UNRIVALED STATURE

CENTRAL INDUSTRIES PLC | ANNUAL REPORT 2025/26

UNRIVALED STATURE

Stature is not inherited, it is built through strength, resilience, and the discipline to renew and rise stronger with each cycle. In 2025/26, Central Industries PLC demonstrated this with confidence, reinforcing its position as a market leader through sustained growth, strategic expansion, and continuous innovation.

Like a stag that regrows its antlers stronger each season, the Company has consistently invested in strengthening its capabilities, refining its products, and advancing its market presence. This year, that commitment translated into accelerated performance, outperforming market growth and significantly expanding its share, a clear mark of dominance in a competitive landscape.

National PVC continued to stand tall as a key driver of progress, while the enduring leadership of the signature National HDPE blue pipes reinforced trust across industries and communities. New product developments progressing toward Standards Certification signal a future shaped by quality, precision, and forward thinking innovation.

In periods of intense competition, strength is defined by focus and control. Supported by operational resilience, a robust Business Continuity Plan, and a growing workforce, Central Industries has sustained momentum without compromise.

Today, its stature is not only defined by scale, but by its ability to lead, adapt, and endure. Central Industries stands unrivaled, shaping the industry with strength, purpose, and lasting impact.

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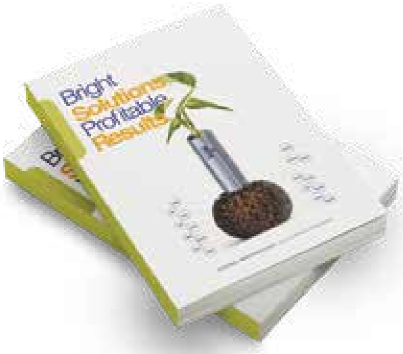
ABOUT THIS REPORT

This integrated annual report of Central Industries PLC has been prepared in compliance with all applicable regulatory reporting requirements in Sri Lanka, while also aligning with the voluntary sustainability reporting standards outlined under 'Reporting Standards and Principles'. Beyond meeting compliance obligations, the report aims to provide stakeholders with comprehensive and relevant information to support informed assessments of the Company's operations and performance during the financial year 2025/26. A soft copy of the report is accessible to all interested stakeholders via the QR code provided.

CENTRAL INDUSTRIES PLC'S INTEGRATED REPORTING JOURNEY

2024/25

Bronze Award in the Manufacturing Sector (Group Turnover up to Rs. 10 Bn category) at the TAGS Awards 2025, organised by the Institute of Chartered Accountants of Sri Lanka



2023/24

Certificate of Compliance in the Manufacturing Sector (Group Turnover up to Rs. 20 Bn category) at the TAGS Awards 2024, organised by the Institute of Chartered Accountants of Sri Lanka

2022/23

The first Integrated Annual Report of Central Industries PLC, marking a significant milestone in the Company's journey towards enhanced accountability, integrated thinking and stakeholder-focused reporting.

Scan for Digital View

The Annual Report is available on our official website, *www.nationalpvc.com*

ABOUT THIS REPORT

STAKEHOLDERS

- Employees
- Customers
- Suppliers
- Shareholders
- Community/Society
- Regulators

MATERIAL MATTERS

- Sustainability Revenue Growth
- Customer Health & Safety
- Employee Retention and Employee Motivation
- Improve Relationship with Business Partners
- Climate Change
- Process Efficiency

CAPITALS

- Financial Capital
- Human Capital
- Intellectual Capital
- Social and Relationship Capital
- Manufactured Capital
- Natural Capital

REPORTING STANDARDS AND PRINCIPLES

This report has been prepared in accordance with:

1. Integrated Reporting
    - *The Integrated Reporting Framework in 2001*
2. Financial Reporting
    - *Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka*
3. Sustainability Reporting
    - *The GRI Standards 2022*
    - *The SLFRS S1 Sustainability Disclosure Standard*
    - *The SLFRS S2 Climate related disclosures*
    - *Guidelines for Sustainability Presentation of Annual Reports" issued by the Institute of Chartered Accountants of Sri Lanka*
4. Governance, Compliance and Risk Reporting
    - *The Companies Act No. 7 of 2007 and subsequent amendments*
    - *Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987*
    - *Code of Best Practice issued by the Institute of Chartered Accountants of Sri Lanka*
    - *Listing Rules of the Colombo Stock Exchange*

ASSURANCE ON FINANCIAL REPORTING

CIPLC has an Internal Audit Division as well as the Board Audit Committee to continually maintain oversight of the integrity of financial reporting processes and internal controls. Board responsibility statements acknowledge that reasonable care has been exercised in the preparation and presentation of this Integrated Report and Financial Statements while preserving its integrity. KPMG Chartered Accountants provided external assurance for the financial statements and other statutory financial disclosures.

SCOPE AND BOUNDARY OF SUSTAINABILITY REPORTING

GRI 2-2 2-3 2-4 2-5

Entities included in the sustainability report	The sustainability reporting extends only to the activities of CIPLC.
Reporting period and frequency	The annual sustainability report covers the period 1st April 2025 to 31st March 2026
ii. Reporting period for financial reporting	Same as the sustainability reporting period
iii. Publication date of the report	04.06.2026
iv. Contact point for questions about the report	Mahesh Amaradasa Manager Finance Central Industries PLC No. 312, Nawala Road, Rajagiriya Tel: 0707314021 Email: mahesh@nationalpvc.com
Restatements of information made from previous reporting periods	There are no restatements from the previous reporting period of 1st April 2024 to 31st March 2025.
Policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved	CIPLC does not obtain a separate external assurance for sustainability reporting

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements regarding the Company's plans, strategy, financial position, and operations. These statements and expectations carry risks and uncertainties, given that they are dependent on circumstances that will take place in the future. As such, these factors may cause actual results or developments to deviate materially from CIPLC's forward-looking statements made at the time of release of our financial year 2025/26 results. CIPLC makes no representations or warranties, express or implied, that these forward-looking statements will be achieved. All forward-looking statements are presented without recourse or liability to the Board or other preparers of the Annual Report, given the considerable uncertainty associated with them.

BOARD RESPONSIBILITY STATEMENT

The Board of Directors of Central Industries PLC acknowledges its responsibility for ensuring the integrity of this integrated report. The Board confirms that it has collectively reviewed the contents of the report, in conjunction with the assurance reports provided by the Board Audit Committee. The Board is satisfied that the report provides a fair and accurate representation of the Company's financial and non-financial performance for the year ended 31st March 2026. The report was unanimously approved by the Board on 4th June 2026 and is signed on its behalf by

C. S. Hettiarachchi
Chairman

4th June 2026

SNAPSHOT OF CENTRAL INDUSTRIES PLC

VISION

To be the preferred choice of the discerning customer for products and services in the construction industry

MISSION

Manufacture and provide products and services of consistent quality and reliability for the construction industry

VALUES

CUSTOMERS:

We aim to build long-term relationships with our customers. We believe in providing consistently high-quality products and services.

CUSTOMER RETENTION:

We believe in providing a quality service that creates customer satisfaction and customer retention.

EMPLOYEES:

Our employees are motivated and trained to always work as one team across all functions to deliver the best possible experience to our stakeholders. The ability and commitment of our employees are central to the success of the Company. Therefore, we help them enhance their skills, recognise and reward accomplishments, treat them with fairness and consideration and guide every individual to take responsibility for his/her actions.

STAKEHOLDERS:

We set ambitious goals, yet we understand accountability to achieve these goals. We are committed to performing exceptionally well on behalf of our stakeholders.

SUPPLIERS:

Through cooperation, we achieve quality and efficiency and honour our obligations to our suppliers.

COMMUNITY:

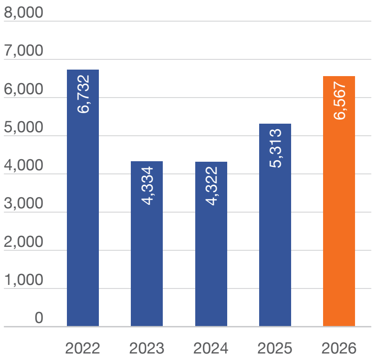
Compliance with the spirit of laws. Timely payment of Government taxes and dues. Eliminate the release of substances that may cause environmental damage.

FINANCIAL HIGHLIGHTS & KPIs

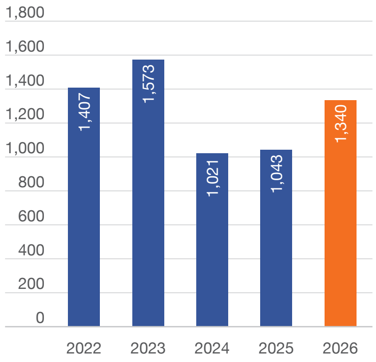
	Change %	2025/26	2024/25	2023/24	2022/2023	2021/2022
Revenue	24%	**6,566.81**	5,313.10	4,321.99	4,333.99	6,731.88
Gross Profit	28%	**1,339.81**	1,042.76	1,021.19	1,573.18	1,407.08
Operating Profit	30%	**845.63**	648.74	709.99	1,124.57	1,036.06
Profit Before Tax	22%	**935.81**	770.00	908.75	773.04	675.64
Profit After Tax	19%	**651.10**	547.87	649.93	643.18	502.09
Assets and Liabilities (Rs. Mn)						
Shareholders' Funds	12%	**4,893.38**	4,384.79	3,979.93	3,238.35	2,650.51
Financial Investment	-51%	**476.82**	977.85	1,072.31	38.99	422.04
Property, Plant and Equipment	-1%	**1,280.13**	1,290.24	1,306.13	1,093.58	1,025.03
Inventory	70%	**1,637.99**	965.09	957.67	1,294.86	1,564.19
Current Assets	20%	**4,291.82**	3,575.60	3,193.99	2,966.99	4,238.72
Current Liabilities	44%	**629.55**	437.88	488.23	612.41	2,417.51
Total Assets	14%	**5,769.81**	5,063.09	4,693.55	4,061.05	5,264.39
Weighted average number of ordinary shares		**24,195,193**	24,195,193	24,195,193	23,466,490	21,788,936
Investor information						
Earnings per share-Restated	19%	**26.91**	22.64	26.86	26.58	21.40
Market Price Per Share	40%	**205.00**	146.50	111.00	84.30	98.10
Net Assets Per Share (Year-end)	12%	**202.25**	181.23	164.49	133.84	112.95
Total dividend per share (Rs)	-	**6.00**	6.00	6.00	6.00	5.00
Cash dividend per share (Rs)	-	**6.00**	6.00	6.00	3.00	-
Dividend cover (times)	19%	**4.49**	3.77	4.48	4.57	4.61
Dividend payout ratio (%)	-16%	**22%**	26%	22%	23%	23%
Gross dividend (Rs. Mn)	-	**145.17**	145.17	145.17	140.80	108.94
Float Adjusted Market Capitalization (Rs. Mn)	45%	**2,468.10**	1,703.18	1,254.74	924.23	998.64
Other Ratios						
Gross Profit ratio (%)	4%	**20.40**	19.63	23.63	36.30	20.90
Current ratio (times)	-17%	**6.82**	8.17	6.54	4.84	1.75
Quick asset ratio (times)	-29%	**4.22**	5.96	4.58	2.73	1.11
Return on Equity (%)	12%	**14.04**	12.50	18.01	21.84	20.78
Return on Assets (Before Tax) (%)	14%	**17.28**	15.21	20.76	16.58	15.23

FINANCIAL HIGHLIGHTS & KPIS

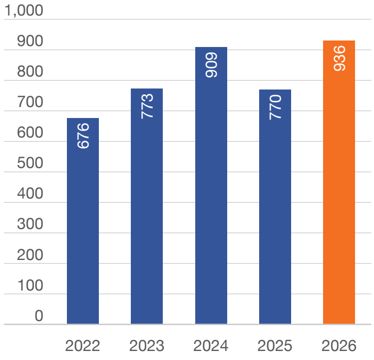
Revenue (Rs. Mn)



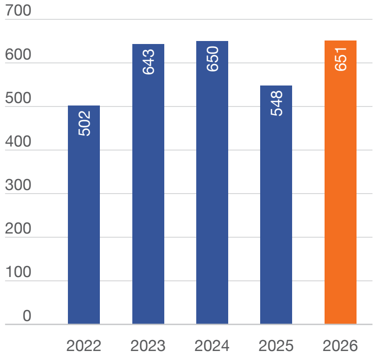
Gross Profit (Rs. Mn)



Profit Before Tax (Rs. Mn)



Profit After Tax (Rs. Mn)



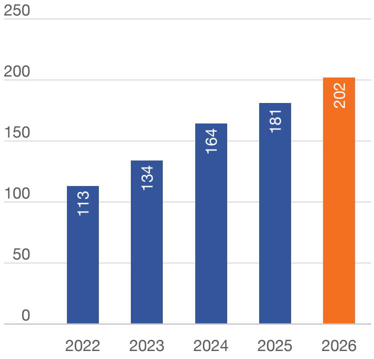
AIM

Deliver sustainable improvements in the Company profitability.

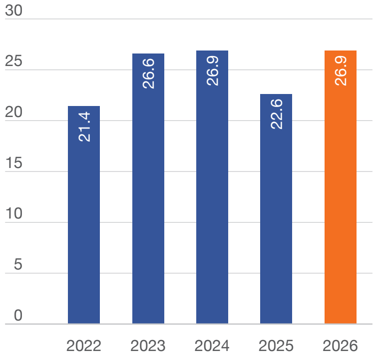
PROGRESS IN 2025/26

During 2025/26, the Company demonstrated a recovery in profitability, with profit after tax increasing to Rs. 651 Mn compared to Rs. 548 Mn in 2025. This improvement reflects a renewed focus on operational efficiency, cost optimisation, and strengthening core revenue streams. While profitability had declined in the previous year, the latest results indicate that corrective measures and strategic initiatives are beginning to deliver tangible outcomes.

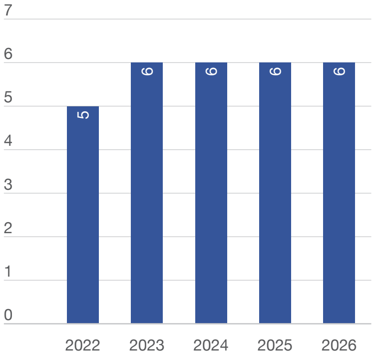
Net Assets Per Share (Rs.)



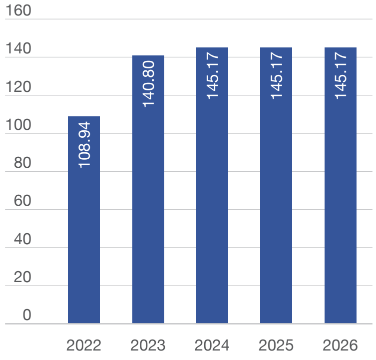
Earnings per share (Rs.)



Dividend per Share (Rs.)



Gross dividend (Rs. Mn)



AIM

Deliver a positive return on shareholders' investment through share price appreciation and dividends paid.

PROGRESS IN 2025/26

The net asset value per share recorded a growth of 12% compared to the previous year. Furthermore, the appreciation in share price of Rs. 58.50 per share, together with a dividend distribution of Rs. 6.00 per share, resulted in a total shareholder return of Rs. 64.50 per share during the period.

NON FINANCIAL HIGHLIGHTS

INTELLECTUAL CAPITAL

42 YEARS
National PVC

20 YEARS
Krypton Electrical

3.85
Investment in Computer Equipment (Rs. Mn)

MANUFACTURED CAPITAL

1,280.13
PPE (Rs. Mn)

89.52
Capital Expenditure (Rs. Mn)

53.34
Investment in Machinery (Rs. Mn)

HUMAN CAPITAL

382
Employees

4141
Training Hours

314 | 68
Gender Balance

3.02
Training Investment (Rs. Mn)

81%
Retention Ratio

29
Promotions

114
New Recruitment

SOCIAL & RELATIONSHIP CAPITAL

5
New Distributor Engagement

99%
Customer Satisfaction

67
Registered Suppliers

36
Electrician and Plumber Programmes

15
CSR Programmes

NATURAL CAPITAL

5,747,286
Energy Consumption (kJ)

2,504
Water Consumption Reduction (M3)

112 MT
Solid Waste Generation

2.29
Solar Power Project Investment (Rs. Mn)

AWARDS AND ACCOLADES

AWARDS AND ACCOLADES 2025/26

Central Industries PLC continues to strengthen its position as a leading force in Sri Lanka's manufacturing and PVC industry through a strong commitment to innovation, operational excellence, customer satisfaction, and sustainable business practices. Throughout the year, the Company was honoured with several prestigious awards that recognise not only its business performance but also its continuous efforts in innovation, market expansion, governance, and industry leadership.

NATIONAL BUSINESS EXCELLENCE AWARDS 2025

At the National Business Excellence Awards 2025, Central Industries PLC received multiple accolades in recognition of its outstanding business performance and market leadership:

☑ Gold Award – Construction Sector

☑ Joint Runner-Up Award – Excellence in Local Market Reach (All Sectors)

☑ Merit Award – Large Category

TAGS AWARDS 2025

The TAGS Awards 2025, which recognise excellence in Transparency, Accountability, Governance, and Sustainability, honoured Central Industries PLC with the Bronze Award in the Manufacturing Companies (Group Turnover up to Rs. 10 Bn) category, Organised by The Institute of Chartered Accountants of Sri Lanka.

INDUSTRY RECOGNITION

Further reinforcing its leadership within the manufacturing sector, Central Industries PLC was awarded Second Runner-Up in the Most Outstanding Large Enterprises category by the Plastic and Rubber Institute of Sri Lanka.

NBEA Gold Winner

NBEA Joint Runner up

NBEA Merit Award

TAGS Awards - Bronze

TAGS Awards

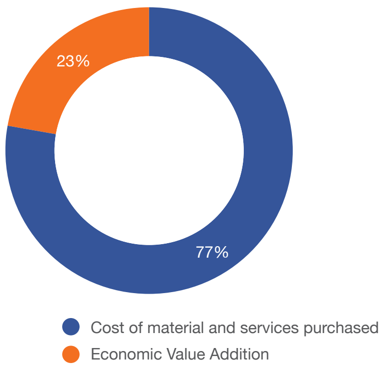
PRISL Awards 2025

SOCIO ECONOMIC IMPACT

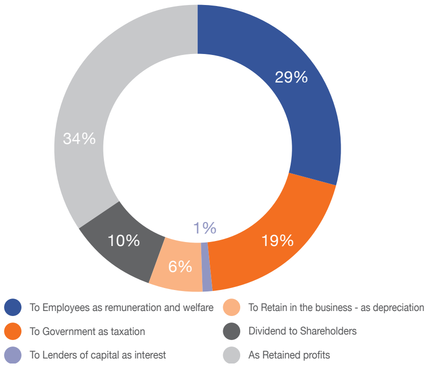
OUR CONTRIBUTION TO THE ECONOMY

		2025/26 Rs. 000	2024/25 Rs. 000
Value Addition			
Turnover		**6,566,809**	5,313,102
Less: Cost of material and services purchased	77%	**5,083,622**	4,060,350
Economic Value Addition	23%	**1,483,187**	1,252,752
Value Distributed			
To Employees as remuneration and welfare	29%	**435,977**	373,718
To Government as taxation	19%	**284,711**	222,133
To Lenders of capital as interest	1%	**19,919**	20,436
To Retain in the business - as depreciation	6%	**91,478**	88,595
Dividend to Shareholders	10%	**145,170**	145,170
As Retained profits	34%	**505,932**	402,699
Economic Value Distribution		**1,483,187**	1,252,752

Value Creation (%)



Value Distributed (%)



TAX PAYMENT TO GOVERNMENT

Central Industries PLC's tax policy and practices are in line with the regulatory requirements outlined by the regulatory body.

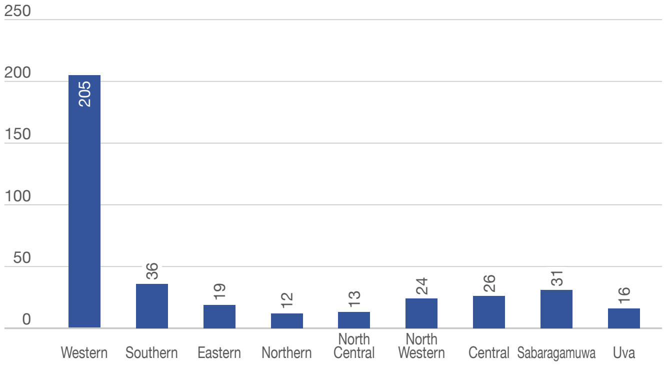
	2025/26	2024/25
Indirect Taxes (Rs. Mn)		
Value added tax paid	**222.42**	232.99
Social security contribution levy	**141.8**	113.44
Direct Taxes (Rs. Mn)		
Income tax	**284.71**	212.96
Stamp duty	**0.4**	0.4

VALUE ALLOCATED TO EMPLOYEES

We provide direct employment to over 382 individuals through our Head office, two factories and Island-wide sales network. We offer competitive market salary scales and benefits aligned with market rates and contribute towards the creation of more than 1000 indirect employment opportunities throughout the Sri Lanka.

	2025/26	2024/25
Salaries and allowances Rs. Mn	**436**	374
Bonus	**Three times of per month salary**	Three times of per month salary

Province-wise Employees



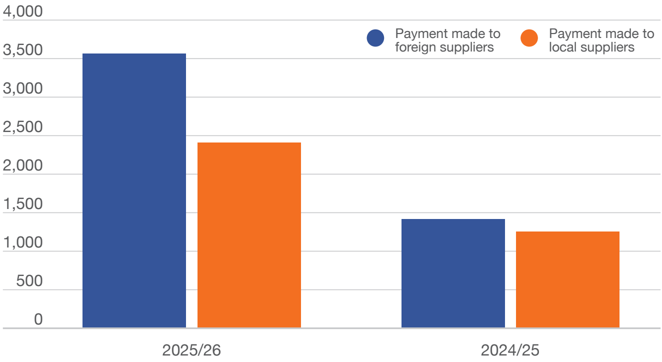
VALUE ALLOCATED TO SUPPLIERS

As a Manufacturing organization, we treat value chain suppliers as major stakeholders of the Company and gave priority to purchasing from local suppliers during the financial year 2025/26

SOCIO ECONOMIC IMPACT

	2025/26	2024/25
	Rs. 000	Rs. 000
Payment made to foreign suppliers	**3,568,919**	2,408,119
Payment made to local suppliers	**1,420,439**	1,257,445
	4,989,358	3,665,564

Foreign Suppliers and Local Suppliers (Rs. Mn)



MARKET VALUE ADDED (MVA)

The Market Value Added (MVA) statement reflected the Central Industries PLC share price performance. This statement further shows the capital contributed by the investors to the Company

	2025/26	2024/25
Market Capitalization (Rs. Mn)	**4,960**	3,545
Value of Shares Traded (Rs. Mn)	**707**	576

PLUMBER EMPOWERMENT

CIPLC trains and develops plumbers and electricians to uplift their professional knowledge of workmanship. The Company is working with the Construction Industry Skills Council and the National Water Supply and Drainage Board on this initiative. The program is helping to improve the plumber's quality of work and the dignity of society. At the same time, plumbers are directed to obtain NVQ-level qualifications with the progression.

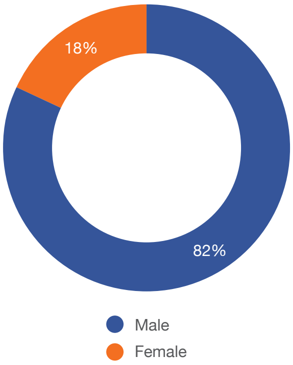
WOMEN EMPOWERMENT

CIPLC is committed to promoting gender equality and empowering women across all levels of the organization. As part of this commitment, CIPLC has provided training, development and employment opportunities for the female electricians, machine operators and shop-floor supervisory roles. These initiatives support women in building sustainable careers in a traditionally male-dominated field.

Within the organization, CIPLC fosters an inclusive and supportive work environment where women are encouraged to grow and succeed. Women make up a significant portion of the workforce, and many key managerial positions are held by women, reflecting the company's dedication to equal opportunity and leadership development.

Through these efforts, CIPLC continues to strengthen its workforce while contributing to the broader goal of women's economic and professional empowerment.

Gender Diversification



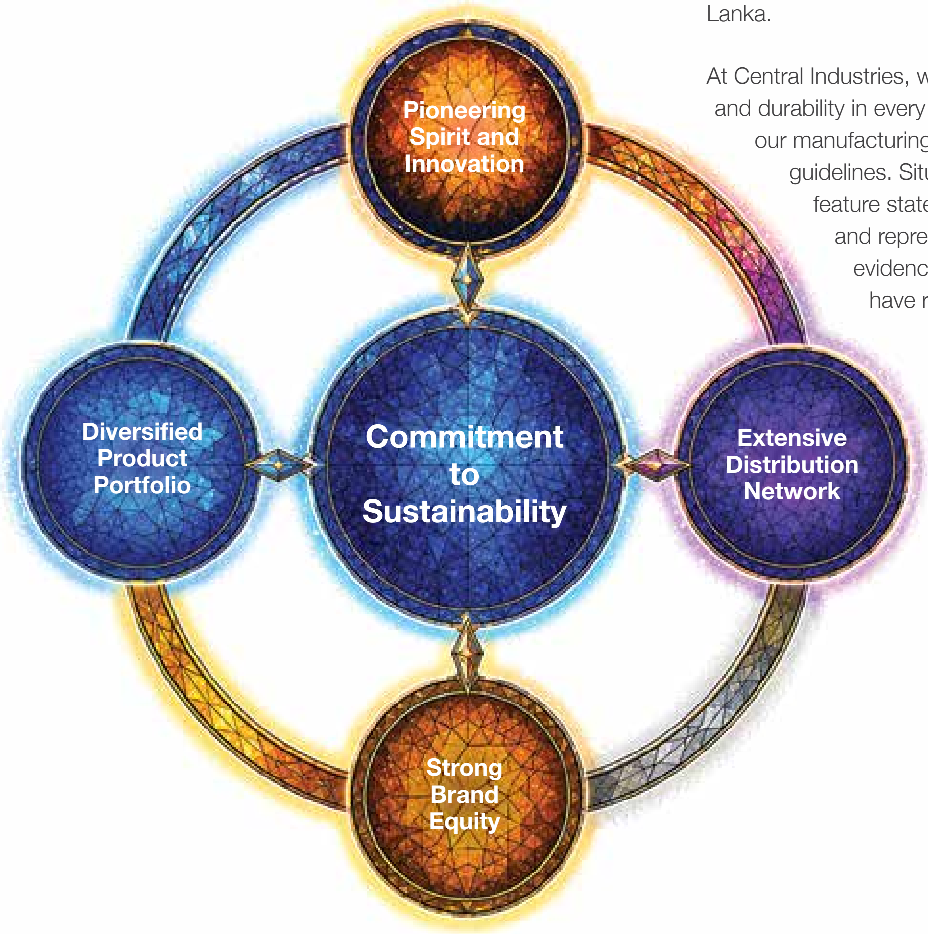
OUR LEGACY AND GROWTH JOURNEY

ABOUT OUR BUSINESS

GRI 2-1

a. Legal name	Central Industries PLC
b. Nature of ownership and legal form	A quoted public company with limited liability company incorporated on 18th September 1984. The Company's parent and ultimate parent enterprise is Central Finance Company PLC.
c. Location of its headquarters	No. 312, Nawala Road, Rajagiriya
d. Countries of operation	Sri Lanka
e. Business sector	Manufacturing industry

DRIVING FORCES



OUR LEGACY AND GROWTH JOURNEY

The only listed PVC manufacturer in Sri Lanka and a member of the Central Finance Group, CIPLC has a tried and tested track record of over three decades in Sri Lanka's PVC products market. Catering to both the B2B and B2C markets, CIPLC is trusted by professionals and households alike through its product range that supports residential plumbing to intricate agricultural and industrial projects. Whether it's water supply, drainage systems, water treatment, or engineering endeavours, our products exemplify quality and performance.

Under our flagship brand, NATIONAL PVC, we provide a wide range of products, including potable water pipes and fittings, PVC ball valves, solvent cement, electrical conduits, garden hoses, rain gutters, and more. In our commitment to excellence, we also produce PE water tanks, septic tanks, and stainless steel water tanks under our NATIONAL PE and NATIONAL SS brands, respectively. Furthermore, our rigid electrical conduits, marketed under CILTEC, cater to a variety of industrial and residential needs. Our island-wide network of Authorised Distributors and Dealers ensures access to our products to consumers in all parts of Sri Lanka.

At Central Industries, we recognise the significance of reliability and durability in every product, and to ensure consistent quality, our manufacturing facilities adhere to ISO 9001-2015 guidelines. Situated in Wattala and Yakkala, our factories feature state-of-the-art technology and infrastructure and represent the best of 'made in Sri Lanka,' as evidenced by the many awards and accolades we have received over the years.

OUR LEGACY AND GROWTH JOURNEY

1984
Established on 18th September 1984

1985
Introduced “National PVC” Pipes and Fittings

1987
Became the first manufacturer to get the SLS certification for uPVC Pipes (SLS 147)

1990
Sri Lanka’s first listed PVC company over four decades

1995
Excellence Award, National Productivity Award Certificate of Excellence

Quality Award, Sri Lanka National Quality Award

1996
Became the first manufacturer to obtain SLS 659 certification for PVC fittings

Became the first PVC manufacturer to be certified under the ISO 9000 series Quality Management System

1997
5S Award Taiki Akimoto 5S Award

2004
Introduced “Krypton” Brand Electrical Switch Range

2005
National Business Excellence Awards Runner-Up

2007
Relocated head office to own Corporate Building at No. 312, Nawala Road, Rajagiriya

CNCI Achiever of Industrial Excellence Gold Joint Award

2010
25th Anniversary

2013
Established 2nd Factory in Elhena, March 2013

2015

National Business Excellence Awards Runner-Up

2016

Achieved Gross Revenue of Rupees Two Billion

Introduced HDPE Pipes and Fittings

2017

Introduced Krypton Pioneer Range

CNCI Achiever of Industrial Excellence Top Ten Award

2018

Top Ten Award

Ceylon National Chamber of Industries Achiever Award

2021

National Business Excellence Award Gold

2022

Ceylon National Chamber of Industries Achiever Award Top Ten and Merit Award

2022/23

Runner-up award and merit award - National Business Excellence 2023, National Chamber of Commerce of Sri Lanka

2023/24

SLS 1206 Certification for National PVC, and Krypton Cable Trunking

Central Industries PLC listed the top 30 most loved brands among the top 100 brands by LMD

2024/25

Pinnacle Award – Best PVC Brand of the year

2nd runner-up at PRISL's outstanding large enterprise awards

Construction sector runner-up and corporate governance and strategy runner-up awards, as well as a Merit Award under the large enterprises category at the National Business Excellence Awards

Tags Awards 2024 - Certificate of Compliance (Manufacturing Sector)

2025/26

Gold Award at the National Business Excellence Awards 2025, in the Construction Category

2nd runner-up at PRISL's Outstanding Large Enterprise Awards

Bronze Award in the Manufacturing Companies (Group Turnover up to Rs. 10 Bn) category at the TAGS Awards 2025, organised by the Institute of Chartered Accountants of Sri Lanka

OUR PRODUCT PORTFOLIO

ACTIVITIES, PRODUCTS AND MARKETS

GRI 2-6

The principal activities of the Company are the manufacture and distribution of uPVC pipes and fittings, HDPE pipes and fittings and Electrical products. The Company also manufactures and markets other products for the construction and building industry. Please refer to the Social and Relationship Capital chapter for details on our customers and suppliers.

NATIONAL PVC PIPES & FITTINGS

National PVC pipes and fittings represent our flagship range of water management solutions. The product range spans from 20 mm to 280 mm in diameter, engineered across multiple pressure classes to meet the precise technical specifications of domestic, industrial, large water projects and high-rise construction projects.

SLS 147
SLS 659

NATIONAL PE (HDPE)

Our High-Density Polyethylene (HDPE) pipes and fittings portfolio offers a comprehensive range of high-performance piping solutions. The product line holds pre-qualification status from the National Water Supply & Drainage Board (NWSDB), reflecting its suitability for critical national water infrastructure.

SLS 1498
SLS 1499
WRAS

NATIONAL PVC SEWERAGE & DRAINAGE PRODUCTS

Engineered to deliver high-durability solutions for wastewater and stormwater management, this product line comprises uPVC sewerage and drainage pipes and fittings. The range is designed to cater to infrastructure demands across domestic, industrial, and agricultural irrigation projects, mitigating environmental risks through secure, leak-free conveyance.

