Statements.

Taxation

The Group's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

Annual Report of the Board of Directors

Income Tax and other taxes paid and liable by the Group are disclosed in Notes 9 and 23 on pages 153 to 155 and 181 to 184.

Related-Party Transactions

During the financial year there were recurrent and non-recurrent Related-Party transactions which exceeded the respective disclosure thresholds mentioned in Section 9.14 of the Colombo Stock Exchange Listing Rules which are duly set out in Note 30(d) on page 206 and 207.

The Company has complied with the requirements of the Listing Rules on Related-Party Transactions.

The Related-Party Transactions presented in the financial statements are disclosed in Note 30 from pages 204 to 208.

Share Information

Information relating to earnings, dividend, net assets, market value per share and share trading is given on pages 13, 213 and 214.

Events Occurring after the Reporting Date

Events occurring after the reporting date that would require adjustments to or disclosures are disclosed in Note 34 on page 210.

Capital Commitments and Contingent Liabilities

Capital commitments and contingent liabilities as at the reporting date are disclosed in Notes 32 and 33 on pages 209 and 210.

Employment Policy

The Company's recruitment and employment policy is non- discriminatory. The occupational, health and safety standards receive substantial attention. Appraisals of individual employees are carried out in order to evaluate their performance and realise their potential. This process benefits the Company and the employees.

Shareholders

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

Statutory Payments

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

Environmental Protection

The Company's business activities can have direct and indirect effects on the environment.

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

Internal Control

The Board of Directors takes overall responsibility for the Company's internal control system. A separate internal audit section has been set up to review the effectiveness of the Company's internal controls in order to ensure reasonable assurance that assets are safeguarded and all transactions are properly authorised and recorded. The Board reviews the recommendations of external auditors and takes appropriate action to maintain an adequate internal control system.

Going Concern

The Board of Directors after making necessary inquiries and reviews, including reviews of the Company's budget for the subsequent year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities have a reasonable expectation that the Company has adequate resources to continue its operations in the foreseeable future.

Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

For and on behalf of the Board,



S. D. R. Arudpragasam
Chairman/Managing Director



S. Rajaratnam
Joint Managing Director

By Order of the Board,



Corporate Managers & Secretaries (Private) Limited
Secretaries

01st June 2026

Audit Committee Report

The role of the Audit Committee is to assist the Board of Directors of the Company in fulfilling its oversight responsibilities on financial reporting . This includes oversight of the financial reporting process, ensuring the integrity of the financial statements, and monitoring the audit of such financial statements. The Committee also oversees financial reporting on sustainability and ESG-related matters and reviews the effectiveness of the Group's internal control systems to ensure compliance with applicable laws and regulations. These responsibilities are carried out through an independent and objective review process, with the aim of safeguarding the interests of shareholders and other stakeholders.

Key Responsibilities and Duties of the Committee

- The Audit Committee reviews and advises the Company to ensure that the financial reporting system is in adherence with the Sri Lanka Accounting Standards and other regulatory and statutory requirements. It also reviews the adequacy of internal controls and business risks.
- The Committee also reviews the key judgements applied in the preparation of the Financial Statements described in the relevant accounting policies and Notes to the Financial Statements.
- Obtain and review statement of compliance from the Joint Managing Director and the Director/ Group Chief Financial Officer on the Entity's operations, finances, risk management and internal control systems.
- The Committee reviews and recommends the interim and year-end financial statements of the Group to the Board of Directors for its deliberation and issuance with special reference to major accounting policy changes, financial reporting issues, significant judgements, unusual events or transactions and compliance with accounting standards and other legal requirements.
- Review the audit plan and scope, performance of the external auditors, and recommend on the appointment, reappointment, dismissal and approve the remuneration and terms of engagement.
- Review and confirm that the independence of the external auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration will be given to the nature of the services provided by the auditors and the level of audit, audit related and non-audit fees received by the auditors, to ensure that it did not compromise their independence .
- The Committee confirms compliance with the requirements under the Companies Act No. 07 of 2007 in relation to appointment, reappointment, and removal of the external auditors.
- Monitor and assess the effectiveness and sufficiency of the Group's internal control system and risk management function to ensure that Group assets are adequately protected.
- Review the Company's arrangement for the confidential receipt, retention and treatment of complaints alleging fraud, received from internal/external sources and pertaining to accounting, internal controls or other such matters and assuring confidentiality to whistleblowing employees.
- Oversee the integration of ESG principles into the Group's business operations and risk management framework.
- Oversee the quality and integrity of sustainability related reporting and disclosures, and monitor compliance with applicable laws, regulations, and relevant standards, including SLFRS S1-General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2-Climate related Disclosures, while ensuring appropriate connectivity and consistency with the Group's financial statements and other public disclosures.

Charter of the Audit Committee

The Committee is governed by the specific terms of reference set out in the Audit Committee Charter, which has been reviewed and recommended by the Audit Committee and approved by the Board to ensure its alignment with the Rules on Corporate Governance under the Listing Rules of the Colombo Stock Exchange.

The Terms of Reference of the Audit Committee was amended during the financial year ended 31st March 2026 in line with the requirements of the SLFRS S1-"General Requirements for Disclosure of Sustainability related Financial Information" and SLFRS S2-"Climate related Disclosures" and was duly approved by the Committee and the Board.

Activities in 2025/26

Financial Reporting System

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

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

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

Audit Committee Report

Internal Audit, Risk and Control

The Committee reviewed the process to assess the effectiveness of the adequacy and effectiveness of internal controls in the Group to provide reasonable assurance to the Directors that assets are safeguarded, and the financial reporting system can be relied upon in the preparation and presentation of financial statements.

The Group's internal audit function was headed by the manager, internal audit and the manager, internal audit regularly reported to the Committee on the adequacy and effectiveness of internal controls in the Group and compliance with rules and regulations and established policies of the Company.

The Committee evaluated the internal audit function in terms of its independence, effectiveness, and competency, and satisfied itself that the internal auditor has the ability to carry out its work.

The Committee reviewed and approved the internal audit charter and the annual internal audit plan ensuring there are no unjustified restrictions or limitations in the scope of the internal audit.

In order to further strengthen the internal audit function, the Company and its direct subsidiaries outsourced the Internal Audit function to M/s. Ernst & Young, Chartered Accountants. Further, the internal audit function of certain subsidiary companies of the Group was outsourced to M/s. Deloitte Partners, Chartered Accountants. The periodic reports submitted by the said internal auditors were reviewed by the Committee with the management responses on the internal audit observations.

The Audit Committee facilitates and monitors Enterprise Risk Management (ERM) process. The Committee reviewed the key risks in Risks Models including Climate Related Risks and Opportunities (CRRO).

The Company obtained services of an external consultant to review and strengthen the ESG Management Framework and to align with SLFRS S1 and S2 compliance. The Committee also reviews the developments in sustainability and ESG reporting frameworks to ensure alignment with emerging disclosure requirements.

The Committee also exercises oversight over the governance initiatives undertaken by the Company ensuring alignment with the requirements of Personal Data Protection Act No. 09 of 2022 and the Anti-Corruption Act No. 09 of 2023.

External Audit

During the year under review, the Committee held meetings with the external auditors to review the audit plan and scope of the audit. Before the conclusion of the audit, the Committee met with the external auditors and Management to discuss any reports from the external auditors to the Committee on significant audit issues and actions agreed towards the resolution of same.

Further, the Audit Committee discussed Management Letters issued by the external auditors with regard to the audit of the Financial Statements and internal controls and the management responses and recommendations and ensured appropriate follow-up actions were taken.

The Committee annually reviews the appointment/reappointment of the external auditors and makes recommendations to the Board accordingly. During the year under review, the Committee assessed the independence and effectiveness of the external audit function and is satisfied that the independence of the external auditor has not been impaired by any event or service that gives rise to a conflict of interest. The Audit Committee reviewed the nature of services provided by the external auditor and the level of audit, audit related and non-audit fees received by the auditor, to ensure that it did not compromise their independence.

Furthermore, during the financial year under review, M/s. KPMG, Chartered Accountants, were appointed as the external auditors of the subsidiary companies, Candy Delights Limited and Lanka Special Steels Limited, consequent to the resignation of the former external auditors of the said entities.

The Committee obtained written assurance from the external auditors that they have been independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements. The auditors have expressed their willingness to continue as auditors of the Company for the forthcoming financial year.

The Audit Committee has recommended to the Board of Directors that Messrs. KPMG, Chartered Accountants, continue as external auditors for the financial year ending 31st March, 2027 subject to the approval of the shareholders at the Annual General Meeting.

The current auditor Messrs. KPMG has been functioning as the external auditor for the Company for over 25 years. A rotation of the Engagement Partner of the external auditor takes place periodically as per the current regulatory requirements. The present Partner has served on the audit of the Financial Statements for five years as at 31 March 2026.

Sustainability and ESG

In the financial year 2025/26, the Audit Committee expanded its focus on financial reporting on sustainability and Environmental, Social and Governance (ESG) matters in line with its responsibilities for risk management, internal controls, and the integrity of reporting. The Management Team regularly updated the Committee on how climate-related risks and opportunities (CRROs) are identified, evaluated, and managed, ensuring that such risks are properly considered.

The Committee will continue its oversight to promote transparency and strengthen the reliability of sustainability reporting.

Compliance

The Committee conducted a thorough review of the management compliance statements, encompassing detailed quarterly reports on financial, operational, and regulatory compliance. In addition to this, to ensure the highest level of consistency and accountability, the Audit Committee obtained written assurances from the Joint Managing Director and Director/ Group Chief Financial Officer, confirming that the financial statements are prepared in full compliance with all applicable accounting standards, supported by accurate records and transparent disclosures, upholding strong internal controls and risk management frameworks that meet all relevant regulatory requirements. This confirmation serves as a key endorsement of the integrity and transparency of the Group's financial reporting and overall operational compliance.

Ethics and Good Governance

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

Composition

The Audit Committee of the Company comprises of the following three Independent Non-Executive Directors of the Company.

- **Mr. P.Y.S. Perera** – *Chairman*
  - *Independent Non-Executive Director, EBC PLC*
- **Mr. K.G. Punchihewa** – *Member*
  - *Independent Non-Executive Director, EBC PLC*
- **Mr. S.B. Perera** – *Member*
  - *Independent Non-Executive Director, EBC PLC*

The Chairman of the Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and of the Chartered Institute of Management Accountants UK (FCMA).

The members have varied experience, financial knowledge and business acumen to carry out their role effectively and efficiently. Their individual and collective financial knowledge and business acumen and the independence of the Committee are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Brief profiles of the members of the Committee are given on pages 20 and 21 of the Annual Report.

Other members of the Board, the Joint Managing Director, Director/ Group Chief Financial Officer and Senior Management Personnel and the Internal Auditors of the Company attend meetings of the Company by invitation. External Auditors were also invited to be present when appropriate.

The proceedings of the Audit Committee are reported to the Board of Directors, and an update is provided by the Chair of the Committee on matters that require the attention of the Board.

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

Meetings and Attendance

The Audit Committee has met on nine occasions during the year ended 31st March 2026. The attendance of the Committee was as follows:

Mr. P. Y. S. Perera-*Chairman*	9/9
Mr. K. G. Punchihewa-*Member*	9/9
Mr. S. B. Perera-*Member*	9/9

Meetings of the Audit Committee have been held in each quarter of the financial year.

Audit Committees - Listed Subsidiary Companies

All listed subsidiaries have appointed their own Audit Committees. These Audit Committees function independently of the Audit Committee of E.B. Creasy & Company PLC but have similar terms of reference.



P.Y.S. Perera
Chairman - Audit Committee

01st June 2026

Remuneration Committee Report

The Remuneration Committee is responsible to the Board for developing and setting the Company's Remuneration Policy and recommending the policy applicable for the Executive Directors and for the Key Management Personnel of the Company. In addition, they lay down guidelines and parameters for the compensation structure of the management staff.

Key Responsibilities and Duties of the Committee

- Determine and agree with the Board on a remuneration framework for the Chairman and Directors, based on performance, benchmarking principles, industry trends, and historical remuneration data.
- Plan for succession of Key Management Personnel to ensure leadership continuity and organisational stability.
- Review and recommend the Company's overall remuneration philosophy, strategy, policies, practices, and performance-based pay plans.
- Formulate guidelines, policies, and parameters for structuring compensation packages for all Key Management Personnel within the Company.
- Regularly review executive compensation information to ensure alignment with current market and industry standards.

Remuneration Policy

The key objective of the Company is to attract, motivate, and retain a highly qualified and experienced executive team by offering performance-based compensation aligned with industry standards. These packages are designed to be appropriate for each business within the Company and reflect the individual's level of expertise and contributions, taking into account business performance and shareholder returns.

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

Composition

The Remuneration Committee of the Company comprises of the following members:

- **Mr. P. Y. S. Perera**-Chairman Independent Non-Executive Director, EBC PLC
- **Mr. K. G. Punchihewa**-Member Independent Non-Executive Director, EBC PLC
- **Mr. S. B. Perera**-Member Independent Non-Executive Director, EBC PLC

Brief profiles of the members of the Committee are given on pages 20 and 21 of the Annual Report.

The Remuneration Committee has well defined Terms of Reference outlining the Committee's composition, quorum, authority and its responsibilities.

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

Meetings and Attendance

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

Mr. P. Y. S. Perera - *Chairman*	1/1
Mr. K. G. Punchihewa - *Member*	1/1
Mr. S. B. Perera - *Member*	1/1

The Chairman/Managing Director assists the Committee by providing relevant information and participating in the deliberations of the Committee. The proceedings of the Remuneration Committee are reported to the Board.

Key Management Personnel Remuneration

The aggregate remuneration of the Executive and Non-Executive Directors for the financial year amounted to Rs. 582 Mn.

Conclusion

The Committee is satisfied that it has fulfilled the responsibilities delegated to it by the Board during the year under review, and that the necessary objectives were successfully achieved.



P.Y.S. Perera
Chairman-Remuneration Committee

01st June 2026

Nomination and Governance Committee Report

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

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

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

The composition and the scope of work of the Committee are in line with the Terms of Reference of the Committee which will be periodically reviewed and revised with the concurrence of the Board.

Key Responsibilities and Duties of the Committee

- The Committee oversees the corporate governance structure of the organisation, providing an overview of the principles, policies, and practices of the Board of Directors. This framework enables the Company to meet the governance requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).
- Furthermore, the Committee is responsible for reviewing and recommending improvements to the Company's governance policies and practices.
- The Committee monitors the effectiveness of compliance with the relevant regulatory and legal requirements and makes recommendations to the Board on such matters and any corrective action to be taken, as the Committee may deem appropriate.
- Whilst exercising the oversight with respect to the corporate governance by the Board of Directors, the Committee also considers and recommends succession arrangements from time to time for the retiring Directors, and Key Management Personnel taking into account the additional/new expertise required. The Committee regularly reviewed the structure, size, composition including gender representation and competencies (including the skills, knowledge and experience) of the Board members and made recommendations to the Board with regard to any changes.
- The fitness and propriety of the Directors were considered during the year as and when required to ensure compliance with requirements and Corporate Governance Rules of the CSE.

Activities in 2025/26

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

The Policies of the Company were reviewed and recommended by the Committee and approved by the Board and duly established during the period 2024/25. The Committee ensured that the Policies were uploaded on the Company website by 1st October 2024. There were no changes made to the Policies during the period 2025/26.

The Committee reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirm that the Directors meet eligibility criteria as set out in Listing Rule 9.7.3 of the Colombo Stock Exchange.

The Committee also reviewed the independence declarations submitted by Independent Non-Executive Directors and confirm that all Independent Non-Executive Directors meet and continue to meet the criteria for determining independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

The Directors were briefed on the structure, processes and resources of the Company and the applicable corporate governance framework, applicable Listing Rules, securities market regulations and other applicable laws and regulations. Further, an annual update was given to existing Directors on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations. Any major issues relating to the Company are communicated to the Independent Directors and special meetings of the Board are held when the need arises to address such matters.

Re-Appointments/Re-Elections

In terms of the Articles of Association of the Company, a Director appointed to the Board (other than an appointment to an Executive Office) holds office until the next Annual General Meeting and seeks re-election by the shareholders at that meeting. The Articles require one-third of the Directors in office (excluding the office of Chairman, Managing

Nomination and Governance Committee Report

or Joint Managing Director and any other executive office) to retire at each Annual General Meeting. The Directors who retire are those who have been longest in office since their last election. Retiring Directors are eligible for re-election by the shareholders.

Accordingly, the members of the Committee recommend that Mr. K. G. Punchihewa who retires by rotation in terms of the Articles of Association of the Company, be re-elected as a Director at the forthcoming Annual General Meeting to be held on 30th June 2026, based on the performance and the contribution made to achieve the objectives of the Board. It is recorded that Mr. K.G. Punchihewa, member of the Committee, refrained from participating in recommending his own re-election.

In view of the strategic direction of the E.B. Creasy Group of Companies and the pivotal role played by Mr. S.D.R. Arudpragasam, Chairman/Managing Director, 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 Committee recommend to the shareholders that Mr. S.D.R. Arudpragasam, Chairman/ Managing Director, who is over 70 years of age, and who retires in terms of Section 210 of the Companies Act No. 7 of 2007 be re-appointed as a Director of the Company at the forthcoming Annual General Meeting to be held on 30th June 2026.

The Directors coming up for re-election or re-appointment do not have any close family relationship with the Directors, the listed entity nor do they have any relationship with shareholders holding over 10% of shares, other than disclosed hereunder.

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

Board Member	Date first appointed as Director	Date last re-appointed / re-elected as a Director	Board Committees served on	Any relationships including close family relationships between the member and the Directors of E.B. Creasy & Co. PLC, the Company or its shareholders holding more than ten per-centum (10%) of the shares of E.B. Creasy & Company PLC (EBC PLC)
Mr. S. D. R. Arudpragasam Chairman/ Managing Director (Executive)	5th December 1988	30th July 2025	None	Mr. S. D. R. Arudpragasam is the Chairman of the Parent Entity, The Colombo Fort Land & Building PLC which holds more than ten per-centum (10%) of the shares of EBC PLC
Mr. K. G. Punchihewa Director (Independent Non- Executive)	1st January 2025	30th July 2025	Audit Committee, RPTRC, Nominations & Governance Committee, Remuneration Committee	Mr. K. G. Punchihewa is an Independent Non-Executive Director of the Parent Entity, The Colombo Fort Land & Building PLC which holds more than ten per- centum (10%) of the shares of EBC PLC

The names, qualifications, principal commitments and other Directorships or Chairmanships of the aforesaid Directors coming up for re-election or reappointment and of the rest of the Board members of E.B. Creasy & Company PLC are given in their profiles on pages 20 and 21 under the caption "Details of Directors" other Directorships" appearing on pages 92 to 95.

The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages 96 to 108.

Composition

The Nominations & Governance Committee of the Company comprises of the following members;

- **Mr. P. Y. S. Perera**-*Chairman-Independent Non-Executive Director, EBC PLC*
- **Mr. K. G. Punchihewa**-*Member-Independent Non-Executive Director, EBC PLC*
- **Mr. S. B. Perera**-*Member-Independent Non-Executive Director, EBC PLC*

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

Brief profiles of the current members of the Committee are given on pages 20 and 21 of the Annual Report.

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

Meeting Attendance

The Nominations and Governance Committee met on 3 occasions during the financial year ended 31st March 2026 and the attendance was as follows:

Mr. P.Y.S. Perera-*Chairman*	3/3
Mr. K.G. Punchihewa-*Member*	3/3
Mr. S.B. Perera-*Member*	3/3

Other members of the Board are invited to attend meetings as and when required. The proceedings of the Nominations and Governance Committee are reported to the Board.

Conclusion

The Committee will continue to support the Board in choosing qualified applicants with the requisite training, expertise, and experience, guaranteeing the intended diversity of the Board to satisfy the Group's and Company's strategic needs and adhere to the Listing Rules of the Colombo Stock Exchange.

The Committee also ensures that consistent governance structures are in place to improve accountability and transparency.



P. Y. S. Perera
Chairman-Nominations and Governance Committee

01st June 2026

Related-Party Transactions Review Committee Report

The Related-Party Transactions Review Committee is entrusted with the responsibility of ensuring that shareholder interests are protected and fairness and transparency are maintained in all related-party transactions.

Policy and Terms of Reference

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

Key Responsibilities and Duties of the Committee

- Review all proposed related-party transactions (RPTs) of the Group in advance, either prior to the transaction being entered into or, if conditional upon such review, prior to its completion.
- Request and obtain any necessary information from management, employees, or external parties regarding any transaction involving a related-party.
- Acquire appropriate knowledge or expertise to assess all aspects of proposed RPTs. This includes obtaining independent professional or expert advice from suitably qualified persons when required.
- Where necessary, recommend the proposed RPT to the Board and obtain its approval prior to the execution of the transaction.
- Monitor to ensure that all RPTs are conducted on normal commercial terms and are not prejudicial to the interests of the Group or its minority shareholders.
- Review any transfer of resources, services, or obligations between related parties, irrespective of whether a price is charged.
- Evaluate the economic and commercial substance of both recurrent and non-recurrent RPTs.
- Monitor and provide recommendations on the acquisition or disposal of substantial assets involving related parties. This includes obtaining competent and independent professional advice on the value of the substantial assets involved.
- Ensure that adequate and effective processes are in place to capture, track, and provide relevant information necessary for the Committee's review functions.

Composition

The Company's Related-Party Transactions Review Committee comprises of the following members:

Mr. P. Y. S. Perera-*Chairman-Independent Non-Executive Director, EBC PLC*
Mr. K. G. Punchihewa-*Member-Independent Non-Executive Director, EBC PLC*
Mr. S. B. Perera-*Member-Independent Non-Executive Director, EBC PLC*

Brief profiles of the members of the Committee are given on pages 20 and 21 of the Annual Report.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, function as the Secretaries to the Related-Party Transactions Review Committee.

Meetings & Attendance

The Related-Party Transactions Review Committee meets on a quarterly basis or as often as may be deemed necessary. During the financial year, the Committee met five times to review the Related-Party transactions. The attendance of the Committee was as follows:

Mr. P. Y. S. Perera - *Chairman*	5/5
Mr. K. G. Punchihewa - *Member*	5/5
Mr. S. B. Perera - *Member*	5/5

In addition to these Meetings on several occasions Related-Party Transactions were referred to the Related-Party Transactions Review Committee and have been reviewed and recommended by Resolutions in writing.

The activities and views and proceedings of meetings of the Related-Party Transactions Review Committee are duly documented and submitted to the Board of Directors.

Other members of the Board and Senior Management Personnel of the Company are invited to meetings as and when required.

Disclosures

A detailed disclosure of all the related-party transactions including recurrent and non-recurrent related-party transactions which are required to be disclosed in the Annual Report under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in note 30 to the financial statements given on page 206 and 207 to this report.

Conclusion

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

Related-Party Transactions have been reviewed and disclosed in a manner consistent with the Listing Rules.

The Company has complied with the requirements of the Listing Rules on Related-Party Transactions and details of Related-Party Transactions are disclosed under Note No 30

A declaration by the Board of Directors on compliance with the rules pertaining to related-party transactions appears on page 114 in the Annual Report of the Board of Directors.



P.Y.S. Perera
Chairman-Related-Party Transactions Review Committee

01st June 2026

Statement by the Senior Independent Director

Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange provide that in situations where the Chairman and Chief Executive Officer ("CEO") are the same person or where the Chairman is an Executive Director, a Senior Independent Director shall be appointed.

Accordingly, the positions of the Chairperson and Managing Director of the Listed Entity being held by the same individual and the Chairperson being an Executive Director, the Board of Directors had appointed the undersigned as the Senior Independent Director (SID) of E.B. Creasy & Company PLC with effect from 1st January 2025.

Rationale for the combined role of Chairperson/ Managing Director of the Company

In view of the strategic direction of the E.B. Creasy Group of Companies and the pivotal role played by the Chairman/ Managing Director 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 has decided that the Chairman/ Managing Director should continue to function in the said capacity.

Role of the Senior Independent Director (SID)

The Senior Independent Director (SID) provides guidance to the Chairman on matters of governance of the Company, review of the effectiveness of the Chairman and the Board, the Company and its operation, and being available to any Director to have any confidential discussion on the affairs of the Company, should the need arise.

The Terms of Reference and Powers of the SID

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

1. To meet with the Directors (without the Chairman present) on such occasions as deemed appropriate.
2. The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the Chairman and other Executive Directors, to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairman and the other Board Members.
3. The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairman at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.
4. The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3. (b) and (c).
5. To act as a sounding board for the Chairman, providing him with ongoing counsel across the range of relevant Company issues.
6. To serve as an intermediary between the Chairman and the views of the other Independent/ Non-Executive Directors and key stakeholders when necessary.
7. To provide the Chairman with candid feedback as a result of the annual evaluation and in doing so, identifying any areas which need attention.
8. The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.

Activities During the Year

During the year, I presided over a meeting of Non-Executive Directors, who are also the Independent Directors of the Company, without the presence of the Chairman and other Executive Directors and the performance of the Chairman was appraised. The Independent/ Non-Executive Directors expressed their satisfaction on governance matters and the creditable performance of the Chairman who created a conducive environment for unfettered opinions and suggestions. The decisions were unanimous, and I did not need to exercise my voting rights.

Matters relating to the Company and the operations of the Board were also discussed at a meeting with the said Independent/Non-Executive Directors and the outcome of the meeting together with recommendations were duly informed to the Chairman and the Board. I am pleased to state that the matters raised and recommendation made were duly addressed by the Chairman of the Company.

I believe that I have effectively discharged the duties entrusted to the Senior Independent Director (SID) in accordance with the applicable corporate governance regulations.



P. Y. S. Perera
Senior Independent Director

01st June 2026

Statement of Directors' Responsibilities

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

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

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

The Directors are of the view that the Company and its Group have adequate resources to continue operations in the foreseeable future except for Ceyflex Rubber Limited, the s ubsidiary company, which has ceased operations during the period. The Directors have provided the Auditors, M/s. KPMG, Chartered Accountants, with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Auditors have examined the Financial Statements together with all financial records and related data and expressed their opinion, which appears as reported by them on pages 127 to 130 of this Report.

The Directors are Responsible for:

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

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



S. D. R. Arudpragasam
Chairman/Managing Director



S. Rajaratnam
Joint Managing Director

01st June 2026



Touching Lives Everywhere

A flow that extends across homes, communities, and generations.

Financial Reports

Independent Auditors' Report

KPMG
(Chartered Accountants)
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TO THE SHAREHOLDERS OF E.B CREASY & COMPANY PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of E. B. Creasy & Company PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of 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 Auditors' 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.

Revenue recognition	
Refer material accounting policies in note 3.3 and explanatory note 5 to the financial statements	
Risk description	**Our response**
The Company and Group recorded revenue of Rs. 12,919 Mn and Rs. 35,357 Mn respectively for the year ended 31st March 2026. Revenue from sale of goods is recognized when control has been transferred to the buyer.	Our audit procedures included ; • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls over the revenue recognition and measurement.

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

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

Independent Auditors' Report

KPMG

Revenue recognition (Contd.)

