RICHARD PIERIS EXPORTS PLC
ANNUAL REPORT 2025/26

Contents

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Vision

"To become one of
the LEADING Rubber/Polymer related
Product Exporters in the global market."

Mission

"Be a preferred supplier of Rubber/Polymer products to the international markets by being close to our customers by assisting them to remain competitive in the global markets by our commitment to innovation, continuous improvement of our products, processes and services along with the development of human resources."

Our Journey

1983

Richard Pieris Exports PLC has its roots in humble beginnings, set up in a small factory in a leased building in Ratmalana in 1983. It commenced operations with a modest product range that included entrance mats, mats for work stations, gymnasiums and the food service sector. Armed with a share capital of a mere Rs 75,000, it was using presses fabricated in Hong Kong by a roadside supplier. In time, the Company started exporting a few designs of large ring mats to Europe and USA in 1984. Since then, the Group has grown from strength to strength, achieving remarkable growth and market stability to become a holding Company with two subsidiaries and one Associate Company. Today, it has become the pioneer in manufacturing numerous speciality products such as fire retardant mats, electrical resistive mats and special soft mats for stables and dairy farms.

1986

Diversifying its export product range further, food jar sealing rings were added to its product portfolio, targeted at the European market. The rings were made to food grade quality standards and are in high demand in Europe region. This exemplifies that the jar rings meet the exacting Europe region quality standards.

1994

Group subsidiary, Richard Pieris Natural Foams Ltd., was set up to introduce Latex foam products to international markets, which reflects the Group's determination to expand and diversify. Sustainability was at the core of this operation, as all waste generated at the factory was recycled to protect the environment.

A state-of-the-art, world-renowned Chronos Richardson computerized automated carbon black and other ingredient weighing and feeding system was installed for the Company's black compounding facility in 1995, once again inspired by sustainability concerns.

1997

Diversifying its product portfolio further, the Group started exporting crutch-tips, which is a vital part of crutches and provide comfort and anti-skid properties. Impressed by the quality of the crutch tips, the Company was appointed as the exclusive supplier of crutch tips for a world leading manufacturer, Kowsky of Sweden.

1999

Associate Company, Arpitalian Compact Soles (Pvt) Ltd., started exporting resin shoe soling sheets for exclusive shoe-makers in international markets, thereby taking a step into the world of fashion.

2015

Marking a huge breakthrough for the Latex foam industry, Richard Pieris Natural Foams Limited commissioned the world's first natural latex continuous sheeting plant at Biyagama FTZ, thereby showcasing Sri Lanka's capabilities in this segment to the world.

The Group has gained consistent growth, resulting from its ability to implement strategies to satisfy the needs of discerning customers in international markets. In the year 2015/2016, the Group won several prestigious awards at the National Chamber of Exporters of Sri Lanka Annual Export Awards. The Gold Award for 'Agricultural Value Added Exporter' in the Large Business category was bestowed on Richard Pieris Natural Foams Limited.

2016

Leveraging on rising demand and a widening customer base for Richard Pieris Natural Foams Ltd's customer base, production capabilities in its Latex segment were upgraded with a capital infusion of Rs. 350 Mn to enhance technology and establish a continuous pillow line to cater to rising demand. During this year, the Company received numerous awards and accolades: 'Most Outstanding Exporter of the Year 2016' at the National Chamber of Exporters of Sri Lanka's Annual Export Awards; and 'Most Outstanding Exporter - Agriculture Value Added Sector' & Gold Award - Rubber Product Sub Sector - Extra Large Category. The Company has also obtained ISO 9001 & ISO 14001 certifications.

2018

Richard Pieris Natural Foams Limited was anointed with the Gold Award for 'Most Outstanding Exporter – Runner-up of the Year 2018' for the Rubber sector in the Extra-Large Business Category. Meanwhile, Richard Pieris Exports PLC won the Gold Award for the Rubber sector - Large Business Category.

2020

Commenced construction of Richard Pieris Natural Foams Ltd's new manufacturing plant.

2021

The COVID-19 pandemic created challenging operating conditions and weak demand. However, the Group managed to deliver billions in rupee revenue. During this year, Richard Pieris Natural Foams Ltd entered 3 key source markets in 3 continents while infusing technical improvements, focused marketing strategies.

2026

The new Continuous Sheeting Line at Richard Pieris Exports PLC commenced commercial operations during the financial year 2025/26. In addition, in December 2025, Richard Pieris Exports PLC successfully commissioned the Biomass Steam Project, representing a key investment in reducing dependence on conventional fuel sources and improving overall production efficiency.

Our Journey

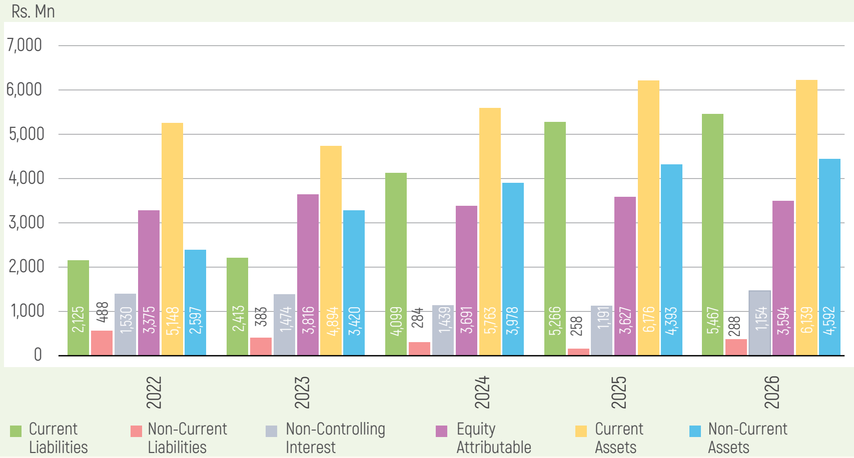
- Most Outstanding Exporter of the Year 2016
- Most Outstanding Exporter - Runner-up Year 2018
- Most Outstanding Exporter Agriculture Value Added Sector
- Gold Award for Rubber Sector in the Extra-Large Business Category
- Gold Award Rubber Sector in the Large Business Category
- Silver Award Agricultural Value-Added Exporter in Sri Lanka
- Silver Award Chemical Based Products Value-Added Exporter in Sri Lanka

Financial Highlights

Performance year ended 31st March		Group 2025/26	Group 2024/25	Group Variance %	Company 2025/26	Company 2024/25	Company Variance %
Turnover	Rs'000	6,021,315	7,251,200	-17%	1,404,112	2,158,649	-35%
Foreign exchange earnings	US$'000	19,020	23,775	-20%	4,359	7,043	-38%
Profit / (Loss) before taxation	Rs'000	(24,462)	(251,223)	90%	98,165	333,724	-71%
Profit / (Loss) after taxation	Rs'000	4,262	(210,552)	102%	95,528	236,859	-60%
Profit attributable to the ordinary shareholders	Rs'000	40,379	35,619	13%	95,528	236,859	-60%
Financial Position as at 31st March							
Non-Current Assets	Rs'000	4,592,156	4,392,684	5%	836,645	846,315	-1%
Current Assets	Rs'000	6,138,975	6,175,666	-1%	2,678,878	2,488,762	8%
Total Assets	Rs'000	10,731,131	10,568,350	2%	3,515,523	3,335,077	5%
Non-Current Liabilities	Rs'000	287,826	257,743	12%	84,780	74,524	14%
Current Liabilities	Rs'000	5,467,245	5,265,708	4%	343,136	175,428	96%
Shareholders' funds	Rs'000	3,594,737	3,626,767	-1%	3,087,607	3,085,125	0%
Key Indicators							
Earnings Per Share	Rs	3.62	3.19	13%	8.56	21.22	-60%
Net Assets Per Share	Rs	322.00	324.87	-1%	276.57	276.35	0%
Dividend Per Share	Rs	9.00	12.00	-25%	9.00	12.00	-25%
Market Price Per Share	Rs				360.50	375.00	-4%
Return On Capital Employed	%	2.92	-3.79	177%	3.26	10.90	-70%
Market Capitalization - Rs Mn					4,025	4,186	-4%
Value Addition	Rs'000	1,121,446	811,599	38%	323,842	546,900	-41%
Employee	Nos	627	550	14%	167	155	8%

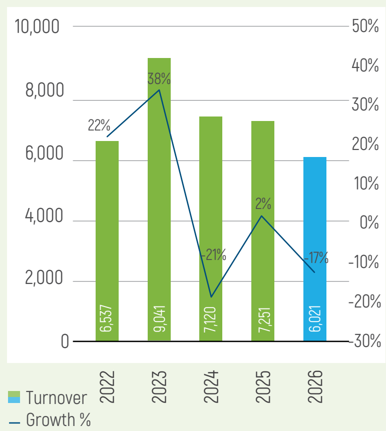
Financial Position Composition

Rs. Mn



Turnover Vs Turnover Growth - %

Rs. Mn.



Financial Highlights

Direct Economic Value Generated

Rs. 6,156 Mn

2024/25: Rs. 7,335 Mn

Finance & Other Income

Rs. 166 Mn

2024/25: Rs. 103 Mn

Revenue

Rs.6,021 Mn

2024/25: Rs.7,251 Mn

Economic Value Distributed

Rs. 5,850 Mn

2024/25: Rs. 7,382 Mn

Operating Cost

Rs.5,035Mn

2024/25: Rs. 6,524 Mn

Payment to Government

Rs.68 Mn

2024/25: Rs. 195 Mn

Employee Remuneration & Welfare

Rs. 773 Mn

2024/25: Rs. 709 Mn

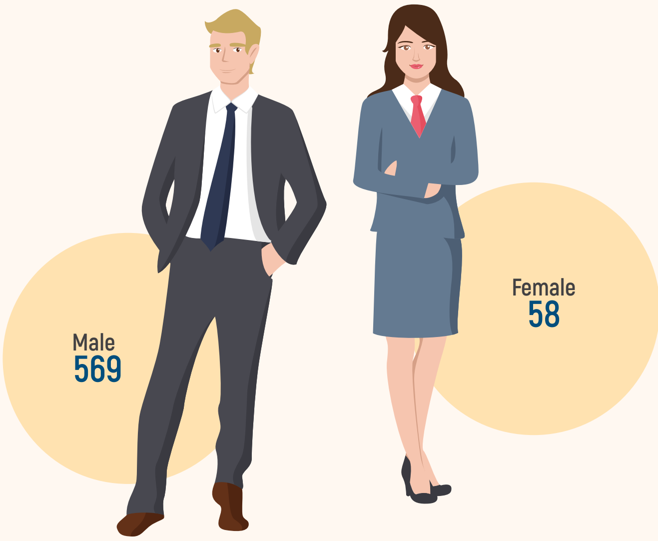
Shareholders as Dividend

Rs. 100 Mn

2024/25: Rs. 134 Mn

Non - Financial Highlights

HUMAN CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL

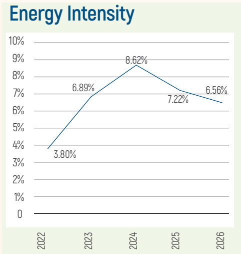
Coverage Countries	Number of Social and Cultural Events
48	10

MANUFACTURED CAPITAL

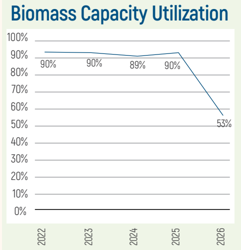
Investments	PPE at Close	PPE at Start
Rs. 239 Mn	Rs. 5,033 Mn	Rs. 4,794 Mn

NATURAL CAPITAL

Energy Intensity



Biomass Capacity Utilization



INTELLECTUAL CAPITAL

Awards
02

QUALITY ACCREDITATIONS
ISO 9001:2015
ISO 14001:2015

Chairman's Statement

Dear Shareholders,

It is my privilege to present the Annual Report and Audited Financial Statements of Richard Pieris Exports PLC for the financial year ended 31st March 2026.

Macroeconomic Backdrop

The Group navigated an industry landscape characterised by fluctuating raw material prices, currency movements and increasingly stringent sustainability and regulatory requirements across global markets. These factors demanded continued agility, disciplined execution and a steadfast focus on operational efficiency to preserve competitiveness.

Performance Overview

Against the backdrop of these challenging market conditions, Richard Pieris Exports PLC demonstrated resilience while continuing to strengthen the foundations of its long-term business. Although demand across several export segments remained subdued, the Group maintained its strategic focus on customer relationships, operational discipline and prudent financial management.

The Group recorded consolidated revenue of Rs. 6.02 billion during the year.

While the year under review remained challenging, the measures implemented to strengthen operational efficiency, optimise the business portfolio and enhance cost discipline have begun to deliver encouraging results. The Company has entered the new financial year on a more positive footing, with early signs indicating an improvement in operating performance. Although challenges remain, the Board is encouraged by this positive momentum and remains confident that the strategic initiatives undertaken will support a sustained recovery and create long-term value for shareholders.

Richard Pieris Natural Foams Limited (RPNF) demonstrated greater resilience despite the difficult operating environment. Although revenue declined modestly, improved cost management, significantly lower freight costs and stronger operational efficiencies contributed to a notable improvement in operating performance compared with the previous year. Export volumes strengthened across several markets, particularly within the Asia-Pacific region, while continued focus on product mix optimisation and operational efficiencies helped mitigate external pressures. Beyond financial performance, we remained firmly committed to strengthening the Company's competitive position through continuous process improvements, customer engagement and responsible business practices.

Chairman's Statement

As international markets increasingly place greater emphasis on sustainable sourcing, traceability and environmental compliance, we continue to enhance our operational standards to meet evolving customer expectations and global regulatory requirements.

Sustainability remains integral to our long-term strategy and the way we create enduring value. During the year, our investment in biomass energy continued to generate both environmental and economic benefits by reducing dependence on conventional energy sources while enhancing manufacturing efficiency. At the same time, our commitment to continuous improvement has fostered a safer, more efficient and more productive workplace, underscoring our belief that sustainable business performance is achieved by balancing environmental responsibility, operational excellence and the wellbeing of our people.

Looking Ahead

While global economic uncertainty is expected to persist, we remain encouraged by improving macroeconomic conditions in Sri Lanka and the gradual recovery anticipated across several of our export markets. The continued moderation of inflation, a more stable interest rate environment and improving business confidence provide a stronger domestic platform from which export-oriented industries can pursue growth.

The Group remains focused on enhancing operational efficiency, strengthening customer partnerships, expanding market opportunities and investing in innovation to support sustainable long-term growth. Our diversified portfolio, established international relationships and commitment to product quality continue to position Richard Pieris Exports PLC to respond effectively to changing market dynamics while creating enduring value for shareholders.

Appreciation

On behalf of the Board, I extend my sincere appreciation to our management team and employees for their commitment, professionalism and resilience throughout a demanding year.

I also thank our customers, business partners and shareholders for their continued confidence and unwavering support.

As we look to the future, we remain committed to building a stronger, more agile and sustainable business, well-positioned to capitalise on emerging opportunities while delivering long-term value for all our stakeholders.

Dr. Sena Yaddehige
Chairman

25th August 2026
Colombo

Board of Directors

DR. SENA YADDEHIGE

Chairman/ Non-Executive Director

The business legacy of Dr. Sena Yaddehige spans not only time but also the depth of multiple industries and sectors. Renowned as a pioneer in the field of engineering and as a revered global business icon, Dr. Yaddehige is also a Swiss-based industrialist, with numerous ventures in multiple countries.

Under the leadership of Dr. Yaddehige, Richard Pieris Group has evolved into one of the leading diversified business conglomerates in Sri Lanka with the footprint extending from manufacturing, to exports, to retail, to plantations, to financial services, creating value across the national economy in multiple sectors. Dr. Yaddehige also served as a Director on the Board of the National Development Bank PLC (NDB) from 2007 to 2010.

As a businessman and industrialist with wide global recognition, his companies are established in the USA, UK, Germany, and Singapore. In addition, Dr. Yaddehige is also the founding Managing Director of a European manufacturing firm, which develops and exports automotive components and systems, which are based on his innovations and conceptions.

His repertoire of innovations and developments includes contactless sensor technology and drive by wire systems. Furthermore, as a radiation specialist, Dr. Yaddehige is also the creator of several other technologies and components in radiation processing, for which he owns several patents from around the world. Locally, he holds the patent for slow release fertiliser, which provides relatively better results than quick release fertilisers while being a safer alternative for the environment. Dr. Yaddehige also pioneered the development unit for lithium batteries in Sri Lanka.

Apart from his professional and scientific accolades, he was awarded with three doctorates, one of which is a Doctor of Science (D.Sc.), awarded as a high commendation for his original findings and research in radiation, radiation processing, electromechanical sensor technology, non-contact sensor technology, and automotive pedal systems, and as recognition of his patents in these respective arenas.

MR. SHAMINDA YADDEHIGE

Non-Executive Director

Mr. Shaminda Yaddehige is a Non-Executive Director and also the Chief Operating Officer of the Richard Pieris & Company PLC. Mr. Yaddehige was educated at Charter House-United Kingdom and graduated in Chemical Engineering from University College London. In addition, he also possesses a Masters Degree in Business Administration from IE Business School, which is ranked amongst the top 10 business schools in the world.

Mr. Yaddehige worked as a Management Consultant at PricewaterhouseCoopers - UK and also at the world renowned international ultra high net worth banking giant, Credit Suisse of Switzerland. He has extensive experience in international marketing and has built a very strong marketing network in Europe.

Mr. Yaddehige has been in the Directorate of Richard Pieris Natural Foams Limited, Richard Pieris Distributors Limited and also in several other companies within the Richard Pieris Group.

MR. VIVILLE PERERA

Non-Executive Director

Mr. Viville Perera is a Science graduate from Kelaniya University with Second Class Honours and is a Fellow Member of the Chartered Institute of Management Accountants and an Associate Member of the Chartered Institute of Marketing in the United Kingdom. Mr. Perera has over 36 years' experience in senior managerial capacities in leading business organizations such as Associated Newspapers of Ceylon Limited, Middleway Ltd. (Ceylinco Group), Amico Group of Companies, and Alliance Finance Co. PLC.

Mr.Perera served as Treasurer from 1992 to 1997 and Vice President from 1999 to 2002 of the Sri Lanka Institute of Packaging.

Mr.Perera represented Richard Pieris and Company PLC as an Ex-Co member from 2011 to 2020 and was the Deputy Vice Chairman for 2018/19 and 2019/20 of the Industrial Association of Sri Lanka, an affiliated trade association under the aegis of the Ceylon Chamber of Commerce. He is also the Chairman of Arpico Insurance PLC and is on the Board of Directors of several companies in the Richard Pieris Group.

Board of Directors

MR. WASANTHA ABEYSIRIGUNAWARDENA

Managing Director

Mr. Wasantha Abeysirigunawardena is a Rubber Technologist holding a Masters in Polymer Science & Technology with over 45 years' experience in the rubber products manufacturing industry. His long associations with the Richard Pieris Group count over 37 years and his contributions to product development have been highly acclaimed, winning him a Merit Award from The Plastics and Rubber Institute for the significant contribution he made towards the development and growth of the polymer industry in Sri Lanka.

Mr. Abeysirigunawardena is the Managing Director of the Export Sector. He is an Associate Member of The Institute of Materials in London and also a Member of The Institute of Incorporated Engineers in Sri Lanka. He has also been conferred with a Graduateship in Mechanical Engineering from The City and Guilds Institute, London.

MR. LALITH CHANDRASIRI WIJEYESINGHE

Non-Executive Director

Mr. Lalith C. Wijeyesinghe joined Richard Pieris and Company PLC in 1986 and gained experience over 39 years as a Polymer Technologist in the Polyurethane Foam Manufacturing Industry. He was a pioneer in development of formulations and different types of mattresses manufactured under the ARPICO brand name for local and international markets and contributed his knowledge and experience to obtain the Patent for a Pillow Top Mattress and also the Registration of Industrial Design for a Top Layer of Mattress owned by Richard Pieris and Company PLC. He has also been instrumental in launching many new products to the bedding industry in Sri Lanka.

Mr. Wijeyesinghe is also in the Directorate of Arpitech (Private) Limited, Richard Pieris Tyre Co. Ltd, Arpico Natural Latex Foams (Pvt) Ltd., Arpico Plastics Limited, Arpico Plastishells Ltd., Arpico Durables (Pvt) Ltd and Hamefa Kegalle (Private) Limited, subsidiary companies of Richard Pieris & Company PLC.

Mr. Wijeyesinghe has completed Management Training at Indian Institute of Management and Vendor Management at Singapore Institute of Purchasing and Material Management.

DR. L.M.K. TILLEKERATNE

Non-Executive Director

Dr. L.M.K.Tillekeratne passed out from the University of Colombo in 1970 as a BSc Chemistry Special graduate, and joined RRI Sri Lanka as a research assistant in 1971. In 1973, he obtained a MSc degree from the Aston University in Birmingham UK, and continued his research for a PhD in Polymer Chemistry and Technology in the same University. The PhD was completed in 1977 and he continued to do research at the RRI Sri Lanka in the capacity of a Research Officer.

In 1990, Dr. Tillekeratne became the Executive Director of the RRI until his retirement in 2006. While working as the Director RRI, he was appointed as the Commissioner of the Inventors Commission. He was awarded the Institute of Chemistry Gold Medal in 1985 and the first prize at the Presidential Award for developing a Water-Soluble Bleaching Chemical for making Latex Crepe rubber in 1997. He has several publications in international journals for his credit and six patents including a European patent.

Dr. Tillekeratne is a fellow of the Institute of Chemistry (Ceylon) and Plastics and Rubber Institute (London) and a Honorary Fellow of the NIPM Sri Lanka. After retiring from the RRI he joined the University of Sri Jayewardenepura and became a Professor in Polymer Chemistry. He is currently employed as an Expert in Rubber Processing and Testing to the United Nations Industrial Development Organization (UNIDO).

DR. LAWRENCE PERERA

Independent Non-Executive Director

Dr. Lawrence Perera is the Founder - Chairman of Micro Cars Ltd, the first Company to assemble and manufacture automobiles in Sri Lanka with a PATENT. Today, he serves as the Chairman / CEO of Micro Holdings (Pvt) Limited, Micro Cars Ltd, Transmec International (Pvt) Limited, Euro Sports Auto Lanka (Pvt) Limited and Superlative Properties (Pvt) Limited.

Dr. Perera is an automobile engineer by profession, a Certificated Engineer (CAE) and a Fellow Member Institute of Motor Industry UK, (FIMI). He was also instrumental in setting up the BMW franchise in Colombo, obtaining the franchise rights for Alfa Romeo in Sri Lanka while also spearheading the resurgence of the SsangYong SUV brand and making it the market leader in 2010. With 47 years of experience in Automobile and Transportation Industry Sri Lanka as well as overseas, have been involved in the evolution of brands such as VW, Mazda, Audi, Peugeot, Chrysler, Mitsubishi, Aston Martin, RENAULT. Heavy commercials, SCANIA Trucks, HIGER & YUTONG Luxury Coaches. He also successfully launched MG, the iconic British brand in the Sri Lanka Mmarket in 2018, which was again the market leader in year 2019, manufactured by SAIC Motors (Shanghai Automotive International Corporation), a Global Fortune 500 Company.

In 2007, Dr. Perera was awarded with the titles of "Deshmanya, Deshakirti and Janaranjana", while the Best Innovation Award Micro, Best Innovation in Transport Business, Presidential Award First Place Transport Award, Outstanding Citizen of Sri Lanka, Asia Pacific Excellence in Entrepreneurship, CMI Management Excellence Awards were also conferred. He also served as a member of the Consultative Committee of the Central Bank Sri Lanka in 2020, served as a member of the Board of Investment of Sri Lanka (BOI) in 2022 and was also appointed to the "Committee for the study on the Importation of motor vehicles" in 2023 Sri Lanka.

MR. V.S.B.LIYANAGE

Independent Non-Executive Director

Mr. V.S.B. Liyanage holds a Bachelor of Commerce (Special) degree with a second class upper division from the University of Sri Jayewardenepura. He is a Fellow Member of both the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka.

Mr. Liyanage holds 39 years of global finance, strategic management & international marketing experience. He began as an Audit Assistant at B.R. de Silva & Co., later taking on the role of Accountant at C.W. Mackie & Co. Ltd. He advanced to Audit Manager at Coopers & Lybrand, Livingstone in Zambia, and subsequently served as Finance Director at B.M.C. Machine Services Limited in Lusaka, Zambia, from 1990 to 1992. He was the Chief Operations Officer of BPL Teas (Pvt) Ltd, a leading tea export Company in Sri Lanka, from 1998 to 2017. Prior to this role, he was the Deputy General Manager - Finance from July 1998 to September 1999. He also held key positions at BC Plantation Services (Pvt) Ltd as Manager - Finance, Planning and MIS, and later as General Manager - Finance.

From 1980 to 2017 he held senior positions both in Sri Lanka and in Zambia across various sectors including finance & accounting, auditing, international marketing, plantation management, administration supply chain management and logistics.

Mr. Liyanage's experience has also earned him a strong reputation in business restructuring and contract negotiations.

DR. SUSANTHA SIRIWARDENA

Independent Non-Executive Director

Dr. Susantha Siriwardena is the former Director of Rubber Research Institute of Sri Lanka. He retired from RRISL in August 2024 after 33 years' service at RRISL. Dr. Siriwardena completed his BSc Hons degree (University of Ruhuna) in 1986 and Postgraduate Diploma in Computer Technology at University of Colombo in 1991. He joined the Raw Rubber Process Development and Chemical Engineering Department of the Rubber Research Institute of Sri Lanka as an Assistant Rubber Chemist in 1991. Having completed his Masters in Engineering from the University of Melbourne, Australia, he was promoted to the Research Officer level. He obtained his PhD in 2003 from the University Sains Malaysia, Malaysia in the field of polymer composites. He was promoted to the grade of Principal Research Officer and subsequently appointed as the Head of the same department. He joined in 2005 and held the position for nine years until he was appointed as the Deputy Director Research (Technology) of the Rubber Research Institute of Sri Lanka since 2014. He was appointed as the Actg. Director of the Rubber Research Institute of Sri Lanka w.e.f 01st January 2023 and the permanent post on July 2024.

Dr. Siriwardena has vast experience in the fields of raw rubber processing and rubber technology. He is an awardee of the National Science & Technology "The Best Scientist of the Year" award in the category of Development and Adaptation of Technology for SME Sector in 2008. He has more than 80 international and national scientific publications to his credit and supervised more 15 postgraduate students and around 100 undergraduate students in different national Universities in Sri Lanka. He has been serving as a visiting lecturer at many national universities and professional developments programs conducted by the Plastics and Rubber Institute and National Institute of Plantation Management of Sri Lanka. In addition, Dr. Siriwardena serves as a council member of the University of Ruhuna, Sri Lanka.

Report of the Remuneration Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors, consist of two Independent Non-Executive Directors namely Dr Susantha Siriwardena, Dr Lawrence Perera and one Non-Executive Director Dr. L.M.K.Tillekeratne. The Chairman of the Committee is Dr Susantha Siriwardena.

Meetings of the Remuneration Committee

The Remuneration Committee held one meeting during the year under review on the following day

Name of Committee Member	26th August 2025
Dr Susantha Siriwardena	√
Dr L.M.K.Tillekeratne	√
Dr Lawrence Perera	√

Purpose

The Remuneration Committee has reviewed and recommended the following to the Board of Directors:

- Make recommendations to the Board of Directors regarding the framework of remuneration to the Executive Directors and Senior Management.
- Policy on remuneration of the Executive Staff.
- Specific remuneration package for the Executive Directors and Senior Management.
- Recommend the annual salary increments and bonuses.

One of the Company's biggest challenges in a highly competitive industry is luring and keeping top-tier executives. When announcing the Company's overall compensation policy, the Committee considered market data, competitiveness, and business performance.

Remuneration Policy

In order to maximize stakeholder value, the company's compensation policy is designed to draw in and keep top people while inspiring them to create and carry out the business plan. The Committee's responsibilities include determining senior management's salary and establishing rules for the Company's management staff's pay scale. When needed, the Senior Management provides the information and suggestions needed for the decision-making process.

Dr Susantha Siriwardena
Chairman - Remuneration Committee

25th August 2026

Report of the Audit Committee

The Audit Committee assists the Board in fulfilling its overall responsibility to the shareholders in relation to the integrity of the Company's financial reporting process in accordance with the Companies Act and other legislative reporting requirements including the adequacy of disclosures in the Financial Statements in accordance with the Sri Lanka Accounting Standard. The Terms of References of the Audit Committee define the authority of the Committee and are periodically reviewed and revised with the concurrence of the Board.

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meeting, and responsibilities of the Committee.

Purpose

The purpose of the Audit Committee is to:

- Assist the Board of Directors in fulfilling its overall responsibilities for the financial reporting process.
- Review the system of internal controls and risk management.
- Monitor and evaluate the effectiveness of the internal audit function.
- Review the Company's process for monitoring compliance with laws and regulations.
- Review the independence and performance of the external auditors.
- To make recommendations to the Board on the appointment of external auditors and recommend their remuneration and terms of engagement.

Members of the Audit Committee

The Audit Committee consisted of two Independent Non-Executive Directors namely Mr V.S.B.Liyanage, Dr Lawrence Perera and one Non-Executive Director Dr L.M.K.Tillekeratne. The Chairman of the Committee is Mr V.S.B. Liyanage.

Richard Pieris Group Services (Private) Limited, which is the Secretary of the Company, acts as the Secretary to the Committee.

Meetings of the Audit Committee

The Audit Committee held six meetings during the year under review and reviewed the process to assess the effectiveness of the internal control system to provide reasonable assurance that assets are safeguarded, and the financial reporting system can be relied upon.

Name of Committee Member	27-May-2025	05-Aug-2025	22-August-2025	04-November -2025	29-January-2026	10-February-2026
Mr V.S.B.Liyanage	√	√	√	√	√	√
Dr L.M.K.Tillekeratne	√	√	√	√	√	√
Dr Lawrence Perera	x	√	√	√	√	√

The Group Head of Finance, Chief Executive Officer, Financial Controller and Group Internal Audit Manager were invited if deemed necessary for Audit Committee meetings. Meetings were held with the external auditors regarding the scope and the conduct of the annual audits.

The principal activities of the Committee are detailed below;

Internal Audit and Risk Management

The Committee examined the Internal Audit Program to make sure it addressed the main operational facets of the business.

Audit Committee discussions were to be attended by the Group Internal Audit Manager when required. He gave an overview of the key conclusions drawn from every internal audit and inquiry his department has conducted during that time. The Company's Chief Executive Officer's reactions to the internal audit findings were examined, and when required, remedial action was suggested and its execution tracked. The Committee was also tasked with reviewing the Company's under performing estates, coming up with plans to turn them around, and suggesting appropriate remedial measures.