ELECTRICAL CONDUITS AND FLEXI TUBING

National PVC Electrical Conduits and Flexi tubing comes with different diameters to suit flexible cable management applications. Available in three colours.

KRYPTON BRAND (SWITCHES, SOCKETS, AND ELECTRICAL ACCESSORIES)

Engineered for durability and high performance, modern aesthetic design, and range fully complies with SLS standards.

SWITCHGEAR

Our power distribution and circuit protection segment comprise high-reliability MCBs (Miniature Circuit Breakers), RCCBs (Residual Current Circuit Breakers), Isolators.

SLS 1000, SLS 734

CABLE TRUNKING

Our Cable Trunking range is manufactured to meet high level standards. These cable management solutions feature advanced fire-retardant properties, making them critical components for risk mitigation in commercial, residential, and industrial electrical installations.

SLS 1206

SOLVENT CEMENT

Premium bonding solution. Formulated to create seamless, leak-proof welds for uPVC pipes and fittings, this product ensures the structural unity and high-pressure resilience of installed piping networks.

SLS 935

NATIONAL PE WATER TANKS

Manufactured using FDA-approved materials. Available in different capacities. National PE N Series, National PE Twin-layer products available.

GARDEN HOSE

The National PVC garden hose range is engineered for versatility, durability, and resistance to environmental wear. This product line is optimized to cater to diverse requirements across domestic gardens, commercial agricultural setups, and industrial sites.

ROOFING ACCESSORIES (GREENWOOD BRAND)

Marketed under the premium Greenwood brand, our valance boards offer a highly durable, low-maintenance alternative to traditional timber. Withstand harsh weather conditions, these roofing accessories provide a sustainable, long-lasting solution that enhances the architectural finish and structural longevity.

RAINWATER FITTINGS

Designed to optimize rainwater harvesting and efficient roof drainage, our uPVC rainwater products feature advanced UV-stabilization properties.

AQUATEC

The Aquatec product line features a premium range of thread seal tapes, critically designed to secure threaded pipe joints.

BALL VALVES

Our comprehensive range of premium ball valves provides precise flow control and isolation capabilities within fluid piping systems. Designed for durability and low-maintenance operation.

VALUE CREATION MODEL

INPUTS

FINANCIAL CAPITAL

- Equity Rs. 4384.55 Mn
- Assets Rs. 5,063.87 Mn
- Borrowings Rs. 4.4 Mn

HUMAN CAPITAL

- Total workforce 382

CUSTOMER CAPITAL

- Robust and widespread hardware and electrical dealer network.
- National Water Supply and Drainage Board
- Building and Construction sector
- Agriculture and Horticulture sector

MANUFACTURED CAPITAL

- Capital investments: Rs. 1,290.24 Mn

SOCIAL AND RELATIONSHIP CAPITAL

- National PVC brand
- National PE brand
- Krypton brand
- Island-wide presence

INTELLECTUAL CAPITAL

- Manufacturing expertise

NATURAL CAPITAL

- Conservation initiatives

VALUE CREATION PROCESS

OUR VISION

OUR MISSION

Operating Environment

Risks and Opportunities

Our Value Chain

((GRI 2-6 (b))

PRIMARY MARKETS

1. National Water Supply and Drainage Board
2. Building and Construction sector
3. Agriculture and Horticulture sector
4. Robust and widespread hardware and electrical dealer network

VALUE PROPOSITION

Ensure the right product, at the right price, at the right place

RAW MATERIAL

Sourcing critical raw materials including PVC+PE resin and additives, polycarbonate compound and metal components

MANUFACTURING

PVC & PE Products, Electrical Items

FINISHED GOODS

PVC & PE pipes and fittings, Solvent Cement, Electrical Items

WAREHOUSING

Sufficient storage to ensure product availability

TRANSPORTATION

Strong logistic team and infrastructure across Sri Lanka ensuring safe and timely product delivery

DISTRIBUTORS/DEALERS

Trusted Business partnering and good communication with better understanding of customer requirements

OUTCOMES

FINANCIAL CAPITAL
- PAT Rs. 651.10 Mn

HUMAN CAPITAL
- Offer Benefits (Insurance cover, death donation, allowances, etc.)
- Fair & standardized recruitment process
- Provide personal protection equipment
- Training hours : 4,141
- Training hours per employee: 10 hours

CUSTOMER CAPITAL
- Adherence to ISO standards and SLS
- Maintain customer feedback recording, response, and action-tracking system
- Growth in customer base: 13%

MANUFACTURED CAPITAL
- Plant and machinery: Rs. 1,280.13 Mn
- Creating advanced technology platform
- Quality products

SOCIAL AND RELATIONSHIP CAPITAL
- Brand recognition - PVC 42 Years - Krypton 22 Years
- Sponsoring events, monetary contribution to social events
- Taxation to Government 284 Mn

INTELLECTUAL CAPITAL
- Installing licensed software in all computer devices
- Six Award-Winning Achievements in 2025/26

NATURAL CAPITAL
- Carbon footprint Awareness raising for company employees
- Upgrading the technologies to optimise water usage
- Encouraging machine running at off peak time
- Energy saving of A/Cs Reducing power consumption of the lighting system
- Using solar energy

IMPACT TO STAKEHOLDERS

SHAREHOLDERS
- Earning per shares 26.91%
- Return on Equity : 14.04%

EMPLOYEE
- Revenue per Employee input: Rs.17 Mn
- Bonus: 3 times
- Personnel Costs: 436 Mn

CUSTOMERS
- Assured Excellence in Products (SLS)
- 99% Customer Satisfaction

SUPPLIERS
- Efficient Supplier Remittance
- Sustainable Supplier Partnerships

COMMUNITY/ SOCIETY & REGULATORS
- Seminars for the electrician/ Plumbers community - 36 programmes across the Island
- Regulatory Payment Compliance

MATERIAL MATTERS

SDG INVOLVEMENT

FINANCIAL CAPITAL

Sustainable revenue growth, Sustainability-related risks and opportunities

08 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

HUMAN CAPITAL

Occupational health, safety and well-being Increase

03 GOOD HEALTH & WELL-BEING
05 GENDER EQUALITY
08 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CUSTOMER CAPITAL

Customer Health & Safety

03 GOOD HEALTH & WELL-BEING
06 CLEAN WATER AND SANITATION

MANUFACTURED CAPITAL

Process Efficiency

06 CLEAN WATER AND SANITATION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SOCIAL AND RELATIONSHIP CAPITAL

Improve relations with business Partners

06 CLEAN WATER AND SANITATION
08 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

INTELLECTUAL CAPITAL

Improve relations with business Partners

08 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

NATURAL CAPITAL

Waste , Energy consumption and Climate change-related risks and opportunities

03 GOOD HEALTH & WELL-BEING
06 CLEAN WATER AND SANITATION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OUR BUSINESS MODEL

SUPPLIERS AND SUPPLY CHAIN

GRI **2-6 b**

UPSTREAM ENTITIES

A major share of CIPLC’s raw material inputs are imported, mainly from China, Taiwan and several other countries across the Middle East and South East Asia. The Company maintains a global supplier base in order to mitigate potential supply chain risks. The main raw material imported is PVC resin and HDPE resin used for the manufacture of PVC and HDPE pipes and fittings. The Company has a centralised procurement system to supply all requirements for its work locations and follows internationally accepted procurement practices.

Although import costs of raw materials increased during the current financial year due to rupee depreciation against the US dollar, the supply chain and commodity prices remained stable for most of the year. However, the conflict in the Middle East caused raw material prices and shipping costs to spike in March 2026. Shipping and supply chain disruption risks have also escalated in March 2026, as PVC resin and HDPE are crude-oil derivatives, originating from the Middle East.

DOWNSTREAM ENTITIES

The downstream entities of the Company’s supply chain include transportation and distribution to the Company’s network of dealers and distributors, and our large B2B customers.

MEMBERSHIP ASSOCIATIONS

GRI **2-28**

☑ The Plastics and Rubber Institute of Sri Lanka

☑ The Ceylon National Chamber of Industries

OUR CAPITAL INPUTS AND OUTPUTS

Capital	Input	Output	Change %
Financial Capital			
Total Assets (Rs. Mn)	5,063.87	5,769.81	14%
Shareholders' equity (Rs. Mn)	4384.55	4,893.38	12%
ROE (%)	12.5	14.04	12%
Manufactured Capital			
Property, plant, and equipment (Rs. Mn)	1,290.24	1,280.13	-1%
Total factories (No.)	2	2	0%
Human Capital			
Total workforce (No.)	360	382	6%
Training cost Rs. Mn	1.43	3.03	190%
Salaries and benefits (Rs. Mn)	373.72	435.98	17%
Intellectual Capital			
Investments in new technology machines (Rs. Mn)	18.27	53.34	192%
Social and Relationship Capital			
Taxes (Rs. Mn)	222.13	284.71	28%
CSR Investments (Rs. Mn)	1.7	0.9	-47%
Natural Capital			
Diesel consumption (Litres)	13,690	22,193	62%
Electricity consumption (kWh)	4,581,787	5,747,286	25%
Water consumption (M3)	2,619	2,504	-4%

CHAIRMAN'S MESSAGE

> "AS A CORE COMPONENT OF GOOD GOVERNANCE, WE HAVE ENSURED THAT CIPLC'S BOARD COMPRISES A DIVERSE GROUP OF EXPERIENCED PROFESSIONALS WITH EXPERTISE SPANNING LEGAL, FINANCE, HUMAN RESOURCES, AND MANUFACTURING"

Dear stakeholders,

I am honoured to assume the role of Chairman of Central Industries PLC (CIPLC) and to present the Annual Report and Audited Financial Statements of the Company for the financial year 2025/26. It is also my great pleasure to report that CIPLC has achieved its strongest financial performance to date in the current financial year. This performance reflects not only the strength of our business model but also our ability to create value for the entire country within a stable economic environment.

ECONOMIC AND INDUSTRY SITUATION

I must acknowledge that the country's improving economic conditions provided a solid foundation for our growth in the current financial year. In 2025, the national economy recorded a GDP growth of 5.0%, with all key sectors, services, industry, and agriculture, contributing positively despite disruptions caused by Cyclone Ditwah in November. Against this positive backdrop, the construction industry maintained strong momentum, expanding by 9.2%, supported by a 19.8% increase in domestic cement production. This growth was largely driven by the resumption of public infrastructure investments, including major road and bridge projects that had been paused during the economic crisis, such as the Kadawatha–Mirigama section of the Central Express-way. Private sector developments, including commercial buildings, hospitality projects, and logistics infrastructure, also recommenced during the year. The sector also benefited from subdued inflation and stable interest rates. Lower inflation supported household disposable incomes, enabling increased investment in small-scale construction and renovations. The more affordable interest rates promoted larger, commercial investments in construction. Post-cyclone reconstruction efforts are also expected to further stimulate industry activity into 2026.

However, emerging geopolitical developments, including the onset of the US–Iran–Israel conflict in March 2026, have enhanced downside risks. Rising fuel and electricity costs, coupled with potential supply chain disruptions, pose challenges for the construction industry, which is heavily reliant on imported raw materials. In addition, persistent labour shortages across both skilled and unskilled segments continue to constrain long-term industry sustainability.

COMPANY PERFORMANCE

Our continued investments in capacity enhancement and quality improvement in the past few years have positioned CIPLC to immediately capitalise on the demand growth. Consequently, CIPLC achieved a strong revenue growth of 24%, reaching Rs. 6,567 Mn for the year. We closed the year recording the highest profit after tax in the history of the Company at Rs. 651 Mn, reflecting a year-on-year growth of 19%.

This performance was primarily driven by increased sales volumes across all product categories, fuelled by an aggressive branding and marketing strategy that boosted brand awareness for the National PVC and Krypton product lines among households as well as institutions. In parallel, we deepened relationships with our distribution network, ensuring easy access to our products in all parts of the country.

Having reviewed the current year's performance, the Board has declared a final dividend of Rs. 6 per share for the year. In addition, the Company has also delivered a year-on-year capital gain of over 40% through share price appreciation during the year, creating strong returns for our shareholders.

We have also contributed beyond the numbers. During the year, 36 training programmes were conducted for plumbers and electricians, reflecting our commitment to skills development and industry advancement. We also supported our business partners who were affected by Cyclone Ditwah. These contributions, while not fully captured in financial metrics, represent an integral aspect of our value creation for the year.

> "CIPLC ACHIEVED A STRONG REVENUE GROWTH OF 24%, REACHING RS. 6,567 MN FOR THE YEAR. WE CLOSED THE YEAR RECORDING THE HIGHEST PROFIT AFTER TAX IN THE HISTORY OF THE COMPANY AT RS. 651 MN, REFLECTING A YEAR-ON-YEAR GROWTH OF 19%"

COMMITTED TO SUSTAINABLE GROWTH

As a subsidiary of Central Finance, CIPLC remains committed to aligning its sustainability practices with those of our parent company, and we have already commenced integrating sustainability risk management into the overall risk management framework by assigning sustainability oversight to both the Risk Management Committee and the Audit Committee. Quarterly reviews were conducted to ensure continuous monitoring and effective management of sustainability-related risks and opportunities. During the year, the Board also reviewed identification of climate-related risks and opportunities and financial implications. In addition, our management team participated in training on SLFRS sustainability standards and climate-related financial disclosure requirements. Further strengthening internal capabilities to manage risks associated with climate change and sustainable operations.

We also continued to align our operations with the United Nations Sustainable Development Goals. This includes adopting environmentally responsible manufacturing processes, delivering safe and high-quality products, and contributing to community development through targeted corporate social responsibility initiatives.

GOOD GOVERNANCE

During the year, CIPLC maintained full compliance with all applicable regulations, including those of the Colombo Stock Exchange. The Company consistently upheld the highest standards of integrity, accountability, and transparency in all its operations.

As a core component of good governance, we have ensured that CIPLC's Board comprises a diverse group of experienced professionals with expertise spanning legal, finance, human resources, and manufacturing. This diversity ensures balanced and informed decision-making, enabling the Company to effectively navigate a dynamic business environment.

> **"WE REMAIN CONFIDENT IN SRI LANKA'S RESILIENCE AND SEE GROWING OPPORTUNITIES FOR HIGH-QUALITY, DOMESTICALLY MANUFACTURED PIPING AND ELECTRICAL WIRING ACCESSORIES, EVEN AS THE CONSTRUCTION INDUSTRY CONTINUES TO ADJUST TO EVOLVING EXTERNAL CONDITIONS"**

We have also ensured that the Board operates independently, under professional judgments, with no family relationships or conflicts of interest among its members.

In addition to the statutory Board committees, we have also established a dedicated Risk Management Committee as an additional safeguard. The Board and its Subcommittees met regularly throughout the year, ensuring effective governance and oversight.

The Company is also supported by a robust internal audit function, comprising a team of 13 professionals led by a Chartered Accountant, ensuring rigorous internal controls and continuous monitoring.

PLANS FOR THE FUTURE

Despite ongoing global uncertainties, CIPLC enters the new financial year on a strong footing, supported by robust financial and operational fundamentals. We remain confident in Sri Lanka's resilience and see growing opportunities for high-quality, domestically manufactured piping and electrical wiring accessories, even as the construction industry continues to adjust to evolving external conditions. Therefore, in the new financial year, we intend to obtain ISO certification for PPR (Polypropylene Random Copolymer) products and venture into a new product range with substantial potential, which will further diversify our product portfolio and open up a new growth avenue.

Looking ahead, we will continue to uphold our disciplined approach while making targeted investments in manufacturing and market expansion. We will continue to focus on strengthening brand differentiation, reinforcing our reputation for quality and reliability, and positioning our products as trusted household names. Overall, we are confident of CIPLC's ability to overcome short-term challenges and sustain growth, barring any extreme disruptions.

ACKNOWLEDGEMENTS

I would like to conclude by extending my sincere gratitude to our shareholders for their continued confidence in the Board and in me. I also acknowledge with appreciation the invaluable guidance and contributions of my fellow Board members in achieving this year's milestone performance.

I take this opportunity to thank our outgoing Chairman, Mr. G. S. N. Peiris, and Mr. E. H. Wijenaike who have been pillars of support at CIPLC since its inception. At the same time, I warmly welcome Ms. W. M. T. W. Weerasinghe and Mr. D. Virantha to the Board, and I look forward to working closely with them in the years ahead.

I commend our Chief Executive Officer, Mr. Mayura Rupatunge, for his strong leadership and unwavering commitment. I also extend my sincere thanks to the entire CIPLC team for their dedication and hard work. Our distributors and dealers continue to be trusted partners in our journey, and we greatly value their contribution to our success.

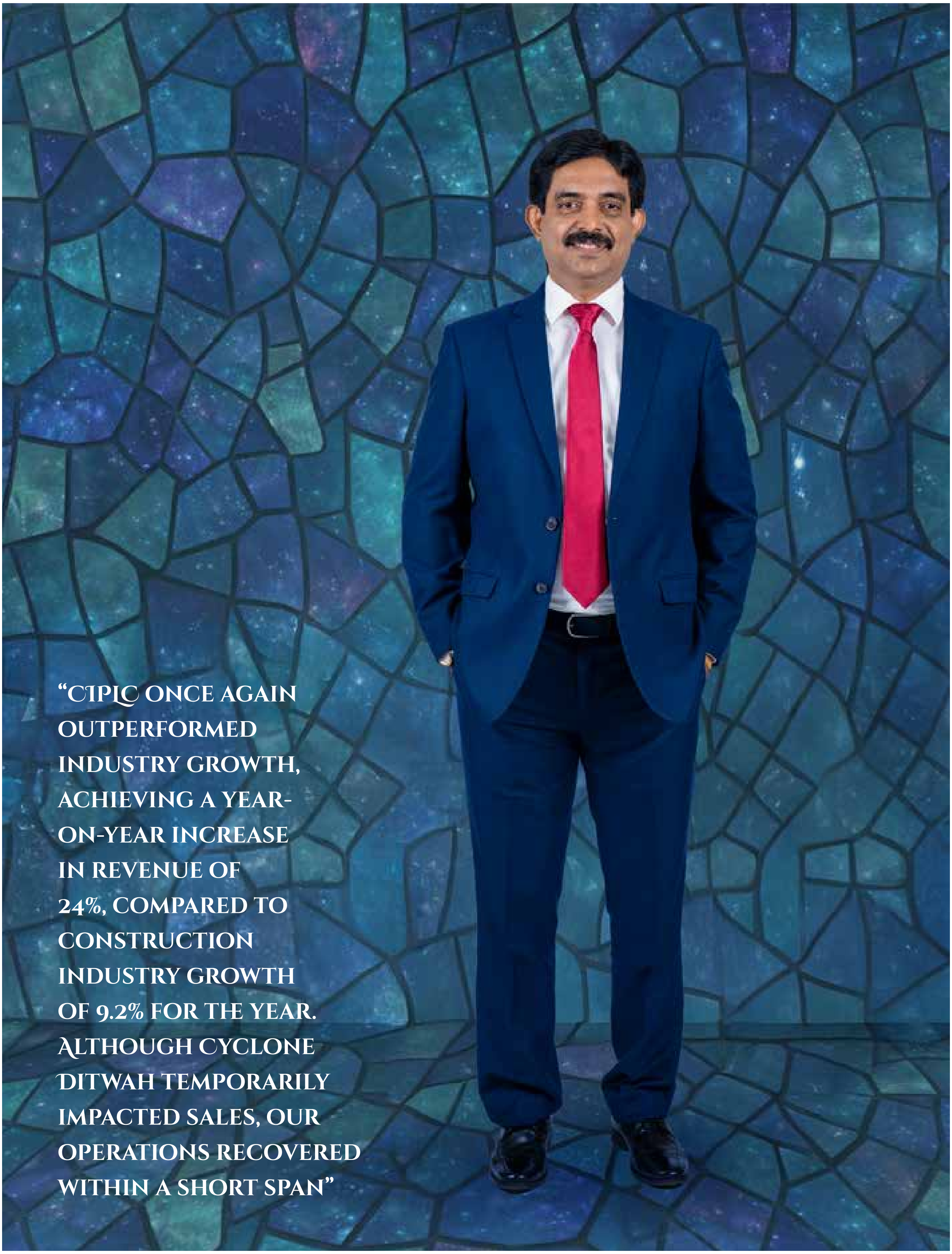
To our customers, whose trust drives our growth, we remain committed to delivering the highest standards of quality and satisfaction. I also extend my appreciation to our bankers, auditors, and company secretaries for their continued support.

Together, we will continue to navigate challenges and build on our strengths as we take CIPLC to the next phase of its growth journey.

C. S. Hettiarachchi
Chairman

4th June 2026

CHIEF EXECUTIVE OFFICER'S REVIEW



> "CIPLC ONCE AGAIN OUTPERFORMED INDUSTRY GROWTH, ACHIEVING A YEAR-ON-YEAR INCREASE IN REVENUE OF 24%, COMPARED TO CONSTRUCTION INDUSTRY GROWTH OF 9.2% FOR THE YEAR. ALTHOUGH CYCLONE DITWAH TEMPORARILY IMPACTED SALES, OUR OPERATIONS RECOVERED WITHIN A SHORT SPAN"

Dear stakeholders,

It is my great pleasure to report an outstanding performance by CIPLC for the financial year 2025/26. Despite both domestic and global turbulence, we concluded the year with the highest profits in our history, supported by a stronger balance sheet that underscores the Company's financial stability. This achievement was crowned by CIPLC winning the Gold Award, for the Construction Sector, at the National Business Excellence Awards.

INNOVATIVE SOLUTIONS TO ENHANCE COMPETITIVENESS

Macroeconomic indicators remained stable through the year, creating a conducive environment for investment and business growth. However, while the low rate of inflation was beneficial, and interest rates did not have a significant impact on CIPLC's operations due to our debt-free operating model, the steady depreciation of the rupee exerted pressure on imported raw material costs.

The most significant challenge during the year, however, was the rapid intensification of competition. As the construction sector picked up pace, established market leaders adopted aggressive pricing and defensive strategies to protect market share. In response, we adopted innovative, non-traditional strategies to gain a competitive advantage. Deviating from our previous, low-intensity marketing strategy, this year, we significantly increased our allocation for marketing and branding and broadened our marketing outreach.

Through integrated campaigns across digital and conventional media, we strengthened brand visibility and reinforced consumer awareness of our product quality. By introducing product variations tailored to niche segments, we expanded our reach beyond traditional market segments, and our aggressive branding initiatives improved brand recognition, fuelling demand. We also continued to strengthen our relationships with our business partners and industry influencers, such as electricians and plumbers, through continuous engagements to promote our brands. We continued to actively engage with the B2B segment through trade exhibitions, technical forums, and partnerships with industry institutions and trade associations.

Under these strategies, our flagship brand, National PVC, experienced strong growth. The Krypton brand, although starting from a smaller base in the electrical accessories segment, also expanded its market share and steadily gained brand recognition.

A STRONG FINANCIAL PERFORMANCE

CIPLC once again outperformed industry growth, achieving a year-on-year increase in revenue of 24%, compared to construction industry growth of 9.2% for the year. Although Cyclone Ditwah temporarily impacted sales, our operations recovered within a short span.

Financially, we recorded the strongest performance in the Company's history, while maintaining our position as a debt-free company, listed on the Colombo Stock Exchange. We achieved a revenue growth of 24% to Rs. 6,567 Mn, while our Profit Before Tax increased by 22% to Rs. 935 Mn, supported by higher volumes and a strategic focus on more profitable segments.

We maintained strict cost discipline, particularly in managing imported raw material costs, by diversifying supply sources to enhance bargaining power and reduce supply chain risks. Additionally, energy audits and targeted efficiency initiatives helped contain conversion costs and maintain operational efficiency.

As a result, our focus on volume growth and disciplined cost management contributed to the 19% growth in Profit After Tax to Rs. 651 Mn, despite tax payments increasing by Rs. 62 Mn to

> "OUR FOCUS ON VOLUME GROWTH AND DISCIPLINED COST MANAGEMENT CONTRIBUTED TO THE 19% GROWTH IN PROFIT AFTER TAX TO RS. 651 MN, DESPITE TAX PAYMENTS INCREASING BY RS. 62 MN TO RS. 284 MN TOTAL ASSETS INCREASED FROM RS. 5,063 MN TO RS. 5,769 MN"

Rs. 284 Mn. Total assets increased from Rs. 5,063 Mn to Rs. 5,769 Mn, including higher inventory levels of raw materials and finished goods to sustain growth in the first quarter of the new financial year.

ENHANCING OPERATIONAL EFFICIENCY

Our operational focus during the year was to increase outputs while maintaining product quality. Continued improvements in quality control processes reduced rejection rates, which in turn enhanced energy efficiency and overall production performance. Increased output levels with lower rejection rates also contributed to higher labour productivity.

However, we continue to face shortages of both skilled and unskilled labour, a lingering impact of the recent economic crisis and outward migration of talent. Additionally, evolving workforce expectations, particularly among Gen Z, present new challenges in attracting and retaining talent, requiring us to rethink traditional workplace models as we move forward.

PLANS FOR THE NEXT FINANCIAL YEAR

The downside risks of the financial year 2026/27 have significantly increased due to the sudden escalation in instability in the Middle East. If prolonged, this situation will disrupt PVC resin production and shipping, while also contributing to extreme price volatility of all raw materials. Our proactive measures to diversify supply sources and maintain buffer stocks have mitigated immediate impacts on CIPLC’s finances. However, the situation within the country is also adding to the downside pressures. Rising fuel and energy costs, as well as rupee depreciation, have already begun to increase the cost of production. At the same time, a sharp increase in the cost of living will exert pressure on employee compensation and welfare requirements. Further, if construction-related imports are interrupted, the construction industry’s current 9.2% growth trajectory will also be disrupted, slashing demand for our products later in the year. Therefore, we are currently closely monitoring global developments, supply chain dynamics, and raw material price trends, while preparing contingency and mitigation strategies.

If geopolitical tensions ease in the near term, we are confident Sri Lanka can easily maintain its current economic growth momentum, with the construction sector expanding by around 10%.

Whatever the external developments, our stakeholders can be assured that CIPLC is prepared. We are entering 2026/27 armed with a carefully planned three-year business strategy, with clearly defined budgets and targets. CIPLC also has well-established monitoring and reporting structures that enable agile and rapid responses to market changes. Our debt-free balance sheet further strengthens our financial resilience and the capacity to withstand external shocks. Therefore, drawing on our experiences in navigating challenging times, we are confident in our ability to remain resilient. Accordingly, we are optimistic about sustaining momentum in the year ahead and maintaining our revenue growth above industry levels.

APPRECIATIONS

As we conclude a successful year, I extend my sincere appreciation to the outgoing Chairman, Mr. G. S. N. Peiris and Mr. E. H. Wijenaike who have been pillars of support at CIPLC since its inception. As well as to the outgoing Board members, including Mr. E. H. Wijenaike, for their invaluable guidance and contributions. I also extend my best wishes to our new Chairman, Mr. C. S. Hettiarachchi, and look forward to working together to take CIPLC to new heights.

I am grateful to my fellow Board members for their steadfast leadership and counsel throughout the year. I also wish to acknowledge the continued support of our stakeholders, whose contributions have been instrumental to our success. Our loyal customers inspire us to continuously improve, and we remain committed to delivering enhanced value in the years ahead.

Finally, I extend my deepest appreciation to our employees and management team. Their dedication, commitment, and hard work at every level have been the driving force behind our achievements.

I. M. P. Rupatunge
Chief Executive Officer

4th June 2026

THE STATURE OF STRATEGY

A Legacy of Decisive Leadership

BOARD OF DIRECTORS

BOARD OF DIRECTORS

C. S. HETTIARACHCHI

Chairman / Non-Independent,
Non-Executive Director
(Member of the Board since 2018)

BOARD SUB-COMMITTEES

Nominations and Governance Committee.

SKILLS AND EXPERIENCE

Mr. C. S. Hettiarachchi has served on the Board of the Company since 30th June 2018. He was appointed as Chairman on 1st September, 2025. He holds a Bachelor of Laws (LL. B) Degree from the University of Colombo and an MBA from the University of Sri Jayawardenapura (PIM). He is an Attorney-at-Law of the Supreme Court of Sri Lanka. He is a past Chairman of the Leasing Association of Sri Lanka (LASL) and served as a Director of Credit Information Bureau of Sri Lanka (CRIB).

OTHER CURRENT APPOINTMENTS

LISTED COMPANIES

He served as the Director-Legal (Non-Board) of Central Finance Company PLC.

OTHERS

Chairman of the CF Insurance Brokers (Pvt) Limited, and serves as director of three other companies within the Central Finance Company PLC Group.

A. K. GUNARATNE

Non-Executive Director
(Member of the Board since 2006)

BOARD SUB-COMMITTEES

Member of the Related Party Transactions Review Committee, Audit and Risk Management Committee, Remuneration Committee and Nomination and Governance Committee.

SKILLS AND EXPERIENCE

Mr. Arjuna Gunaratne has served on the Board of the Company since 2006. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accounts of the UK.

OTHER CURRENT APPOINTMENTS

LISTED COMPANIES

Managing Director of Central Finance Company PLC.

OTHERS

He serves on the Boards of several companies within the Central Finance PLC Group.

He also currently serves as the Chairman of the Finance Houses Association of Sri Lanka. In addition, he serves as a member of the Board of Directors of the Credit Information Bureau of Sri Lanka.

D. T. R. DE SILVA

Independent Non-Executive Director
(Member of the Board since 2020)

BOARD SUB-COMMITTEES

Chairman of the Nominations and Governance Committee, Remuneration Committee and Related Party Transactions Review Committee, Member of Audit and Risk Management Committees.

SKILLS AND EXPERIENCE

Mr. Ranil De Silva was appointed to the Board on the 01st of July 2020. Having commenced his career at Ernst & Young, he has extensive experience in diverse industries in Finance, Sales & Marketing and General Management in Sri Lanka as well as overseas having held many responsible positions in reputed Conglomerates such as Hemas PLC and Aitken Spence PLC.

He is a Chartered Accountant of Sri Lanka and a member of the Chartered Institute of Management Accountants of the UK and the Chartered Institute of Marketing, UK.

OTHER CURRENT APPOINTMENTS

LISTED COMPANIES

He serves as an Independent Director of Singer Finance (Lanka) PLC, Hayleys Leisure PLC, , The Kingsbury PLC and Alumex PLC.

OTHERS

Director of Lanka Shipping & Logistics (Pvt) Ltd.

I. M. P. RUPATUNGE

Executive Director/CEO
(Member of the Board since 2020)

BOARD SUB-COMMITTEES

Member of Risk Management Committee.

SKILLS AND EXPERIENCE

Mr. Mayura Rupatunge, CEO of Central Industries PLC, was appointed to the Board of Directors on August 11, 2020. He joined Central Industries PLC as the General Manager in 2016 and has been with the Company since then. Mr. Rupatunge has extensive manufacturing experience, having worked in the industry for 28 years. He graduated from the Faculty of Engineering, University of Peradeniya, and holds postgraduate qualifications from the Faculty of Graduate Studies, University of Colombo. Also, he is a member of the Institute of Certified Management Accountants (ICMA) Australia and is professionally and academically qualified in the fields of Manufacturing and Management, including Finance and Administration.

C. S. W. DE COSTA

Non-Executive Director
(Member of the Board since 1997)

BOARD SUB-COMMITTEES

None.

SKILLS AND EXPERIENCE

Mr. Sarath De Costa was the Former Consul General for Sri Lanka in Osaka, Japan. He was appointed to the Board of Colombo Dockyard PLC in 1993. He is a Member of the Sri Lanka, Japan Business Cooperation Committee, a Life Member of the Japan - Sri Lanka Technical Co-operation and a Member of the Sri Lanka - Japan Friendship Society.

He was a Representative of the Board of Investment of Sri Lanka, Patron of the Department of Neurosurgery Trust (National Hospital), Trustee of the National Health Development Fund (Ministry of Health), Special Envoy/Advisor to the Board of Investment of Sri Lanka, Member of the Advisory Committee, Ministry of Wildlife Resources Conservation and a Director of Industrial Development Board.

OTHER CURRENT APPOINTMENTS

Mr. Costa serves as the Chairman and Managing Director of the Amano and Tivoli Group of Companies, President of Imperial Trading Corporation, Japan and Director of Ceylon Shipping Agency (Pte) Ltd, Singapore.