Refer material accounting policies in note 3.3 and explanatory note 5 to the financial statements

Risk description	Our response
Based on the Company's & Group's business model, there are many different types of revenues, arising from different types of transactions and events with customers. The Company & the Group considers revenue as an important element in the preparation of budgets and measuring management performance. These factors could create an incentive for revenue to be recognized prior to control being transferred. Considering above factors, we identified revenue recognition as a key audit matter.	• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the general IT control environment. • Evaluating the appropriateness of the Company and the Group's revenue recognition policies, including the recognition, measurement and classification criteria as well as disclosure requirements as per SLFRS 15. • On a sample basis, comparing specific revenue transactions recorded before and after the financial year end with the underlying goods delivery notes and invoices to assess whether the related revenue had been recognized in the correct financial period. • Performing test of details over revenue by inspecting a sample of invoices and credit notes in order to ensure revenue is recognized and measured in accordance with the contractual terms of the contract and the Company & Group accounting policies. • Comparing the consolidated financial statements disclosures against the underlying transactions and the accounting requirements.

Carrying value of inventories

Refer material accounting policies in note 3.8 and explanatory note 15 to the financial statements

Risk Description	Our response
The Company and the Group recorded inventories amounting to Rs. 2,592 Mn and Rs. 6,217 Mn respectively at 31st March 2026. This amounts to 17% and 23% of the Company's and Group's total assets respectively. The Company and Group have exercised judgement with regard to categorization of stocks as obsolete and/or slow moving to be considered for provision; estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive valuation based on lower of cost and net realizable value. We identified valuation of the inventory as a key audit matter due to the magnitude of the inventory balances and judgement and estimates involved in the calculation of inventory provisions and in determination of NRV, considering expected sales prices and allowance policies based on historical sales.	Our audit procedures included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls over inventory valuation and identify slow moving and obsolete inventories. • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key IT application controls over inventories. • Observing physical inventory counts and reconciling the count results to the inventory listings compiled by management to support amounts reported. • Obtaining an understanding of the movements in the inventory for the year and assessing the scale of the provision for non-moving and slow moving inventory. • Assessing the net realisable value (NRV) on a sample basis of stock items by agreeing their subsequent sales price to customer invoices to ensure that the items were being held at the lower of cost and NRV. • Testing the accuracy and completeness of inventory ageing reports used in the estimation of allowances. • Assessing whether the accounting policies had been consistently applied and the adequacy of the disclosures in respect of the judgment and estimation made in respect of inventory provisioning.

KPMG

Impairment assessment of the Group's goodwill and Company's investment in Subsidiary	
Refer material accounting policies in note 3.1 and note 3.1.1 and explanatory note 13, note 13.1, note 14 and note 14.1 to the financial statements	
Risk description	**Our responses**
At 31st March 2026, the Group recorded Rs. 147 Mn as goodwill and the Company recorded Rs. 3,137 Mn as investments in subsidiaries. As required by accounting standards, at 31st March 2026 the management performed an impairment assessment on goodwill and investments in subsidiaries with indicators of impairment and determined their recoverable amounts based on value in- use calculations. We considered the audit of management's impairment assessment of goodwill and investments in subsidiaries to be a key audit matter due to the magnitude of the carrying amounts of goodwill and investment in subsidiaries in the financial statements as at 31st March 2026. In addition, these areas were significant to our audit because the impairment assessment process involved significant management judgment and required management to make various assumptions in the underlying cash flow forecasts.	Our audit procedures included; • Evaluating investment in subsidiary for impairment indicators and comparing carrying amount with the recoverable amount to assess the adequacy of the provision for impairment. • Reviewing the robustness of management's budgeting process by comparing the actual financial results against previous projections • Assessing cash flow forecasts and value in use calculations prepared by the management against our own expectations based on our knowledge of the Company and experience of the industry in which it operates. • Testing the mathematical accuracy of the underlying calculations in the discounted cash flow valuation models (Value in use computations). • With the assistance of our own internal business valuation specialists, challenging the reasonableness of the key assumptions in the valuation models. • Evaluating the adequacy of disclosures in the financial statements.

Other Information

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

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

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

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

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

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

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

Auditors' 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 auditors' 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.

Financial Reports

Independent Auditors' Report

As part of an audit in accordance with SLAuSs, we exercise professional judgement 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent Auditors' Report is 3544.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
01st June 2026

Financial Reports

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31st March *In thousands of Rs.*	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Revenue from Contracts with Customers	5	**35,356,836**	32,065,543	**12,918,917**	11,647,562
Cost of Sales		**(24,178,335)**	(21,687,001)	**(9,146,858)**	(8,182,737)
Gross Profit		**11,178,501**	10,378,542	**3,772,059**	3,464,825
Other Income	6	**98,251**	125,812	**565,416**	410,313
Selling and Distribution Expenses		**(5,273,627)**	(4,819,450)	**(1,273,334)**	(1,307,625)
Administrative Expenses		**(3,080,363)**	(2,853,003)	**(1,395,584)**	(1,142,651)
Operating Profit		**2,922,762**	2,831,901	**1,668,557**	1,424,862
Finance Income	7.1	**111,157**	176,403	**160,712**	127,286
Finance Costs	7.2	**(948,208)**	(1,078,691)	**(416,120)**	(447,377)
Net Finance Costs		**(837,051)**	(902,288)	**(255,408)**	(320,091)
Profit Before Tax	8	**2,085,711**	1,929,613	**1,413,149**	1,104,771
Income Tax Expense	9.a	**(869,051)**	(682,986)	**(364,386)**	(210,509)
Profit for the Year		**1,216,660**	1,246,627	**1,048,763**	894,262
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Remeasurement of Defined Benefit Liability	24.1	**(197,956)**	(30,528)	**(107,105)**	(9,886)
Equity investments at FVOCI - Net Change in Fair Value		**259,278**	231,260	**(37,865)**	172,461
Revaluation of Property, Plant and Equipment	11	**-**	405,310	**-**	405,310
Deferred Tax on Remeasurement of Retirement Benefit Liability	9.b	**58,097**	8,106	**32,131**	2,966
Deferred Tax on Equity Investments at FVOCI - Net Changes In Fair Value	9.b	**(75,675)**	(40,378)	**(50,369)**	(2,070)
Deferred Tax on Revaluation Gain	9.c	**-**	(121,593)	**-**	(121,593)
		43,744	452,177	**(163,208)**	447,188
Items that are or may be reclassified subsequently to profit or loss					
Debt investments at FVOCI - Net Change in Fair Value		**1,561**	6,849	**-**	-
		1,561	6,849	**-**	-
Other Comprehensive Income for the Year, Net of Tax		**45,305**	459,026	**(163,208)**	447,188
Total Comprehensive Income for the Year		**1,261,965**	1,705,653	**885,555**	1,341,450
Profit Attributable to:					
Owners of the Company		**1,110,793**	1,195,322	**1,048,763**	894,262
Non-controlling Interest		**105,867**	51,305	**-**	-
Profit for the Year		**1,216,660**	1,246,627	**1,048,763**	894,262
Total Comprehensive Income Attributable to:					
Owners of the Company		**1,158,243**	1,658,059	**885,555**	1,341,450
Non-controlling Interest		**103,722**	47,594	**-**	-
Total Comprehensive Income for the Year		**1,261,965**	1,705,653	**885,555**	1,341,450
Earnings Per Share					
Basic Earnings Per Share (Rs.)	10.1	**4.26**	4.70*	**4.02**	3.52*

* Comparative earnings per share have been restated (10.1)

The Accounting Policies and Notes on pages 138 to 211 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

Financial Reports

Statement of Financial Position

As at 31st March *In thousands of Rs.*	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	11	**9,384,652**	8,852,814	**6,263,201**	5,793,320
Right-of-Use Assets	12	**616,232**	343,548	**678,944**	306,334
Intangible Assets	13	**172,697**	220,059	**2,160**	3,312
Investments in Subsidiaries	14.1	**-**	-	**3,137,168**	2,530,666
Other Investments	14.3	**3,002,641**	2,173,481	**252,541**	491,571
Loans to Related Parties	14.4.1	**-**	-	**108,420**	108,906
Other Receivables	17	**21,052**	11,356	**12,070**	2,800
Deferred Tax Assets	23.1	**73,067**	81,885	**-**	-
Total Non-Current Assets		**13,270,341**	11,683,143	**10,454,504**	9,236,909
Current Assets					
Inventories	15	**6,217,053**	6,548,949	**2,592,084**	2,021,262
Other Investments, Including Derivatives	14.5	**16,881**	-	**8,784**	-
Loans to Related Parties	14.4.1	**73,967**	344,167	**-**	41,833
Amounts Due from Related Companies - Trade	16.1	**188,348**	149,927	**1,354,507**	1,087,512
Amounts Due from Related Companies - Non-Trade	16.2	**5,335**	171,050	**232,726**	316,089
Trade and Other Receivables	17	**6,238,165**	5,531,441	**637,212**	535,353
Current Tax Recoverable		**16,272**	6,107	**-**	-
Cash and Cash Equivalents	18.1	**909,121**	1,087,373	**305,201**	276,947
Total Current Assets		**13,665,142**	13,839,014	**5,130,514**	4,278,996
Total Assets		**26,935,483**	25,522,157	**15,585,018**	13,515,905
EQUITY AND LIABILITIES					
Equity					
Stated Capital	19	**1,547,006**	25,731	**1,547,006**	25,731
Other Components of Equity	20	**2,710,647**	2,489,711	**1,965,693**	1,989,091
Retained Earnings		**5,468,064**	5,064,701	**4,654,019**	4,279,391
Equity Attributable to Equity Holders of the Parent		**9,725,717**	7,580,143	**8,166,718**	6,294,213
Non-Controlling Interest		**505,002**	432,610	**-**	-
Total Equity		**10,230,719**	8,012,753	**8,166,718**	6,294,213

As at 31st March *In thousands of Rs.*	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Non-Current Liabilities					
Loans and Borrowings	21.1	**3,450,738**	1,747,290	**1,444,134**	1,181,919
Lease Liabilities	21.4	**372,042**	322,627	**456,048**	358,280
Defined Benefit Liability	24	**1,575,954**	1,254,445	**915,978**	717,305
Deferred Income	22	**2,968**	3,228	**2,968**	3,228
Deferred Tax Liabilities	23.2	**1,034,854**	1,053,600	**754,095**	786,550
Total Non-Current Liabilities		**6,436,556**	4,381,190	**3,573,223**	3,047,282
Current Liabilities					
Current Tax Liabilities		**333,019**	387,129	**229,041**	192,338
Loans and Borrowings	21.2	**2,853,495**	5,155,693	**870,222**	1,445,893
Lease Liabilities	21.4	**168,625**	103,411	**134,320**	19,081
Amounts Due to Related Parties	26	**15,164**	17,116	**15,742**	117,659
Trade and Other Payables	25	**6,390,353**	6,480,449	**2,595,752**	1,987,936
Bank Overdrafts	18.2	**507,552**	984,416	-	411,503
Total Current Liabilities		**10,268,208**	13,128,214	**3,845,077**	4,174,410
Total Liabilities		**16,704,764**	17,509,404	**7,418,300**	7,221,692
Total Equity and Liabilities		**26,935,483**	25,522,157	**15,585,018**	13,515,905

The Accounting Policies and Notes on pages 138 to 211 form an integral part of these Financial Statements.

I certify that these Financial Statements are prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

A.D.T. Mendis
Director/Group Chief Financial Officer

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

These Financial Statements were approved and signed for and on behalf of the Board of Directors of E. B. Creasy & Company PLC.

S.D.R. Arudpragasam
Chairman/Managing Director

S.Rajaratnam
Joint Managing Director

01st June 2026
Colombo

Financial Reports

Statement of Changes in Equity

GROUP

In thousands of Rs.	Note	Attributable to Equity Holders of the Parent							
			Other Components of Equity						
		Stated Capital	General Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total	Non-Controlling Interest	Total
Balance as at 1st April 2024		25,731	9,548	2,229,960	528,655	3,508,509	6,302,403	416,536	6,718,939
Total Comprehensive Income for the Year									
Profit for the Year		-	-	-	-	1,195,322	1,195,322	51,305	1,246,627
Other Comprehensive Income for the Year		-	-	283,717	201,442	(22,422)	462,737	(3,711)	459,026
Total Comprehensive Income for the Year		-	-	283,717	201,442	1,172,900	1,658,059	47,594	1,705,653
Transfer to Retained Earnings on Disposal of Equity Securities Designated at FVOCI		-	-	-	(763,611)	763,611	-	-	-
Transactions with Owners of the Company									
Contributions and Distributions									
Dividends	10.4	-	-	-	-	(380,319)	(380,319)	-	(380,319)
Dividends for Non-Controlling Interest	14.1.2	-	-	-	-	-	-	(31,520)	(31,520)
Total Contributions and Distributions		-	-	-	-	(380,319)	(380,319)	(31,520)	(411,839)
Total Transactions with Owners of the Company		-	-	-	-	(380,319)	(380,319)	(31,520)	(411,839)
Balance as at 31st March 2025		25,731	9,548	2,513,677	(33,514)	5,064,701	7,580,143	432,610	8,012,753
Total Comprehensive Income for the Year									
Profit for the Year		-	-	-		1,110,793	1,110,793	105,867	1,216,660
Other Comprehensive Income for the Year		-	-	-	187,310	(139,860)	47,450	(2,145)	45,305
Total Comprehensive Income for the Year		-	-	-	187,310	970,933	1,158,243	103,722	1,261,965
Transfer to Retained Earnings on Disposal of Equity Securities Designated at FVOCI		-	-	-	33,626	(33,626)	-	-	-
Transactions with Owners of the Company									
Changes in Ownership interests									
Change in Ownership Without Change in Control in Subsidiary	14.1.1	-	-	-	-	381	381	210	591
Contributions and Distributions									
Issue of Ordinary Shares		1,521,275	-	-	-		1,521,275	-	1,521,275
Costs in issuing of Ordinary Shares		-	-	-	-	(1,879)	(1,879)	-	(1,879)
Dividends	10.4	-	-	-	-	(532,446)	(532,446)	-	(532,446)
Dividends for Non-Controlling Interest	14.1.2	-	-	-	-	-	-	(31,540)	(31,540)
Total Contributions and Distributions		1,521,275	-	-	-	(534,325)	986,950	(31,540)	955,410
Total Transactions with Owners of the Company		1,521,275	-	-	-	(533,944)	987,331	(31,330)	956,001
Balance as at 31st March 2026		1,547,006	9,548	2,513,677	187,422	5,468,064	9,725,717	505,002	10,230,719

COMPANY

In thousands of Rs.	Note	Stated Capital	General Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 1st April 2024		25,731	9,548	1,917,202	303,132	3,077,469	5,333,082
Total Comprehensive Income for the Year							
Profit for the Year		-	-	-	-	894,262	894,262
Other Comprehensive Income for the Year		-	-	283,717	170,391	(6,920)	447,188
Total Comprehensive Income for the Year		-	-	283,717	170,391	887,342	1,341,450
Transfer to Retained Earnings on Disposal of Equity Securities Designated at FVOCI		-	-	-	(694,899)	694,899	-
Transactions with Owners of the Company							-
Contributions and Distributions							
Dividends	10.4	-	-	-	-	(380,319)	(380,319)
Total Contributions and Distributions		-	-	-	-	(380,319)	(380,319)
Total Transactions with Owners of the Company		-	-	-	-	(380,319)	(380,319)
Balance as at 31st March 2025		25,731	9,548	2,200,919	(221,376)	4,279,391	6,294,213
Total Comprehensive Income for the Year							
Profit for the Year		-	-	-	-	**1,048,763**	**1,048,763**
Other Comprehensive Income for the Year		-	-	-	**(88,234)**	**(74,974)**	**(163,208)**
Total Comprehensive Income for the Year		-	-	-	**(88,234)**	**973,789**	**885,555**
Transfer to Retained Earnings on Disposal of Equity Securities Designated at FVOCI		-	-	-	**64,836**	**(64,836)**	-
Transactions with Owners of the Company							
Contributions and Distributions							
Issue of Ordinary Shares		**1,521,275**	-	-	-	-	**1,521,275**
Costs in issuing of Ordinary Shares		-	-	-	-	**(1,879)**	**(1,879)**
Dividends	**10.4**	-	-	-	-	**(532,446)**	**(532,446)**
Total Contributions and Distributions		**1,521,275**	-	-	-	**(534,325)**	**986,950**
Total Transactions with Owners of the Company		**1,521,275**	-	-	-	**(534,325)**	**986,950**
Balance as at 31st March 2026		**1,547,006**	**9,548**	**2,200,919**	**(244,774)**	**4,654,019**	**8,166,718**

The Accounting Policies and Notes on pages 138 to 211 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

Financial Reports

Statement of Cash Flows

For the Year Ended 31st March *In thousands of Rs.*	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Cash Generated from Operations					
Profit Before Tax		**2,085,711**	1,929,613	**1,413,149**	1,104,771
Adjustments for:					
Depreciation on Property, Plant and Equipment and Amortization on Rights-of-Use-Assets	11/12	**613,863**	506,944	**268,332**	225,976
Amortisation of Intangible Assets	13	**12,765**	7,157	**1,571**	3,253
Adjustments to Right of-Use-Assets		**-**	4,161	**-**	4,958
Gains on Disposal of Property, Plant and Equipment and Intangible Assets	6	**(2,920)**	(5,513)	**(1,824)**	(1,628)
Gains on Disposal of Investments in Subsidiary	6	**-**	-	**(476)**	-
Impairment Losses on Investment in Subsidiaries	14.1.3	**-**	-	**293,383**	29,756
(Reversal of)/Impairment Losses on Trade and Other Receivables	17.1	**(27,392)**	(48,371)	**(10,932)**	3,053
(Reversal of)/Impairment Losses on Amounts Due from Related Parties, Trade	16.1.1	**(55,589)**	11,837	**(65,371)**	22,107
(Reversal of)/Impairment Losses on Amounts Due from Related Parties, Non-Trade	16.2.1	**(45,764)**	24,409	**(23,331)**	148,609
(Reversal of)/Impairment Losses on Loans to Related Parties	14.4.1.2	**(15,028)**	1,856	**(7,681)**	10,785
Impairment Losses on/ (Reversal of) Inventories	15.1	**119,312**	93,134	**130,271**	(12,014)
Impairment Provision of Goodwill	13.1	**42,620**	-	**-**	-
Impairment Reversal of Property Plant and Equipment		**(1,051)**	-	**(1,051)**	-
Provision for Defined Benefit Liability	24.1	**231,502**	214,175	**128,451**	116,365
Deferred Income	22	**(260)**	(260)	**(260)**	(260)
Finance Income	7.1	**(106,588)**	(149,213)	**(160,712)**	(127,286)
Dividend Income	6	**(6,627)**	(22,668)	**(534,866)**	(385,219)
Interest Expense	7.2	**849,076**	1,064,816	**367,083**	440,035
Exchange Loss/(Gain)-Lease Liabilities	21.4	**1,126**	(1,590)	**-**	-
Operating Profit before Working Capital Changes		**3,694,756**	3,630,487	**1,795,736**	1,583,261
Changes in:					
Inventories		**212,584**	(1,571,034)	**(701,093)**	(381,165)
Trade and Other Receivables		**(679,333)**	(401,196)	**(90,928)**	(260,894)
Amounts Due from Related Parties, Trade		**17,168**	(29,334)	**(201,624)**	(721,145)
Amounts Due from Related Parties, Non-Trade		**211,479**	(64,184)	**106,694**	(157,844)
Amounts Due to Related Parties		**(1,952)**	16,665	**(1,917)**	(3,136)
Trade and Other Payables		**(90,096)**	879,371	**607,816**	381,817
Cash Generated from Operations		**3,364,606**	2,460,775	**1,514,684**	440,894
Defined Benefits Paid	24.1	**(107,949)**	(60,147)	**(36,883)**	(15,776)
Loans Interest Paid		**(819,093)**	(1,007,732)	**(309,340)**	(387,151)
Lease Interest Paid	21.4	**(28,372)**	(56,172)	**(46,199)**	(49,068)
Income Taxes Paid		**(958,836)**	(465,751)	**(378,373)**	(272,107)
Net Cash Flows Generated from/(Used in) Operating Activities		**1,450,356**	870,973	**743,889**	(283,208)

For the Year Ended 31st March *In thousands of Rs.*	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	11	**(1,056,500)**	(793,797)	**(713,809)**	(530,966)
Down Payment for Leases		**(179,361)**	-	**(179,361)**	-
Proceeds from Sale of Property, Plant and Equipment		**71,309**	6,501	**34,879**	2,408
Investment in Intangible Assets	13	**(8,446)**	(30,676)	**(446)**	(3,138)
Investments in Subsidiaries (Net of Cash)	14.1	-	-	**(900,000)**	(400,000)
Refundable Deposit		**(9,696)**	(3,432)	**(9,270)**	(2,800)
Investments in Financial Assets Classified as FVOCI		**(705,811)**	-	**(9,066)**	(40,807)
Net movement of Loans Granted to Related Companies	14.4.1.1	**285,228**	(9,200)	**50,000**	(50,000)
Proceeds from Disposal of Investments in Subsidiaries		-	-	**591**	-
Proceeds from Disposal of Financial Assets Classified as FVOCI		**136,720**	396,877	**210,229**	1,081,376
Dividend Income Received	6	**6,627**	22,668	**534,866**	385,219
Commission Received on Corporate Guarantees		**20,654**	22,322	**113,550**	76,766
Interest Income Received	7.1	**69,052**	126,891	**38,378**	50,520
Net Cash Flows (Used in)/Generated from Investing Activities		**(1,370,224)**	(261,846)	**(829,459)**	568,578
Cash Flows from Financing Activities					
Lease Rental Paid		**(136,569)**	(93,929)	**(36,623)**	(14,798)
Long-Term Loans Obtained	21.1	**3,372,009**	1,427,076	**951,009**	928,756
Loans obtained / (Repayment to) from Related Companies		-	-	**(100,000)**	100,000
Repayments of Long-Term Loans	21.1	**(907,796)**	(585,602)	**(553,282)**	(363,659)
Proceeds from Right Issue of Shares		**1,521,275**	-	**1,521,275**	-
Right Issue Expenses		**(1,879)**	-	**(1,879)**	-
Net Movement in Short-Term Loans		**(3,062,963)**	(912,582)	**(711,183)**	(700,243)
Dividends Paid	10.4	**(532,446)**	(380,319)	**(532,446)**	(380,319)
Commission Paid on Corporate Guarantees		**(1,611)**	(912)	**(11,544)**	(5,454)
Net Payments to Non-Controlling Interest	14.1.2	**(31,540)**	(31,520)	-	-
Net Cash Flows Generated from / (Used in) Financing Activities		**218,480**	(577,788)	**525,327**	(435,717)
Net Increase/(Decrease) in Cash and Cash Equivalents		**298,612**	31,339	**439,757**	(150,347)
Cash and Cash Equivalents at the Beginning of the Year		**102,957**	71,618	**(134,556)**	15,791
Cash and Cash Equivalents at the End of the Year		**401,569**	102,957	**305,201**	(134,556)
Analysis of Cash and Cash Equivalents					
Cash in Hand and at Bank	18.1	**909,121**	1,087,373	**305,201**	276,947
Bank Overdraft	18.2	**(507,552)**	(984,416)	-	(411,503)
Cash and Cash Equivalents at the End of the Year		**401,569**	102,957	**305,201**	(134,556)

The Accounting Policies and Notes on pages 138 to 211 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

Financial Reports

Notes to the Financial Statements

1. REPORTING ENTITY

1.1. Domicile and legal form

E. B. Creasy & Company PLC ('the Company'), is a public limited company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange. The Company's registered office and the principal place of business is at No. 98, Sri Sangaraja Mawatha, Colombo 10.

The consolidated financial statements of E. B. Creasy & Company PLC, as at and for the year ended 31st March 2026 comprises the Company and its subsidiaries (together referred to as the 'Group').

1.2. Principal activities and nature of operations

The E.B Creasy Group is engaged in a diversity of activities such as manufacture & sale of Home Care and Personal Care brands, supply ingredients to the local food and bakery sector and manufacture branded confectionery products, distribution of pharmaceutical products and infant milk powder, supply of solar modules, aerosol paints, and water pumps and undertakes installation of rooftop solar systems, manufacture hot dipped galvanized steel wires and nail wires for the construction industry, manufacture and sale of steel building products and distribute batteries and LED bulbs.

1.3. Ultimate parent enterprise

E. B. Creasy & Company PLC's Ultimate Holding Company is The Colombo Fort Land & Building PLC.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The financial statements of the Company and those consolidated with such comprise of the statements of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with the accounting policies and notes to the financial statements.

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 Financial Reporting Standards (SLFRS)
- Sri Lanka Accounting Standards (LKAS)
- Statement of Recommended Practices (SoRPs)
- Statement of Alternative Treatments (SoATs) and
- Financial Reporting Guidelines issued by CA Sri Lanka.

Further, these financial statements comply with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.2. Responsibility of Financial Statements

The Board of Directors of the Company acknowledges their responsibility for the financial statements, as set out in the "Annual Report of the Board of Directors", "Statement of Directors' Responsibilities for financial statements" and the "Certification on the statement of financial position".

2.3. Approval of Financial Statements by Directors

The consolidated financial statements for the year ended 31st March 2026 were authorised for issue by the Directors on 01st June 2026

2.4. Basis 0f Measurement

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared on the historical cost basis and applied consistently with an adjustment being made for inflationary factors affecting the financial statements except for the following;

- Financial assets measured at fair value through other comprehensive income (FVOCI) and fair value through profit or Loss (FVTPL).
- Defined Benefit Obligations are measured at the present value of the defined benefit plans.
- Land in property, plant and equipment are measured at fair value.

2.5. Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees, which is the functional currency of the Group. All financial information presented in Sri Lankan Rupees have been rounded to the nearest thousand, unless stated otherwise.

2.6. Current vs. Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading;
or
is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period.
or
There is no conditional right to defer the settlement of the liability for at least twelve months after the reporting period.
The Group classified all other liabilities as non-current.

2.7. Use of Materiality And Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or

function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statement is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.8. Use of Estimates and Judgments

The preparation of 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 and the disclosure of contingent liabilities at the reporting date. Judgments and estimates are based on historical experience and other factors including expectations that are believed to be reasonable under the circumstances. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.8.1. Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Leases: Whether arrangement contains a lease (Note 3.11)
- Consolidation: Whether the Group has de facto control over an investee (Note 3.1.1)

2.8.2. Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties as at 31st March 2026 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 3.3 – revenue recognition: estimation of expected returns;
- Note 3.4 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 3.7.2 – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 3.9 – property, plant and equipment: determining the fair value of land on the basis of significant unobservable inputs;
- Note 3.10 - impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Note 3.12.4 – measurement of ECL allowance for trade receivables: key assumptions in determining the weighted average loss rate.
- Note 3.12.4 – measurement of ECL allowance for related party receivables and other financial assets classified as amortised cost and debt securities classified at FVOCI.
- Note 3 .13 - measurement of unquoted investments classified at FVOCI

2.8.3. Measurement of Fair Values

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. When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If 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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non financial asset takes into account a market participant's ability to

generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.8.4. Going Concern

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

2.9. Reclassification

Whenever necessary amounts shown for the previous year have been reclassified to facilitate comparison with the current year's presentation. The statement of financial position as at the beginning of the preceding period has not been presented in these financial statements, as the reclassifications do not have a material qualitative or quantitative effect on the information previously reported in the statement of financial position as at the beginning of the preceding period.

2.10. Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs '000), except when otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements" (LKAS 1).

3 . MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

3.1. Basis of Consolidation
Business Combinations and Goodwill

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 recognized 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 recognized 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.

3.1.1. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity, when it is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the entity. The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

The interest of the outside shareholders of the Group is disclosed separately under the heading of 'non-controlling interest'.