The Committee also examined updates on important operational, financial, and compliance risks, evaluated the suitability of mitigation techniques, and tracked the efficacy of the enterprise risk management framework. The Committee is confident that the internal audit function is still functional and that the risk management procedures are strong enough to handle the difficulties in the present operating environment based on its oversight efforts.

Internal Controls

The Committee examined the Company's approach to its exposure to commercial and financial risks, as well as the efficacy and sufficiency of the internal control systems, during its sessions. Procedures are in place to protect the Company's assets and guarantee that the financial reporting system is dependable for the creation and display of Financial Statements. Every month, the Senior Management reviews the full Management Report and Accounts that emphasize all important performance metrics related to Richard Pieris Exports PLC.

The Board of Directors evaluates performance every three months or more frequently, if necessary.

Report of the Audit Committee

Financial Statements

Prior to publication, the Committee examined the Company's Quarterly Financial Statements, Annual Report, and Accounts for accuracy, consistency, and adherence to Sri Lanka Financial Reporting Standards and other legal obligations, such as the Companies Act No. 7 of 2007. The suitability of information in the released Financial Statements were also examined.

External Auditors

The Audit Committee has examined the additional services the external auditors have rendered to the company to make sure their impartiality as auditors has not been affected.

In addition to reviewing the External Auditors' Management Letters and the Management's response, the Committee also examined issues that were explicitly directed at them. The Audit Committee was continuously updated on any significant issues by the external auditors. When the Committee met with the auditors, they talked about the audit's problems and any necessary remedial measures.

Subject to shareholder approval at the next Annual General Meeting, the Audit Committee has recommended to the Board of Directors that Kreston MNS & CO be reappointed as auditors for the financial year ending 31st March 2027.

Conclusion

The Audit Committee is confident that the organization's control environment offers a fair level of confidence about the accuracy of the Company's financial reporting, that the assets are protected, and that the Colombo Stock Exchange's Listing Rules have been followed.

Mr. V.S.B.Liyanage
Chairman of the Audit Committee

25th August 2026

Report of the Nominations and Governance Committee

Members of the Committee

The Nominations and Governance Committee consisted of two Independent Non-Executive Directors, namely Dr Lawrence Perera and Mr. V.S.B.Liyanage and one Non-Executive Director, Dr L.M.K.Tillekeratne. The Chairman of the Committee is Dr Lawrence Perera.

Richard Pieris Group Services (Private) Limited, which is the Secretary of the Company acts as the Secretary to the Committee.

Meetings and Attendance

The Nominations and governance Committee held one meeting during the year under review on the following day.

Director Name	22nd August 2025
Dr Lawrence Perera	✓
Mr V.S.B.Liyanage	✓
Dr L.K.M.Tillekeratne	✓

The meetings were conducted to review matters relating to Board composition, governance frameworks, and succession planning.

The Committee operates under the guidelines established in its terms of reference, which is approved by the Board of Directors. The Charter outlines the purpose, authority, composition, and responsibilities of the Committee in line with the Corporate Governance rules.

Purpose of the Committee

The primary purpose of the Nominations and Governance Committee is to:

1. Ensure the Board comprises an appropriate mix of skills, experience, and diversity to effectively discharge its responsibilities.
2. Recommend the appointment and re-election of Directors to the Board, ensuring adherence to established Corporate Governance principles.
3. Oversee the development and implementation of sound governance policies and practices across the Group.
4. Evaluate the independence of Non-Executive Directors annually and ensure compliance with regulatory requirements.

Governance and Oversight

The Committee reviewed the Group's compliance with the Corporate Governance Code prescribed by the Colombo Stock Exchange and other applicable regulations. The framework for governance policies, including Board performance evaluations and training initiatives for Directors, was strengthened to align with emerging best practices.

Director Nominations and Succession Planning

During the year, the Committee:

- Developed a succession plan for Board of Directors and key management roles across of the company.
- Board Effectiveness and Independence
- The Committee conducted an annual review of the Board's composition, independence, and performance. Feedback was collected from Directors to identify areas for improvement. The independence of all Non-Executive Directors was assessed, ensuring adherence to governance standards.

Training and Development

The Committee facilitated training sessions for Directors on key topics, including sustainability, risk management, and regulatory updates. Continuous development programs were designed to enhance Directors' capabilities in fulfilling their roles effectively.

Conclusion

The Nominations and Governance Committee is satisfied that its activities during the year have supported the Group's governance framework and strategic direction. The Committee remains committed to uphold the highest standards of governance, ensuring the Board's effectiveness, and facilitating sustainable long-term growth for the Group.

Dr Lawrence Perera
Chairman of the Nominations and Governance Committee

25th August 2026

Report of the Related Party Transactions Review Committee

The Company has an established Related Party Transactions Review Committee ('the Committee') which complies with Section 9.14 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Related Party Transactions issued by CA Sri Lanka. The Committee comprises two Independent Non-Executive Directors, namely Mr. V.S.B.Liyanage and Dr Susantha Siriwardena and one Non-Executive Director, Dr L.M.K.Tillekeratne. The Chairman of the Committee is Mr. V.S.B.Liyanage.

Purpose

The Objectives of the Committee,

- To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs", other than those exempted by the CSE Listing Rules on the Related Party Transactions) of Richard Pieris Exports PLC is carried out and disclosed in a manner consistent with the CSE listing rules.
- To advise and update the Board of Directors on the related party transactions of the Company on a quarterly basis.
- To ensure compliance with the CSE listing rules on the Related Party Transactions.
- To review policies and procedures of Related Party Transactions of Company.
- To ensure shareholder interests are protected and that fairness and transparency are maintained.

The Committee developed and suggested a framework of policies for the Company to implement regarding Related Party Transactions. The Committee took into consideration Related Party Transactions that need Board of Directors permission, as well as different thresholds established by the Colombo Stock Exchange's listing regulations and disclosure obligations, among other things.

Additionally, procedures for obtaining yearly disclosures from all KMPs were implemented throughout the Richard Pieris Group.

Meetings of the Committee

The Committee held four meetings during the period under review on following days;

Name of Committee Member	27-May-2025	05-Aug-2025	04-November-2025	10-February-2026
Mr V.S.B.Liyanage	√	√	√	√
Dr L.M.K.Tillekeratne	√	√	√	√
Dr Susantha Siriwardena	√	√	√	√

Meetings were attended by invitation only by the Chief Executive Officer, Sector Financial Controller, and Group Head of Finance. The Secretary of the Company, Richard Pieris Group Services (Private) Limited, serves as the Committee's secretary.
Through verbal briefings and the tabulation of Committee meeting minutes, the Board of Directors has been informed of the Committee's actions and opinions.

Task of the Committee

The Committee reviewed the related party transactions for compliance with applicable requirements and reported its findings to the Board. In the course of its review, the Committee acknowledged the adequacy and quality of the information provided by management, which facilitated an effective evaluation of the transactions.

Related Party Transactions during the year 2025/26

Details of the related party transactions entered into by the Company are disclosed on pages 99 to 103.

Declaration

Refer to the Board of Directors' Annual Report on the Company's Affairs, pages 50 to 52, for the Board of Directors' declaration that, aside from the information provided in note 39, the Company did not engage in any related party transactions that fall under the purview of the Listing Rules in 2025/26.

Disclosures

A detailed disclosure of all the related party transactions including Recurrent and Non-Recurrent related party transactions which are required to be disclosed under Section 9.14.2 of the Listing Rules of the Colombo Stock Exchange has been made in note no. 39 to the Financial Statements given on Pages 99 to 103 to this report.

Mr V.S.B.Liyanage
Chairman of the Related Party Transactions Review Committee

25th August 2026

Corporate Governance

The Board of Directors of Richard Pieris Exports PLC is committed and takes responsibility for maintaining the highest standards of Corporate Governance.

The Group has designed its Corporate Governance policies and practices to ensure that the Company is focused on its responsibilities to its stakeholders and on creating long term shareholder value. The Company recognizes the interests of all its stakeholders, including shareholders, employees, customers, suppliers, consumers, and the other communities in which it operates. The Group complies with the rules on Corporate Governance, included in the Listing Rules of the Colombo Stock Exchange, and is guided by the principles included in the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. This statement sets out the Corporate Governance policies, practices and processes adopted by the Board.

The Board and its Operations

The Company is governed by its Board of Directors, who directs and supervises the business and affairs of the Company on behalf of the shareholders.

The Board comprises nine Directors, of which one is an Executive Directors, whilst eight are Non-Executive Directors, out of which three are Independent, ensuring an independent outlook to temper the expediency of the experts. Brief profiles of the Directors are set out on pages 11 to 13. The Board has assessed the independence of the Non-Executive Directors.

During the year, the Board met on two occasion. Board Papers are submitted in advance on Group performance, new investments, capital projects and other issues which require specific Board approval. A separate information memorandum is provided on statutory payments at each Board Meeting.

Name of the Director	Director Status	Eligibility	Attendance
Dr. S. Yaddehige	Chairman/NED	2	1
Mr. Wasantha Rukmal Abeysirigunawardena	ED	2	2
Mr. Shaminda Yaddehige	NED	2	1
Mr. W. J. V. P. Perera	NED	2	2
Mr. Lalith Chandrasiri Wijeyesinghe	NED	2	2
Dr. Lawrence Perera	INED	2	2
Dr. L. M. K. Tillekeratne	NED	2	1
Dr. Susantha Siriwardena	INED	2	-
Mr. Vijitha Senarath Bandara Liyanage	INED	2	2

Role of the Chairman in overseeing the management of impact.

The Chairman and the Chief Executive Officer of the Company are two different personnel where power and authority are clearly distinguished.

The separation of the officers with executive powers in the Company ensure a balance of power and authority.

The Chairman, is responsible for matters relating to policy, maintaining regular contact with the other Directors, shareholders and external stakeholders of the Company. He is responsible for overall commercial, operational and strategic development and assisted by the Executive Management Committee comprising Executive Directors and Heads of Companies of the Strategic Business Units (SBU) of the Ultimate Parent Company. The Finance function devolves on the Group Head of Finance and the Sector Financial Controller, who is present by invitation at Board meetings when financial matters are discussed. The Board of Directors has access to independent professional advice as and when deemed necessary for decision making.

The main functions of the Board are to:

- Direct the business and affairs of the Company.
- Formulate short- and long-term strategies as a basis for the operational plans of the Company and monitor implementation.
- Report on their stewardship to shareholders.
- Identify the principal risks of the business and ensure adequate risk management systems are in place.
- Ensure internal controls are adequate and effective.
- Approve the annual capital and operating budgets and review performance against budgets.
- Approve the interim and final Financial Statements of the Group.
- Determine and recommend interim and final dividends for the approval of shareholders.
- Ensure compliance with laws and regulations.
- Sanction all material contracts, acquisitions, or disposals of assets, and approve capital projects.

Three Non-Executive Directors are independent with no direct or indirect material relationship with the Company and have duly submitted the annual declaration as per the Colombo Stock Exchange Listing Rules. Their wide range of expertise and significant experience in commercial, corporate, and financial activities bring an independent view and judgment to the Board.

Sub Committees of the Board

The Board is responsible for the establishment and functioning of all Board Committees, the appointment of members to these Committees and their compensation. The Board has delegated responsibilities to four Board Sub Committees which operate within clearly defined terms of reference.

Corporate Governance

Audit Committee

The Committee consisted of two Independent Non-Executive Directors, namely Mr. V.S.B.Liyanage and Dr. Lawrence Perera, and one Non-Independent Non-Executive Director, namely Dr. L.M.K.Tillekeratne. The Chairman of the Audit Committee is Mr. V.S.B.Liyanage. Audit Committee Chairman is a Senior Chartered Accountant. The Group Head of Finance, Group Internal Audit Manager and functional heads of Company attend meetings by invitation. The Company Secretary functions as Secretary to the Audit Committee.

The Audit Committee Report on pages 15 and 16 describes the activities carried out by the Committee during the financial year.

Remuneration Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors consist of two Independent Non-Executive Directors, Dr. Susantha Siriwardena, Dr. Lawrence Perera and one Non-Independent Non-Executive Director, Dr. L.M.K.Tillekeratne. Chairman of the Committee is Dr. Susantha Siriwardena.

The Report of the Remuneration Committee on page 14 highlights its main activities.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee consisted of two Independent Non-Executive Directors namely Mr. V.S.B.Liyanage, Dr. Susantha Siriwardena and one Non-Independent Non-Executive Director namely Dr. L.M.K.Tillekeratne. The Chairman of the Committee is Mr. V.S.B.Liyanage.

The Report of the Related Party Transactions Review Committee on page 18 highlights its main activities

Nominations and Governance Committee

The Nominations and Governance Committee consisted of two Independent Non-Executive Directors namely, Dr. Lawrence Perera and Mr. V.S.B.Liyanage, and one Non-Independent Non-Executive Director, namely Dr. L.M.K. Tillekeratne. The Chairman of the Committee is Dr. Lawrence Perera.

The Report of Nominations and Governance Committee on page 17 highlights its main activities.

Company Secretary

The Company Secretaries are Richard Pieris Group Services (Pvt) Ltd who acts as Secretaries to the Board and make their presence at every Board meeting. The Company Secretaries advises the Board on all regulatory matters pertaining to Securities & Exchange Commission and the Colombo Stock Exchange. The Secretaries also records minutes which are tabled for the next meeting for effective follow-up on decisions taken. The Directors have independent access to the Company Secretary.

Relationship with Shareholders

The Board maintains healthy relationships with its shareholders. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Apart from this, its principal methods of communication include the corporate website, the annual report, and quarterly financial statements.

Internal Controls

The Board is responsible for instituting an effective internal control system to safeguard the assets of the Company and ensure that accurate and complete records are maintained from which reliable information is generated. The system includes all controls including financial, operational and risk management. Strategies adopted by the Company to manage its risk are set out in its report on Risk Management on pages 26 to 28.

Apart from the strategic plans covering a three year time horizon, a comprehensive budgetary process is in place, where annual budgets, identifying the critical success factors and functional objectives, prepared by all subsidiaries are approved by the Board, at the commencement of a financial year and its achievement monitored monthly through a comprehensive monthly management reporting system. Clear criteria and benchmarks have also been set out for the evaluation of capital projects and new investments.

The Group Internal Audit Division regularly evaluates the internal control system across the organization and its findings are reviewed first by the Audit Committee and significant issues are thereafter reported to the Board. The Board reviewed the internal control procedures in existence and are satisfied with its effectiveness.

Relationship with other Stakeholders

The Board identifies the importance of maintaining a healthy relationship with its key stakeholders and ensures the Group as a whole inculcates this practice. Internal communication is mainly conducted through e-mails, memos and circulars.

The Board also ensures that the Group policies and practices are in line with the Company's values and its social responsibilities. The Group promotes protection of the environment, health and safety standards of its employees and others within the organization. The relevant measures taken are given in detail in the Sustainability Report on pages 37 to 41.

Fit & Proper Assessment

The Group's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and includes criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfied the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

Compliance

The Board places significant emphasis on strong internal compliance procedures. The Financial Statements of the Group are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards (LKAS and SLFRS) and other statutory regulations. Financial Statements are published quarterly in line with the Listing Rules of the Colombo Stock Exchange through which all significant developments are reported to shareholders quarterly. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Going Concern

The Directors have continued to use the 'Going Concern' basis in the preparation of the Financial Statements, after careful review of the financial position and cash flow status of the Group. The Board of Directors believes that the Group has adequate resources to continue its operation for the foreseeable future.

Compliance with CSE Continuing Listing Rules – Section 7.6

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Complied	Board of Directors pages 11 to 13
7.6 a(iii), (iv)	Twenty largest Shareholders, float adjusted market capitalization, public holding percentage, no. of public shareholders and minimum required public shareholding	Complied	Share information pages 114 to 117
7.6 (v)	Directors' and CEO's(MD's) holding in shares	Complied	Share information page 117
7.6.(vi)	Material foreseeable risk factors of the entity	Complied	Risk management pages 26 to 28
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Complied	Sustainability Philosophy pages 37 to 41
7.6 (viii)	Extents, locations, valuations, number of buildings	Complied	Group Real Estate Portfolio page 111
7.6 (ix)	Number of shares representing the Entity's stated capital	Complied	Share information pages pages 114 to 117
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Complied	Share information pages pages 114 to 117
7.6 (xi)	Ratios and Market Price Information	Complied	Share information pages pages 114 to 117
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Complied	Group Real Estate Portfolio page 111
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	Company did not raise funds during the Year
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	Company does not have Employee Share Ownership Schemes
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Complied	Corporate Governance Report pages 22 to 25

Corporate Governance

Compliance with CSE Corporate Governance Principles – Revised Section 9 of the Listing Rules

The corporate governance requirements applicable to listed entities were revised during the FY 2023/24 with effect from 01st October 2023. The status of compliance for the salient amendments of revised requirements is as follows,

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.2	Policies	The following policies which are mandated by the revised CSE Listing Rules are currently in place; • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations & Re-election • Policy on Remuneration • Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities • Policy on Risk Management and Internal Controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Corporate Disclosures • Policy on Whistle Blowing • Policy on Anti-Bribery and Corruption Aforementioned policies are included in the RPC Group website.	Complied
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company.	N/A
9.2.3	Disclosures in the Annual Report	Please refer Section 9.2.1.	Complied
9.2.4	Availability of Policies to Shareholders	Aforementioned policies are included in the RPC Group website https://www.arpico.com/investor-relations/policies	Complied
9.3	Board Committees		
9.3.1	Establishment of Board Committees	The Remuneration Committee, Audit Committee, Related Party Transactions Review Committee and Nominations and Governance Committee are in place.	Complied
9.3.2	Board Composition, Responsibilities and Disclosures	The composition of existing Committees is in line with the revised CSE Listing Rules. The Responsibilities of these Committees are in line with the rule set out and required disclosures have been made.	Complied
9.3.3	Chairperson of Board Committees	The Chairperson of the Board is not the Chairperson for any of the Sub Committees.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	Record maintain	The Company Secretary maintains records of all resolutions and the following information of General Meetings. (The number of Shares in respect of which proxy appointments, number of votes in favour against and number of shares in respect of vote was directed to be abstained).	Complied
9.4.2	Communication and relation with Shareholders and Investors	The Company has a policy on effective communication and relations with shareholders and investors.	Complied
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Availability of policy on governing matters relating to Board of Directors	The Company maintains a Policy on Matters relating to the Board of Directors	Complied
9.5.2	Disclosures in the Annual Report	The Company confirms the existence of policies governing the matters relating to Board of Directors	Complied
9.6	Chairperson and CEO		
9.6.1 9.6.2	Chairperson and CEO Rationale for appointing of a Senior Independent Director (SID)	The roles of Chairperson and CEO of the Company are held by two different individuals.	Complied
9.7	Fitness of Directors and CEOs		
9.7.1 9.7.2 9.7.3	Appointment of "Fit and Proper" Persons	The Company ensures that the Directors and CEO at all times fulfill the fit and proper assessment criteria set out in the Listing Rules	Complied
9.7.4	Annual Declarations from Directors and CEO	The Company ensures annual declarations from Directors and CEO before effective date	Complied
9.7.5	Disclosures in the Annual Report	Pages 20 of the Annual Report provides the relevant disclosure.	Complied
9.8	Board Composition		
9.8.1	Board at minimum to consist of Five (5) Directors	The Board of Directors of the Company consists of Nine (9) Directors as of 31st March 2026.	Complied
9.8.2	Minimum number of Independent Directors (Minimum 2 or 1/3 of total number, whichever is higher)	The Company is complied with the minimum number of Independent Directors. The Board of Directors of the Company consists of Three (3) Independent Directors as of 31st March 2026.	Complied
9.8.3 9.8.4 9.8.5	Criteria for determining independence & Declarations	Company assesses the independence of Directors according new revised rules.	Complied
9.9	Alternate Directors		
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent Non-Executive Directors.	N/A
9.10	Disclosures relating to Directors		
9.10.1	Policy on the maximum number of Directorships	Company Policy on maximum number of Directorships which a Director can hold in listed companies is 07.	Complied
9.10.2	Appointment of new Director	The Company has made immediate market announcements on appointment of new Directors.	Complied

Corporate Governance

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.10.3	Changes to the Composition	The Company will make an immediate announcement regarding any changes to the composition of the Board Committees referred to Rule 9.3.	Complied
9.10.4	Disclosures in the Annual Report	Please refer pages 11 to 13 for profiles of Directors, names of Companies in which the Director serves in Directorships, names of committees in which the Director serves as Chairperson, the nature of Director's expertise. Please refer pages 14 to 19 for details of meeting attendance.	Complied
9.11	Nominations & Governance Committee		
9.11.1	Nominations & Governance Committee	The Company has the Nominations & Governance Committee.	Complied
9.11.2	Formal Procedures	Company has a formal procedure for the appointment of new Directors and re-election of Directors to the Board.	Complied
9.11.3	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE Listing Rules.	Complied
9.11.4	Composition	The Committee comprises of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director	Complied
9.11.5	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.11.6	Disclosures in the Annual Report	Disclosure requirements are covered in the Nominations and Governance Committee Report given on page 17.	Complied
9.12	Remuneration Committee		
9.12.1	Definition of Remuneration	The Company has established a formal and transparent policy on remuneration. The remuneration is defined in terms of cash and non-cash benefits.	Complied
9.12.2	Remuneration Committee	The Company's has Remuneration Committee which determines the remuneration for Executive and Non - Executive Directors.	Complied
9.12.3 9.12.4	Remuneration Policy - Executive Directors/ Non-Executive Directors	The Remuneration Committee has established a formal and transparent procedure for fixing the Executive Directors' remuneration. The remuneration of Non-Executive Directors is based on the principal of non-discriminatory pay practices ensuring their independence is not impaired.	Complied
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE Listing Rules.	Complied
9.12.6	Composition	The Committee comprises of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director	Complied
9.12.7	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 14.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.13	Audit Committee		
9.13.1	Audit and Risk Committees	The Company has established Audit Committee to perform the Audit and Risk Functions.	Complied
9.13.2	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties.	Complied
9.13.3	Composition	The Audit Committee comprises of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Audit Committee met six times during the year. The Group Chief Financial Controller, Group Internal Audit Manager of the Company and Functional Heads of Subsidiaries attend the Committee meeting by invitation. The Chairman of the Audit Committee is a Senior Chartered Accountant.	Complied
9.13.4	Functions	The Functions of the Committee are effectively summarized in the Audit Committee Report on page 15.	Complied
9.13.5	Disclosures in the Annual Report	Please refer to the Audit Committee given on pages 15 to 16.	Complied
9.14	Related Party Transactions Review Committee		
9.14.1	Availability of Related Party Transactions Review Committee	The Company has Related Party Transactions Review Committee.	Complied
9.14.2 (1) & (2)	Composition	The Committee comprises of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director	Complied
9.14.3	Functions	The Functions of the Committee are effectively summarized in the Related Party Transactions Review Committee Report in page 18.	Complied
9.14.4	General requirements	The Related Party Transactions Review Committee met four times during the year.	Complied
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	The Committee takes into account the provision of the said CSE Listing Rules when reviewing related party transactions.	Complied
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE Listing Rules has not arisen during the year.	Complied
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosure is required to be made as per revised CSE Listing Rules.	Complied
9.14.8	Disclosures in the Annual Report	The Related Party Transactions are disclosed in Note 39 on pages 99 to 103. Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on Page 18.	
9.14.9	Acquisition and Disposal of assets from/to related parties	The Company has not acquired/disposed substantial assets from/to related parties.	Complied
9.14.10	Exempted Related Party Transactions	The provisions of the Sections are considered when evaluating the Related Party Transactions by the Committee.	Complied
9.16	Additional Disclosures		
9.16	(i) Declaration of all material interest (ii) Review of internal controls and compliance controls (iii) Compliance with laws, rules and regulations (iv) Material non-compliances	Disclosure requirements are covered in the Annual Report of the Board of Directors given on pages 50 to 52. Material non-compliance with any Law or Regulation has not arisen during the year 2025/26.	Complied

Risk Management

RISK EXPOSURE

Business Risk

- Credit Risk
- Internal Controls
- Reputation Risk
- Asset Risk
- Human Capital & Labour Risk
- Procurement Risk
- Technological Risk
- Inventory
- Risk of Competition
- Information Systems Risk
- Environmental,Political & Regulatory Risk

Financial Risk

- Liquidity & Cash Management
- Interest Rate Risk
- Currency Risk

Commonly used standards include:

ISO 31000 2009 – Risk Management Principles and Guidelines

A Risk Management Standard – IRM/Alarm/AIRMIC 2002 – developed in 2002 by the UK's 3 main risk organisations.

ISO/IEC 31010:2009 – Risk Management - Risk Assessment Techniques

COSO 2004 – Enterprise Risk Management - Integrated Framework

OCEG "Red Book" 2.0: 2009 – a Governance, Risk and Compliance Capability Model

Managing business and financial risks are fundamentally important in maintaining sustainable growth and making steady progress towards the achievement of corporate goals and objectives. "Risk" being a factor which is not possible to "eliminate" completely, the Group ensures the "minimisation" of risks by adopting various strategies for continuous reviewing of the Group operations. Various strategies are developed and implemented to achieve this goal.

Risk management is the act of identifying and solving potential risks. A risk is defined as anything that has the potential to negatively affect a business or organization. Risk management is used by organizations and businesses to assess problems that either have or will occur. After the risks, the business or organization then takes steps to reduce the risk or eliminate it completely.

A number of standards have been developed worldwide to help organisations implement risk management systematically and effectively. These standards seek to establish a common view on frameworks, processes and practices, and are generally set by recognised international standards bodies or by industry groups. Risk management is a fast-moving discipline and standards are regularly supplemented and updated.

The different standards reflect the different motivations and technical focus of their developers, and are appropriate for different organisations and situations. Standards are normally voluntary, although adherence to a standard may be required by regulators or by contract.

Risk Management

Risk Category	Group Objectives	Risk Minimization Strategies
Liquidity & Cash Management	• To ensure faster response to market opportunities by ensuring instant funding ability. • To maintain a “sufficient” liquidity position at all times.	• Funding of long term assets through Equity and Long Term Loans. • Availability of short term borrowing facilities to the Group at all times. • Funding of Inventory by short term Creditors. • Sourcing of funding requirements through many financial institutions
Interest Rate Risk	• To minimize adverse effects of interest rate volatility. • To ensure cost of borrowing is at the minimum level.	• Structuring the loan portfolio to combine foreign currency and local currency denominated borrowings. • Using of fixed and variable rate borrowings to strike a balance. • Accessing the Group treasury of Richard Pieris and Company PLC to shown funding requirement at more competitive rates.
Currency Risk	• To minimize risk associated with the fluctuation in foreign currency rates in relation to export proceeds, import payments and foreign currency debt transactions.	• Export proceeds exceeding the import payments and foreign currency debt payments act as a natural hedge.
Credit Risk	• To minimize risks associated with debtor defaults.	• Obtaining insurance covers for export debtors. • Following stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit. • Closely monitoring the debtor balances, laying action plans and determining the same are under control.
Asset Risk	• To minimize risk from fire, theft and machinery & equipment breakdown	• Obtaining comprehensive insurance covers for all tangible assets. • Adoption of stringent procedures with regards to the moving of assets from one location to another. • Carrying out mandatory preventive maintenance programs. • Carrying out frequent employee training programs in areas such as fire prevention.
Internal Controls	• To maintain a sound system of internal controls to safeguard shareholders’ wealth and Group assets.	• Carrying out of system audits and other control mechanisms such as Inventory counts and cash counts throughout the Group by the Richard Pieris Group internal audit department. • Having in place a budgetary process & a budgetary control mechanism on a monthly basis to ensure that the Group’s performance is continuously in line with its targets.
Information Systems Risk	• To minimize risk associated with Data Security, Hardware & Communication and Software.	• Maintaining of space servers. • Mirroring of hard disk with critical data. • Data back-ups stored in off site locations. • Vendor agreements for support service and maintenance. • Regular upgrading of Virus Scanners, Firewalls etc.

Risk Management

Risk Category	Group Objectives	Risk Minimization Strategies
Technological Risk	• To keep pace with the current technological developments and safeguard against obsolescence.	• The continuous investment in new machines. • Investing in R&D activities throughout the year. • Investing in hardware and developing software - in house. • Educate the staff on the importance of customer service.
Human Capital & Labour Risk	• To ensure a smooth flow of operations without any undue disruptions. • To project ourself as a humane employer being successful in motivating, developing, retaining and attracting the best of human capital.	• Maintaining relationships with trade unions through regular dialogue. • Improving employee benefits by way of financial incentives and welfare activities. • Improving the Human Resource function of the Group with regards to employee recruitment, performance appraisals and in-house as well as external training programmes. • Promoting performance-driven culture.
Inventory	• To reduce stock obsolescence and manage stock holding costs. • Reducing the risk associated with theft & shrinkage.	• Adopting a monthly declaration policy. • Identifying slow-moving stock and effectively laying out a channel for these to be sold off. • Ensure Raw Material and Finished Good stocks are insured.
Procurement Risk	• To minimize risk associated with price and availability.	• Developing of new products to improve quality and manage costs. • Sourcing all procurements through the central purchasing unit of Richard Pieris Group and gaining access to the large database of global and local suppliers to obtain competitive rates. • Adoption of backward integration strategies. Expanding the centralised purchasing division which has enabled us to create a reliable network of global suppliers. • Entering into forward contracts for raw material purchases.
Risk of Competition	• To maximize our market share and maintain market leadership in the respective industries..	• Ensuring high standards of quality. • Increasing productivity and efficiency in order to ensure our prices remain competitive despite increasing wage, energy and transportation costs. • Carrying out R&D activities to identify needs.
Reputation Risk	• To prevent the causes that damage our reputation	• Adopting stringent quality assurance policies with regard to goods bought out from third parties as well as the input, processes and output of own brand and in-house manufactured products. • Ensuring effective communication with various stakeholders such as employees, bankers, media, regulators, customers, suppliers, shareholders and the community at large. • Providing the frontline managers and the sales staff with adequate training in order to improve the service standards as well as to educate the staff on the importance of customer service.
Environmental, Political & Regulatory Risk	• To minimize the negative impact from the changes in the external environment which are beyond our control.	• Compliance with statutory requirements for environmental preservations. • Compliance with statutory requirements for all tax payment etc.

Management Discussion & Analysis

Overview

The financial year 2025/26 unfolded against one of the most challenging operating environments experienced by Richard Pieris Exports PLC in recent years. While Sri Lanka's macroeconomic landscape continued to stabilise following the economic crisis, global export markets remained subdued amid shifting trade policies, geopolitical tensions and weaker consumer demand across several key markets. The imposition of tariffs in the US, coupled with the escalating conflict in the Middle East during the latter part of the financial year, created additional uncertainty, resulting in supply chain disruptions, higher input costs and softer demand across several export destinations.