D. K. WELMILLAGE

Independent Non-Executive Director
(Member of the Board since 2024)

BOARD SUB-COMMITTEES

Member of Related Party Transactions Review Committee, Nominations and Governance Committee, Remuneration Committee and Audit and Risk Management Committee.

SKILLS AND EXPERIENCE

Mr. Don Kapila Welmillage was appointed to the Board on the 30th of November 2024. He has over 25 years of multidisciplinary experience, including general management, functional expertise in manufacturing, project management, finance, supply chain, human resources, sales and organisational transformation. He is experienced in industries such as home and personal care, beverages, hand protection, apparel, and diversified conglomerates. He holds a BSc (Hons) in Engineering from the University of Moratuwa and an MBA from the University of Colombo. He is also an Associate Member of CIMA, UK.

BOARD OF DIRECTORS

T. P. GUNASEKERA

Independent Non-Executive Director
(Member of the Board since 2024)

BOARD SUB-COMMITTEES

Chairman of the Audit and Risk Committee, Member of Related Party Transactions Review Committee.

SKILLS AND EXPERIENCE

Mrs. Therese Priyana Gunasekera was appointed to the Board on the 31st of December 2024. She holds over 41 years of experience in the audit, financial services, telecommunication, regulatory industries and internal audit. She is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Chartered Institute of Management Accountants (U.K.) and a Member of the Institute of Internal Auditors. She holds an MBA from Sikkim Manipal University, India. She is also a Certified Fraud Examiner of ACFE U.S.A.

OTHER CURRENT APPOINTMENTS

She serves on the Board of Directors of Berendina Micro Investments Company Limited and Lanka Rating Agency Limited.

W. M. T. W. WEERASINGHE

Non-Executive Director
(Member of the Board since 2025)

BOARD SUB-COMMITTEES

Member of Audit and Risk Management Committee.

SKILLS AND EXPERIENCE

Ms. W. M. T. W. Weerasinghe was appointed to the Board on 1st September 2025. She commenced her professional career at Ernst & Young, where she gained extensive experience in auditing and assurance services across a wide range of industry sectors. She is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and holds a Bachelor of Science (Honours) Degree in Accounting (Special) from the University of Sri Jayewardenepura.

OTHER CURRENT APPOINTMENTS

LISTED COMPANIES

Chief Financial Officer of Central Finance Company PLC.

OTHERS

Non-Executive Director of CF Insurance Brokers Ltd.

DUSHAN VIRANTHA

Non-Executive Director
(Member of the Board since 2025)

BOARD SUB-COMMITTEES

Member of Related Party Transaction Review Committee.

SKILLS AND EXPERIENCE

Mr. Dushan Virantha was appointed to the Board on the 01st of September 2025. He possesses more than a decade of experience in strategic planning and advanced data analytics within the financial services industry. He currently holds the position of Senior Assistant General Manager – Strategic Planning & Data Analytics at Central Finance Company PLC. He is a CFA Charterholder from the CFA Institute (USA), holds a BBA in Finance from the University of Colombo, and a Postgraduate Diploma in Marketing from the Sri Lanka Institute of Marketing (SLIM).

SENIOR MANAGEMENT

MAYURA PRIYADARSHI RUPATUNGE
Director/Chief Executive Officer

RODERIC HILARY MOSES
Head of Special Operations

G. L. DUMINDA SISIRA KUMARA
Marketing Manager
Electrical - Dealer Network

W. M. MAHESH AMARADASA
Manager - Finance

M. G. HIRANTHI DEEPIKA KARIYAWASAM
Manager HR & Administration

M. H. HAMSATH BEGAM
Manager Internal Audit

M. ZAMROUN CAREEM
Senior Manager IT

CYRIL RANJITH PATHIRANA
Head of Manufacturing

SANJEEWA SAMARASINGHE
Consultant PVC Dealer Network

MANAGEMENT TEAM

M. SISIRA JAYANTHA MALLIKARACHCHI
Sales Manager PVC - Dealer Network

NUWAN PRASAD
Sales Manager PVC - Dealer Network

K. DANUSHKA SANJEEWA DALPATADU
Operations Manager - Corporate Sales

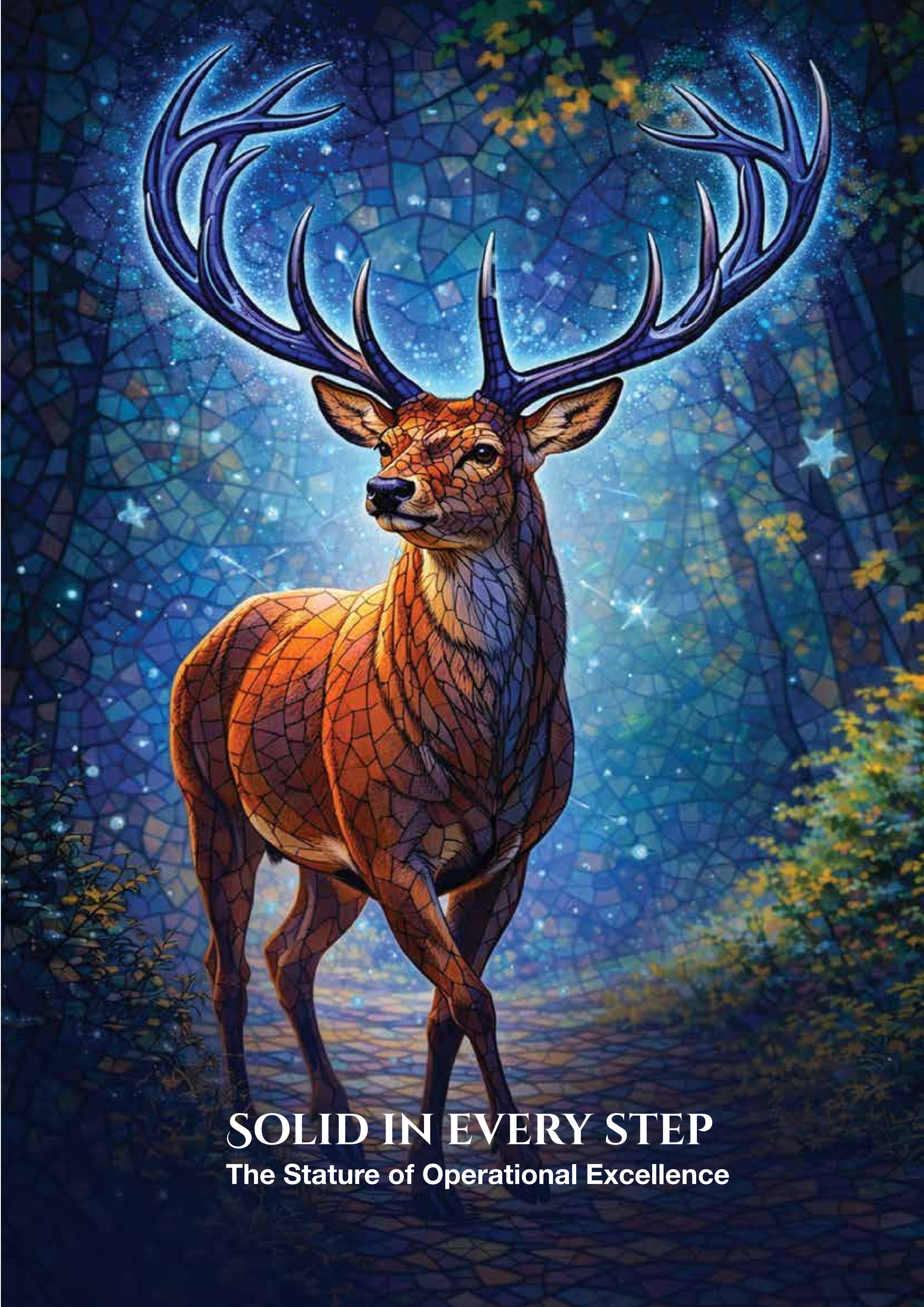
K. V. P. RAVIN SURANGIKA
Sales Manager Electrical - Dealer Network

M. NIMAL DANASIRI FERNANDO
Assistant Factory Manager (Factory Yakkala)

J. B. G. DIMUTHU PRIYANKARA
Assistant Factory Manager (Factory Wattala)

B. RUKSHAN THARANGA DE SILVA
Electrical Engineer

SUDEERA PRASANNA
Manager Warehouse & Logistics



SOLID IN EVERY STEP

The Stature of Operational Excellence

OPERATING LANDSCAPE

GLOBAL ECONOMY

The global economy maintained a resilient performance in 2025 despite geopolitical tensions. The International Monetary Fund (IMF)'s World Economic Outlook (WEO) report of January 2026 estimated global economic growth at 3.3% in 2025. Growth was supported by strong private sector adaptability and increased technology investments, particularly in Artificial Intelligence.

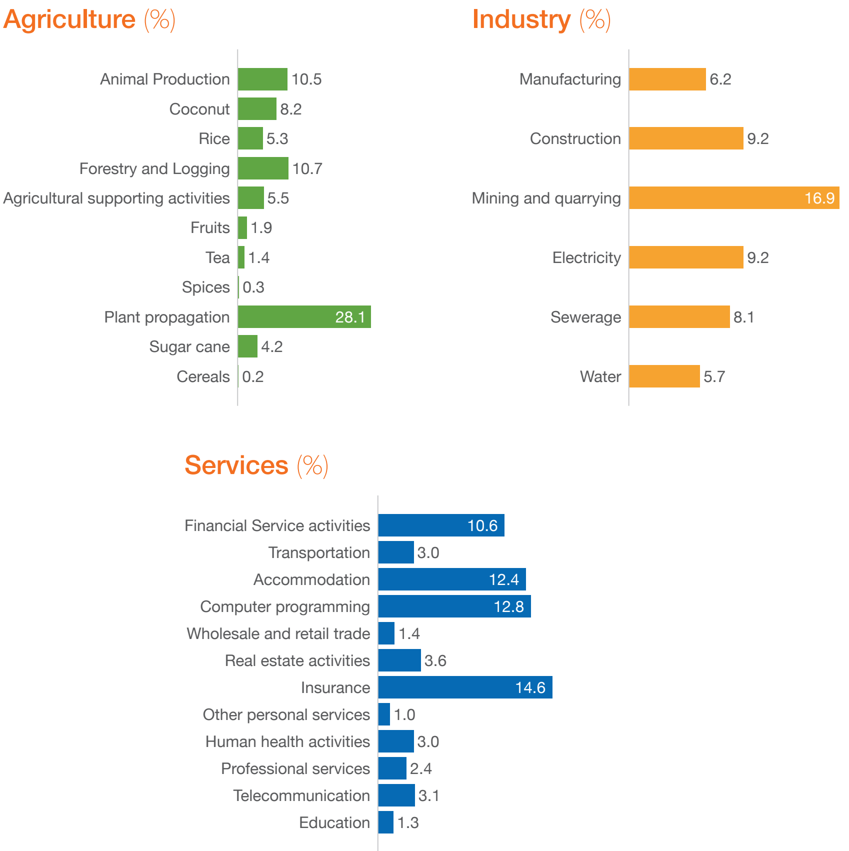
Oil prices remained low during 2025 due to tepid global demand growth and strong supply conditions. Prices of energy commodities were expected to decline further by around 7% in 2026. However, the closure of the Strait of Hormuz in March 2026 had halted approximately 20% of global oil and liquefied natural gas (LNG) shipments and caused Brent crude prices to surge past USD 115 per barrel in late March, while European gas benchmarks nearly doubled. The IMF's April 2026 World Economic Outlook projects a 19% rise in global energy commodity prices, driven by significant oil and natural gas price surges under various conflict scenarios. Under the baseline, oil is expected to average US$ 82 per barrel, while adverse and severe scenarios could push prices to USD100 to USD110, resulting in elevated inflationary pressures.

Although global inflation was projected to decline in 2026, the IMF, in its April 2026 update of the WEO report, stated that global headline inflation is expected to rise to 4.4% in 2026. This upward revision was attributed to oil, gas, fertiliser and food cost increases due to disruptions stemming from the Middle East conflict. Inflation is projected to decline to 3.7% in 2027. However, if oil prices average USD 100 per barrel throughout 2026, global inflation could reach 5.4%. In a worst-case prolonged conflict with oil at US$110 to US$125 per barrel, inflation is projected to exceed 6.0%, raising fears of stagflation.

LOCAL ECONOMY

Despite widespread economic disruptions by Cyclone Ditwah and global uncertainty, the Sri Lankan economy grew by 5% in real terms in 2025, marking the second consecutive year of expansion, supported by post-crisis macroeconomic stabilisation measures and ongoing economic reforms. Agriculture activities grew by 1.4% in 2025, compared to the 0.6% growth recorded in 2024 and building on the strong 11.1% expansion in 2024, Industry activities continued to grow in 2025 at 7.8%, underpinned by manufacturing, construction and mining and quarrying activities. Services activities recorded a growth of 3.3% in 2025, compared to 2.4% growth in 2024, supported by the steady improvement in economic conditions.

GROWTH IN ECONOMIC ACTIVITIES AT CONSTANT PRICES IN 2025 (A)



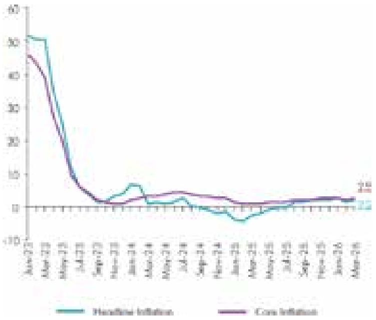
Base year: 2015
Source: Department of Census and Statistics

INFLATION

Persistent deflation from the previous year began to ease from March 2025, driven by the increase in food inflation, particularly in vegetables and fish, along with the upward adjustment to electricity tariffs implemented in June 2025. Accordingly, year-on-year (y-o-y) headline inflation, measured by the Colombo Consumer Price Index (CCPI, 2021=100),2 accelerated to 2.1% by the end of 2025 from -1.7% recorded at the end of 2024.

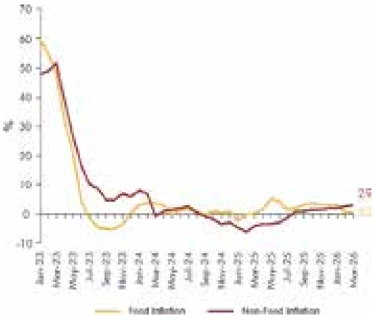
Movements in Headline and Core Inflation

(CCPI, 2021 = 100, y-o-y)



Movements in Food and Non-Food Inflation

(CCPI, 2021 = 100, y-o-y)



Source: Department of Census and Statistics

EXCHANGE RATE

Following two consecutive years of appreciation, the Sri Lankan rupee commenced depreciating against the US dollar during 2025. The exchange rate, which stood at Rs. 292.58 per US dollar by the end of December 2024, reached Rs. 309.99 per US dollar by the end of December 2025, depreciating by 5.6% within 12 months. The rupee continued to depreciate against the US dollar in the first quarter of 2026 by about 1.6%.

This continued depreciation of the rupee inevitably exerted upward pressure on CIPLC's imported raw material prices and overall cost of operations due to the Company's high import dependency. The situation worsened in 2026, with raw material prices and shipping costs spiking due to the conflict in the Middle East.

Daily Exchange Rate Movements

Source: Central Bank of Sri Lanka

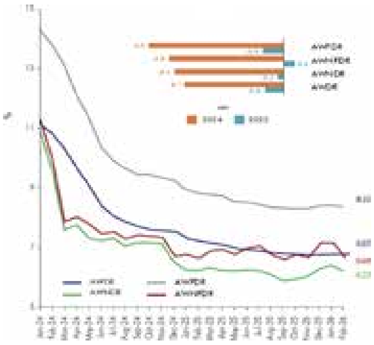
INTEREST RATES

Monetary policy, which was eased significantly from June 2023 through 2024 by a total of around 7.75 bps, was eased further by reducing the Overnight Policy Rate (OPR) by 0.25 bps in 2025. Against this accommodative policy background, the overall market interest rates continued to adjust downwards in 2025, although a modest uptick was observed towards the latter part of the year due to temporary increases in short-term interest rates.

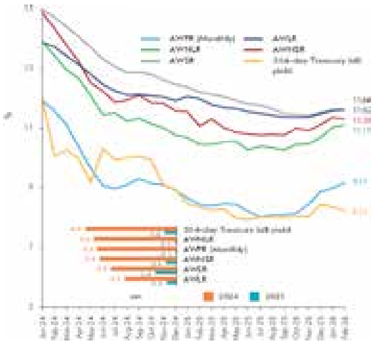
While the fluctuation in interest rates did not impact CIPLC as the Company maintained its policy of debt-free operations, the stable and affordable lending rates encouraged economic activity and supported construction industry growth.

MOVEMENTS OF SELECTED MARKET INTEREST RATES

Market Deposit Rates



Market Lending Rates and Treasury Bill Yield



Note: The bar charts represent the annual adjustment in interest rates in 2024 and 2025
Source: Central Bank Sri Lanka/Public Debt Management Office

EMPLOYMENT

The unemployment rate declined to 3.9% in 2025 from 4.4% in 2024. However, the youth unemployment remains relatively high in 2025, at around 18% and 11% for the 20–24 and 25–29 age groups, respectively. Meanwhile, total departures for foreign employment decreased by 1.1% to 311,223 in 2025, with skilled labour migration reducing by 3.0% during the year. Male workers accounted for 61.3% of total departures, while female workers represented 38.7%.

The continued migration of youth and skilled labour poses a significant threat to Sri Lanka's construction sector, which is highly labour dependent.

INDUSTRY PERFORMANCE

Year	Construction industry growth rate
2021	4.2%
2022	(-7.3%)
2023	(-20.8%)
2024	19.4%
2025	9.2%

The construction sector expanded by 9.2% in 2025. The Sri Lanka Purchasing Managers' Index for Construction (PMI – Construction), as reflected by the Total Activity Index, recorded a value of 70.3 in February 2026. This indicates continued expansion in construction activities, albeit at a slower pace compared to the significantly higher level observed in the previous month. Most firms reported favourable industry conditions in February, underpinned by steady inflows of construction projects and favourable weather. The New Orders Index continued to expand during the month, with many respondents reporting increased availability of a broader range of construction projects.

The Employment Index expanded at a higher rate, reflecting ongoing hiring in anticipation of increased project availability. The Quantity of Purchases Index also expanded, in line with higher construction activities. Meanwhile, the Suppliers' Delivery Time Index lengthened further during the month, reflecting continued construction demand and import-related delays associated with the Chinese New Year.

The outlook for construction activities remains positive, driven by expectations of continued project availability. However, downside risks persist, as firms remain cautious about rising input costs and potential supply constraints arising from the conflict in the Middle East.

RISKS, OPPORTUNITIES AND OUTLOOK

The risk landscape of the Company continued to evolve during the year. While the improvements to key macro indicators during the year supported a recovery in demand for our products within the business and household sectors, we also faced new emerging risks.

RISKS

☑ Entry of new competitors

☑ Entry of low-cost products

☑ Price volatility of input materials

☑ Brain drain and worker migration

OPPORTUNITIES

☑ Emerging growth opportunities that can be tapped through new products

☑ Rising demand for water supply and sanitation infrastructure

☑ Improving the demand in the agriculture sector

☑ Discovering new applications for PVC and PE pipes

INTEGRATED STAKEHOLDER ENGAGEMENT

GRI 2-29

The Company recognises the importance of maintaining strong relationships with its stakeholders. A structured stakeholder engagement process is implemented to understand stakeholder expectations, address key concerns, and incorporate valuable feedback into strategic and operational decision-making.

SIX-STEP APPROACH TO STAKEHOLDER ENGAGEMENT

1. ENGAGEMENT OBJECTIVES

Our engagement objectives serve as the basis for establishing strong relationships with stakeholders, promoting transparency, and creating mutual value.

- ☑ To align shareholder expectations with the strategic objectives of CIPLC.
- ☑ To build stakeholder confidence through open and transparent communication.
- ☑ To proactively address stakeholder concerns and feedback to support continuous improvement.
- ☑ To encourage active stakeholder involvement in sustainability and business growth initiatives.

2. IDENTIFY STAKEHOLDERS

Identify all individuals, groups, or organisations that may affect or be affected by the company's activities.

CUSTOMERS

End-user of our products.

SHAREHOLDERS

Our investors and equity partners focus on achieving sustainable financial returns and long-term value through the Company's strong performance and sound governance framework.

EMPLOYEES

Employees are our key strength, and their well-being, engagement, and commitment play a vital role in driving business performance and long-term success. Our capable and devoted team enables high performance and innovative solutions.

COMMUNITY

Communities at local and regional levels are impacted by our social and environmental contributions.

REGULATORS

Government and supervisory entities define the framework within which we operate responsibly and ethically.

SUPPLIERS

Valued entities integral to our supply chain and ability to deliver exceptional products.

3. ENGAGEMENT APPROACH

Our approaches outline the methodologies for effective communication and interaction with stakeholders.

CONSULTATION

Conducting surveys and focus groups to gather stakeholder insights

COLLABORATION

Partnering with stakeholders in planning and implementation

COMMUNICATION

Using digital platforms, newsletters, and our annual reports to disseminate information

INVOLVEMENT

Inviting stakeholders to participate in decision-making and governance

FEEDBACK MECHANISMS

Establishing channels for receiving and addressing concerns

4. ENGAGEMENT STRATEGIES

For each selected engagement, our strategies provide a roadmap for achieving meaningful and impactful stakeholder engagement.

- ☑ Create customised engagement plans for each stakeholder group, tailored to their needs and expectations.
- ☑ Utilise technology and data analytics to streamline communication and enable informed decision-making.
- ☑ Promote inclusivity by giving priority to marginalised and underrepresented groups.
- ☑ Align all engagement initiatives with the Company's sustainability objectives and long-term goals.
- ☑ Continuously monitor and assess engagement effectiveness to refine approaches and improve outcomes.

5. DEVELOP THE PLAN

Our engagement plan outlines actionable methods and timelines to implement the strategies.

TIMELINE

Clear milestones for engagement activities

ACTIVITIES

Scheduled meetings, events, and campaigns

RESOURCES

Allocation of budgets, tools, and personnel

MONITORING

Periodic reviews and updates to the engagement plan

REPORTING

Transparent documentation of progress and outcomes

6. ENGAGEMENT OUTCOMES

Outcomes define the tangible and intangible benefits achieved through our engagement efforts.

- ☑ Strengthened stakeholder relationships and trust
- ☑ Improved alignment between organisational goals and stakeholder expectations
- ☑ Enhanced community goodwill through our CSR initiatives
- ☑ Increased employee satisfaction and retention.
- ☑ Positive contributions to sustainability and long-term value creation

Stakeholder	What they give	What they expect	Responses and results
Shareholders/ Investors	Investors contribute significantly to our success by supplying the necessary capital for business growth.	Share price appreciation and attractive dividends A sustainable growth strategy	Maintaining a consistent and sustainable return on investment. Greater transparency in operations and reporting
Employees	Our employees are the driving force of our business. Their well-being, engagement, and dedication enhance performance, and a safe, supportive, and rewarding work environment enables them to contribute effectively and drive long-term success.	Safe and healthy work environment, supported by flexible work practices. Fair remuneration, effective performance management and recognition. Challenging work, with opportunities to make a difference	Promoting greater diversity and inclusion. Competitive rewards and benefits in line with the market Maintaining high standards in occupational health and safety
Customers	Loyal customers provide valuable insights and feedback, enabling innovation and continuous improvement. Their trust strengthens our brand and supports long-term business growth.	Safe and convenient access to products and services. Innovative product solutions and excellent client services. Real-time information	Maintaining service excellence Introduction of innovative products and services to promote customer convenience Customer Surveys

Stakeholder	What they give	What they expect	Responses and results
Community	Building strong relationships with our communities allows us to work together to make a positive difference in people's lives, the economy, and the environment. Valuable feedback and word-of-mouth referrals from the community will expand our brand reach.	Be socially responsible by creating opportunities for the community. Actively promotes and supports community-led initiatives and strategic partnerships to drive sustainable growth and innovation in the irrigation and water supply sector, creating long-term value for the communities.	Being socially responsive in all our operations Transparency and governance
Suppliers	Partnering with reliable and diverse suppliers ensures a smooth, efficient, and resilient value chain, supporting operational goals while minimising risks.	Prompt payments and business operations in accordance with agreed terms. Establish a reliable relationship for a long-term, sustainable partnership.	Practising fair and equitable procurement Promoting sustainable procurement through contractual agreements
Regulators	Directives and circulars	Sustainable and ethical business Practices Compliance with applicable laws and regulations	Engaging in sustainable and ethical business Practices Compliance with compulsory and voluntary guidelines, laws, and regulations – Corporate Governance

CHANNELS OF ENGAGEMENT WITH STAKEHOLDERS

Stakeholder	Channel	Frequency	Post engagement evaluation	HIGHLIGHTS IN 2025/26
Shareholders	Annual General Meeting The Annual Report Other quarterly publications Company website and social media platforms Press Releases	Once a year Once a year Periodically Online Periodically	Shareholder/Investor feedback	Refer Page 215 (Notice of Meeting)
Employees	Annual Strategic Planning Meeting Individual Performance Review E-publication Emails/notifications Training programs and workshops Post- training feedback Company's 'Whistle Blowing' Policy	Once a year Once a year Ongoing Online	Conduct evaluations and comments/ feedback from employees	Refer HR Capital area Page 91 to 99

INTEGRATED STAKEHOLDER ENGAGEMENT

Stakeholder	Channel	Frequency	Post engagement evaluation	HIGHLIGHTS IN 2025/26
Customers	Customer Satisfaction Survey Customer Loyalty Schemes	Once a year Ongoing	Monthly customer communications	Ongoing engagement through active participation in exhibitions and Plumber/ Electrician Programs conducted in the year 2025
Community	Dialogue with Religious Dignitaries Company website and social media platforms Cannel discussion and neighbouring communities	Ongoing Online As requested	Feedback from regulators	CSR activities listed in page no. 89
Business Partners	Dedicated managers for foreign business partner relationships On-site visits from principals and vice versa to facilitate engagement Service Agreements Supplier Appraisal	Ongoing Ongoing	Feedback from suppliers	Timely payments of all dues Propagate sustainable practices along our supply chain
Regulators	Meetings Directives and Circulars On-site and off-site examinations Participation in forums	As required	Feedback from regulators	Full and timely payment of tax obligations Compliance with all relevant laws and regulations during the year

MATERIAL STAKEHOLDER ISSUES AND OUR RESPONSE AND OUTLOOK

The material issues identified through our stakeholder engagement process have been effectively addressed by the management, with strategic plans and actions formulated in response.

Material Issue	Relevant stakeholder groups	Our response	Reflection on Corporate Strategy	Strategic priority	Strategic priority
Compliance	Customers, Suppliers, Shareholders, Employees, Community	Please refer page 106 to 129 to read more about the Laws, Regulatory Frameworks, Standards	Differentiation	Not linked to a specific strategic priority	To consistently adhere to all applicable mandatory regulations and, whenever feasible, to voluntary standards
Reduction in disposable income	Customers	Enhanced customer experience by providing bundled packages, thereby offering a value proposition to our customers.	Differentiation		We aim to enhance value for our customers by improving customer experience management

Material Issue	Relevant stakeholder groups	Our response	Reflection on Corporate Strategy	Strategic priority	Strategic priority
Technical education for youth	Customers, Society and Suppliers	Persisted with our investments in technical education and broadening the scope of opportunities available to apprentices.	Diversification	Drive for sustainable products, services, and practices	We continue to allow employees to participate in new technical courses/ Programs that can strengthen our contribution to society and customers, while also fostering new Partnerships.
Climate change & other environmental concerns	Community	Launching CSR and Sustainability Projects (Refer Page 89) Execution of Sustainability practices among our factories situated at Wattala and Yakkala.	Collaboration	Climate risk	Sustainability practices

MATERIALITY

GRI 3-1, 2

Central Industries PLC has identified and prioritised the economic, environmental, social, and governance matters that are most significant to our long-term value creation. As a manufacturing organisation, our materiality assessment considers not only the financial implications of key business matters but also the broader impacts of our operations on stakeholders, society, and the environment.

The Company adopts a double materiality approach, assessing material matters from both an internal and external perspective. This approach evaluates:

- ☑ **Financial Materiality** – how sustainability-related matters influence the Company's ability to create, preserve, or erode enterprise value over the short, medium, and long term.
- ☑ **Impact Materiality** – how the Company's operations, products, and activities impact the economy, environment, employees, customers, suppliers, and communities.

The assessment process incorporates evolving industry trends, regulatory developments, operational risks, stakeholder expectations, and strategic priorities relevant to the manufacturing sector. Particular attention is given to matters relating to operational efficiency, energy consumption, occupational health and safety, climate-related impacts, supply chain resilience, product quality, and responsible manufacturing practices.

The outcomes of the materiality assessment support strategic decision-making, risk management, resource allocation, sustainability integration, and transparent reporting in alignment with the principles of the International Integrated Reporting Framework, Global Reporting Initiative (GRI) Standards, and Sri Lanka Financial Reporting Standards (SLFRS).

MATERIALITY DETERMINATION PROCESS

The materiality determination process is conducted annually through a structured and systematic approach involving senior management, operational teams, and key stakeholder groups.

Step	Process Stage	Description
1	Understanding the Organisational Context	The process begins with a comprehensive review of the CIPLC operating environment, strategic priorities, manufacturing operations, market conditions, regulatory landscape, and sustainability commitments. Internal and external stakeholder expectations are assessed through meetings, surveys, discussions, and ongoing engagement mechanisms.
2	Identification of Potential Material Matters	Potential material matters are identified by analysing operational activities, sector-specific risks, emerging sustainability trends, peer benchmarking, customer requirements, investor expectations, and regulatory obligations. Risks and opportunities across all capitals are evaluated, including financial, manufactured, human, social, intellectual, and natural capitals.
3	Assessment of Significance	Identified matters are assessed based on their potential impact on business continuity, operational performance, stakeholder decision-making, sustainability outcomes, and long-term value creation. Consideration is given to both the likelihood and magnitude of impacts.
4	Prioritisation Using the Materiality Matrix	Material matters are prioritised according to their significance to stakeholders and their strategic importance to the CIPLC. Issues with the highest potential impact on organisational performance and stakeholder interests are classified as key material matters for reporting and strategic focus.
5	Validation and Reporting	The final list of material matters is reviewed and validated by senior management and governance committees to ensure alignment with the CIPLC strategy and reporting frameworks. The validated material matters are incorporated into the Integrated Annual Report and form the basis for sustainability disclosures, performance monitoring, and future action plans.

MATERIAL MATTERS

	Material Matters	Movement in Materiality compared to last year	GRI Relevance	ESG	Capitals
1	Sustainable revenue growth	No Change	GRI 201-1 GRI 207	Eco	
2	Process efficiency	Increase	GRI 2-23 GRI 2-24 GRI 2-26	Gov	
3	Occupational health, safety and well-being	Increase	GRI 403-1	Soc	
4	Improve relations with business Partners	Decrease	GRI 308 GRI 414	Soc	
5	Waste	No change	GRI 306	Env	
6	Energy Consumption	Increase	GRI 302	Env	
7	Customer Health & Safety	Increase	GRI 416	Soc	
8	Climate change-related risks and opportunities	Increase	GRI 201 GRI 301 GRI 302 GRI 303 GRI 304 GRI 305 GRI 306 GRI 308 GRI 414	Env	
11	Sustainability-related risks and opportunities	Increase		Gov	

INTEGRATION WITH STRATEGY

The identified material matters are closely integrated with the Company's strategic priorities and risk management framework. By embedding sustainability considerations into operational and strategic decision-making, the Company seeks to:

☑ Strengthen long-term financial resilience;

☑ Improve operational productivity and manufacturing efficiency;

☑ Enhance stakeholder trust and customer satisfaction;

☑ Minimise environmental impacts;

☑ Foster innovation and responsible production practices; and

☑ Create sustainable value for shareholders and society.

The Board and senior management continuously monitor these material matters to ensure responsiveness to emerging risks, stakeholder expectations, and changes in the external operating environment.

FORWARD OUTLOOK

As the manufacturing industry continues to evolve amidst changing economic conditions, technological advancements, climate-related challenges, and increasing stakeholder expectations, the Company remains committed to strengthening its sustainability journey through responsible manufacturing practices, operational excellence, and long-term value creation.