A listing of the Group's subsidiaries is set out in Note 14 to the financial statements.

3.1.2. Acquisition of Entities Under Common Control

The purchase method of accounting is used to account for the acquisition of subsidiary by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss for the year.

3.1.3. Transactions Eliminated on Consolidation

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

3.1.4. Non-Controlling Interest

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- At fair value; or
- At their proportionate share of the acquiree's identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

3.1.5. Loss of Control

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

3.2. Foreign Currency

3.2.1. Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group's entities at the 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 into 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 recognised in the Statement of Profit or Loss and presented within finance costs.

3.3. Revenue From Contracts with Customers

The Group generates revenue through sales.

3.3.1. Performance Obligation and Revenue Recognition Policies

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and value added tax.

3.3.2. Goods Transferred at a Point In Time

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Therefore, the amount of revenue recognized is adjusted for expected returns, which are estimated based on the historical data.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recovered goods. The refund liability is included in other payables (Note 25) and the right to recover returned goods is included in inventory (Note 15). The Group reviews its estimates of expected returns at each reporting date and updates the amounts of the assets and liabilities

3.3.3. Services Transferred Over Time

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

3.4. Employee Benefits

3.4.1. Short-Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.4.2. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to provident and trust funds covering all employees are recognised as an expense in profit and loss in the periods during which services are rendered by employees.

3.4.3. Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of defined benefit obligation at the statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries using Project Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows. The gratuity liability was based on the actuarial valuation carried out.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of other comprehensive income.

Provisions have been made in the financial statements for defined benefit plan from the first year of service for all employees.

However, according to the payment of Gratuity Act No. 12 of 1983, the liability for the gratuity payments to an employee arise 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 relate to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.4.4. Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

All employees who are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions are covered by relevant contributions funds in line with the relevant statutes. Employer's contributions to the defined contribution plans are recognised as an expense in the statement of profit or loss when incurred.

3.5. Government Grants

The Group recognises an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.
Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

3.6. Finance Income and Finance Costs

The Group's net finance expense includes:

- interest income;
- interest expense;
- commission on corporate guarantees
- guarantee charges
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability

In calculating interest income and expenses, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

3.7. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to items recognised directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, contingent liabilities and contingent assets.

3.7.1. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of tax payable and receivable is the best estimate of the tax amount expected to be paid or received that

reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

3.7.2. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for; temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which can be used. Future taxable profits are determined based on the relevant taxable temporary differences. If the amount of taxable temporary difference is insufficient to recognise the deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will realised; such deductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

3.8. Inventories

Inventories are measured at the lower of the cost and the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated selling expenses, and where applicable, cost of conversion from their existing state to a finished condition. The cost of inventories is based on the average cost principle. In the case of manufactured inventories, cost includes an appropriate share of production overhead based on normal operating capacity.

3.9. Property, Plant and Equipment

3.9.1. Recognition and Measurement

3.9.1.1. Cost Model

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

3.9.1.2. Revaluation Model

The Group applies the revaluation model for the entire class of lands. Such lands are carried at a revalued amount, being their fair value at the date of revaluation, less subsequent accumulated impairment losses. Lands 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 materially from the fair values at the reporting date. On revaluation of an asset, any increase in the carrying amount is recognised 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 recognised as income to the extent of the previous write down. Any decrease in the carrying amount is recognised 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 recognised 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.

3.9.2. Owned Assets

The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets, Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

3.9.3. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss as incurred.

3.9.4. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost less its residual value.

Depreciation is recognised in statement of profit or loss for the year on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated

over the shorter of the lease term and their useful lives unless that it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Type of assets	No. of years
Freehold building	10-50 years
Building on leasehold land	40 years or period of the lease whichever is less
Plant and machinery	5-20 years
Motor vehicles	3-4 years
Furniture and fittings	4-5 years
Computers	4-6 years
Lab equipment	4-10 years

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised.

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

3.9.5. Capital Work-In-Progress

Capital expenses incurred during the period which are not completed as at the reporting date are shown as capital work-in-progress, whilst the capital assets which have been completed during the period and put to use have been transferred to property, plant and equipment if any.

3.9.6. Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from its use. Gains and losses on derecognition are recognised in the statement of profit or loss.

3.10. Intangible Assets

An intangible asset is initially recognised at cost, if it is probable that future economic benefit will flow to the enterprise, and the cost of the asset can be measured reliably.

3.10.1. Recognition and Measurement

3.10.1.1. Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition over the fair value of net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

3.10.1.2. Software

All computer software costs incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the statement of financial position under the category of intangible assets.

3.10.1.3. Other Intangible Assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

3.10.2. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3.10.3. Amortisation

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over the estimated useful lives, and is generally recognized in profit or loss. Goodwill is not amortized.

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

Software	3 years

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

3.11. 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 be 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. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee

The Group recognises 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 right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain 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's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines the incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the 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.

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

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

The Group presents right of use assets that do not meet the definition of investment property in "right-of-use asset".

Short Term Leases and Leases of Low-Value Assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.12. Financial Instruments

3.12.1. Recognition And Initial Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

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

3.12.2. Classification And Subsequent Measurement

Financial Assets - Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI – debt investment; and FVOCI – equity instrument), or fair value through profit or loss (FVTPL).

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

Notes to the Financial Statements

A financial asset is measured at amortised 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.
- A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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 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.

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

Financial Assets - Business Model Assessment

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

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

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets - Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest

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

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

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

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

Financial Assets - Subsequent Measurement and Gains And Losses

1) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2) Financial Assets at FVOCI

2.1) Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition gains and losses accumulated in OCI are reclassified to profit or loss.

2.2) 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) Financial Assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income are recognized in Profit or loss.

3.12.3. Derecognition

3.12.3.1. 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets 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.

3.12.3.2. Financial Liabilities

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

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 it or loss.

3.12.4. Impairment

Non-Derivative Financial Assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVTOCI
-

The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

Loss allowance for trade receivables and contract assets are always measured at an amount equals to life time 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

- the borrower is unlikely to pay its credit obligation 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 90 days past due

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

Measurement of ECLs

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

Notes to the Financial Statements

ECLs are discounted at the effective interest rate of the financial asset.

Credit-Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data;

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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.

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 corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.13. Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indicator exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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 risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds it recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14. Provisions

Provisions are recognised when the Group has a present obligation (legal and constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

3.15. Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date 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 the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. 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.

If there is no quoted price in an active market then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. The Group recognizes transfers between levels of Fair Value hierarchy at the end of the reporting period during which the change has occurred.

3.16. Other Income

Other income is recognised on an accrual basis. Net gains and losses of revenue nature on the disposal of property, plant & equipment and other non-current assets including investment have been accounted for in the profit or loss for the year, having deducted from proceeds on disposal, the carrying amount of the assets and related expenses.

Dividends are recognised as other income in the Statement of Profit or Loss when the right of payment has been established. Rental Income, Service Income and Commission Income are also included in the other income.

Gains and losses arising from incidental activities to main revenue-generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

3.17. Expenditure Recognition

All expenditure incurred in running the business and in maintaining the capital assets in a state of efficiency have been charged to profit or loss for the year.

Expenditure incurred for the purpose of acquiring and extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

3.18. Borrowing Costs

Borrowing costs are recognised as an expense in profit and loss in the period in which they are incurred, except to the extent that they are attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. The amount of borrowing costs to be capitalised is determined in accordance with LKAS 23 - Borrowing Costs.

3.19. Related Party Transactions

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

3.20. Segmental Reporting

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

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

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

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

3.21. Statement of Cash Flows

Interest received and dividends received are classified as investing cash flows, while dividend paid and interest paid, is classified as operating cash flows for the purpose of presentation of statement of cash flows which has been prepared using the 'indirect method'

3.22. Stated Capital

3.22.1. Ordinary Shares

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

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.22.2. Preference Shares

Non-redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlements in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders.

3.23. Earnings Per Share

The Group presents basic earnings per share and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company 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.

Notes to the Financial Statements

3.24. Cash & Cash Equivalents

Cash and Cash equivalents comprise cash on hand, together with other short-term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

3.25. Movement Of Reserves

Movements of reserves are disclosed in the statement of changes in equity.

3.26. Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Group are disclosed in the respective Notes to the financial statements.

3.27. Events Occurring after the Reporting Date

The materiality of the events occurring after the statement of financial position date is considered and appropriate adjustments to or disclosures are made in the financial statements, where necessary.

4. New Accounting Standards Issued but Not Effective as at The Reporting Date

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/ improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards are allowed, but the Group has not early adopted any of the new or amended standards in the preparation of these financial statements.

4.1 SLFRS 18 Presentation and Disclosure in Financial Statement

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

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

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

4.2 Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the financial statements.

- Classification and Measurement of Financial Instruments (Amendments to SLFRS 9 and SLFRS 7)
- Subsidiaries without Public Accountability Disclosures (SLFRS 19)

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Revenue from Sale of Goods	**58,741,028**	51,474,586	**15,557,993**	13,972,098
Revenue from Rendering of Services	**527,016**	520,354	**-**	-
	59,268,044	51,994,940	**15,557,993**	13,972,098
Less: Turnover Related Taxes	**(8,631,972)**	(6,633,088)	**(2,639,076)**	(2,324,536)
Net Revenue	**50,636,072**	45,361,852	**12,918,917**	11,647,562
Less: Intra Group Sales	**(15,279,236)**	(13,296,309)	**-**	-
	35,356,836	32,065,543	**12,918,917**	11,647,562

Revenue is recognised in accordance with SLFRS 15 when performance obligations are satisfied through the transfer of control of goods or services to the customer, either at a point in time or over time depending on the nature of the performance obligation.

Reportable Segment Revenue
Refer note 31 for the details of operating segments.

6. OTHER INCOME

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Gain on Disposal of Property, Plant and Equipment and Intangible Assets	**2,920**	5,513	**1,824**	1,628
Rental Income and Service Income	**15,364**	10,308	**19,068**	13,221
Gains on Disposal of Investments in Subsidiary	**-**	-	**476**	-
Commission Income	**7,325**	10,513	**-**	-
Amortisation of Deferred Income	**260**	260	**260**	260
Dividend Income	**6,627**	22,668	**534,866**	385,219
Sundry Income	**65,755**	76,550	**8,922**	9,985
	98,251	125,812	**565,416**	410,313

7. NET FINANCE COSTS

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
7.1 Finance Income				
Interest Income	**69,052**	126,891	**38,378**	50,520
Commission on Corporate Guarantees	**20,654**	22,322	**113,550**	76,766
Fair Value Gain on Financial Derivatives	**16,882**	-	**8,784**	-
Gain on Translation of Foreign Currency	**4,569**	27,190	**-**	-
Total Finance Income	**111,157**	176,403	**160,712**	127,286

Notes to the Financial Statements

7. NET FINANCE COSTS (CONTD.)

7.2 Finance Costs

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Interest on Overdrafts and Short Term Loans	**649,018**	762,843	**137,487**	249,644
Interest on Term Loans	**170,075**	244,889	**171,853**	135,869
Interest on Lease Liabilities (Note 21.4)	**28,372**	56,172	**46,199**	49,068
Commission on Bank Guarantees	**1,611**	912	**11,544**	5,454
Loss on Translation of Foreign Currency	**99,132**	13,875	**49,037**	7,342
Total Finance Costs	**948,208**	1,078,691	**416,120**	447,377
NET FINANCE COSTS	**(837,051)**	(902,288)	**(255,408)**	(320,091)

8. PROFIT BEFORE TAXATION

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

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Auditors' Remuneration				
KPMG	**20,945**	14,102	**6,650**	6,150
Other Auditors	**82**	5,268	**-**	-
Fees Paid to Auditors for Non-Audit Services				
KPMG	**1,145**	1,226	**480**	-
Other Auditors	**6,558**	599	**4,960**	520
Depreciation on Property, Plant and Equipment (Note 11.1/11.2)	**457,114**	424,048	**211,951**	201,666
Amortisation of Right of Use Assets (Note 12)	**156,749**	82,896	**56,381**	24,310
Amortisation of Intangible Assets (Note 13)	**12,765**	7,157	**1,571**	3,253
Impairment (Reversal)/Provision of Trade Receivables and Amounts due from Related Companies (Note 16.1.1/16.2.1/17.1)	**(128,745)**	(12,125)	**(99,634)**	173,769
Impairment Provision/(Reversal) of Financial Assets Measured at Amortised Cost (Note 14.4.1.2)	**(15,028)**	1,856	**(7,681)**	10,785
Impairment Provision/(Reversal) of Inventories (Note 15.1)	**119,312**	93,134	**130,271**	(12,014)
Impairment Provision of Goodwill (Note 13.1)	**42,620**	-	**-**	-
Impairment Losses on Investment in Subsidiaries (Note 14.1.3)	**-**	-	**293,383**	29,756
Donations	**7,816**	472	**7,611**	375
Staff Cost (Note 8.1)	**3,616,205**	2,633,368	**1,358,541**	1,018,838

8.1 Staff Cost

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Salaries and Wages	**2,517,443**	1,774,989	**899,748**	627,131
Defined Contribution Plan Cost - MSPS/EPF/ETF	**385,587**	317,043	**135,039**	91,907
Defined Benefit Plan Cost - Retiring Benefit	**231,502**	214,175	**128,451**	116,365
Bonus	**151,992**	149,190	**116,764**	126,706
Other Staff Cost	**329,681**	177,971	**78,539**	56,729
	3,616,205	2,633,368	**1,358,541**	1,018,838

9. INCOME TAX EXPENSE

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
a. Amount Recognised in Profit/(Loss)				
Current Tax Expense				
Income Tax on Profit for the year (Note 9.1)	**875,862**	803,516	**391,272**	300,075
(Over)/Under Provision of Current Tax of Previous Years	**20,695**	(51,835)	**23,807**	2,017
	896,557	751,681	**415,079**	302,092
Deferred Tax Expense				
Reversal of Temporary Differences (Note 23.1/23.2)	**(27,506)**	(68,695)	**(50,693)**	(91,583)
	(27,506)	(68,695)	**(50,693)**	(91,583)
Total Income Tax Expense in Profit or Loss	**869,051**	682,986	**364,386**	210,509
b. Amount Recognised in OCI				
Deferred Tax Expense on Equity Investments at FVOCI - Net Change in Fair Value	**75,675**	40,378	**50,369**	2,070
Deferred Tax Reversal on Remeasurement of Retirement Benefit Liabilities	**(58,097)**	(8,106)	**(32,131)**	(2,966)
c. Deferred Tax Recognised Directly in Equity				
Deferred Tax on Revaluation Gain	**-**	121,593	**-**	121,593
Total Deferred Tax Expense in OCI	**17,578**	153,865	**18,238**	120,697

Notes to the Financial Statements

9. INCOME TAX EXPENSE (CONTD.)

9.1 Reconciliation of Accounting Profit to Income Tax Expense

For the Year Ended 31st March *In thousands of Rs.*	GROUP		COMPANY	
	2026	**2025**	**2026**	**2025**
Profit Before Tax	**2,085,711**	1,929,613	**1,413,149**	1,104,771
Aggregate Disallowable Income	**(968,245)**	(496,825)	**(716,238)**	(385,147)
Aggregate Disallowable Expenses	**2,008,304**	1,666,575	**901,368**	554,624
Aggregate Allowable Expenses	**(1,008,272)**	(1,155,604)	**(461,442)**	(343,421)
Aggregate Tax Losses from Business	**378,699**	506,872	**-**	-
Exempt Under Schedule- 03	**-**	(8,322)	**-**	-
Taxable Profit from Business	**2,496,197**	2,442,309	**1,136,837**	930,827
Non-Business Income	**98,257**	90,136	**167,402**	69,424
Total Business Income	**2,594,454**	2,532,445	**1,304,239**	1,000,251
Tax Loss Utilized During the Year	**(9,731)**	(82,832)	**-**	-
Total Taxable Income	**2,584,723**	2,449,613	**1,304,239**	1,000,251
Income Tax @ 30%	**775,417**	734,884	**391,272**	300,075
Tax on Dividend Income	**100,445**	68,632	**-**	-
Income Tax on Profits for the Year	**875,862**	803,516	**391,272**	300,075
Effective Tax Rate				
Effective Tax Rate	**41.67%**	35.39%	**25.79%**	19.05%
Effective Tax Rate (Excluding Deferred Tax)	**42.99%**	38.95%	**29.37%**	27.34%

9.1.a Reconciliation of Effective Tax Rates

For the Year Ended 31st March	GROUP			
	2026		2025	
	Rs. '000	**%**	**Rs. '000**	**%**
Profit Before Tax	**2,085,711**	-	1,929,613	-
Income Tax Expense at The Average Statutory Income Tax Rate	**625,713**	**30.00%**	578,884	30.00%
Aggregate Disallowable Income	**(290,474)**	**-13.93%**	(149,048)	-7.72%
Aggregate Disallowable Expenses	**602,491**	**28.89%**	499,973	25.91%
Aggregate Allowable Expenses	**(302,481)**	**-14.50%**	(346,681)	-17.97%
Aggregate Tax Losses from Business	**113,610**	**5.45%**	152,062	7.88%
Exempt Under Schedule- 03	**-**	**0.00%**	(2,497)	-0.13%
Non-Business Income	**29,477**	**1.41%**	27,041	1.40%
Tax Losses Claimed	**(2,919)**	**-0.14%**	(24,850)	-1.29%
Tax on Dividend Income	**100,445**	**4.82%**	68,632	3.56%
Under/ (Over) Provision of Current Tax of Previous Years	**20,695**	**0.99%**	(51,835)	-2.69%
Reversal of Temporary Differences	**(27,506)**	**-1.32%**	(68,695)	-3.56%
Total Income Tax Expense in Profit or Loss	**869,051**	**41.67%**	682,986	35.39%

For the Year Ended 31st March *In thousands of Rs.*	COMPANY			
	2026		2025	
	Rs. '000	%	Rs. '000	%
Profit Before Tax	**1,413,149**	-	1,104,771	-
Income Tax Expense at The Average Statutory Income Tax Rate	**423,945**	**30.00%**	331,431	30.00%
Aggregate Disallowable Income	**(214,871)**	**-15.21%**	(115,544)	-10.46%
Aggregate Disallowable Expenses	**270,410**	**19.14%**	166,387	15.06%
Aggregate Allowable Expenses	**(138,432)**	**-9.80%**	(103,026)	-9.33%
Non-Business Income	**50,221**	**3.55%**	20,827	1.89%
Under Provision of Current Tax of Previous Years	**23,807**	**1.68%**	2,017	0.18%
Reversal of Temporary Differences	**(50,693)**	**-3.59%**	(91,583)	-8.29%
Total Income Tax Expense in Profit or Loss	**364,386**	**25.79%**	210,509	19.05%

9.2 Taxation Rates

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and its subsequent amendments.

9.3 Tax Losses Carried Forward

As per the Gazette notification issued in relation to Transitional Provisions, any unclaimed tax losses carried forward under the Inland Revenue Act No. 10 of 2006 and amendments thereto are deemed to be losses incurred in the Year of Assessment 2018/19 and will be carried forward as per the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto. Further, the Section 19 of the Inland Revenue Act No. 24 of 2017 and amendments thereto stipulate that, any unrelieved tax losses can be carried forward for 6 years, from the year of assessment of such losses had been incurred.

The Group has tax losses of Rs. 1,957 Mn (2025- Rs. 1,481 Mn) that are available for offset against future taxable profits of the respective companies in which the losses were incurred.

9.3.1 Reconciliation of Tax Losses

For the Year Ended 31st March *In thousands of Rs.*	GROUP		COMPANY	
	2026	2025	2026	2025
Balance at the Beginning of the Year	**1,480,895**	1,085,698	-	-
Adjustments	**107,549**	(4,767)	-	-
Tax Loss Expired	-	(26,472)	-	-
Tax Loss Utilised During the Year	**(9,731)**	(82,832)	-	-
Tax Loss for the Year	**378,699**	509,268	-	-
Balance at the End of the Year	**1,957,412**	1,480,895	-	-

10. EARNINGS PER SHARE/ DIVIDEND PER SHARE

10.1 Earnings Per Share

The calculation of earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year.

	GROUP		COMPANY	
For the Year Ended 31st March	**2026**	**2025**	**2026**	**2025**
Present Number of Shares (No. '000)	**278,900**	253,546	**278,900**	253,546
Weighted Average Number of Ordinary Shares (No. '000) (Note 10.2)	**260,966**	254,301	**260,966**	254,301
Profit Attributable to the Equity Holders of the Company (Rs. '000)	**1,110,793**	1,195,322	**1,048,763**	894,262
Earnings Per Share (Rs.)	**4.26**	4.70*	**4.02**	3.52*

10.2 Movement of Weighted Average Number of Ordinary Shares

	GROUP		COMPANY	
For the Year Ended 31st March	**2026**	**2025**	**2026**	**2025**
	No. '000	**No. '000**	**No. '000**	**No. '000**
Ordinary Shares as at the Beginning of the Year	**253,546**	253,546	**253,546**	253,546
Effects of Rights Issue of Shares (Bonus Elements)	**755**	755	**755**	755
Effects of Rights Issue of Shares (New Shares)	**6,665**	-	**6,665**	-
Adjusted Weighted Average Number of Ordinary Shares In Issue as at 31st March 2026	**260,966**	254,301	**260,966**	254,301

* The calculation of earnings per share has been made in accordance with LKAS 33 Earnings per Share. During the period, the Company undertook a rights issue which contained a bonus element. Accordingly, the weighted average number of ordinary shares outstanding for the comparative period has been adjusted retrospectively to reflect the bonus element arising from the rights issue. As a result, the comparative basic earnings per share disclosed in these Financial Statements have been restated. The restatement affects only the earnings per share figures; there is no impact on the reported profit after tax, total comprehensive income, or equity of the comparative period.

10.3 Diluted Earnings Per Share

There were no potentially dilutive ordinary shares outstanding at any time during the year.

10.4 Dividend Per Share

	GROUP		COMPANY	
For the Year Ended 31st March	**2026**	**2025**	**2026**	**2025**
Total Dividend Paid (Rs. '000)	**532,446**	380,319	**532,446**	380,319
Number of Ordinary Shares (No. '000)	**278,900**	253,546	**278,900**	253,546
Dividend Per Share (Rs.)	**2.00**	1.50	**2.00**	1.50

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Group

	Land	Buildings	Plant & Machinery	Motor Vehicles	Furniture and Fittings	Work-in-Progress	Total	Total
In thousands of Rs.							**2026**	**2025**
Cost								
Balance at the Beginning of the Year	4,741,912	1,731,183	4,110,184	301,176	861,484	260,768	**12,006,706**	11,040,135
Revaluation	-	-	-	-	-	-	-	405,310
Additions During the Year	-	42,737	135,635	1,275	154,179	722,674	**1,056,500**	793,797
Disposals During the Year	-	(966)	(137,858)	(24,014)	(55,236)	(16,268)	**(234,342)**	(232,536)
Written Off During the Year	-	-	-	-	(127)	-	**(127)**	-
Transfers During the Year	-	28,816	4,520	-	94,835	(128,171)	-	-
Balance at the End of the Year	4,741,912	1,801,770	4,112,481	278,437	1,055,135	839,003	**12,828,737**	12,006,706
Accumulated Depreciation								
Balance at the Beginning of the Year	-	460,726	1,963,064	273,171	446,694	-	**3,143,655**	2,878,750
Depreciation Charge for the Year	-	73,211	244,304	10,441	129,159	-	**457,114**	424,048
Written Off During the Year	-	-	-	-	(127)	-	**(127)**	-
Disposals During the Year	-	(327)	(102,498)	(24,014)	(38,905)	-	**(165,744)**	(159,144)
Balance at the End of the Year	-	533,610	2,104,870	259,598	536,821	-	**3,434,898**	3,143,654
Provision for Impairment								
Balance at the Beginning of the Year	-	-	7,976	-	571	1,691	**10,238**	10,238
Reversal During the Year	-	-	-	-	-	(1,051)	**(1,051)**	-
Balance at the End of the Year	-	-	7,976	-	571	640	**9,187**	10,238
Carrying Amount	`							
As at 31st March 2026	**4,741,912**	**1,268,160**	**1,999,635**	**18,838**	**517,744**	**838,363**	**9,384,652**	-
As at 31st March 2025	4,741,912	1,270,458	2,139,144	28,005	414,219	259,077	**8,852,814**	-

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.2 Company

	Land	Buildings	Plant and Machinery	Motor Vehicles	Factory Equipment
In thousands of Rs.					
Cost					
Balance at the Beginning of the Year	4,146,945	883,048	1,996,018	128,564	83,562
Revaluation	-	-	-	-	-
Additions During the Year	-	39,008	65,231	-	7,620
Disposals During the Year	-	(154)	(28,052)	(24,014)	(1,468)
Transfers During the Year	-	28,816	4,520	-	13,507
Balance at the End of the Year	4,146,945	950,718	2,037,715	104,550	103,221
Accumulated Depreciation					
Balance at the Beginning of the Year	-	307,859	1,194,550	126,244	34,455
Depreciation Charge for the year	-	48,934	129,127	563	10,069
Transfers During the Year	-	444	(1,373)	-	777
Disposals During the Year	-	(146)	(11,835)	(24,014)	(1,177)
Balance at the End of the Year	-	357,091	1,310,469	102,793	44,124
Provision for Impairment					
Balance at the End of the Year	-	-	1,408	-	-
Reversal During the Year	-	-	-	-	-
Balance at the End of the Year	-	-	1,408	-	-
Carrying Amount					
As at 31st March 2026	**4,146,945**	**593,627**	**725,838**	**1,756**	**59,098**
As at 31st March 2025	4,146,945	575,189	800,059	2,320	49,107

11.3 Capital Work In Progress

Capital Work-in-Progress of the Group amounted to Rs. 839 Mn (2025 – Rs. 261 Mn), comprising Rs. 644 Mn, Rs. 184 Mn, and Rs.11 Mn attributable to E. B. Creasy & Company PLC, Candy Delights Limited, and Laxapana PLC, respectively.

11.4 Property, plant and equipment pledged as securities in obtaining loans have been disclosed in Note 21 to these Financial Statements.

11.5 During the year under review, the Group has capitalised Rs. 7.66 Mn as borrowing costs (2024/25 – Nil), comprising Rs. 3.26 Mn incurred by E. B. Creasy & Company PLC at an average interest rate of 9.64% and Rs. 4.40 Mn incurred by Candy Delights Limited at an average interest rate of 9.92%.

11.6 Impairment

In light of current operational and economic conditions, the Group has reassessed the expected future business performance relating to Property, Plant and Equipment, where the management has concluded that the recoverable values exceed its carrying values. During the year under review, Rs. 1.05 Mn of the impairment provision was reversed.