Against this backdrop, the Group adopted a disciplined approach to cost management, operational efficiency and market diversification to mitigate external pressures. Although revenue moderated during the year owing to weaker demand in the Group's principal export markets, decisive management actions enabled the Group to significantly narrow its overall losses while preserving its financial stability and strengthening its long-term competitive position. Performance across the Group's businesses reflected differing market dynamics. Richard Pieris Exports PLC (RPE) experienced a contraction in revenue as demand for hard rubber products weakened in its traditional markets, particularly in Europe and the US. However, encouraging growth in selected Asia-Pacific markets, together with improved demand for selected product categories during the latter part of the year, provided a positive foundation for future growth.

Richard Pieris Natural Foams Limited (RPNF) also faced challenging export market conditions, particularly across the US and Europe. Nevertheless, stronger demand from Asia-Pacific markets, continued growth in domestic sales and a comprehensive cost optimisation programme enabled the subsidiary to substantially reduce operating losses despite lower revenue. Micro Minerals (Pvt) Ltd continued to provide reliable support to the Group's manufacturing operations while maintaining stable operational performance.

The Group significantly improved its financial performance during the year, reducing its loss before taxation by over 90% compared to the previous financial year.

Macroeconomic Environment and External Challenges

The global economic environment remained characterised by uncertainty throughout the financial year. Although inflation moderated across many developed economies and central banks gradually eased monetary policy, export demand continued to be constrained by subdued consumer spending, elevated geopolitical tensions and changing international trade policies.

One of the most significant developments affecting the Group during the year was the introduction of tariffs in the US, which adversely impacted both sales volumes and pricing across several export product categories. These measures reduced competitiveness in one of the Group's largest markets and placed additional pressure on operating margins. Demand for jar sealing rings in Europe also softened considerably, further affecting export volumes within the Hard Rubber Segment.

Towards the latter part of the financial year, the conflict between the US and Iran introduced further volatility into global markets. Rising freight and raw material prices, coupled with disruptions to international supply chains, increased procurement costs and created additional challenges in sourcing materials while dampening customer demand in certain markets.

Domestically, Sri Lanka continued its gradual economic recovery, supported by easing inflation, lower interest rates and improved macroeconomic stability. Nevertheless, exporters continued to contend with a stronger Sri Lankan Rupee against the US Dollar, which reduced export realisations, while evolving international sustainability regulations and customer compliance requirements continued to raise operating expectations across global supply chains.

Against this challenging operating backdrop, the Group remained focused on strengthening operational resilience through disciplined cost management, prudent working capital management and continued investment in productivity improvements, while expanding opportunities across alternative export markets.

HARD RUBBER SEGMENT

Richard Pieris Exports PLC (RPE)

Richard Pieris Exports PLC operated in an increasingly challenging export environment during the financial year, as weakening demand across its principal markets coincided with changing global trade dynamics. The introduction of tariffs in the US, softer demand for jar sealing rings in Europe, and continued pricing pressures across international markets adversely affected both sales volumes and margins. Despite these headwinds, the Company remained profitable, demonstrating the resilience of its business model and the effectiveness of its operational management.

Revenue for the year was Rs. 1.40 billion and Rs. 2.16 billion in previous year, reflecting lower export demand and reduced selling prices across several product categories. Profitability of the company successfully maintained positive earnings through prudent cost management, disciplined pricing strategies and continued operational efficiencies.

Export volumes were impacted during 2025/26, reflecting subdued demand across the Company's traditional markets. Shipments to the United States and to the Europe were lower, largely due to the impact of tariff measures and softer customer demand.

In contrast, the Asia-Pacific region continued to demonstrate encouraging momentum, with volumes increasing by 94%, highlighting the success of ongoing market diversification initiatives and the growing importance of emerging regional markets.

Across product categories, mats continued to account for the largest share of exports despite volumes decline. Sales of sealing rings experienced the sharpest contraction, due to weaker demand in European markets. Conversely, sales of crutch tips increased by 200%, while the continuous sheeting product line continued to gain traction following its introduction, providing opportunities for further product diversification.

The Company maintained disciplined control over operating expenditure. Cost of sales reduced by 25% to Rs. 1.17 billion, reflecting lower production volumes and prudent procurement practices. Distribution costs declined by 29% owing to reduced export shipments and lower freight costs, while administrative expenses remained broadly unchanged, demonstrating continued focus on cost discipline. Finance costs remained stable, while lower interest rates resulted in a modest reduction in finance income.

The Company also benefited from favourable currency movements during the year, recording an exchange gain of Rs. 76 million, compared with an exchange loss of Rs. 26 million in the previous financial year, partially offsetting the impact of lower operating margins.

Working capital management remained proactive throughout the year. Inventories and trade receivables increased during the year, reflectingincreased orders, particularly within the ring product category, scheduled for delivery in the early months of the new financial year. This deliberate inventory build-up positions the Company to respond efficiently to anticipated customer demand while supporting improved production planning.

Despite the challenges experienced during the year, management remains encouraged by the gradual recovery observed in selected export markets during the latter part of the financial year. Continued expansion within Asia-Pacific markets, growing demand for newer product lines and the Company's longstanding customer relationships provide a solid platform for renewed growth as global market conditions improve.

LATEX SEGMENT

Richard Pieris Natural Foams Limited (RPNF)

Richard Pieris Natural Foams Limited (RPNF) demonstrated considerable fortitude during a difficult trading year, successfully improving its operating performance despite softer revenue and continued weakness across several of its traditional export markets. While demand in the US and Europe remained constrained, strong growth across Asia-Pacific markets, improved domestic sales and disciplined cost management enabled the subsidiary to substantially narrow its losses and strengthen its operational position.

Revenue was Rs. 4.58 billion, compared with Rs. 5.04 billion in the previous financial year. However, the reduction in revenue was significantly lower than the decline experienced by the Hard Rubber Segment, reflecting the relative resilience of the latex-based product portfolio. Importantly, export volumes increased by approximately 6%, in the previous year. Although shipments to the US and Europe lower, these reductions were more than offset by strong growth in Asia- Pacific markets, where volumes increased by 75%, together with a 30% increase in domestic sales. This shift in geographic sales mix highlights the Company's success in broadening its customer base while reducing dependence on its traditional export destinations.

Product performance also reflected encouraging diversification. Mattress volumes remained broadly stable, while pillow sales increased by 19%. Continuous sheeting recorded exceptional growth of 282%, reflecting growing customer acceptance of the product, while export recycled products increased by 33%. Domestic sales of mattresses and pillows also strengthened significantly during the year, further supporting revenue stability.

Operational efficiencies delivered measurable improvements in profitability despite lower revenue. Cost of sales declined by 11%, contributing to a 4% increase in gross profit to Rs. 522 million. Distribution costs reduced substantially by 44%, primarily due to lower freight costs following a reduction in CIF shipments, together with more efficient logistics management and lower promotional expenditure across overseas markets.

Other operating income more than doubled during the year, while favourable exchange movements and other financial gains further strengthened earnings. Although finance costs increased owing to higher working capital borrowings and interest expenses, these were substantially offset by higher finance income and improved other financial gains.

Consequently, the subsidiary recorded a loss before taxation of Rs. 94.7 million, representing a significant improvement from the Rs. 573.5 million loss recorded in the previous financial year. Losses after tax also reduced substantially, reflecting the positive impact of management's comprehensive operational improvement initiatives.

Working capital efficiency also improved during the year. Inventories declined largely due to the successful disposal of accumulated inventory, while trade receivables increased in line with higher sales volumes and customer deliveries.

Although market conditions remain challenging, RPNF has demonstrated its ability to adapt to changing customer demand through improved operational efficiency, disciplined cost management and continued market diversification. The focus on strengthening productivity, enhancing product innovation and expanding opportunities across high-growth regional markets remains, positioning the business for a stronger recovery as international demand improves.

Management Discussion & Analysis

Arpitalian Compact Soles (Pvt) Ltd

Arpitalian Compact Soles (Pvt) Ltd., the Group's joint venture with Davos SPA of Italy, continued to maintain stable operations during the financial year despite the challenging global manufacturing environment. The Company remained focused on serving its established customer base in India and Italy while adapting to evolving market conditions across the footwear industry.

The joint venture continues to benefit from the technical expertise, product innovation and international market access provided through its long-standing partnership with Davos SPA. These strengths will be leveraged to explore new business opportunities and expand its presence in specialised footwear components as market conditions improve. The Company also continues to evaluate opportunities to broaden its customer base and strengthen its long-term strategic contribution to the Group through product innovation and enhanced operational collaboration with its international partner.

MINERALS SEGMENT

Micro Minerals (Pvt) Ltd

Micro Minerals (Pvt) Ltd. continued to provide an important strategic contribution to the Group by ensuring a reliable supply of mineral-based raw materials required for the manufacture of polymer and rubber-based products. As an integrated supplier within the Group's value chain, the Company plays a critical role in supporting uninterrupted production while maintaining consistent quality standards across manufacturing operations.

During the year, Micro Minerals recorded revenue of Rs. 76.1 million, reflecting softer demand from the Group's manufacturing businesses as overall production volumes moderated. The Company maintained stable operations and continued to supply raw materials efficiently, reinforcing supply chain reliability during a period of external market volatility. The subsidiary remained profitable during the year, contributing Rs. 3.1 million in profit before taxation while continuing to optimise operational costs and support the Group's manufacturing activities. Inventory levels remained broadly unchanged, while trade receivables increased in line with customer settlements and production requirements.

Micro Minerals remains an important component of the Group's vertically integrated manufacturing model, providing greater control over raw material quality, supply continuity and procurement efficiency. This integrated approach enhances the Group's operational resilience while reducing dependence on external suppliers and strengthening long-term manufacturing competitiveness.

Sustainability & Compliance

Sustainability continues to remain an integral component of the Group's long-term business strategy, underpinning operational resilience, resource efficiency and responsible manufacturing practices across its operations. Throughout the year, the Group continued to invest in initiatives aimed at enhancing operational efficiency while reducing its environmental footprint and strengthening its competitiveness within increasingly sustainability-conscious export markets.

The Group also continued its efforts to improve resource utilisation through enhanced production planning, inventory optimisation and operational process improvements. These initiatives not only contributed to improved cost efficiency during the year but also support the Group's broader objective of creating more sustainable and resilient manufacturing operations.

Recognising the growing importance of environmental stewardship within global supply chains, management remains committed to continuously strengthening its sustainability practices while aligning business operations with the evolving expectations of international customers and regulatory authorities.

Operating within highly regulated international markets requires the Group to maintain rigorous standards of compliance across its manufacturing, sourcing and export operations. During the year, the Group continued to strengthen its governance and compliance framework to ensure adherence to evolving international trade requirements, environmental standards and customer-specific compliance expectations.

Particular emphasis continued to be placed on preparedness for emerging regulatory requirements, including the European Union Deforestation Regulation (EUDR), while ensuring that manufacturing processes, procurement practices and supply chain management remain aligned with internationally accepted environmental and social standards.

The Company continued to benefit from its biomass energy investment, the Temporary Importation for Export Processing (TIEP) scheme and ongoing process improvement initiatives during the year. These measures contributed to lower production costs, improved price competitiveness and enhanced operational efficiency, while also creating a safer and more productive working environment.

The Group also continued to uphold its commitment to maintaining high product quality, ethical business practices and responsible sourcing across all operations. These efforts reinforce customer confidence and support the Group's ability to compete effectively within global export markets where regulatory compliance has become an increasingly important differentiator.

Investment in employee capability, together with continuous improvements in operational processes, remains central to enhancing productivity and supporting the Group's long-term competitiveness within increasingly demanding global markets.

Outlook

The Group enters the new financial year with cautious optimism. While global economic conditions are expected to remain uncertain, improving macroeconomic stability in Sri Lanka, easing inflationary pressures and gradually recovering business confidence provide a more favourable operating environment than in recent years. Nevertheless, external challenges are expected to persist. Geopolitical developments, evolving international trade policies and continued uncertainty across key export markets are likely to influence customer demand and pricing dynamics in the near term. Against this backdrop, the Group will continue to prioritise operational efficiency, prudent cost management and disciplined capital allocation while strengthening its presence across diversified export markets.

Within the Hard Rubber Segment, management remains focused on rebuilding volumes through deeper customer engagement, expanding opportunities within Asia-Pacific markets and growing demand for newer product categories, including continuous sheeting and specialised industrial rubber products.

Meanwhile, RPNF will continue to build on the operational improvements achieved during the year by enhancing product innovation, optimising manufacturing efficiencies and further strengthening its market presence across high-growth regions.

Across the Group, continued investments in manufacturing capability, responsible business practices and operational excellence will support long-term value creation while reinforcing competitiveness within global markets.

Our Products

Richard Pieris Exports PLC was established as the first fully export-oriented subsidiary of the diversified blue-chip corporate Richard Pieris & Company PLC in 1983 and is considered the pioneer Sri Lankan exporter of industrial rubber mats, jar sealing rings and crutch tips to the international markets in natural and synthetic rubber. Richard Pieris Exports PLC's major markets are in Europe, US and Asia Pacific Regions and the Company conforms to ISO standards.

A Subsidiary Company

Richard Pieris Natural Foams Ltd is a fully-owned subsidiary of Richard Pieris Group and produces latex foam products like mattresses, sheets, cushions which are extensively used in the high end international bedding and furnishing industry, using state-of-the-art manufacturing facilities. The high quality raw material-natural rubber latex is obtained from Richard Pieris Group's own plantations. Their products are certified by globally recognized certifying bodies for ISO 9001:2015, ISO 14001:2015, ECO LGA, Oeko Tex, GOLS, STROKE and SATRA. RPNF product line also complies with GOLS (Global Organic Latex Standards) by the Control Union.

The Associate Company

Arpitalian Compact Soles (Pvt) Ltd is a joint venture between the Richard Pieris Group, pioneers in rubber industry in Sri Lanka and DAVOS Spa, a reputed manufacturer from Italy. DAVOS has provided the technical expertise to set up Arpitalian's manufacturing facility, which is one of the most modern soling sheet manufacturing and varnishing plants in South Asia.

A Subsidiary Company

Micro Minerals (Pvt) Ltd was established as a backward integration arm of the Group to produce powdered mineral fillers which are considered as essential raw materials in the Rubber industry. The processing plant is located at Bandaragama.

Sustainability Philosophy

At Richard Pieris Exports PLC (RPE), sustainability is integral to the way value is created, resources are deployed and relationships are built across the Group. As a manufacturer and exporter of rubber-based products, the Group recognises that long-term competitiveness depends on the responsible management of natural resources, human capital, manufactured assets and its contribution to the communities in which it operates. The year under review presented a demanding operating environment, characterised by international trade pressures, tariff-related challenges, sourcing constraints and volatility across global markets. Against this backdrop, RPE continued to focus on operational resilience, resource efficiency and responsible business practices. Sustainability considerations remained embedded in decisions relating to energy consumption, manufacturing efficiency, employee welfare, community support and investment in production capabilities.

During 2025/26, the Group continued to strengthen its approach to environmental stewardship while maintaining its commitment to employee wellbeing and community development. Investments in manufacturing assets, continued use of biomass-based energy, improved energy intensity and targeted social initiatives demonstrate the Group's ongoing efforts to balance economic performance with environmental and social responsibility.

Sustainability Governance and Integrated Thinking

Sustainability at RPE is supported by Board-level oversight and operational responsibility across the Group's businesses. Environmental, social and governance (ESG) considerations are increasingly incorporated into business planning, resource allocation and operational decision-making, enabling sustainability priorities to be considered alongside commercial and financial objectives. The Group's approach is founded on the principle that responsible business practices should contribute directly to resilience and long-term value creation. Accordingly, sustainability is considered across the different forms of capital deployed by the Group, including financial, manufactured, natural, human and social and relationship capital. During the year, particular emphasis was placed on resource efficiency, energy management, employee welfare and community support. The Group also continued to strengthen the information base available for monitoring key sustainability indicators, providing a foundation for more systematic performance management and future target-setting.

ENVIRONMENTAL STEWARDSHIP

Advancing Energy Efficiency

Energy management remains a key environmental priority for RPE given the energy-intensive nature of its manufacturing operations. During the year, the Group continued to use biomass-based steam generation as an important component of its energy mix, reducing dependence on conventional fossil-fuel-based energy sources.

Sustainability Philosophy

The Group's total energy cost declined to approximately Rs. 394.9 million in 2025/26, compared with Rs. 523.3 million in the previous year. This reduction was achieved in a year in which the Group continued to navigate significant pressures across its operating environment and reflects the combined effect of changes in energy consumption, energy sources and operating activity.

Importantly, the Group's energy intensity improved from 7.22% in 2024/25 to 6.56% in 2025/26, indicating a reduction in energy cost relative to turnover.

Energy Intensity

Year	2022	2023	2024	2025	2026
Energy Intensive	3.80%	6.89%	8.62%	7.22%	**6.56%**

The Group will continue to pursue opportunities to improve energy productivity through operational optimisation, equipment efficiency and greater integration of alternative energy sources.

Biomass-Based Steam Generation

Biomass remains an important component of RPE's strategy to reduce reliance on fossil fuels in steam generation. During 2025/26, the Group continued to operate biomass-based steam generation systems across its manufacturing operations. Biomass steam accounted for a significant proportion of the energy expenditure recorded within the Group's principal manufacturing operations. The utilisation of biomass provides an important avenue for reducing exposure to fossil fuel volatility while supporting the transition towards a more resource-efficient production model.

During the year, overall biomass capacity utilisation was approximately 52.8%. The Group will seek to optimise utilisation levels as production requirements evolve and as the benefits of biomass-based energy systems are further integrated into its manufacturing processes.

Biomass Capacity Utilization

Year	2022	2023	2024	2025	2026
Biomass Capacity Utilization	90%	90%	89%	90%	**53%**

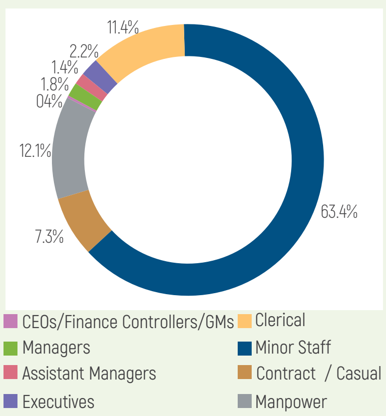
Resource Efficiency and Responsible Production

RPE's environmental approach extends beyond energy consumption to the efficient use of raw materials, manufacturing inputs and water resources. Manufacturing processes are continually assessed with the objective of minimising avoidable waste, improving material utilisation and maintaining responsible disposal practices.

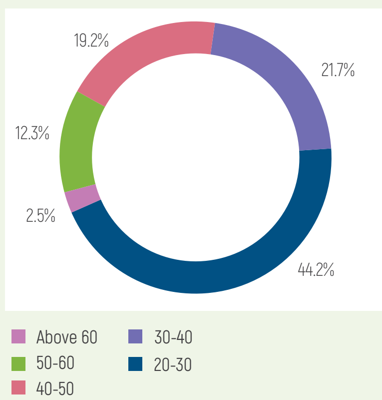
The Group's continued investment in manufacturing capabilities also supports the efficient use of resources by enabling greater process control and improved production performance. Research and development remain important to this effort, particularly in developing rubber-based products and processes that can deliver commercial value while reducing environmental impacts.

Rainwater management, responsible waste handling and the efficient utilisation of raw materials remain part of the Group's broader environmental management practices.

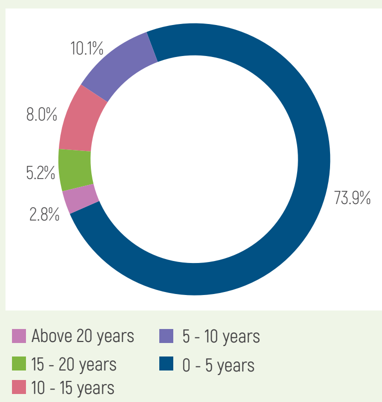
Grade-wise Analysis of Employees



Age-wise Analysis of Employees



Year of Service of Employees



Manufactured Capital and Responsible Investment

The Group's manufacturing capability represents an important component of its long-term value creation model. Continued investment in plant, machinery and production infrastructure enables RPE to strengthen productivity, maintain product quality and improve operational efficiency.

During 2025/26, the Group continued to invest in its manufacturing assets, supporting the ongoing development and modernisation of its production capabilities. These investments are particularly important in an environment where international competitiveness increasingly depends on productivity, technology and resource efficiency.

The Group's approach to capital expenditure therefore extends beyond capacity enhancement, with investments also supporting process efficiency, reliability and the responsible use of resources.

Investment in Plant and Machinery / PPE Trend

The continued development of manufacturing capabilities will remain important as RPE seeks to strengthen its competitiveness in international markets and position its operations for sustainable long-term growth.

Human Capital

A Diverse and Engaged Workforce

People remain central to the Group's ability to manufacture high-quality products, respond to changing market conditions and sustain long-term customer relationships. The workforce spans manufacturing, technical, executive, managerial, clerical and support functions, reflecting the breadth of capabilities required across the Group's operations.

The workforce composition also demonstrates a relatively young employee base.

Approximately 44% of employees are between 20 and 30 years of age, while a further 22% are between 30 and 40 years. This provides the Group with a significant pool of younger employees who can be developed through experience, training and career progression.

Experience and Retention

The Group's workforce combines new talent with employees who have built significant experience within the organisation. While approximately 74% of employees have served for less than five years, the Group also retains a core of long-serving employees, including 20 employees with more than 20 years of service. This combination of fresh talent and institutional knowledge supports continuity while creating opportunities for new ideas, skills development and succession.

Developing Capability

RPE recognises that sustained competitiveness requires continuous investment in human capability. Employee development therefore remains focused on building technical competence, operational awareness, leadership capability and the skills required to perform effectively in an evolving manufacturing environment.

Learning takes place through a combination of on-the-job exposure, functional guidance, workplace experience and structured development initiatives. The Group's focus is to ensure that employees have the capabilities required to meet operational requirements while also supporting their longer-term career development.

Employee Welfare

Employee welfare continues to form an important part of the Group's social agenda. During the year, RPE and its subsidiaries implemented a range of initiatives supporting employees and their families.

These included the distribution of New Year welfare packs, rubber mats and latex pillows to employees, together with the distribution of school books to employees' children. Such initiatives provide practical support while reinforcing the Group's commitment to employee wellbeing.

The Group also continued to recognise the importance of employee engagement and motivation as components of a productive and cohesive workplace.

Sustainability Philosophy

Supporting Education

Education remains an important area of the Group's social contribution. During the year, school books were distributed to the children of employees across the Group, supporting families in meeting education-related needs.

Such programmes reflect the Group's recognition that employee wellbeing extends beyond the workplace and that supporting children's education can contribute to longer-term family and community development.

The initiatives complement the Group's broader commitment to creating opportunities for future generations through practical, targeted interventions.

Economic Value Creation

The ability to generate and distribute economic value responsibly is fundamental to RPE's contribution to the wider economy. Through its manufacturing and export activities, the Group supports employment, local supply chains, government revenues, capital providers and the communities in which it operates.

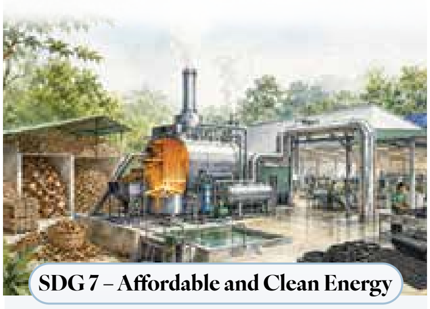
Despite a challenging external environment during 2025/26, the Group continued to generate significant economic activity. Consolidated Group revenue amounted to approximately Rs. 6.02 billion during the year.

The Group's operations also supported the livelihoods of more than 700 direct employees, in addition to generating economic activity across suppliers, service providers and other participants in its value chain.

Financial performance during the year was affected by international trade and sourcing pressures, including the impact of tariffs imposed in the US and disruptions arising from geopolitical developments. Against this backdrop, the Group continued to focus on operational discipline, cost management and strengthening the resilience of its businesses.

SDG 4 – Quality Education

Support for employees' children through school book distributions contributes to access to educational resources and supports family wellbeing



SDG 7 – Affordable and Clean Energy

The continued use of biomass-based steam generation supports efforts to reduce dependence on conventional fossil fuel sources.

SDG 8 – Decent Work and Economic Growth

Employment generation, employee welfare, capability development and economic value creation contribute to productive and inclusive economic activity.

SDG 12 – Responsible Consumption and Production

Energy efficiency, raw material optimisation, responsible waste management and investment in efficient manufacturing processes support more responsible production.

SDG 13 – Climate Action

The Group's continued focus on biomass energy, energy intensity and resource efficiency contributes to reducing the environmental footprint of its manufacturing activities.

SDG 17 – Partnerships for the Goals

Collaboration with employees, suppliers, customers, communities and other partners provides an important foundation for advancing sustainability across the value chain.

Responsible Value Chain

As an exporter serving international markets, RPE operates within a value chain influenced by global demand, trade policies, raw material availability, logistics and geopolitical developments. Responsible management of this value chain is therefore essential to maintaining business continuity and competitiveness. During the year, sourcing and pricing pressures highlighted the importance of supply chain resilience. The Group continued to manage procurement carefully while seeking to balance cost, quality, availability and operational requirements.

Going forward, greater emphasis will be placed on strengthening supplier relationships, improving visibility across the supply chain and progressively incorporating relevant environmental and social considerations into supplier engagement.

Innovation and Operational Resilience

Innovation at RPE is closely linked to product development, manufacturing efficiency and the responsible use of resources. Research and development initiatives support the Group's ability to respond to changing customer requirements while improving the efficiency of production processes.

Investment in manufacturing technology and process improvement will remain an important component of the Group's sustainability agenda. By improving productivity and reducing resource wastage, innovation can simultaneously support environmental performance and commercial competitiveness.

The Group's response to the challenges of 2025/26 also demonstrated the importance of operational resilience. The ability to adjust sourcing strategies, manage costs and respond to changes in international markets remains central to sustaining value creation in an increasingly uncertain global environment.

Our Contribution to the UN Sustainable Development Goals

RPE's sustainability priorities are aligned with the broader objectives of the United Nations Sustainable Development Goals (UN SDGs). The Group's activities contribute most directly to areas including decent work and economic growth, responsible consumption and production, climate action, quality education and sustainable communities.

Key Sustainability Priorities For 2026/27

- Strengthen energy efficiency and energy monitoring across manufacturing operations
- Optimise utilisation of biomass-based steam generation
- Continue investment in efficient and modern manufacturing technologies
- Improve raw material utilisation and minimise production waste
- Strengthen responsible waste management and resource conservation
- Enhance employee development, welfare and engagement programmes
- Continue education-related support for employees' children
- Maintain responsive community and disaster-relief initiatives where needs arise
- Progressively strengthen ESG considerations in supplier engagement
- Improve sustainability data collection, monitoring and reporting
- Further align sustainability priorities with the Group's long-term business strategy and relevant UN SDGs

Looking Ahead

Sustainability at RPE will continue to evolve in line with the Group's strategic priorities and the changing expectations of international markets. The next phase of the sustainability journey will focus on strengthening energy management, improving resource productivity, increasing the effectiveness of biomass-based energy utilisation and embedding sustainability considerations more systematically across operations and the supply chain.

Sustainability for RPE is ultimately about building resilience into the business by using resources responsibly, investing in people, supporting communities and strengthening the foundations of long-term competitiveness. The progress made during 2025/26 provides a platform for the Group to deepen this approach and integrate sustainability even more closely into future growth.

Our Management Team

Wasantha Abeysirigunawardena
Director/Managing Director
Richard Pieris Exports PLC
Richard Pieris Natural Foams Limited
Arpitalian Compact Soles (Pvt) Limited
Micro Minerals (Pvt) Limited

Palika Chandrajeewa
Chief Operating Officer
Richard Pieris Exports PLC

Fabio Piccolo
Director
Arpitalian Compact Soles (Pvt) Limited

Eksith Kurukulasooriya
Sector Finance Controller
Exports Sector

Richard Pieris Exports PLC

Alaka Ubayasena - Factory Manager
Prabath Priyankara - Exports Manager
Thushan Jayasekara - Production Manager
Sarath Kumara - Factory Engineer
Heshani Handungoda - Manager Quality Assurance
Ashen Buddhika - Accountant
Palika Dias - Assistant Manager Production
Charith Nilaweera - Assistant Manager Marketing
Chaminda Jayathilaka - Assistant Engineer
Malshi Anurangika - Senior Accounts Executive
Romitha Perera - Senior Marketing Executive
Chamika Rathnayaka - Senior Production Executive
Sasindu Sulochana - Accounts Executive
Akila Manjitha - Accounts Executive
Madhushani Silva - Executive Shipping
Navodya Perera - Administrative Executive
Thilini Samaranayaka - Executive Quality Assurance
Sathira Vikum - IT Support Engineer

Arpitalian Compact Soles (Pvt) Limited

Ranjith Wittachchi - Factory Manager
Ruwan Nanayakkara - Engineering Executive
Ramesh Rupasinghe - Marketing Executive

Micro Minerals (Pvt) Limited

Nilantha Jayathilaka - Assistant Factory Manager

Richard Pieris Natural Foams Limited

Tissa Seram - General Manager Engineering
Isuru Yaddehige - General Manager Marketing
Sajeeva Lanarolle - Factory Manager
Dilantha Kumara - Quality Assurance Manager
Ravindra Jayatissa - Production Manager
Gayan Wijayasundara - Manager - Supply Chain
Gayani De Silva - Manager R&D
S. Arunpandiyan - Accountant
Sandaru Wickramasinghe - Marketing Manager
Bhasura Katugampola - Manager Planning
Jayantha Pieris - Senior Maintenance Manager
Binesh Ellangakoon - Assistant Manager IT
Shantha Balasooriya - Assistant Manager Production
W.M.A.C. Kumara - Assistant Manager Production
C.M.S Chandrasekara - Assistant Manager Production
Anusha Eranda - Assistant Accountant
Dharshana Malraj - Senior Production Executive
Subath Perera - Senior Shipping Executive
Eshantha Wanniarachchi - Senior Executive Engineering
Gayathri Pahalawanniarachchi - Senior Executive Human Resources
Rashmi Weerasinghe - Business Development Executive
Upeksha Samaradeera - Accounts Executive
Nimesh Kalinga - Accounts Executive

Financial Review

Group Performance

Richard Pieris Exports PLC

The Group operated in a challenging business environment during the financial year as demand across key export markets remained subdued amid geopolitical uncertainties and evolving international trade policies. The imposition of tariffs in the US had a significant impact on export volumes and margins, while the US-Iran conflict resulted in supply chain disruptions, higher raw material prices and procurement challenges towards the latter part of the year. Despite these challenges, the Group remained focused on operational efficiency, prudent cost management and disciplined financial control. These initiatives enabled the Group to substantially reduce its losses during the year.