STRATEGY AND RESOURCE ALLOCATION

Strategy	Resource Allocation	Performance Outcomes
Drive sustainable and profitable business growth by evaluating market segments and demand drivers, optimizing the sales mix, and expanding into new domestic and export markets, while promoting value-added downstream products to enhance competitiveness and revenue generation.	Allocate resources for participation in trade fairs, international exhibitions, and strategic partnerships to enhance market presence and competitiveness. Strengthen human resource capabilities through specialized training and recruitment to support export development, product diversification, and market expansion initiatives.	Rs. 6,567 Mn revenue 20% GP margin Rs. 936 Mn - PBT ROA - 17.28% ROE – 14.04% 4,141 hours of training.

Future Plans
Short term
Investment on market research and data analytics during the year.
Optimize current sales mix by focusing on high-margin and fast-moving products.
Strengthen existing markets through targeted marketing campaigns and customer retention initiatives.
Medium & Long Term
Diversify product portfolio with a stronger focus on high-value downstream and differentiated products.
Establish a strong and sustainable global customer base with long-term supply agreements.
Enhance brand positioning as a value-added and competitive market leader.

Strategy	Resource Allocation	Performance Outcomes
Lean Manufacturing	Invested on new machineries to increase efficiency and reduce wastages.	Reduce wastages compared to last year.
Improve quality, speed of delivery and customer responsiveness	Spent on building enhancement during the year. Additional Delivery vehicles included in the pool. Strengthening product quality control process Increase hours of training	Improved customer satisfaction on quality On-Time-Delivery Reduced customer returns

Future Plans
Short term
Another pool of delivery vehicles included to enhance the speedy delivery.
Medium & Long Term
Incorporate advanced technologies to enhance the accuracy and facilitate real-time tracking of Products.

Strategy	Resource Allocation	Performance Outcomes
Retain key skills specially among technical staff	Company remains fully compliant with the National Minimum Wage of Workers (Amendment) Act No. 11 of 2025. Following the January 1, 2026, mandate, we have successfully consolidated and adjusted our base pay structures to meet the Rs. 30,000/- monthly statutory requirement. 76 training sessions accounting for 4,141 hours of training	> 81% employee retention • 36% of employees employed for over 5 years

STRATEGY AND RESOURCE ALLOCATION

Strategy	Resource Allocation	Performance Outcomes
Improve gender diversity in the workforce	For the 2026/27 financial year, our gender diversity strategy moves from policy to practice. We are committed to increasing female representation across our technical and supervisory tiers by implementing targeted recruitment pipelines in collaboration with vocational institutes and enhancing our "Return-to-Work" support systems for nursing mothers.	Increased female representatives in the workforce.

Future Plans
Short term
Implementing technological advancements to streamline employees' work processes, improve efficiency, and enhance accuracy, thereby creating a more productive and employee-friendly work environment. Enhancing the accessibility through hybrid digital touchpoints to support flexible collaboration, communication, and employee convenience.
Medium & Long Term
As we modernize our systems, our focus remains on preserving the empathy and integrity that will position us as a Best Employer Brand. We will continue to balance technological advancement with a people-centric approach, ensuring that Central Industries remains an employer of choice in an increasingly competitive market.

Strategy	Resource Allocation	Performance Outcomes
Improving sourcing efficiency	Negotiate bulk pricing advantages Collaborating with Tier 1 suppliers to improve lead times	• Supplier audit ratings improved. • Shortest lead times compared to last year.

Future Plans
Short term
Establish a Supplier Code of Conduct that clearly defines contract terms, delivery schedules, quality standards, and other key requirements.
Medium & Long Term
Monitoring upstream supply chain sustainability practices and KPIs. Rationalization of supply base.

Strategy	Resource Allocation	Performance Outcomes
Drive operational and cost efficiencies on maintenance and upkeep of machinery	Enhanced the preventive maintenance activities on maintenance and upkeep of machinery and equipment. Strengthening BCP Governance	Reduction in production downtime hours Increase the schedule of preventive maintenance Employee awareness on BCP
Compliance with global quality standards certifications	100% compliance with all standards and certifications	Consistently achieve and maintain internationally recognized quality certifications with zero major audit findings, leading to measurable improvements in product quality, customer satisfaction, and operational efficiency.

Future Plans
Short term
Train employees on quality systems and standard operating procedures
Conduct internal audits regularly to ensure readiness
Medium & Long Term
Move beyond compliance to continuous improvement systems
Integrate quality standards across the entire supply chain (Tier 1, Tier 2)

Strategy	Resource Allocation	Performance Outcomes
A strategic approach to integrating sustainability and climate action into the core business model.	Installation of solar power plant covering 80% of the Yakkala Factory building roof to generate sustainable energy and contribute to the national grid.	Zero incidents pertaining to non-compliance of regulatory or voluntary requirements.

Future Plans
Short term
Establish the company as a sustainability-driven and socially responsible brand.
Medium & Long Term
Build climate resilience and long-term business continuity capabilities.
Develop sustainable products, services, and supply chains.

Strategy	Resource Allocation	Performance Outcomes
Stringent management of variable costs	Improve employee productivity through training and up-skilling. Cost containment strategies to lower operational costs. Diversify customer base Explore new markets Negotiate with suppliers for bulk pricing advantages	Rs. 5,226 Mn Cost of Sales 20% GP margin

Future Plans
Short term
Improve profitability by implementing tighter budgetary control over variable cost components.
Introduce technology to improve productivity and minimize wastage
Medium & Long Term
Invest in automation and technology to reduce dependency on variable labour costs
Redesign processes to improve efficiency and reduce resource consumption
Implement lean management / continuous improvement culture

RESOURCE ALLOCATION

The Company continued to strengthen its resource allocation framework to ensure optimal utilization of financial, human, and operational resources across all business units. Allocation decisions were guided by strategic priorities, operational efficiency, and value creation objectives.

CIPLC regularly reviews and adjusts its risk appetite across various segments and markets to ensure that capital is allocated to areas with highest return potential while mitigating associated risks.

RESOURCE ALLOCATION PRINCIPLES

1. ALIGNMENT WITH STRATEGIC OBJECTIVES

Allocate resources towards initiatives that directly support the organization's strategic objectives and long-term vision which is "To be the preferred choice of the discerning customer for products and services in the construction industry" ensuring efficient use of resources to achieve core goals.

2. RISK-RETURN OPTIMIZATION

Allocate resources to maximize risk- adjusted returns. This requires carefully assessing risks to ensure they align with the organization's overall risk appetite.

3. CAPITAL EFFICIENCY

Maximize productivity of the deployed Capitals (Financial and Human), optimizing utilization to achieve the highest possible return on investment while minimizing waste and inefficiency with Lean Manufacturing.

4. SUSTAINABLE GROWTH AND INNOVATION

Allocate resources to foster sustainable long-term growth and drive innovation, building an adaptable business model that creates enduring value while integrating ESG Considerations.

SCENARIO PLANNING

The Company utilizes a structured scenario planning approach to critically evaluate current assumptions and assess the resilience of proposed initiatives under varying market conditions. This supports well-informed decision-making while safeguarding long-term sustainability.

ENDURING BY NATURE

Nurturing Connections for a Sustainable Future

COMMITMENT TO SUSTAINABILITY

SUSTAINABLE DEVELOPMENT STRATEGY

GRI 2-22

CIPLC's sustainable development strategy is centred on proactively managing, and wherever possible, preventing potential adverse impacts on the environment, society, employees and business partners. Strong governance underpins this approach, ensuring full compliance with all applicable environmental regulations, labour laws, and consumer protection requirements. Please refer to the SLFRS S1 and S2 Disclosures for details on how CIPLC addressed sustainability and climate-related risks and opportunities in 2025/26.

Further details on the progress achieved during the financial year with regard to sustainability topics are provided in the Chairman's message, as well as the Corporate Governance chapter, and the Human Capital, Social Capital, and Environmental Capital chapters of this report.

COMMUNICATION OF CRITICAL CONCERNS

GRI 2-16

There were no sustainability-related critical concerns communicated to the Company during the current financial year, under environmental, social or governance topics.

POLICY COMMITMENTS

GRI 2-23

CIPLC has committed towards sustainable business practices by adopting the Sustainable Development Goals (SDGs). Through our core business activities, our highest contributions to the national economy, society and environment accrue through the 5 UNSDGs of Good Health and Safety, Gender Equality, Decent Work and Economic Growth, Clean Water and Sanitation and Responsible Consumption and Production.

CIPLC'S CONTRIBUTIONS TOWARDS SDGS IN 2025/26

01 NO POVERTY	We provide direct employment to approximately 382 individuals and indirect employment to over 1000 individuals across all nine provinces of the country. The Company supports employees during emergencies by offering interest-free distress loans for health, education, and other urgent needs.
03 GOOD HEALTH & WELL-BEING	During the year under review, we contributed to the good health and well-being of our employees and facilitated proper sanitation and hygiene through our PVC pipes. We improved the OPD insurance coverage for employees All health and safety standards were observed at our factories Complied with all environmental regulations to prevent public health hazards Complied with the health and safety standards of all our products for the safety of all consumers
04 QUALITY EDUCATION	We place strong emphasis on employee training and development to build and maintain a skilled workforce. In addition, the Company actively supports the development of plumber and electrician communities by providing training initiatives that contribute to improving educational and professional opportunities within these fields. We also conducted a three-month soft skills development programme comprising training and internship opportunities for students.
05 GENDER EQUALITY	CIPLC is an equal opportunity employer and throughout the year, facilitates a safe work environment, with career growth and training opportunities for men and women. Female employees receive equitable pay scales and benefits based on job roles, performance and tenure of service. The Company commemorated International Women's Day.

06 CLEAN WATER AND SANITATION	Through domestic production and supply of PVC and HDPE pipes to the National Water Supply and Drainage Board and the construction industry, we have continued to support the expansion of safe drinking water and sanitation facilities
08 DECENT WORK AND ECONOMIC GROWTH	We provided decent employment opportunities for our own employees, while supporting indirect employment across the supply chain.
09 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Our products directly contribute to infrastructure development, and we collaborate with reputed organisations in supporting their development initiatives. We continuously evaluate and enhance our products and processes through a culture of innovation, ensuring greater efficiency and effectiveness across our operations.
10 REDUCED INEQUALITIES	We create and distribute economic value to our stakeholders in the following ways: To employees, through remuneration and welfare benefits amounting to Rs. 436 Mn To the Government, through income tax payments amounting to Rs. 285 Mn To providers of capital, through interest payments amounting to Rs. 15.53 Mn Through retained profits amounting to Rs. 651 Mn Total economic value distributed amounted to Rs. 1.483 Mn By offering competitively priced products that deliver value to our customers
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We have complied with all applicable environmental regulations to ensure environmentally responsible manufacturing of all our products. All our waste is disposed of responsibly and in compliance with waste management regulations. We have also contributed to society in multiple ways, including CSR activities.
13 CLIMATE ACTION	The Company demonstrates its commitment to climate action through tree planting initiatives at its factory premises in Elhena. The company sets aside a large area for tree planting and continuously develops this area to contribute to environmental sustainability.

EMBEDDING POLICY COMMITMENTS

GRI 2-24

i. Allocation of responsibility to implement sustainability commitments across different levels	☑ Sustainability-related commitments are transmitted down the hierarchy through department heads.
ii. How commitments are integrated into strategies, operational policies, and operational procedures	☑ Oversight of sustainability-related matters has been vested in the Risk Management Committee and the Audit Committee, which meet every quarter. Sustainability-related material matters identified by the two committees are presented to the Board for formal integration into strategies and operational procedures. ☑ Existing operational procedures are reviewed to integrate sustainability considerations
iii. How commitments are implemented with and through business relationships	☑ Relevant sustainability-related matters are communicated to business partners through regular meetings
iv. Training on implementing the commitments	☑ During the year, all management personnel received training on SLFRS S1 and S2 disclosures

PROCESSES TO REMEDIATE NEGATIVE IMPACTS

GRI 2-25

a. Commitments to cooperate in the remediation of negative impacts	The Company provides contact information for customers and business partners to directly contact the Company in the case of any negative impacts due to the Company's activities. No such negative impacts occurred during the year under review. ☑ In the case of customer grievances regarding product quality or defects, the company maintains a policy of replacing or refunding the customer as remediation, following quality inspections. ☑ In the case of any identified negative environmental impacts, the Company has immediately taken preventive measures and has not recorded any violations of environmental regulations during the year ☑ Employee injuries are compensated according to labour regulations
b. Grievance mechanisms	☑ The Company has a formal grievance management system that is accessible to all employees. ☑ In the current financial year, suggestion boxes were installed for employees to raise grievances or concerns. Please refer to the Human Capital chapter for details
c. Other processes used to cooperate in the remediation of negative impacts	☑ An open-door policy is maintained, allowing employees, customers, suppliers, business partners and community members to engage with the Company.

d. How are stakeholders, who are the intended users of the grievance mechanisms, involved in the design, review, operation, and improvement of these mechanisms	Stakeholders are involved in the design of the grievance mechanism through: ☑ Feedback regarding product quality and safety is regularly collected from dealers and distributors. ☑ The senior management also makes personal visits to large dealers and distributors ☑ Feedback is obtained from B2B customers through dedicated customer care personnel ☑ Employee feedback is obtained through various employee engagements ☑ CIPLC's factories conduct community welfare and engagement activities that generate community feedback
e. How the effectiveness of the grievance mechanisms is tracked, and examples of their effectiveness, including stakeholder feedback	The effectiveness of grievance mechanisms is tracked by ☑ Monitoring the rate of resolution ☑ By obtaining feedback on the satisfaction level regarding the grievance resolution

MECHANISMS FOR INDIVIDUALS TO SEEK ADVICE AND RAISE CONCERNS

GRI 2-26

All employees are provided with training opportunities, and all employees have access to the management to seek advice or raise concerns regarding sustainability-related matters pertaining to the Company's activities.

SLFRS S1 AND S2 – SUSTAINABILITY AND CLIMATE-RELATED DISCLOSURES

OVERVIEW

The Sri Lanka Financial Reporting Standards (SLFRS) S1 and S2 are local adaptations of the International Financial Reporting Standards (IFRS) S1 and S2 issued by the International Sustainability Standards Board (ISSB). SLFRS S1 focuses on general requirements for sustainability-related financial disclosures, while SLFRS S2 specifically addresses climate-related disclosures. Together, these standards aim to provide consistent, comparable, and decision-useful information to investors and other stakeholders regarding Central Industries PLC's (CIPLC) exposure to sustainability and climate-related risks and opportunities.

Demonstrating a proactive commitment to transparency and accountability, CIPLC voluntarily commenced the early adoption of SLFRS S1 and S2 in the 2024/25 financial year, even though mandatory compliance for listed entities was not yet required. By continuing this reporting journey, CIPLC aims to further integrate sustainability into its strategic and operational decision-making processes, strengthen its Integrated Risk Management System (IRMS), and future-proof its business against evolving regulatory and market expectations in the transition to a low-carbon economy. We believe that enhancing transparency in sustainability reporting will boost stakeholder confidence and solidify CIPLC's position as a leading, responsible manufacturer of water management and electrical solutions dedicated to building sustainable infrastructure.

1. BASIS OF PREPARATION

1.1 REPORTING ENTITY, ORGANISATION BOUNDARY AND REPORTING PERIOD

This report presents the sustainability and climate-related financial disclosures of Central Industries PLC (CIPLC) and its subsidiaries, prepared on a consolidated basis. The disclosures cover the financial year from April 1 2025, to March 31, 2026, aligning with the Group's financial reporting cycle.

CIPLC is a leading manufacturer of water management and electrical solutions in Sri Lanka, with operations spanning PVC and HDPE pipe manufacturing and electrical items. The disclosures herein are intended to provide stakeholders with transparent, decision-useful information on sustainability and climate-related risks and opportunities (SRROs and CRROs).

1.2 APPLICATION OF SLFRS SUSTAINABILITY DISCLOSURE STANDARDS

This section has been prepared in accordance with SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures), issued by the Institute of Chartered Accountants of Sri Lanka. These standards are based on IFRS S1 and S2 issued by the International Sustainability Standards Board (ISSB).

The disclosures are intended to support investors and stakeholders in understanding the sustainability and climate-related risks and opportunities (SRROs and CRROs) that could reasonably be expected to affect CIPLC's:

☑ Cash flows

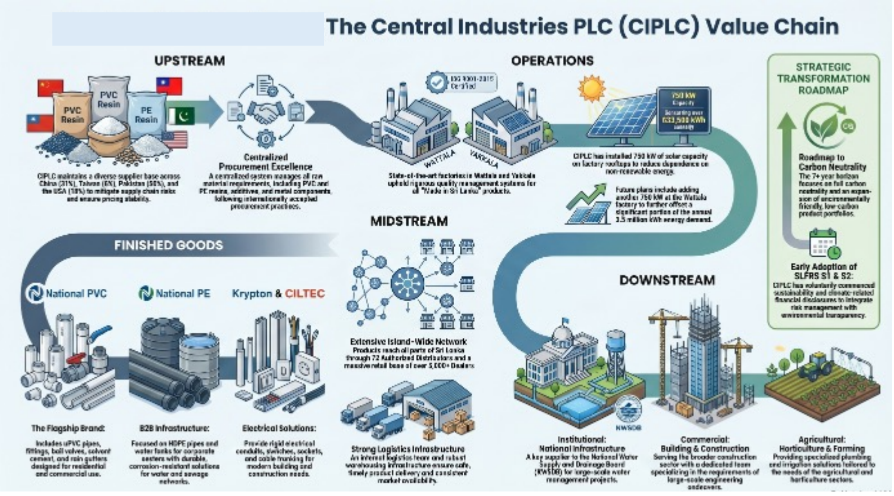
☑ Access to finance

☑ Cost of capital

☑ Long-term prospects

1.3 VALUE CHAIN

Central Industries PLC (CIPLC) manages a comprehensive value chain that integrates global sourcing, high-tech local manufacturing, and an extensive island-wide distribution network.



1. UPSTREAM: RAW MATERIAL SOURCING

The upstream segment of the value chain is characterized by a centralized procurement system that follows internationally accepted practices to mitigate supply chain risks and manage costs.

☑ **Critical Inputs:** The primary raw materials are PVC and PE resins, which are petroleum by-products. Other essential inputs include additives, polycarbonate compounds, and metal components.

- ☑ **Global Supplier Base:** A major share of these inputs is imported from a global network of suppliers in China, Taiwan, and the USA.
- ☑ **Logistics:** This stage includes upstream transport and distribution, specifically freight services paid for by the company to bring imported materials into the country.

2. INTERNAL OPERATIONS: MANUFACTURING & MANAGEMENT

Internal operations are Centred around high-tech, ISO 9001-2015 certified production facilities that emphasise efficiency and sustainability.

- ☑ **Manufacturing Facilities:** Production takes place at two main factories located in Wattala and Yakkala. These sites have undergone significant upgrades, such as full conversion to LED lighting and large-scale refurbishments.
- ☑ **Renewable Energy Integration:** A core operational strategy involves managing energy costs through rooftop solar power generation, with current capacity reaching 710 kWh and further expansions planned for the Wattala site.
- ☑ **Process Innovation:** CIPLC develops in-house machinery, such as socket-making machines and pipe-heating ovens, which have significantly increased production output and efficiency.
- ☑ **Health & Safety:** Internal operations are governed by stringent occupational health and safety (OHS) standards and waste management protocols to ensure zero non-compliance and a safe working environment.

3. DOWNSTREAM: LOGISTICS & PRIMARY MARKETS

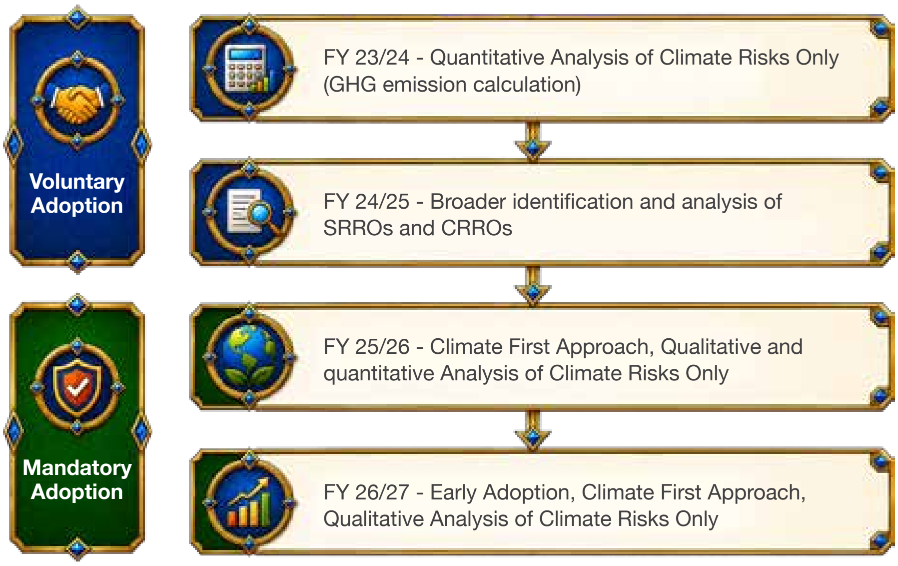
The downstream segment focuses on delivering high-quality finished goods to diverse sectors across Sri Lanka.

- ☑ **Brands and Finished Goods:** The output includes National PVC (pipes and fittings), National PE (HDPE solutions), Krypton (switches and accessories), and CILTEC (electrical conduits).
- ☑ **Distribution Network:** CIPLC utilises a dedicated logistics team and a robust infrastructure to serve a network of 72 authorised distributors and over 3,000 dealers island-wide.
- ☑ **Primary Markets:** The company serves three main customer segments:
    - *Institutional: A pre-qualified supplier to the National Water Supply and Drainage Board (NWSDB) for large-scale infrastructure.*
    - ***Commercial:** The broader building and construction sector.*
    - ***Agricultural:** The agriculture and horticulture sector for water management solutions.*
- ☑ **Customer Engagement:** The downstream stage is supported by an e-commerce portal (C-Mart) and regular field visits by senior officials to gather market insights and ensure distributor satisfaction.
- ☑ **Retail Hardware Dealer Network.**

BASIS OF MATERIALITY

The basis of materiality for Central Industries PLC (CIPLC) is defined by identifying sustainability and climate-related information that could reasonably be expected to influence the decisions of primary users, such as investors and creditors, regarding the company's future prospects. CIPLC utilises a structured assessment process to identify, evaluate, and prioritise these matters, applying both quantitative and qualitative thresholds to determine their significance. Quantitatively, a matter is considered material if it has a likely effect of +/- 5% on the three-year average operating profit or a +/- 3% impact on total financial equity. Qualitatively, the company prioritises issues such as significant regulatory changes, stakeholder concerns, and reputational risks that could negatively impact brand value or customer trust. These material risks and opportunities are then fully integrated into the Integrated Risk Management System (IRMS) to ensure that all sustainability-related disclosures are consistent with the audited financial statements and aligned with the company's strategic decision-making.

TRANSITION TIMELINE



Voluntary Adoption

FY 23/24 - Quantitative Analysis of Climate Risks Only (GHG emission calculation)

FY 24/25 - Broader identification and analysis of SRROs and CRROs

Mandatory Adoption

FY 25/26 - Climate First Approach, Qualitative and quantitative Analysis of Climate Risks Only

FY 26/27 - Early Adoption, Climate First Approach, Qualitative Analysis of Climate Risks Only

SLFRS S1 AND S2 – SUSTAINABILITY AND CLIMATE-RELATED DISCLOSURES

TIME HORIZON CONSIDERED

Sustainability and climate-related impacts are assessed over defined short, medium, and long-term time frames, in line with internal planning cycles. The link between strategic planning and time horizons is given below:

Horizon	Period	Definition
Short Term	0–3 years	Focuses on immediate operational efficiencies, compliance with existing regulations, and investment in solar power.
Medium Term	3–7 years	Addresses gradual environmental and economic shifts by developing new products and entering new markets.
Long Term	7+ years	Focuses on effecting a sustainability transformation aimed at full carbon neutrality and the development of environmentally friendly, low-carbon products.

The short-term horizon aligns with CIPLC's annual budgeting cycle. The medium-term horizon corresponds with three-year strategic planning. The long-term horizon extends beyond seven years, reflecting CIPLC's ambition to achieve full carbon neutrality and transform its product portfolio.

REPORTING SCOPE AND STANDARDS

These sustainability and climate-related disclosures have been prepared in accordance with the SLFRS Sustainability Disclosure Standards comprising SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures. CIPLC's sustainability and climate-related financial disclosures for FY 2025/26 are aligned with the SLFRS S1 and S2 standards.

In preparing these disclosures, CIPLC also referred to:

- ☑ SASB Standards (5 industry-specific standards)
- ☑ Global Reporting Initiative (GRI)

Detailed disclosures aligned to SLFRS S1 & S2 are presented on pages 66 to 68 of this Annual Report.

CONNECTED INFORMATION

This report presents connected information that reflects the integration of sustainability and climate-related considerations within CIPLC's overall governance and reporting framework.

The following areas are covered:

- ☑ Connection between risks and opportunities and how they could impact the entity's future prospects.
- ☑ Internal consistency of disclosures with links within sustainability disclosures on core content.
- ☑ Connections between sustainability-related financial disclosures.
- ☑ All data, assumptions, and monetary values (presented in Rs.) are consistent with the audited financial statements, ensuring alignment and coherence between financial and non-financial disclosures.

CIPLC remains committed to resilient and forward-looking governance in a changing global environment. Our approach ensures that sustainability and climate-related risks and opportunities (SRROs and CRROs) are integrated into the organisation's strategy and value creation process.

01. GOVERNANCE

1. BOARD OVERSIGHT

The CIPLC's Board of Directors assumes ultimate responsibility for the oversight of sustainability and climate-related risks and opportunities. To guide this oversight, the company has implemented a formal, Board-approved ESG policy.

The Board ensures that all business strategies, major investments, and capital allocations are reviewed against sustainability criteria. This includes:

- ☑ **Approval of Investments:** All purchases of machinery, development of new products, and new business activities are evaluated for their environmental impact and regulatory compliance.
- ☑ **Strategic Commitment:** The Board has continued to authorise investments in higher-cost raw materials to prioritise the environmental and health and safety of consumers.

2. DELEGATION TO COMMITTEES

To ensure technical rigour, the Board delegates specific oversight and implementation roles to specialised committees and management:

- ☑ **Director/CEO:** Tasked with the primary responsibility for overseeing the development and implementation of the company's climate and sustainability strategy.
- ☑ **Sustainability Committee:** Specifically established to oversee the strategic development and practical implementation of CIPLC's sustainability and climate roadmap.
- ☑ **Risk Committee:** Responsible for identifying emerging risks and reporting all sustainability and climate-related findings to the Board on an annual basis.

3. REPORTING AND ESCALATION

CIPLC has established a structured reporting flow to ensure that material sustainability matters reach the Board in a timely manner:

- ☑ **Monthly Compliance Reports:** A monthly environmental compliance report is submitted to the Board to ensure continuous oversight of operating licenses and regulatory standing.
- ☑ **Integrated Monitoring:** SRROs and CRROs are monitored against established targets and KPIs as a core component of overall management rather than as a separate, isolated function.
- ☑ **ERM Integration:** Sustainability and climate-related risks are being progressively integrated into the company's existing enterprise risk management framework to assess potential financial impacts on the business model.

4. SKILLS, COMPETENCIES, AND ACCOUNTABILITY

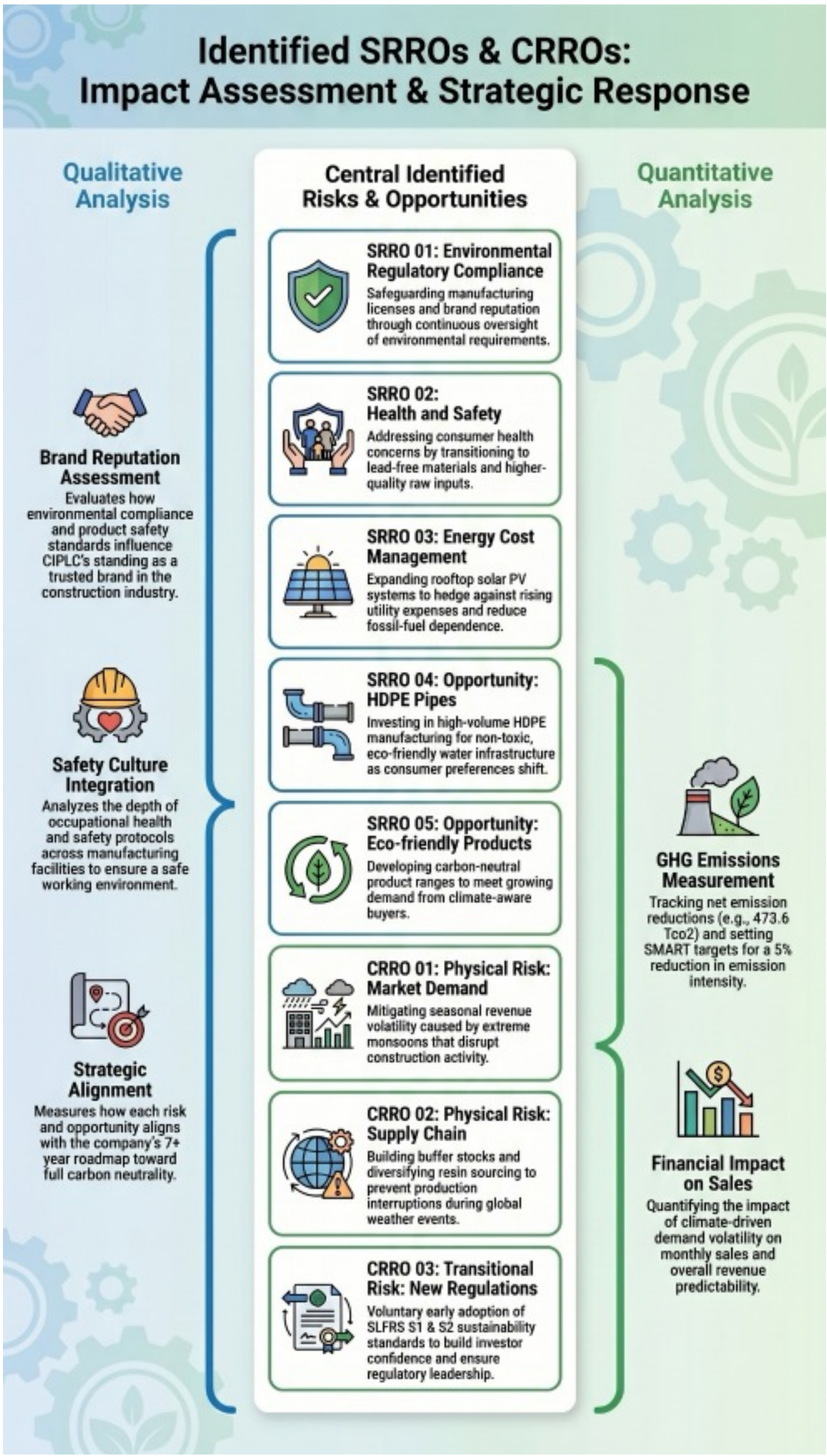
The governance framework includes a system for maintaining the necessary expertise to manage evolving climate risks:

- ☑ **Annual Performance Reviews:** The assessment of skills needed to address SRROs and CRROs is conducted through the annual performance review process.
- ☑ **KPI Alignment:** These reviews are strictly linked to KPIs, which include compliance with environmental regulations, labour laws, and all other applicable regulatory requirements.
- ☑ **Gap Identification:** Skill gaps are identified both during the performance review and the strategy development process, ensuring the Board and management remain equipped for the transition to a low-carbon economy.

All business strategies and investments are approved by the Board. In its decision-making, the Board takes into account opportunity costs. All purchases of machinery, development of new products and new business activities are reviewed against sustainability criteria, including environmental impacts and regulatory compliance. The Company has continued to invest in higher-cost raw materials to ensure the environmental and health and safety of consumers.

02. STRATEGY

IDENTIFIED SRROS & CRROS, IMPACT ASSESSMENT & STRATEGIC RESPONSE



Identified SRROs & CRROs:
Impact Assessment & Strategic Response

Qualitative Analysis

Brand Reputation Assessment
Evaluates how environmental compliance and product safety standards influence CIPLC's standing as a trusted brand in the construction industry.

Safety Culture Integration
Analyzes the depth of occupational health and safety protocols across manufacturing facilities to ensure a safe working environment.