Office Equipment	Lab Equipment	Computers	Furniture and Fittings	Work-In Progress	Total	Total
					2026	**2025**
64,360	17,089	78,060	44,125	145,322	**7,587,092**	6,723,539
-	-	-	-	-	-	405,310
14,494	886	13,746	4,413	568,411	**713,809**	530,966
(8,635)	-	(1,608)	(2,097)	(16,268)	**(82,296)**	(72,724)
3,857	1,453	9	927	(53,089)	-	-
74,076	19,428	90,207	47,368	644,376	**8,218,605**	7,587,092
37,799	13,646	49,350	26,770	-	**1,790,673**	1,660,950
5,707	1,168	12,176	4,206	-	**211,951**	201,666
28	83	-	41	-	-	-
(8,467)	-	(1,550)	(2,079)	-	**(49,268)**	(71,943)
35,067	14,897	59,976	28,939	-	**1,953,356**	1,790,673
-	-	-	-	1,691	**3,099**	3,099
-	-	-	-	(1,051)	**(1,051)**	-
-	-	-	-	640	**2,048**	3,099
39,009	**4,530**	**30,231**	**18,429**	**643,736**	**6,263,201**	-
26,562	3,443	28,710	17,355	143,631	**5,793,320**	-

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.7 The portfolio of lands owned by group companies are as follows;

Freehold lands of the Group was revalued as at 31st March 2025 by M/s Wikifrank Chartered Valuers (Private) Limited, who is a professionally qualified independent chartered valuer. The valuation method adopted was the Market Comparable Method. The value of freehold land has been written up to correspond with the market value and the details are as follows.

GROUP

		As at 31st March 2026				
Company Name	**Location**	**Extent Perches**	**No. of Buildings**	**Effective Date of the Latest Revaluation**	**Carrying Amount of Land under Cost Model**	**Carrying Amount of Land under Revaluation Model**
In thousands of Rs.						
COMPANY						
E. B. Creasy & Company PLC	No.98, Sri Sangaraja Mawatha, Colombo 10	238	2	31.03.2025	100	3,510,000
E. B. Creasy & Company PLC	No.55, Maguruwila Road, Gonawala, Sapugaskanda.	868	3	31.03.2025	541,044	636,945
						4,146,945
SUBSIDIARIES						
Candy Delights Limited	No.26, Agaradaguru Mawatha, Ekala, Ja-Ela	160	1	31.03.2025	32,000	84,000
Laxapana PLC	No.398,Awissawella Road, Panagoda, Homagama	577	3	31.03.2025	103,256	510,967
						594,967
Total						4,741,912

11.8 Sensitivity Analysis

Possible changes at the reporting date to one of the significant unobservable inputs, holding the other inputs constant, would have the following impacts.

	Market Price Per Perch as at 31st March 2026	Impact on the Carrying Value of Land	
		Increase+10% of Market Price Per Perch	Decrease-10% of Market Price Per Perch
Market Price Per Perch (10% movement)			
In thousands of Rs.			
E. B. Creasy & Company PLC - Colombo 10	14,748	351,000	(351,000)
E. B. Creasy & Company PLC - Sapugaskanda	734	63,695	(63,695)
Candy Delights Limited - Ekala	525	8,400	(8,400)
Laxapana PLC - Homagama	886	51,097	(51,097)

		As at 31st March 2025			
Level of Fair Value Hierarchy	Market Value of Land	Carrying Amount of Land under Cost Model	Carrying Amount of Land under Revaluation Model	Level of Fair Value Hierarchy	Market Value of Land
Level 3	3,510,000	100	3,510,000	Level 3	3,510,000
Level 3	636,945	541,044	636,945	Level 3	636,945
	4,146,945		4,146,945		4,146,945
Level 3	84,000	32,000	84,000	Level 3	84,000
Level 3	510,967	103,256	510,967	Level 3	510,967
	594,967		594,967		594,967
	4,741,912		4,741,912		4,741,912

11.9 Valuation Method

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 prices of similar assets, making appropriate adjustments for differences in size, nature, location, and condition of specific property. In this process, outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for, since the price may not adequately reflect the fair market value.

	GROUP	COMPANY
As at 31st March, *In thousands of Rs.*	2026	2026
Land	4,741,912	4,146,945
Total	4,741,912	4,146,945

11.10 There were no material contractual commitments for acquisition of property plant and equipment and no idle assets as at the reporting date.

Notes to the Financial Statements

12. RIGHT OF USE ASSETS

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Cost				
Balance at the Beginning of the Year	**616,716**	511,086	**430,552**	402,351
Reassessment	**442**	15,970	**-**	17,179
Derecognition of ROU Assets	**-**	(9,559)	**-**	-
Additions During the Year	**428,991**	99,219	**428,991**	11,022
Balance at the End of the Year	**1,046,149**	616,716	**859,543**	430,552
Amortisation				
Balance at the Beginning of the Year	**273,168**	199,815	**124,218**	99,908
Amortisation During the Year	**156,749**	82,896	**56,381**	24,310
Recognition on Initial Application of SLFRS 16 Leases	**-**	16	**-**	-
Derecognition of ROU Assets	**-**	(9,559)	**-**	-
Balance at the End of the Year	**429,917**	273,168	**180,599**	124,218
Carrying Amount	**616,232**	343,548	**678,944**	306,334

13. INTANGIBLE ASSETS

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Cost				
Balance at the Beginning of the Year	**403,739**	377,387	**150,629**	147,515
Additions During the Year	**8,446**	30,676	**446**	3,138
Disposal During the Year	**(3,881)**	(4,324)	**(297)**	(24)
Balance at the End of the Year	**408,304**	403,739	**150,778**	150,629
Amortisation				
Balance at the Beginning of the Year	**183,680**	180,720	**147,317**	144,080
Charge During the Year	**12,765**	7,157	**1,571**	3,253
Disposal During the Year	**(3,458)**	(4,197)	**(270)**	(16)
Balance at the End of the Year	**192,987**	183,680	**148,618**	147,317
Impairment of Goodwill (Note 13.1.1)	**(42,620)**	-	**-**	-
Carrying Amount	**172,697**	220,059	**2,160**	3,312

The following table summarizes the category wise intangible assets.

As at 31st March *In thousands of Rs.*	Note	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Goodwill	13.1	**146,741**	189,361	-	-
Trade Mark	13.2	**14,566**	22,854	-	-
Software	13.3	**11,390**	7,844	**2,160**	3,312
		172,697	220,059	**2,160**	3,312

13.1 Goodwill

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

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025
Name of the Subsidiary		
Muller & Phipps (Ceylon) PLC	**146,628**	146,628
Laxapana PLC	**6,605**	6,605
Lanka Special Steels Limited	**36,128**	36,128
	189,361	189,361
Less: Impairment of Goodwill (Note 13.1.1)	**(42,620)**	-
	146,741	189,361

13.1.1 Impairment of Goodwill

The Group conducted an annual impairment assessment of goodwill allocated to the Muller & Phipps (Ceylon) PLC following the entity's subdued financial performance during the year under review. The recoverable amount of the Company was determined based on a value-in-use calculation, applying the key assumptions disclosed in Note 13.1.2.

Based on the assessment, an impairment charge of Rs. 42.6 Mn was recognized against Goodwill and recorded within administrative expenses in the Group Statement of Profit or Loss and Other Comprehensive Income, resulting in the carrying amount of Goodwill allocated to Muller & Phipps (Ceylon) PLC reducing to Rs. 104 Mn as at the reporting date.

13.1.2 Recoverable Values Estimated with Reference to the Value in Use

Methods used in estimating recoverable amounts are given below:

The recoverable amount of Laxapana PLC was determined based on fair value less costs of disposal. The fair value measurement was categorized as a Level 01 fair value based on the inputs used in the valuation technique. As at 31 March 2026, the recoverable amount was Rs. 1.7 Bn.

Muller & Phipps (Ceylon) PLC and Lanka Special Steels Limited were assessed based on value in use estimated using discounted future cash flows from investments. The fair value measurement was categorized as a Level 03 fair value based on the inputs in valuation technique used.

Notes to the Financial Statements

13. INTANGIBLE ASSETS (CONTD.)

The key assumptions used in the estimation of the recoverable amounts are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have based on historical data from both external and internal sources.

Investee	Significant Unobservable Inputs	Value of the Input
Muller & Phipps (Ceylon) PLC	Average Growth Rate	74.9%, 57.7%, 30.4% for the first 3 years respectively and 10% for the 4th year and 5th year with a terminal growth rate of 4% thereafter.
	GP Margin	21.5% - 25.3 %
	EBITA Margin	2.2% - 4.8%
	Discount Rate	22.6% - 23.6% (2025 - 22.6% - 24.9%)
	Term	5 years (terminal value thereafter)
Lanka Special Steels Limited	Average Growth Rate	32.4% for first year, 15% for next 4 years and terminal growth rate of 4% thereafter.
	GP Margin	12.3% - 15.0%
	EBITA Margin	6% - 7.7%
	Discount Rate	18% - 18.7% (2025 - 13% -16.5%)
	Term	5 years (terminal value thereafter)

Impact on the Impairment of Investment in Subsidiaries

The estimated recoverable amount of Muller & Phipps (Ceylon) PLC is approximately Rs. 23 Mn lower than its carrying amount (2025: Recoverable amount exceeded carrying amount by Rs. 97 Mn), while the estimated recoverable amount of Lanka Special Steels Limited is approximately Rs.190 Mn lower than its carrying amount (2025: Recoverable amount exceeded carrying amount by Rs. 213 Mn).

Accordingly, impairment loss for the investment in the subsidiaries has been identified during the year.

Management has identified that a reasonably possible changes in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which those two assumptions would need to be changed individually for the estimated recoverable amount to be equal to the carrying amount.

	Change Required for Carrying Amount to Equal Recoverable Amount	
	Muller & Phipps (Ceylon) PLC	**Lanka Special Steels Limited**
Discount Rate	-2.5%	-1.3%
Terminal Growth Rate	4.5%	2.0%

13.2 Trade Marks

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Cost				
Balance at the Beginning of the Year	**116,955**	91,955	**70,000**	70,000
Additions During the Year	-	25,000	-	-
Balance at the End of the Year	**116,955**	116,955	**70,000**	70,000
Amortisation				
Balance at the Beginning of the Year	**94,101**	91,955	**70,000**	70,000
Amortisation During the Year	**8,288**	2,146	-	-
Balance at the End of the Year	**102,389**	94,101	**70,000**	70,000
Carrying Amount	**14,566**	22,854	-	-

13.2.1 Trade Marks

During the financial year 2024/25, Darley Butler & Company Limited acquired the agency rights of R&D Intertrades (Private) Limited for Rs. 25Mn which was amortised over 03 Years.

13.3 Software

	GROUP		COMPANY	
For the year ended 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Cost				
Balance at the Beginning of the Year	**97,423**	96,071	**80,629**	77,515
Additions During the Year	**8,446**	5,676	**446**	3,138
Disposal During the Year	**(3,881)**	(4,324)	**(297)**	(24)
Balance at the End of the Year	**101,988**	97,423	**80,778**	80,629
Amortisation				
Balance at the Beginning of the Year	**89,579**	88,765	**77,317**	74,080
Amortisation During the Year	**4,477**	5,011	**1,571**	3,253
Disposal During the Year	**(3,458)**	(4,197)	**(270)**	(16)
Balance at the End of the Year	**90,598**	89,579	**78,618**	77,317
Carrying Amount	**11,390**	7,844	**2,160**	3,312

14. INVESTMENTS

14.1 Investments In Subsidiaries

		COMPANY				COMPANY			
		31.03.2026				31.03.2025			
	Principal Place of Business	**No. of Shares**	**Company/ Group Holding %**	**Cost as at 31.03.2026 Rs.'000**	**Market Value Rs.'000**	**No. of Shares**	**Company/ Group Holding %**	**Cost as at 31.03.2025 Rs.'000**	**Market Value Rs.'000**
Quoted Investments	No 98, Sri								
Laxapana PLC	Sangaraja	**45,202,153**	**68.26**	**510,464**	**1,713,162**	45,212,378	68.27	510,579	1,374,456
Muller & Phipps (Ceylon) PLC	Mawatha, Colombo10	**145,061,773**	**51.26**	**189,385**	**290,124**	145,061,773	51.26	189,385	174,074
Total of Quoted Investments				**699,849**	**2,003,286**			699,964	1,548,530
Unquoted Investments									
Darley Butler & Company Limited		**12,393,454**	**100**	**1,452,865**	-	9,999,964	100	952,865	-
Candy Delights Limited		**1,384,450**	**100**	**107,233**	-	1,384,450	100	107,233	-
E. B. Creasy Logistics Limited		**50,000**	**100**	**500**	-	50,000	100	500	-
Lanka Special Steels Limited		**67,674,571**	**100**	**1,065,116**	-	31,442,686	100	665,116	-
Ceyflex Rubber Limited		**7,993,183**	**100**	**120,000**	-	7,993,183	100	120,000	-
E. B. Creasy Ceylon (Private)Limited		**143,582**	**100**	**24,988**	-	143,582	100	24,988	-
Corporate Systems Limited		**10,000**	**100**	**100**	-	10,000	100	100	-
Filmpak Limited		-	-	-	-	150,000	100	1,500	-
Group Three Associates (Private)Limited		**1,200**	**100**	**12**	-	1,200	100	12	-
		-	-	**2,770,814**	-	-	-	1,872,314	-
Less: Provision for Fall-in Value in Investment(Note14.1.3)				**(333,495)**				(41,612)	
Total of Unquoted Investments				**2,437,319**				1,830,702	
Total Value of Investments				**3,137,168**				2,530,666	

14. INVESTMENTS (CONTD.)

During the year under review, the Company made strategic equity investments amounting to Rs. 400 Mn in Lanka Special Steels Limited through investing in 36,231,885 ordinary shares at Rs. 11.04 per share, and Rs. 500 Mn in Darley Butler & Company Limited through investing in 2,393,490 ordinary shares at Rs. 208.90 per share.

During the year under review, Rs. 1.5 Mn of investment in Filmpak Limited, was written off against the impairment provision following the strike off of the Company.

During the financial year, the Board of Directors of Ceyflex Rubber Limited approved the cessation of operations of Ceyflex Rubber Limited, and management commenced an active programme to identify a suitable buyer. Based on the impairment assessment performed using the fair value less costs to sell model, a provision of Rs. 80 Mn was recognised against the carrying value of the investment.

Further, the Company assessed the classification requirements of SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations in relation to Ceyflex Rubber Limited. As at the reporting date, the criteria for classification as held for sale had not been met, as the management believes that the disposal may not be completed within the twelve months period from the reporting date due to the challenges in identifying a suitable buyer. Accordingly, management determined that the criteria under SLFRS 5 for classification as "held for sale" had not been fully satisfied as at the reporting date. Therefore, the assets and liabilities relating to Ceyflex Rubber Limited have not been classified as held for sale.

As at the reporting date, the total assets and total liabilities relating to Ceyflex Rubber Limited amounted to Rs. 191 Mn and Rs. 32.18 Mn respectively, while Ceyflex Rubber Limited recorded a loss after taxation of Rs. 87.6 Mn for the year then ended. These balances and results have been included within the respective line items of the consolidated financial statements.

14.1.1 Disposal of Interest in a Subsidiary Without Loss of Control

On 1st December 2025, E.B. Creasy & Company PLC disposed of 10,225 shares representing 0.015% of the issued ordinary shares of Laxapana PLC, a subsidiary of E.B. Creasy & Company PLC on the trading floor of the Colombo Stock Exchange at Rs.58.50 per share for total consideration of Rs.598,162.50. Following the disposal, the Group retains control over Laxapana PLC, and accordingly, the subsidiary continues to be fully consolidated in the financial statements.

In accordance with SLFRS 10 – Consolidated Financial Statements, the transaction has been accounted as an equity transaction. The difference between the consideration received and the adjustment to the carrying amount of the non-controlling interest has been recognised directly in equity, attributable to the owners of the parent. No gain or loss has been recognised in profit or loss because of this transaction.

14.1.2 Investments with Significant Non-Controlling Interest

	Laxapana PLC		Muller & Phipps (Ceylon) PLC	
	2026	**2025**	**2026**	**2025**
Percentage holding of Non-Controlling Interest (%)	**31.74**	31.73	**48.74**	48.74
In thousands of Rs.				
Profit/(Loss) attributable to Non-Controlling Interest	**140,722**	92,100	**(34,855)**	(40,795)
Other Comprehensive Income attributable to Non-Controlling Interest	**(1,862)**	(4,410)	**(283)**	699
Total Comprehensive Income attributable to Non - Controlling Interest	**138,860**	87,690	**(35,138)**	(40,096)
Dividend paid to Non-Controlling Interest	**31,540**	31,520	-	-
Summarised Financial Information				
Non Current Assets	**1,009,146**	1,055,799	**89,839**	110,620
Current Assets	**2,037,186**	1,984,013	**475,764**	408,383
Non Current Liabilities	**334,716**	363,146	**146,944**	144,092
Current Liabilities	**1,326,801**	1,507,946	**304,065**	188,387
Revenue	**3,871,454**	3,357,560	**587,290**	724,567
Profit/(Loss) for the year	**321,316**	167,261	**(71,350)**	(83,698)
Total Comprehensive Income for the year	**315,446**	153,361	**(71,929)**	(82,262)

Principal place of business of Laxapana PLC and Muller & Phipps (Ceylon) PLC is at No.98, Sri Sangaraja Mawatha, Colombo 10.

14.1.3 Fall in Value in Investments

During the year, the recoverable amounts of investments in subsidiaries were assessed using fair value less costs to sell and value-in-use estimates based on five-year discounted cash flow projections, using the key assumptions disclosed in Note 13.1.2.

	Company	
As at 31st March *In thousands of Rs.*	**2026**	2025
Balance at the Beginning of the Year	**41,612**	**11,856**
Impairment Provision	**293,383**	**29,756**
Write-off	**(1,500)**	-
Balance at the End of the Year	**333,495**	**41,612**

The following table summarizes the detailed breakup of provision for fall in value in investments.

	Company	
As at 31st March *In thousands of Rs.*	**2026**	**2025**
Name of the Subsidiary		
Ceyflex Rubber Limited	**120,000**	40,000
Lanka Special Steels Limited	**190,000**	-
Muller & Phipps (Ceylon) PLC	**23,383**	-
Group Three Associates (Private) Limited	**12**	12
Corporate Systems Limited	**100**	100
Filmpak Limited	-	1,500
	333,495	41,612

14.2 Group Companies' Investment In Subsidiaries

		% Holding		No. of Shares	
As at 31st March		**2026**	**2025**	**2026**	**2025**
Investor	**Investee**				
Muller & Phipps (Ceylon) PLC	Muller & Phipps (Health Care) Limited	**100**	100	**270,000,000**	270,000,000
Laxapana PLC	Sterling Steels(Private)Limited	**100**	100	**10,635,000**	10,635,000

14. INVESTMENTS (CONTD.)

14.3 Other Investments

The Group designated the investments shown below as Other Financial Assets measured at Fair Value Through Other Comprehensive Income because the Group intends to hold these investments for strategic purposes.

14.3.1 Group

	GROUP			
As at 31st March	2026		2025	
	No. of Shares / Debentures	Market Value Rs. '000	No. of Shares / Debentures	Market Value Rs. '000
Quoted Investments				
York Arcade Holdings PLC	16,800,000	236,799	9,000	1,516
CM Holdings PLC	956,001	43,020	95,640	15,780
Commercial Development Company PLC	600	171	600	81
DFCC Bank PLC	-	-	18,836	1,997
ACME Printing & Packaging PLC (Note 14.3.2.1)	129,588,760	394,319	48,553,804	189,360
Beruwala Resorts PLC	60,000	180	60,000	222
Marawila Resorts PLC	156,188	890	156,188	1,062
Lankem Ceylon PLC	26,557,722	1,088,866	9,947,478	792,573
Sigiriya Village Hotels PLC	617,620	8,214	61,762	5,435
		1,772,459		1,008,026
Unquoted Investments				
CBL Investments Limited	5,041,680	915,200	5,041,680	803,795
International Manufacturers Limited	3,300	23	3,300	23
Imperial Hotels Limited	-	-	19,825	461
Consolidated Tea Plantations Limited	6,447,026	155,051	6,447,026	207,014
Colombo Fort Hotels Limited	10,620,000	141,564	10,620,000	131,037
		1,211,838		1,142,330
Investment in Debentures				
Kotagala Plantations PLC (Note 14.3.2.2)	197,917	18,344	250,000	23,125
		18,344		23,125
Total		3,002,641		2,173,481

14.3.2 Company

	COMPANY			
As at 31st March	2026		2025	
	No. of Shares	Market Value Rs. '000	No. of Shares	Market Value Rs. '000
Quoted Investments				
DFCC Bank PLC	-	-	18,836	1,997
ACME Printing & Packaging PLC	-	-	48,553,804	189,360
Lankem Ceylon PLC	1,036,178	42,482	388,567	33,765
		42,482		225,122

As at 31st March	COMPANY			
	2026		2025	
	No. of Shares	Market Value Rs. '000	No. of Shares	Market Value Rs. '000
Unquoted Investments				
Imperial Hotels Limited	-	-	19,825	461
Consolidated Tea Plantations Limited	**3,090,927**	**74,337**	3,090,927	99,250
Colombo Fort Hotels Limited	**1,275,200**	**16,998**	1,275,200	15,723
Preference Shares				
Muller & Phipps (Health Care) Limited	**250,000,000**	**118,724**	250,000,000	151,015
		210,059		266,449
		252,541		491,571

During the year, the Group received dividend income amounting to Rs. 6.6 Mn from its unquoted investments which are relevant to investments held at the end of the reporting period.

14.3.2.1 Disposal of Other investments during the year

a) E. B. Creasy & Company PLC disposed 18,525,000 shares representing 19.5% of the issued ordinary shares of ACME Printing and Packaging PLC held in the slash account Amana Bank PLC/ E. B Creasy & Company PLC at Rs. 4/- per share for total consideration of Rs. 74.1 Mn to Amana Bank PLC/ Darley Butler & Company Limited.

b) E. B. Creasy & Company PLC disposed 30,028,804 shares representing 31.61% of the issued ordinary shares of ACME Printing and Packaging PLC held by the Company for total consideration of Rs.135 Mn and 30,025,318 shares thereof have been sold to Lankem Ceylon PLC at Rs. 4.50 per share for consideration of Rs. 135 Mn.

Subsequent to the above transactions, on 18th June 2025, the Colombo Stock Exchange (CSE) inquired from ACME Printing & Packaging PLC, if prior approval has been obtained for the above transactions from the SEC in accordance with CSE Listing Rule 7.5.d.(ii) (A) 9 of Section 7. By an oversight, prior approval had not been obtained from the SEC, though the relevant disclosures relating thereto were made on the Trading Floor; currently, ACME Printing & Packaging PLC is in the process of resolving this matter with the CSE.

c) E. B. Creasy & Company PLC disposed 18,836 shares at Rs.116.75 per share of DFCC Bank PLC for a consideration of Rs. 2.2 Mn.

d) E. B. Creasy & Company PLC disposed 19,825 shares at Rs.48.71 per share of Imperial Hotels Ltd for a consideration of Rs. 0.96 Mn to Colombo Fort Hotels Limited.

The below table summarizes fair value amount transferred to retaining earnings on disposal of equity securities designated at FVOCI are as follows.

As at 31st March *In thousands of Rs.*		GROUP **2026**	COMPANY **2026**
Investee			
ACME Printing & Packaging PLC	a	-	**(31,210)**
ACME Printing & Packaging PLC	b	**(35,569)**	**(35,569)**
DFCC Bank PLC	c	**1,374**	**1,374**
Imperial Hotels Limited	d	**569**	**569**
		(33,626)	**(64,836)**

14. INVESTMENTS (CONTD.)

14.3.2.2 During the year 2014/15, Muller & Phipps (Ceylon) PLC subscribed to following Debentures of Kotagala Plantations PLC with a par value of Rs.100/- each and renewed the same during the financial year 2020/21.

Category	No. of Debentures	Terms of Debentures	Coupon Frequency	Interest Rate p. a.	Maturity
Type C (Restructured)	125,000	06 Years	Monthly	7.50%	31-Aug-26
Type D (Restructured)	125,000	06 Years	Annually	7.50%	30-Sep-26

	GROUP		COMPANY	
For the year ended 31st march *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Balance at the Beginning of the Year	**23,125**	20,585	-	-
Redemption	**(6,250)**	-	-	-
Increase in Fair Value	**1,469**	2,540	-	-
Balance at the End of the Year	**18,344**	23,125	-	-

14.4 Loans to Related Parties

14.4.1 Loans Granted to Related Parties

		GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**Relationship**	**2026**	**2025**	**2026**	**2025**
The Colombo Fort Land & Building PLC	Parent	**73,972**	259,200	-	-
Lankem Minerals Limited	Affiliate	-	100,000	-	-
Muller & Phipps (Ceylon) PLC	Subsidiary	-	-	**115,460**	115,460
Lanka Special Steels Limited	Subsidiary	-	-	-	50,000
		73,972	359,200	**115,460**	165,460
Less: Impairment of Loans Granted to Related Parties (14.4.1.2)		**(5)**	(15,033)	**(7,040)**	(14,721)
Balance at the End of the Year		**73,967**	344,167	**108,420**	150,739
Non-Current Portion		-	-	**108,420**	108,906
Current Portion		**73,967**	344,167	-	41,833
		73,967	344,167	**108,420**	150,739

14.4.1.1. Loans Granted to Related Parties - Movement During the period

	GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Balance at the Beginning of the Year	**359,200**	350,000	**165,460**	115,460
Granted During the Year	**611,000**	288,000	**620,000**	450,000
Settlements During the Year	**(896,228)**	(278,800)	**(670,000)**	(400,000)
Balance at the End of the Year	**73,972**	359,200	**115,460**	165,460

Loans to related parties bear interest at AWPLR plus 2% per annum. These loans are unsecured and are repayable on demand, unless a specific agreement classifies them as long-term, in which case the agreed repayment terms apply.

During the financial year 2023/24, E. B. Creasy & Company PLC granted a long-term loan amounting to Rs. 115.46 Mn to Muller & Phipps (Ceylon) PLC at an interest rate of AWPLR plus 2%. Initially the loan is repayable over a period of three years and has been extended for a further three years, resulting in a total tenure of six years.

14.4.1.2 Impairment of Loans Granted to Related Parties

	GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Balance at the Beginning of the Year	**15,033**	13,177	**14,721**	3,936
(Reversals) / Charge During the Year	**(15,028)**	1,856	**(7,681)**	10,785
Balance at the End of the Year	**5**	15,033	**7,040**	14,721

14.5 Other Investments, Including Derivatives

	GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Financial Derivative Assets	**16,881**	-	**8,784**	-
	16,881	-	**8,784**	-

Derivative financial assets represent the fair value of forward exchange contracts entered into by the Group to hedge foreign currency exposure on trade payables. The Group's total exposure amounts to USD 5,824,549 (2025: Nil), and a corresponding asset of Rs. 16.8 Mn has been recognized in the financial statements (2025: Nil). With respect to the Company, total exposure amounts to USD 3,161,682 (2025: Nil), and a corresponding asset of Rs. 8.7 Mn has been recognized in the financial statements (2025: Nil).

15. INVENTORIES

	GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Raw Materials	**2,273,386**	2,346,674	**1,381,702**	1,024,635
Work-in-Progress	**78,321**	152,987	**66,198**	110,091
Finished Goods	**2,669,201**	2,733,061	**695,943**	563,600
Consumable Stocks	**238,540**	290,642	**146,500**	136,123
Goods-in-Transit	**827,454**	810,015	**455,052**	210,918
Right to Recover Returned Goods	**487,353**	453,460	**15,643**	14,578
	6,574,255	6,786,839	**2,761,038**	2,059,945
Less: Impairment of Inventories (Note 15.1)	**(357,202)**	(237,890)	**(168,954)**	(38,683)
	6,217,053	6,548,949	**2,592,084**	2,021,262

15. INVENTORIES (CONTD.)

15.1 Impairment of Inventories

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year	**237,890**	144,756	**38,683**	50,697
Charge/(Reversals) During the Year	**119,312**	93,134	**130,271**	(12,014)
Balance at the End of the Year	**357,202**	237,890	**168,954**	38,683

Impairment charges and reversals for inventories have been recorded under cost of sales in the statement of profit or loss and other comprehensive income.