Accordingly, the Group reported a Loss Before Tax of Rs. 24.4 million, compared to a Loss Before Tax of Rs. 251.2 million in the previous financial year. Richard Pieris Exports PLC reported a Profit Before Tax of Rs. 98.2 million, compared to Rs. 333.7 million in the previous year.

Turnover

The Group recorded revenue of Rs. 6,021 million during the financial year, compared to Rs. 7,251 million in the previous year. Lower demand across the Group's principal export markets together with pricing pressures arising from US tariffs contributed to the decline in revenue.

Richard Pieris Exports PLC recorded revenue of Rs. 1,404 million, compared to Rs. 2,159 million in the previous financial year. The reduction was mainly attributable to lower demand in export markets, the imposition of tariffs in the United States and reduced demand for jar sealing rings in Europe.

Richard Pieris Natural Foams Limited reported revenue of Rs. 4,577 million, compared to Rs. 5,040 million in the previous year. Although revenue declined, stronger demand from Asia Pacific markets helped offset weaker demand experienced in the Group's traditional export destinations.

Hard Rubber Segment

Richard Pieris Exports Limited

Turnover

The Hard Rubber Segment continued to face challenging market conditions during the year. Export volumes declined reflecting lower demand across key international markets. United States and Europe Regions declined owing to weaker customer demand, particularly for sealing rings. In contrast, shipments to Asia Pacific markets increased by 94%, demonstrating encouraging progress in market diversification.

By product category, mat and sealing ring volumes declined. Crutch tip sales increased by 200%, and continuous sheets recorded commercial sales during the year.

Turnover	25/26	24/25
Group	**6,021**	7,251
Company	**1,404**	2,159

Profit	25/26	24/25
Gross Profit	**774**	1,128
Profit Before Tax	**(24)**	(251)

Segment	25/26	24/25
Hard Rubber Segment	**23%**	30%
Latex Based Segment	**76%**	69%

Cost of Sales and Operating Expenses

The Group continued to focus on cost optimisation and operational efficiency during the year in response to the decline in revenue. These measures helped mitigate the impact of lower sales volumes and improved the overall financial performance of the Group. Distribution costs decreased significantly to Rs. 587 million from Rs. 1,014 million in the previous financial year. The reduction was mainly attributable to lower freight costs resulting from the decline in CIF-based export contracts together with lower export volumes. Administrative expenses increased marginally to Rs. 365 million, compared to Rs. 350 million in the previous year, while finance costs increased due to higher working capital borrowings during the year.

Latex Based Segment

Richard Pieris Natural Foam Limited (RPNF)

Richard Pieris Natural Foams Limited encountered similar market conditions during the year. While revenue declined improved demand from Asia Pacific and the domestic market enabled the business to increase export volumes by 6%. The reduction in CIF-based contracts also contributed to a significant decrease in freight costs during the year. Growth in Asia Pacific and local markets partially offset lower demand from the US and Europe. Revenue from Asia Pacific increased by 75%, while local market sales grew by 30%. Product performance remained encouraging, with pillow sales increasing by 19% and continuous sheeting recording a 282% increase. Mattress sales declined marginally during the year.

Finance income increased to Rs. 95 million during the year from Rs. 71 million in the previous year, mainly due to higher interest recovered from customers.

Finance costs increased to Rs. 163 million, compared to Rs. 69 million in the previous financial year. The increase was primarily attributable to additional borrowings utilised to finance working capital requirements amid higher input costs and longer cash conversion cycles.

Share of Associate

The Associate Company reported a Loss during the year and the Loss attributable to the Group is Rs 31 million compared to Rs 18 million in the prior year.

Group Profit Before Taxation

The Group's operating performance improved significantly despite the decline in revenue. Continued emphasis on cost management, operational efficiencies and lower distribution costs enabled the Group to substantially reduce its losses during the year.

Financial Review

The Hard Rubber Segment remained profitable, contributing Rs. 98.2 million before tax, while the Latex Based Segment significantly reduced its losses compared to the previous financial year. Consequently, the Group's Loss Before Tax improved to Rs. 24.4 million, compared to Rs. 251.2 million in 2024/25.

This improvement demonstrates the effectiveness of the Group's initiatives to streamline operations, optimise costs and strengthen productivity despite continued pressure on revenue and margins across its principal export markets.

Working Capital

The Group maintained disciplined working capital management throughout the financial year despite the challenging operating environment.

Current Assets decreased marginally by 1% to Rs. 6,139 million, compared to Rs. 6,176 million in the previous financial year, while Current Liabilities (from continuing operations) increased by 4% to Rs. 5,467 million. Current Assets represented 57% of the Group's total assets at year end, while Current Liabilities accounted for 51% of total assets.

Inventories reduced to Rs. 1,735 million from Rs. 1,918 million, representing a 9.6% decrease reflecting lower production requirements and improved inventory management. Trade and other receivables increased to Rs. 2,633 million from Rs. 2,387 million, mainly due to the timing of collections at the reporting date.

Cash Flows

The Group continued to maintain prudent cash flow management during the year despite the challenging operating environment. Improved operating performance and tighter working capital management enabled the Group to generate positive cash flows from operations while continuing to invest in its manufacturing facilities and meet its financing commitments.

Cash generated from operating activities amounted to Rs. 150 million, compared to a cash outflow of Rs. 304 million in the previous financial year. Investing activities resulted in a cash outflow of Rs. 180 million, primarily relating to capital expenditure on property, plant and equipment, while financing activities recorded a cash outflow of Rs. 136 million.

Cash and cash equivalents decreased by Rs. 167 million, resulting in a closing negative cash balance of Rs. 491 million compared to Rs. 323 million at the end of the previous financial year.

Debt

The Company's stated capital remained unchanged at Rs. 220 million, comprising 11,163,745 ordinary shares. Shareholders' funds decreased from Rs. 3,626 million to Rs. 3,595 million, reflecting the profits retained net of dividend, during the year.

The Group continued to maintain a balanced capital structure while utilising borrowings to support operational and working capital requirements. Total debt amounted to Rs. 2,825 million at the end of the financial year, with long-term borrowings accounting for 5% of the total debt portfolio.

Return to Shareholders

The Group remained committed to delivering sustainable returns to shareholders while maintaining a sound financial position.

Basic earnings per share attributable to the Group improved to Rs. 3.62, compared to Rs. 3.19 in the previous financial year. Earnings per share of the Company amounted to Rs. 8.56.

The Board declared a dividend of Rs. 9.00 per share in March 2026, resulting in a total dividend distribution of Rs. 100 million.

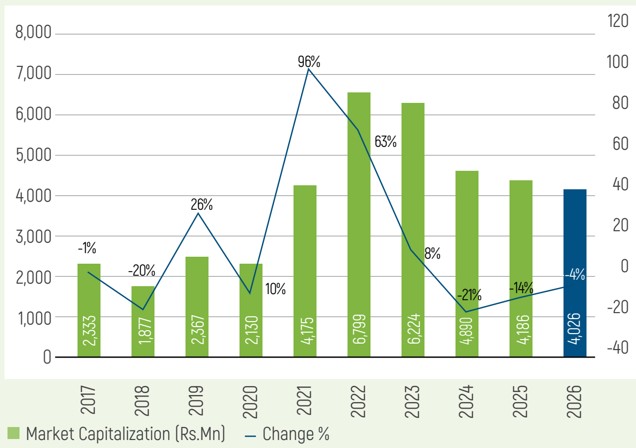
Net Assets per Share decreased to Rs. 322.00 at Group level and increased to Rs. 276.57 at Company level. The Company's share price closed the year at Rs. 360.50, compared to Rs. 375.00 at the end of the previous financial year.

Market Capitalisation

The market capitalisation of the Company stood at Rs. 4,025 million as at 31 March 2026, compared to Rs. 4,186 million as at 31 March 2025.

The Company's share closed the financial year at Rs. 360.50. During the year, the highest traded price was Rs. 520.00, while the lowest traded price was Rs. 345.00.

Market Capitalisation vs Growth Rate



Financial Risk

The Group has adopted a robust risk and governance framework to mitigate a wide range of conceivable risks which are detailed in the Risk Management Report on page 26 to 28 of this Annual Report.

Segment	2025/26	2024/25	Change
Dividend Paid by the Company - In Rs Mn	**100**	134	-25%
Dividend Paid by the Company - Per Share	**9.00**	12.00	-25%
Earnings per Share - Basic (Company)	**8.56**	21.22	-60%
Earnings per Share - Basic (Group)	**3.62**	3.19	13%
Net Assets per Share - Company	**276.57**	276.35	0%
Net Assets per Share – Group	**322.00**	324.87	-1%
Market Price per Share	**360.50**	375.00	-4%
Dividend Yield	**2.50%**	3.20%	-22%
Earning Yield	**1.00%**	0.85%	18%

	Group		Company	
Segment	**2025/26**	**2024/25**	**2025/26**	**2024/25**
Interest Cover (times)	**1.04**	-	**42.54**	137.43
Current Assets Ratio (times)	**1.08**	1.12	**7.81**	14.19
Quick Assets Ratio (times)	**0.77**	0.77	**6.49**	12.10
Working Capital (Rs Mn)	**445**	683	**2,336**	2,313
Assets Turnover (times)	**0.56**	0.69	**0.40**	0.65
Capital Employed (Rs Mn)	**3,595**	3,627	**3,088**	3,085
Total Debt (Rs Mn)	**2,825**	2,899	**-**	-
Net Debt/ (Cash) (Rs Mn)	**1,224**	1,199	**(1,409)**	(1,433)
Debt/Equity Ratio (%)	**58%**	60%	**-**	-
Net Debt/ (Cash) to Equity Ratio	**25%**	25%	**-44%**	-46%
Long-Term Debt to Total Debt (%)	**6%**	5%	**-**	-
Debt/Total Assets (%)	**26%**	27%	**-**	-
Current Assets / Total Assets (%)	**57%**	58%	**76%**	75%
Current Liabilities / Total Assets	**53%**	52%	**10%**	5%

Financial Calendar

INTERIM REPORTS

	2024/25	2025/26
Quarter ended 30th June	31st July 2024	**07th August 2025**
Quarter ended 30th September	06th November 2024	**07th November 2025**
Quarter ended 31st December	10th February 2025	**13th February 2026**
Quarter ended 31st March	29th May 2025	**29th May 2026**

ANNUAL GENERAL MEETING OF THE COMPANY

	2024/25	2025/26
42nd Annual General Meeting of the Company	26th September 2025	
43rd Annual General Meeting of the Company		**25th September 2026**

ANNUAL REPORT

	2024/25	2025/26
Annual Report	28th August 2025	**31st August 2026**

FINANCIAL INFORMATION

Annual Report of the Board of Directors

The Directors of Richard Pieris Exports PLC have pleasure in presenting their report together with the audited Financial Statements for the year ended 31st March 2026, which was approved by the Directors on 25th August 2026. The details set out herein provide pertinent information required by the Companies Act No. 7 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

The Principal Activities and Operational Review

The main activities of the Group are the manufacture and export of rubber-based products and the supplying of fillers to the rubber industry. The details of the Group Structure are set out on page 110. There was no significant change in the nature of the activities of the Group during the year. The Chairman's Statement and Financial Review, Group Operation Review, together with the Financial Statements highlight the Group's performance for the period under review and the state of affairs as at 31st March 2026.

Future Development

The Group will focus on improving production efficiencies, enhancing quality and improving yield while exploring possibilities of introducing new products. It will continue carry out aggressive international marketing.

Financial Statements

The Financial Statements of the Group and the Company which are duly certified by the sector Finance Controller and approved by the two Directors in complying with the requirements of the Companies Act No 07 of 2007 are given on pages 57 to 106 of this Annual Report.

Auditor's Report

The Company Auditors, Messers Kreston MNS & Co performed the Audit on the Financial Statements of the Company and the Consolidated Financial Statements for the year ended 31st March 2026 and the Auditor's Report issued thereon is given on page 54 to 56 of this Annual Report as required by the Companies Act No 07 of 2007.

Accounting Policies

The accounting policies adopted in the preparation of Financial Statements of the Group and the Company are given on pages 62 to 73 of the Annual Report as required by the Companies Act. There were no material changes in the Accounting Policies during the year under review and are consistent with those adopted in the previous financial year.

Turnover

The Group's turnover, excluding Inter Company sales, was Rs. 6,021 million compared to Rs. 7,251 million in the previous year. Further information on Group turnover is detailed in Note 23 to the Financial Statements.

	2025/26	2024/25
	Rs. 000's	**Rs. 000's**
Turnover by Segment:		
Hard Rubber	**1,404,112**	2,158,649
Latex-Based	**4,577,066**	5,040,347
Minerals	**76,056**	86,428
	6,057,234	7,285,424
Less : Inter-Company Sales	**(35,919)**	(34,224)
	6,021,315	7,251,200
Group Profit		
Group profit for the year, after payment of all expenses, making provision for all known liabilities and depreciation on Property, Plant & Equipment	**(24,462)**	(251,223)
Tax on Group Profits	**28,724**	40,671
Profit/(Loss) for the year from discontinued operations (after tax)	**(138)**	(75)
Group Profit after Taxation	**4,124**	(210,627)
Share of non-controlling interest	**(36,255)**	(246,246)
Profit attributable to Shareholders of Richard Pieris Exports PLC	**40,379**	35,619
Other Comprehensive Income attributable to Shareholders of Richard Pieris Exports PLC	**6,846**	39,170
Accumulated Profit / (Loss) brought forward	**3,146,599**	3,205,775
Profit before Appropriations	**3,193,824**	3,280,564
Appropriations:		
Interim Dividend	**(100,474)**	(133,965)
Accumulated Profit carried forward	**3,093,350**	3,146,599

Taxation

The provision for ncome tax of the Company is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provision of the Inland Revenue Act in the following manner:

Corporate income taxes for resident companies in Sri Lanka for the year of assessment 2025/2026 have been computed in accordance with the Inland Revenue Act No. 24 of 2017 and amendments. During this period, resident companies within the Group were subject to a 30% income tax rate. For reference, the rates applicable in the previous year was 30%.

Deferred taxation is provided on the liability method on temporary differences at the Statement of Financial Position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively at the Statement of Financial Position date.

The Group's exposure to tax, along with policies adopted by the Company, is disclosed in Note 2.3.8, 18, 21 and 30 to the Financial Statements.

Stated Capital

The Stated Capital of the Company as at 31st March 2026 was Rs. 220,262,000/-. consisting of 11,163,745 ordinary shares. The details of the Stated Capital are given in Note 14 to the Financial Statements on page 87 of this Annual Report.

Reserves

Total Reserves of the Company as at 31st March 2026 amounted to Rs. 2,867 million (2024/2025 -Rs.2,865 million), and the Group Reserve as at 31st March 2026 were amounted to Rs.3,093 million(2024/2025 - Rs.3,147 million). The movement of reserves is shown in the Statement of Changes in Equity on page 60.

Dividend

The Directors recommended and paid a cash dividend amounting Rs.100mn to all shareholders at the rate of Rs.9 per ordinary share as interim dividend for 2025/26 on 30th April 2026.

Share Information

Information pertaining to earnings, dividends, net assets and market value per share is given in the Financial Summary for the last decade on pages 114 to 117.

Substantial Shareholdings

The list of top twenty shareholders and the percentage held by each one and public holding percentage are given in the share information of the page 116 of this Annual Report.

Property, Plant & Equipment

Capital expenditure on Property, Plant & Equipment incurred year under review is Rs.239 million (Rs.430 v in 2024/2025). Information related to this is given under Note 4 to the Financial Statements on pages 76 to 77 of this Annual Report. Directors are of the opinion that the value of property stated in the Financial Statements is not in excess of the current market value.

Investment Property - Leasehold

The investment property interest held under a lease and classified as an investment property is initially recognised at the lower of the fair value of the property and the present value of the minimum lease payments. After initial recognition, the investment property is measured at fair value. Gain or loss arising from a charge in the fair value of Investment Property is recognised in profit or loss. The details of investment property leasehold are given in Note 6.

Freehold Property

A detailed description of the property owned by the Group is shown under the Group Real Estate portfolio on page 111 to this Annual Report.

Directorate

The names of the Directors who served during the year are given under Corporate Information appearing on page 11 and 13.

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Four Ordinary Resolutions have been received by the Company

1. Richard Pieris & Company PLC of No.310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.
   "That Dr. Sena Yaddehige of Le Neuf, Chemin, St. Saviours, Guernsey, United Kingdom who is 80 years of age be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige".
2. Richard Pieris & Company PLC of No.310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.
   "That Dr. L M K Tillekeratne of 8/7, Green Path, Kohuwela who is 79 years of age be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said "Dr. L M K Tillekeratne".
3. Richard Pieris & Company PLC of No.310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.
   "That Mr. Viville P Perera of 33, C 1, King's Gate, Keells Housing Scheme, Buthgamuwa Road, Kalapaluwawa, Rajagiriya who is 78 years of age be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said "Mr. Viville P Perera".
4. Richard Pieris & Company PLC of No.310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.
   "That Dr. Lawrence Perera of 11/1, Cambridge Place, Colombo 07 who is 71 years of age be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said "Dr. Lawrence Perera".

Following the notice received by the Company regarding the appointment of Dr. Lawrence Perera to the Directorate of the Company, the Nominations and Governance Committee of the Company has recommended the re-appointment of Dr. Lawrence Perera as an Independent Director, taking into account his distinguished experience of over 45 years in the Automobile and Transportation industry both in Sri Lanka and overseas. Dr. Perera has played a pioneering role in the evolution of several prominent brands, was instrumental in establishing luxury car franchises in Colombo, and successfully introduced leading foreign automobile brands to the Sri Lankan market, elevating them to leadership positions. He has also been recognized for his outstanding contributions, including awards for Best Innovation in the Micro Brand and Best Innovation in the Transport Business.
The Committee was of the view that the Company would continue to benefit significantly from Dr. Perera's vast expertise, industry insights, and strategic vision. Accordingly, the Committee recommended that Dr. Perera continues as an Independent Director of the Company.

The Board of Directors, having considered the recommendation of the Nominations and Governance Committee, has approved the re-appointment of Dr. Lawrence Perera as an Independent Director of the Company.

Annual Report of the Board of Directors

"That the recommendation of the Nominations and Governance Committee along with the justification and rationale given and the confirmation of the Board of Directors of the Company to appoint Dr. Lawrence Perera as an Independent Director to the Board of Directors of the Company be and is hereby approved".

Mr. Shaminda Yaddehige, who retires by rotation in terms of Article 48 as a Director

Mr. Lalith Wijeyesinghe, who retires by rotation in terms of Article 48 as a Director

Mr. Vijitha Liyanage, who retires by rotation in terms of Article 48 as a Director

Directors' Shareholding

Directors' Shareholding in Richard Pieris Exports PLC is stated on page 117 under Share Information of this Annual Report.

Directors' Interests in Contracts

The Director's interest in contracts with the Company are disclosed on Note 39 on pages 99 to 103 in the Financial Statements. The Directors have no other direct or indirect interests in any other contracts or proposed contracts with the Company.

Interest Register

The Company maintains an interest register as required by the Companies Act No. 07 of 2007. The information pertaining to Directors' interest in contract, their remuneration and their share ownership are disclosed in the interest register.

Directors' Remuneration and Other Benefits
Directors' Remuneration in respect of the Company for the financial year ended 31st March 2026 are given in Note 39.1.2 and 39.1.3 to the Financial Statements.

Corporate Donations

There were no donations made to charitable organizations during the year. (2024/ 2025 - Nil).

Social and Environmental Responsibility

As a reasonable corporate body, the Group has taken all necessary steps and precautions to minimize any adverse impact of the Group's activities on the environment. When introducing new businesses, products, methods, and machines, care is taken to ensure that these conform with accepted environmental and safety regulations and standards.

Statutory Payments

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

Corporate Governance

The practices adopted by the Company in relation to Corporate Governance and Internal Controls are set out on pages 19 to 25 of the Annual Report.

The Board Committee

The Board, while assuming the overall responsibility and accountability for the affairs in the management of the Company, has appointed an Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee with specific terms of reference. Committees' reports are given on pages 14 to 18.

Related Party Transactions

There are no related party transactions (non-recurrent) which exceed 10 percent of the equity or 5 percent of the total assets, whichever is lower and the Company has complied with the requirements of the Listing Rules of the Colombo Stock Exchange on Related Party Transactions.

However, the Directors have disclosed the transactions that could be classified as related party transactions which are adopted in the presentation of the Financial Statements and accordingly given in Note 39 on pages 99 to 103.

Going Concern

The Board of Directors is satisfied that the Company has adequate resources to continue its operations into the foreseeable future. Accordingly, the Financial Statements are prepared based on the concept of Going Concern.

Events after the Reporting Date

In the opinion of the Directors, no item, transaction, or event of an unusual nature has taken place between the financial year end and the date of this report that would materially affect the results of the Company or Group for the financial year in respect of which this Report is made.

Contingent Liabilities

The Contingent Liabilities as at 31st March 2026 are set out in Note 35 of the Financial Statements.

The Directors' Responsibility for Financial Statements

The statement of Directors' responsibility for financial six reporting of the Company and the Group is set out on page 53 of the report.

Annual General Meeting

The 43rd Annual General meeting of the Company will be held at the Auditorium of the Registered Office, 310, High Level Road, Nawinna, Maharagama on Friday, 25th September, 2026 at 2.30 p.m.

Auditors

The Financial Statements for the year ended 31st March 2026 have been audited by Messrs. Kreston MNS & Co., Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No. 7 of 2007, a resolution relating to their re-appointment and authorizing the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting. The Auditors Messrs. Kreston MNS & Co, were paid Rs. 3,834,000/- (2024/2025 - Rs. 3,611,000/-) as audit fees by the Group Companies. In addition, Rs. 110,000 was paid (2024/2025 -Rs. Nil) by the Group Companies for non-audit related work. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

By order of the Board.

Mrs. R.J. Siriweera
Director/Company Secretary
Richard Pieris Group Services (Pvt) Ltd.
Secretaries
25th August 2026

W.R. Abeysirigunawardena
Director

W.J. Viville P Perera
Director

Statement of Directors' Responsibility

In keeping with the provisions under the Companies Act No. 7 of 2007, the Directors of Richard Pieris Exports PLC, acknowledge their responsibility in relation to financial reporting of both the Company and that of its Group. These responsibilities differ from those of its Auditors, M/s. Kreston MNS & Co. Chartered Accountants, which are set out in their report, appearing on pages 54 to 56 of this report.

The Financial Statements of the Company and its subsidiaries for the year ended 31st March 2026 included in this report, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (LKAS and SLFRS), and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The Directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the Financial Statements exhibited on pages from 57 to 106 inclusive. All material deviations from these standards if any have been disclosed and explained. The judgments and estimates made in the preparation of these Financial Statements are reasonable and prudent.

The Directors confirm their responsibility for ensuring that all companies within the Group maintain accounting records, which are sufficient to prepare Financial Statements that disclose with reasonable accuracy, the financial position of the Company and its Group. They also confirm their responsibility towards ensuring that the Financial Statements presented in the Annual Report give a true and fair view of the state of affairs of the Company and its Group as at 31st March 2026, and that of the profit for the year then ended.

The overall responsibility for the Company's internal control systems lies with the Directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that the prevalent internal control systems instituted by them and which comprise internal checks, internal audit and financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors' are of the view that the Company and its Group have adequate resources to continue operations in the foreseeable future and have continued to use the going - concern basis in the preparation of these Financial Statements. The Directors' have provided the Auditors M/s Kreston MNS & Co, Chartered Accountants with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Auditors have examined the Financial Statements together with all financial records and related data and express their opinion which appears as reported by them on pages 54 to 56 of this report.

By Order of the Board,

Richard Pieris Group Services (Pvt) Ltd.
Secretaries
310, High Level Road, Nawinna, Maharagama

25th August 2026

Independent Auditor's Report

Kreston MNS & Co
Chartered Accountants
Level 1 & 2, Advantage Building
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Colombo 07

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+ 94 (0) 11 2301396-7
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Web: www.kreston.lk

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RICHARD PIERIS EXPORTS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Richard Pieris Exports 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, Statement of 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 policy information exhibited on pages 57 to 106.

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

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Compensation on termination of Company Employees. Potential liability on termination of 159 employees where legal action has been filed against the Company disclosed in Note 35 a, Contingent Liabilities, has not been ascertained and provided. This was a key audit matter because it - 1. could be a significant amount to the Financial Statements as a whole. 2. may lead to understatement of liabilities and overstatement of equity.	• Made appropriate inquiries from the Management and the legal advisor. • Obtained a confirmation from the Management stating the status of the case. • Reviewed the minutes of meetings of those charged with Governance. • Ascertained the adequacy of the disclosures made in Note 35 a as required by Sri Lanka Accounting Standard (LKAS 37).

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our Auditor's Report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work for the purpose of the Group Audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes

Independent Auditor's Report

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this Independent Auditor's Report is 2205.

Kreston MNS & Co

CHARTERED ACCOUNTANTS
COLOMBO
25th August 2026

Statement of Financial Position

As at 31st March	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	3,437,497	3,325,417	373,622	383,292
Long Term Investments	5	305,335	312,846	463,023	463,023
Advance Payment for Investment	5.4	-	13,682	-	-
Investment Property - Right of Use Asset	6	542,460	461,000	-	-
Right of Use Assets	7	120,785	124,064	-	-
Deferred Tax Asset	18	186,079	155,675	-	-
		4,592,156	4,392,684	836,645	846,315
Assets of Arpico Natural Latex Foams (Pvt) Ltd.	8	-	-	-	-
Current Assets					
Inventories	9	1,735,268	1,918,917	452,519	366,461
Trade and Other Receivables	10	2,633,584	2,387,110	751,711	672,810
Amounts due from Related Parties	12	91,449	143,110	14,438	15,864
Tax Receivable	21	77,640	25,860	51,104	483
Short Term Investment	11	386,477	351,058	377,060	342,226
Cash and Bank Balances	13	1,214,557	1,349,611	1,032,046	1,090,918
		6,138,975	6,175,666	2,678,878	2,488,762
Total Assets		10,731,131	10,568,350	3,515,523	3,335,077
EQUITY AND LIABILITIES					
Equity attributable to Equity Holders of the Parent					
Stated Capital	14	220,262	220,262	220,262	220,262
Revenue Reserves	15	3,093,350	3,146,599	2,867,345	2,864,863
Foreign Currency Translation	16	281,125	259,906	-	-
		3,594,737	3,626,767	3,087,607	3,085,125
Non-Controlling Interest	5.1(c)	1,154,455	1,191,043	-	-
Total Equity		4,749,192	4,817,810	3,087,607	3,085,125
Non-Current Liabilities					
Deferred Tax Liability	18	21,167	10,000	20,966	9,432
Retirement Benefit Obligation	19	106,857	100,945	63,814	65,092
Lease Instalments Payable After One Year	7.1	159,802	146,798	-	-
		287,826	257,743	84,780	74,524
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd.	8	226,868	227,089	-	-
Current Liabilities					
Trade and Other Payables	20	1,847,356	1,797,375	311,621	153,499
Amounts due to Related Parties	22	954,309	715,915	31,515	21,929
Lease Instalments Payable in the ensuing year	7.1	17,854	25,457	-	-
Interest Bearing Loans and Borrowings	17	2,647,726	2,726,961	-	-
		5,467,245	5,265,708	343,136	175,428
Total Equity and Liabilities		10,731,131	10,568,350	3,515,523	3,335,077

The Accounting Policies and Notes on pages 62 to 106 form an integral part of these Financial Statements.
I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Eksith Kurakulasooriya
Finance Controller - Exports Sector

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and Signed for and on behalf of the Board on 25th August 2026 in Colombo.