Strategic Alignment
Measures how each risk and opportunity aligns with the company's 7+ year roadmap toward full carbon neutrality.

Central Identified Risks & Opportunities

SRRO 01: Environmental Regulatory Compliance
Safeguarding manufacturing licenses and brand reputation through continuous oversight of environmental requirements.

SRRO 02: Health and Safety
Addressing consumer health concerns by transitioning to lead-free materials and higher-quality raw inputs.

SRRO 03: Energy Cost Management
Expanding rooftop solar PV systems to hedge against rising utility expenses and reduce fossil-fuel dependence.

SRRO 04: Opportunity: HDPE Pipes
Investing in high-volume HDPE manufacturing for non-toxic, eco-friendly water infrastructure as consumer preferences shift.

SRRO 05: Opportunity: Eco-friendly Products
Developing carbon-neutral product ranges to meet growing demand from climate-aware buyers.

CRRO 01: Physical Risk: Market Demand
Mitigating seasonal revenue volatility caused by extreme monsoons that disrupt construction activity.

CRRO 02: Physical Risk: Supply Chain
Building buffer stocks and diversifying resin sourcing to prevent production interruptions during global weather events.

CRRO 03: Transitional Risk: New Regulations
Voluntary early adoption of SLFRS S1 & S2 sustainability standards to build investor confidence and ensure regulatory leadership.

Quantitative Analysis

GHG Emissions Measurement
Tracking net emission reductions (e.g., 473.6 Tco2) and setting SMART targets for a 5% reduction in emission intensity.

Financial Impact on Sales
Quantifying the impact of climate-driven demand volatility on monthly sales and overall revenue predictability.

SLFRS S1 AND S2 – SUSTAINABILITY AND CLIMATE-RELATED DISCLOSURES

SUSTAINABILITY RELATED RISKS & OPPORTUNITIES (SRRO)

ID & Name	Horizon & Type	Description	Effect on Business Model & Value Chain (Current & Anticipated)
SRRO 01: Environmental Regulatory Compliance	S, M, L Sustainability	This involves ensuring the company follows all environmental laws to avoid fines or the loss of its manufacturing licenses at the Wattala and Yakkala factories.	Current: Low; structures are robust. Anticipated: Low risk of penalties if monitoring is continuous.
SRRO 02: Health and Safety (PVC)	M, L Sustainability	This risk focuses on addressing long-term consumer health concerns regarding traditional materials by transitioning to lead-free ingredients and promoting safer products.	Current: Low. Anticipated: Rising impact on revenue as consumers move to non-toxic options.
SRRO 03: Energy Cost Management	S, M Sustainability	This is the effort to lower production costs and reduce reliance on the national electricity grid by using rooftop solar power and energy-efficient machinery.	Current: Medium. Anticipated: Potential high threat to production COGS as grid tariffs scale.
SRRO 04: Opportunity: HDPE Pipes	S, M, L Opportunity	A major growth opportunity where the company scales its National PE (HDPE) range to meet high demand for non-toxic, durable water infrastructure.	Current: None. Anticipated: High impact on revenue as demand for safe infrastructure scales.
SRRO 05: Opportunity: Eco-friendly Products	M, L Opportunity	The development of “green” product lines to attract environmentally conscious customers and stand out from low-quality competitors.	Current: Low. Anticipated: High impact as climate-aware demand for “green” ranges grows.

CLIMATE-RELATED RISKS AND OPPORTUNITIES (CRRO)

ID & Name	Horizon & Type	Description	Effect on Business Model & Value Chain (Current & Anticipated)
CRRO 01: Physical Risk: Market Demand	S, M, L Climate: Acute	Managing the impact of extreme weather, sales typically drop by 50% during heavy rainfall (November) but rise by 60% during dry months, requiring strategic stock planning.	Current: Medium. Anticipated: Rising impact as extreme monsoons disrupt construction cycles.
CRRO 02: Physical Risk: Supply Chain	S, M Climate: Acute	Protecting the business from global delays and price spikes of imported PVC resins caused by international weather events or conflicts by maintaining buffer stocks.	Current: Medium. Anticipated: High risk of production loss if global weather disrupts PVC resin imports.
CRRO 03: Transitional Risk: New Regulations	M, L Climate: Market	Staying ahead of new government carbon policies and mandatory disclosure rules (SLFRS S1 and S2) to maintain investor confidence and avoid rising compliance costs.	Current: Medium. Anticipated: High impact on the cost of doing business due to GHG policies.

Where it is Impacted (Credit & Reputational Risk)	Strategic Response & Decision-Making	Financial Performance & Cash Flow Effects	Resourcing & Implementation	Progress of Plans & Initiatives
Reputational: High risk if license loss occurs. Operational: License continuity.	Maintain stringent oversight.	Negligible current impact; ongoing response mitigates mid-to-long-term risk.	Board, Risk Committee, and Factory Engineers.	Fully compliant; zero violations or fines reported.
Reputational: Brand erosion from PVC health concerns. Credit: Indirect impact via falling demand.	Shifting lead-free materials and aggressively promoting HDPE pipes.	Authorised higher-cost raw material investments; long-term shift to the HDPE market.	R&D team and specialized Sales force.	Ongoing; transition to PP-R hot water pipes underway pending SLS certification..
Operational: Production cost volatility. Financial: Direct impact on operating margins.	Hedging grid volatility via rooftop solar power and energy-efficient machine selection.	Achieved 3% reduction in energy costs during the reporting period.	Total investment of Rs. 103 Mn in solar infrastructure.	Advanced; solar at Yakkala covers 80% of the roof; Wattala Phase II planned.
Strategic: Market share growth. Reputational: Provider of sustainable solutions.	Investing in high-volume HDPE manufacturing, targeting NWSDB projects.	Expected high long-term improvement in revenue and cash flows.	Manufacturing expansion at the Yakkala factory facility.	Accelerating; achieved 57% volume growth in PE/PVC product mix.
Reputational: Enhanced brand identity. Strategic: Competitive differentiation.	Setting SMART GHG reduction targets; enhancing carbon footprint data collection.	Anticipated high revenue growth in premium “green” segments.	Sustainability Committee and R&D for low-carbon blending.	Foundation set; 473.6 tCO2 reduction achieved via renewable energy.

Where it is Impacted (Credit & Reputational Risk)	Strategic Response & Decision-Making	Financial Performance & Cash Flow Effects	Resourcing & Implementation	Progress of Plans & Initiatives
Credit/Financial: Revenue and cash flow unpredictability. Reputational: Contribution to industry resilience.	Promoting indoor-use products (cable trunking/ conduit) during rainy seasons to stabilise revenue.	Historical sales swings of -50% in wet months (Nov) to +60% in dry spells.	Marketing and Sales teams conduct regular regional responsiveness forums.	On track; achieved 6% monthly sales growth vs a 5% target.
Operational: Risk of total manufacturing interruption. Credit: Supply chain price spikes.	Proactive stock-building during dry seasons and diversifying the international sourcing base.	March 2026 conflict caused sharp spikes in resin prices and shipping costs.	Centralised procurement and buffer stock management strategies.	Resilient; no significant disruptions reported despite Middle East instability.
Operational: Increased compliance costs. Reputational: Lagging behind peers in low-carbon transition.	Transitioning to renewable energy (Solar Phase II) and improving production energy efficiency.	Projected increase in energy and raw material costs over the medium term.	Integration of sustainability into the overall Risk Management (IRMS) framework.	Leading, early adoption of SLFRS S1/S2 to build investor confidence.

APPLICATION OF SCENARIOS TO CIPLC'S PHYSICAL AND TRANSITION CRROS

CRRO 01: PHYSICAL RISK – MARKET DEMAND VOLATILITY

Extreme weather (prolonged wet seasons) leads to construction slowdowns and revenue unpredictability.

Scenario	Risk Trajectories and Implications for CIPLC
Scenario A: Net Zero	Successful global climate action stabilises weather patterns in the long term. CIPLC's investment in digital infrastructure allows for precise demand forecasting, and seasonal sales swings (-50% in wet months to +60% in dry months) become more predictable and manageable.
Scenario B: Current Pathway	Erratic and intensified rainfall moderately disrupts construction cycles. Revenue unpredictability remains a consistent challenge, requiring CIPLC to aggressively promote indoor-use products (cable trunking/conduits) during wet months to protect annual cash flows.
Scenario C: Divergence	Severe physical disruptions and extreme monsoon patterns lead to prolonged construction halts. Demand for water management solutions becomes highly volatile, potentially leading to major revenue shortfalls and inventory management crises in worst-case years.

CRRO 02: PHYSICAL RISK – SUPPLY CHAIN RESILIENCE (RESIN)

Disruptions to international PVC resin supplies and price spikes caused by global weather events or conflicts.

Scenario	Risk Trajectories and Implications for CIPLC
Scenario A: Net Zero	A rapid global transition reduces dependency on petroleum byproducts. CIPLC successfully diversifies into bio-based or low-carbon resins, and localised sourcing strategies mitigate international freight risks.
Scenario B: Current Pathway	Periodic price spikes in petroleum-based resins continue due to moderate global instability. CIPLC's proactive stock-building and centralised procurement mitigate short-term impacts, though COGS (Cost of Goods Sold) remain sensitive to global oil prices.
Scenario C: Divergence	Frequent extreme weather events and geopolitical conflicts cause severe supply chain disruption. PVC resin prices experience extreme volatility, potentially causing production interruptions at the Wattala and Yakkala factories due to the lack of raw materials.

CRRO 03: TRANSITIONAL RISK – NEW GHG REGULATIONS

New carbon taxes and mandatory SLFRS disclosure requirements increase the cost of doing business.

Scenario	Risk Trajectories and Implications for CIPLC
Scenario A: Net Zero	Sri Lanka's policy readiness allows CIPLC to leverage its voluntary early adoption of SLFRS S1 and S2. Investments in Solar Phase II at the Wattala factory provide a significant competitive edge by reducing exposure to carbon taxes.
Scenario B: Current Pathway	Gradual regulatory shifts increase compliance costs over time. CIPLC's energy-efficient machinery and current solar capacity (~710 kWh) keep the company ahead of average market competitors, though further investment is needed to maintain margins.
Scenario C: Divergence	Sudden, stringent government policies are introduced in response to worsening climate conditions. Failure to achieve full carbon neutrality leads to high financial penalties and reputational damage as consumer demand shifts rapidly toward competitors with certified eco-friendly products.

Based on the sources, Central Industries PLC (CIPLC) integrates climate risk into its financial planning by utilising three distinct scenarios to project impacts on its Revenue, Balance Sheet, and Cash Flow. The company uses historical benchmarks, such as seasonal sales fluctuations of -50% during heavy rainfall and +60% during dry months, to quantify these effects.

The following sections detail how each scenario impacts CIPLC's financial performance:

1. SCENARIO A: NET ZERO (RAPID DECARBONISATION)

This scenario assumes successful global and local action to limit warming to 1.5°C–2°C.

☑ Revenue: Successful long-term stabilisation of weather patterns makes demand forecasting more precise. CIPLC leverages its early adoption of SLFRS standards to capture "green" market share and premium pricing for eco-friendly products.

☑ Balance Sheet: Strategic investments in Solar Phase II and energy-efficient machinery at the Wattala and Yakkala factories enhance asset value and long-term resilience.

☑ Cash Flow: Transitioning to bio-based or low-carbon resins mitigates the financial volatility of petroleum-linked raw materials, while renewable energy hedges against rising grid utility costs.

2. SCENARIO B: CURRENT PATHWAY (MODERATE DISRUPTION)

This aligns with current national policies (NDCs), representing a ~3°C warming pathway.

☑ Revenue: Erratic rainfall continues to disrupt construction cycles. CIPLC protects cash flow by shifting its product mix toward indoor-use products (cable trunking/conduit) during prolonged wet seasons.

☑ Balance Sheet: Maintenance and insurance costs for manufacturing plants may rise moderately to address localised physical risks.

☑ Cash Flow: Operating costs remain sensitive to global oil price fluctuations, causing periodic spikes in the cost of imported PVC resin.

3. SCENARIO C: DIVERGENCE (EXTREME DISRUPTION)

This is a worst-case "business as usual" scenario leading to ~4°C warming.

☑ Revenue: Severe physical disruptions and extreme monsoons lead to prolonged halts in the construction sector, potentially resulting in major revenue shortfalls and inventory management crises.

☑ Balance Sheet: There is a high risk of material adjustments to the carrying value of manufacturing assets if they are damaged or become "stranded" due to an inability to transition away from high-carbon processes.

☑ Cash Flow: Escalating carbon taxes and sudden, stringent regulations significantly increase the cost of doing business. Geopolitical conflicts or extreme weather could lead to production interruptions if the international resin supply chain breaks.

03. RISK MANAGEMENT

CIPLC's Approach to Risk and Opportunity at Central Industries PLC, sustainability and climate-related risks are not managed in isolation; they are fully integrated into our Integrated Risk Management System. This ensures that environmental and social factors are considered alongside traditional financial and operational risks, providing a holistic view of the company's future prospects.

PROCESSES AND POLICIES USED TO IDENTIFY, ASSESS, PRIORITISE AND MONITOR SUSTAINABILITY AND CLIMATE-RELATED RISKS

There have been no changes to the processes used by the company in risk assessment in the current financial year, compared to the previous reporting period. CIPLC does not prioritise sustainability and climate-related risks relative to other types of risks, as all risks are treated the same unless an elevated risk is identified. We use scenario analysis to identify impacts on finances.

The risk impact on financials is estimated through the Sales forecast Risk management meeting conducted involving section heads.

1. THE IDENTIFICATION AND MANAGEMENT PROCESS

☑ **Identification:** in collaboration with department heads (Production, Procurement, and Sales), conduct regular assessments to identify emerging SRROs and CRROs, such as PVC resin price volatility or weather-driven shifts in construction demand.

☑ **Management Integration:** Sustainability issues are embedded across the value chain through rigorous supplier evaluations and facility audits at our Wattala and Yakkala plants. We prioritise ethical sourcing and supply chain transparency to ensure long-term compliance with global expectations.

2. QUALITATIVE AND QUANTITATIVE ANALYSIS

CIPLC applies a dual-layered analysis to every identified risk to ensure decision-useful information for stakeholders:

☑ **Qualitative Analysis:** We assess the impact of risks on our business model, value chain, and strategy. For example, the shift toward eco-friendly products is qualitatively analysed for its impact on procurement and customer trust.

☑ **Quantitative Analysis:** We utilise scenario analysis (Net Zero, Current Pathway, and Divergence) to project the potential financial impacts on our Revenue, Balance Sheet, and Cash Flow. This includes calculating the incremental costs of raw materials under different climate futures and normalising these figures over reporting periods to provide a consistent view of cost implications.

3. MANAGEMENT, MITIGATION, AND ADAPTATION

Once risks are assessed, the IRMS triggers specific strategic responses to build resilience:

☑ **Strategic & Financial Planning:** We integrate ESG metrics into financial planning, allocating capital toward sustainable product innovation (like HDPE pipes) and green technologies (like solar power).

☑ **Operational Resilience:** To mitigate physical risks like erratic rainfall impacting the construction sector, we focus on supply chain diversification and sourcing resilience to maintain stable pricing and uninterrupted production.

☑ **Digital Infrastructure:** We are investing in digital systems to track carbon footprints and monitor supplier compliance, ensuring our data-driven ESG reporting meets evolving regulatory and customer expectations.

4. CONNECTIVITY OF INFORMATION

Through the IRMS, CIPLC ensures that all sustainability-related financial disclosures are consistent with standards. All data, assumptions, and monetary values are aligned to provide a coherent narrative between our financial performance and our non-financial sustainability commitments.

INPUTS FOR RISK ASSESSMENT

Primarily sales data by each product category

Monthly rainfall data

Construction industry movement

Estimated demand by product category

DATA SOURCES

- ☑ Sales reports
- ☑ Procurement reports
- ☑ Dealer and distributor feedback
- ☑ Monthly performance review meeting

04. METRICS & TARGETS

EMISSION MATRIX FOR 2025/26

We have continued to obtain a GHG emission report from Apex Environmental Laboratory (Pvt) Ltd for the year 2024/25. Our shift to solar energy has reduced GHG emissions by 305.1 TCO2 during the year, and an additional GHG reduction of 5% Tco2 is expected for the next financial year in line with production enhancement.

Scope 01: Consumption of Diesel, LPG Gas, and Fire Extinguisher

Scope 02: Electricity usage from the national grid, Electricity transmission and distribution (T and D) loss

Scope 03: Municipal water supply, municipal waste, and organic garden waste

EMISSION MATRIX

Emissions	2025/26	2024/25
Direct (Scope 1) GHG Emissions	**155.0**	166.3
Indirect (Scope 2) GHG Emissions	**3,204.8**	2,741.1
Other indirect (Scope 3) Emissions	**2,074.5**	618.8
Total GHG Emissions	**5,434.3**	3,526.2
Less:		
Solar Power GHG Potential Reduction	**305.1**	473.6
Net GHG Emissions	**5,129.2**	3,052.6

Greenhouse Gas Emissions During FY 2025/26, CIPLC recorded total GHG emissions of 5,434.3 tCO2e, compared to 3,526.2 tCO2e in FY 2024/25. Net emissions after solar mitigation increased to 5,129.2 tCO2e (FY 2024/25: 3,052.6 tCO2e).

The increase was primarily driven by:

- ☑ **Production expansion:** Higher manufacturing volumes to meet rising demand for water management and electrical solutions led to increased electricity consumption, reflected in higher Scope 2 emissions.
- ☑ **Sales growth:** Broader market penetration and distribution activities expanded the reporting boundary, capturing more supply chain-related emissions, which contributed to the sharp rise in Scope 3 emissions.
- ☑ **Data improvements:** Enhanced monitoring and reporting systems allowed for more comprehensive capture of indirect emissions, particularly in logistics and supplier activities.

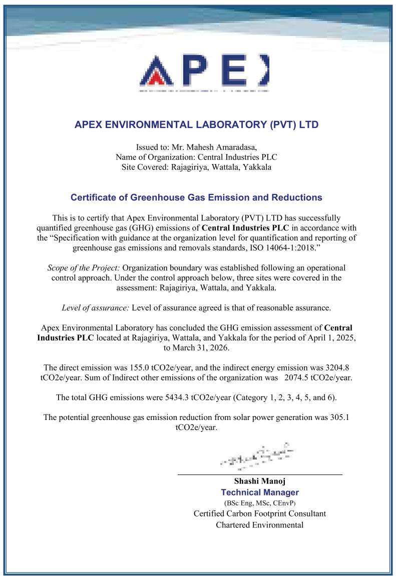
While Scope 1 emissions decreased slightly due to operational efficiencies, the overall increase highlights the importance of accelerating our transition to renewable energy and supply chain decarbonisation.

CIPLC remains committed to its carbon neutrality target by 2032. Mitigation measures underway include:

- ☑ Expansion of solar power capacity (Phase II project).
- ☑ Enhanced supplier engagement to reduce Scope 3 emissions.
- ☑ Energy efficiency upgrades across manufacturing facilities.

The Board and Sustainability Committee continue to monitor emission trends closely, ensuring alignment with SLFRS S1 & S2 disclosure requirements and Sri Lanka's Nationally Determined Contributions (NDCs).

In addition to the GHG report, we have also commenced adopting the GRI Standards to quantify sustainability impacts and to describe our management approach. Please refer to the Natural Capital chapter for environmental disclosures and the Financial Capital chapter for financial disclosures.



APEX ENVIRONMENTAL LABORATORY (PVT) LTD

Issued to: Mr. Mahesh Amaradasa,
Name of Organization: Central Industries PLC
Site Covered: Rajagiriya, Wattala, Yakkala

Certificate of Greenhouse Gas Emission and Reductions

This is to certify that Apex Environmental Laboratory (PVT) LTD has successfully quantified greenhouse gas (GHG) emissions of **Central Industries PLC** in accordance with the "Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals standards, ISO 14064-1:2018."

Scope of the Project: Organization boundary was established following an operational control approach. Under the control approach below, three sites were covered in the assessment: Rajagiriya, Wattala, and Yakkala.

Level of assurance: Level of assurance agreed is that of reasonable assurance.

Apex Environmental Laboratory has concluded the GHG emission assessment of **Central Industries PLC** located at Rajagiriya, Wattala, and Yakkala for the period of April 1, 2025, to March 31, 2026.

The direct emission was 155.0 tCO2e/year, and the indirect energy emission was 3204.8 tCO2e/year. Sum of Indirect other emissions of the organization was 2074.5 tCO2e/year.

The total GHG emissions were 5434.3 tCO2e/year (Category 1, 2, 3, 4, 5, and 6).

The potential greenhouse gas emission reduction from solar power generation was 305.1 tCO2e/year.

Shashi Manoj
Technical Manager
(BSc Eng, MSc, CEnvP)
Certified Carbon Footprint Consultant
Chartered Environmental

Sustainability Risks	Metrics that we are monitoring	Target	Progress during the year
Environmental regulatory compliance	☑ Number of violations ☑ Number and value of fines	Zero non-compliances	No non-compliances reported
Health and safety risks	☑ OHS standards	No major injuries	No major changes
Waste management	☑ Number of violations ☑ Number and value of fines ☑ Number of customer complaints ☑ Number of community complaints	Zero non-compliances	No non-compliances
Energy costs	☑ Monthly energy consumption ☑ Monthly energy costs by type of energy and by location	Reduce	Energy costs reduced by 3%

Sustainability-related opportunities	Metrics that we are monitoring	Target	Progress during the year
Production of HDPE pipes	☑ Market demand		
Environmentally friendly products	☑ Market demand		

Climate-related risks	Metrics that we are monitoring	Target	Progress during the year
Physical risks			
Market demand volatility	Monthly sales	5%	6%
Supply chain disruptions	Time to delivery	No Delay	No Delay
Cost of raw materials	Zero	1	1
Damage/destruction to property	Maintenance reports	Zero	Non
Transitional risks			
New regulations	Regulatory changes	Fully compliant	No violations

DETAILED FINANCIAL IMPACT ASSESSMENT

Risk ID	Financial Driver	Short-Term Impact	Medium-Term Impact	Long-Term Impact
SRRO 02	Revenue / Profitability	Low (Investment phase)	Moderate (Education phase)	High (Market shift to HDPE)
SRRO 03	Balance Sheet	Low (Compliance costs)	Low (Process efficiency)	Low (Stabilised processes)
SRRO 05	Revenue	Low	Moderate	High (Low-carbon demand)
CRRO 01	Cash Flow / Revenue	High (Seasonal volatility)	High	High (Climate unpredictability)
CRRO 03	Operating Costs / Expenses	High (Energy & Regs)	Moderate (Solar mitigation)	Low (Full solar integration)

QUANTITATIVE PERFORMANCE METRICS AND BASELINE COMPARISON

The 2025/26 baseline serves as the foundation for the Group’s progress toward carbon neutrality and operational resilience.

Metric	2024/25 Baseline	2025/26 Target/Status
Scope 1 Emissions	166.3 tCO2e	Stabilise through operational efficiency
Scope 2 Emissions	2,741.1 tCO2e	Target: Additional 5% tCO2e reduction
Scope 3 Emissions	618.8 tCO2e	Enhance supply chain data transparency
Solar Mitigation Potential	473.6 tCO2e reduction	Target: 5% reduction in net tCO2e
Energy Cost Optimisation	3% reduction achieved	Further optimisation via Solar Phase II
Seasonal Sales - Peak Dry	+60% (Dec - Mar)	Internal benchmark for stock planning
Seasonal Sales - Peak Wet	-50% (November)	Internal benchmark for product mix shift

SLFRS S1 AND S2 – SUSTAINABILITY AND CLIMATE-RELATED DISCLOSURES

STRATEGIC TRANSFORMATION ROADMAP

Central Industries PLC is committed to a proactive sustainability transformation, positioning the Group as a leader in the transition to a low-carbon economy. This roadmap is driven by our commitment to mandatory compliance; as one of the first 100 listed entities on the CSE main board, we are preparing for full adherence to SLFRS S1 and S2 standards by 2026.

Our vision for the 7+ year horizon is defined by full carbon neutrality and the expansion of our environmentally friendly product portfolio. Key strategic pillars include:

☑ **Regulatory Leadership:** Maintaining early adoption of sustainability disclosure standards to ensure transparency and institutional investor confidence.

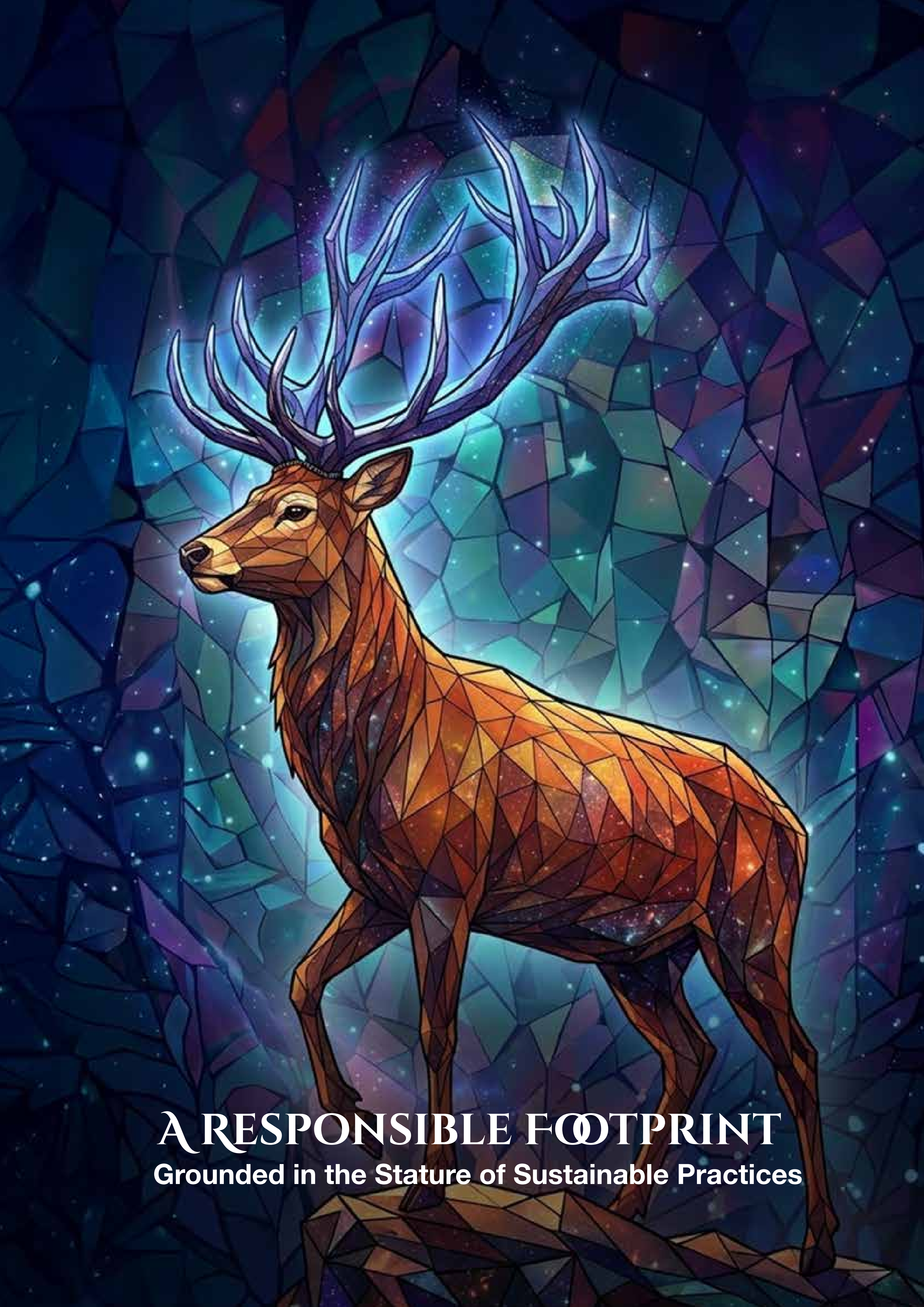
☑ **GHG Optimisation:** Implementation of SMART GHG targets across all manufacturing facilities, bolstered by an expected 5% reduction in the upcoming financial year.

☑ **HDPE Evolution:** Prioritising the expansion of the HDPE pipe range to mitigate health and safety risks inherent in traditional, low-quality PVC, while satisfying emerging consumer demands.

☑ **Climate Resilience:** Continuously refining vulnerability assessments to manage physical risks through product diversification (indoor conduit/trunking) and robust insurance of manufacturing assets.

RENEWABLE ENERGY PERFORMANCE

Through the procurement of renewable energy and investment in efficient infrastructure, CIPLC achieved a reduction of 305.1 TCO2 in net emissions for the current period. These Scope 2 market-based adjustments are vital for our transition to carbon neutrality. CIPLC has set a target for an additional 5% reduction in net GHG emissions for the 2026/27 financial year, aligned with ongoing production enhancements.



A RESPONSIBLE FOOTPRINT

Grounded in the Stature of Sustainable Practices

FINANCIAL CAPITAL

CIPLC accelerated its previous year's growth momentum during the 2025/26 financial year, recording the highest profit in the Company's history. This performance was driven by the growth of Sri Lanka's construction industry, which caused demand to increase for pipes and wiring accessories. As a result, both the National PVC and Krypton brands achieved sales growth of 24%, pushing up the top line. CIPLC significantly outpaced the construction industry's 9.2% growth rate during the year.

VALUE DRIVERS

- Capital investments
- Prudent cashflow management
- Investments in employees

VALUE CREATED

- Enhanced productivity
- Cost savings from operational efficiencies
- Workforce expansion

LINK TO OUR MATERIAL MATTERS

- Sustainable revenue growth
- Managing working capital, cash flows and cost optimisation
- Process efficiency

LINK TO SDGS

08 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The principal factor impacting financial performance during the year was the continued depreciation of the Sri Lankan Rupee, coupled with conflict in the Middle East towards the latter part of the year. As CIPLC remains heavily dependent on imported raw materials, which account for the highest cost of the Company, these developments resulted in a substantial increase in manufacturing costs.

During the year, we emphasised cost and working capital management, while simultaneously expanding production capacity to cater to demand growth. Another area of focus was marketing and branding. This integrated approach enabled the Company to increase sales volumes in line with production output.

Despite the relatively low interest rates during the year, CIPLC continued to maintain a debt-free balance sheet through prudent cash flow management and careful monitoring of trade receivables. This conservative financial strategy ensured liquidity and enhanced financial resilience.

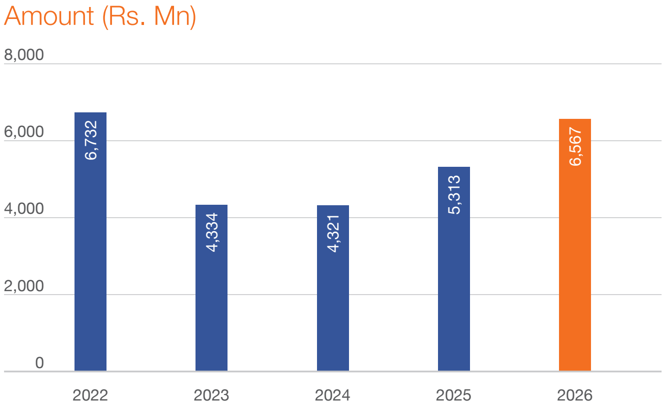
Capital expenditure during the year declined compared to the previous financial year following the completion of major factory expansion initiatives undertaken earlier. Nevertheless, targeted investments, focused on improving productivity and efficiency, were undertaken. The most notable shift in budgeting during the year was the significant increase in funding for marketing and branding initiatives. We are confident this approach will support the Company's future growth plans.

KEY PERFORMANCE SUMMARY

		Actual performance	
KPI	**Explanation**	**2025/26**	**2024/25**
Asset Quality ☑ Current Ratio	The current ratio has come down year on year due to the increasing of raw materials	**6.82: 1**	8.17: 1
Management Efficiency ☑ Gross Profit Ratio	The Gross Profit ratio increased by 4.26% year on year, with an increase in sales volume	**20.40**	19.63
Earnings ☑ Return on Equity (ROE)	The ROE improved during the year	**14.04**	12.50

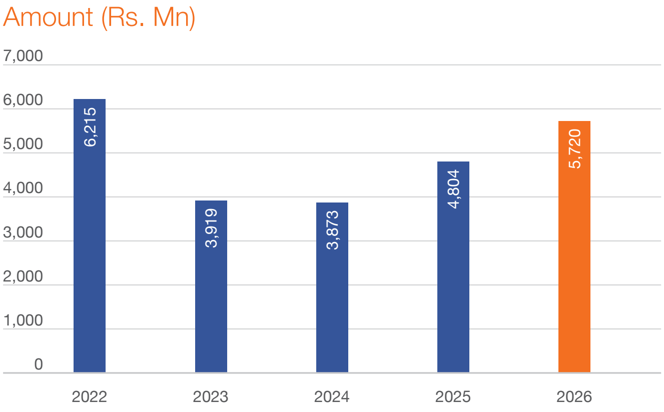
REVENUE

CIPLC recorded a 24% year-on-year growth in total revenue, reaching Rs. 6,567 Mn for the financial year 2025/26, from Rs. 5,313 Mn in the previous year.