In 2025/26, inventories amounting to Rs. 7.24 Bn (2024/25 – Rs. 6.54 Bn) were recognised by the company as an expense during the year and included in cost of sales.

Inventories amounting to Rs.2,496 Mn (2024/25- Rs.2,276 Mn) have been pledged together with the trade receivables of the Company and Rs.5,291Mn (2024/25 - Rs.3,836 Mn) of the Group, as security for short term loans obtained from banks.

On adoption of SLFRS 15, an asset for right to recover returned goods is recognised in relation to products sold with a right to return.

16. AMOUNTS DUE FROM RELATED COMPANIES

16.1 Amounts Due From Related Companies - Trade

As at 31st March *In thousands of Rs.*	Relationship	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Darley Butler & Company Limited	Subsidiary	-	-	**1,195,338**	961,093
Kotagala Plantations PLC	Affiliate	**167,345**	-	**167,261**	-
Agarapatana Plantations PLC	Affiliate	-	18,291	-	18,291
Lankem Ceylon PLC	Affiliate	**23,723**	9,399	-	-
ACME Printing & Packaging PLC	Affiliate	**1,045**	181,591	-	181,591
		192,113	209,281	**1,362,599**	1,160,975
Less: Impairment of Amounts Due From Related Companies (Note 16.1.1)		**(3,765)**	(59,354)	**(8,092)**	(73,463)
		188,348	149,927	**1,354,507**	1,087,512

16.1.1 Impairment of amounts due from related companies - Trade

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year	**59,354**	47,517	**73,463**	51,356
(Reversal)/Charge During the Year	**(55,589)**	11,837	**(65,371)**	22,107
Balance at the End of the Year	**3,765**	59,354	**8,092**	73,463

16.2 Amounts Due From Related Companies - Non-Trade

As at 31st March *In thousands of Rs.*	Relationship	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
The Colombo Fort Land & Building PLC	Parent	**137**	-	-	-
Ceyflex Rubber Limited	Subsidiary	-	-	**404,012**	343,802
Candy Delights Limited	Subsidiary	-	-	**20,050**	15,097
Muller & Phipps (Ceylon) PLC	Subsidiary	-	-	**25,748**	13,289
E. B. Creasy Logistics Limited	Subsidiary	-	-	**15,474**	7,522
Muller & Phipps (Health Care) Limited	Subsidiary	-	-	**447**	751
Lanka Special Steels Limited	Subsidiary	-	-	**1,960**	1,709
Laxapana PLC	Subsidiary	-	-	-	29,759
Lankem Ceylon PLC	Affiliate	**5,382**	141,055	**5,382**	95,440
Kotagala Plantations PLC	Affiliate	**584**	41,643	-	41,020
Agarapatana Plantations PLC	Affiliate	-	16,698	-	16,698
SunAgro LifeScience Limited	Affiliate	-	2,759	-	-
J.F. Packaging PLC	Affiliate	-	747	-	-
Marawila Resorts PLC	Affiliate	-	40	-	40
American Lloyd Travels Limited	Affiliate	**355**	-	**355**	-
ACME Printing & Packaging PLC	Affiliate	-	14,995	-	14,995
		6,458	217,937	**473,428**	580,122
Less: Impairment of Amounts Due from Related Companies (Note 16.2.1)		**(1,123)**	(46,887)	**(240,702)**	(264,033)
		5,335	171,050	**232,726**	316,089

16.2.1 Impairment of Amounts due from Related Companies

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year	**46,887**	22,478	**264,033**	115,424
(Reversals)/ Charge During the Year	**(45,764)**	24,409	**(23,331)**	148,609
Balance at the End of the Year	**1,123**	46,887	**240,702**	264,033

Notes to the Financial Statements

17. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Trade Receivables - Others	**4,661,994**	4,146,632	**65,915**	180,404
Impairment of Trade Receivable (Note 17.1)	**(112,910)**	(140,302)	**(6,413)**	(17,345)
	4,549,084	4,006,330	**59,502**	163,059
Deposits and Prepayments	**217,032**	143,478	**38,564**	24,782
Employee Advances	**47,588**	43,186	**19,759**	26,332
Other Tax Recoverable	**429,820**	499,249	**1,943**	9,592
Advance Paid to Vendors	**589,993**	462,091	**422,403**	296,722
Insurance Claim Receivable	**65,618**	-	**65,618**	-
Receivables from Foreign Principals	**304,494**	332,053	**-**	-
Other Receivables	**34,536**	45,054	**29,423**	14,866
	6,238,165	5,531,441	**637,212**	535,353
Other Receivables- Non-Current (Refundable Deposits)	**21,052**	11,356	**12,070**	2,800

Inventories amounting to Rs.2,496 Mn (2024/25- Rs.2,276 Mn) have been pledged together with the trade receivables of the Company and Rs.5,291 Mn (2024/25 - Rs.3,836 Mn) of the Group, as security for short term loans obtained from banks.

17.1 Impairment of Trade Receivables

	GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Balance at the Beginning of the Year	**140,302**	188,673	**17,345**	14,292
(Reversals)/Charge During the Year	**(27,392)**	(48,371)	**(10,932)**	3,053
Balance at the End of the Year	**112,910**	140,302	**6,413**	17,345

18. CASH AND CASH EQUIVALENTS

18.1 Favourable Balance

	GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Cash in Hand	**3,886**	5,759	**1,644**	1,485
Cash at Bank	**799,692**	955,358	**198,014**	149,206
Fixed Deposits	**105,543**	126,256	**105,543**	126,256
Cash and Cash Equivalents in the Statement of Financial Position	**909,121**	1,087,373	**305,201**	276,947

18.2 Unfavourable Balance

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Bank Overdrafts Used for Cash Management Purpose (Note 18.2.1)	**(507,552)**	(984,416)	-	(411,503)
Cash and Cash Equivalents in the Statement of Cash Flows	**401,569**	102,957	**305,201**	(134,556)

18.2.1 The Group's bank overdraft facilities are secured against mortgages over property, shares,stock and book debts.

19. STATED CAPITAL

As at 31st March	GROUP/COMPANY 2026 Number	GROUP/COMPANY 2026 Value Rs. '000	GROUP/COMPANY 2025 Number	GROUP/COMPANY 2025 Value Rs. '000
Issuance of and Fully Paid Ordinary Shares				
Balance at the Beginning of the Year	**253,545,800**	**25,731**	253,545,800	25,731
Right Issue During the Year (Note 19.1)	**25,354,580**	**1,521,275**	-	-
Balance at the End of the Year	**278,900,380**	**1,547,006**	253,545,800	25,731

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

19.1 Rights Issue

During the year, the Company raised Rs. 1.5 Bn by way of a rights issue of 25,354,580 new ordinary shares, in the proportion of one (1) new ordinary share for every ten (10) existing issued ordinary shares in the capital of the Company at an issue price of Rs. 60/- per share. The new ordinary shares allotted on the Rights Issue were listed on 23rd December 2025.

20. OTHER COMPONENTS OF EQUITY

20.1 General Reserve

General reserve is the reserve set aside for general purposes.

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
General Reserve	**9,548**	9,548	**9,548**	9,548

Notes to the Financial Statements

20. OTHER COMPONENTS OF EQUITY (CONTD.)

20.2 Revaluation Reserve

The revaluation reserve relates to the surplus (net of tax effect) on revaluation on lands.

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Balance at the Beginning of the Year	**2,513,677**	2,229,960	**2,200,919**	1,917,202
Revaluation Gain	-	405,310	-	405,310
Deferred Tax Effect on Revaluation Gain	-	(121,593)	-	(121,593)
Balance at the End of the Year	**2,513,677**	2,513,677	**2,200,919**	2,200,919

20.3 Fair Value Reserve

The fair value reserve comprises the cumulative net change in the financial assets at fair value through other comprehensive income.

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Balance at the Beginning of the Year	**(33,514)**	528,655	**(221,376)**	303,132
Fair Value Gain/(Loss)	**187,310**	201,442	**(88,234)**	170,391
Transfer to Retained Earnings on Disposal of Equity Securities Designated at FVOCI	**33,626**	(763,611)	**64,836**	(694,899)
Balance at the End of the Year	**187,422**	(33,514)	**(244,774)**	(221,376)

21. LOANS AND BORROWINGS

21.1 Long Term Loans

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Balance at the Beginning of the Year	**2,518,155**	1,676,681	**1,692,442**	1,127,345
Obtained During the Year	**3,372,009**	1,427,076	**951,009**	928,756
Repayment During the Year	**(907,796)**	(585,602)	**(553,282)**	(363,659)
Balance at the End of the Year	**4,982,368**	2,518,155	**2,090,169**	1,692,442
Repayable Within One Year	**1,531,630**	770,865	**646,035**	510,523
Repayable After One Year	**3,450,738**	1,747,290	**1,444,134**	1,181,919

21.2 Amounts Payable Within One Year

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Short-Term Loans (Note 21.2.1)	**1,321,865**	4,384,828	**224,187**	935,370
Current Portion of Long Term Loans (Note 21.1)	**1,531,630**	770,865	**646,035**	510,523
	2,853,495	5,155,693	**870,222**	1,445,893

21.2.1 Short Term Loans

The Company and the Group have obtained following Short Term Loans and were outstanding as at the reporting date.

	GROUP	
As at 31st March *In thousands of Rs.*	**2026**	**2025**
E. B. Creasy & Company PLC	**224,187**	935,370
Darley Butler & Company Limited	-	1,772,491
Laxapana PLC	-	35,421
Muller & Phipps (Health Care) Limited	**99,523**	18,539
Lanka Special Steels Limited	**697,570**	993,200
Sterling Steels (Private) Limited	**259,258**	543,789
Candy Delights Limited	**41,327**	86,018
	1,321,865	4,384,828

GROUP

E. B. Creasy & Company PLC

Short term loans are secured by existing mortgage bonds to banks over property, share investments, company's stocks in trade and assignment of its book debts and Corporate Guarantees received from Darley Butler & Company Limited and Candy Delights Limited.

Darley Butler & Company Limited

Short term loans are secured by existing mortgage bonds to banks over property, share investments, company's stocks in trade and assignment of its book debts and Corporate Guarantees received from E. B. Creasy & Company PLC and Candy Delights Limited.

Laxapana PLC

Short term loans are secured by existing mortgage bonds to banks over the property situated at Panagoda, Homagama, stocks in trade and assignment of book debts and Corporate Guarantee received from E. B. Creasy & Company PLC.

Muller & Phipps (Health Care) Limited

Short term loans are secured by existing mortgage bonds to banks over pharmaceutical stocks in trade and assignment of book debts and Corporate Guarantee received from E. B. Creasy & Company PLC.

Candy Delights Limited

Short term loans are secured by existing mortgage bonds to banks over stocks and assignment of book debts and Corporate Guarantees received from E .B. Creasy & Company PLC and Darley Butler & Company Limited.

Sterling Steels (Private) Limited

Short term loans are secured by existing mortgage bond over stocks in trade.

Lanka Special Steels Limited

Short term loans are secured by existing mortgage bonds to banks over property and company's stocks in trade and assignment of its book debts.

21. LOANS AND BORROWINGS (CONTD.)

21.3 Term Loans

E. B. Creasy & Company PLC and its Subsidiaries have obtained following Long Term Loans:

GROUP

Borrower	Lender	31.03.2026	31.03.2025	Interest Rate p.a
COMPANY		**Rs. Mn**	**Rs. Mn**	
E. B. Creasy & Company PLC	Sampath Bank PLC	-	7.46	AWPLR based rate
	Commercial Bank of Ceylon PLC	**142.69**	199.87	AWPLR based rate
	Commercial Bank of Ceylon PLC	**320.00**	-	AWPLR based rate
	Commercial Bank of Ceylon PLC	**29.77**	-	Fixed Rate for a period of three years and thereafter AWPLR based rate
	Bank of Ceylon	**375.21**	555.21	AWPLR based rate
	Bank of Ceylon	-	22.64	Fixed Rate
	Bank of Ceylon	**622.50**	787.26	AWPLR based rate
	Cargills Bank PLC	-	36.67	AWPLR based rate
	People's Bank	**63.33**	83.33	AWPLR based rate
	People's Bank	**266.67**	-	AWPLR based rate
	Pan Asia Banking Corporation PLC	**270.00**	-	AWPLR based rate
		2,090.17	1,692.44	
SUBSIDIARIES				
Candy Delights Limited	Hatton National Bank PLC	**27.76**	44.44	AWPLR based rate
	People's Bank	**70.16**	-	AWPLR based rate
	People's Bank	**40.00**	-	AWPLR based rate
Lanka Special Steels Limited	Commercial Bank of Ceylon PLC	**44.46**	68.46	AWPLR based rate
	Commercial Bank of Ceylon PLC	**101.50**	188.50	Fixed Rate
	Commercial Bank of Ceylon PLC	**146.67**	186.67	AWPLR based rate
	Commercial Bank of Ceylon PLC	**300.00**	-	Fixed Rate for a period of three years and thereafter AWPLR based rate
	DFCC Bank PLC	**72.50**	102.50	Fixed Rate
Laxapana PLC	Commercial Bank of Ceylon PLC	**14.06**	25.14	Fixed Rate
	DFCC Bank PLC	**158.41**	210.01	AWPLR based rate
Darley Butler & Company Limited	Bank of Ceylon	**1,000.00**	-	Fixed Rate for two years and thereafter AWPLR based rate
	People's Bank	**916.67**	-	Fixed Rate
	GROUP TOTAL	**4,982.37**	2,518.15	

Terms of Repayment	Security
Repayable in 60 installments starting from March 2022	Mortgage over respective machinery imported and installed at the factory premises at Millewa
Repayable in 84 installments starting from October 2021	Primary Mortgage Bond over property located in Gonawala and Floating mortgage bond over stocks and book debts
Repayable in 72 installments (after a grace period of 12 months) starting from July 2026	
Repayable in 66 installments (after a grace period of 6 months) starting from September 2026	Additional Floating Primary Mortgage Bond executed over land located in Gonawala
Repayable in 79 installments starting from August 2021	Primary Mortgage over property located at Colombo 10.
Repayable in 35 installments starting from October 2022	
Repayable in 60 installments starting from December 2024	
Repayable in 60 installments starting from April 2022	Primary Mortgage executed over machineries at Gonawala
Repayable in 60 installments starting from June 2024	Primary Mortgage Bond executed over stocks at Millewa
Repayable in 36 installments starting from October 2025	No Security
Repayable in 60 installments starting from November 2025	Floating mortgage bond over machinery stored at Millewa

Repayable in 36 installments starting from November 2024	Corporate guarantee of E. B. Creasy & Company PLC
Repayable in 54 installments starting from December 2025	Corporate guarantee of E. B. Creasy & Company PLC
Repayable in 60 installments (after a grace period of 6 months) Starting from August 2026	Corporate guarantee of E. B. Creasy & Company PLC
Repayable in 60 installments starting from October 2022	Floating primary mortgage bond over lease hold right of LINDEL and Floating Primary Mortgage Bond over Machinery of New wire galvanizing plant.
Repayable in 60 installments starting from November 2021	
Repayable in 60 installments starting from November 2024	Floating Additional Mortgage Bond over the Annealing and Galvanizing plant installed at Lindel Industrial Estate
Repayable in 60 installments starting from March 2026.	Floating Secondary Mortgage Bond over the Leasehold rights land at Sapugaskanda
Repayable in 60 installments (after a grace period of 12 months) starting from February 2023.	Primary mortgage bond over movable machinery & Mortgage bond over stocks and book debts.
Repayable in 60 installments (after a grace period of 12 months) starting from December 2021	Primary mortgage bond over the solar panels and related machinery and equipment installed in the rooftop solar systems.
Repayable in 60 installments starting from April 2024	Primary mortgage bond over the land located in Homagama
Repayable in 60 installments starting from March 2026	Corporate guarantee from E.B. Creasy & Company PLC
Repayable in 60 installments starting from December 2025	Corporate guarantee from E.B. Creasy & Company PLC

Notes to the Financial Statements

21. LOANS AND BORROWINGS (CONTD.)

21.4 Lease Liabilities

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year	**426,038**	403,786	**377,361**	360,578
Remeasurement	**442**	20,131	**-**	22,137
Additions During the Year	**249,630**	97,640	**249,630**	9,444
Interest Expense	**28,372**	56,172	**46,199**	49,068
Payments	**(164,941)**	(150,101)	**(82,822)**	(63,866)
Exchange Loss/(Gain)	**1,126**	(1,590)	**-**	-
Balance at the End of the Year	**540,667**	426,038	**590,368**	377,361
Repayable Within One Year	**168,625**	103,411	**134,320**	19,081
Repayable After One Year	**372,042**	322,627	**456,048**	358,280
Balance at the End of the Year	**540,667**	426,038	**590,368**	377,361

21.4.1 Amounts Recognised in Statement of Profit or Loss

For the year ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Interest on Lease Liabilities (Note 21.4)	**28,372**	56,172	**46,199**	49,068
Exchange Loss /(Gain)	**1,126**	(1,590)	**-**	-
Amortisation (Note 12)	**156,749**	82,896	**56,381**	24,310

21.4.2 Amounts Recognised in Statement of Cash Flows

For the year ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Lease Rental Paid	**164,941**	150,101	**82,822**	63,866

21.4.3 Maturity Analysis of Lease Liability

The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments to be paid after the reporting date.

As at 31st March *In thousands of Rs.*	GROUP 2026	COMPANY 2026
Less than One Year	**200,176**	134,320
One to Five Years	**353,185**	450,726
More than Five Years	**377,268**	327,915
Total Undiscounted Lease Payment	**930,629**	912,961

22. DEFERRED INCOME

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Balance at the Beginning of the Year	**3,228**	3,488	**3,228**	3,488
Amortised During the Year	**(260)**	(260)	**(260)**	(260)
Balance at the End of the Year	**2,968**	3,228	**2,968**	3,228

E. B. Creasy & Company PLC received a grant of Rs.5.2 Mn during the year ended 31st March 2018 in relation to setting up a roof top solar power project on net metering basis under ADB funded clean energy and network efficiency improvement projects which is amortised over 20 years.

23. DEFERRED TAX ASSETS / LIABILITIES

23.1 Deferred Tax Assets

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Balance at the Beginning of the Year	**81,885**	98,125	-	-
Charged in the Profit or Loss	**(11,600)**	(23,053)	-	-
Reversal in other Comprehensive Income	**2,782**	6,813	-	-
Balance at the End of the Year	**73,067**	81,885	-	-

23.2 Deferred Tax Liabilities

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Balance at the Beginning of the Year	**(1,053,600)**	(984,669)	**(786,550)**	(757,435)
Reversal in the Profit or Loss	**39,106**	91,748	**50,693**	91,583
Charge in the other Comprehensive Income	**(20,360)**	(160,679)	**(18,238)**	(120,698)
Balance at the End of the Year	**(1,034,854)**	(1,053,600)	**(754,095)**	(786,550)

23. DEFERRED TAX ASSETS / LIABILITIES (CONTD.)

23.3 Deferred Tax Assets/ Liabilities

Deferred tax assets/(liabilities) have been recognised in respect of the following and it has been calculated by applying the current tax rates (30%) of respective companies in the group which are liable for income tax.

	GROUP			
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.	**Temporary Difference**	**Tax Effect**	**Temporary Difference**	**Tax Effect**
Deferred Tax Asset				
Property, Plant and Equipment	**(954,340)**	(286,303)	**(809,664)**	(242,899)
Retirement Benefit Liabilities	**119,002**	35,701	**111,877**	33,563
Impairment of Debtors and Amounts Due from Related Companies	**70,526**	21,158	**71,577**	21,473
Tax Loss Carried Forward	**875,410**	262,623	**758,021**	227,406
Provision for Inventories	**48,795**	14,639	**56,415**	16,924
Provision for Bonus	**13,713**	4,114	**9,577**	2,873
Right-of-Use-Assets	**(103,185)**	(30,955)	**(105,639)**	(31,692)
Lease Liabilities	**178,468**	53,540	**181,958**	54,587
Unrealized Foreign Exchange Losses	**(4,834)**	(1,450)	**(1,173)**	(352)
	243,555	73,067	**272,949**	81,885

	GROUP			
As at 31st March	**2026**		**2025**	
In thousands of Rs.	**Temporary Difference**	**Tax Effect**	**Temporary Difference**	**Tax Effect**
Deferred Tax Liability				
Property, Plant and Equipment	**1,567,058**	**470,117**	1,340,767	402,230
Defined Benefit Liabilities	**(1,456,952)**	**(437,086)**	(996,230)	(298,869)
Revaluation Surplus of Land	**3,458,489**	**1,037,547**	3,458,490	1,037,547
Impairment of Financial Assets	**(302,359)**	**(90,708)**	(384,593)	(115,378)
Impairment of Debtors and Amounts Due from Related Companies	**(45,932)**	**(13,780)**	(63,713)	(19,114)
Equity Investment at FVOCI	**819,909**	**245,973**	567,660	170,298
Provision for Warranty Claims	**(30,994)**	**(9,298)**	(25,607)	(7,682)
Provision for Inventories	**(308,409)**	**(92,523)**	(169,650)	(50,895)
Lease Liabilities	**(486,570)**	**(145,971)**	(561,873)	(168,562)
Right-of-Use-Assets	**415,813**	**124,744**	490,540	147,162
Right to Recover Returned Goods	**507,816**	**152,345**	488,423	146,527
Refund Liability	**(686,911)**	**(206,073)**	(632,217)	(189,665)
Unrealized Foreign Exchange Losses	**(1,447)**	**(434)**	-	-
	3,449,511	**1,034,854**	3,511,997	1,053,600

As at 31st March *In thousands of Rs.*	COMPANY			
	2026		2025	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Deferred Tax Liability				
Property, Plant and Equipment	**594,031**	**178,209**	576,599	172,980
Defined Benefit Liabilities	**(915,978)**	**(274,793)**	(717,306)	(215,192)
Revaluation surplus of Land	**3,458,489**	**1,037,547**	3,458,489	1,037,547
Impairment of Financial Assets	**(135,244)**	**(40,573)**	(129,795)	(38,938)
Impairment of Debtors and Amounts Due from Related Companies	**(247,115)**	**(74,134)**	(281,378)	(84,413)
Equity Investment at FVOCI	**5,254**	**1,576**	(162,640)	(48,792)
Provision for Warranty Claims	-	-	(1,502)	(451)
Provision for Inventories	**(168,954)**	**(50,686)**	(38,683)	(11,605)
Lease Liabilities	**(372,693)**	**(111,808)**	(377,360)	(113,208)
Right-of-Use-Assets	**301,018**	**90,305**	306,334	91,900
Right to Recover Returned Goods	**15,642**	**4,693**	14,578	4,373
Refund Liability	**(22,033)**	**(6,610)**	(25,502)	(7,651)
Unrealized Foreign Exchange Gains	**1,230**	**369**	-	-
	2,513,648	**754,095**	2,621,835	786,550

Deferred Tax is provided using the liability method, providing for temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax (asset)/liability has been computed taking into consideration the current tax rate 30% prevailed as at the reporting date.

Deferred tax assets arising from unused tax losses are recognized to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilized.

23.4 Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of following:

As at 31st March *In thousands of Rs.*	GROUP			
	2026		2025	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
On Carried Forward Tax Losses	**1,082,002**	**324,601**	734,240	220,272

Notes to the Financial Statements

23. DEFERRED TAX ASSETS / LIABILITIES (CONTD.)

23.4.1 Tax Losses Carried Forward

Tax losses for which no deferred tax asset was will be expired as follows

As at 31st March *In thousands of Rs.*	GROUP			
	2026		2025	
	Temporary Difference	Year of Expiry	Temporary Difference	Year of Expiry
Tax Losses Incurred During - 2022/23	**122,104**	**2028/29**	64,565	2028/29
Tax Losses Incurred During -2023/24	**319,240**	**2029/30**	289,975	2029/30
Tax Losses Incurred During -2024/25	**453,744**	**2030/31**	379,700	2030/31
Tax Losses Incurred During -2025/26	**186,914**	**2031/32**	-	-
	1,082,002		734,240	

24. DEFINED BENEFIT LIABILITY

As at 31st March *In thousands of Rs.*	GROUP		COMPANY	
	2026	2025	2026	2025
Present Value of Defined Benefit Liability (Note 24.1)	**1,575,954**	1,254,445	**915,978**	717,305
	1,575,954	1,254,445	**915,978**	717,305

24.1 Movement in the Present Value of Defined Benefit Liability

As at 31st March *In thousands of Rs.*	GROUP		COMPANY	
	2026	2025	2026	2025
Balance at the Beginning of the Year	**1,254,445**	1,069,889	**717,305**	606,830
Current Service Cost	**101,146**	112,848	**56,720**	67,359
Interest Cost	**130,356**	101,327	**71,731**	49,006
Remeasurement of Defined Benefit Liabilities Recognised in OCI	**197,956**	30,528	**107,105**	9,886
Payments During the Year	**(107,949)**	(60,147)	**(36,883)**	(15,776)
Balance at the End of the Year	**1,575,954**	1,254,445	**915,978**	717,305

For the Year Ended 31st March *In thousands of Rs.*	GROUP		COMPANY	
	2026	2025	2026	2025
Expense Recognized in the Statement of Profit or Loss				
Current Service Cost	**101,146**	112,848	**56,720**	67,359
Interest Cost	**130,356**	101,327	**71,731**	49,006
Total	**231,502**	214,175	**128,451**	116,365
Remeasurement of Defined Benefit Liabilities Recognised in Other Comprehensive Income				
Remeasurement of Defined Benefit Liabilities Recognised in OCI	**197,956**	30,528	**107,105**	9,886

24.2 Key Actuarial Assumptions

(a) Company

An actuarial valuation has been carried out as at 31st March 2026 by M/S Actuarial & Management Consultants (Private) Limited (Actuarial Valuer) as required by the Sri Lanka Accounting Standard LKAS 19 - 'Employee Benefits'.

The key assumptions used by the Actuary include the following:

(a) Discount Rate	10% p.a.
(b) Rate of increase of Salaries	Executive 10%
	Non Executive 10%
(c) Defined Age	60 Years

The actuarial present value of the accrued benefits as at 31st March, 2026 is Rs.916 Mn (31st March, 2025 - Rs. 717 Mn). This item is grouped under defined benefit obligation in the Statement of Financial Position. The liability is not externally funded.

The weighted average duration of the defined benefit obligation is 5.4 years.

As per the LKAS 19 issued by the Institute of Chartered Accountants of Sri Lanka, a long-term treasury bond rate of 10% p.a. (2025– 10%) was used to discount future liabilities taking into consideration the remaining working life of eligible employees for the purpose of valuing employee benefit obligations. Further, the salary increment rate of 10% is considered appropriate to be in line with the Company's targeted salary increments when taking into account the current market conditions and inflation rate.