W.R. Abeysirigunawardena
Director

W.J. Viville P Perera
Director

Statement of Profit or Loss

		Group		Company	
For the year ended 31st March		**2026**	2025	**2026**	2025
	Note	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Continuing Operations					
Revenue from Contracts with Customers	23	**6,021,315**	7,251,200	**1,404,112**	2,158,649
Cost of Sales		**(5,246,858)**	(6,123,139)	**(1,164,857)**	(1,553,703)
Gross Profit		**774,457**	1,128,061	**239,255**	604,946
Other Operating Income	24	**71,443**	32,003	**2,211**	1,928
Distribution Costs		**(587,351)**	(1,014,387)	**(78,108)**	(110,302)
Administrative Expenses		**(364,795)**	(350,110)	**(195,570)**	(204,634)
Other Operating Expenses		**(48,681)**	(10,000)	**(7,554)**	-
Profit from Operations	25	**(154,927)**	(214,433)	**(39,766)**	291,938
Finance Income	26	**94,607**	71,416	**64,542**	70,234
Finance Cost	27	**(163,053)**	(68,519)	**(2,363)**	(2,446)
Other Financial Items	28	**229,559**	(21,089)	**75,752**	(26,002)
Share of Profit / (Loss) of Associate	29	**(30,648)**	(18,598)	**-**	-
Profit before Tax		**(24,462)**	(251,223)	**98,165**	333,724
Taxation	30	**28,724**	40,671	**(2,637)**	(96,865)
Profit for the year from continuing operations		**4,262**	(210,552)	**95,528**	236,859
Discontinued Operations					
Profit / (Loss) after Tax for the year from discontinued operations	31	**(138)**	(75)	**-**	-
Profit for the year		**4,124**	(210,627)	**95,528**	236,859
Attributable to					
Equity Holder of the Parent Company		**40,379**	35,619	**95,528**	236,859
Non-Controlling Interest		**(36,255)**	(246,246)	**-**	-
Profit for the year		**4,124**	(210,627)	**95,528**	236,859
Earnings per Share - Basic	32	**3.62**	3.19	**8.56**	21.22
Earnings per Share from Continuing Operations - Basic	32	**3.62**	3.19	**8.56**	21.22
Dividend per Share	33	**9.00**	12.00	**9.00**	12.00

The Accounting Policies and Notes on pages 62 to 106 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Comprehensive Income

		Group		Company	
For the year ended 31st March		**2026**	2025	**2026**	2025
	Note	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Profit for the year		**4,124**	(210,627)	**95,528**	236,859
Other Comprehensive Income / (Expenses) not to be reclassified to profit or loss in subsequent periods					
Actuarial gains / (losses) on defined benefit plans	19	**9,452**	53,746	**10,612**	59,231
Deferred Tax effect on actuarial gains / (losses) on defined benefit plans	18	**(2,836)**	(16,124)	**(3,184)**	(17,769)
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods					
Share of Other Comprehensive Income of Associate					
Actuarial gains / (losses) on defined benefit plans - Net of Tax effect		**(103)**	(629)	**-**	-
Translation of Associate using foreign functional currency	16	**21,219**	(5,206)	**-**	-
Other Comprehensive Income for the year		**27,732**	31,787	**7,428**	41,462
Total Comprehensive Income for the year		**31,856**	(178,840)	**102,956**	278,321
Attributable to					
Equity Holder of the Parent Company		**68,444**	69,583	**102,956**	278,321
Non-Controlling Interest	5.1(c)	**(36,588)**	(248,423)	**-**	-
		31,856	(178,840)	**102,956**	278,321

The Accounting Policies and Notes on pages 62 to 106 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Changes in Equity

For the year ended 31st March Group	Note	Stated Capital	Revenue Reserves		Foreign Currency Translation	Non-Controlling Interest	Total
			General Reserve	Accumulated Profit			
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2024		220,262	219,250	2,986,525	265,112	1,439,466	5,130,615
Profit for the year		-	-	35,619	-	(246,246)	(210,627)
Other Comprehensive Income		-	-	39,170	(5,206)	(2,177)	31,787
Total Comprehensive Income		-	-	74,789	(5,206)	(248,423)	(178,840)
Interim dividend	33	-	-	(133,965)	-	-	(133,965)
Dividend paid by Subsidiary companies to outside shareholders		-	-	-	-	-	-
Balance as at 31st March 2025		**220,262**	**219,250**	**2,927,349**	**259,906**	**1,191,043**	**4,817,810**
Balance as at 1st April 2025		220,262	219,250	2,927,349	259,906	1,191,043	4,817,810
Profit for the year		-	-	40,379	-	(36,255)	4,124
Other Comprehensive Income		-	-	6,846	21,219	(333)	27,732
Total Comprehensive Income		-	-	47,225	21,219	(36,588)	31,856
Interim dividend	33	-	-	(100,474)	-	-	(100,474)
Dividend paid by Subsidiary companies to outside shareholders		-	-	-	-	-	-
Balance as at 31st March 2026		**220,262**	**219,250**	**2,874,100**	**281,125**	**1,154,455**	**4,749,192**

Company	Note	Stated Capital	Revenue Reserves		Total
			General Reserve	Accumulated Profit	
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2024		220,262	219,250	2,501,257	2,940,769
Profit for the year		-	-	236,859	236,859
Other Comprehensive Income		-	-	41,462	41,462
Total Comprehensive Income		-	-	278,321	278,321
Interim dividend	33	-	-	(133,965)	(133,965)
Balance as at 31st March 2025		220,262	219,250	2,645,613	3,085,125
Balance as at 1st April 2025		220,262	219,250	2,645,613	3,085,125
Profit for the year		-	-	95,528	95,528
Other Comprehensive Income		-	-	7,428	7,428
Total Comprehensive Income		-	-	102,956	102,956
Interim dividend	33	-	-	(100,474)	(100,474)
Balance as at 31st March 2026		**220,262**	**219,250**	**2,648,095**	**3,087,607**

The Accounting Policies and Notes on pages 62 to 106 form an integral part of these Financial Statements.

Statement of Cash Flows

		Group		Company	
For the year ended 31st March		**2026**	2025	**2026**	2025
	Note	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Cash Flows from Operating Activities					
Group Profit / (Loss) before Tax and Non-Controlling Interest					
from Continuing Operations		**(24,462)**	(251,223)	**98,165**	333,724
Profit / (Loss) from discontinued operations	31	**(138)**	(75)	**-**	-
Adjustments for :					
Share of (Profit) / Loss of Associate Company	29	**30,648**	18,598	**-**	-
Provision for Slow Moving Stocks / (Reversal)	9.1	**7,956**	(38,179)	**7,554**	(716)
Amortisation of Right of Use Asset	7	**3,279**	3,279	**-**	-
Depreciation	4.1 / 4.3	**127,189**	132,920	**22,757**	13,221
Provision for Retiring Gratuity	19	**18,802**	23,362	**10,885**	16,752
Finance Cost	27	**163,053**	68,519	**2,363**	2,446
Finance Income	26	**(94,607)**	(71,416)	**(64,542)**	(70,234)
Provision for Impairment	10	**29,960**	12,033	**(126)**	2,667
Fair Value adjustment of Investment Property - Leasehold	6	**(81,460)**	(27,000)	**-**	-
Exchange Gain on Liabilities to make lease payment	7.1	**9,966**	(316)	**-**	-
Impairment Provision of Investment	5.4	**13,682**	10,000	**-**	-
Operating Profit / (Loss) before Working Capital Changes		**203,868**	(119,498)	**77,056**	297,860
(Increase) / Decrease in Inventories	9	**175,693**	(389,403)	**(93,612)**	(72,552)
(Increase) / Decrease in Trade and Other Receivables	10	**(276,434)**	(354,606)	**(78,775)**	(85,067)
(Increase) / Decrease in Amounts due from Related Parties	12	**51,661**	1,151	**1,426**	(2,326)
Increase / (Decrease) in Trade and Other Payables	8.2 / 20	**(50,540)**	591,860	**57,648**	(73,391)
Increase / (Decrease) in Amounts due to Related Parties	8.3 / 22	**238,394**	113,265	**9,586**	(86,094)
Cash Generated from Operations		**342,642**	(157,231)	**(26,671)**	(21,570)
Interest Paid	27	**(142,468)**	(49,261)	**(2,363)**	(2,446)
Income Tax Paid	21	**(47,149)**	(90,166)	**(44,908)**	(89,099)
Gratuity Paid	19	**(3,438)**	(6,937)	**(1,551)**	(1,442)
Net Cash Flows from Operating Activities		**149,587**	**(303,595)**	**(75,493)**	**(114,557)**
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	4.1 / 4.3	**(239,269)**	(429,878)	**(13,087)**	(4,926)
Short Term Investment - Fixed Deposit (Net)	11	**(35,697)**	(9,536)	**(35,117)**	(7,366)
Finance Income	11 / 26	**94,884**	72,188	**64,825**	69,505
Net Cash Flows from / (used in) Investing Activities		**(180,082)**	**(367,226)**	**16,621**	**57,213**
Cash Flows from Financing Activities					
Dividend Paid	33	**-**	(133,965)	**-**	(133,965)
Short term Loans Received Net of Payments	17.2	**(111,762)**	98,482	**-**	-
Payment of Lease Installments	7.1	**(25,150)**	(15,558)	**-**	-
Net Cash used in Financing Activities		**(136,912)**	**(51,041)**	**-**	**(133,965)**
Net Increase / (Decrease) in Cash and Cash Equivalents		**(167,407)**	(721,862)	**(56,872)**	(191,309)
Cash and Cash Equivalents at the beginning of the year	13	**(323,243)**	398,619	**1,090,918**	1,282,227
Cash and Cash Equivalents at the end of the year	13	**(490,650)**	(323,243)	**1,032,046**	1,090,918

The Accounting Policies and Notes on pages 62 to 106 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Richard Pieris Exports PLC ('Company') is a Public Quoted Limited Liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at 310, High Levell Road, Nawinna, Maharagama and the principal place of business is situated at No. 10, Raja Mawatha, Ekala, Ja-Ela. The Company was incorporated on 30th June 1983.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company, Subsidiaries and the Associate Company were as follows.

Company	Activities
Richard Pieris Exports PLC	Manufacture and export of moulded and extruded rubber based products.
Richard Pieris Natural Foams Ltd.	Manufacture and export of foam rubber products.
Micro Minerals (Pvt) Ltd.	Manufacture of minerals for the Rubber Industry.
Arpitalian Compact Soles (Pvt) Ltd.	Manufacture and export of resin rubber shoe soling sheets.
Discontinued Operating Activities	
Arpico Natural Latex Foams (Pvt) Ltd.	Manufacture of latex foam rubber mattress and pillows for export. The operation of the Company ceased from 16th October 2006.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking and ultimate parent enterprise is Richard Pieris & Company PLC, a quoted Company incorporated in Sri Lanka. The holding of Richard Pieris & Co. PLC in Richard Pieris Exports PLC as at 31.3.2026 is 84.13% (31.3.2025 - 84.13%)

1.4 Directors Responsibility

The Board of Directors is responsible for these Consolidated Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards.

1.5 Date of Authorisation for issue

The Consolidated Financial Statements of Richard Pieris Exports PLC and its subsidiaries (collectively, "Group") for the year ended 31st March 2026 were authorised for issue in accordance with a resolution of the Directors on 25th August 2026.

1.6 Number of Employees

The number of employees in the Company at the end of the year was 167 (2025 - 155). Group 627 (2025 - 550).

2. STATEMENT OF COMPLIANCE

The Consolidated Financial Statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and in compliance with the Companies Act No. 07 of 2007.

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for fair value through OCI financial assets and investment Property-Right of use Asset that have been measured at fair value.

The Consolidated Financial Statements are presented in Sri Lankan Rupees (Rs.) and all values are rounded to the nearest thousand (Rs.000), except where otherwise indicated.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries as at 31st March 2026.

Control over an investee is achieved when the Group is exposed, 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 investee. Specifically, 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 when the Group has less than a majority of the voting or similar rights of an investee; the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Income Statement. Any investment retained is recognised at fair value. The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Profit & Loss and Consolidated Statement of Comprehensive Income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position. Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated Statement of Profit & Loss and Statement of Comprehensive Income and as a component of equity in the Consolidated Statement of financial position, separately from equity attributable to the shareholders of the parent. The Consolidated Statement of Cash Flows includes the cash flows of the Company and its subsidiaries.

A list of subsidiaries within the Group together with contingent liabilities of subsidiaries is set out in Note 5.1(a), 5.1(b) and 35.1(a) to the Financial Statements. Although the direct shareholdings in some of these Group Companies are below 50% of the equity, the accounts of such Companies are consolidated in recognition of the effective management control exercised by the Parent Company.

The details of non-controlling interests are given in Note 5.1(c) to the Financial Statements.

2.3 Summary of Significant Accounting Policies Applied

2.3.1 Comparative Information

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous financial year.

The Group has not early adopted any standards, interpretations or amendments that have been issued but not yet effective.

The presentation and classification of the Financial Statements of the previous year has been amended, where relevant for better presentation and to be comparable with those of the current year.

The following are the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements :

2.3.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination transferred; the gain is recognised in profit or loss.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.3.3 Investment in Associates

The Group investment in Associates is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of Associate since acquisition date. Goodwill relating to the Associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Statement of Profit & Loss reflects the Group's share of results of operations of the Associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of an Associate is shown on the face of the Statement of Profit & Loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the Associate.

The Financial Statements of the Associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its Associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the Associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the Associate and its carrying value and recognises the amount in 'share of losses of an Associate in the Statement of Profit & Loss.

Upon loss of significant influence over the Associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the Associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

A listing of the Group's Associates together with their fair values and the Group's share of contingent liabilities of such Associates are set out in Note 5.2 and 35.1(b) to the Financial Statements.

Summarised financial information of the Associate Company together with the Company's interests is given in Note 5.2 & 29 to the Financial Statements.

In the Company Level, investments in Subsidiaries and Associates are recognised at cost.

2.3.4 Foreign currencies

The Group's Consolidated Financial Statements are presented in Sri Lankan Rupees, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on re-translation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

Group Companies

The assets and liabilities of foreign operations are translated into Sri Lankan Rupees at the rate of exchange prevailing at the reporting date and their Statement of Comprehensive Income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in Other Comprehensive Income. On disposal of a foreign operation, the component of Other Comprehensive Income relating to that particular foreign operation is recognised in the Income Statement.

The original Financial Statements of Arpitalian Compact Soles (Pvt) Ltd were prepared in U.S. Dollars, that being the functional currency of the Company were translated in to Sri Lankan Rupees for consolidation purpose in accordance with LKAS 21 recognised in the Other Comprehensive Income.

2.3.5 Revenue Recognition

2.3.5.1 Revenue from Contracts with customers

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.

Goods transferred at a point in time

Under SLFRS 15, revenue is recognized upon satisfaction of 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.

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 recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

Disaggregation of revenue

The Group presented disaggregated revenue with Group's reportable segments based on geographical region in the operating segment information section.

Reconciliation of revenue

Reconciliation between Revenue from contracts with customers and revenue information that is disclosed for each reportable segment has been provided in the operating segment information section of Note 23.2 to the Financial Statements.

2.3.5.1.1 Contract balances

Contract assets

Contract assets are Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditioned on some criteria other than the passage of time, upon satisfaction of the conditions.

Contract liabilities

Contract liabilities are Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer.

2.3.5.1.2 Performance Obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

Sale of Rubber based Products

The Group is in the business of selling rubber based articles. Revenue from contracts with customers is recognised 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 of those goods or services.

Right to return

Certain contracts provide the customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned. Based on the assessment performed, the Group concluded that refund liabilities do not have a material impact on the Group's Financial Statements that need an adjustment in Financial Statements.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in SLFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception since the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.3.5.2 Interest Income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Profit or Loss.

2.3.5.3 Other Revenue

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental Income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of Property, Plant and Equipment and other non-current assets, including investments, are accounted for in the Statement of Profit or Loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material, are presented in aggregate basis (reported and presented on a net basis).

2.3.6 Expenditure Recognition

a) Operating Expenses

All expenditure incurred in running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. For the purpose of presentation of Statement of Profit & Loss, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

Expenditure incurred for the purpose of acquiring, expanding 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.

Repairs and renewals are charged to revenue in the year in which the expenditure is incurred.

b) Finance Cost

Finance cost comprise interest expense on borrowings.

c) Other Financial Items

Foreign currency gains and losses are reported on a net basis under other financial items.

2.3.7 Grants & Subsidies

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

When loans or similar assistance are provided with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a grant.

2.3.8 Taxes

Income Tax

The provision for Income Tax of the Company 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 in the following manner:

The Business Income of Richard Pieris Exports PLC, Richard Pieris Natural Foams Ltd, Micro Minerals (Pvt) Limited and Arpitalian Compact Soles (Pvt) Ltd are liable to Income Tax at 30%, under the Inland Revenue Act No. 24 of 2017 and its amendments for the Year of Assessment 2025/26.

Investment Income is liable at 30%.

Deferred Tax

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- Turnover based taxes include value added tax (VAT) and social security contribution levy (SSCL) payable to the Department of Inland Revenue. The Company pays such taxes in accordance with the respective statutes.
- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

2.3.9 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Income Statement.

2.3.10 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the Property, Plant and Equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the useful life of assets or components as follows.

• Building on Leasehold Land	Over the period of lease
• Building on Freehold Land	Over 60 years
• Plant & Machinery, Electrical Equipment	Over 10-20 years
• Furniture and Fittings	Over 04-05 years
• Tools & Office Equipment	Over 04-05 years
• Motor Vehicles	Over 04-05 years
• Computers	Over 03-05 years
• Roads and Other Infrastructure	Over 20 years
• Tube Well	Over 10 years

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss when the asset is derecognised.

2.3.11 Investment Property – Right of use assets

Property that is held (by the owner or by the lessee as a right of use asset) for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value, based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset, determined annually. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property replaced, the carrying amount of the replaced part is derecognized.

Changes in fair values are recognised in the Statement of Comprehensive Income. Investment properties are derecognized when they have been disposed. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the Statement of Comprehensive Income.

If an investment property becomes owner-occupied, it is reclassified as Property, Plant and Equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. Investment property that is being redeveloped for continued future use as investment property continues to be measured at fair value and is not reclassified as Property, Plant and Equipment during the redevelopment.

The fair value of investment property is determined by using valuation techniques.

The fair value was determined principally using discounted cash flow projections based on estimates of future cash flows, supported by the terms of any existing lease and other contracts and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The future rental rates were estimated depending on the actual location of the properties, and taking into account market data and projections at the valuation date.

Investment properties do not include the investment properties under construction or development and no such estimations were made.

2.3.12 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right of use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right of use the underlying assets.

Right-of-use-assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use-assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises Lease Liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of Lease Liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of Lease Liabilities is remeasured if there is a modification, a change in the lease term, a change in the substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are included in Note 7.2 to the Financial Statements.

Group as a lessor for operating leases

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3.14 Financial Instruments

2.3.14.1 Financial Assets

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortized cost, fair value through other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow, characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

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

The Group's financial assets are disclosed in Note 3.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Financial Assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial Assets designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial Assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial Assets Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Based on the assessment performed, the Group concluded that SLFRS 9 does not have a material impact on the Group's Financial Statements.

2.3.14.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities are disclosed in Note 3.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the Consolidated Statement of Financial Position only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 34 to the Financial Statements.

2.3.15 Inventories

Inventories are valued at the lower of cost and net realizable value after making due allowances for obsolete and slow moving items. Net realizable value is the estimated selling price less estimated

costs of completion and estimated costs necessary to make the sale.
The cost incurred in bringing inventories to its present location and condition, are accounted for as follows;

a) Raw materials
At actual cost on weighted average cost.

b) Finished Goods & Work-in-progress
At the cost of direct materials, direct labour and an appropriate proportion of production overheads based on normal operating capacity.

c) Consumables and Spares
At actual cost on weighted average cost.

2.3.16 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is higher of asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That the increased amount can not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss.

2.3.17 Cash and short-term deposits

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Consolidated Statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.18 Dividend Distributions

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

2.3.19 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit & Loss net of any reimbursement.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer.

Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.3.20 Contingent Assets and Contingent Liabilities

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

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

2.3.21 Post Employment Benefits

Defined Benefit Plan - Gratuity

Provision is made in the accounts for retirement gratuities payable under the Payment of Gratuity Act No. 12 of 1983 for employees from the time of employment by the Group. The method of providing for retiring gratuity was changed to an actuarial basis, using the Projected Unit Credit (PUC) method from 1st April 1998. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 19 to the Financial Statements. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

This item is grouped under Retirement Benefit Obligations. No separate fund is being maintained for this purpose.

The Group recognises the total actuarial gains and losses that arises in calculating the Group's obligation with respect to the Defined Benefit Plan – Gratuity in Other Comprehensive Income during the period in which it occurs.

Commencing from 1st April 1998 the basis of payment of retiring gratuity was revised as follows:

Length of Service (Years)	No. of months salary for each completed year of service
0 - 4	0
5 - 10	1/2
11 - 20	3/4
21 - 30	1
31 & above	11/4

The basis of payment of retiring Gratuity was revised for employees recruited on or after 1st August 2011 to be in line with the provisions of the Gratuity Act No.12 of 1983.

Defined Contribution Plans:

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions, in line with respective statute and regulations. The Group contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and Employee' Trust Fund respectively.

2.3.22 Segment Information

2.3.22.1 Reporting Segments

The activities of the segments are described in the segmental Review of operations. Segmentation has been determined based on primary format and secondary format. Primary format represents the business segments, identified based on the differences in the products and services produced which has a similar nature of process, risk and return while the secondary format is on the basis of geographical areas in which the products or services are sold. The operating results of the segments are described in Note 23.2 to the Financial Statements. The geographical analysis is by the location of the customer. Since the manufacturing and marketing service as well as the assets and liabilities are located in Sri Lanka, only the revenue has been analysed into the geographical location.

2.3.22.2 Segment Information

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group.

2.4 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty exists at the date of preparation, about these assumptions and estimates and hence, may result in outcomes that require a material adjustment to the recorded carrying amount of the asset or liability as at the reporting date or in future periods.

2.4.1 Judgements

In the process of applying the Group's accounting policies, management has made following judgements which have the most significant effect on the amounts recognised in the Consolidated Financial Statements :

Going Concern

When preparing Consolidated Financial Statements, management has made assessment of the ability of the constituents of the Group to continue as a going concern, taking into account all available information about the future, including intentions of curtailment of businesses, as decided by the Board, as disclosed in Note 8 & 31 to the Consolidated Financial Statements.

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

Tax on Financial Statements

The Group is subject to income taxes and other taxes. Significant judgement was required to determine the total provision for current, deferred and other taxes and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws and timing of future taxable income, including but not limited to those that can arise due to treatment of effect of adoption of Sri Lanka Accounting Standards and Transfer Pricing, at the time of the preparation of these Financial Statements.

Deferred Tax Assets

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

Impairment of Receivables

The Group reviews at each reporting date all receivables to assess whether an allowance should be recorded in the Statement of Profit & Loss. The management uses judgement in estimating such amounts in the light of the duration of, outstanding and any other factors management is aware of that indicates uncertainty in recovery.

Transfer pricing regulation

The Group is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations, necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

Determination of Performance Obligations

Significant judgments relating to determination of performance obligations in relation to Group's material revenue lines are given in Note 2.3.5.1.2

2.4.2 Estimates and assumptions

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

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans - Gratuity

The cost of gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff withdrawals, and mortality rates. Due to the complexity of the valuation; the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Incremental Borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.5 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 Company has not early adopted any of the new or amended standards in the preparation of these financial statements.

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 the Company 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.

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)

The amendments introduce enhancements to the classification, measurement, derecognition and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting and respond to emerging market developments.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The amendments are not expected to have a material impact on the financial statements.

General requirements for disclosure of sustainability related financial information (SLFRS S1) and climate related disclosures (SLFRS S2)

In June 2023, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 and IFRS S2. During the year, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Company from 1st January 2027. No financial impact is expected on the Company except for additional disclosures.

Notes to the Financial Statements

3. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

			Equity Instruments at FVTOCI	Debt Instruments at amortised cost	Total
	31st March 2026	Note	Rs.'000	Rs.'000	Rs.'000
3.1	Group				
	Financial Assets				
	Trade & Other Receivables	10	-	2,113,875	2,113,875
	Short Term Investment	11	-	386,477	386,477
	Amounts due from Related Parties	12	-	91,449	91,449
	Cash and Bank Balances	13	-	1,214,557	1,214,557
			-	**3,806,358**	**3,806,358**

		Financial Liabilities at amortised cost	Total
		Rs.'000	Rs.'000
Financial Liabilities			
Liabilities for Lease	7.1	177,656	177,656
Trade & Other Payables	8.2 / 20	1,850,697	1,850,697
Amounts due to Related Parties	8.3 / 22	1,160,625	1,160,625
Interest Bearing Loans and Borrowings	8 / 17.1	2,647,726	2,647,726
		5,836,704	**5,836,704**

		Equity Instruments at FVTOCI	Debt Instruments at amortised cost	Total
31st March 2025	Note	Rs.'000	Rs.'000	Rs.'000
Financial Assets				
Trade & Other Receivables	10	-	2,118,479	2,118,479
Short Term Investment	11	-	351,058	351,058
Amounts due from Related Parties	12	-	143,110	143,110
Cash and Bank Balances	13	-	1,349,611	1,349,611
		-	**3,962,258**	**3,962,258**

		Financial Liabilities at amortised cost	Total
		Rs.'000	Rs.'000
Financial Liabilities			
Liabilities for Lease	7.1	172,255	172,255
Trade & Other Payables	8.2 / 20	1,786,361	1,786,361
Amounts due to Related Parties	8.3 / 22	922,231	922,231
Interest Bearing Loans and Borrowings	8 / 17.1	2,727,135	2,727,135
		5,607,982	**5,607,982**

A description of the Group's Financial Instrument risks, including risk management objectives and policies is given in Note 40.

3. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (Contd.)

31st March 2026		Note	Equity Instruments at FVTOCI Rs.'000	Debt Instruments at amortised cost Rs.'000	Total Rs.'000
3.2	Company				
	Financial Assets				
	Trade & Other Receivables	10	-	375,764	375,764
	Short Term Investment	11	-	377,060	377,060
	Amounts due from Related Parties	12	-	14,438	14,438
	Cash and Bank Balances	13	-	1,032,046	1,032,046
			-	1,799,308	1,799,308

			Financial Liabilities at amortised cost Rs.'000	Total Rs.'000
	Financial Liabilities			
	Trade & Other Payables	20	310,125	310,125
	Amounts due to Related Parties	22	31,515	31,515
			341,640	341,640

31st March 2025	Note	Equity Instruments at FVTOCI Rs.'000	Debt Instruments at amortised cost Rs.'000	Total Rs.'000
Financial Assets				
Trade & Other Receivables	10	-	414,841	414,841
Short Term Investment	11	-	342,226	342,226
Amounts due from Related Parties	12	-	15,864	15,864
Cash and Bank Balances	13	-	1,090,918	1,090,918
		-	1,863,849	1,863,849

		Financial Liabilities at amortised cost Rs.'000	Total Rs.'000
Financial Liabilities			
Trade & Other Payables	20	132,245	132,245
Amounts due to Related Parties	22	21,929	21,929
		154,174	154,174

4 PROPERTY, PLANT & EQUIPMENT

		Freehold Land and Buildings	Building on Leasehold Land	Plant and Machinery	Tools and Office Equipment	Furniture and Fittings	Motor Vehicles	Computers	Roads and Other Infrastructure	Tube Well	Capital Work-In-Progress	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
4.1	**Group**											
	Gross carrying amount - at cost											
	As at 1st April 2025	86,727	338,114	1,779,785	33,988	13,932	10,168	34,342	10,703	179	2,486,118	4,794,056
	Additions during the year	4,499	-	2,816	1,410	-	-	1,662	-	-	228,882	239,269
	Capitalization during the year	17,120	-	177,513	-	-	-	-	-	-	(194,633)	-
	As at 31st March 2026	**108,346**	**338,114**	**1,960,114**	**35,398**	**13,932**	**10,168**	**36,004**	**10,703**	**179**	**2,520,367**	**5,033,325**
	Depreciation											
	As at 1st April 2025	52,254	112,822	1,210,108	33,347	12,829	10,168	28,459	8,473	179	-	1,468,639
	Charge for the year	2,249	13,812	107,080	708	542	-	2,609	189	-	-	127,189
	As at 31st March 2026	**54,503**	**126,634**	**1,317,188**	**34,055**	**13,371**	**10,168**	**31,068**	**8,662**	**179**	**-**	**1,595,828**
	Net Book Value											
	As at 31st March 2025	34,473	225,292	569,677	641	1,103	-	5,883	2,230	-	2,486,118	3,325,417
	As at 31st March 2026	**53,843**	**211,480**	**642,926**	**1,343**	**561**	**-**	**4,936**	**2,041**	**-**	**2,520,367**	**3,437,497**

4.2 Property, Plant & Equipment includes fully depreciated assets the cost of which amounts to Rs. 820,247,957/- (2024/25 - Rs. 671,083,623/-).

Capital Work-in-Progress of Rs. 2,520,367/- represents construction of Building and Plant & Machinery as detailed below:-

	31.03.2026
	Rs.'000
Buildings	742,992
Plant & Machinery	1,776,800
Computer Equipment	575
	2,520,367

4 PROPERTY, PLANT & EQUIPMENT (Contd.)

		Freehold Land and Buildings	Plant and Machinery	Tools and Office Equipment	Furniture and Fittings	Motor Vehicles	Computers	Capital Work-In-Progress	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
4.3	**Company**								
	Gross carrying amount - at cost								
	As at 1st April 2025	75,173	526,781	25,217	4,009	4,378	14,489	194,633	844,680
	Additions during the year	4,499	2,816	1,410	-	-	1,222	3,140	13,087
	Capitalization during the year	17,120	177,513	-	-	-	-	(194,633)	-
	As at 31st March 2026	**96,792**	**707,110**	**26,627**	**4,009**	**4,378**	**15,711**	**3,140**	**857,767**
	Depreciation								
	As at 1st April 2025	33,549	383,140	23,708	3,893	4,378	12,720	-	461,388
	Charge for the year	2,069	18,810	686	30	-	1,162	-	22,757
	As at 31st March 2026	**35,618**	**401,950**	**24,394**	**3,923**	**4,378**	**13,882**	**-**	**484,145**
	Net Book Value								
	As at 31st March 2025	41,624	143,641	1,509	116	-	1,769	194,633	383,292
	As at 31st March 2026	**61,174**	**305,160**	**2,233**	**86**	**-**	**1,829**	**3,140**	**373,622**

4.4 Property, Plant & Equipment includes fully depreciated assets the cost of which amounts to Rs. 385,358,831/- (2024/25 - Rs. 380,123,703/-).

Capital Work-in-Progress represents construction of Buildings & Machinery as detailed below:-

	31.03.2026
	Rs.'000
Buildings	3,140
	3,140

5. LONG TERM INVESTMENTS

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Summary :				
Investments in Subsidiaries (5.1(a) & 5.1(b))	**-**	-	**291,094**	291,094
Investment in Associate (5.2)	**305,335**	312,846	**171,929**	171,929
Other Investment (5.3)	**-**	-	**-**	-
Total Investments	**305,335**	312,846	**463,023**	463,023

5.1(a) Company Investment in Subsidiaries

	Holding		Number of Shares as at		Value of Shares as at	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025	**31.03.2026**	31.03.2025
	%	%	**%**	%	**Rs.'000**	Rs.'000
Richard Pieris Natural Foams Ltd.	**43.00**	43.00	**27,560,001**	27,560,001	**284,820**	284,820
Micro Minerals (Pvt) Ltd.	**68.75**	68.75	**627,400**	627,400	**6,274**	6,274
Arpico Natural Latex Foams (Pvt) Ltd.	**44.44**	44.44	**3,999,999**	3,999,999	**40,000**	40,000
					331,094	331,094
Provision for Impairment					**(40,000)**	(40,000)
					291,094	291,094

Arpico Natural Latex Foams (Pvt) Ltd, had ceased its operations during the financial year 2006/2007. Full provision has been made for the impairment of this investment since recoverability is doubtful.