NATIONAL PVC

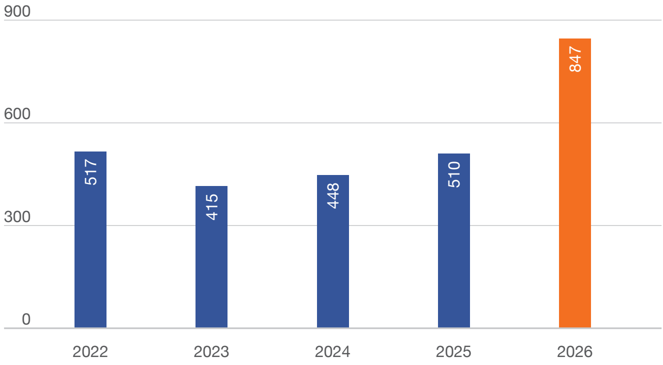
The Company's primary revenue driver remained its core water management products division, which contributed approximately 87% of the total revenue of Rs. 5,720 Mn. This is a 19% growth against the previous year's revenue of Rs. 4,804 Mn.



KRYPTON ELECTRIC

Revenue from Krypton Electric products contributed Rs. 847 Mn to total revenue, which is a growth of 66% from the previous year's Rs. 510 Mn.

Amount (Rs. Mn)



COST AND EXPENSES

The cost of wages increased by 58% during the year to Rs. 119 Mn from Rs. 76 Mn one year ago, which was the largest cost increase faced by the Company. This reflects the annual increments in labour rates & increase of labour hours to sustain rapid growth in production volumes.

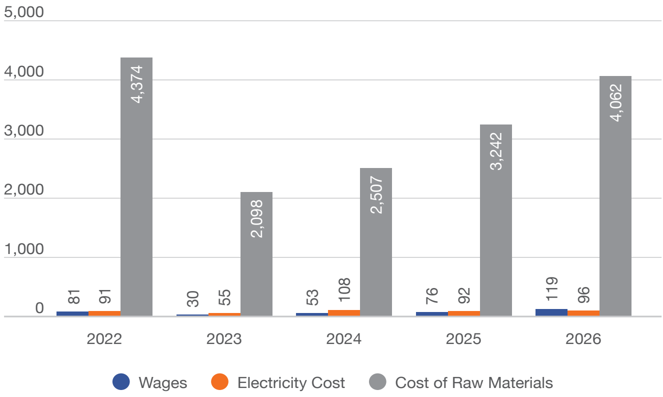
The Company's largest cost component, raw material costs, increased by 25% from Rs. 3,242 Mn in the previous year to Rs. 4,062 Mn during the year under review. This increase was attributable not only to the depreciation of the Sri Lankan Rupee and the rise in global market prices of PVC resin and other key inputs, but also to the higher production volumes recorded during the period in response to increased market demand.

The electricity cost increase was contained to 5% despite the sharp increase in manufactured outputs during the year, due to investments in solar energy and energy-efficient systems.

SOLAR POWER

In order to contain manufacturing costs and address energy risks, CIPLC has already installed a total of 710 kW of solar power generation capacity, which is utilised for manufacturing.

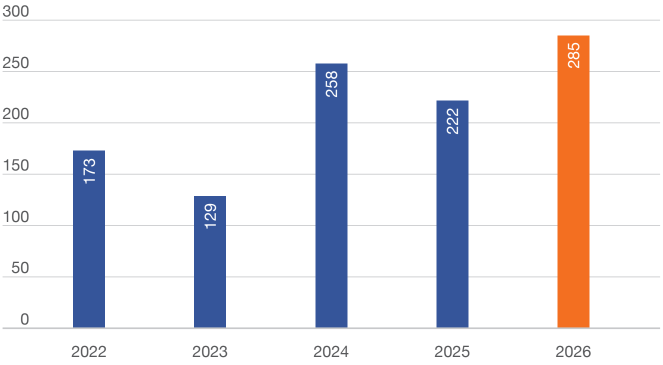
Cost and Expenses (Rs. Mn)



TAXATION

Income tax expenses increased by 28% to Rs. 285 Mn, from Rs. 222 Mn in the previous year, reflecting the growth in profits.

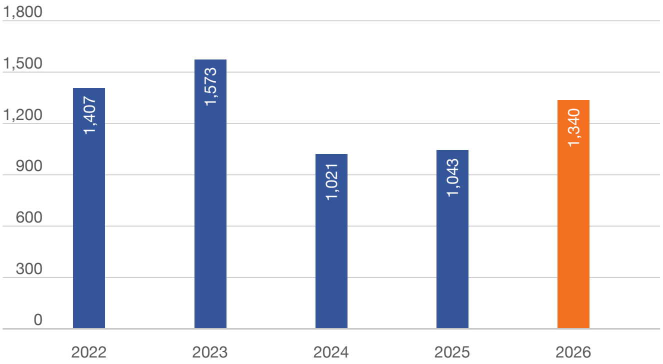
Amount (Rs. Mn)



GROSS PROFIT

The gross profit increased by a strong 28% to Rs. 1,340 Mn from Rs. 1,043 Mn.

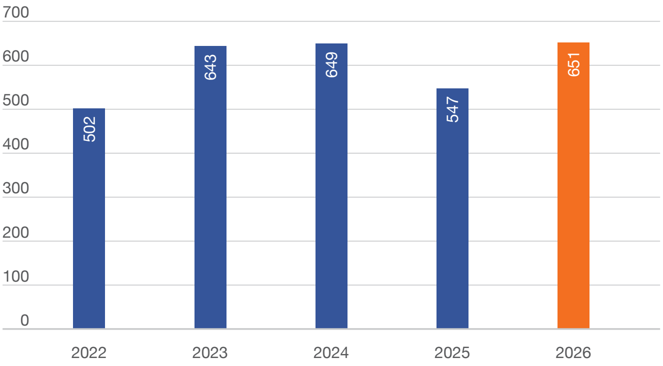
Amount (Rs. Mn)



PROFIT AFTER TAX

The after-tax profit of the Company increased by 19% to Rs. 651 Mn from Rs. 547 Mn in the previous year.

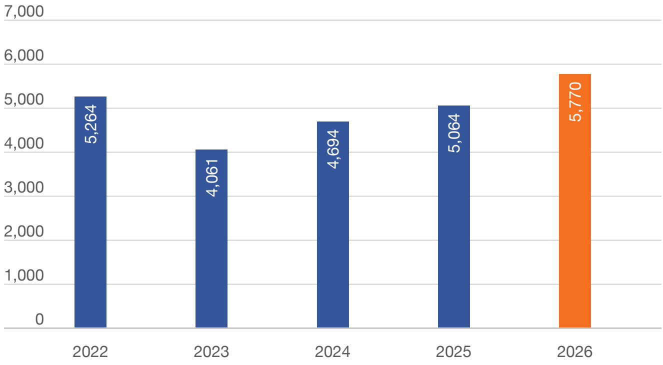
Amount (Rs. Mn)



ASSETS

Total assets of the Company increased from Rs. 5,064 Mn to Rs. 5,770 Mn by the end of March 2026.

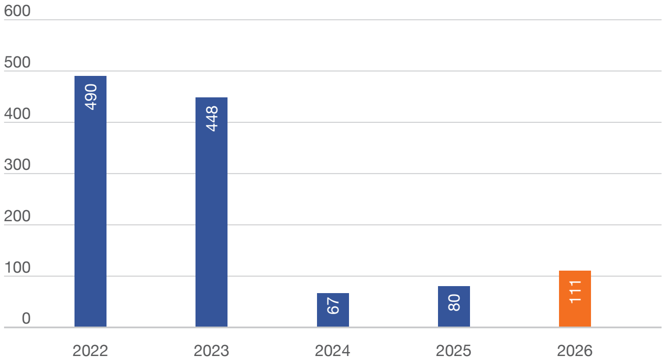
Amount (Rs. Mn)



NET CASH & CASH EQUIVALENTS

The company maintained a healthy liquidity position, with net cash and cash equivalents totalling Rs. 111 Mn, which is an increase of Rs. 31 Mn. Having readily available funds provides CIPLC with the flexibility to seize new opportunities and manage operational expenses effectively.

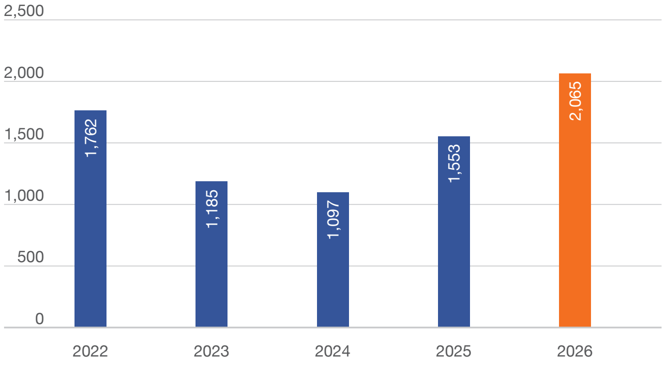
Amount (Rs. 000')



TRADE AND OTHER CURRENT RECEIVABLES

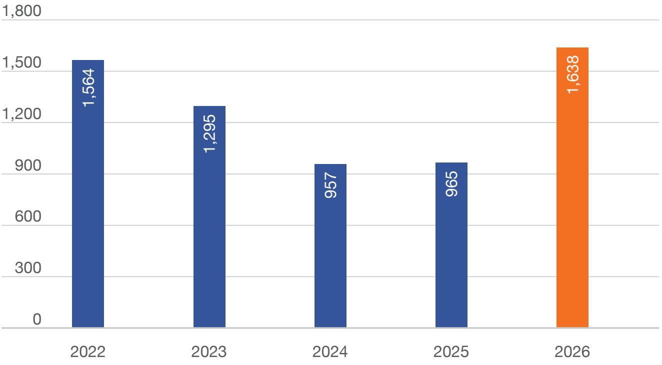
Trade and other current receivables came to Rs. 2,065 Mn as at the end of March 2026, up from the Rs. 1,553 Mn of the previous year. This increase reflects the growth in sales volumes during the year.

Amount (Rs. 000')



NET INVENTORY

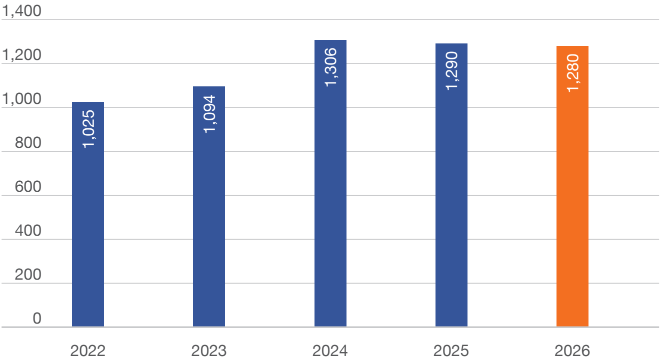
Amount (Rs. 000')



The Company's inventory holdings increased by Rs. 673 Mn during the year, to Rs. 1,638 Mn, from the previous year's Rs. 965 Mn. The large end-of-year inventory demonstrates the Company's ability to cater to demand and maintain growth into the next financial year.

PROPERTY, PLANT & EQUIPMENT

Amount (Rs. 000')

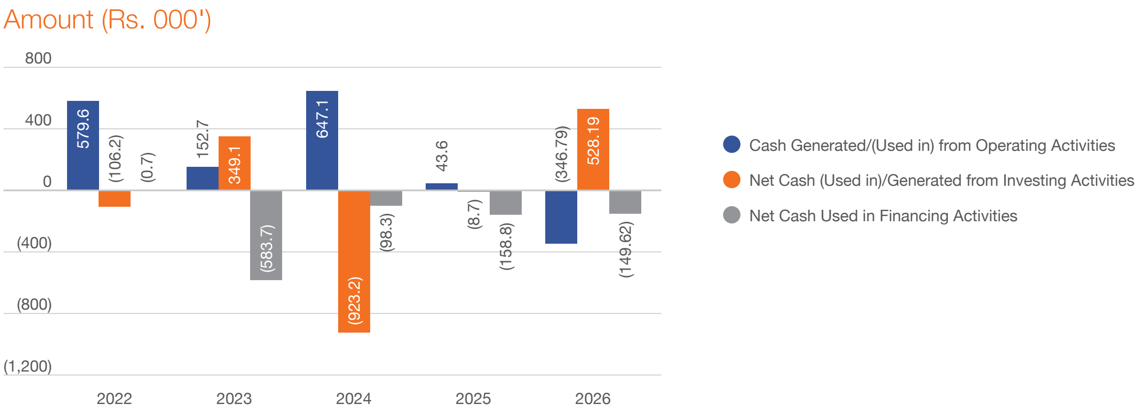


The total value of property, plant and equipment stood at Rs. 1,280 Mn as at the end of March 2026, compared to Rs. 1,290 Mn in the previous financial year.

CASH FLOW & LIQUIDITY POSITION

During the financial year 2025/26, the Company recorded a net cash outflow from operating activities of Rs. 346.79 Mn, primarily attributable to increased investment in inventories to meet heightened market demand and to mitigate the impact of rising raw material costs. This was offset by a strong inflow of Rs. 528.19 Mn from investing activities. Meanwhile, financing activities resulted in a net cash outflow of Rs. 149.62 Mn during the year under review.

	Cash Generated from Operating Activities	Net Cash (Used in)/Generated from Investing Activities	Net Cash Used in Financing Activities
2022	579.6	(106.2)	(0.7)
2023	152.7	349.1	(583.7)
2024	647.1	(923.2)	(98.3)
2025	43.6	(8.7)	(158.8)
2026	(346.79)	528.19	(149.62)



PERFORMANCE OF ORDINARY SHARES

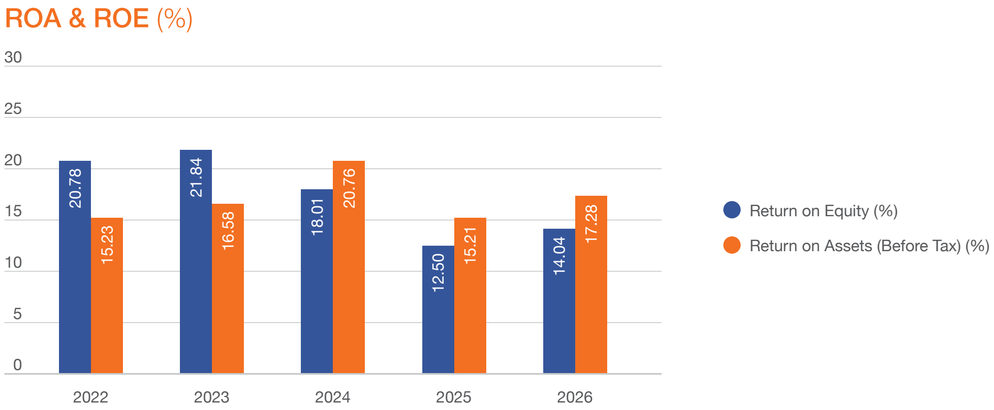
The market price of an ordinary share increased by 40% to Rs. 205 by 31st March 2026, rising from Rs. 146 per share as at the end of March 2025. The share turnover decreased by 25% compared to the previous financial year.

The table below outlines the performance of CIPLC's share price.

Share Price	2025/26	2024/25	2023/24	2022/23	2021/22
Highest (Rs.)	**290**	173.5	114.5	107	269.5
Lowest (Rs.)	**134**	92	75	49.1	90
Closing (Rs.)	**205**	146.5	111	84.3	98.1
Share Volume	**2,723,363**	3,642,316	8,926,858	10,764,113	18,952,875
Turnover (Rs.)	**706,733,837**	575,833,314	882,987,418	814,043,449	2,975,425,133

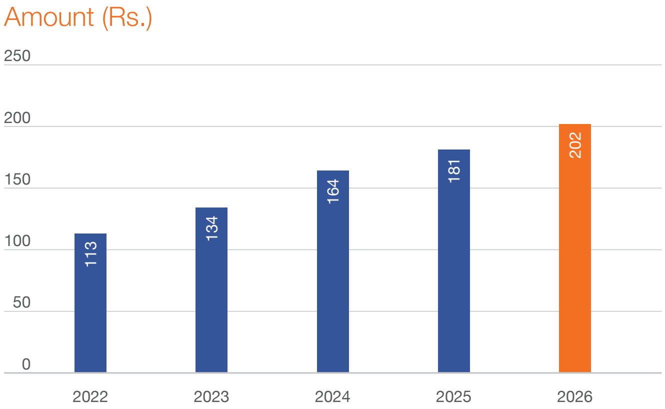
ROA AND ROE

For the year ending 31st March 2026, the Return on Assets (ROA) increased to 17.89% compared to 15.21% in the previous year. The Return on Equity (ROE) for the year also increased to 14.68% from 12.50% in the previous year.



NET ASSETS PER SHARE

The Company's Net Assets Per Share increased to Rs. 202 from Rs 181 one year ago.



MANUFACTURED CAPITAL

CIPLC completed several large-scale, strategic capital investments in the previous financial year, expanding its manufactured asset base to enhance capacity and support medium-term growth. These included extensive factory renovations and upgrades at Wattala, significant expansion of production and warehousing space in Yakkala, and increased investment in solar energy, also at Yakkala. As anticipated, these initiatives strengthened production capabilities and improved operational efficiency in the current financial year.

Accordingly, the focus during the year, with regard to managing the Company's physical assets, shifted towards rationalising and consolidating the existing asset base to optimise utilisation. This involved reorganising production locations to better leverage the expanded production space, while streamlining manufacturing systems across both factories to drive greater efficiency.

VALUE DRIVERS

- Investments into physical assets
- Maintenance of plant and equipment

PRODUCTION INFRASTRUCTURE IMPROVEMENT

- Purchase of new injection moulding equipment
- Concreting of internal roadways and stormwater drainage system

COMMITMENT TO QUALITY AND SUSTAINABILITY

CIPLC is fully committed to maintaining continually high-quality standards of products as a key component of its customer value proposition, and ensures consistent product quality through the sourcing of high-quality raw materials and application of industry best practices and production standards. The company maintains sustainable production practices, including energy-saving applications and equipment, as well as proper disposal of waste, in order to uphold its commitment to sustainable business operations.

LINK TO OUR MATERIAL MATTERS

- Managing working capital, cash flows and cost optimisation
- Occupational health, safety and well-being
- Customer health & Safety
- Diversification of product portfolio and affordable solutions
- Emissions & Air Quality
- Waste
- Energy Consumption

LINK TO SDGS

06 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OPTIMISING ASSETS

During the year, the polyethylene (PE) fittings fabrication facility, which was located in Wattala, was shifted to the new building in Yakkala. Previously, raw materials had to be transported between Yakkala and Wattala to manufacture the PE fittings. The relocation of the fabrication plant to Yakkala in the current year has reduced costs and improved productivity.

Capacity utilisation across our factories also improved steadily during the year, reaching almost 95% in most production units, as production was scaled up in line with rising demand across all product categories. Towards the latter part of the financial year, particularly in March 2026, demand spiked sharply as large-scale buyers accelerated purchases amid concerns over potential supply disruptions linked to escalating tensions in the Middle East. We were able to respond to this demand surge due to the strategic decision to maintain adequate raw material inventories.

The capital investments of the previous year, therefore, have proven both timely and effective, enabling the Company to scale up production rapidly and meet the surge in demand, while maintaining operational resilience in a dynamic and uncertain environment.

However, given that a major share of our inputs comprises imported petrochemical-based products which are exposed to global supply chain risks, we continue to closely monitor external developments, and we are actively reviewing alternative sourcing options to mitigate the risk of prolonged disruption.

CHANGES TO OUR MANUFACTURED CAPITAL BASE 2025/26

Asset type	Value	Value	% Change
(In Thousands of Rupees)	2025/26	2024/25	
Lands, Infrastructure & Buildings	991,605	992,975	0.4%
Plant & Machinery	210,092	205,690	2.1%
Motor Vehicles		23	98.3%
F & F & Office Equipment	2,131	1,661	28.3%
Computer Equipment	11,351	12,290	-7.6%
Tools	12,522	6,629	88.9%
Stocks and inventory	1,637,985	965,095	69.7%
Solar panels	52,432	70,968	-26.1%

CAPITAL INVESTMENTS

Following the completion of major capital projects in the previous financial year, the Company's total capital expenditure for 2025/26 totalled Rs. 89.52 Mn, compared to Rs. 61.67 Mn in 2024/25.

The planned investment in solar power at the Wattala factory was not pursued due to capacity limitations of the national grid and the prohibitive cost of off-grid systems. At approximately 3% of the cost of production, energy cost at CIPLC is well within industry norms.

STANDARDS AND CERTIFICATES THAT GOVERN OUR MANUFACTURING PROCESSES

CIPLC's manufacturing operations are conducted in compliance with multiple internationally recognised quality standards that ensure not only the highest standards of quality of products manufactured within its factory premises, but also sustainable manufacturing standards, such as environmental systems and responsible production certifications. The Company's certifications include:

ISO 9001-2015

Quality management systems

WRAS (UK)

Water regulations approval scheme. Materials are certified by WRAS (UK)

WORKPLACE SAFETY

CIPLC considers workplace safety as a fundamental requirement for sustainable business operations and has implemented a comprehensive framework of policies, procedures, and best practices to identify, manage, and mitigate health and safety risks.

SAFETY AWARENESS AND CULTURE

At CIPLC, a safety culture, where safety becomes a part of life rather than a compliance requirement, is actively promoted as the foundation of the Company's workplace safety framework. Therefore, the Company invests in continuous awareness building and employee engagement at all levels of the organisation to integrate safety practices into operations. Every individual is empowered to identify hazards, report concerns, and act proactively.

WORKPLACE ORGANISATION AND MAINTENANCE

A key aspect of workplace safety is a well-organised and properly managed workplace. Therefore, best practices, routine inspections, preventive maintenance of equipment, clear signage, and correct storage of materials and chemicals are enforced at all times.

PERSONAL PROTECTION AND TRAINING

The Company has invested in personal protective equipment (PPE) and continuous training to safeguard employees against workplace hazards. This proactive approach enables individuals to perform their duties safely and respond effectively to potential risks

SAFETY AUDITS AND INCIDENT MANAGEMENT

Regular safety audits and a robust incident management system have been implemented to ensure continuous compliance with safety protocols and practices. The safety audits are used to identify gaps in safety practices, improve established standards, and provide insights for the application of corrective measures. Incident management ensures timely reporting, investigation, and analysis of incidents and near-misses to determine root causes and prevent recurrence.

FACTORY INVESTMENTS

The 2025/26 capital budget for manufacturing was primarily directed towards the purchase of injection moulding equipment and infrastructure enhancements at the Yakkala factory, which mainly involved concrete surfacing of the frequently used internal roadways and stormwater drainage system.

- ☑ Previously, the production of fittings for sewerage and drain lines was outsourced. During the current year, a large injection moulding plant and 8 moulds were purchased, enabling the manufacture of 16 varieties of fittings in-house, and making it possible to manufacture 90% of these outsourced products. Therefore, the new injection moulding plant is expected to increasingly contribute to future revenues.
- ☑ New soakage pits were built at the Wattala premises for wastewater runoff from bathing and washing.
- ☑ Primary internal roadways at the Yakkala factory were surfaced with a durable concrete layer. This will improve the efficiency of the movement of materials and products through the facility and enhance safety levels. Simultaneously, stormwater drainage systems adjoining these roadways were also constructed.

MACHINERY AND EQUIPMENT MAINTENANCE

All machinery and equipment are subject to routine daily and monthly maintenance to ensure optimal functionality and extend asset lifespan. Maintenance activities include part replacements, timely breakdown repairs, and routine inspections. The Company incurred Rs. 51.06 Mn for machinery and equipment maintenance during the financial year 2025/26.

FIRE EXTINGUISHER MAINTENANCE

All fire extinguishers are inspected monthly and serviced and refilled at least annually under a maintenance agreement with a professional fire-fighting equipment service provider.

IT INFRASTRUCTURE

As part of our core digital transformation strategy, we strengthened our IT infrastructure by purchasing 30 laptops. These devices support productivity improvement initiatives, including enabling the work-from-anywhere concept.

PLANS FOR 2026/27

The conflict in the Middle East has once again underscored the importance of energy efficiency in manufacturing operations in Sri Lanka. While further expanding solar power generation is currently financially unviable for manufacturers, the Company is actively pursuing alternative energy-saving measures through improvements in production systems. These include investing in more efficient machinery, minimising energy losses, and optimising energy consumption by regularly monitoring the performance of installed capacitor banks, which have been installed at both factories. In addition, the Company has significantly reduced production rejects over the past few years, reducing the rate from a peak of almost 5% to less than 2.5%, thereby contributing to lower energy usage and wastage. In the new financial year, we will continue to review manufacturing processes systematically and introduce targeted initiatives to further reduce energy consumption, while enhancing overall operational efficiency.

INTELLECTUAL CAPITAL

Despite subdued construction industry growth over the past few years, CIPLC continued to invest in strengthening its intellectual capital, focusing on specialised technical expertise in manufacturing, establishing robust quality systems and developing soft skills, while also building brand credibility across the country. These investments yielded results in the current financial year, as demand for CIPLC's products rebounded alongside the construction sector's strong recovery. The Company was well-positioned to respond to this surge in demand, supported by a robust organisational knowledge base, a portfolio of trusted brands known for quality and reliability, and new products tailored to domestic market needs.

During the year, CIPLC further expanded its intellectual capital through continued investment in training and development, while fostering a culture of innovation to enhance manufacturing processes. The Company also strengthened its digital backbone with the introduction of new software, enabling a gradual transition towards web-based applications.

VALUE DRIVERS

- Research and development
- Innovation culture
- Brand names

VALUE CREATED

- Development of new products
- Energy and cost savings
- Digital solutions for improved efficiency and productivity

LINK TO OUR MATERIAL MATTERS

- Process efficiency
- Diversification of product portfolio and affordable solutions

LINK TO SDGS

08 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OUR BRANDS

CIPLC offers three key brands to the domestic housing and construction industry, each increasingly recognised for its reliability and quality.

CIPLC'S BRAND PORTFOLIO

National PVC

CIPLC's flagship brand and a top brand in the domestic uPVC pipes and fittings market, known for quality, reliability and versatility

National PE

Our High-Density Polyethylene (HDPE) pipes, are positioned for the corporate sector and is associated with exceptional durability, corrosion resistance and versatility

Krypton Electrical

Our brand for electrical and wiring solutions for residential and commercial applications, is rapidly gaining market recognition

NEW PRODUCT DEVELOPMENT

During the year, a new Polypropylene Random Copolymer (PP-R) pipe was designed and developed for hot water applications under the National PVC range. Pending SLS certification, this product offers enhanced consumer health and safety compared to traditional grey uPVC pipes. In addition to conducting R&D on the pipes to meet SLS standards, the in-house team also developed the dyes used to manufacture the PP-R pipes.

Additionally, two new products are set to be launched under the Krypton brand, distribution boxes and a 13-amp plug top.

INNOVATION CULTURE

During the year, we continued to test and deploy process innovations while automating manual operations across our manufacturing facilities in Wattala and Yakkala. These initiatives contributed to improved production efficiency and cost optimisation.

PROCESS INNOVATIONS IN 2025/26

☑ **Semi-automation of mould changing:** The previously manual process of aligning large injection moulds was partially automated through the introduction of an electrically operated, motorised chain hoist, enabling safer and more efficient mould lifting and alignment.

☑ **Automated raw material loading:** Manual handling of heavy raw material bags was eliminated by introducing vacuum loaders, allowing hoppers to be filled automatically.

☑ **Re-purposing unsellable stock:** Trials were conducted and formulations developed to utilise unsellable raw material stocks in the production of non-critical components.

☑ **Reduction of injection moulding cycle time:** Cycle times were improved through production line realignment, enhancing overall throughput.

☑ **Fit-for-purpose product development:** A customised component was developed, using water pipes for A/C ducts, to meet a specific customer requirement.

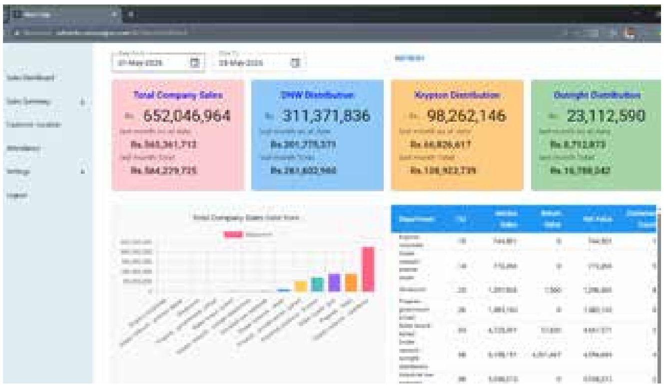
☑ **In-house manufacture of previously outsourced components:** A methodology was developed to manufacture PE elbows in-house using existing PPR moulds. Previously outsourced, this initiative resulted in notable cost savings.

☑ **Utilisation of 3D printing:** A 3D printer was used to strengthen in-house design and development capabilities, and in the current financial year, an automated system was introduced to test assembled switches and sockets, replacing manual testing processes.

☑ **Enhancement of equipment durability:** The durability of mixing blades used in PVC pipe extrusion was improved by upgrading to tungsten carbide blades.

DIGITAL SOLUTIONS

In the previous financial year, the Company completed the migration of its entire IT system to the cloud, resulting in significant cost savings on physical hardware acquisition and maintenance. During the current year, we continued this digital transition by developing web-based applications to support cloud integration.



☑ **Transitioning to laptops:** All existing PCs were replaced with laptops to enhance mobility and flexibility, while legacy systems are being progressively redeveloped as web-based applications.

☑ **Web-based distributor management system:** Development commenced on a web-based distributor platform aimed at streamlining documentation processes and improving operational efficiency for distributors.

CYBER SECURITY

To safeguard the Company's digital infrastructure and sensitive information, a comprehensive suite of security measures has been implemented. In addition, during the current financial year, endpoint security solutions were introduced across all mobile devices, further strengthening the Company's cybersecurity framework.

Cyber security measures in place:

☑ Firewalls

☑ Virus Protection for Individual Machines

☑ Cloud-Based Mail Server (Office 365)

☑ SSL Certification for Websites

☑ Restrictions on External Devices

☑ Controlled Application Installation

COMPLIANCE WITH ACCREDITATIONS

Our manufacturing systems comply with internationally recognised standards and certifications, and through continuous training of our employees, quality standards have been inculcated into the organisation’s culture and knowledge base.

The National PVC brand has set an industry benchmark by being the first to obtain SLS 147 certification for uPVC pipes and SLS 659 certification for uPVC fittings. CIPLC also holds SLS certification for seven other products. SLS certification is in the process of being obtained for five additional product categories.

CERTIFICATIONS OBTAINED

WRAS (UK) certification for
HDPE pipes and fittings

ISO 9001:2015 Quality Management System
certification since 1996

Currently progressing towards ISO 45001
Occupational Health & Safety Management System
certification

PLANS FOR 2026/27

In the new financial year, we will continue to strengthen our intellectual capital through more targeted skills development programmes, while encouraging innovations across the Company. We will continue to migrate desktop applications to web-based platforms, which will significantly enhance both internal and external transactional efficiency. We will also commence the adoption of machine learning applications to further strengthen operational capabilities.

SOCIAL AND RELATIONSHIP CAPITAL

During the year, our primary brands, National PVC and Krypton Electric, recorded sustained growth in market share, supported by the recovery of the construction industry and broader economic expansion. We were well-positioned to capitalise on improving market conditions, leveraging a diverse portfolio of high-quality products and a strategic, island-wide dealer and distributor network that ensured consistent product availability in all parts of the country.