(b) Group

LKAS 19 - 'Employee Benefits' requires to apply Projected Unit Credit Method to make a reliable estimate of the obligation in order to determine the present value of the defined benefit obligation. The key assumptions made in arriving at the defined benefit obligation as at 31st March 2026 in respect of following companies are stated below:

Company Name	Expected Salary Increment Rate Per Annum	Discount Rate Per Annum	Defined Age - Years	Liability as at 31.03.2026 *In thousands of Rs.*
E. B. Creasy & Company PLC	10.0%	10.0%	60	**915,978**
Darley Butler & Company Limited	10.0%	9.0%	60	**478,159**
Candy Delights Limited	10.0%	10.0%	60	**40,598**
E. B. Creasy Logistics Limited	10.0%	11.0%	60	**8,147**
Laxapana PLC	10.0%	10.0%	60	**22,219**
Muller & Phipps (Health Care) Limited	10.0%	9.0%	60	**31,483**
Lanka Special Steels Limited	10.0%	9.0%	60	**26,085**
Sterling Steels (Private) Limited	10.0%	11.0%	60	**53,285**

Notes to the Financial Statements

23. DEFINED BENEFIT LIABILITY (CONTD.)

Company Name	Expected Salary Increment Rate Per Annum	Discount Rate Per Annum	Defined Age - Years	Liability as at 31.03.2025 *In thousands of Rs.*
E. B. Creasy & Company PLC	10.0%	10.0%	60	**717,305**
Darley Butler & Company Limited	10.0%	11.0%	60	**371,258**
Candy Delights Limited	10.0%	11.0%	60	**35,798**
E. B. Creasy Logistics Limited	10.0%	11.0%	60	**7,187**
Laxapana PLC	10.0%	11.0%	60	**17,394**
Muller & Phipps (Health Care) Limited	10.0%	11.0%	60	**27,578**
Lanka Special Steels Limited	10.0%	10.0%	60	**37,225**
Ceyflex Rubber Limited	10.0%	11.0%	60	**815**
Sterling Steels (Private) Limited	10.0%	11.0%	60	**39,885**

Discount rate change

The decrease in the discount rate is due to the decrease in yield of the matching Government Bonds for the given duration of the liability as at the reporting date. Assumptions regarding the valuation of the defined benefit obligation is based on published statistics.

The actuarial present value of the accrued benefits as at 31st March, 2026 is Rs.1,576 Mn (As at 31st March, 2025 - Rs.1,254 Mn). This item is grouped under defined benefit obligation in the Statement of Financial Position. The liability is not externally funded.

24.3 Sensitivity Analysis

Sensitivity of assumptions used

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	GROUP		COMPANY	
As at 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**
Effect on the Defined Benefit Liability:				
Increase by One Percentage Point in Discount Rate	**(75,614)**	(58,142)	**(42,250)**	(30,072)
Decrease by One Percentage Point in Discount Rate	**85,417**	65,361	**48,456**	34,286
Increase by One Percentage Point in Salary Increment Rate	**91,696**	70,870	**52,714**	37,595
Decrease by One Percentage Point in Salary Increment Rate	**(82,807)**	(64,258)	**(46,988)**	(33,719)

24.3.1 Maturity Profile of the Defined Benefit Liability

The following table demonstrates distribution of the future working lifetime of the Defined Benefit Liability as at the reporting period.

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Within the next 12 months	**526,289**	422,631	**433,916**	355,206
Between 1-2 Years	**113,114**	68,111	**21,002**	19,931
Between 2-5 Years	**318,778**	249,593	**129,845**	98,152
Between 5-10 Years	**302,551**	290,949	**121,964**	107,480
Over 10 years	**315,222**	223,161	**209,251**	136,536
Total	**1,575,954**	1,254,445	**915,978**	717,305

25. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
As at 31st March	**2026**	**2025**	**2026**	**2025**
In thousands of Rs.				
Trade Payables	**2,364,830**	1,671,324	**1,702,235**	1,086,998
Unclaimed Dividend	**32,967**	9,949	**28,334**	8,087
Bills Payable	**1,548,319**	1,613,142	-	-
Refund Liability	**656,819**	603,206	**22,033**	25,502
Other Taxes Payable	**230,604**	180,151	**142,953**	127,775
Deposits from Dealers	**207,598**	459,608	-	-
Warranty Provision	**30,994**	25,608	-	1,502
Accrued Expenses and Other Payables	**1,318,221**	1,917,461	**700,197**	738,072
	6,390,353	6,480,449	**2,595,752**	1,987,936

The Group is primarily engaged in the manufacturing, marketing, and distribution of a diversified portfolio of consumer, wellness & nutrition, and industrial products across Sri Lanka through an extensive island-wide distribution network comprising general trade, modern trade (supermarket chains), independent supermarkets (ISMs), pharmacies, hardware outlets, institutional sales channels, and other specialized trade channels.

The considerations due on account of delivered and invoiced goods are fixed and they are based on pre-agreed prices. The Group sells goods on credit, typically the credit terms are in the range of 30-60 days from the date of invoice. The credit exposures, specially from the general trade distributors are partially covered by bank guarantees held in favour of the entity.

As per SLFRS 15, a refund liability has been recognised for the potential liability arises when the goods are returned by the customers mainly on the grounds of damages. Any goods returned on the basis of product defects are usually claimed from the principals in case the entity acts as the authorised distributor.

Following assumptions and inputs were used in estimating the refund liability as at the reporting date:

- Closing refund liability was estimated based on the average sales returns for the last 3 years.
- When determining the cost of the returns, the profit margins applicable to different products have been used as a reliable estimate.

26. AMOUNTS DUE TO RELATED COMPANIES

26.1 Loans Obtained from Related Companies

As at 31st March *In thousands of Rs.*	Relationship	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Candy Delights Limited	Subsidiary	-	-	-	50,000
Laxapana PLC	Subsidiary	-	-	-	50,000
		-	-	-	100,000

26.1.1 Loans Obtained from Related Companies - Movement During the period

As at 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year	-	-	**100,000**	-
Obtained During the Year	**350,000**	-	**350,000**	200,000
Settlements During the Year	**(350,000)**	-	**(450,000)**	(100,000)
Balance at the End of the Year	-	-	-	100,000

Loans provided by related parties are subject to an interest rate of AWPLR +2% per annum. These loans are unsecured and are repayable on demand.

26.2 Trade and Other Payables to Related Companies

As at 31st March *In thousands of Rs.*	Relationship	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Laxapana PLC	Subsidiary	-	-	**212**	-
Sterling Steels (Private) Limited	Subsidiary	-	-	**450**	971
E. B. Creasy Ceylon (Private) Limited	Subsidiary	-	-	**610**	816
Lankem Ceylon PLC	Affiliate	**62**	1,244	-	-
Alliance Five (Private) Limited	Affiliate	**563**	-	-	-
Marawila Resorts PLC	Affiliate	**69**	-	-	-
Colonial Motors (Ceylon) Limited	Affiliate	**29**	-	**29**	-
Colombo Fort Group Services (Private) Limited	Affiliate	-	1,098	-	1,098
J.F. Packaging PLC	Affiliate	**12,469**	14,163	**12,469**	14,163
Kiffs (Pvt) Limited	Affiliate	**86**	-	**86**	-
Ceylon Tapes (Private) Limited	Affiliate	**1,155**	534	**1,155**	534
C. W. Mackie PLC	Affiliate	**731**	77	**731**	77
		15,164	17,116	**15,742**	17,659
Total Amounts Due to Related Companies		**15,164**	17,116	**15,742**	117,659

27. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS

Analysis of Financial Instruments by Measurement Basis.

Financial instruments in the Statement of Financial Position are measured on an ongoing basis either at fair value or at amortized cost. The Accounting Policies describe how each category of financial instrument is measured and how income and expenses, including fair value gains and losses are recognized. The following tables analyse the carrying amount of the financial instruments by category as defined in Sri Lanka Accounting Standard SLFRS 9 - 'Financial Instruments' under headings of the SOFP.

As at 31st March		GROUP				
		2026				
In thousands of Rs.	Note	Financial assets/ liabilities - FVTPL	Financial assets/ liabilities at amortized Cost	Financial assets - FVTOCI	Total carrying amount	Fair value
Financial Assets						
Financial Assets Measured at Fair Value						
Financial assets at Fair value through Other Comprehensive Income	14.3.1	-	-	3,002,641	3,002,641	3,002,641
Financial Assets at Fair Value Through Profit or Loss	14.5	16,881	-	-	16,881	16,881
Financial Assets not Measured at Fair Value						
Financial Assets at Amortized Cost - Loans Due from Related Parties	14.4.1	-	73,967	-	73,967	84,322
Cash and Cash Equivalents	18.1	-	909,121	-	909,121	909,121
Trade and Other Receivable *	17	-	4,853,578	-	4,853,578	4,853,578
Amounts Due from Related Companies - Trade	16.1	-	188,348	-	188,348	188,348
Amounts Due from Related Companies - Non-trade	16.2	-	5,335	-	5,335	5,335
Total Financial Assets		16,881	6,030,349	3,002,641	9,049,871	9,060,226
Financial Liabilities						
Financial Liabilities not Measured at Fair Value						
Interest-Bearing Borrowings and Lease Liabilities	21.1/21.2/ 21.4	-	6,844,899	-	6,844,899	7,771,051
Trade and Other Payables **	25	-	4,120,747	-	4,120,747	4,120,747
Amounts due to Related Companies	26	-	15,164	-	15,164	15,164
Bank Overdrafts	18.2	-	507,552	-	507,552	507,552
Total Financial Liabilities		-	11,488,362	-	11,488,362	12,414,514

* In the year 2025/26, trade and other receivables that are not financial assets (deposits and prepayments 217,032, employee advances 47,588, other tax recoverable 429,820, vendor advances 589,993, insurance recoverable 65,618 and other receivable 34,536 (In Rs. Thousands)) are not included.

** In the year 2025/26, trade and other payables that are not financial liabilities (unclaimed dividend 32,967, refund liabilities 656,819, other tax payable 230,604, warranty provision 30,994, accrued expenses and other payables 1,318,221 (In Rs. Thousands)) are not included.

Notes to the Financial Statements

27. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS (CONTD.)

As at 31st March		GROUP				
				2025		
In thousands of Rs.	Note	Financial assets/ liabilities - FVTPL	Financial assets/ liabilities at amortized Cost	Financial assets - FVTOCI	Total carrying amount	Fair value
Financial Assets						
Financial Assets Measured at Fair Value						
Financial assets at Fair value through Other Comprehensive Income	14.3.1	-	-	2,173,481	2,173,481	2,173,481
Financial Assets not Measured at Fair Value						
Financial assets at Amortised Cost - Loans Due from Related Parties	14.4.1	-	344,167	-	344,167	385,467
Cash and Cash Equivalents	18.1	-	1,087,373	-	1,087,373	1,087,373
Trade and Other Receivable *	17	-	4,338,383	-	4,338,383	4,338,383
Amounts Due from Related Companies - Trade	16.1	-	149,927	-	149,927	149,927
Amounts Due from Related Companies - Non-trade	16.2	-	171,050	-	171,050	171,050
Total Financial Assets		-	6,090,901	2,173,481	8,264,382	8,305,682
Financial Liabilities						
Financial Liabilities not Measured at Fair Value						
Interest-Bearing Borrowings and Lease Liabilities	21.1/21.2/ 21.4	-	7,329,021	-	7,329,021	8,215,369
Trade and Other Payables **	25	-	3,744,074	-	3,744,074	3,744,074
Amounts due to Related Companies	26	-	17,116	-	17,116	17,116
Bank Overdrafts	18.2	-	984,416	-	984,416	984,416
Total Financial Liabilities		-	12,074,628	-	12,074,628	12,960,975

* In the year 2024/25, trade and other receivables that are not financial assets (deposits and prepayments 143,478 ,employee advances 43,186, other tax recoverable 499,249, vendor advances 462,091 and other receivable 45,054 (In Rs. Thousands)) are not included.

** In the year 2024/25, trade and other payables that are not financial liabilities (unclaimed dividend 9,949, refund liabilities 603,206, other tax payable 180,151, warranty provision 25,608 ,accrued expenses and other payables 1,917,461 (In Rs. Thousands)) are not included.

As at 31st March		COMPANY				
				2026		
In thousands of Rs.	Note	Financial assets/ liabilities - FVTPL	Financial assets/ liabilities at amortized Cost	Financial assets - FVTOCI	Total carrying amount	Fair value
Financial Assets						
Financial Assets Measured at Fair Value						
Financial assets at Fair value through Other Comprehensive Income	14.3.2	-	-	252,541	252,541	252,541
Financial assets at Fair value through Profit or Loss	14.5	8,784	-	-	8,784	8,784
Financial Assets not Measured at Fair Value						
Financial assets at Amortised Cost - Loans Due from Related Parties	14.4.1	-	108,420	-	108,420	120,766
Cash and Cash Equivalents	18.1	-	305,201	-	305,201	305,201
Trade and Other Receivable *	17	-	59,502	-	59,502	59,502
Amounts Due from Related Companies - Trade	16.1		1,354,507	-	1,354,507	1,354,507
Amounts Due from Related Companies - Non-trade	16.2	-	232,726	-	232,726	232,726
Total Financial Assets		8,784	2,060,356	252,541	2,321,681	2,334,027
Financial Liabilities						
Financial Liabilities not Measured at Fair Value						
Interest-Bearing Borrowings and Lease Liabilities	21.1/21.2/ 21.4	-	2,904,724	-	2,904,724	3,303,538
Trade and Other Payables **	25	-	1,702,235	-	1,702,235	1,702,235
Amounts due to Related Companies	26	-	15,742	-	15,742	15,742
Total Financial Liabilities		-	4,622,701	-	4,622,701	5,021,515

* In the year 2025/26, trade and other receivables that are not financial assets (deposits and prepayments 38,564, employee advances 19,759, other tax recoverable 1,943, vendor advances 422,403, insurance recoverable 65,618 and other receivable 29,423 (In Rs. Thousands)) are not included.

** In the year 2025/26, trade and other payables that are not financial liabilities (unclaimed dividend 28,334, refund liabilities 22,033, other tax payable 142,953 and accrued expenses and other payables 700,197 (In Rs. Thousands)) are not included.

Notes to the Financial Statements

27. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS (CONTD.)

		COMPANY				
As at 31st March				**2025**		
In thousands of Rs.	**Note**	**Financial assets/ liabilities - FVTPL**	**Financial assets/ liabilities at amortized Cost**	**Financial assets - FVTOCI**	**Total carrying amount**	**Fair value**
Financial Assets						
Financial Assets Measured at Fair Value						
Financial Assets at Fair Value Through Other Comprehensive Income	14.3.2	-	-	491,571	491,571	491,571
Financial Assets Measured at Fair Value						
Financial Assets at Amortized Cost - Loans Due from Related Parties	14.4.1	-	150,739	-	150,739	166,604
Cash and Cash Equivalents	18 .1	-	276,947	-	276,947	276,947
Trade and Other Receivables *	17	-	163,059	-	163,059	163,059
Amounts Due from Related Companies - Trade	16.1	-	1,087,512	-	1,087,512	1,087,512
Amounts Due from Related Companies - Non-trade	16.2	-	316,089	-	316,089	316,089
Total Financial Assets		-	1,994,346	491,571	2,485,917	2,501,782
Financial Liabilities						
Financial Liabilities not Measured at Fair Value						
Interest-Bearing Borrowings and Lease Liabilities	21.1/21.2/ 21.4	-	3,005,173	-	3,005,173	3,761,550
Trade and Other Payables **	25	-	1,086,998	-	1,086,998	1,086,998
Amounts due to Related Companies	26	-	117,659	-	117,659	117,659
Bank Overdrafts	18.2	-	411,503	-	411,503	411,503
Total Financial Liabilities		-	4,621,333	-	4,621,333	5,377,710

* In the year 2024/25, trade and other receivables that are not financial assets (deposits and prepayments 24,782, employee advances 26,332, other tax recoverable 9,592, vendor advances 296,722 and other receivables 14,866 (In Rs. Thousands)) are not included.

** In the year 2024/25, trade and other payables that are not financial liabilities (unclaimed dividend 8,087, refund liabilities 25,502, other tax payables 127,775, warranty provision 1,502, accrued expenses and other payables 738,072 (In Rs. Thousands)) are not included.

28. FAIR VALUES OF FINANCIAL INSTRUMENTS

28.1 Fair Value Measurement

The Group and the Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

Level II : Valuation techniques based on observable inputs, either directly – i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include 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.

There have been no transfers between levels of the fair value hierarchy during the reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Type	Valuation technique	Significant unobservable inputs	Inter-relation between significant unobservable inputs and fair value measurements
Investment in subsidiaries	Discounted cash flows: The valuation model considers the present value of expected cash flows, discounted using a risk-adjusted discount rate. The expected cash flows are determined by considering the possible scenarios of forecasted EBITDA.	Forecasted EBITDA margin 2.2%-7.7% (2025:1.5%-10.4%) Risk adjusted discount rate 18% - 23.6% (2025: 13% - 24.9%)	The estimated fair value would increase (decrease), if the EBITDA margin was higher (lower); or the risk-adjusted discount rate was lower (higher). Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.
Equity Securities (unquoted)	Net assets basis	Net Assets Value (NAV) of unquoted equity securities. Colombo Fort Hotels - Rs.13.33 Consolidated Tea Plantations Limited - Rs. 24.05 CBL Investments Limited - Rs. 181.53	The estimated fair value would increase (decrease), if the NAV per share was higher (lower).
Forward exchange contracts	Forward pricing: the fair value is determined using quoted forward exchange rates at the reporting date.	Not applicable	Not applicable

28. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

28.2 Financial Instruments - Fair Value

The carrying amounts of short-term financial assets and financial liabilities, including trade and other receivables, cash and cash equivalents, and trade and other payables, are considered to be a reasonable approximation of their fair values because of the short-term maturities of these instruments. Therefore, separate fair value disclosures have not been presented in accordance with paragraph 29(a) of SLFRS 7.

GROUP									
		Carrying Amount		Level I		Level II		Level III	
As at 31st March *In thousands of Rs.*	Note	2026	2025	2026	2025	2026	2025	2026	2025
Other Financial Assets measured at FVTOCI									
Quoted Investments	14.3.1	**1,772,459**	1,008,026	**1,772,459**	1,008,026	-	-	-	-
Unquoted Investments	14.3.1	**1,211,838**	1,142,330	-	-	-	-	**1,211,838**	1,142,330
Corporate debt securities	14.3.1	**18,344**	23,125	-	-	**18,344**	23,125	-	-
Other Financial Assets measured at FVTPL									
Financial Derivative Assets	14.5	**16,881**	-	-	-	**16,881**	-	-	-
Financial Assets Measured at Amortised Cost									
Loans Due from Related Parties	14.4.1	**73,967**	344,167	-	-	-	-	**84,322**	385,467
Cash and Cash Equivalents	18.1	**909,121**	1,087,373	-	-	-	-	-	-
Trade and Other Receivables*	17	**4,853,578**	4,338,383	-	-	-	-	-	-
Amounts Due from Related Companies - Trade	16.1	**188,348**	149,927	-	-	-	-	-	-
Amounts Due from Related Companies - Non-trade	16.2	**5,335**	171,050	-	-	-	-	-	-
Other Financial Liabilities									
Interest-Bearing Borrowings and Lease Liabilities	21.1/21.2/ 21.4	**6,844,899**	7,329,021	-	-	-	-	**7,771,051**	8,215,369
Trade and Other Payables**	25	**4,120,747**	3,744,074	-	-	-	-	-	-
Amounts due to Related Companies	26	**15,164**	17,116	-	-	-	-	-	-
Bank Overdrafts	18.2	**507,552**	984,416	-	-	-	-	-	-
Total		**20,538,233**	20,339,010	**1,772,459**	1,008,026	**35,225**	23,125	**9,067,211**	9,743,166

* In the year 2025/26, trade and other receivables that are not financial assets (deposits and prepayments 217,032, employee advances 47,588, other tax recoverable 429,820, vendor advances 589,993, insurance recoverable 65,618 and other receivables 34,536 (In Rs. Thousands)) are not included.

* In the year 2024/25, trade and other receivables that are not financial assets (deposits and prepayments 143,478 ,employee advances 43,186, other tax recoverable 499,249, vendor advances 462,091 and other receivables 45,054 (In Rs. Thousands)) are not included.

** In the year 2025/26, trade and other payables that are not financial liabilities (unclaimed dividend 32,967, refund liabilities 657,897, other tax payables 230,604, warranty provision 30,994, accrued expenses and other payables 1,318,237 (In Rs. Thousands)) are not included.

** In the year 2024/25, trade and other payables that are not financial liabilities (unclaimed dividend 9,949, refund liabilities 603,206, other tax payables 180,151, warranty provision 25,608 ,accrued expenses and other payables 1,917,461 (In Rs. Thousands)) are not included.

28. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

COMPANY

As at 31st March *In thousands of Rs.*	Note	Carrying Amount		Level I		Level II		Level III	
		2026	2025	2026	2025	2026	2025	2026	2025
Other Financial Assets measured at FVTOCI									
Quoted Investments	14.3.1	**42,482**	225,122	**42,482**	225,122	-	-	-	-
Unquoted Investments	14.3.1	**210,059**	266,449	-	-	-	-	**210,059**	266,449
Other Financial Assets measured at FVTPL									
Financial Derivative Assets	14.5	**8,784**	-	-	-	**8,784**	-	-	-
Financial Assets Measured at Amortised Cost									
Loans Due from Related Parties	14.4.1	**108,420**	150,739	-	-	-	-	**120,766**	166,604
Cash and Cash Equivalents	18.1	**305,201**	276,947	-	-	-	-	-	-
Trade and Other Receivables *	17	**59,502**	163,059	-	-	-	-	-	-
Amounts Due from Related Companies - Trade	16.1	**1,354,507**	1,087,512	-	-	-	-	-	-
Amounts Due from Related Companies - Non-trade	16.2	**232,726**	316,089	-	-	-	-	-	-
Other Financial Liabilities									
Interest-Bearing Borrowings and Lease Liabilities	21.1/21.2/ 21.4	**2,904,724**	3,005,173	-	-	-	-	**3,303,538**	3,761,550
Trade and Other Payables **	25	**1,702,235**	1,086,998	-	-	-	-	-	-
Amounts due to Related Companies	26	**15,742**	117,659	-	-	-	-	-	-
Bank Overdrafts	18.2	-	411,503	-	-	-	-	-	-
Total		**6,944,382**	7,107,249	**42,482**	225,122	**8,784**	-	**3,634,363**	4,194,603

* In the year 2025/26, trade and other receivables that are not financial assets (deposits and prepayments 38,564, employee advances 19,759, other tax recoverable 1,943, vendor advances 422,403, insurance recoverable 65,618 and other receivables 29,423 (In Rs. Thousands)) are not included.

* In the year 2024/25, trade and other Receivables that are not financial assets (deposits and prepayments 24,782, employee advances 26,332, other tax recoverable 9,592, vendor advances 296,722 and other receivables 14,866 (In Rs. Thousands)) are not included.

** In the year 2025/26, trade and other payables that are not financial liabilities (unclaimed dividend 28,334, refund liabilities 22,033, other tax payables 142,953 and accrued expenses and other payables 700,197 (In Rs. Thousands)) are not included.

** In the year 2024/25, trade and other payables that are not financial liabilities (unclaimed dividend 8,087, refund liabilities 25,502, other tax payables 127,775, warranty provision 1,502, accrued expenses a other payables 738,072 (In Rs. Thousands)) are not included.

29. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of Financial Instruments.
1. Credit Risk
2. Liquidity Risk
3. Market Risk (including currency risk and interest rate risk)

This note represents qualitative and quantitative information about the Groups' exposure to each of the above risks, the Group's objectives, policies and procedures for measuring and managing risk.

Risk Management Framework

The Board of Directors has the overall responsibility for establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit Department. Internal Audit Department undertakes both regular and ad-hoc reviews of risk management controls and procedures, the findings of which are reported to the Audit Committee.

29.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations, and this risk arises principally from the Group's receivables from customers, related parties and investments.

The Group is closely monitoring the economic environment in the country and is taking necessary measures to limit its exposure to customers experiencing particular economic volatility. As a strategy to reduce credit risk, the subsidiary company obtains bank guarantees from customers where applicable and assess the credit worthiness when granting credit facilities. Further, Distributor Financing Schemes has been utilized to share the risks.

The carrying amounts of financial assets represent the maximum credit exposure.

Maximum Exposure to Credit risk

The following table shows the maximum exposure to credit risk by class of Financial Assets and the value of Financial Assets covered by the collateral.

As at 31st March		GROUP			
		2026			
In thousands of Rs.	Notes	Maximum Exposure to Credit Risk	Guarantees	Total Collateral Value	Net Exposure to Credit Risk
Trade and Other Receivables*	17	4,966,488	2,248,967	2,248,967	2,717,521
Refundable Deposit	17	21,052	-	-	21,052
Amounts Due from Related Companies - Trade	16.1	192,113	-	-	192,113
Amounts Due from Related Companies - Non-trade	16.2	6,458	-	-	6,458
Loans Due from Related Parties	14.4.1	73,972	-	-	73,972
Total		5,260,083	2,248,967	2,248,967	3,011,116

* In the year 2025/26, trade and other receivables that are not financial assets (deposits and prepayments 217,032, employee advances 47,588, other tax recoverable 429,820, vendor advances 589,993, insurance recoverable 65,618 and other receivables 34,536 (In Rs. Thousands)) are not included.

As at 31st March		GROUP			
		2025			
In thousands of Rs.	Notes	Maximum Exposure to Credit Risk	Guarantees	Total Collateral Value	Net Exposure to Credit Risk
Trade and Other Receivables*	17	4,478,685	1,732,425	1,732,425	2,746,260
Refundable Deposit	17	11,356	-	-	11,356
Amounts Due from Related Companies - Trade	16.1	209,281	-	-	209,281
Amounts Due from Related Companies - Non-trade	16.2	217,937	-	-	217,937
Loans Due from Related Parties	14.4.1	359,200	-	-	359,200
Total		5,276,459	1,732,425	1,732,425	3,544,034

* In the year 2024/25, trade and other receivables that are not financial assets (deposits and prepayments 143,478 ,employee advances 43,186, other tax recoverable 499,249, vendor advances 462,091 and other receivables 45,054 (In Rs. Thousands)) are not included.

As at 31st March		COMPANY			
		2026			
In thousands of Rs.	Notes	Maximum Exposure to Credit Risk	Guarantees	Total Collateral Value	Net Exposure to Credit Risk
Trade and Other Receivables*	**17**	**65,915**	-	-	**65,915**
Refundable Deposit	**17**	**12,070**	-	-	**12,070**
Amounts Due from Related Companies - Trade	**16.1**	**1,362,599**	-	-	**1,362,599**
Amounts Due from Related Companies - Non-trade	**16.2**	**473,428**	-	-	**473,428**
Loans Due from Related Parties	**14.4.1**	**115,460**	-	-	**115,460**
Total		**1,914,012**	-	-	**1,914,012**

* In the year 2025/26, trade and other receivables that are not financial assets (deposits and prepayments 38,564, employee advances 19,759, other tax recoverable 1,943, vendor advances 422,403, insurance recoverable 65,618 and other receivables 29,423 (In Rs. Thousands)) are not included.

As at 31st March		COMPANY			
		2025			
In thousands of Rs.	Notes	Maximum Exposure to Credit Risk	Guarantees	Total Collateral Value	Net Exposure to Credit Risk
Trade and Other Receivables*	17	180,404	-	-	180,404
Refundable Deposit	17	2,800	-	-	2,800
Amounts Due from Related Companies - Trade	16.1	1,160,975	-	-	1,160,975
Amounts Due from Related Companies - Non-trade	16.2	580,122	-	-	580,122
Loans Due from Related Parties	14.4.1	165,460	-	-	165,460
Total		1,924,301	-	-	1,924,301

* In the year 2024/25, trade and other receivables that are not financial assets (deposits and prepayments 24,782, employee advances 26,332, other tax recoverable 9,592, vendor advances 296,722 and other receivables 14,866 (In Rs. Thousands)) are not included.