5.1(b) Group Investment in Subsidiaries

	Holding		Number of Shares as at		Value of Shares as at	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025	**31.03.2026**	31.03.2025
	%	%	**%**	%	**Rs.'000**	Rs.'000
Investor						
Richard Pieris Natural Foams Ltd.						
Investee						
Arpico Natural Latex Foams (Pvt) Ltd.	**55.55**	55.55	**5,000,000**	5,000,000	**50,000**	50,000
Provision for impairment					**(50,000)**	(50,000)
					-	-

5. LONG TERM INVESTMENTS (Contd.)

5.1(c) Non-Controlling Interest (NCI) in Subsidiaries

Subsidiary	Percentage of Ownership Interest held by NCI	Percentage of Voting Rights held by NCI	Share of Total Comprehensive Income of NCI for the year ended 31st March		NCI as at 31st March		Dividends Paid to NCI	
			31.03.2026	31.03.2025	31.03.2026	31.03.2025	2025/2026	2024/2025
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Richard Pieris Natural Foams Ltd	57%	57%	(37,001)	(249,712)	1,140,591	1,177,592	-	-
Micro Minerals (Pvt) Ltd	31.25%	31.25%	458	1,313	13,723	13,265	-	-
Arpico Natural Latex Foams (Pvt) Ltd	32%	32%	(45)	(24)	141	186	-	-
			(36,588)	(248,423)	1,154,455	1,191,043	-	-

5.1(d) Summarised Financial Information of Subsidiaries

	Richard Pieris Natural Foams Ltd		Micro Minerals (Pvt) Ltd		Arpico Natural Latex Foams (Pvt) Ltd	
As at 31st March	2026	2025	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Assets	3,433,840	3,649,850	68,804	72,174	-	-
Non-Current Assets	3,907,767	3,690,799	5,432	5,744	-	-
Current Liabilities	5,140,146	5,093,582	25,727	31,743	227,303	227,166
Non-Current Liabilities	200,022	180,856	3,024	2,363	-	-
Equity	2,001,439	2,066,211	45,485	43,812	(227,303)	(227,166
	2026	2025	2026	2025	2025	2025
For the year ended 31st March	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	4,577,066	5,040,347	76,056	86,428	-	-
Post-Tax Profit/(Loss) from Continuing Operations	(64,466)	(434,298)	2,180	4,248	-	-
Post-Tax Profit/(Loss) from Discontinuing Operations	-	-	-	-	(138)	(75)
Other Comprehensive Income	(305)	(3,793)	(507)	(46)	-	-
Total Comprehensive Income	(64,771)	(438,091)	1,673	4,202	(138)	(75)
Principal Place of Business	Sri Lanka		Sri Lanka		Sri Lanka	

Notes to the Financial Statements

5. LONG TERM INVESTMENTS (Contd.)

5.2 Investment in Associate

Group	Holding 31.03.2026 %	Holding 31.03.2025 %	As at 31.03.2025 Rs.'000	Share of Profit /(Loss) Rs.'000	Taxation Rs.'000	Share of Other Comprehensive Income Rs.'000	As at 31.03.2026 Rs.'000
Non-Quoted							
Arpitalian Compact							
Soles (Pvt) Limited	**48.93**	48.93	312,846	(30,648)	2,020	21,117	**305,335**
			312,846	(30,648)	2,020	21,117	**305,335**

Company	Holding 31.03.2026 %	Holding 31.03.2025 %	No. of Shares as at 31.03.2026	No. of Shares as at 31.03.2025	Value of Shares As at 31.03.2025 Rs.'000	Value of Shares Additions / (Disposals) Rs.'000	Value of Shares As at 31.03.2026 Rs.'000
Arpitalian Compact							
Soles (Pvt) Limited	**48.93**	48.93	29,587,667	29,587,667	171,929	-	**171,929**
					171,929	-	**171,929**

The carrying value at year end is stated after the deduction of a sum of Rs.55,976,000/- from the cost of Rs.227,905,000/- being the provision for impairment determined by the management.

5.2(a) Summarised Financial Information of Associate

For the year ended 31st March	2026 Rs.'000	2025 Rs.'000
Current Assets	**457,616**	482,774
Non-Current Assets	**339,190**	352,979
Current Liabilities	**64,717**	85,385
Non-Current Liabilities	**44,020**	46,948
Equity	**688,069**	703,420

For the year ended 31st March	2026 Rs.'000	2025 Rs.'000
Revenue	**235,146**	272,459
Post-Tax Profit/(Loss) from Continuing Operations	**(58,508)**	(35,487)
Post-Tax Profit/(Loss) from Discontinuing Operations	**-**	-
Other Comprehensive Income	**(210)**	(1,286)
Total Comprehensive Income	**(58,718)**	(36,773)
Principal Place of Business	Sri Lanka	

5. LONG TERM INVESTMENTS (Contd.)

5.3 Other Investment

	Holding %	Holding %	As at 01.04.2025	Fair value adjustment	As at 31.03.2026
Group / Company	31.03.2026	31.03.2025	Rs.'000	Rs.'000	Rs.'000
Asia Auto Parts LLP, Japan	**19.95**	19.95	-	-	-

Management's estimation of fair value.
Due to uncertainty of recoverability of investment, management has decided to fully provide for the investment during 2020/2021.

5.4 Advance Payment for Investment

	Group		Company	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	**31.03.2026 Rs.'000**	31.03.2025 Rs.'000
Arpico Desh Ltd - Bangladesh	**57,363**	57,363	**-**	-
Provision for Impairment	**(57,363)**	(43,681)	**-**	-
	-	13,682	**-**	-

Subsidiary Company Richard Pieris Natural Foams Ltd has made an advance payment of Rs. 57,363,000/- for Investment in Arpico Desh Ltd - Bangladesh and full provision has been made for impairment as at year ended 31.03.2026 for this advance payment for investment, since recoverability is doubtful.

6. INVESTMENT PROPERTY - RIGHT OF USE ASSET

	Group		Company	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	**31.03.2026 Rs.'000**	31.03.2025 Rs.'000
At the beginning of the year	**461,000**	434,000	**-**	-
Fair value adjustment	**81,460**	27,000	**-**	-
At the end of the year	**542,460**	461,000	**-**	-
Rental income earned	**49,204**	25,020	**-**	-
Direct operating expenses incurred	**-**	-	**-**	-

The Subsidiary Company, Richard Pieris Natural Foams Ltd, has obtained the above property from its Related Company RPC Properties (Pvt) Ltd on a 99 years lease and sub leased to Related Companies Richard Pieris Distributors Ltd, RPC Polymers (Pvt) Ltd, Arpitech (Pvt) Ltd and Richard Pieris Rubber Products Ltd.

Valuation method underlying management's estimation of fair value

For the investment property in the location with a total carrying value of Rs 542,460,000/- (2024/25 - Rs.461,000,000/-), the valuation was determined using discounted cash flow ("DCF") projections based on significant unobservable inputs.

Information about fair value measurements using significant unobservable inputs (Level 3) for 2026 are as follows:-

Valuation Technique	Investment Method (Discounted Cash Flow)
Rate / Sq feet	Rs.50/-
Capitalization Rate of Return	6.50%
Leased Property :	Land and Building
Location :	Mattegoda
Extent :	528.5 perches and 87,061 Sq. Feet

Valuation techniques and significant unobservable inputs.

Assets	Valuation Technique	Significant unobservable inputs	Sensitivity of the Input to the fair value
Investment Property - Right to Use Assets	Investment Approach	Rate per Square Foot	Positively Correlated

Notes to the Financial Statements

7. RIGHT OF USE ASSETS - LEASEHOLD

	Group		Company	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Cost				
Balance at the beginning of the year	**141,199**	141,199	**-**	-
Balance at the end of the year	**141,199**	141,199	**-**	-
Amortisation				
Balance at the beginning of the year	**17,135**	13,856	**-**	-
Charge for the year	**3,279**	3,279	**-**	-
Balance at the end of the year	**20,414**	17,135	**-**	-
Net Book Value	**120,785**	124,064	**-**	-

7.1 Liabilities for Lease Payment

	Group		Company	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Balance at the beginning of the year	**172,255**	168,871	**-**	-
Interest for the year	**20,585**	19,258	**-**	-
Payments	**(25,150)**	(15,558)	**-**	-
Effect of foreign exchange translation	**9,966**	(316)	**-**	-
	177,656	172,255	**-**	-
Lease instalments payable in the ensuing year	**17,854**	25,457	**-**	-
Lease instalments payable after one year	**159,802**	146,798	**-**	-
Total Lease Liability	**177,656**	172,255	**-**	-
Following are the amounts recognised in profit or loss for the year ended 31st March 2026				
Amortization of right-of-use assets	**3,279**	3,279	**-**	-
Interest expense on lease liabilities	**20,585**	19,258	**-**	-
Total amount recognised in profit or loss	**23,864**	**22,537**	**-**	**-**

7.2 Details of Right-of-use Assets and Lease Liabilities

	BOI-Land 749.47	BOI-Land 35.97	BOI-Land 196.1	BOI-Land 73.26	BOI-Land 38.1	BOI-Land 488.7	Total
Description of Asset	**Perches**	**Perches**	**Perches**	**Perches**	**Perches**	**Perches**	
Plan No	590	2014-34	2014-53A	2014-53B	13172A	16016	
Year of Purchase	1993	2014	2015	2016	2018	2020	
Lease Term	99 years	50 years	30 years	50 years	50 years	50 years	
Net Book Value as at 31.03.2026 (in Rs 000)	66,125	3,777	13,495	8,345	4,785	24,258	120,785
No. of Instalment remaining (in years) as at 31.03.2026	67	38	20	39	42	20	
Total Lease outstanding as at 31.03.2026 (In Rs 000)	100,996	4,482	20,316	9,166	4,818	37,878	177,656

7. RIGHT OF USE ASSETS - LEASEHOLD (Contd.)

Maturity Analysis

	Group		Company	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	**31.03.2026 Rs.'000**	31.03.2025 Rs.'000
Within one year	**17,854**	25,457	**-**	-
After one year but not more than Three Years	**36,627**	33,534	**-**	-
After three years but not more than Five Years	**39,279**	36,072	**-**	-
More than Five Years	**83,896**	77,192	**-**	-
Total	**177,656**	172,255	**-**	-

8. ASSETS / LIABILITIES OF SUBSIDIARY WHICH IS NOT CONSIDERED AS GOING CONCERN (DISCONTINUED OPERATIONS)

	Group		Company	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	**31.03.2026 Rs.'000**	31.03.2025 Rs.'000
Arpico Natural Latex Foams (Pvt) Ltd.				
Assets				
Trade & Other Receivables (8.1)	**-**	-	**-**	-
Cash and Bank Balances	**-**	-	**-**	-
	-	-	**-**	-
Liabilities				
Trade & Other Payables (8.2)	**20,552**	20,599	**-**	-
Amounts due to Related Parties (8.3)	**206,316**	206,316	**-**	-
Bank Overdraft	**-**	174	**-**	-
	226,868	227,089	**-**	-

Subsidiary - Arpico Natural Latex Foams (Pvt) Ltd is not considered as going concern. Hence, assets and liabilities are stated separately.

8.1 Trade & Other Receivables

	Group		Company	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	**31.03.2026 Rs.'000**	31.03.2025 Rs.'000
Trade Debtors	**25,645**	25,645	**-**	-
Other Receivables	**5,304**	5,304	**-**	-
Less : Provision for Impairment	**(30,949)**	(30,949)	**-**	-
	-	-	**-**	-
8.2 Trade & Other Payables				
Trade Creditors - Others	**20,453**	20,454	**-**	-
Sundry Creditors including Accrued Expenses	**99**	145	**-**	-
	20,552	20,599	**-**	-
8.3 Amounts due to Related Parties				
Richard Pieris & Co. PLC	**170,183**	170,183	**-**	-
Richard Pieris Rubber Compounds Ltd.	**156**	156	**-**	-
Kegalle Plantations PLC	**32,055**	32,055	**-**	-
Arpitalian Compact Soles (Pvt) Ltd.	**66**	66	**-**	-
RPC Logistics (Pvt) Ltd	**3,856**	3,856	**-**	-
	206,316	206,316	**-**	-

Notes to the Financial Statements

9. INVENTORIES

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Raw Materials	460,648	621,175	201,464	199,705
Work-in-Progress	115,955	212,069	32,068	30,309
Finished Goods	987,330	987,248	170,222	84,063
Consumables and Spares	186,145	108,827	60,537	60,150
Goods in Transit	3,548	-	3,548	-
Provision for Slow Moving Stocks / Stock Loss (9.1)	(18,358)	(10,402)	(15,320)	(7,766)
	1,735,268	1,918,917	452,519	366,461
9.1 Provision for Slow Moving Stocks / Stock Loss				
At the beginning of the year	10,402	48,581	7,766	8,482
Provision made during the year/ (Reversal)	7,956	(38,179)	7,554	(716)
At the end of the year	18,358	10,402	15,320	7,766

10. TRADE AND OTHER RECEIVABLES

10.1 Summary

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets				
Trade Debtors - Related Parties (10.2)	267,908	198,569	30,632	35,506
- Others	1,988,604	2,015,810	337,153	372,201
	2,256,512	2,214,379	367,785	407,707
Less : Provision for Impairment (10.3)	(159,990)	(115,598)	(1,524)	(1,524)
	2,096,522	2,098,781	366,261	406,183
Other Debtors	31,889	34,825	24,039	23,785
Less : Provision for Impairment	(18,559)	(18,559)	(18,559)	(18,559)
	13,330	16,266	5,480	5,226
Refundable Deposits	4,319	3,728	4,319	3,728
Less : Provision for Impairment	(296)	(296)	(296)	(296)
	4,023	3,432	4,023	3,432
Total Financial Assets	2,113,875	2,118,479	375,764	414,841
Non-Financial Assets				
Advances & Prepayments	540,796	289,844	397,034	279,182
Less : Provision for Impairment	(21,087)	(21,213)	(21,087)	(21,213)
Total Non-Financial Assets	519,709	268,631	375,947	257,969
	2,633,584	2,387,110	751,711	672,810

10. TRADE AND OTHER RECEIVABLES (Contd.)

10.2 Trade Dues Receivables from Related Parties

		Group		Company	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Relationship	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Richard Pieris & Co PLC	Parent Company	28	28	28	28
Richard Pieris Distributors Ltd	Related Company	109,290	78,976	22,802	33,078
Richard Pieris Rubber Products Ltd	Related Company	2,570	1,245	2,105	207
Richard Pieris Natural Foams Ltd	Subsidiary Company	-	-	174	143
Arpitalian Compact Soles (Pvt) Ltd	Associate Company	2,226	2,024	582	187
Richard Pieris Rubber Compounds Ltd	Related Company	265	265	74	74
Arpico Interiors (Pvt) Ltd	Related Company	1,656	1,656	1,656	1,656
Arpitech (Pvt) Ltd	Related Company	147,916	113,208	-	-
BGN Industrial Tyre (Pvt) Ltd	Related Company	19	19	19	19
Richard Pieris Tyre Company Ltd	Related Company	726	1,014	-	-
RPC Logistics Ltd.	Related Company	3,192	114	3,192	114
Namunukula Plantations PLC	Related Company	20	20	-	-
		267,908	198,569	30,632	35,506

10.3 Provision for Impairment

	Group 31.03.2026 Rs.'000	Group 31.03.2025 Rs.'000	Company 31.03.2026 Rs.'000	Company 31.03.2025 Rs.'000
Balance at the beginning of the year	115,598	106,708	1,524	1,524
Provision made during the year	55,057	15,463	-	-
Unused amounts reversed	-	-	-	-
Provisions written off	(24,971)	(5,575)	-	-
	145,684	116,596	1,524	1,524
Effect of foreign exchange translation	14,306	(998)	-	-
Balance at the end of the year	159,990	115,598	1,524	1,524

10.4 As at 31st March, the ageing analysis of trade debtors is as follows.

	Total	Current	30 – 60 days	61 – 90 days	91 – 120 days	> 120 days
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2026	**2,256,512**	**1,093,609**	**47,597**	**15,166**	**14,651**	**1,085,489**
2025	2,214,379	1,462,152	116,378	56,302	30,719	548,828

Notes to the Financial Statements

11. SHORT TERM INVESTMENT

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Fixed Deposits				
Balance at the beginning of the year	**350,354**	340,818	**341,776**	332,952
Investment made during the year	**13,106**	14,177	**12,527**	13,465
Withdrawals made during the year	**-**	-	**-**	-
Exchange Gain/(Loss)	**22,590**	(4,641)	**22,590**	(4,641)
	386,050	350,354	**376,893**	341,776
Interest receivable at the end of the year	**427**	704	**167**	450
Balance at the end of the year	**386,477**	351,058	**377,060**	342,226
Represented by :-				
Short Term Investment in Other Financial Institutions	**386,477**	351,058	**377,060**	342,226
	386,477	351,058	**377,060**	342,226

12. AMOUNTS DUE FROM RELATED PARTIES

	Relationship	Group 31.03.2026	Group 31.03.2025	Company 31.03.2026	Company 31.03.2025
Richard Pieris Natural Foams Ltd	Subsidiary Company	**-**	-	**5,873**	5,160
Richard Pieris & Co PLC	Parent Company	**-**	2,139	**-**	2,139
Arpitalian Compact Soles (Pvt) Ltd	Associate Company	**5,922**	210	**210**	210
Richard Pieris Distributors Ltd.	Related Company	**35,666**	36,284	**-**	-
Arpitech (Pvt) Ltd	Related Company	**17,884**	77,998	**-**	-
Maskeliya Tea Gardens (Ceylon) (Pvt) Ltd	Related Company	**11,121**	11,121	**-**	-
RPC Polymers (Pvt) Ltd	Related Company	**18,622**	14,242	**7,540**	7,540
Richard Pieris Rubber Products Ltd	Related Company	**1,419**	301	**-**	-
RPC Logistics (Pvt) Ltd.	Related Company	**213**	213	**213**	213
Richard Pieris Tyre Company Ltd	Related Company	**602**	602	**602**	602
		91,449	143,110	**14,438**	15,864

13. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENTS

		Group 31.03.2026	Group 31.03.2025	Company 31.03.2026	Company 31.03.2025
13.1	**Favourable Cash and Cash Equivalents Balances**				
	Cash & Bank Balances - Continuing Operations	**1,214,557**	1,349,611	**1,032,046**	1,090,918
	Cash & Bank Balances - Discontinued Operations - Note 8	**-**	-	**-**	-
		1,214,557	1,349,611	**1,032,046**	1,090,918
13.2	**Unfavourable Cash and Cash Equivalents Balances**				
	Bank Overdrafts - Note 17.1 / 8	**(1,705,207)**	(1,672,854)	**-**	-
	Total Cash and Cash Equivalents for the purpose of Cash Flow Statements	**(490,650)**	(323,243)	**1,032,046**	1,090,918

14. STATED CAPITAL

	At the beginning of the year 01.04.2025 Number	Issued for Cash during the year Number	At the end of the year 31.03.2026 Number
	'000	'000	'000
Issued and Fully Paid Number of Shares	11,164	-	**11,164**
	11,164	-	**11,164**
	Rs.'000	Rs.'000	**Rs.'000**
Stated Capital	220,262	-	**220,262**
	220,262	-	**220,262**

14.1 Rights, Preference Restrictions of Classes of Capital

The holders of ordinary shares confer their right to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company.

All shares rank equally with regard to the Company's residual assets.

15. REVENUE RESERVES

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
15.1 General Reserve				
At the beginning of the year	**219,250**	219,250	**219,250**	219,250
Transfer from Income Statement	**-**	-	**-**	-
At the end of the year	**219,250**	219,250	**219,250**	219,250
15.2 Accumulated Profit				
At the beginning of the year	**2,927,349**	2,986,525	**2,645,613**	2,501,257
Profit for the year attributable to				
Equity Holder of the Parent Company	**40,379**	35,619	**95,528**	236,859
Other Comprehensive Income attributable				
to Equity Holder of the Parent Company	**6,846**	39,170	**7,428**	41,462
Interim dividend	**(100,474)**	(133,965)	**(100,474)**	(133,965)
At the end of the year	**2,874,100**	2,927,349	**2,648,095**	2,645,613
Total Revenue Reserves	**3,093,350**	3,146,599	**2,867,345**	2,864,863

Notes to the Financial Statements

16. FOREIGN CURRENCY TRANSLATION

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
At the beginning of the year	**259,906**	265,112	**-**	-
Exchange translation difference for the year	**21,219**	(5,206)	**-**	-
At the end of the year	**281,125**	259,906	**-**	-

Foreign Currency translation relates to the resulting exchange difference on translation of Arpitalian Compact Soles (Pvt) Ltd's accounts maintained in US dollars, into Sri Lankan rupees.

17. INTEREST BEARING LIABILITIES

17.1 Interest Bearing Liabilities - Group

	31.03.2026 Amount Repayable Within 1 Year	31.03.2026 Amount Repayable After 1 Year	31.03.2026 Total	31.03.2025 Amount Repayable Within 1 Year	31.03.2025 Amount Repayable After 1 Year	31.03.2025 Total
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Term Loan (17.2)	**38,603**	**-**	**38,603**	149,718	-	149,718
	38,603	**-**	**38,603**	149,718	-	149,718
Bank Overdraft (13.2)	**1,705,207**	**-**	**1,705,207**	1,672,680	-	1,672,680
Money Market Loan - HNB (17.2)	**903,916**	**-**	**903,916**	904,563	-	904,563
	2,647,726	**-**	**2,647,726**	2,726,961	-	2,726,961

17.2. TERM LOAN AND MONEY MARKET LOAN - MOVEMENTS

	As at 01.04.2025	Obtained during the year	Payment during the year	As at 31.03.2026
	Rs.'000	Rs.'000	Rs.'000	
Term Loan and Money Market Loan	1,054,281	942,519	(1,054,281)	**942,519**
	1,054,281	942,519	1,054,281)	**942,519**

18. DEFERRED TAX LIABILITY / (ASSET)

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Balance at the beginning of the year	**(145,675)**	(27,483)	**9,432**	(13,384)
Deferred Tax Charged / (Reversed) to the Income Statement	**(22,073)**	(134,316)	**8,350**	5,047
Deferred Tax Charged / (Reversed) to the Statement of Other Comprehensive Income	**2,836**	16,124	**3,184**	17,769
Balance at the end of the year	**(164,912)**	(145,675)	**20,966**	9,432
Deferred Tax Asset	**(186,079)**	(155,675)	**-**	-
Deferred Tax Liability	**21,167**	10,000	**20,966**	9,432
Deferred tax asset, liability relates to the following				
Deferred tax liability				
Accelerated depreciation for tax purposes	**161,762**	158,562	**45,057**	33,603
Other Provisions	**9,284**	-	**106**	-
Deferred tax assets				
Retirement benefit obligations	**(32,057)**	(30,283)	**(19,144)**	(19,528)
Right of use asset	**(23,220)**	(20,632)	**-**	-
Un-utilised Tax Losses	**(228,762)**	(213,957)	**-**	-
Other Provisions	**(51,919)**	(39,365)	**(5,053)**	(4,643)
Net Deferred Tax Liability / (Asset)	**(164,912)**	(145,675)	**20,966**	9,432

19. RETIREMENT BENEFIT OBLIGATION

		Group		Company	
		31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
	Movements in the present value of the Retirement Benefit Obligation are as follows.				
	Balance at the beginning of the year	**100,945**	138,266	**65,092**	109,013
	Current Service Cost	**7,742**	6,770	**4,050**	3,670
	Interest Cost	**11,060**	16,592	**6,835**	13,082
	(Gain) / Loss due to changes in assumptions	**(9,452)**	(53,746)	**(10,612)**	(59,231)
	Benefits paid	**(3,438)**	(6,937)	**(1,551)**	(1,442)
	Balance at the end of the year	106,857	100,945	63,814	65,092
19.1	**Net Benefit Expenses Categorized Under Staff Cost**				
	Current Service Cost	7,742	6,770	4,050	3,670
	Interest Cost	11,060	16,592	6,835	13,082
		18,802	23,362	10,885	16,752

19.2 Actuarial & Management Consultants (Pvt) Limited, Actuaries, carried out an actuarial valuation of the defined benefit plan on 31.03.2026 and 31.03.2025. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

Staff Turnover Rates

Age Group	18 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59
Executives	0.19	0.19	0.17	0.13	0.10	0.10	0.05	-
Non-Executives	0.42	0.42	0.33	0.27	0.84	0.17	0.17	-

19. RETIREMENT BENEFIT OBLIGATION (Contd.)

	2025 / 2026	2024 / 2025
Demographic assumptions		
Retiring age	**60**	60
Mortality in Service	**A 1967/70 mortality table issued by the Institute of Actuaries, London.**	A 1967/70 mortality table issued by the Institute of Actuaries, London.
Financial assumptions		
Rate of Salary Increment	**8% Per Annum**	9% Per Annum
Rate of Discount	**10%**	10.5%

19.3 Sensitivity Analysis

Values appearing in the Financial Statements are very sensitive to the changes in financial and non-financial assumptions used. The sensitivity was carried for both the salary escalation rate and discount rate. Simulations made for retirement benefit obligation show that an increase or decrease by 1% of salary escalation rate and discount rate has the following effect on the retirement benefit obligation.

		Revised Defined Benefit Obligation	
		Group	Company
Salary Escalation Rate	**Discount Rate**	**Rs. '000**	**Rs.'000**
One point increase	As given in Note 19.2	**112,305**	66,692
One point decrease	As given in Note 19.2	**101,773**	61,089
As given in Note 19.2	One point increase	**102,393**	61,464
As given in Note 19.2	One point decrease	**111,714**	66,333

19.4 Maturity Profile

Maturity profile of the defined benefit obligation as at 31st March 2026 is as follows.

	Defined Benefit Obligation	
	Group	Company
Future Working Life Time	**Rs. '000**	**Rs.'000**
Within the next 12 Months	**14,396**	6,614
Between 1-5 years	**66,174**	47,151
Beyond 5 years	**26,287**	10,049
	106,857	63,814

20. TRADE AND OTHER PAYABLES

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Financial Liabilities				
Trade Creditors - Related Parties (20.1)	**1,126,550**	1,271,886	**69,864**	28,816
- Others	**304,480**	201,995	**58,925**	33,634
Other Payables (20.2)	**399,115**	291,881	**181,336**	69,795
Total Financial Liabilities	**1,830,145**	1,765,762	**310,125**	132,245
Non-Financial Liabilities				
Other Payables (20.3)	**17,211**	31,613	**1,496**	21,254
Total Non-Financial Liabilities	**17,211**	31,613	**1,496**	21,254
Balance at the end of the year	**1,847,356**	1,797,375	**311,621**	153,499

20. TRADE AND OTHER PAYABLES (Contd.)

20.1 Trade dues Payable to Related Parties

		Group		Company	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Relationship	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Kegalle Plantations PLC	Related Company	716,087	711,855	41,780	5,330
Richard Pieris Rubber Products (Pvt) Ltd	Related Company	1,038	1,200	1,043	232
Richard Pieris Distributors Ltd	Related Company	26,617	22,507	6,613	9,769
Richard Pieris Rubber Compounds Ltd	Related Company	2,192	2,192	2,192	2,192
Richard Pieris Tyre Company Ltd	Related Company	2,919	2,521	323	-
RPC Logistics Ltd	Related Company	94,394	154,765	-	-
Arpitech (Pvt) Ltd	Related Company	118,835	222,198	686	599
Micro Minerals (Pvt) Ltd	Subsidiary Company	-	-	3,182	1,511
Arpico Interiors (Pvt) Ltd	Related Company	16	16	16	16
Maskeliya Tea Gardens (Ceylon) (Pvt) Ltd	Related Company	1,768	820	1,200	685
Richard Pieris Natural Foams Ltd	Subsidiary Company	-	-	12,817	7,836
RPC Polymers (Pvt) Ltd	Related Company	12	12	12	12
Namunukula Plantations PLC	Related Company	162,521	153,015	-	-
Arpitalian Compact Soles (Pvt) Ltd	Associate Company	-	634	-	634
Arpico Durables (Private) Limited	Related Company	151	151	-	-
		1,126,550	1,271,886	69,864	28,816

20.2 Other Payables (Financial Liabilities)

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Dividend Payable	112,301	13,662	112,301	13,662
Unclaimed Gratuity Payment	14,682	14,682	14,682	14,682
Bonus Payable	5,671	5,748	5,671	5,671
Sales Commission	33,249	30,001	48	32
Others	233,212	227,788	48,634	35,748
	399,115	291,881	181,336	69,795

20.3 Other Payables (Non-Financial Liabilities)

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Others	17,211	31,613	1,496	21,254
	17,211	31,613	1,496	21,254

Notes to the Financial Statements

21. INCOME TAX PAYABLE / (RECEIVABLE)

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Balance at the beginning of the year	**(25,860)**	(30,573)	**(483)**	(3,202)
Provision for the year	**15,852**	91,849	**14,769**	88,788
(Over) / Under Provision in respect of previous year	**4,647**	3,030	**4,648**	3,030
(Over) Provision in respect of 2022/2023	**(25,130)**	-	**(25,130)**	-
	(30,491)	64,306	**(6,196)**	88,616
Payments made during the year	**(47,074)**	(90,122)	**(44,897)**	(89,092)
Withholding Tax Paid	**(75)**	(44)	**(11)**	(7)
Balance at the end of the year	**(77,640)**	(25,860)	**(51,104)**	(483)

22. AMOUNTS DUE TO RELATED PARTIES

		Group		Company	
		31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Relationship	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Richard Pieris & Co. PLC	Parent Company	**954,057**	715,663	**10,530**	-
Micro Minerals (Pvt) Ltd	Subsidiary Company	**-**	-	**20,733**	21,677
Richard Pieris Distributors Ltd	Related Company	**252**	252	**252**	252
		954,309	715,915	**31,515**	21,929

23. REVENUE FROM CONTRACTS WITH CUSTOMERS

23.1 Summary

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Export Sales	**5,725,533**	7,031,495	**1,330,450**	2,095,321
Indirect Exports (Gross)	**80,060**	41,434	**-**	-
Local Sales (Gross)	**297,602**	242,640	**86,891**	74,722
	6,103,195	7,315,569	**1,417,341**	2,170,043
VAT	**(45,961)**	(30,145)	**(13,229)**	(11,394)
	6,057,234	7,285,424	**1,404,112**	2,158,649
Less : Inter-Group Sales	**(35,919)**	(34,224)	**-**	-
	6,021,315	7,251,200	**1,404,112**	2,158,649

23. REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

23.2 Group Segmental Information

	Turnover		Profit / (Loss) before Tax		Total Assets		Total Liabilities	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	**76,056**	86,428	**3,112**	7,196	**74,236**	77,918	**28,751**	34,106
Latex Based Segment	**4,577,066**	5,040,347	**(94,877)**	(573,623)	**7,341,607**	7,340,649	**5,567,471**	5,501,604
Hard Rubber Segment	**1,404,112**	2,158,649	**98,165**	333,724	**3,515,523**	3,335,077	**427,916**	249,952
	6,057,234	7,285,424	**6,400**	(232,703)	**10,931,366**	10,753,644	**6,024,138**	5,785,662
Adjustment for Inter-Group Transactions	**(35,919)**	(34,224)	**(30,862)**	(18,520)	**(200,235)**	(185,294)	**(42,199)**	(35,122)
	6,021,315	7,251,200	**(24,462)**	(251,223)	**10,731,131**	10,568,350	**5,981,939**	5,750,540

Geographic Information - Revenue

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Sri Lanka	**290,554**	245,464	**73,662**	63,327
USA	**2,643,134**	3,184,964	**327,367**	358,225
Europe	**1,669,485**	2,971,608	**906,041**	1,707,368
Asia Pacific	**1,454, 061**	883,388	**97,042**	29,729
Middle East	**-**	-	**-**	-
Total Segments	**6,057,234**	7,285,424	**1,404,112**	2,158,649
Less : Inter-Group Sales	**(35,919)**	(34,224)	**-**	-
	6,021,315	7,251,200	**1,404,112**	2,158,649

24. OTHER OPERATING INCOME

		Group		Company	
		31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
	Scrap Sales (24.1)	**10,316**	6,267	**1,990**	1,212
	Rental Income (24.2)	**49,204**	25,020	**-**	-
	Reversal of provision for slow moving stocks	**-**	716	**-**	716
	Sundry Income	**11,923**	-	**221**	-
		71,443	32,003	**2,211**	1,928
24.1	**Summary**				
	Scrap Sales (Gross)	**12,172**	7,594	**2,348**	1,430
	VAT	**(1,856)**	(1,327)	**(358)**	(218)
		10,316	6,267	**1,990**	1,212
24.2	**Summary**				
	Rental Income (Gross)	**58,061**	29,523	**-**	-
	VAT	**(8,857)**	(4,503)	**-**	-
		49,204	25,020	**-**	-

Notes to the Financial Statements

25. PROFIT FROM OPERATIONS

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
is stated after charging all expenses including the following expenses.	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Depreciation	**127,189**	132,920	**22,757**	13,221
Directors' Fees	**2,960**	1,784	**2,960**	1,784
Auditor's Remuneration - Audit Fees	**3,834**	3,611	**2,034**	1,816
Personnel Costs includes				
Defined Benefit Plan Costs - Gratuity	**18,802**	23,362	**10,885**	16,752
Other Staff Costs including EPF & ETF	**763,979**	738,976	**184,646**	176,002
Provision for Impairment - Trade Debtors & Investment	**43,768**	22,033	**-**	2,667
Amortisation of Right-of-Use Asset	**3,279**	3,279	**-**	-

26. FINANCE INCOME

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Interest Income	**94,607**	71,416	**64,542**	70,234
	94,607	71,416	**64,542**	70,234

27. FINANCE COST

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Interest expense on borrowings - Related Party	**-**	-	**2,363**	2,446
- Others	**142,468**	49,261	**-**	-
Finance Costs	**20,585**	19,258	**-**	-
	163,053	68,519	**2,363**	2,446

28. OTHER FINANCIAL ITEMS

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Fair Value gain on Investment Propety - Leasehold (Note 6)	**81,460**	27,000	**-**	-
Net foreign exchange transaction gain / (Loss)	**148,099**	(48,089)	**75,752**	(26,002)
	229,559	(21,089)	**75,752**	(26,002)

29. SHARE OF PROFIT / (LOSS) OF ASSOCIATE

The Group's share of income and expenses of the entity for the years ended 31st March 2026 and 2025, and assets & liabilities as at 31st March 2026 and 2025.