◆

Our growth during the year was driven by a well-organised and motivated sales team, enabling us to strengthen our presence across all regions. Our consistent branding and targeted marketing activities enhanced visibility and differentiated our brands from the low-cost, generic products in Sri Lanka's construction sector by clearly articulating our value proposition. Underpinned by consistent quality, reliability, and a customer-centric value proposition, National PVC expanded across industrial, commercial, and household segments, while Krypton accelerated market penetration as a strong, emerging player in the electrical accessories and wiring devices market.

As we expanded our portfolios, we remained committed to responsible business practices. We supported UNSDG 6 on Clean Water and Sanitation by ensuring the availability of high-quality water and sanitation piping solutions. Our adherence to consumer regulations and commitment to safeguarding consumer rights aligned with UNSDG 12 on Responsible Consumption and Production. In addition, our business activities contributed to UNSDG 8 on Decent Work and Economic Growth by indirectly supporting livelihoods across our partner networks and the construction industry.

VALUE DRIVERS

- Island-wide distribution network
- Brand reputation for quality and reliability
- Strong relationships with business partners and suppliers

VALUE CREATED

- Improved brand recognition
- Improved brand equity
- Enhanced goodwill and product credibility
- Market penetration through an expanded distribution network

LINK TO OUR MATERIAL MATTERS

- Improve relations with business Partners
- Customer health & Safety
- Sustainable revenue growth

LINK TO SDGS

06 CLEAN WATER AND SANITATION

08 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

NEW PRODUCTS

We responded proactively to the recovery in market demand by lining up a number of new products to strengthen our portfolio.

Under the Krypton brand, we will expand our offering with the launch of distribution boxes and a 13A plug top in 2026, further enhancing our presence in the electrical accessories segment.

The National PVC range will also expand in 2026 with a new product. This will be a specialised pipe range for hot and cold water applications, manufactured using Polypropylene Random Copolymer (PP-R), a thermoplastic resin known for its superior thermal stability and suitability for high-temperature water flow. The product has undergone comprehensive in-house testing and market feasibility assessments.

New, specialised pipe range for hot water applications

MARKET ENGAGEMENT INITIATIVES IN 2025/26

Our business growth during the year was supported by targeted engagement initiatives led by the dedicated National PVC and Krypton sales teams. These teams were further strengthened during the year, with enhanced oversight achieved through regular regional meetings, area manager forums, and sales conferences, ensuring greater alignment, accountability, and market responsiveness.

CIPLC has an island-wide network of distributors to ensure access to all products from anywhere in the country.

Customer category	Strategy
Corporate Customers	• In addition to the National Water Supply and Drainage Board (NWSDB), CIPLC supplies to a number of large-scale customers engaged in construction projects. A separate team with in-depth knowledge of construction industry requirements is available to serve these customers. • During the year, our focus was on below-the-line activities that directly targeted customers and potential customers, as well as digital marketing through social media channels. • To ensure personalised services, we maintain dedicated account management teams. • Sponsorships were offered to government bodies as well as construction sector institutions to enhance visibility for our brands and products within the B2B sector.
Dealers and distributors	• We provided relief packages for a number of distributors affected by flooding due to the Ditwah Cyclone • Dealer promotions were conducted island-wide by providing point of sales material, dealer boards, customised and standard storage fitting racks, shop branding, and promotional items for dealers as well as sales personnel. • Town storming activities were conducted in strategic locations with senior management and sales personnel, as a dealer relationship building initiative, as well as together with Market Insights. • Vehicle branding for distributor lorries, to enhance brand visibility • Promotions, discounts and rewards were offered to dealers to encourage sales • Social media was leveraged for brand marketing and product awareness, as well as for engaging with customers and responding to their queries.

Customer category	Strategy
Construction industry influencers	• We provided relief to plumbers and electricians in our contact list, who were affected by the Ditwah Cyclone. • We conducted 20 awareness programmes for plumbers island-wide • Another 15 awareness programmes were conducted for electricians • Plumbers and electricians were also targeted through our WhatsApp groups. • We maintained good public relations by sending birthday cards and supporting them following the Ditwah cyclone. • Programmes were conducted targeting construction industry influencers such as architects, structural engineers, purchasing officers, and consultants to raise awareness regarding our product range and quality standards.
Consumers	• We participated in exhibitions during the year to raise awareness among the general public as well as industry stakeholders regarding our product range and quality standards  • Newspaper articles were published to enhance brand visibility and raise public awareness • We engaged in CSR activities and community welfare activities to raise the profile of our brands as socially and environmentally responsible brands. (Please refer to the Local Community Engagement section for details of these activities)

DIGITAL MARKETING

Rapid internet and smartphone penetration in Sri Lanka present a significant opportunity to enhance our reach, visibility, and customer engagement in an extremely cost-effective manner. We believe digital platforms can be leveraged to penetrate the market while facilitating measurable insights that support data-driven decision-making. Therefore, we increased our social media promotions across Facebook, Instagram, YouTube, LinkedIn, and TikTok to strengthen our digital presence and enhance brand visibility.

To further capitalise on this expanding opportunity, the digital marketing functions for the National PVC brand were outsourced to a specialised third-party agency in February 2026. This strategic move enables a more focused approach to digital branding, supported by consistent monitoring and optimisation of our online footprint.

In parallel, we commenced strengthening the online presence of National PVC and Krypton Electronics by commissioning dedicated websites for the two brands at www.nationalpvc.com and www.kryptonelectric.com. These platforms will incorporate e-commerce capabilities, enable direct online purchases and significantly improving customer access to our products.

CUSTOMER FEEDBACK HANDLING

A core element of our value proposition is the delivery of customer-centric products and services, with a steadfast commitment to achieving complete customer satisfaction in every interaction. To ensure prompt and effective customer care across the country, we have empowered our dealer network to respond directly to customer concerns, including complaints or product-related issues.

Customers are also able to engage with us through dedicated WhatsApp channels and our website, providing convenient and accessible avenues to raise concerns. All complaints are systematically reviewed, validated in coordination with the factory, and escalated to management where necessary. We are committed to resolving all customer complaints within a 48-hour timeframe, reinforcing our focus on responsiveness, accountability, and service excellence.

CUSTOMER FEEDBACK SYSTEM

Our senior management regularly visits dealers in key locations to personally obtain market feedback and customer responses to our products in different parts of the country. In addition, we conduct regular market surveys to gather customer feedback and carry out ongoing market research to better understand evolving demand trends. Customer complaints are also systematically analysed and incorporated as a valuable source of feedback, supporting continuous improvement across our products and services.

Our social media platforms are also direct channels for customer engagement and feedback, in addition to traditional communication methods such as telephone and email.

WARRANTY & AFTER-SALES SERVICE

Product quality and reliability remain key differentiators for the National PVC and Krypton brands, clearly setting us apart from the low-quality, lower-priced generic alternatives that are widely available across the country. This commitment to superior standards underpins our strong market positioning and reinforces customer trust in our products.

We offer strong warranties for our products, upheld through the dealer network, designed to reflect both our internal quality benchmarks and prevailing industry standards, providing assurance of long-term performance and value. Notably, our electrical switches and sockets are backed by a lifetime warranty, aligned with locally accepted standards and defined product lifecycles.

The National PVC product range is supported by comprehensive warranties against manufacturing defects, with replacements provided on a case-by-case basis. Our water tanks are offered with a 10-year warranty, complemented by doorstep after-sales service to enhance customer convenience. In a further demonstration of our customer-centric approach, support is extended even in instances where defects arise due to misuse, as a gesture of goodwill.

PRODUCT RESPONSIBILITY

CIPLC's PVC pipes and fittings are manufactured to ISO standards, with all products rigorously tested against industry benchmarks to ensure consistent quality and reliability. While the Company maintains comprehensive product liability insurance, we are proud to report zero claims to date, a testament to the superior quality of our products and the effectiveness of our quality management systems.

Our strong track record in maintaining product excellence, supported by systematic quality assurance checks and relevant certifications, ensures that every product meets the highest standards of safety and performance.

In addition, all marketing communications are carefully reviewed to ensure accuracy and compliance with Consumer Affairs Authority directives and industry standards. Product packaging includes all mandated information, such as specifications, usage instructions, and safety warnings, safeguarding legal compliance while prioritising consumer safety and satisfaction. For products requiring more detailed guidance, such as electrical appliances, we provide comprehensive literature, including diagrams for proper connection and operation, further enhancing usability and safe usage for our customers.

Corporate clients are offered technical support services by our technical team to ensure the correct application methods of the Company's products. This service not only strengthens relationships with business clients but also underscores the Company's dedication to delivering quality products and supporting their proper usage in diverse settings.

Incidents of non-compliance concerning the health and safety impacts of products and services

GRI 416-2

No incidents of non-compliance concerning the safety of our products have been recorded in the year under review.

Incidents of non-compliance concerning product and service information and labelling

GRI 417-2

No incidents of non-compliance concerning product and service information and labelling have been recorded in the year under review.

DEALERS AND DISTRIBUTORS

CIPLC's network of distributors and dealers plays a critical role as business partners in ensuring the seamless delivery of uPVC and electrical products to customers across Sri Lanka.

Beyond logistics, the distribution network serves as a vital channel for capturing customer feedback and monitoring market demand trends.

During the current financial year, our distribution network continued to grow. Our network of distributors for both National PVC (NPVC) and Krypton brands expanded to 73, comprising 40 NPVC distributors and 33 Krypton distributors, while the total dealer network comprised 11,537 dealers, strengthening our reach and market penetration across the country.

SUPPLIER RELATIONSHIPS

We work with both local and international suppliers who align with our product specifications and uphold our environmental standards.

SUPPLIER EVALUATION AND ENGAGEMENT

Supplier evaluation is a critical component of effective procurement management to ensure the quality and reliability of raw materials and services. CIPLC's supplier evaluations are guided by clearly defined criteria regarding product or service quality, delivery timelines and costs, and also compliance with regulatory and ethical standards, in order to ensure sustainable business operations.

SUPPLIER EVALUATION PROCESS

The central industries PLC maintains a systematic supplier evaluation process to ensure the continuous procurement of quality materials and services from reliable and competent suppliers. Supplier evaluations are conducted annually during the month of January based on supplier performance throughout the preceding calendar year.

The evaluation process is carried out by the Purchasing Department in coordination with relevant operational departments. Suppliers are assessed against several key performance criteria to ensure compliance with the Company's procurement standards and business requirements.

The following factors are considered during the supplier evaluation process:

1. Competitive Pricing
2. Material Quality and Compliance with Specifications
3. Packing and Handling Conditions
4. On-Time Delivery Performance
5. Payment Terms and Commercial Conditions

Based on the evaluation results, suppliers are categorized according to their performance and suitability for continued business engagement.

Suppliers who fail to meet the required performance standards may be subject to corrective actions, performance monitoring, suspension, or de-registration from the approved supplier list.

In addition, suppliers with whom no purchasing transactions have been carried out continuously for a period of three (03) years will be removed from the approved supplier register.

This evaluation process supports the Company's commitment to maintaining an efficient, reliable, and quality-driven supply chain while fostering long-term relationships with high-performing suppliers.

GOVERNANCE IN PROCUREMENT AND PROCUREMENT FRAMEWORK

CIPLC extends robust governance and oversight across all its domestic and international procurements to ensure alignment with corporate objectives, transparency, accountability, and to prevent irregularities. In order to do so, the Company has established clear policies, procedures, and approval hierarchies that guide purchasing decisions. This includes Board-approved tendering processes, supplier evaluation criteria, and contract terms. Effective internal controls and oversight mechanisms are operational to ensure consistent application of procurement guidelines. In addition, the Company emphasises ethical conduct in all procurement activities.

COMMUNITY ENGAGEMENT

CIPLC continued to foster positive relationships with the local communities surrounding its manufacturing facilities in Wattala and Yakkala through many community engagement and community welfare activities during the year.

COMMUNITY EVENTS DURING 2025/26

Beach clean-up at Mount Lavinia beach

We lit up the way to Warnagala Temple at Adams Peak for the safety of pilgrims

Distribution of dry meals near to Elhena Factor

PLANS FOR 2026/27

In the new financial year, we plan to accelerate National PVC's growth through a comprehensive mass advertising campaign. This will include TV, radio and hoarding campaigns aimed at capturing a larger share of the retail market by enhancing brand visibility. Plumber (influencer) engagement will also be strengthened through dedicated programmes, fostering stronger relationships and reinforcing brand loyalty and advocacy. Dealer engagement will also be strengthened through dealer engagement programmes, fostering stronger dealer relationships and reinforcing brand equity. With regards to Krypton, we will focus on maintaining our current growth momentum while introducing new products to diversify the brand's product portfolio and strengthen its position in the electrical solutions market through greater consumer choices. Brand presence will be enhanced through promotional displays such as stickers, corrugated boards and strategic pocket meetings for main dealers and their electricians island-wide.

Expanding our digital footprint will be a priority in 2025/26. As part of this objective, e-commerce capabilities and online brand visibility will be enhanced. This will be achieved through website upgrades with e-commerce capabilities for retail and corporate customers, enabling online purchases, quotations, and improved customer interactions. Social media, YouTube, and other audio-visual channels will also be leveraged to broaden outreach and engagement.

HUMAN CAPITAL

Aligning with the Company's growth plans for the year, we focused strongly on training and development, health and safety, and employee engagement. Our continued momentum in strengthening the skills of our workforce across all operations has enhanced the Company's overall competitiveness and responsiveness to rapid market changes experienced during the year. We also emphasised health and safety standards across our factories by improving safety consciousness among factory workers. In parallel, we strengthened our employee engagement efforts through regular communication, feedback, and team-based initiatives. These efforts have enabled proactive identification and resolution of employee concerns, while encouraging innovation and collaboration.

VALUE DRIVERS

- Continuous training
- Rewards and benefits
- Competitive remuneration
- Ethics and code of conducts

VALUE CREATED

- Productivity improvements
- Innovative solutions
- Consistent quality standards

LINK TO OUR MATERIAL MATTERS

- Occupational health, safety and well-being
- Process efficiency

LINK TO SDGS

03 GOOD HEALTH & WELL-BEING

05 GENDER EQUALITY

08 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

EMPLOYEE PROFILE

GRI 2-7

TOTAL NUMBER OF EMPLOYEES AND BREAKDOWN BY GENDER AND BY REGION

CIPLC's total workforce during the financial year 2025/26 was 382 Although the Company does not practice gender based discrimination in recruitment or job roles, a majority 314 of our employees were men, while our total women employees numbered to 68 As a percentage, women accounted for 17.8% of total employees while men accounted for 82.2%.

The larger number of male employees is due to the predominantly male field staff of the Company as women do not apply for field work vacancies.

Employee by employment location/region	Male	Female	Total
Head office	46	39	85
Factory	135	28	163
Field staff	133	1	134
Total	314	68	382

NON-GUARANTEED HOURS EMPLOYEES, AND A BREAKDOWN BY GENDER AND BY REGION

Non-guaranteed hours employees are trainees and apprentices working at CIPLC. During the current financial year, we accommodated 10 persons under this category. Total hours granted, 5772

Location/region	Male	Female	Total
Yakkala factory	-	-	-
Wattala Factory	4	2	6
Nawala Head Office	1	3	4
Total	5	5	10

WORKERS WHO ARE NOT EMPLOYEES

GRI 2-8

During the current year, CIPLC continued to outsource some categories of non-core work.

a. Total number of workers who are not employees and whose work is controlled by the organisation	**Security – 11** **Janitorial – 10** **Manpower/factory labour – 167**
ii. The most common types of worker and their contractual relationship with the organisation	Some factory workers, all security personnel and janitorial staff fall into this category. CIPLC has no direct contractual relationship with these workers. They are employed through a contractual agreement with external human resources suppliers. The wages of these workers are paid by the external human resources suppliers.
(ii)the type of work they perform	• Factory labour • Security services • Cleaning and tea making
b. Methodologies used to compile the data	We have used the headcount full-time equivalent at the end of the reporting period

OUTSOURCED FACTORY EMPLOYEES BY GENDER AND BY REGION

Region/location	Male	Female	Total
Yakkala factory	35	12	47
Wattala Factory	70	50	120
Nawala Head Office	0	0	0
Total	105	62	167

SECURITY AND JANITORIAL PERSONNEL BY GENDER AND BY REGION

	Male	Female	Total
Security personnel			
Yakkala factory	4	0	4
Wattala Factory	4	1	5
Nawala Head office	2	0	2
Total	10	1	11
Janitorial personnel			
Yakkala factory	0	2	2
Wattala Factory	2	3	5
Nawala Head office	1	2	3
Total	3	7	10

ANNUAL TOTAL COMPENSATION RATIO

GRI 2-21

The ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)
Ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)

COLLECTIVE BARGAINING AGREEMENTS

GRI 2-30

The CIPLC workforce is represented by the Inter Company Employees' Union, which currently has 7 active members. This represents a small percentage of our total employee base, as the union is inactive for collective bargaining purposes. Therefore, a majority of employees are not covered by collective agreements. Working conditions are determined by the Factory Ordinance and Shop and Office Act and wages of workers are determined by the Wages Boards, as well as market rates. We ensure that all employees are provided with fair and competitive terms of employment. We continuously strive to maintain an inclusive and supportive work environment that addresses the needs and well-being of all employees, regardless of union membership.

In 2025/26, CIPLC was in full conformity with the Factories Ordinance and Wages Board Ordinances with regard to factory working conditions, and the Shop and Office Act for other employees. The Company also complies with all other applicable labour regulations, such as national occupational health and safety regulations, the Maternity Ordinance, Workmen's Compensation Act, and EPF and ETF regulations.

INDUSTRIAL HARMONY

There were no industrial disputes during the financial year 2025/26. CIPLC has a transparent grievance handling process, ensuring that any concerns raised by employees are addressed promptly and effectively.

EMPLOYMENT

GRI 3-3

POLICIES AND COMMITMENTS PERTAINING TO EMPLOYMENT

Environmental Responsibility Policy

Focused on reducing waste, and energy consumption, through sustainable production methods

Employee Health & Safety Policy

Ensuring compliance with workplace safety regulations and regular training

Diversity & Inclusion Policy

Promoting equal opportunity and inclusive workplace culture

MANAGING THE IMPACTS

In the financial year under review, CIPLC did not face any significant fines or penalties for delays or violations of any applicable labour laws or regulations. The Company also did not face any negative impacts on its employees due to its activities or due to business relationships. The Company continually evaluates its business operations to identify potential risks and ensures that all employment policies and procedures comply with applicable labour regulations.

However, as a manufacturing entity, CIPLC acknowledges potential negative impacts, such as environmental challenges from resource consumption and emissions, as well as workplace safety risks in factory operations. To mitigate these, CIPLC has implemented measures to enhance sustainability, enforce strict safety protocols, and ensure good labour practices across all business activities.

☑ Internal audits are conducted to ensure fair labour practices and ethical sourcing.

☑ Conduct regular audits and compliance reviews on labour.

☑ Employee engagement surveys to gauge workplace satisfaction.

☑ Monitoring of health and safety metrics, including workplace injury rates and training participation

Our objective is to achieve zero workplace accidents and improve employee retention rates. We are pleased to report that there were only seven workplace accidents for the entire year, which is the same as the previous year. However, the hours lost have reduced by 7% from 276 hours in the previous financial year to 256 hours in the current financial year.

CIPLC actively engages with employees, regulatory bodies, and service providers to ensure its mitigatory measures remain effective. Employee feedback has driven key workplace policy updates, while discussions with regulatory authorities have reinforced compliance standards.

EMPLOYEE GRIEVANCE RESOLUTION PROCESS

CIPLC has a structured grievance resolution mechanism in operation, and all employees are made aware of the facility.

1. The grievant brings the grievance to the attention of the immediate supervisor (Verbally or in writing)

2. The immediate supervisor is to resolve the grievance as soon as possible and keep informed all relevant parties if necessary.

3. If the HOD is unable to settle the same, it should be taken to the attention of HRD to take necessary steps to settle the issue.

4. If the HOD or HRD is not in a position to resolve the grievance satisfactorily, the grievance should be informed to CEO for instructions and direction.

EMPLOYEE FEEDBACK SYSTEMS

☑ **Suggestion boxes:** During the current financial year, the grievance management and feedback system was improved through the inclusion of suggestion boxes at work locations.

☑ **Employee Engagement Survey:** CIPLC conducts an annual employee engagement survey to measure employee satisfaction, engagement levels and overall organisational climate. Factors such as job satisfaction, communication effectiveness, leadership support and opportunities for growth and development are evaluated through the responses.

☑ **Training Needs Assessment Survey:** This survey obtains feedback regarding skill gaps, learning preferences and training priorities to tailor training programmes to address specific needs.

☑ **Exit Surveys:** Exit surveys are used to gather feedback on reasons for departure, satisfaction levels and suggestions for improvement.

EMPLOYEE WELFARE INITIATIVES

During the current year, we upgraded employee welfare packages to reflect economic conditions and employee expectations. This included increasing the OPD insurance cover, as a majority of medical insurance claims are for OPD facilities. CIPLC's Welfare & Recreation Association also remained actively engaged in supporting employee welfare initiatives during the year

Employee benefits at CIPLC include:

☑ Funeral Relief Scheme

☑ Welfare Loans

☑ Critical Illness & Accident Cover Insurance Policy (in addition to the Company-maintained policy)

☑ Festival Advances

☑ Opening savings accounts for newborn children of employees

☑ Distribution of school books annually to the children of staff.

☑ Staff engagement activities, i.e. annual get-together

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

GRI 401-1

NUMBER AND RATE OF NEW EMPLOYEE HIRES BY AGE GROUP, GENDER AND REGION.

	Male	Female
Number of new employees hires	95	19
Rate of new employees hires	83.33%	16.67%

	18-30 years	31-50 years	Above 50 years
Number of new employees hires	75	32	7
Rate of new employees hires	65.79%	28.07%	6.14%

	Yakkala	Wattala	Nawala
Number of new employees hires	12	30	72
Rate of new employees hires	10.53%	26.32%	63.16%

NUMBER AND RATE OF EMPLOYEE TURNOVER DURING THE REPORTING PERIOD, BY AGE GROUP, GENDER AND REGION.

	Male	Female
Number of employee turnover	57	13
Rate of employee turnover	15.36%	3.5%

	18-30 years	31-50 years	Above 50 years
Number of employee turnover	40	27	3
Rate of employee turnover	10.78%	7.28%	0.81%

	Yakkala	Wattala	Nawala-including field staff
Number of employee turnover	4	18	48
Rate of employee turnover	1.8%	4.85%	12.94%

TRAINING AND EDUCATION

GRI 3-3

POLICIES AND COMMITMENTS

CIPLC has dedicated policies to encourage a learning culture within the Company. These are:

Learning & Development Policy

Ensuring employees have access to relevant training opportunities

Equal Access to Training Policy

Providing fair and unbiased training opportunities for all employees

Health, Safety, and Environmental (HSE) Training Policy

Ensuring mandatory safety and compliance training for employees in high-risk roles

MANAGING THE IMPACTS

As CIPLC operates within a highly cost-competitive environment, training and development are essential to maintain market competitiveness by ensuring ethical and professional conduct of all grades of employees, to maintain product quality and safety in manufacturing and also to provide a high standard of service for all customer categories.

During the current financial year, CIPLC increased its training initiatives and did not record any negative impacts due to these activities. We continued monitoring all training initiatives to prevent any negative impacts and ensure that all external trainers align with organisational standards and ethical guidelines.

We enhanced the positive impacts of our training efforts by practising a structured approach in selecting employees for training and in developing targeted training programmes to address skill gaps and upskilling needs. Feedback from the primary stakeholders, who are employees, was taken into account in developing more practical, hands-on training rather than theoretical content. We also engaged with employees, managers, and external training providers to refine our training strategy.

TRAINING TARGET FOR 2025/26

Target	Actual performance
Increase minimum training hours per employee to 10 hours	10.95 hours per employee

MANAGING THE IMPACT

- ☑ Ensuring training opportunities are available to all employees regardless of department or position.
- ☑ Regular assessments to measure training effectiveness and prevent skill gaps.
- ☑ Monitoring training costs to ensure cost-efficiency without compromising quality.
- ☑ Feedback mechanisms for employees to report issues related to training accessibility or content relevance.
- ☑ Leadership development initiatives to prepare employees for future managerial roles.

Processes used to track the effectiveness of the actions:

- ☑ Post-training evaluations and employee feedback surveys.
- ☑ Performance assessments to gauge skill improvements.
- ☑ Regular review of training completion rates and participation metrics.

We have observed improved employee performance and higher engagement levels due to enhanced training initiatives.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

GRI 404-1

CIPLC does not discriminate in training by gender. Therefore, both men and women in each category benefited from the same number of hours of training offered to each category. During the year, on average, 10.95 hours of training were provided per employee.

Career & Professional Growth	372.5
Customer Experience & Relationship Management	320
Effective Business Communication	3.5
Employee Motivation & Work-Life Integration	48
Financial Reporting Standards & Compliance	81
Information Security & Data Protection	102
Internal Auditing Standards	29.75
ISO Standards & Certification Awareness	28
Labour Law & Employment Compliance	166
Leadership & Organizational Development	42
Product Quality, Technical Compliance & Process Improvement	637.1
Sales Effectiveness & Performance Improvement	1553.55
Strategic Thinking & Development	109.5
Workplace Safety & OSHA Compliance	649
Total	**4141.9**

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

GRI 404-3

The Company's executives are evaluated against pre-established KPIs every year. Non-executive personnel are also evaluated annually through a comprehensive performance rating scale that encompasses key competencies, goal attainment, and behavioural indicators. This scale provides a clear assessment of individual contributions, facilitating constructive feedback and development discussions to support professional growth.

During the current financial year, all male and female employees in each employment category, participated in performance evaluations. Therefore, 100% of employees received performance evaluations during the year.

OCCUPATIONAL SAFETY

POLICIES AND COMMITMENTS

Zero Accident Policy

Emphasising preventive safety measures

Full compliance

Compliance with national occupational health and safety regulations and international best practices

Training

Mandatory safety training programmes for all employees and contractors

MANAGING THE IMPACTS

CIPLC ensures strict adherence to workplace safety protocols to minimise risks. These include:

☑ Conducting Safety Programmes to empower supervisors and managers to drive safety improvements.

☑ Provision of Personal Protective Equipment

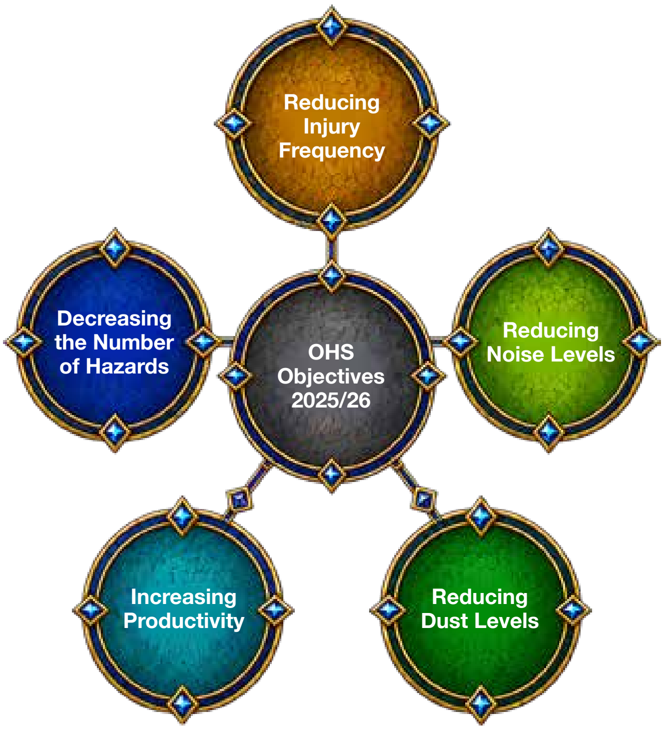
☑ Encouraging employee participation in safety committees and feedback sessions.

☑ Regular training for employees working with machinery

☑ Induction of new recruits to the OHS system

☑ Company handbooks provide clear information and guidelines for employees to understand their OHS rights and responsibilities

OHS objectives are established at relevant functions and levels to strengthen the overall management system and achieve continual improvement in OHS performance.



To eliminate potential hazards that exist in manufacturing operations and material handling, the Company conducts regular assessments to mitigate any negative impacts from internal operations. These include:

☑ Implemented engineering controls such as machine guards and ergonomic workstations.

☑ Conducted periodic workplace safety audits to identify and address hazards proactively.

☑ Introduced personal protective equipment (PPE) requirements for high-risk areas.

☑ Actions to Address Actual Negative Impacts:

☑ Investigated and analysed work-related incidents to prevent recurrence.

☑ Strengthened emergency response protocols, including first aid training and fire drills.

☑ Enhanced contractor safety requirements to align with company safety policies.

CIPLC tracks the effectiveness of its health and safety management system through workplace incident reporting and root cause analysis, as well as monthly safety performance reviews by the Health & Safety Committee.

OHS TARGETS FOR 2025/26

Target	Actual performance 2025/26
5% reduction in recordable work-related injuries year-over-year	Injury rates remained stable at 7 incidents (0% change year-over-year) The lost hours have reduced by 7%
Safety training participation for 100% of employees and contractors.	Training participation among employees and contractors was 100%

CIPLC conducts regular dialogues with employees to gather feedback on potential workplace hazards and also collaborates with external safety consultants and government bodies to align with best practices. The Company is reviewing safety policies with employee representatives to ensure alignment with workforce needs and is developing improved hazard identification and reporting mechanisms based on employee feedback.

WORK-RELATED INJURIES

GRI 403-9

WORK-RELATED INJURIES FOR ALL EMPLOYEES

	Number	Rate
The number and rate of fatalities as a result of work-related injuries	-	-
The number and rate of high-consequence work-related injuries (excluding fatalities)	-	-
The number and rate of recordable work-related injuries	6	1.35
The main types of work-related injury	Machine-related injuries Eye injuries	
The number of hours worked	887,770	

WORK-RELATED INJURIES FOR ALL WORKERS WHO ARE NOT EMPLOYEES

	Number	Rate
The number and rate of fatalities as a result of work-related injury;	-	-
The number and rate of high-consequence work-related injuries (excluding fatalities);	-	-
The number and rate of recordable work-related injuries;	1	0.48
The main types of work-related injury;	Contusions Sprains	
The number of hours worked	411,480	

HAZARD IDENTIFICATION, RISK ASSESSMENT & INCIDENT INVESTIGATION

CIPLC has a Safety Committee comprising a multi-disciplinary management team to identify potential hazards through regular inspections, employee feedback, and hazard reporting mechanisms.

HAZARD RISK MANAGEMENT

1. The Company has adopted the preventive approach of early identification of potential hazards in order to eliminate or control the risks.
2. Once hazards are identified, risk assessments are conducted to evaluate the likelihood and severity of potential incidents by assessing factors such as exposure, consequences, and existing controls to determine the level of risk associated with each hazard.
3. Control measures are prioritised, and resources are allocated to mitigate risks and safeguard job security.
4. In the event of an incident or near-miss, investigations are conducted promptly to determine root causes and implement corrective actions. Our incident investigation process involves gathering facts, interviewing witnesses, analysing data and identifying underlying factors contributing to the incident.
5. Regularly review and update existing procedures, based on lessons learned, industry best practices and regulatory requirements.
6. For the safety of employees, detailed information on the safe handling of chemical products, storage, and disposal procedures is displayed in relevant areas.

WORK-RELATED HAZARDS

During the reporting period, no hazards caused or contributed to any high-consequence work-related injuries. Work-related hazards that pose a risk of high-consequence injury have been identified as:

- ☑ **Physical hazards:** machinery, electrical systems, moving equipment, manual handling, and slips/trips/falls.
- ☑ **Chemical hazards:** Exposure to substances used in manufacturing processes (e.g., solvents, adhesives, and cleaning agents).
- ☑ **Ergonomic hazards:** Repetitive motions, improper workstation setup, and manual material handling.
- ☑ **Psychosocial hazards:** Workplace bullying, harassment

Hazards have been systematically identified through:

- ☑ Regular workplace inspections.
- ☑ Analysis of incident reports.
- ☑ Review of Material Safety Data Sheets (MSDS) for chemical substances.
- ☑ Employee feedback and safety observations.
- ☑ Risk assessments conducted as part of routine operations and new project evaluations.