Notes to the Financial Statements

29. FINANCIAL RISK MANAGEMENT (CONTD.)

Impairment losses on financial assets recognised in Profit or Loss and Other Comprehensive Income were as follows;

For the Year Ended 31st March *In thousands of Rs.*	Notes	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Impairment (Charge)/Reversals on Trade Receivables and Amount Due from Related Parties	16.1.1/16.2.1/ 17.1	**(128,745)**	(12,125)	**(99,634)**	173,769
Impairment (Charge)/Reversals on Loan Due from Related Parties	14.4.1.2	**(15,028)**	1,856	**(7,681)**	10,785
Impairment Reversals on Debt Securities at FVOCI		**(92)**	(4,310)	-	-
		(143,865)	(14,579)	**(107,315)**	184,554

Trade Receivables and Other Receivables

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are specific loss component that relates to individually significant exposures, and a collective loss component established for Group of similar assets in respect of losses that are expected to be incurred and not yet identified. The collective loss allowance is determined based on historical data of payment statistics of those receivables and the future macro economic conditions.

During the year ended 31 March 2026, the Company reassessed the forward-looking macro-economic assumptions and the probability weightings assigned to the base case, best case, and worst-case scenarios used in the Expected Credit Loss (ECL) assessment, based on the latest available economic information. Accordingly, Gross Domestic Product (GDP) growth was identified as the key quantitative macro-economic indicator incorporated into the ECL model.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows;

For the Year Ended 31st March *In thousands of Rs.*	Notes	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year		**140,302**	188,673	**17,345**	14,292
Net Remeasurement of Loss Allowance	17.1	**(27,392)**	(48,371)	**(10,932)**	3,053
Balance at the End of the Year		**112,910**	140,302	**6,413**	17,345

The movement in the allowance for impairment in respect of amounts due from related parties during the year was as follows;

For the Year Ended 31st March *In thousands of Rs.*	Notes	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year		**46,887**	22,478	**264,033**	115,424
Net Remeasurement of Loss Allowance	16.2.1	**(45,764)**	24,409	**(23,331)**	148,609
Balance at the End of the Year		**1,123**	46,887	**240,702**	264,033

The following table provides information about the exposure to credit risk and ECLs for Trade Receivables.

As at 31st March *In thousands of Rs.*	Notes	GROUP 2026 Trade Receivables	GROUP 2026 Provision for Impairment	GROUP 2025 Trade Receivables	GROUP 2025 Provision for Impairment
1-90 days past due		**4,656,040**	**7,743**	3,393,142	22,741
91-180 days past due		**137,396**	**15,104**	768,723	15,972
181-365 days past due		**80,615**	**8,508**	55,044	10,868
More than 365 days past due		**92,437**	**81,555**	261,776	90,721
Total	17	**4,966,488**	**112,910**	4,478,685	140,302

As at 31st March *In thousands of Rs.*	Notes	COMPANY 2026 Trade Receivables	COMPANY 2026 Provision for Impairment	COMPANY 2025 Trade Receivables	COMPANY 2025 Provision for Impairment
1-90 days past due		**33,526**	**1,051**	80,720	1,019
91-180 days past due		**26,260**	**2,875**	55,828	3,081
181-365 days past due		**4,457**	**815**	34,416	7,082
More than 365 days past due		**1,672**	**1,672**	9,440	6,163
Total	17	**65,915**	**6,413**	180,404	17,345

Debt Securities and Loan Due from Related Parties

The movement in the allowance for impairment for loans due from related parties during the year was as follows;

For the Year Ended 31st March *In thousands of Rs.*	Notes	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year		**15,033**	13,177	**14,721**	3,936
Net Remeasurement of Loss Allowance	14.4.1.2	**(15,028)**	1,856	**(7,681)**	10,785
Balance at the End of the Year		**5**	15,033	**7,040**	14,721

The movement in the loss allowance for debt securities at fair value through other comprehensive income during the year was as follows.
Credit Rating of the debenture for 2026 is CCC/C (2025 - CCC).

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Balance at the Beginning of the Year	**4,610**	300	-	-
Net Remeasurement of Loss Allowance	**92**	4,310	-	-
Balance at the End of the Year	**4,702**	4,610	-	-

29. FINANCIAL RISK MANAGEMENT (CONTD.)

Cash and cash equivalents

The Group held cash and cash equivalents of Rs. 909 Mn as at 31 March 2026 (2025 - Rs.1,087 Mn) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which the group cash balances were held are as follows;
Bank of Ceylon – AA-(lka)
Hatton National Bank PLC - AA-(lka)
People's Bank – AA-(lka)
Commercial Bank of Ceylon PLC – AA-(lka)
National Development Bank PLC – A- (lka)
Pan Asia Banking Corporation PLC – BBB (lka)
Union Bank of Colombo PLC - BBB- (lka)
Standard Chartered Bank – AAA (lka)
Seylan Bank PLC – A+ (lka)
Sampath Bank PLC – AA- (lka)
Nations Trust Bank PLC – A(lka)
DFCC Bank PLC – A(lka)
Amana Bank PLC – BBB- (lka)
Cargills Bank PLC – A(lka)
Habib Bank Limited - AA (lka)
Sanasa Development Bank PLC – BB+(lka)

29.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with its financial liabilities that are to be settled by cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group has focused on maintaining an acceptable retention policy and a balance between continuity of funding and flexibility through effective treasury function to forecast funding requirement. Furthermore, Group maintains a contingent funding plan and leverage the Group's strength as a listed entity to raise economical funding when required to mitigate possible liquidity risk.

As at 31st March		GROUP							
		2026				2025			
In thousands of Rs.	Notes	Carrying Amount	Contractual Cash Flows	Less than one Year	More than one Year	Carrying Amount	Contractual Cash Flows	Less than one Year	More than one Year
Interest-Bearing Loans and Borrowings	21.1	4,982,368	6,261,680	1,968,136	4,293,544	2,518,155	2,998,998	919,352	2,079,646
Lease Liabilities	21.4	540,667	930,629	200,176	730,453	426,038	808,925	135,167	673,758
Short-Term Loans	21.2	1,321,865	1,459,206	1,459,206	-	4,384,828	4,857,512	4,857,512	-
Amounts Due to Related Companies	26	15,164	15,164	15,164	-	17,116	17,116	17,116	-
Trade & Other Payables*	25	4,120,747	4,120,747	4,120,747	-	3,744,074	3,744,074	3,744,074	-
Bank Overdrafts	18.2	507,552	507,552	507,552	-	984,416	984,416	984,416	-
Total		11,488,362	13,294,979	8,270,981	5,023,997	12,074,628	13,411,041	10,657,637	2,753,404

* In the year 2025/26, trade & other payables that are not financial liabilities (unclaimed dividend 32,967, refund liabilities 656,819, other tax payables 230,604, warranty provision 30,994, accrued expenses & other payables 1,318,221 (In Rs. Thousands)) are not included.

* In the year 2024/25, trade & other payables that are not financial liabilities (unclaimed dividend 9,949, refund liabilities 603,206, other tax payables 180,151, warranty provision 25,608 ,accrued expenses & other payables 1,917,461 (In Rs. Thousands)) are not included.

As at 31st March		COMPANY							
		2026				2025			
In thousands of Rs.	Notes	Carrying Amount	Contractual Cash Flows	Less than one Year	More than one Year	Carrying Amount	Contractual Cash Flows	Less than one Year	More than one Year
Interest-Bearing Loans and Borrowings	21.1	2,090,169	2,485,461	796,649	1,688,812	1,692,442	2,028,461	619,972	1,408,489
Lease Liabilities	21.4	590,368	912,961	134,320	778,641	377,361	696,886	57,731	639,155
Short - Term Loans	21.2	224,187	249,632	249,632	-	935,370	1,036,203	1,036,203	-
Amounts Due to Related Companies	26	15,742	17,528	17,528	-	117,659	130,343	130,343	-
Trade & Other Payables*	25	1,702,235	1,702,235	1,702,235	-	1,086,998	1,086,998	1,086,998	-
Bank Overdrafts	18.2	-	-	-	-	411,503	411,503	411,503	-
Total		4,622,701	5,367,818	2,900,365	2,467,453	4,621,333	5,390,394	3,342,750	2,047,644

* In the year 2025/26, trade and other payables that are not financial liabilities (unclaimed dividend 28,334, refund liabilities 22,033, other tax payables 142,953 and accrued expenses and other payables 700,197 (In Rs. Thousands)) are not included.

* In the year 2024/25, trade and other payables that are not financial liabilities (unclaimed dividend 8,087, refund liabilities 25,502, other tax payables 127,775, warranty provision 1,502, accrued expenses & other payables 738,072 (In Rs. Thousands)) are not included.

29.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc; which will affect the Group's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

29.3.1 Currency Risk

The Group is exposed to currency risk on purchases and borrowings that are denominated in currencies other than the functional currency which is the Sri Lankan Rupee.

To mitigate the exposure to foreign currency risk, forward exchange contracts are entered into in accordance with its risk management policies. Forward exchange contracts are mainly entered into in respect of short term bills payable on imports.

Sensitivity Analysis

A strengthening or weakening of Sri Lankan Rupee, as indicated below, against the USD would have increased/(decreased) profit before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The Sri Lankan Rupee was depreciated approximately by 6.37% during the financial year against the United States Dollar. The analysis assumes that all other variables, in particular interest rates, remain constant. However the Group minimises its impact on profit before tax due to adverse changes in exchange rate by appropriate price adjustments of its goods and services.

	GROUP	
	Effect on Profit Before Tax	
For the Year Ended 31st March *In thousands of Rs.*	**2026**	**2025**
+1%	777	133
-1%	(777)	(133)

Notes to the Financial Statements

29. FINANCIAL RISK MANAGEMENT (CONTD.)

The following significant exchange rates have been applied.

	Average Rate		Spot Rate	
	2026	2025	2026	2025
USD	304.40	297.73	315.19	296.34

The summarised quantitative data about the Group's exposure to currency risk as at the reporting date are as follows:

	GROUP	
As at 31st March	2026 USD	2025 USD
Foreign Debtors	1,083,427	917,802
Foreign Creditors	(6,768,190)	(7,763,878)
Net Statement of Financial Position Exposure	(5,684,763)	(6,846,077)

	COMPANY	
As at 31st March	2026 USD	2025 USD
Foreign Debtors	16,895	5,535
Foreign Creditors	(2,164,452)	(2,137,081)
Net Statement of Financial Position Exposure	(2,147,557)	*(2,131,546)*

29.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations and financial assets.

The following table demonstrates the Group's sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax:

	GROUP	
	Effect on Profit Before Tax	
For the Year Ended 31st March *In thousands of Rs.*	2026	2025
-1%	7,784	9,370
+1%	(7,784)	(9,370)

The break down of fixed rate of interest and variable rate of interest bearing financial assets & liabilities as at the reporting date are as follows.

	Notes	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
Financial Assets					
Fixed Interest Rate					
Fixed Deposits	18.1	**105,543**	126,256	**105,543**	126,256
Variable Interest Rate					
Loans Due From Related Parties	14.4.1	**73,967**	344,167	**108,420**	150,739
Total		**179,510**	470,423	**213,963**	276,995
Financial Liabilities					
Fixed Interest Rate					
Fixed Interest Rate Bearing Loans	21	**2,134,499**	338,780	**29,769**	22,640
Variable Interest Rate					
Variable Interest Rate Bearing Loans	21	**4,169,734**	6,564,198	**2,284,587**	2,605,172
Bank Overdrafts Used for Cash Management Purpose	18.2	**507,552**	984,416	-	411,503
Total		**6,811,785**	7,887,394	**2,314,355**	3,039,315

29.3.3 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return of capital, as well as the level of dividends to ordinary shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher level of borrowing and the advantages and security afforded by a sound capital position. The Group's target is to achieve a Return on Capital Employed above 15%. During 2025/26 the return was 17% (2024/25 - 18%). The weighted average interest expense on interest bearing borrowings (excluding liabilities with imputed interest) was 11.1% (2024/25 - 12.8%)

The Group monitors capital using a ratio of 'net debt' to 'adjusted equity'. Net debt is calculated as total liabilities (as shown in the Statement of Financial Position) less cash and cash equivalents.

For the Year Ended 31st March *In thousands of Rs.*	GROUP 2026	GROUP 2025	COMPANY 2026	COMPANY 2025
			-	-
Total Liabilities	**16,704,764**	17,509,403	**7,418,300**	7,221,692
Less: Cash and Cash Equivalents	**(909,121)**	(1,087,373)	**(305,201)**	(276,947)
Net debt	**15,795,643**	16,422,030	**7,113,099**	6,944,745
Total Equity	**10,230,719**	8,012,753	**8,166,719**	6,294,213
Net Debt to Equity Ratio	**1.54**	2.05	**0.87**	1.10

Notes to the Financial Statements

30. RELATED PARTY TRANSACTIONS

30. (a) Parent and Ultimate Controlling Party

The Company's Parent Company is The Colombo Fort Land & Building PLC.

30. (b) Details of Significant Related Party Transactions are Given Below

All related party transactions are carried out in the normal course of business and outstanding balances at year end are unsecured and are to be settled in cash. Terms are as follows.
Loan interest: AWPLR +2% p.a.
Sales/Rent/Service fees - on agreed margins
Corporate Guarantee Commission - 2% p.a.
Reimbursable Expenses - at Cost

For the Year Ended 31st March *In thousands of Rs.*	Transactions with Group		Transactions with Company	
	2026	**2025**	**2026**	**2025**
Transaction with Subsidiary Companies Listed in Note 14.1				
Sales of Goods	-	-	**14,356,641**	12,658,374
Fund Transfers and Settlements	-	-	**(14,466,542)**	(13,711,006)
Incurred Reimbursable Expenses	-	-	**1,264,788**	1,248,362
Commission Income on Corporate Guarantees	-	-	**98,351**	58,114
Settlement of Loans and Interest (Net)	-	-	**162,975**	(101,005)
Interest Charge	-	-	**2,137**	2,803
Purchases	-	-	**(127,336)**	(30)
Rent Income	-	-	**1,858**	1,858
Rent Expense	-	-	**(126,450)**	(128,795)
Loans Granted During the Year	-	-	**50,000**	50,000
Loans Obtained During the Year	-	-	**(50,000)**	(200,000)
Share Investment	-	-	**900,000**	400,000
Sale of Shares	-	-	**74,100**	-
Transaction with The Colombo Fort Land & Building PLC (Ultimate Parent Company)				
Interest Income	**27,117**	45,732	**3,017**	2,801
Interest Expense	**(1,043)**	-	**(1,043)**	-
Loans Obtained During the Year	**(300,000)**	-	**(300,000)**	-
Settlement of Loans and Interest	**301,043**	-	**301,043**	-
Loans Granted During the Year	**381,000**	158,000	**340,000**	115,000
Recovery of Loans and Interest	**(593,600)**	(301,479)	**(343,017)**	(117,801)
Transaction with Other Related Companies				
Sales of Goods	**291,949**	291,949	**167,302**	253,346
Interest on Loans	**19,741**	19,741	**13,773**	15,124
Purchases	**(543,554)**	(543,553)	**(344,750)**	(198,664)
Incurred Reimbursable Expenses	**(178)**	1,200	**(178)**	1,200
Fund Transfers and Settlements	**(153,966)**	8,469	**(193,289)**	3,488
Recovery of Loans and Interest	**(379,471)**	-	**(243,773)**	-
Loans Granted during the Year	**360,000**	130,000	**230,000**	-
Rent Income	**20,642**	10,308	**20,642**	10,308
Commission Income on Corporate Guarantees	**22,777**	22,322	**22,777**	22,322
Sale of Shares	**135,130**	-	**135,130**	-

30. (C) The Directors of The Company are also Directors of the following Companies

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Rajaratnam	Mr. R.C.A. Welikala	Mr. S.W. Gunawardena	Mr. A.D.T. Mendis	Mr. P.Y.S. Perera	Mr. K. G. Punchihewa	Mr. S.B. Perera
E.B. Creasy & Company PLC	√	√	√	√	√	√	√	√
ACME Packaging Solutions (Private) Limited	√							
ACME Printing & Packaging PLC	√						√	
Agarapatana Plantations PLC	√						√	√
Alliance Five (Private) Limited	√						√	√
American Lloyd Travels Limited	√	√						
Beruwala Resorts PLC	√	√						√
C W Mackie PLC	√							√
Candy Delights Limited	√	√	√	√	√			
Ceyflex Rubber Limited	√	√	√	√				
Ceylon Tapes (Private) Limited	√						√	√
Ceytra Limited	√	√						
Colombo Fort Group Services (Private) Limited	√							
Colonial Motors (Ceylon) Limited	√	√						
Darley Butler & Company Limited	√	√	√	√	√			
E. B. Creasy Ceylon (Private) Limited	√	√	√	√				
E. B. Creasy Logistics Limited	√	√	√	√	√			
J.F. Packaging PLC	√						√	√
Kiffs (Private) Limited	√						√	√
Kotagala Plantations PLC	√						√	√
Lanka Special Steels Limited	√	√	√	√	√			
Lankem Ceylon PLC	√						√	√
Lankem Minerals Limited	√							
Laxapana PLC	√	√	√	√	√	√	√	√
Marawila Resorts PLC	√	√						√
Muller & Phipps (Ceylon) PLC	√	√	√	√	√	√	√	√
Muller & Phipps (Health Care) Limited	√	√	√	√	√			
Sterling Steels (Private) Limited	√	√	√	√				
SunAgro LifeScience Limited	√							
The Colombo Fort Land and Building PLC	√	√					√	√
Union Commodities (Private) Limited	√							

Mr. S.B. Perera resigned from the Boards of Alliance Five (Pvt) Limited and Kiffs (Pvt) Limited with effect from 10.05.2025.

Mr. S.D.R. Arudpragasam was appointed as the Non-Executive Chairman of C.W. Mackie PLC with effect from 01.04.2026. Further, Mr. S.D.R. Arudpragasam was appointed as the Non-Executive Chairman of Colonial Motors (Ceylon) Limited with effect from 02.04.2026.

Mr. A.D.T. Mendis was appointed as an Executive Director to the Board of E.B. Creasy & Company PLC with effect from 01.08.2025. He was also appointed as a Director to the Boards of Darley Butler & Company Limited, Candy Delights Limited, Lanka Special Steels Limited, E.B. Creasy Logistics Limited and Muller & Phipps (Health Care) Limited with effect from 01.04.2026.

The above note should be read in conjunction with Note No. 14, 16, 26 and 30.

Notes to the Financial Statements

30. RELATED PARTY TRANSACTIONS (CONTD.)

30. (d). Related Party Transactions Disclosure

Recurrent Transactions

The recurrent related party transactions entered into in respect of the financial year ended 31st March 2026, The value of which exceeded 10% of the consolidated revenue as per 31st March 2025 Financial Statements are detailed below.

Name of Related Party	Relationship	Nature of the Transaction	Aggregate Value of Related Party Transactions Entered into during the Financial Year *In thousands of Rs.*	Aggregate Value of Related Party Transactions as a % of Group Revenue	Terms and Conditions of Related Party Transactions
Darley Butler & Company Limited	Subsidiary	Sale of Goods (without turnover related taxes)	12,036,617	38%	Credit sales on pre-agreed prices
		Settlements (with turnover related taxes)	14,948,720	47%	Settlement of trade dues

Non-recurrent Transactions

The non-recurrent related party transactions entered into in respect of the financial year ended 31st March 2026, the value of which exceeded 10% of shareholders' equity or 5% of total assets of the Group as per 31st March 2025 financial statements are detailed below.

Name of Related Party	Relationship	Value of Related Party Transactions Entered into During the Financial Year *In thousands of Rs.*	Value of Related Party Transactions as a % of Equity and as a % of Total Assets	Terms and Conditions of Related Party Transactions	The Rationale for Entering into the Transactions
Darley Butler & Company Limited	Subsidiary	667,000	8.80% of Total Equity, 2.64% of Total Assets (aggregate value with same related party, 9.78% of Total Equity, 2.93% of Total Assets)	Issuance of a Corporate Guarantee for Rs. 667 Mn to the Subsidiary company.	Granting a Corporate Guarantee as security for the banking facility obtained by the Subsidiary company.
		600,000	7.92% of Total Equity, 2.37% of Total Assets (aggregate value with same related party, 17.69% of Total Equity, 5.30% of Total Assets)	Issuance of a Corporate Guarantee for Rs. 600 Mn to the Subsidiary company.	Granting a Corporate Guarantee as security for the banking facility obtained by the Subsidiary company.
		400,000	5.28% of Total Equity, 1.58% of Total Assets (aggregate value with same related party, 22.97% of Total Equity, 6.88% of Total Assets)	Issuance of a Corporate Guarantee for Rs. 400 Mn to the Subsidiary company.	Granting a Corporate Guarantee as security for the banking facility obtained by the Subsidiary company.
		1,000,000	13.19% of Total Equity, 3.95% of Total Assets (aggregate value with same related party, 36.16% of Total Equity, 10.83% of Total Assets)	Issuance of a Corporate Guarantee for Rs. 1 Bn to the Subsidiary company.	Granting a Corporate Guarantee as security for the banking facility obtained by the Subsidiary company.
		500,000	6.60% of Total Equity, 1.98% of Total Assets (aggregate value with same related party, 42.76% of Total Equity, 12.81% of Total Assets)	Issuance of a Corporate Guarantee for Rs. 500 Mn to the Subsidiary company.	Granting a Corporate Guarantee as security for the banking facility obtained by the Subsidiary company.

Name of Related Party	Relationship	Value of Related Party Transactions Entered into During the Financial Year *In thousands of Rs.*	Value of Related Party Transactions as a % of Equity and as a % of Total Assets	Terms and Conditions of Related Party Transactions	The Rationale for Entering into the Transactions
Darley Butler & Company Limited	Subsidiary	500,000	6.60% of Total Equity, 1.98% of Total Assets (aggregate value with same related party, 49.35% of Total Equity, 14.79% of Total Assets)	Invested a sum of Rs. 500 Mn in 2,393,490 ordinary shares at a price of Rs. 208.90 per share.	To facilitate the subsidiary company to settle its short term interest bearing borrowings, thereby reducing interest expenses and improving Darley Butler & Company Limited gearing position, which in turn is expected to enhance profitability and strengthen the group's consolidated balance sheet.
		800,000	10.55% of Total Equity, 3.16% of Total Assets (aggregate value with same related party, 59.91% of Total Equity, 17.95% of Total Assets)	Issuance of a Corporate Guarantee for Rs. 800 Mn to the Subsidiary company.	Granting a Corporate Guarantee as security for the banking facility obtained by the Subsidiary company.
		1,000,000	13.19% of Total Equity, 3.95% of Total Assets (for aggregate value with same related party, 73.10% of Total Equity, 21.90% of Total Assets)	Issued a Corporate Guarantee for Rs. 1 Bn to the Subsidiary company.	Granting a Corporate Guarantee as security for the banking facility obtained by the Subsidiary company.

30. (e) Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard LKAS - 24 - 'Related Party Disclosures', Key Management Personnel are those having the responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non-Executive Directors) have been classified as Key Management Personnel of the Company/Group.

GROUP

(i) Loans to the Directors

No loans have been granted to the Directors of the Group.

(ii) Compensation paid to Key Management Personnel

For the Year Ended 31st March *In thousands of Rs.*	2026	2025
Short term Employee Benefits	**560,523**	476,885
Post Employment Benefits	**112,307**	80,457

(iii) Other Transactions with Key Management Personnel

There were no other transactions with Key Management Personnel other than those disclosed in Note 30 (d) to these Financial Statements.

Notes to the Financial Statements

30. RELATED PARTY TRANSACTIONS (CONTD.)

COMPANY

(i) Loans to the Directors

No Loans have been granted to the Directors of the Company.

(ii) Compensation paid to Key Management Personnel

For the Year Ended 31st March *In thousands of Rs.*	2026	2025
Short term Employee Benefits	**483,075**	405,529
Post Employment Benefits	**99,382**	69,000

(iii) Other Transactions with Key Management Personnel

There were no other transactions with Key Management Personnel other than those disclosed in Note 30(d) to these Financial Statements.

31. OPERATING SEGMENTS

	Consumer		Industrial		Wellness & Nutrition		Others		Total	
For the Year Ended 31st March *In thousands of Rs.*	**2026**	**2025**	**2026**	**2025**	2026	**2025**	**2026**	**2025**	**2026**	**2025**
External Revenue	**21,746,436**	19,577,845	**7,313,425**	6,878,195	**5,987,753**	5,226,183	**309,222**	383,319	**35,356,836**	32,065,543
Inter/Intra Segment Revenue	**14,150,520**	12,419,175	**899,529**	679,179	**2,000**	2,000	**227,187**	195,955	**15,279,236**	13,296,309
Total Revenue for Reportable Segments	**35,896,956**	31,997,020	**8,212,954**	7,557,374	**5,989,753**	5,228,183	**536,409**	579,274	**50,636,072**	45,361,852
Results										
Interest Income	**82,476**	132,041	**3,939**	24,238	**20,774**	14,389	**3,968**	5,735	**111,157**	176,403
Interest Costs	**588,689**	664,794	**278,371**	345,154	**75,567**	65,791	**5,580**	2,952	**948,208**	1,078,691
Depreciation and Amortisation	**435,874**	353,021	**161,509**	142,498	**11,032**	2,761	**18,213**	15,822	**626,628**	514,101
Profit Before Tax	**1,635,685**	1,740,620	**321,281**	37,247	**181,237**	225,057	**(52,492)**	(73,312)	**2,085,711**	1,929,613
Tax Expense	**(612,291)**	(471,557)	**(165,817)**	(103,369)	**(82,237)**	(103,944)	**(8,707)**	(4,116)	**(869,051)**	(682,986)
Profit/(Loss) for the Year	**1,023,394**	1,269,063	**155,464**	(66,122)	**99,000**	121,113	**(61,199)**	(77,428)	**1,216,660**	1,246,627
Total Assets	**20,065,452**	18,840,520	**5,806,939**	5,775,414	**576,810**	544,659	**486,282**	361,564	**26,935,483**	25,522,157
Total Liabilities	**11,946,958**	12,439,395	**3,799,903**	4,296,652	**462,376**	338,173	**495,527**	435,184	**16,704,764**	17,509,404
Capital Expenditure	**984,130**	666,025	**65,342**	136,693	**153**	3,308	**15,321**	18,448	**1,064,946**	824,473

31.1 SEGMENTS

An operating segment is a distinguishable component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses relating to transactions with other components of the Group. Operating segments are identified based on the nature of products and services offered and are regularly reviewed by management for performance evaluation and resource allocation purposes.

Accordingly, the Group's business operations are organized into the following reportable operating segments:

Segment	Principal Activities
Consumer	Manufacturing, sale, and distribution of consumer products.
Industrial	Manufacturing, sale, and distribution of industrial products.
Wellness & Nutrition	Sale and distribution of therapeutics, specialized nutritional products, and disposable hygiene products.
Other	Inbound and outbound clearing, forwarding and transportation services, and the manufacturing and sale of value-added latex products.

During the period under review, the Group revised the description of one of its reportable segments. Accordingly, the segment previously presented as "Healthcare" has been renamed "Wellness & Nutrition" to more appropriately reflect the nature and scope of activities carried out within the segment.