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Revenue	**235,146**	272,459	**-**	-
Profit / (Loss) before tax	**(62,636)**	(38,008)	**-**	-
Group's share of Profit / (Loss) before tax	**(30,648)**	(18,598)	**-**	-
(-) Tax on associate results	**2,020**	1,234	**-**	-
Group's share of Profit / (Loss) after tax	**(28,628)**	(17,364)	**-**	-
Total Other Comprehensive Income	**43,157**	(11,925)	**-**	-
Group's share of total Other Comprehensive Income	**21,117**	(5,835)	**-**	-
Associate's Statement of Financial Position				
Current Assets	**457,616**	482,774	**-**	-
Non-current Assets	**339,190**	352,979	**-**	-
	796,806	835,753	**-**	-
Current Liabilities	**64,717**	85,385	**-**	-
Non-current Liabilities	**44,020**	46,947	**-**	-
	108,737	132,332	**-**	-

30. TAXATION

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Income tax on current year profits - Note 30.1	**15,852**	91.849	**14,769**	88,788
(Over) / Under Provision in respect of previous year	**4,647**	3,030	**4,648**	3,030
(Over) Provision in respect of 2022/2023	**(25,130)**	-	**(25,130)**	-
Deferred Taxation charge / (Reversal) - Note 30.2	**(22,073)**	(134,316)	**8,350**	5,047
Dividend Tax paid by subsidiaries	**-**	-	**-**	-
Charge / (Reversal) of Income Tax and Deferred Tax of the Associate Company	**(2,020)**	(1,234)	**-**	-
	(28,724)	(40,671)	**2,637**	96,865
30.1 Taxation on Current Year Profits				
Profit / (Loss) before Tax from continuing operations	**(24,462)**	(251,223)	**98,165**	333,724
Add: Profit / (Loss) before Tax from discontinued operations	**(138)**	(75)	**-**	-
Less: (Profit) / Loss from Associate Company	**30,648**	18,598	**-**	-
Add: Consolidated Adjustments	**352**	-	**-**	-
	6,400	(232,700)	**98,165**	333,724
Expenses disallowed for tax purposes	**245,574**	213,958	**41,212**	36,331
Expenses allowable for tax purposes	**(285,850)**	(281,817)	**(69,047)**	(53,155)
Tax Exempt Income	**(21,243)**	(20,941)	**(21,100)**	(20,941)
Tax Loss carried forward	**107,960**	627,664	**-**	-
Taxable Income	**52,841**	306,164	**49,230**	295,959
Income tax 30%	**15,852**	91,849	**14,769**	88,788
	15,852	91,849	**14,769**	88,788
30.2 Deferred Taxation Charge / (Reversal)				
Accelerated depreciation for tax purpose	**3,200**	(5,191)	**11,454**	5,179
Right-of-use Asset	**(2,588)**	(1,982)	**-**	-
Retirement benefit obligations	**(4,610)**	(4,854)	**(2,800)**	(4,593)
Benefit arising from tax losses	**(14,804)**	(150,022)	**-**	-
Other Provision & Foreign Exchange Gain	**(3,271)**	27,733	**(304)**	4,461
	(22,073)	(134,316)	**8,350**	5,047

Notes to the Financial Statements

31. DISCONTINUED OPERATIONS

Arpico Natural Latex Foams (Pvt) Ltd had ceased its operations during the financial year 2006/2007. Therefore, this company has not been considered as going concern. Further, the results of this Company has been presented separately in these Financial Statements in accordance with SLFRS 05 "Non-Current Assets held for sale and Discontinued Operations".

The results of discontinued operation is given below :

	Group	
	31.03.2026	31.03.2025
	Rs.'000	Rs.'000
Revenue	-	-
Cost of Sales	-	-
Gross Profit	-	-
Other Operating Income	-	-
Expenses - Note 31.1	(138)	(75)
Loss from discontinued operations	(138)	(75)
Finance Cost	-	-
Loss before Tax from discontinued operations	(138)	(75)
Taxation	-	-
Loss for the year from discontinued operations	(138)	(75)
Attributable to		
Equity Holders of the Parent Company	(94)	(51)
Non-Controlling Interest	(44)	(24)
	(138)	(75)
31.1 Expenses Includes		
Auditor's Remuneration	138	75

Operating, Investing and Financing Cash Flows for the year are presented below :

	Group	
	31.03.2026	31.03.2025
	Rs.'000	Rs.'000
Net Cash used in Operating Activities	174	(4)
Net Cash Flows from Investing Activities	-	-
Net Cash Flows from Financing Activities	-	-

32. EARNINGS PER SHARE

32.1 Basic Earnings per Share is calculated by dividing the Profit / (Loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding.

32. EARNINGS PER SHARE (Contd.)

32.2 The following reflects the income and shares data used in the basic Earnings per Share computation.

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Amount Used as the Numerator				
Profit Attributable to Equityholders of the Parent from continuing operations	**40,473**	35,670	**95,528**	236,859
Profit / (Loss) Attributable to Equityholders of the Parent from discontinuing operations	**(94)**	(51)	**-**	-
Profit Attributable to Equityholders of the Parent	**40,379**	35,619	**95,528**	236,859
	'000	'000	**'000**	'000
Number of Ordinary Shares used as Denominator				
Weighted Average number of Ordinary Shares in issue applicable to basic Earnings Per Share	**11,164**	11,164	**11,164**	11,164
	Rs.	Rs.	**Rs.**	Rs.
Earnings Per Share	**3.62**	3.19	**8.56**	21.22
Earnings per Share from continuing operations	**3.62**	3.19	**8.56**	21.22

33. DIVIDEND PER SHARE

	Company	
	31.03.2026	31.03.2025
	Rs.'000	Rs.'000
Interim dividend	**100,474**	133,965
No. of Shares in issue in '000	**11,164**	11,164
Dividend per Share (Rs.)	**9**	12

2025/2026
The interim dividend of Rs. 9.00 per share was declared on 30th March 2026 and will be paid on 30th April 2026.

2024/2025
The interim dividend of Rs. 12.00 per share was declared on 24th February 2025 and paid on 26th March 2025.

34. FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		Level 1		Level 2		Level 3		Total	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets									
Other Investment	5.3	**-**	-	**-**	-	**-**	-	**-**	-
		-	-	**-**	-	**-**	-	**-**	-
Non-Financial Assets									
Assets measured at fair value									
Investment Property - Right-of-use asset	6	**-**	-	**-**	-	**542,460**	461,000	**542,460**	461,000
		-	-	**-**	-	**542,460**	461,000	**542,460**	461,000

34. FAIR VALUE MEASUREMENT HIERARCHY - GROUP (Contd.)

34.1. Fair Value Measurement Hierarchy - Company

		Level 3	
		31.03.2026	31.03.2025
As at 31st March	Note	Rs.'000	Rs.'000
Financial Assets			
Other Investment	5.3	-	-
		-	-

FAIR VALUE HIERARCHY

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 : Quoted market prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

35. CONTINGENT LIABILITIES

a. The Company has in dispute following the termination of services of 159 employees in 2007. This matter was in the Arbitration up to February 2020 and the Award of Arbitration was published in the Government Gazette on 10th August 2020. Thereafter, the Company has repudiated the arbitration award by publishing on Government Gazette dated 18.09.2020. Nevertheless, the Assistant Labour Commissioner filed action in the Magistrate's Court Nugegoda for non-implementation of the said arbitral award. Being aggrieved by the Hon. Magistrate's order which stated that there are grounds to maintain this case, the Company sought revisionary jurisdiction of the High Court of Colombo and subsequently, from the Court of Appeal which delivered refusing our said application. Presently the Company has filed Leave to Appeal papers in the Supreme Court against the said decision of the Court of Appeal. No date has been allocated to support. Based on legal advice, the Company continues to strongly defend its position and management considers it premature to estimate any potential financial liability at this stage.

b. A customer has instituted legal proceedings against Richard Pieris Exports PLC, claiming damages of Rs. 221 million over alleged product quality defects. The case is currently at the pre trial stage, and the Company is vigorously defending its position.

35.1 Contingent Liabilities of Subsidiaries and Associates

(a) Contingent Liabilities of Subsidiaries

The subsidiaries of the Group do not have any contingent liabilities as at the Reporting date.

(b) Contingent Liabilities of Associates

The Associate of the Group does not have any contingent liabilities as at the Reporting date.

36. CAPITAL COMMITMENTS

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 31.03.2026, approved by the Board is as follows,

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
As at 31st March	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Contracted but not provided for	-	-	-	-
Approved but not contracted for	-	-	-	-
	-	-	-	-

37. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen which would require adjustments to or disclosure in these Financial Statements.

38. SECURITIES GIVEN FOR BANKING FACILITIES

	Name of the Company	Lender	Facility	Nature of Security
38.1	Richard Pieris Exports PLC	Hatton National Bank PLC	Packing Credit Loan	Hypothecation of Stocks procured and receipt / confirmed export orders.
38.2	Richard Pieris Natural Foams Ltd	HSBC	Overdraft Export Bill Discount	Letter of Awareness from Richard Pieris & Company PLC dated 26.04.1996. Letter of undertaking from Richard Pieris & Company PLC to support the Company's indebtedness to the Bank for USD 475,000/-. Corporate Guarantee dated 29th January 2013 for USD 450,000/- from Kegalle Plantations PLC together with supporting Board Resolution Letter of Awareness dated 24 Sep 2013 from Richard Pieris & Company PLC together with supporting Board Resolution. Letter of Negative pledge over stocks and Book Debts dated 18th November 2015
		Commercial Bank of Ceylon PLC	Overdraft Export Bill Purchase	Negative pledge dated 19.03.1996 executed over the company's Stocks and Book Debts. General Terms and Conditions relating to Overdrafts for USD 750,000/- signed by the company. General Terms and Conditions relating to Pre-shipment Loans for USD 1,500,000/- signed by the company. Lien over the documents of title to goods under Export. Bills purchase indemnity to be executed.
		People's Bank PLC	Letter of Credit/Short Term Loan	Term Loan Application. Sub loan Request letter for each short term loan.Indemnity of the Company. Documents of title to goods shipped. Bill of Exchange accepted by the company for acceptance.

39. RELATED PARTY TRANSACTIONS

39.1 Transactions with Key Managerial Personnel.

39.1.1 Key Managerial Personnel include members of the Board of Directors of Richard Pieris Exports PLC and members of the Board of Directors of Richard Pieris and Company PLC.

39.1.2 Key Management personnel compensation.

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
For the year ended 31st March	**Rs. Mn.**	Rs.'000	**Rs.'000**	Rs.'000
Remuneration to Key Managerial Personnel	**32.21**	17.76	**2.96**	13.06

39.1.3 a) Fees amounting to Rs. 40.64 million were paid by the Group to entities in which a Key Management Personnel is a director.
b) Fees and services amounting to Rs. 1.22 million were paid by the Group to a related party of a Key Management Personnel.

39. RELATED PARTY TRANSACTIONS (Contd.)

39.2 Transactions with related parties by the Company

	2025/2026			
Name of the Related Party	Sales	Purchases	Services	Interest Paid
Arpitalian Compact Soles (Pvt) Ltd	-	-	-	-
Arpitech (Pvt) Ltd	-	134	-	-
Kegalle Plantations PLC - Note 39.4.1	-	310,824	-	-
Maskeliya Tea Gardens (Ceylon) Ltd	-	1,438	-	-
Micro Minerals (Pvt) Limited	-	30,906	1,800	2,363
Richard Pieris & Company PLC	-	-	123,163	-
Richard Pieris Distributors Ltd	35,725	9,120	-	-
Richard Pieris Natural Foams Ltd	31	4,981	-	-
Richard Pieris Rubber Compounds Ltd	-	1,544	-	-
Richard Pieris Rubber Products Ltd	1,577	1,331	-	-
RPC Logistics Ltd	-	-	21,956	-
RP Tyre Co. Ltd	-	922	-	-

	2024/2025			
Name of the Related Party	Sales	Purchases	Services	Interest Paid
Arpitalian Compact Soles (Pvt) Ltd	-	1,317	-	-
Arpitech (Pvt) Ltd	-	135	-	-
Kegalle Plantations PLC - Note 39.4.1	-	390,714	-	-
Maskeliya Tea Gardens (Ceylon) Ltd	-	1,523	-	-
Micro Minerals (Pvt) Limited	-	30,114	1,800	2,446
Richard Pieris & Company PLC	-	-	100,444	-
Richard Pieris Distributors Ltd	45,140	9,745	-	-
Richard Pieris Natural Foams Ltd	25	4,085	-	-
Richard Pieris Rubber Compounds Ltd	-	1,001	-	-
Richard Pieris Rubber Products Ltd	1,889	649	-	-
RPC Logistics Ltd	-	-	22,416	-

39. RELATED PARTY TRANSACTIONS (Contd.)

39.3 Transactions with related parties by the Group

	2025/2026			
Name of the Related Party	Sales	Purchases	Services	Interest Paid
Arpico Durables (Pvt) Ltd	-	45,355	-	-
Arpitalian Compact Soles (Pvt) Ltd	2,020		-	-
Arpitech (Pvt) Ltd	93,615	96,694	-	-
Kegalle Plantations PLC - Note 39.4.1	-	692,153	-	38,211
Maskeliya Tea Gardens Ceylon (Pvt) Ltd	-	1,870	-	-
Namunukula Plantations PLC	-	-	-	-
Richard Pieris & Company PLC	-	-	155,804	-
Richard Pieris Distributors Ltd	83,215	16,390	-	-
Richard Pieris Rubber Compounds Ltd	-	1,544	-	-
Richard Pieris Rubber Products Ltd	7,718	1,331	-	-
Richard Pieris Tyre Company Ltd	4,294	9,585	-	-
RPC Logistics Ltd	-	-	233,679	-
RPC Polymers (Pvt) Ltd.	4,379	-	-	-

	2024/2025			
Name of the Related Party	Sales	Purchases	Services	Interest Paid
Arpico Durables (Pvt) Ltd	-	32	-	-
Arpitalian Compact Soles (Pvt) Ltd	2,520	1,317	-	-
Arpitech (Pvt) Ltd	52,341	127,081	22,232	-
Kegalle Plantations PLC - Note 39.4.1	-	1,258,963	-	-
Maskeliya Tea Gardens Ceylon (Pvt) Ltd	-	1,642	-	-
Namunukula Plantations PLC	-	138,963	-	-
Richard Pieris & Company PLC	-	-	121,158	-
Richard Pieris Distributors Ltd	54,435	14,766	2,103	-
Richard Pieris Rubber Compounds Ltd	-	1,001	-	-
Richard Pieris Rubber Products Ltd	5,799	1,622	838	-
Richard Pieris Tyre Company Ltd	2,024	9,501	-	-
RPC Logistics Ltd	-	-	175,990	-
RPC Polymers (Pvt) Ltd	3,284	-	-	-

39. RELATED PARTY TRANSACTIONS (Contd.)

39.4 Terms and Conditions

Transactions with Related Parties are carried out in the ordinary course of business on an arms length basis. Outstanding balances at the year end are unsecured and net settlement occurs in cash.

The amounts due from/due to Related Companies are disclosed in Notes 10, 12, 20 & 22 to the Financial Statements.

The details of Related Party Transactions exceeding 10% of Gross Revenue / Income are as follows.

	Group		Company	
	31.03.2026	31.03.2025	**31.03.2026**	31.03.2025
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
39.4.1 Transactions with Kegalle Plantations PLC				
a) Relationship - Related Company				
b) Nature of transaction - Purchase of Rubber				
c) Aggregate value of Related Party transactions entered into during the financial year	**730,364**	1,258,963	**310,824**	390,714
d) Revenue as per latest audited Financial Statements	**6,021,315**	7,251,200	**1,404,112**	2,158,649
e) Aggregate value of Related Party transactions as a % of net revenue/income	**12.13%**	17.36%	**22.14%**	18.10%
f) Terms and conditions of the Related Party transactions; Transactions with Related Parties are carried out in the ordinary course of business on an arm's length basis.				

39. RELATED PARTY TRANSACTIONS (Contd.)

39.5 Some of the Directors of the Company are also Directors of the following Companies

Name of the Directors	Richard Pieris & Co PLC	Richard Pieris Natural Foams Ltd	Arpitalian Compact Soles (Pvt) Ltd	Micro Minerals (Pvt) Ltd	Richard Pieris Distributors Ltd	Richard Pieris Rubber Products Ltd	Richard Pieris Rubber Compounds Ltd	Arpico Interiors (Pvt) Ltd	Kegalle Plantations PLC
Dr. Sena Yaddehige	x	x	x	x	x	x	x	-	x
Shaminda Yaddehige	x	x	-	-	x	x	-	x	x
W.R. Abeysirigunawardena	-	x	x	x	-	-	-	-	-
W.J.V.P. Perera	x	x	-	-	x	x	x	x	-
Lalith C. Wijayasinghe	-	-	x	-	-	-	-	-	-

x - Indicates Director of the relevant company.

Name of the Directors	RPC Logistics Ltd	Richard Pieris Tyre Co. Ltd	Richard Pieris Group Services (Pvt) Ltd	Arpico Natural Latex Foams (Pvt) Ltd	Arpitech (Pvt) Ltd	Maskeliya Plantations PLC	Maskeliya Tea Gardens (Ceylon) Ltd	Plastishells Ltd	Namunukula Plantations PLC
Dr. Sena Yaddehige	-	x	x	x	x	x	x	x	x
Shaminda Yaddehige	-	x	-	x	x	x	-	x	x
W.R. Abeysirigunawardena	-	-	-	x	-	-	-	-	-
W.J.V.P. Perera	x	x	x	-	x	-	x	-	-
Lalith C. Wijayasinghe	-	x	-	x	x	-	-	x	-

x- Indicates Director of the relevant company.

Name of the Directors	RPC Properties (Pvt) Ltd.	BGN Industrial Tyre (Pvt) Ltd.	RPC Polymers (Pvt) Ltd.	Arpico Plastics Ltd	Arpico Durables (Pvt) Ltd	Hamefa Kegalle (Pvt) Ltd
Dr. Sena Yaddehige	-	-	x	x	x	x
Shaminda Yaddehige	-	x	-	-	x	-
W.R. Abeysirigunawardena	-	-	-	-	-	-
W.J.V.P. Perera	x	-	x	x	-	-
Lalith C. Wijayasinghe	-	-	x	x	x	x

x- Indicates Director of the relevant company.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans & borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors guide the Group Treasury which is centralized to provide assistance to the Group's senior management that the Group's financial risk taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk:

- Interest rate risk
- Currency risk
- Commodity price risk
- Equity price risk

Financial instruments affected by market risk include loans and borrowings, deposits, equity instruments at FVTOCI and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Sensitivity

	Group Effect on Profit before Tax		Company Effect on Profit before Tax	
	2025/26	2024/25	2025/26	2024/25
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Increase in base point + 100	**(12,243)**	(11,952)	**(207)**	(216)
Decrease in base point - 100	**12,243**	11,952	**207**	216

Interest rate risk is the risk that the Company is exposed due to change in absolute level of market interest rates. Country's yield curve reflecting public borrowings in the domestic market, monetary policy & the policy rates, market liquidity, reforms in fiscal policies, imposition of possible credit ceilings on lending, average deposit rates, cost of utilizing funds etc are considered to be main determining factors on the quoted interest rates for short term & long term lending facilities. These external factors stresses on the market lending rates inserting pressure on the finance cost of the Group, in turn having a down beating affect on the profit attributable to shareholders.

Following measures and actions will be taken in order to manage interest rate risk of the Group.

- Based on the studies & research on interest rate risk, the treasury division advises and takes appropriate measures to capitalize on the interest rate movements to be beneficial to the Group profitability. i.e. the facilities will be fixed for longer tenors when the market lending rates are in lower bound and take short term positioning when the market lending rates are in the higher bound.
- Structuring the loan portfolio to combine foreign currency and local currency denominated borrowings to the mix of export and local turnover of the Group.
- Using fixed and variable rate borrowings to strike a balance.
- Centralized Treasury that coordinates Group funding requirements thus ensuring more effective borrowing terms.
- Practicing effective hedging techniques as and when required.
- Centralized Treasury function to get the advantage of the total pooling of funds.

Foreign Currency Risk

The Group is exposed to currency risk on sales, purchases and borrowings of the Group, primarily in US Dollars (USD), and also in EURO currency, Singapore Dollars (SGD) and Pound Sterling (GBP) especially with regard to trade related transactions.

The Group hedges its exposure to fluctuations on the translation of its foreign operations by holding net borrowings in foreign currencies and by using forwards contracts & options when it is deemed necessary.

Foreign Currency Sensitivity

It is anticipated rupee to marginally appreciate, then depreciate by 2% to 5% per annum on average. The imported materials are mainly billed in USD, EURO, SGD, GBP and other main currencies. Group treasury division continuously traces the exchange rate movement of the above currencies.

Following measures and actions will be taken in order to manage exchange rate risk of the Group.

- Export proceeds exceeding the import payments and foreign currency debt payments act as a natural hedge.

Commodity Price Risk

The Group is affected by the volatility of certain commodities. The volatility in prices of rubber etc in the auctions would trigger greater uncertainty in the contribution towards Group turnover. Due to the significantly increased volatility of the price of the underlying, the Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading towards negative effect towards Group profitability. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Group has continuously monitored the receivables through segregating the duty of controlling the receivables through SBU credit controllers. It is the responsibility of the person to continuously monitor the receivables and the receipts & recoveries are done promptly according to the credit period. Furthermore, age analysis is carried out along with monthly provisioning to smooth out the irrecoverable debtor balances across the period.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always maintain sufficient leeway's in the short term facilities and structuring new credit lines for short and long term tenors to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The maturity analysis of the Group's Financial Liabilities are given below.

		On demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 years	Total
As at 31st March 2026	**Note**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Interest bearing Loans and Borrowings	8/17.1	1,705,207	942,519	-	-	-	2,647,726
Trade and Other Payables	8.2/20	20,552	1,830,145	-	-	-	1,850,697
Amounts due to Related Parties	8.3/22	1,160,625	-	-	-	-	1,160,625
Liabilities for Lease Payment	7.1	-	4,464	13,390	75,906	83,896	177,656
	-	2,886,384	2,277,128	13,390	75,906	83,896	5,836,704

		On demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 years	Total
As at 31st March 2025	**Note**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Interest bearing Loans and Borrowings	8/17.1	1,672,855	1,054,280	-	-	-	2,727,135
Trade and Other Payables	8.2/20	20,599	1,797,375	-	-	-	1,817,974
Amounts due to Related Parties	8.3/22	922,231	-	-	-	-	922,231
Liabilities for Lease Payment	7.1	-	6,364	19,093	69,606	77,192	172,255
		2,615,685	2,858,019	19,093	69,606	77,192	5,639,595

The following table shows the credit quality of the financial instruments by class of financial assets.

	Neither past due not impaired	Past due but not impaired	Individually impaired	Total
As at 31st March 2026	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Assets				
Trade & Other Receivables	1,110,962	1,002,913	178,845	2,292, 720
Short Term Investment	386,477	-	-	386,477
Amounts due from Related Parties	91,449	-	-	91,449
Cash and Bank Balances	1,214,557	-	-	1,214,557
	2,803,445	1,002,913	178,845	3,985,203

Aging analysis of past due (i.e facilities in arrears of 31 days and above) but not impaired balances, by class of Financial Assets.

Past due but not impaired

	31 to 60 days	61 to 90 days	More than 90 days	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade & Other Receivables	47,597	15,166	940,150	1,002,913

Individually impaired

The Company policy is to make provision for impairment based on specific provision.