32.CAPITAL EXPENDITURE & COMMITMENTS

32.1 Group

The Group had no material capital or financial commitments as at the date of the Statement of Financial Position.

32.2 Company

The Company had no material capital or financial commitments as at the date of the Statement of Financial Position.

33. CONTINGENT LIABILITIES

33.1 Letters of Financial Support

E.B. Creasy & Company PLC has issued letters of financial support to below mentioned subsidiaries confirming that it will provide financial assistance as may be required to enable those entities to continue operations and meet their liabilities as they fall due for a period of at least twelve months from the reporting date.

* Corporate Systems Limited
* Group Three Associates (Private) Limited
* Muller & Phipps (Ceylon) PLC
* Muller & Phipps (Health Care) Limited

The Management does not expect any material liability to arise from these undertakings.

33.2 Guarantees to Third Parties

Contingent liabilities in relation to guarantees issued by the Company and Subsidiaries to third parties were as follows:

As at 31st March *In thousands of Rs.*		**2026**	**2025**
Issued By	**Institution**		
E. B. Creasy & Company PLC	Sri Lanka Customs	**21,359**	21,359
Lanka Special Steels Limited	Sri Lanka Customs	**11,000**	8,000
	Bureau of Indian Standards	**3,152**	2,965
	Litro Gas Lanka Limited	**20,000**	20,000
		55,511	52,324

Notes to the Financial Statements

33. CONTINGENT LIABILITIES (CONTD.)

33.3 Corporate Guarantees

Contingent liabilities in relation to guarantees issued by the Company and Subsidiaries to financial institutions on behalf of Group Companies and other Related Companies to obtain facilities, were as follows:

As at 31st March *In thousands of Rs.*		2026	2025
Issued By	**Beneficiary**		
E. B. Creasy & Company PLC	Darley Butler & Company Limited	**8,487,000**	4,120,000
	Muller & Phipps (Health Care) Limited	**100,000**	100,000
	Lankem Ceylon PLC	**597,000**	1,047,000
	Candy Delights Limited	**1,001,000**	500,000
	Lxapana PLC	**200,000**	-
Darley Butler & Company Limited	E. B. Creasy & Company PLC	**1,945,000**	1,945,000
	Candy Delights Limited	**200,000**	200,000
Candy Delights Limited	E. B. Creasy & Company PLC	**200,000**	200,000
	Darley Butler & Company Limited	**200,000**	200,000
		12,930,000	8,312,000

34. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events subsequent to the reporting period which require disclosures in the Financial Statements.

35. COMPARATIVE INFORMATION

The following comparative figures have been reclassified in the Statement of Profit Or Loss and Other Comprehensive Income and Statement of Financial Position (2025) to comply with the current year classification.

	GROUP		
In thousands of Rs.	**Previous Year**	**Reclassification**	**Current Year**
Statement of Financial Position			
Trade and Other Receivables	5,127,184	404,257	5,531,441
Trade and Other Payables	6,076,192	404,257	6,480,449
Retained Earnings*	5,031,187	33,514	5,064,701
Other Components of Equity*	2,523,225	(33,514)	2,489,711
Total Current Assets	13,434,757	404,257	13,839,014
Total Current Liabilities	12,723,957	404,257	13,128,214
Total Liabilities	17,105,147	404,257	17,509,403
Total Assets	25,117,900	404,257	25,522,157
Total Equity and Liabilities	25,117,900	404,257	25,522,157
Statement of Profit or Loss and other Comprehensive Income			
Finance Costs	1,080,547	(1,856)	1,078,691
Administrative Expenses	2,851,147	1,856	2,853,003

In thousands of Rs.	COMPANY		
	Previous Year	**Reclassification**	**Current Year**
Statement of Financial Position			
Trade and Other Receivables	221,281	314,072	535,353
Trade and Other Payables	1,673,864	314,072	1,987,936
Retained Earnings*	4,058,015	221,376	4,279,391
Other Components of Equity *	2,210,467	(221,376)	1,989,091
Total Current Assets	3,964,924	314,072	4,278,996
Total Current Liabilities	3,860,338	314,072	4,174,410
Total Liabilities	6,907,620	314,072	7,221,692
Total Assets	13,201,833	314,072	13,515,905
Total Equity and Liabilities	13,201,833	314,072	13,515,905
Statement of Profit or Loss and other Comprehensive Income			
Finance Costs	458,162	(10,785)	447,377
Administrative Expenses	1,131,866	10,785	1,142,651

*The reserve classification has been made to present the Fair Value Reserve and Retained Earnings separately.

Supplementary Information

Ten Year Summary

In Thousands Rs.	2016/17 Restated	2017/18	2018/19 Restated	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Trading Results										
Revenue	16,981,773	15,486,226	10,793,779	11,186,301	13,766,848	17,508,915	23,342,429	25,822,094	32,065,543	**35,356,836**
Profit/(Loss) before Tax	(394,974)	(552,034)	(829,386)	(366,910)	831,876	1,037,641	1,800,039	666,907	1,929,613	**2,085,711**
Income Tax (Expense)/Reversals	(68,920)	(90,887)	86,966	(57,598)	(248,248)	(299,530)	(290,032)	(386,127)	(682,986)	**(869,051)**
Profit/(Loss) for the Year	(463,894)	(642,921)	(742,420)	(424,508)	583,628	738,111	1,510,007	280,780	1,246,627	**1,216,660**
Assets Employed										
Property, Plant & Equipment	8,331,782	2,267,741	5,064,111	4,976,294	5,043,655	6,288,800	7,865,076	8,151,147	8,852,814	**9,384,652**
Investments	544,274	482,258	596,937	577,756	558,120	1,149,561	2,251,210	2,310,317	2,173,481	**3,002,641**
Intangible Assets	694,396	247,918	229,351	272,448	240,233	208,080	196,334	196,667	220,059	**172,697**
Investment in Associate	279,056	540,159	768,638	465,289	198,333	-	-	-	-	**-**
Other Non-Current Assets	423,006	353,654	340,310	554,264	500,059	361,471	245,289	417,320	436,789	**710,351**
Net Current Assets/(Liabilities)	(1,148,749)	(99,087)	(716,889)	(892,074)	(157,746)	373,675	135,584	(715,603)	710,801	**3,396,934**
Total Assets Employed	9,123,765	3,792,643	6,282,458	5,953,977	6,382,654	8,381,587	10,693,493	10,359,848	12,393,943	**16,667,275**
Equity										
Stated Capital	25,731	25,731	25,731	25,731	25,731	25,731	25,731	25,731	25,731	**1,547,006**
Other Components of Equity	148,394	9,548	2,632,243	2,639,586	2,975,281	2,636,782	2,239,508	2,239,508	2,489,711	**2,710,647**
Retained Earnings	2,456,197	2,325,961	1,306,736	826,010	1,153,818	2,307,663	4,259,818	4,037,164	5,064,701	**5,468,064**
Non-Controlling										
Non-controlling Interest	2,635,145	176,990	279,133	247,012	350,616	340,169	282,505	416,536	432,610	**505,002**
Total Equity	5,265,467	2,538,230	4,243,843	3,738,339	4,505,446	5,310,345	6,807,562	6,718,939	8,012,753	**10,230,719**
Long-Term Liabilities	2,964,046	1,079,746	1,103,588	1,272,579	1,300,850	2,400,464	2,946,103	2,652,752	3,327,590	**5,401,702**
Deferred Liabilities	894,252	174,667	935,027	943,059	576,358	670,778	939,828	988,157	1,053,600	**1,034,854**
Total Non Current Liabilities	3,858,298	1,254,413	2,038,615	2,215,638	1,877,208	3,071,242	3,885,931	3,640,909	4,381,189	**6,436,556**
Total Equity and Non Current Liabilities	9,123,765	3,792,643	6,282,458	5,953,977	6,382,654	8,381,587	10,693,493	10,359,848	12,393,943	**16,667,275**
Basic Earnings Per Share (Rs)	(0.74)	(1.52)	(2.82)	(1.55)	2.01	2.86	5.97	0.77	4.70	**4.26**
Dividend Per Share (Rs)	0.66	-	0.36	0.12	0.18	1.50	1.00	1.50	1.50	**2.00**

Share Information

1. Market Value

The market value of the Company's ordinary shares was as follows.

	2025/2026 (Rs.)	2024/2025 (Rs.)
Highest	**76.00**	37.50
Lowest	**32.00**	21.50
Market value as at the year end	**48.50**	33.10

2. Public Holding

The Percentage of shares held by the public as at 31st March 2026 was 26.24%. (31st March 2025 - 23.92%)

The applicable option under CSE Rule 7.13.1(i) (a) on minimum public holding is option 3 and the Float Adjusted Market Capitalization as of 31st March 2026 was Rs.3,549,397,796.03.

Public Shareholders

The number of Public Shareholders as at 31st March 2026 was 2,741 (31st March 2025 - 1,489)

3. Distribution of Ordinary Shares

No. of Shares Held		31st March 2026			31st March 2025		
		No. of Shareholders	Total Holding	% of Total Shares	No. of Shareholders	Total Holding	% of Total Shares
1	1,000	**1,649**	**388,511**	**0.14**	885	212,081	0.08
1,001	10,000	**730**	**2,864,682**	**1.03**	404	1,749,000	0.69
10,001	100,000	**307**	**8,679,233**	**3.11**	183	4,683,954	1.85
100,001	1,000,000	**59**	**16,671,351**	**5.98**	23	5,707,535	2.25
Over 1,000,000		**16**	**250,296,603**	**89.74**	10	241,193,230	95.13
		2,761	**278,900,380**	**100.00**	1,505	253,545,800	100.00

Categories of Shareholders

		31st March 2026			31st March 2025		
		No. of Shareholders	Total Holdings	% of Total Shares	No. of Shareholders	Total Holdings	% of Total Shares
Individuals		**2,575**	**25,622,530**	**9.19**	1,428	18,370,926	7.25
Institutions		**186**	**253,277,850**	**90.81**	77	235,174,874	92.75
		2,761	**278,900,380**	**100.00**	1,505	253,545,800	100.00

Supplementary Information

Share Information

4. Twenty Major Shareholders

	Name of the Shareholder	31st March 2026		31st March 2025	
		No. of Shares	%	No. of Shares	%
1	The Colombo Fort Land and Building PLC	**123,763,261**	**44.38%**	134,319,915	52.98%
2	Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd	**18,698,762**	**6.70%**	39,586,150	15.61%
3	Union Investments (Private) Limited	**18,447,000**	**6.61%**	16,770,000	6.61%
4	Colombo Fort Investments PLC	**16,462,000**	**5.90%**	15,944,763	6.29%
5	Colombo Investment Trust PLC	**11,408,500**	**4.09%**	10,650,000	4.20%
6	Commercial Bank of Ceylon PLC/ The Colombo Fort Land & Building PLC	**11,338,645**	**4.07%**	-	-
7	C M Holdings PLC	**11,000,000**	**3.94%**	10,000,000	3.94%
8	Deutsche Bank AG Trustee to Lynear Wealth Dynamic Opportunities Fund	**8,405,799**	**3.01%**	-	-
9	Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	**6,993,533**	**2.51%**	-	-
10	Hatton National Bank PLC/Sri Dhaman Rajendram Arudpragasam	**6,000,000**	**2.15%**	3,924,442	1.55%
11	Miss Meenambigai Priyadarshini Radhakrishnan	**4,999,030**	**1.79%**	3,548,500	1.40%
12	Miss Andal Radhakrishnan	**4,998,930**	**1.79%**	3,548,400	1.40%
13	HNB Investment Bank (Pvt) Ltd/Union Investments (Pvt) Limited	**4,400,000**	**1.58%**	-	-
14	Ranavav Holdings (Pvt) Ltd	**1,200,000**	**0.43%**	-	-
15	HNB Investment Bank (Pvt) Ltd/Colombo Fort Investments PLC	**1,096,200**	**0.39%**	-	-
16	Lynear Wealth Management/Mr. Hanif Yusoof	**1,084,943**	**0.39%**	-	-
17	Invenco Capital Private Limited	**934,579**	**0.34%**	-	-
18	Seylan Bank PLC/Mohamed Mushtaq Fuad	**920,000**	**0.33%**	-	-
19	Mr. Husein Nuruddin Esufally and Mrs. Shamshun Rukkiya Azira Esufally	**837,020**	**0.30%**	-	-
20	Tranz Dominion,L.L.C.	**700,100**	**0.25%**	700,100	0.28%
		253,688,302	**90.96%**	238,992,270	94.26%

5. Rights Issue of Shares

The Company made a Rights Issue of 25,354,580 ordinary shares at a price of Rs.60 per share to the holders of the issued ordinary shares of the Company as at the end of trading on 13th November 2025, in the proportion of 1 new ordinary share for every 10 existing issued ordinary shares held in the capital of the Company for the purposes of settling the short-term interest-bearing borrowings of the Company and for further investment in Subsidiary Company, Darley Butler & Co. Ltd. The issue closed on 9th December 2025.

The issue was fully subscribed and the consideration received was Rs.1,521,274,800/-. Subsequent to the Rights Issue of Shares the Company's Stated Capital amounted to Rs.1,547,005,005/- represented by 278,900,380 Ordinary Shares.

The utilization of proceeds as at 31st December, 2025 was as follows.

Objective No	Objective as per Circular	Amount allocated as per circular in LKR	Proposed date of utilization as per circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of proceeds utilized against allocation (B/A)	Clarification if not fully Utilized including where funds are invested
1	Settlement of short-term interest-bearing borrowings of the Company	1,021,274,800	Within a period of two months upon the conclusion and finalization of the Rights Issue	1,021,274,800	67.13%	1,021,274,800	100%	N/A
2	Investment in Equity in its fully owned subsidiary, Darley Butler & Company Limited.	500,000,000	Within a period of two months upon the conclusion and finalization of the Rights Issue	500,000,000	32.87%	500,000,000	100%	N/A

Supplementary Information

Glossary

Accounting Policies

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

Accrual Basis

Recognition of the effects of transactions and other events when they occur regardless of whether cash is received or disbursed in that period.

Actuarial Gains and Losses

Gain or loss arising from the difference between estimates and actual experience in a company's retirement benefit plan.

Amortization

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Biodiversity

The variety of all living organisms and ecosystems—including plants, animals, and microorganisms. In reporting, this focus covers an organization's impact on natural habitats and its dependency on ecosystem services like clean water and pollination.

Carbon Neutral

A state where an organization's greenhouse gas emissions are balanced by an equivalent amount of carbon offsets. This is often achieved by funding environmental projects (like reforestation) that "avoid" or "reduce" emissions elsewhere to compensate for the company's current footprint.

Cash Equivalents

Short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value

Commitments

Obligations that has agreed to undertake in the future, through contracts or other formal agreements.

Contingent Liabilities

A condition or situation exist at the reporting date where the outcome will be confirmed only by the occurrence or non-occurrence of one or more future events, not wholly within the control of the entity.

Credit Risk

Potential that a borrower or counter-party will fail to meet its obligations in accordance with agreed terms and conditions.

Climate Related Risk & Opportunities (CRRO)

Potential risks and opportunities arising from climate change, encompassing physical risks from changing weather patterns and transition risks from the shift towards a lower-carbon economy, that may materially impact an organization's operations, strategy, and financial performance.

Current Ratio

Current assets divided by current liabilities.

Deferred Tax

Deferred tax refers to the taxes that a company will pay or receive in the future due to temporary differences between its accounting profit and taxable income.

Depreciation

The systematic allocation of the depreciable amount of an asset over its useful life.

Derecognition

Removal of a previously recognized assets or liability from an entity's statement of financial position.

Dividend Payout Ratio

Dividend Payout Ratio is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Dividend Per Share (DPS)

The total dividends declared during the year divided by the number of outstanding ordinary shares issued.

Dividend Yield

Dividend per share divided by the market price per share.

Earnings per Share (EPS)

Earnings per Share is calculated by dividing the Profit attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year.

EBITDA

Earnings before interest expense, tax, depreciation and amortization (includes other income).

Effective Tax Rate

Income tax expense expressed as a percentage of Profit Before Tax.

EnMS - Energy Management System

A structured framework for managing energy performance, improving energy efficiency, and reducing energy consumption within an organization.

Equity

Equity attributable to Equity Holders of the Parent.

ESG

Environmental, Social, and Governance. A framework used to assess an organization's environmental stewardship, social responsibility, and governance practices.

Events after Reporting Date

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

Expected Credit Loss (ECL)

A regulatory calculation of the amount expected to be lost on an exposure using a 12-month time horizon and downturn loss estimates. ECL is calculated by multiplying the Probability of Default (a percentage) by the Exposure at Default (an amount) and Loss Given Default (a percentage).

Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

Financial Assets

Any asset that is cash, an equity instrument of another entity, or a contractual right to receive cash or contractual right to receive another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

Financial Instruments

Any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial Liabilities

A contractual obligation to deliver cash or other financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity.

Footprint

The total impact or "burden" placed on the environment by an organization's activities. It is typically quantified by the volume of resources consumed (E.g., water, land) or the amount of waste and emissions generated (E.g., carbon, plastic).

Gearing

Proportion of interest bearing borrowings to average capital employed.

Greenhouse Gas (GHG)

GHG is a gaseous constituent of the atmosphere, both natural and anthropogenic, that absorbs and emits radiation within the thermal infrared spectrum, thereby contributing to the greenhouse effect and climate change. Under the Kyoto Protocol, GHGs include CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3.

Impairment

This occurs when the recoverable amount of an asset is less than the carrying amount.

Impact

The significant positive or negative effects an organization's operations and value chain have on the environment, economy, and society.

Intangible Asset

An identifiable non-monetary asset without physical substance.

Interest Bearing Liabilities

Liabilities on which the Company is paying interest.

Interest Rate Risk

The risk that the fair value or future cash flows of a financial instruments will fluctuate due to changes in market interest rates.

Interest Cover

Profit before tax and net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.

Lifetime Expected Credit Losses

The Expected Credit Losses that result from all possible default events over the expected life of a Financial Instrument.

Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Market Capitalization

Number of ordinary shares in issues multiplied by the market price at the end of the reporting period.

Market Risk

This refers to the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, equity prices and commodity prices.

Materiality

The threshold at which sustainability-related information becomes significant enough to influence the decisions of investors and other primary stakeholders.

Net Asset Per Share

Total equity attributable to equity holders divided by the number of ordinary shares in issue.

Net Zero

Achieving a balance between emitted greenhouse gases and an equivalent amount of carbon offsets. While similar to Net Zero, it often allows for the purchase of "avoidance" credits (E.g., preventing deforestation elsewhere) without requiring a specific percentage of internal emission reductions.

Non-controlling Interest

Equity in a subsidiary is not attributable, directly or indirectly, to a parent.

Supplementary Information

Glossary

Occupational Health & Safety (OHS)

Occupational Health and Safety is a multidisciplinary field concerned with protecting the safety, health, and welfare of people at work. It focuses on preventing work-related injuries and illnesses, controlling workplace hazards, and promoting safe working conditions through effective policies, systems, training, and compliance with applicable safety standards and regulations.

Operating Profit

Earnings before interest and tax (Includes other income).

Operating Profit Margin

Operating profit divided by turnover.

Price Earnings Ratio

Market price of a share divided by earnings per share as reported at that date. A valuation ratio of a company's current share price to its per share earnings.

Quality Management System (QMS)

A QMS is a structured set of processes, procedures, responsibilities, and resources used by an organisation to consistently ensure that its products or services meet defined quality requirements and customer expectations, while also supporting continuous improvement and compliance with applicable standards.

Related Parties

A person or entity that is related to the entity that is preparing its Financial Statements.

Related Party Transactions

A transfer of resources, services, obligations between related parties, regardless of whether a price is charged or not.

Return on Capital Employed (ROCE)

Operating Profit divided by equity plus long-term interest-bearing borrowings.

The Sustainability Accounting Standards Board (SASB)

An international standards organization that develops sustainability accounting standards for companies to disclose financially material sustainability information.

United Nations Sustainable Development Goals (SDG)

The Sustainable Development Goals (SDGs) are a set of 17 integrated global goals established by the United Nations under the 2030 Agenda for Sustainable Development. They provide a universal framework for addressing key social, economic, and environmental challenges, aiming to end poverty, protect the planet, and ensure peace, prosperity, and equality for all through sustainable development across all sectors and countries.

Segmental Analysis

Analysis of financial information by segments of an enterprise, specifically grouped in terms of similarity of operations and location.

Shareholders' Funds

Total of stated capital, capital and revenue reserves.

Sustainability Related Risk and Opportunities (SRRO)

Risks and opportunities arising from environmental, social, and governance factors that may have a material effect on an entity's financial performance, business model, and long-term value creation, including climate-related physical and transition risks, regulatory developments, and stakeholder expectations.

tCO_2e

tCO2 stands for Tons (t) of carbon dioxide (CO2) equivalent (e). A standard unit of measurement used to express greenhouse gas emissions by converting the global warming potential of various gases, such as methane and nitrous oxide, into their equivalent amount of carbon dioxide.

Turbulent Technology

Turbulent technologies specialize in liquid/liquid emulsion separation and the removal of toxins and contaminants from liquids using turbulent mixers.

Value Added

The quantum of wealth generated by the activities of the group measured as the difference between group turnover and cost of materials and services bought in.

Notes

Supplementary Information

Notice of Meeting

Notice is hereby given that the Ninety Third Annual General Meeting of E.B.. Creasy & Company PLC will be held on 30th June 2026, at 2.00 p.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01 for the following purposes, namely:

1. To receive and consider the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March, 2026 with the Report of the Auditors' thereon.
2. To re-elect as a Director Mr. K. G. Punchihewa who retires in accordance with Articles 84 and 85 of the Articles of Association.
3. To reappoint Mr. S. D. R. Arudpragasam who is over seventy years of age as a Director.
   Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment (See Note No.6)
4. To authorise the Directors to determine contributions to charities.
5. To reappoint as Auditors, KPMG, Chartered Accountants and authorise the Directors to determine their remuneration.

By Order of the Board,

Corporate Managers & Secretaries (Private) Limited
Secretaries

01st June 2026
Colombo

Notes:

1. A member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed for this purpose.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Pvt) Limited at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than forty-eight hours before the time fixed for the meeting.
4. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the meeting and submit the same to the Company Secretaries in accordance with the instructions given on the reverse of the Form of Proxy.
5. Please refer the CSE website and the "Circular to Shareholders" dated 01st June 2026 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.
6. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

Resolved

"That Mr. S. D. R. Arudpragasam who is seventy four years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. S. D. R. Arudpragasam."

Supplementary Information

Form of Proxy

I/ We .....

of .....

..... being a member/members of E.B. Creasy & Company PLC, hereby appoint

.....

of .... whom failing

1. Sri Dhaman Rajendram Arudpragasam of Colombo or failing him
2. Sanjeev Rajaratnam of Colombo or failing him
3. Rohan Chrisantha Anil Welikala of Colombo or failing him
4. Sanjeewa Wijesiri Gunawardena of Colombo or failing him
5. Pathiranage Yohan Srineth Perera of Colombo or failing him
6. Kamal Gardiye Punchihewa of Colombo or failing him
7. Shrihan Blaise Perera of Colombo or failing him
8. Agampodi Dasun Tharaka Mendis of Colombo

as my/our* proxy to represent me/us* and to speak and vote on my/our* behalf at the Ninety Third Annual General Meeting of the Company to be held on 30th June 2026, at 2.00 p.m. and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

	For	Against
1. To receive the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.	☐	☐
2. To re-elect Mr. K.G. Punchihewa, who retires in accordance with Articles 84 and 85 of the Articles of Association, as a Director.	☐	☐
3. To reappoint Mr. S.D.R. Arudpragasam as a Director. As Mr. S.D.R. Arudpragasam is over 70 years of age, Special Notice has been received from a shareholder of the intention to pass a Resolution, which is set out in the Notice of Meeting.	☐	☐
4. To authorize the Directors to determine contributions to charities.	☐	☐
5. To reappoint as Auditors, KPMG, Chartered Accountants, and to authorize the Directors to determine their remuneration.	☐	☐

As witness my/our hands this ..... day of ..... Two Thousand and Twenty Six.

.....
Signature

* *Please delete the inappropriate words.*

Note:
A proxy need not be a member of the Company. If no words are deleted or there is in the view of the proxy doubt (by reason of the manner in which the instructions contained in the Form of Proxy have been completed) as to the way in which the proxy should vote, the proxy may vote as he/she thinks fit. Instructions for completion appear overleaf.

Supplementary Information

Form of Proxy

Instructions as to Completion

1. Perfect the Form of Proxy, after filling in legibly your full name and address by signing in the space provided and filling in the date of signature.
2. In the case of Corporate Members, the Form of Proxy must be under the Common Seal of the Company or under the hand of an Authorised Officer or Attorney.
3. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of the same, or a copy certified by a Notary Public must be lodged with the Company's Secretaries, along with the Form of Proxy.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited., 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than forty-eight (48) hours before the time appointed for the holding of the meeting.

Corporate Information

Name of the Company

E.B. Creasy & Company PLC

Legal Form

Public Quoted Company with Limited Liability Incorporated in Sri Lanka under the Joint Stock Companies Ordinance 1861

Company Number

PQ 182

Principal Activities

The principal activities are manufacturing of consumer disposables and marketing of hardware and installation of solar power systems

Stock Exchange Listing

The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

Registered Office

P.O. Box 37
98, Sri Sangaraja Mawatha,
Colombo 10.
Telephone: 94(11) 2421311,
Fax: 94(11)2448534

Board of Directors

Chairman/Managing Director
S. D. R. Arudpragasam, FCMA(UK)

Joint Managing Director
S. Rajaratnam, B.Sc. CA.

Directors
R. C. A. Welikala
S.W. Gunawardena, B.Sc., MBA
P.Y.S.Perera, FCA, FCMA (UK)
K.G.Punchihewa, FCA, CPA (Aus.)
S.B. Perera, FCMA/CGMA(UK) B.Sc. Mech.Eng. (Hons.)
A.D.T. Mendis, FCCA-UK, ACA, MCSI-UK,
MBA(USQ-AUS), B.Sc. Finance Special (Hons)
(Appointed w.e.f. 01.08.2025)

Secretaries

Corporate Managers & Secretaries (Private) Ltd.
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 1.

Auditors

KPMG
Chartered Accountants
P.O. Box 186
Colombo 3.

Legal Advisers

Julius & Creasy
P.O. Box 154,
Colombo 1.

Bankers

Bank of Ceylon
Hatton National Bank PLC
Standard Chartered Bank
Commercial Bank of Ceylon PLC
National Development Bank PLC
Union Bank of (Colombo) PLC
People's Bank
Seylan Bank PLC
Sampath Bank PLC
Nations Trust Bank PLC
DFCC Bank PLC
Amana Bank PLC
Cargills Bank PLC
Habib Bank Limited
Sanasa Development Bank PLC
Pan Asia Banking Corporation PLC

Subsidiaries

Darley Butler & Company Limited (DBCL)
Candy Delights Limited (CDL)
Lanka Special Steels Limited (LSSL)
E.B.. Creasy Logistics Limited (EBL)
Ceyflex Rubber Limited (CRL)
Laxapana PLC (LP)
Sterling Steels (Private) Limited (SSL)
Muller & Phipps (Ceylon) PLC (M&P)
Muller & Phipps (Health Care) Limited (MPHC)
E.B.. Creasy Ceylon (Private) Limited (EBCC)
Group Three Associates (Private) Limited (GTA)
Corporate Systems Limited (CSL)

Credit Rating

BBB + (Stable Outlook)

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