Statement of Value Added

	2025/2026	2024/2025
	Rs.000	Rs.000
Group		
Value Added :		
Gross Turnover	6,057,234	7,285,424
Less: Inter-Group Sales	(35,919)	(34,224)
	6,021,315	7,251,200
Cost of Material and Service Purchased	(5,035,168)	(6,523,794)
	986,147	727,406
Other Income	71,443	32,003
Finance Income	94,607	71,416
Share of Profit /(Loss) of Associate	(30,751)	(19,226)
Total Value Added	**1,121,446**	**811,599**
Distribution of Value Added :		
To Employees as remuneration and welfare	773,329	708,592
To the Government - as taxes	(4,631)	94,879
- as expenses	73,126	99,749
To Shareholders as Dividend	100,474	133,965
To Lenders of Capital - As Interest on Borrowing	163,053	68,519
- To Non-Controlling Interest	(36,588)	(248,423)
Retained within the Business - As Depreciation and Impairment	127,189	132,920
- As Deferred Tax	(21,257)	(119,426)
- As Foreign Currency Translation	(21,219)	5,206
- As Profits Retained	(32,030)	(64,382)
	1,121,446	**811,599**
Company		
Value Added :		
Turnover	1,404,112	2,158,649
Cost of Material and Service Purchased	(1,147,023)	(1,683,911)
	257,089	474,738
Other Income	2,211	1,928
Finance Income	64,542	70,234
Total Value Added	**323,842**	**546,900**
Distribution of Value Added :		
To Employees as remuneration and welfare	184,919	133,523
To the Government - as taxes	(5,713)	91,818
- as expenses	5,026	4,755
To Shareholders as Dividend	100,474	133,965
To Lenders of Capital - As Interest on Borrowing	2,363	2,446
- To Minority Interest	-	-
Retained within the Business - As Depreciation and Impairment	22,757	13,221
- As Deferred Tax	11,534	22,816
- As Profits Retained	2,482	144,356
	323,842	**546,900**

Corporate Structure

SUBSIDIARY COMPANIES

RICHARD PIERIS NATURAL FOAMS LIMITED

Business Activity	- Manufacture and export of foam rubber products
Chairman	- Dr. Sena Yaddehige
Director	- Mr. Shaminda Yaddehige
Director	- Mr. Wasantha Abeysirigunawardena
Director	- Mr. W.J. Viville Perera
Stated Capital	- Rs. 640,822,600 represented by 64,082,260 shares
Group Holding	- 43%

MICRO MINERALS (PVT) LIMITED

Business Activity	- Manufacture of rubber fillers
Chairman	- Dr. Sena Yaddehige
Director	- Mr. Wasantha Abeysirigunawardena
Director	- Mr. G.B.M. Amarakoon
Stated Capital	- Rs. 9,126,000 represented by 912,600 shares
Group Holding	- 68.75%

ARPICO NATURAL LATEX FOAMS (PRIVATE) LIMITED
(Discontinued Business)

Business Activity	- Manufacture and export of foam rubber products
Chairman	- Dr. Sena Yaddehige
Director	- Mr. Shaminda Yaddehige
Director	- Mr. Wasantha Abeysirigunawardena
Director	- Mr. Lalith Wijeyesinghe
Stated Capital	- Rs. 90,000,000 represented by 9,000,000 shares
Group Holding	- 68%

ASSOCIATE COMPANY

ARPITALIAN COMPACT SOLES (PRIVATE) LIMITED

Business Activity	- Manufacture and export of resin rubber shoe soling sheets
Chairman	- Dr. Sena Yaddehige
Director	- Mr. Fabio Piccolo
Director	- Mr. Wasantha Abeysirigunawardena
Director	- Mr. Rohan Yaddehige
Director	- Mr. Lalith Wijeyesinghe
Stated Capital	- Rs. 542,371,660 represented by 60,471,501 ordinary shares and 6,404,500 preferential shares.
Group Holding	- 48.93%

Group Real Estate Portfolio

Freehold Land and Building

Richard Pieris Exports PLC

Location	Land Perches	Building in Sq.Ft	No of Buildings	Market Value in Rs. mn
Ja- Ela	640	73,190	5	481

Micro Minerals (Pvt) Ltd

Location	Land Perches	Building in Sq.Ft	No of Buildings	Market Value in Rs. mn
Bandaragama	320	16,800	1	91

Leasehold Land and Building

Richard Pieris Natural Foams Ltd

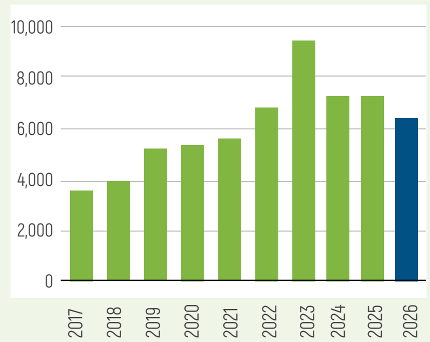
Location	Land Perches	Building in Sq.Ft	No of Buildings	Market Value in Rs. mn
Biyagama	1,501.60	126,500	5	317
Mattegoda	528.50	87,061	3	543

Arpitalian Compact Soles (Pvt) Ltd

Location	Land Perches	Building in Sq.Ft	No of Buildings	Market Value in Rs. mn
Biyagama	246	30,003	1	17

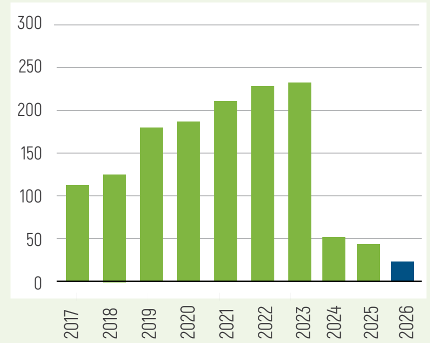
Ten Year Summary

Turnover
Rs. Mn

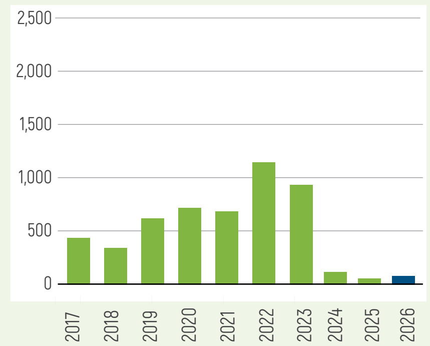


Profit before Taxation
Rs. Mn

Taxation
Rs. Mn



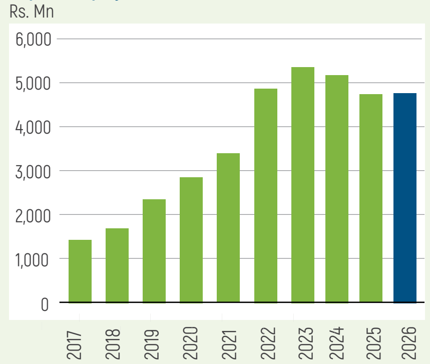
Profit attributable to shareholders
Rs. Mn



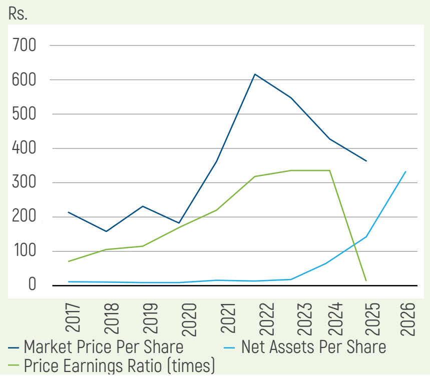
	2025/2026	2024/2025	2023/2024	2022/2023
	Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**
Statement of Profit & Loss				
Turnover	**6,021,315**	7,251,200	7,120,443	9,040,796
Profit before taxation	**(24,462)**	(251,223)	84,631	1,287,317
Taxation	**28,724**	40,671	(50,495)	(240,260)
Profit after taxation (Rs Mn)	**4,262**	(210,552)	34,136	1,047,057
Minority Interest	**(36,255)**	(246,246)	(29,991)	68,081
Profit attributable to shareholders	**40,379**	35,619	64,050	978,907
Statement of Financial Position				
Capital and Reserves				
Stated Capital	**220,262**	220,262	220,262	220,262
Revenue Reserve	**3,093,350**	3,146,599	3,205,775	3,298,080
Shareholders' Funds	**3,594,737**	3,626,767	3,691,149	3,816,486
Minority Interest	**1,154,455**	1,191,043	1,439,466	1,474,085
Capital Employed	**4,749,192**	4,817,810	5,130,615	5,290,571
Assets Employed				
Assets of Discontinued operations	**-**	-	-	-
Current Assets	**6,138,975**	6,175,666	5,763,375	4,894,009
Liabilities of Discontinued operations	**(226,868)**	(227,089)	(227,013)	(227,013)
Current Liabilities	**(5,467,245)**	(5,265,708)	(4,099,222)	(2,413,006)
Working Capital	**444,862**	682,869	1,437,140	2,253,992
Leasehold Land Prepayments	**-**	-	-	-
Investment Property - Leasehold	**542,460**	461,000	434,000	406,884
Property, Plant & Equipment	**3,437,497**	3,325,417	3,028,459	2,465,756
Long Term Loans	**-**	-	-	50,000
Retirement Benefit Obligation	**106,857**	100,945	138,266	107,657
Investments	**305,335**	312,846	336,045	386,700
Total Assets less Liabilities	**4,749,192**	4,817,810	5,130,615	4,904,637
Financial Ratios				
Profitability				
Earning per Share (Rs.)	**3.62**	3.19	5.74	87.68
Net Profit/(Loss) before Minority				
Net Profit/(Loss) before Minority Int. to sales(%)	**0.07**	(2.90)	0.48	11.58
Dividends				
Dividend (Rs.)	**100,474**	133,965	133,965	390,731
Dividend per Share (Rs.)	**9.00**	12.00	12.00	35.00
Dividend payout (%)	**248.83**	376.11	209.16	39.92
Others				
Market Price Per Share (Rs.)	**360.50**	375.00	438.00	558
Price Earnings Ratio (times)	**99.58**	117.55	76.34	6.36
Net Assets Per Share (Rs.)	**322.00**	324.86	330.64	341.86
Annual Sales Growth (%)	**(17.00)**	2.00	(21.24)	38.30
Current Assets Ratio (times)	**1.08**	1.12	1.41	2.03
Fixed Asset Turnover Ratio (times)	**1.75**	2.18	2.35	3.66
Average Exchange Rate (per US$)	**305.23**	297.71	317.15	360.01
Turnover (US$ '000)	**19,727**	24,357	21,674	23,178

2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
6,536,932	5,362,310	5,211,556	5,182,356	4,271,727	3,818,441
1,895,470	1,252,980	1,229,146	1,165,105	846,347	838,707
(237,578)	(212,717)	(188,806)	(184,743)	(133,240)	(111,462)
1,657,892	1,040,263	1,040,340	980,362	713,107	727,245
358,899	(403,067)	(396,590)	(387,271)	(297,343)	(265,225)
1,298,993	637,196	643,750	593,034	415,710	461,983
220,262	220,262	220,262	220,262	220,262	220,262
2,899,207	1,919,611	1,578,391	1,246,265	837,386	637,557
3,374,807	2,273,281	1,921,351	1,568,255	1,169,253	928,584
1,529,830	1,175,550	1,029,857	804,210	650,977	583,546
4,904,637	3,448,831	2,951,208	2,372,465	1,820,230	1,512,130
-	-	50	108	108	162
5,147,906	3,193,717	2,967,091	2,661,770	2,310,451	1,783,860
(226,944)	(226,905)	(226,897)	(226,896)	(226,839)	(226,839)
(2,125,211)	(995,061)	(1,128,436)	(1,225,475)	(1,062,924)	(804,704)
2,795,751	1,971,751	1,611,808	1,209,507	1,020,796	752,479
-	-	-	11,544	11,817	12,090
352,600	322,520	323,602	287,323	0	
1,705,283	1,008,548	834,487	806,382	773,932	589,765
150,000	2,778	-	(43,875)	(90,814)	-
115,260	105,904	91,419	(203,537)	(231,905)	(92,705)
346,132	223,811	241,570	260,949	245,590	250,501
4,904,637	3,448,831	2,951,208	2,372,465	1,820,230	1,512,130
116.35	57.07	57.66	53.12	37.24	41.38
25.36	19.40	19.96	18.92	16.69	19.05
312,585	279,094	276,303	200,947	178,620	178,620
28.00	25.00	24.75	18.00	16.00	16.00
24.06	43.80	42.92	33.88	42.97	38.66
609	374	191	212	168	209
5.23	6.55	3.31	3.99	4.51	5.05
302.30	203.63	172.11	140.48	104.74	83.18
22.00	3.00	1.00	21.32	11.88	25
2.42	3.21	2.63	2.17	2.17	2.22
3.83	5.32	6.25	6.43	5.52	6.47
210.29	189.11	180.43	169.73	153.67	148.39
31,086	28,356	28,884	30,534	27,798	25,733

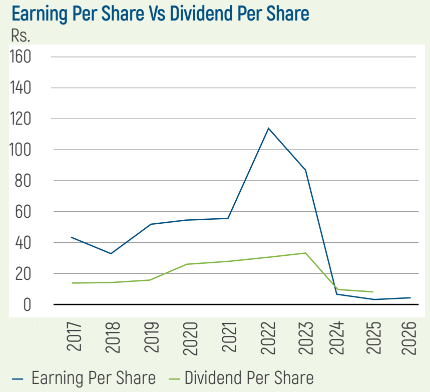
Capital Employed



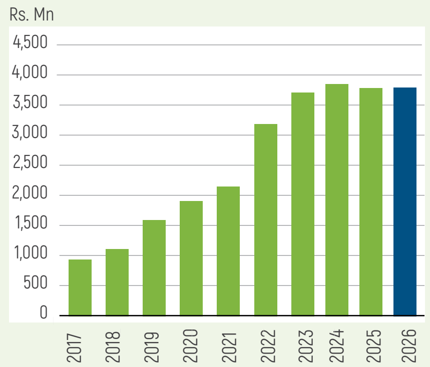
Market Price, Price Earning Ratio & Net Assets Per Share



Earning Per Share Vs Dividend Per Share



Shareholders' Funds



Shareholder Information

1 General

Stated Capital	Rs. 220,262,000
No of Shares Issued as at 31.03.2026	Nos 11,163,745

2 Stock Exchange Listing

The issued ordinary shares of Richard Pieris Exports PLC are listed on the Colombo Stock Exchange.

3 Share Trading Information

	2025/26	2024/25	Decreased by	%
No of transactions	**9,744**	6,678	3,066	46%
No of shares traded	**833,286**	456,001	377,285	83%
Share turnover (Rs.)	**338,732,628**	185,331,500	153,401,129	83%

4 Market Capitalization

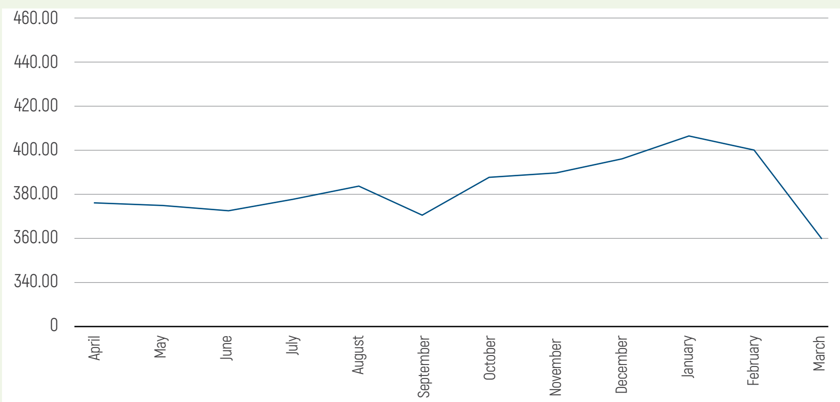
The Market capitalization of the Company which is the number of Ordinary Shares issued multiplied by the market value of a share was Rs. 4,024,530,072/- (11,163,745 x 360.50) at 31st March 2026 (As at 31st March 2025 :Rs 4,186 million).

The Float adjusted Market Capitalization of the Company as at 31st March 2026 is Rs 638,511,111 (As at 31st March 2025 - Rs. 664,193,250)

5 Market Value of Shares

	2025/26	Date	2024/25	Date
Highest Price (Rs.)	**520.00**	12.11.2025	463.00	10.05.2024
Lowest Price (Rs.)	**345.00**	26.03.2026	360.00	04.09.2024
Year end Price (Rs.)	**360.50**	31.03. 2026	375.00	28.03.2025

Share Price



Share Trading

Rs. 339 Million

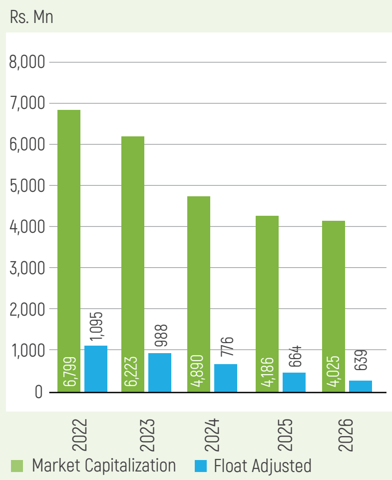
2024/25 : Rs. 185 Million

Market Capitalization

Rs. 04 Billion

2024/25 : Rs. 4.2 Billion

Market Capitalization Vs Float Adjusted MC



Price Earnings Ratio

99.67 Times

2024/25 : 117.5 Times

6 Ordinary Shareholders

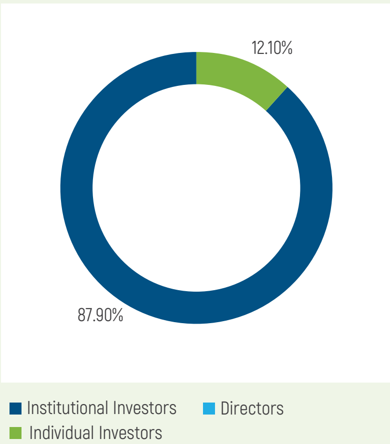
as at 31st March

Range of Shareholding			As at 31st March 2026			As at 31st March 2025		
			No of Shareholders	No of Shares	% of Shareholding	No of Shareholders	No of Shares	% of Shareholding
1	-	1,000	**2,499**	**342,889**	**3%**	2,457	337,471	3%
1,001	-	10,000	**227**	**601,718**	**5%**	205	575,885	5%
10,001	-	100,000	**31**	**699,575**	**6%**	28	730,826	7%
100,001	-	1,000,000	**1**	**127,000**	**1%**	1	127,000	1%
1,000,001 & above			**1**	**9,392,563**	**84%**	1	9,392,563	84%
Total			**2,759**	**11,163,745**	**100%**	2,692	11,163,745	100.00%

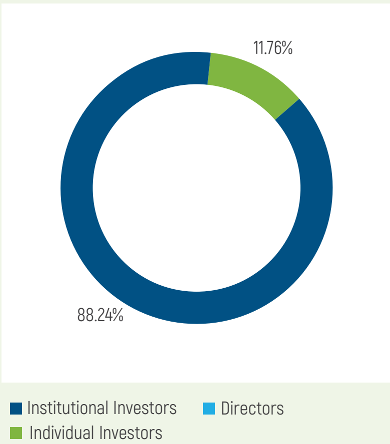
7 Composition of Shareholding

Range of Shareholding	As at 31st March 2026			As at 31st March 2025		
	No of Shareholders	No of Shares	% of Shareholding	No of Shareholders	No of Shares	% of Shareholding
Institutional Investors	**123**	**9,851,151**	**88.24%**	110	9,812,920	87.90%
Individual Investors	**2,636**	**1,312,594**	**11.76%**	2,582	1,350,825	12.10%
Directors			**0.00%**			0.00%
Total	**2,759**	**11,163,745**	**100.00%**	2,692	11,163,745	100.00%

Composition of Shareholding 2025



Composition of Shareholding 2026



Shareholder Information

8 Major Shareholders as at 31st March 2026

Range of Shareholding		As at 31st March 2026		As at 31st March 2025		Change
		No of Shares	Holding %	No of Shares	Holding %	
1	Richard Pieris & Company PLC	**9,392,563**	**84.13%**	9,392,563	84.13%	-
2	Mr. T.T.T. Al-Nakib	**127,000**	**1.14%**	127,000	1.14%	-
3	Mr. P. Vijendran	**62,500**	**0.56%**	62,500	0.56%	-
4	Kalday Private Limited	**53,399**	**0.48%**	53,399	0.48%	-
5	Ransiri Enterprises (Pvt) Ltd	**42,100**	**0.38%**	42,100	0.38%	-
6	Eagle Crest (Pvt) Ltd	**40,000**	**0.36%**	54,108	0.48%	(14,108)
7	Union Investments (Pvt) ltd	**39,600**	**0.35%**	39,600	0.35%	-
8	Ms. S. Sinthuja	**31,000**	**0.28%**	48,000	0.43%	(17,000)
9	Mr. S. Sivaharan	**31,000**	**0.28%**	48,000	0.43%	(17,000)
10	Corporate Holdings (Pvt) Ltd	**30,000**	**0.27%**	30,000	0.27%	-
11	Mr. Subramaniam	**29,000**	**0.26%**	33,160	0.30%	(4,160)
12	Mrs. V. Saraswathi	**25,100**	**0.22%**	50,000	0.45%	(24,900)
13	Mrs. M.Y. Amerasinghe	**21,998**	**0.20%**	21,998	0.20%	-
14	Sadaharitha	**21,200**	**0.19%**			21,200
15	Mr. H.A.R. Pieris	**20,000**	**0.18%**	20,000	0.18%	-
16	Mr. S. Malalasekera	**19,800**	**0.18%**	19,800	0.18%	-
17	Mr. S.D.M. Hemajith	**19,500**	**0.17%**	16,241	0.15%	3,259
18	U. L.B. Ariyaratna	**18,623**	**0.17%**			18,623
19	MR. K.A.R.R. Pemesiri	**17,134**	**0.15%**	15,976	0.14%	1,158
20	Mr. Ravindra Erle	**16,500**	**0.15%**	23,900	0.21%	(7,400)
	Total	**10,058,017**	**90.10%**	10,098,345	90.46%	(40,328)

9 Public & Parent Shareholding

The percentage of shares held by the public as at 31st March 2026 was 15.87% represented by 2,758 public shareholders. (Public shareholding as at 31st March 2025 was 15.87% represented by 2,691 public shareholders). The shareholding of the Parent Company, Richard Pieris & Company PLC, was 84.13%. (2025 - 84.13%)

The Ordinary Voting Shares of Richard Pieris Exports PLC have been transferred from Main Board to Diri Savi Board of the CSE, with effect from 07th July 2017.

10 Director's Shareholding

	No of Shares as at 31st March	No of Shares as at 31st March
	2026	2025
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. W.J. Viville P. Perera	-	-
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Dr. L.M.K. Tillekeratne	-	-
Mr. Lalith C. Wijeyesinghe	-	-
Dr. Lawrence Perera	-	-
Mr. Vijitha S.B. Liyanage	-	-
Dr. S. Siriwardene	-	-

Net Asset Per Share (Company)

Rs. 276.57

2024/25 : Rs. 276.35

Net Asset Per Share (Group)

Rs. 322.00

2024/25 : Rs. 324.87

Dividend Yield

2.5 %

2024/25 : 3.20%

Glossary of Financial Terms

A

Associate Company
A Company other than a subsidiary in which a holding Company has a participating interest and exercises significant influence over its operating and financial policies.

Annual Sales Growth
Percentage change over previous year's gross turnover.

Average Capital Employed
Mean of two consecutive year's capital employed.

C

Capital Employed
Shareholders' funds plus minority interest plus long term interest bearing loans & borrowings.

Capital Reserves
Reserves identified for specific purposes and considered not available for distribution.

Current Ratio
Current assets divided by current liabilities. A measure of short term liquidity.

Corporate Governance
A system by which Companies are directed and controlled by the management in the best interest of the stakeholders ensuring greater transparency through better and timely financial reporting.

D

Deferred Taxation
Sum set aside for tax in the Financial Statement that will become payable in a financial year other than the current financial year.

Debt to Equity Ratio
Total interest bearing borrowings as a percentage of net assets.

Dividend Cover
Profit attributable to ordinary shareholders over gross dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Payout:
Dividends paid or declared during the period as a proportion of company earnings for the period.

Dividend per Share
Gross Dividend divided by the number of ordinary shares in issue at the year end.

Dividend Rate
Gross Dividend declared as a percentage of issued Share Capital.

Dividend Yield
Gross Dividend per share as a percentage of the year end market price per share. A measure of return on shareholders' investment.

E

Earnings per Share (EPS)
Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

Earnings Yield
Earnings per share as a percentage of the year end market price per share. A measure of return on shareholders' investment.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

Effective Tax Rate
Income tax expenses divided by profit before tax.

G

Gearing Ratio
Proportion of net interest bearing liabilities to total capital employed net of cash and cash equivalents.

Gross Dividend
Portion of profits inclusive of tax withheld, distributed to shareholders during the year.

I

Interest Cover
Profit before finance cost and tax (PBIT) over net finance cost. Measure of entity's debt service ability.

M

Market Capitalization
Number of shares in issue multiplied by the market value per share at the reported date.

N

Net Assets
Total assets after deducting current liabilities, long term liabilities and non-controlling interest.

Net Asset per share
Total shareholders' fund divided by total number of ordinary shares outstanding for the period. A basis of relative share valuation.

Non-Controlling Interest
An outside ownership interest in a subsidiary that is consolidated with the parent for financial reporting purposes.

P

PBIT
Profit before interest & tax inclusive of other operating income.

Price Earnings Ratio
Market price of a share divided by earning per share as reported at that date. A key multiple for relative share valuation.

Public Shareholding
Shares of a listed entity held by any person other than those directly or indirectly held by;

a. Its parent, subsidiary or associate companies or any subsidiaries or associates of its parent company; and

b. Its Directors who are holding office as Directors of the entity, their spouses and children under 18 years of age; and

c. Chief Executive Officer, his/her spouse and children under 18 years of age; and

d. Any single shareholder who holds 10% or more of the shares.

R

Return on Total Capital Employed

Profit before finance cost & tax divided by average total capital employed for the period.

Revenue Reserves

Reserves considered as being available for distribution and investments.

Related Parties

Parties who could control or significantly influence the financial and operating policies of the business.

Return on Equity

Profit after tax expressed as a percentage of average ordinary shareholders' fund for the period.

S

Segment

Constituent business units grouped in terms of the nature and similarity of operations.

Shareholders' Funds

Stated capital plus revenue reserves.

Stated Capital

The total of all amounts received by the entity or due and payable to the entity by shareholders in respect of the issue of shares and calls on shares.

Subsidiary Company

A Company is a subsidiary of another Company if the parent Company holds more than 50% of the voting rights or controls the composition of its Board of Directors.

T

Total Capital Employed

Total equity plus net interest bearing borrowings.

V

Value Addition

The quantum of wealth generated by the activities of the Group measured as the differences between net revenue (including other income) and the cost of materials and services bought in.

W

Working Capital Investment

Capital required for financing the day-to-day operations computed as the excess of current assets over current liabilities.

Notes

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Forty-Third Annual General Meeting of Richard Pieris Exports PLC will be held at the Auditorium of the Registered Office, 310, High Level Road, Nawinna, Maharagama on Friday, 25th September, 2026 at 2.30 p.m. and the business to be brought before the meeting will be as follows;

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 31st March 2026 with the Report of the Auditors thereon.
2. To approve the appointment of Dr. Sena Yaddehige as a Director
   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Richard Pieris & Company PLC of No.310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.
   "That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 80 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige"
3. To approve the appointment of Dr. L M K Tillekeratne as a Director
   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Richard Pieris& Company PLC of No.310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.
   "That Dr. L M K Tillekeratne of 8/7, Green Path, Kohuwela who is 79 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said "Dr. L M K Tillekeratne "
4. To approve the appointment of Mr. Viville P Perera as a Director
   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Richard Pieris & Company PLC of No.310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.
   "That Mr. Viville P Perera of 33, C 1, King's Gate, Keells Housing Scheme, Buthgamuwa Road, Kalapaluwawa, Rajagiriya who is 78 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said "Mr. Viville P Perera"
5. To approve the appointment of Dr. Lawrence Perera as a Director
   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Richard Pieris & Company PLC of No.310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.
   "That Dr. Lawrence Perera of 11/1, Cambridge Place, Colombo 07 who is 71 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said "Dr. Lawrence Perera".
6. To approve the appointment of Dr. Lawrence Perera as an Independent Director
   Whereas, the Nominations and Governance Committee of the Company has recommended the re-appointment of Dr. Lawrence Perera as an Independent Director, taking into account his distinguished experience of over 45 years in the Automobile and Transportation industry both in Sri Lanka and overseas.
   Dr. Perera has played a pioneering role in the evolution of several prominent brands, was instrumental in establishing luxury car franchises in Colombo, and successfully introduced leading foreign automobile brands to the Sri Lankan market, elevating them to leadership positions. He has also been recognized for his outstanding contributions, including awards for Best Innovation in the Micro Brand and Best Innovation in the Transport Business.
   The Committee was of the view that the Company would continue to benefit significantly from Dr. Perera's vast expertise, industry insights, and strategic vision. Accordingly, the Committee recommended that Dr. Perera continues as an Independent Director of the Company.
   The Board of Directors, having considered the recommendation of the Nominations and Governance Committee, has approved the re-appointment of Dr. Lawrence Perera as an Independent Director of the Company.
   "That the recommendation of the Nominations and Governance Committee along with the justification and rationale given and the confirmation of the Board of Directors of the Company to appoint Dr. Lawrence Perera as an Independent Director to the Board of Directors of the Company be and is hereby approved"

7. To re-elect Mr. Shaminda Yaddehige, who retires by rotation in terms of Article 48 as a Director
8. To re-elect Mr. Lalith Wijeyesinghe, who retires by rotation in terms of Article 48 as a Director
9. To re-elect Mr. Vijitha Liyanage, who retires by rotation in terms of Article 48 as a Director
10. To re-appoint M/s. Kreston MNS & Co. Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.
11. To authorize the Directors to determine contributions to charities
12. To consider any other business of which due notice has been given.

By Order of the Board
(Sgd.)
Richard Pieris Group Services (Private) Limited
Secretaries
No. 310, High Level Road, Nawinna, Maharagama.
25th August 2026

Note:

a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.
b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report
c) The completed form of proxy should be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

I/We* (in block letters) ....of .... being a member/ members of the RICHARD PIERIS EXPORTS PLC, hereby appoint ....of

....

whom failing DR. SENA YADDEHIGE whom failing SHAMINDA YADDEHIGE whom failing WARNAKULAPATABENDIGE JOSEPH VIVILLE PRAXIDUS PERERA whom failing DR. LIYANAARACHCHIGE MAHASEN KEERTHI TILLEKERATNE whom failing LALITH CHANDRASIRI WIJEYESINGHE whom failing DR. LAWRENCE NICHOLAS JAYALATH PERERA whom failing VIJITHA SENERATH BANDARA LIYANAGE whom failing Dr. SUSANTHA SIRIWARDENA whom failing WASANTHA RUKMAL ABEYSIRIGUNAWARDENA * as my/our proxy to represent me/us and to vote on my/our behalf at the 43RD ANNUAL GENERAL MEETING of the Company to be held on 25th September 2026 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

		In favour	Against
1.	To receive and consider the Report of the Directors and the Financial Statements for the year ended 31st March 2026 with the Report of the Auditors thereon.		
2	To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sena Yaddehige at this Annual General Meeting, a Director		
3	To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. L M K Tillekeratne at this Annual General Meeting, a Director		
4	To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Mr. Viville P Perera at this Annual General Meeting, a Director		
5	To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Lawrence Perera at this Annual General Meeting, a Director		
6	To approve the recommendation of the Nominations and Governance Committee along with the justification and rationale and confirmation by the Board of Directors, the appointment of Dr. Lawrence Perera at this Annual General Meeting, an Independent Director		
7	To re-elect Mr. Shaminda Yaddehige, who retires by rotation in terms of Article 48 at the Annual General Meeting, a Director		
8	To re-elect Mr. Lalith Wijeyesinghe, who retires by rotation in terms of Article 48 at the Annual General Meeting, a Director		
9	To re-elect Mr. Vijitha Liyanage, who retires by rotation in terms of Article 48 at the Annual General Meeting, a Director		
10	To re-appoint M/s Kreston M N S & Company, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration		
11	To authorise the Directors to determine contributions to charities		
12	To consider any other business of which due notice has been given		

Signed this .... day of .... 2026.......

....

Signature of shareholder

Notes:

(i) Please delete the inappropriate words

(ii) A proxy need not be a member of the Company.

(iii) Instructions as to completion appear on the reverse of this form.

IINSTRUCTIONS AS TO COMPLETION OF PROXY FORM

The instrument appointing a proxy shall in the case of an individual be signed by the appointor or by his/her attorney.

In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

In the case of a proxy signed by an Attorney, the Power of Attorney must be deposited at the Registered Office for registration, if such Power of Attorney has not already been registered with the Company.

The full name and address of the proxy and of the shareholder appointing the proxy should be entered legibly in the Form of Proxy.

Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.

To be valid this Form of Proxy must be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not later than 2.30 p. m. on Wednesday, 23rd September 2026

Corporate Information

Name of the Company
Richard Pieris Exports PLC

Legal Form
A quoted limited liability Public Company, incorporated in Sri Lanka under the Companies Act No. 17 of 1982 on 30th June, 1983.

Principal line of Business
Manufacture and Export of rubber based products and manufacture of fillers for the rubber industry.

Stock Exchange Listing
The Ordinary shares of the Company were listed in the Colombo Stock Exchange of Sri Lanka.

Board of Directors
Dr. Sena Yaddehige - Chairman
Mr. Shaminda Yaddehige
Mr. Viville Perera
Mr. Wasantha Abeysirigunawardena
Mr. Lalith Chandrasiri Wijeyesinghe
Dr. L.M.K. Tillekeratne
Dr. Lawrence Perera
Mr. V.S.B. Liyanage
Dr. Susantha Siriwardena

Registered Office
No. 310, High Level Road,
Nawinna, Maharagama,
Sri Lanka.
Telephone. +94 114 310500
E-mail: rpe@arpico.com
Web: www.arpicorubber.com

Registration Number
Re-registration Number of Company
PQ 147

Stated Capital
Rs. 220,262,000. Represented by 11,163,745 shares

Parent Company
Richard Pieris and Company PLC
(84.13%)

Secretaries
Richard Pieris Group Services (Private) Limited
No. 310,
High Level Road, Nawinna,
Maharagama,
Sri Lanka.
Telephone. +94 114 310500

Auditors
Kreston MNS & Co.
(Chartered Accountants)
1st & 2nd Floors,
Advantage Building,
74 A,Dharmapala Mawatha,
Colombo 07

Bankers
Hongkong & Shanghai Banking Corporation
Hatton National Bank PLC
DFCC Bank PLC
Sampath Bank PLC
NDB Bank PLC
Bank of Ceylon
Commercial bank of Ceylon PLC
Pan Asia Banking Corporation PLC