HAZARD CONTROLS

CIPLC adopts a different approach to hazard control to eliminate or minimise workplace risks. The following measures have been implemented or are in progress:

Elimination	Reviews have been conducted to remove unnecessary manual handling and eliminate hazardous steps in certain production tasks.
Substitution	Safer alternatives have replaced specific chemical substances where possible, reducing employee exposure to harmful agents.
Engineering Controls	Machine guards have been installed or upgraded on critical equipment
Administrative Controls	Standard Operating Procedures (SOPs) have been updated to reflect current risk assessments and best practices. Job rotation policies have been introduced to limit repetitive motion injuries. Employees receive regular safety training and refresher courses, including awareness on psychosocial hazards.
Personal Protective Equipment (PPE)	PPE compliance is being strictly enforced through periodic audits. Employees are provided with task-specific PPE and trained in its proper usage and maintenance.

EMPLOYEE ENGAGEMENT ACTIVITIES

CIPLC's Employee Engagement Team was extremely active during the year, organising employee events almost every month, facilitating collaboration and communication across our three dispersed operational sites in Wattala, Yakkala and Nawala. Some of the main employee events during the year are presented below.

CELEBRATING WOMEN DAY

In celebration of International Women's Day, we organised a series of thoughtfully curated initiatives dedicated to the well-being, confidence, and professional growth of the women within our organisation.

At the Wattala Faculty, in partnership with Hemas Hospitals, participants engaged in insightful sessions centred on mental and physical well-being, non-communicable diseases, healthy lifestyle practices, skincare, and cosmetology.

Complementing this initiative, our Head Office hosted an inspiring professional development session conducted by renowned consultant Prasanna Pathmanadan. The programme focused on personal branding, personality development, image building, workplace etiquette, office ethics, and business professionalism, equipping participants with valuable skills to grow with confidence both personally and professionally.

PLANS FOR 2026/27

The primary focus of HR management in the new financial year will be on further strengthening the performance-driven culture by aligning training and competency development more closely with key performance indicators (KPIs). This will enhance productivity and overall competitiveness in support of CIPLC's market expansion plans in the 2026/27 financial year. Performance recognition and employee motivation mechanisms will also be enhanced to reinforce a high-performance, but rewarding work environment.

To promote employee well-being and engagement, the Company plans to launch the CIPLC Sports League, providing a platform to showcase and nurture employee talent while fostering teamwork and camaraderie.

At the same time, the Company remains vigilant to external developments, including potential workplace implications arising from instability in the Middle East. Rising fuel and food costs are also being closely monitored, given their potential impact on employees' household financial well-being. In response, the Company is prepared to implement work-from-home and other flexible working arrangements where necessary. CIPLC's advanced HRIS will be effectively leveraged to support such arrangements, while practical solutions will continue to be implemented for manufacturing personnel, whose roles require on-site presence.

NATURAL CAPITAL

While expanding production during 2025/26, we remained firmly committed to safeguarding the natural environment through disciplined resource management and sustainable operational practices. Green cover was maintained across our Wattala and Yakkala manufacturing premises, alongside structured systems for the collection, segregation, and disposal of all categories of waste. These measures ensured a clean, well-maintained, and pleasant working environment for our employees, while supporting broader environmental protection efforts through composting and recycling initiatives.

VALUE DRIVERS

- Investments into water management
- Investments into the conservation of natural resources
- Investments into solar energy
- Investments into waste management

VALUE CREATED

- Compliance with environmental regulations
- Prevention of environmental pollution and environmental damages
- Health and safety benefits from a healthy environment

LINK TO OUR MATERIAL MATTERS

- Emissions & Air Quality
- Waste
- Energy Consumption
- Climate change-related risks and opportunities
- Occupational health, safety and well-being

LINK TO SDGS

03 GOOD HEALTH & WELL-BEING

06 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We continuously reviewed and streamlined our production processes to minimise waste and rejects, thereby reducing the consumption of raw materials, water, and energy. These efforts were reinforced through routine factory floor inspections, targeted process improvements, and ongoing awareness and training programmes. As a result, material wastage and spillage were significantly reduced, with the reject rate declining from 5% to 2.5% within the last five years, reflecting the effectiveness of our operational controls.

Energy, water, and raw material usage were closely monitored across operations. During the year, water consumption tracking was improved through the installation of water meters at wells in both Wattala and Yakkala, while energy and water consumption continued to be monitored at our head office in Nawala. In addition, the transition to laptops and web-based applications contributed to a reduction in paper usage, supporting overall resource conservation.

Investments in sustainability were further strengthened during the year with the construction of new soakage pits at the Wattala facility to improve the management of wastewater from bathing and washing.

STATUS OF COMPLIANCE

During the current financial year, CIPLC was fully compliant with all applicable environmental regulations and did not face any significant fines or penalties for non-compliance or delays in compliance. The Factory Engineers certification and all environmental certifications were renewed on time.

ENERGY MANAGEMENT

Currently, the Company has invested in 710kWh of solar energy at the Yakkala factory. The Company's total energy consumption from the national grid is 3.5 million kWh, out of which we generated 1 million kWh through solar energy in the current financial year.

In addition:

- ☑ Production levels are managed according to Economic Production Quantities to monitor monthly energy consumption and to improve energy efficiency.
- ☑ The energy consumption and rate of energy consumption are monitored for each machine every month, and we are purchasing the most energy-efficient machines.
- ☑ All new buildings constructed after 2014 have been designed to maximise the use of natural lighting
- ☑ All lighting has been converted to energy-efficient lighting
- ☑ We conduct periodic energy audits to identify inefficiencies and implement corrective action.
- ☑ The two factories have been designed with maximum foliage cover for natural shading for weatherable products manufactured by the Company.

ENERGY CONSUMPTION WITHIN THE ORGANISATION

GRI 302-1

	2025/26	2024/25	2023/24	2022/23
Diesel (Litres)	**22,193**	18,812	11,060	26,400
Electricity (KWh)	**5,747,286**	4,476,830	3,111,852	2,142,402
LPG Gas (KG)	**2,035**	1,390	1,005	443
Diesel Energy Consumption (Rs.)	**5,313,669**	5,268,841	3,354,054	12,049,000
Electricity Consumption (Rs.)	**115,769,776**	115,704,015	108,554,982	61,552,160
LPG Gas Consumption (Rs.)	**612,404**	410,807	281,089	165,437

ENERGY CONSUMPTION OUTSIDE OF THE ORGANISATION

GRI 302-2

The main energy consumption outside of the organisation relates to transportation by employees and logistics and distribution. We have enforced ceilings on the transportation costs to sales volumes ratio and continuously look for new ways to improve the efficiency of our logistics and distribution processes.

	2025/26	2024/25	2023/24
Energy consumption outside of the organisation, in joules or multiples (Rs.)	**146,775,265**	153,700,320	128,813,972

WATER MANAGEMENT

To enhance the monitoring of groundwater consumption, water meters were installed during the year at the well in our Wattala premises and at the two wells in Yakkala. In addition, an investment of Rs. 500,000 was made at the Wattala premises to construct new soakage pits for wastewater from bathing and washing. This has strengthened wastewater management, particularly during periods of intense rainfall and flooding, by mitigating the risk of overflow and seepage.

Our water requirements are met through municipal lines and groundwater systems. Purified potable water supplied by the National Water Supply and Drainage Board is used only for human consumption. The manufacturing processes account for about 75% of total water usage, in addition to cooling towers and consumption by employees. The Yakkala factory uses only groundwater from wells, which does not impact any common water bodies located in the area. We also engage employees in water conservation efforts by placing signage as reminders not to waste water. Our primary water management strategies are monitoring of consumption and reducing wastage.

WATER WITHDRAWAL

GRI 303-3

Total volume of water withdrawal by water source

	2025/26	2024/25	2023/24	2022/23
Municipal lines water consumption (units) M3	**1,500**	2,619	2,878	2,402
Groundwater consumption (units) M3	**8,100**	12,190	11,080	4,500

WATER DISCHARGE

GRI 303-4

The total volume of water discharge (The following figures are estimated to be 25% of water withdrawal)

	2025/26	2024/25	2023/24	2022/23
Municipal lines water consumption (units) M3	**375**	654.8	719.5	600.5
Groundwater consumption (units) M3	**2,025**	3,050	2,770	1,125

WATER CONSUMPTION

GRI 303-5

The total volume of water consumption in the table below is based on 75% of the water withdrawal volume (10% for human consumption and 65% through evaporation)

	2025/26	2024/25	2023/24	2022/23
Municipal lines water consumption (Units) M3	**1,878**	1,964.2	2,158.5	1,801.5
Groundwater consumption (Units) M3	**6,075**	9,140	8,310	3,375
Human Consumption (Units) M3	**585**	1,011.85	1,046.85	517.65
Through Evaporation (Units) M3	**5,427**	8243.1	9,421.65	4,658.85

WASTE MANAGEMENT

During the current financial year, there were no significant waste-related impacts on the environment or communities. CIPLC was fully compliant with all applicable waste management regulations of the Central Environmental Authority.

However, waste management remained in focus during the current financial year, as we continued to review our production processes with the objective of reducing waste from the manufacturing process as well as in the packaging process. Cross-functional teams have been appointed to reduce the number of rejects occurring during the production process. A combination of measures introduced through cause analysis and the introduction of preventive and corrective actions has resulted in a significant reduction in reject rates during the year. As CIPLC's products are highly durable, the wastage among consumers is minimal.

CIRCULARITY MEASURES

The Company has introduced a process to collect and reuse PVC dust from various stages of the production process. The PVC dust is captured through automated systems or through manual collection and reused in the upstream processes. This has reduced the dust in the production floor and possible environmental impacts. The initiative reduced dust by more than 55%, which is over 5 Metric Tonnes for the year. As much as 95% of finished products that were rejected due to defects were recycled.

WASTE GENERATED IN 2025/26

GRI 306-3

☑ All waste material is segregated by material type or recycling application.

☑ Most of the waste generated through our business activities is disposed of through professional recyclers through tenders or auctions.

☑ Waste disposed of and removed from the factory premises is measured and recorded in the respective removal authorisation documents (gate passes).

☑ Bio-degradable waste, which is composted within the factory compound, is not measured. The composting area of approximately 80 CBM is cleared and replenished approximately 2 to 3 times per annum.

Types of Waste	Waste management method	Weight (metric tons)
Biodegradable Waste ☑ Dried leaves and plant matter in the factory compound; ☑ Discarded food from the canteen	Biodegradable waste is collected, stored in a composting area and recycled to fertilise the flora in the factory itself, or disposed of to outside parties	11
Non-biodegradable Waste ☑ Degraded PVC, polythene and other polymers waste generated from production processes, various scrap metal, discarded, worn-out machinery parts, e-waste and discarded packaging from incoming materials	☑ Polymer raw material waste and scrap metal, which cannot be reused in-house, are disposed of through external professional recyclers for reuse in low-end plastic products. ☑ Worn-out machinery parts are disposed of through professional recyclers who segregate the items by base material (i.e., metals, plastics, rubber) for recycling applications or are refurbished for extended use in low-end applications. ☑ Burnt Lubricant oil is disposed of through professional external recyclers.	5.5 1
Miscellaneous Waste	Reuse and recycle as applicable	
Paper	☑ Paper waste is from discarded packing materials from the input raw materials consumed in the production process. These are disposed of through professional external recyclers. ☑ All office-bound employees and field staff have been assigned official email addresses for official communication. Through this initiative, the management vigorously encourages electronic communication, thereby promoting digitalisation and paperless working concepts.	90
Total weight		107.5

PLANS FOR 2026/27

ENERGY CONSUMPTION

The company is presently evaluating the immediate and long-term financial feasibility of investing in off-grid solar power storage systems to augment the on-grid 710kW system installed at our Yakkala factory. The anticipated benefits of investing in an off-grid power storage system are

Minimizing intermittent machine stoppages during power failures, thereby reducing rejects which are generated in direct proportion to machine stoppages.

Optimising solar power generation which is otherwise lost during power outages and national grid disconnections which the CEB resorts to during low-demand seasons.

Minimizing the draw-down from the grid during peak hours where the national grid is powered mainly by fossil fuels

WATER CONSUMPTION

In January 2026 the company installed metering facilities for all groundwater withdrawal sources. Through these metering facilities, the withdrawal of water can now be accurately measured and recorded. This data will be utilised henceforth to identify areas of water wastage and systematically eliminate the underlying causes.

Usage of Paper Based Records

We continuously assess operating procedures to identify areas where paper-based records can be eliminated and substituted with digital records. The IT team led by the Head of IT is tasked with liaising with operational managers in order to identify such areas for improvement, and implement the required changes on the IT and communication systems.

A FRAMEWORK OF FORTITUDE

Upholding the Stature of Trust and Governance

CORPORATE GOVERNANCE

As the only listed company involved in the domestic manufacture of PVC and electrical products, CIPLC maintains high standards of governance across its operations. The Company emphasises professional management of its business activities, headed by a Board comprising qualified professionals with unblemished reputations, equipped with years of experience in specialised disciplines relevant to the Company's strategic vision. Formal, documented policies and procedures, terms of reference and codes of conduct, based on best practices, are available to guide the Board and the Management in the execution of their responsibilities. While maintaining continuous oversight of regulatory compliance, the Company has also adopted voluntary systems and standards on management and manufacturing to guide its operations.

CIPLC's resilience and financial stability during the last few years of significant external uncertainty reflect the strength of its governance framework. The outstanding financial performance achieved in the current financial year further reinforces the effectiveness and consistency of governance across the organisation.

KEY DEVELOPMENTS IN 2025/26

CIPLC remained fully compliant with all applicable rules and regulations throughout the financial year 2025/26. During the year, the Company further strengthened its governance practices and oversight mechanisms to enhance value creation through responsible business conduct and sustainable manufacturing practices.

☑ Mr. C. S. Hettiarachchi, Non-Executive Director, was appointed as Non-Executive Chairman of the Company with effect from 1 September 2025, following the resignation of the previous Chairman. This appointment was reviewed and recommended by the Nominations & Governance Committee and subsequently approved by the Board.

☑ Two new Non-Executive Directors were appointed to the Board with effect from 1 September 2025, following the resignation of two Non-Executive Non-Independent Directors. These appointments were reviewed and recommended by the Nominations & Governance Committee and approved by the Board.

☑ The Board Remuneration Committee was reconstituted with the appointment of an Independent Non-Executive Director as Chairperson, in compliance with CSE requirements. This reconstitution was reviewed and recommended by the Nominations & Governance Committee and approved by the Board.

☑ The Nominations & Governance Committee and the Audit & Risk Committee were also reconstituted during the year, following Board approval, in light of changes in Board composition. Both Committees are now chaired by Independent Non-Executive Directors, in line with CSE requirements.

☑ To support the integration of SLFRS Sustainability Disclosure Standards, the Board Risk Management Committee and the Board Audit Committee were entrusted with oversight responsibility for monitoring sustainability and climate-related financial risks and opportunities.

☑ During the year, the Risk Management Committee convened once, while the Audit Committee held quarterly meetings to deliberate on sustainability-related matters.

☑ Two Board papers were presented covering both quantitative and qualitative materiality assessments relating to the financial impacts of climate change, as well as the identification of Climate-Related Risks and Opportunities (CRROs) for the financial year 2025/26.

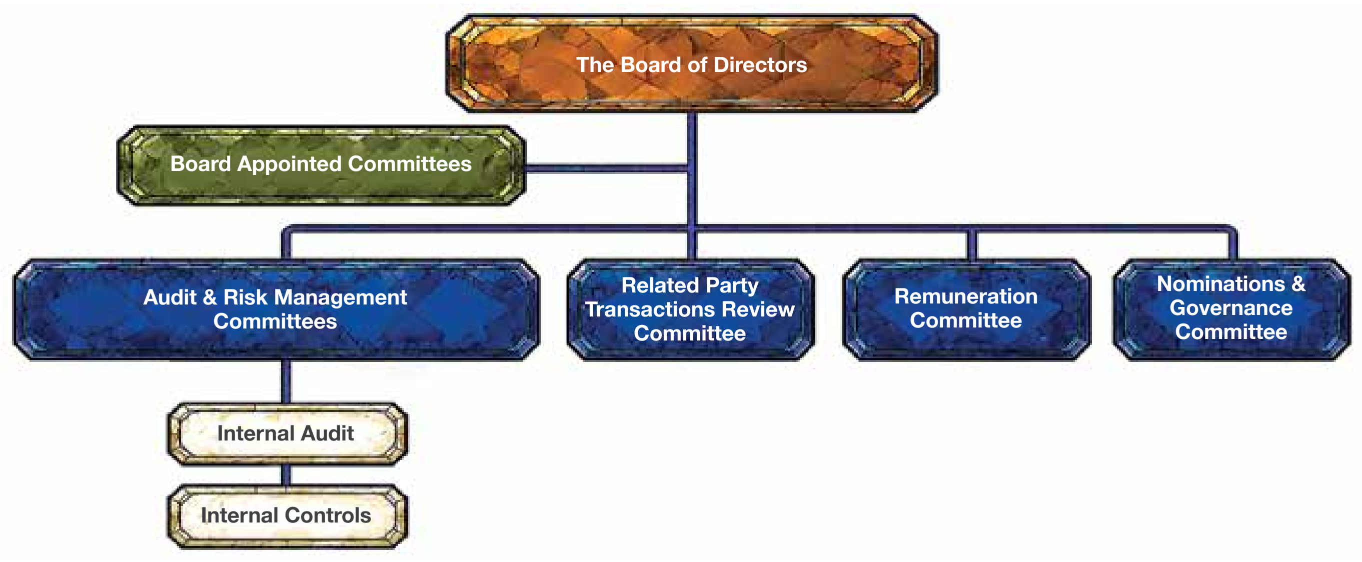
☑ All managers were exposed to training on SLFRS S1 and S2 Disclosures

GOVERNANCE STRUCTURE

GRI 2-9

CIPLC governance structure is in full compliance with the Listing Rules of the Colombo Stock Exchange and provides an effective framework for oversight of all operational activities of the Company.

CIPLC's governance system complies with a range of national laws and regulations, as well as internal policies and codes of conduct. In addition, the Company has voluntarily adopted external codes and best practices to enhance its governance standards. These are listed below



EXTERNAL FRAMEWORKS

- ☑ The Companies Act No. 7 of 2007 and its amendments
- ☑ The Listing Rules of the Colombo Stock Exchange
- ☑ The Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
- ☑ The Inland Revenue Act No. 24 of 2017 and its amendments
- ☑ The Shop and Office Employees Act No. 19of 1954 and its amendments
- ☑ The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- ☑ The Foreign Exchange Act No. 12 of 2017and its regulations
- ☑ Consumer Affairs Authority Act No. 9 of 2003 section 10, 30 (1) a, 10 (1) a, Direction No.36, 10, 30 (1) a,10 (a)
- ☑ National Environmental Act. No. 47 of 1980
- ☑ Municipal / Local Govt. by laws (Act No. 15 of 1987)
- ☑ Prevention of Mosquito Breeding Act. No. 11 of 2007
- ☑ The Factories Ordinance No. 45 of 1942 (Sections 36 and 27)
- ☑ EPF Act No. 15 of 1958 and amendments thereto
- ☑ Employee Trust Fund Act No.46 of 1996
- ☑ Intellectual Property Act no. 36 of 2003

INTERNAL FRAMEWORKS

- ☑ Articles of Association
- ☑ Board approved Terms of Reference of the Board and Board Sub-Committees
- ☑ Board approved policy frameworks for governance, risk, compliance and operational areas
- ☑ Codes of Conduct for Directors, Key Management Personnel and Employees
- ☑ Organisation Structure
- ☑ Key Internal HR Procedures on, Employee on boarding and off boarding, Learning and Development, Rewards and recognition, Equal opportunities and Non-discrimination, Health and Safety enhancements and protocols, Code of conduct, Diversity, equity and inclusion, Anti-Harassment and Sexual Harassment Prevention, Forced, Compulsory and Child labour, Disciplinary procedure and Grievance handling

VOLUNTARY CODES AND BEST PRACTICES

- ☑ Global Reporting Initiative (GRI) standards issued by the Global Sustainability Standards Board
- ☑ Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)
- ☑ The code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka

In response to the Corporate Governance Rules introduced by the Colombo Stock Exchange in 2024, the Board took decisive steps to enhance the Company's governance framework, reviewing and approving a comprehensive set of mandatory policies covering;

1. Matters relating to the Board of Directors
2. Board Committees
3. Corporate Governance, Nominations and Re-election
4. Remuneration
5. Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
6. Risk management and Internal controls
7. Relations with Shareholders and Investors
8. Environmental, Social and Governance Sustainability
9. Control and Management of Company Assets and Shareholder Investments
10. Corporate Disclosures
11. Whistle-blowing
12. Anti-Bribery and Corruption

Further, all existing Board Sub Committees were re-constituted to reflect the revised CSE governance rules

BOARD OF DIRECTORS AND ATTENDANCE

As at March 31, 2026, the Board of CIPLC comprised nine members. This included the Non-Executive Chairman, seven Non-Executive Directors and one Executive Director. Detailed profiles of each Director can be found on pages from 32 to 34 of this report.

CHANGES TO THE BOARD DURING 2025/26

Retired Members	Status	W.E.F
Mr. G. S. N. Peiris	Non-Executive Non-Independent Director	31 Aug 2025
Mr. E. H. Wijenaike	Non-Executive Non-Independent Director	31 Aug 2025

New Members	Status	W.E.F
Ms. W. M. T. W. Weerasinghe	Non-Executive Director	1 Sep 2025
Mr. D. Virantha	Non-Executive Director	1 Sep 2025

INDEPENDENT NON-EXECUTIVE DIRECTORS (INEDS)

As at March 31st 2026, out of 9 Board members, the number of INEDs on the CIPLC Board was 3

☑ Mr. D. T. R. de Silva

☑ Ms. T. P. Gunesekera

☑ Mr. D. K. Welmiilage

BOARD MEETINGS

The Board convened 4 times, every quarter during the year, and the attendance of Board members is given below.

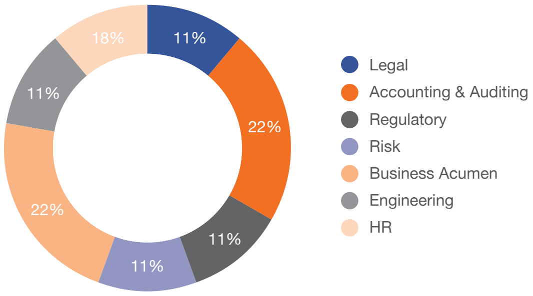
Names of the Director	Date of the meeting & Attendance			
	20th May 2025	06th August 2025	06th November 2025	05th February 2026
Mr. G. S. N. Peiris	✓	✓	-	-
Mr. E. H. Wijenaike	✓	Excused	-	-
Mr. C. S. Hettiarachchi	✓	✓	-	✓
Mr. A. K. Gunaratne	✓	✓	✓	✓
Mr. C. S. W. De Costa	✓	✓	✓	✓
Mr. D. T. R. De Silva	✓	✓	✓	✓
Mr. M. Rupatunge	✓	✓	✓	✓
Mr. D. K. Welmillage	✓	✓	✓	✓
Mrs. T. P. Gunesekera	✓	Excused	✓	✓
Ms. W. M. Thilini W. Weerasinghe	-	-	✓	✓
Mr. M. A. D. Dushan Virantha	-	-	✓	✓

BOARD SKILLS AND DIVERSITY

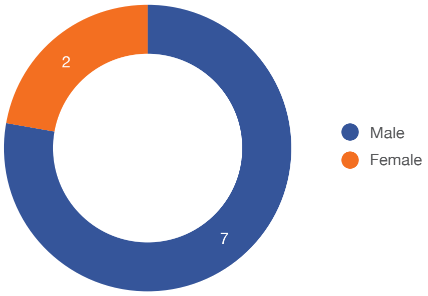
BOARD SKILLS

The Board regularly assesses its collective skills and experience to align with the CIPLC strategic needs and will use its best endeavours to promote gender diversity and the representation of females on the Board in compliance with applicable law. Collectively, the Board brings in a multidimensional wealth of exposure in the fields of management, business administration, banking, finance, economics, taxation, global multinational operations, information technology, marketing and human resources. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement.

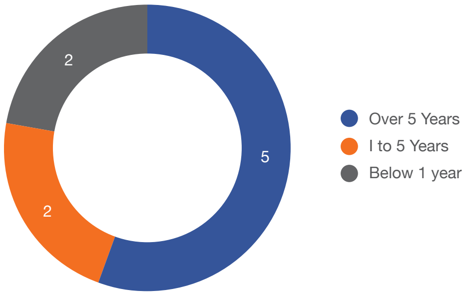
COLLECTIVE SKILLS



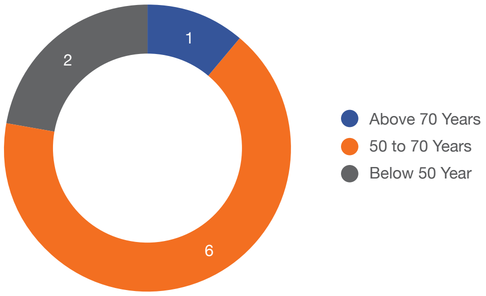
GENDER COMPOSITION OF THE BOARD OF DIRECTORS



TENURE OF BOARD MEMBERS



AGE DIVERSITY



ROLE OF THE BOARD ON SUSTAINABILITY

The Board is responsible for providing oversight and strategic direction on sustainability and ESG matters, ensuring that environmental, social, and governance considerations are integrated into CIPLC's long-term strategy, risk management framework, and business operations. The Board reviews sustainability-related risks and opportunities, monitors progress against ESG targets, and ensures compliance with applicable regulatory and governance requirements. Through its leadership and oversight, the Board promotes ethical business practices, accountability, stakeholder engagement, and sustainable value creation for all stakeholders.

AUDIT COMMITTEE

The Audit Committee comprised 5 members, out of which 3 are Independent Non-Executive Directors, and the current Chair Person, Mrs. T. P. Gunasekera is a member of the Institute of Chartered Accountants of Sri Lanka in accordance with the listing rule, that the Chairperson of the Audit Committee shall be a member of a recognised professional accounting body.

During the year, the Audit Committee reviewed all financial matters related to the company, including internal and external audits, financial statements, internal control procedures, accounting policies, compliance with accounting standards, and emerging accounting trends. The Committee also supported the Board with additional tasks assigned by the Board. The Head of Internal Audit is the Secretary of the Committee, overseeing its operations, and the CEO and Finance Manager attended meetings as special invitees.

Member	Status	No. of Meetings Attended
Mrs. T. P. Gunasekera	Chairperson/ IND/NED	3/4
Mr. A K. Gunaratne	NED	4/4
Mr. D. K. Welmiilage	IND/NED	4/4
Ms. W. M. T. W. Weerasinghe	NED	2/2
Mr. D. T. R. De Silva	IND/NED	4/4

The Committee also made recommendations on the selection and compensation of external auditors, ensuring their impartiality and objectivity are maintained. The Audit Committee report is given on page 137 to 138 of this report.

RISK MANAGEMENT COMMITTEE

CIPLC has established a Risk Management Committee (RMC) to evaluate and supervise the management of all risks that impact the performance of the Company. The RMC exercises oversight of all business activities and external developments by working closely with the top management and, evaluates all risks encountered by the company and provides recommendations for enhancing controls and risk management practices. The Head of Internal Audit has been appointed as the Secretary to the Committee.

Member	Status	No. of Meetings Attended
Mrs. T. P. Gunasekera	Chairperson/ IND/NED	1/1
Mr. A. K. Gunaratne	NED	1/1
Mr. D. K. Welmiilage	IND/NED	1/1
Ms. W. M. T. W. Weerasinghe	NED	1/1
Mr. D. T. R. De Silva	IND/NED	1/1

REMUNERATION COMMITTEE

The Remuneration Committee is composed of three Non-Executive Directors, two of whom are Independent. The Chief Executive Officer of the Company provides assistance to the Committee, except when discussing his own remuneration package. The Report of the Remuneration Committee can be found on page 139 of the Annual Report.

Member	Status	No. of Meetings Attended
Mr. D. T. R. De Silva	Chairman/ IND/NED	2/2
Mr. D. K. Welmillage	IND/NED	2/2
Mr. A. K. Gunarathne	NED	2/2

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee is comprised of 5 members. The Finance Manager functions as the Secretary to the Committee. The Report of the Related Party Transaction Review Committee is given on page 140.

Member	Status	No. of Meetings Attended
Mr. D. T. R. De Silva	Chairman/ IND/NED	4/4
Mrs. T. P. Gunasekara	IND/NED	3/4
Mr. D. K. Welmillage	IND/NED	4/4
Mr. A. K. Gunarathne	NED	4/4
Mr. D. Virantha	NED	2/2

NOMINATION & GOVERNANCE COMMITTEE

The Nominations and Governance Committee comprised 3 members. The Report of Nomination & Governance Committee is given on page 142.

Member	Status	No. of Meetings Attended
Mr. D. T. R. De Silva	Chairman/ IND/NED	3/3
Mr. D. K. Welmillage	IND/NED	3/3
Mr. A. K. Gunarathne	NED	3/3

INVESTMENT COMMITTEE

In addition to the mandatory committees, CIPLC has constituted an Investment Committee comprising the CEO, the Finance Manager and two NEDs.

Member	Status
Mr. A. K. Gunarathne	Chairman/ NED
Mr. C. S. Hettiarachchy	NED/Member
Mr. I. M. P. Rupatunge	Director/CEO/Member
Mr. Mahesh Amaradasa	Finance Manager/Member

CHAIRMAN'S ROLE

GRI 2-11

CIPLC has segregated the role of the Chairman from that of the CEO. The separation of roles and responsibilities ensures independence in decision-making and balance of power.

RESPONSIBILITIES OF THE CHAIRMAN

- ☑ Preserve Good Corporate Governance
- ☑ Lead the Board and ensure efficient conduct of Board Meetings, and maintain close contact with all Directors
- ☑ Hold informal meetings with Non-Executive Directors as required.

CHIEF EXECUTIVE OFFICER/DIRECTOR'S ROLE

The CEO is accountable to the Board for the general management of the company's operations, and the Board also sets out the role and responsibilities of the CEO

THE CEO'S RESPONSIBILITIES INCLUDE:

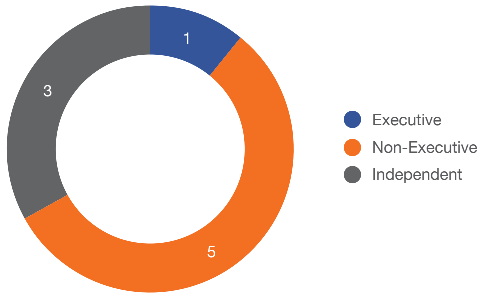
- ☑ Ensuring compliance with regulations and best practices and the effective functioning of internal control systems.
- ☑ The CEO will identify risks and design mitigation strategies while safeguarding the Company's assets.
- ☑ Develop human capital and good investor relations to ensure sustainable growth of shareholder value. Identification of potential diversification/investment projects, along with the implementation of projects approved by the Board.

- ☑ Preserve and promote the Company's image
- ☑ Endorse the quarterly and annual financial statements, after initialling prior to circulating them for consideration and approval of the Board. Oversee the placement of significant issues for the information, consideration, and decision, as the case may be, to the Board or its Committees.

BOARD BALANCE

CIPLC's Board has been constituted in accordance with the regulations stipulated by the Colombo Stock Exchange. The Board comprises both Executive and Non- Executive Directors, with the latter constituting over one-third of the total number of Directors. This composition ensures a balanced perspective and diverse skill set within the boardroom, aligning with best practices in corporate governance.

BOARD BALANCE 2025/26



INDEPENDENCE OF DIRECTORS

The Board has undertaken a thorough evaluation process and determined that three of its Non-Executive Directors meet the stringent criteria for "Independence" as defined by the Listing Rules. This determination underscores the company's commitment to transparency and objectivity in its decision-making processes.

INDEPENDENCE IN COMMITTEE LEADERSHIP:

All sub-committees are chaired by Independent Non-Executive Directors. This strategic decision enhances the effectiveness and credibility of these committees, as they play pivotal roles in overseeing key aspects of the company's operations and risk management.

ANNUAL DECLARATION AND OVERSIGHT:

Directors have submitted an annual declaration of their status, which is diligently reviewed by the Company Secretaries. Any changes in the status of Directors are promptly communicated to the Chairman. This rigorous oversight mechanism ensures that the composition of the Board remains in compliance with regulatory requirements and reflects the highest standards of corporate governance.

FINANCIAL ACUMEN

Four Senior Chartered Accountants, one member of the Institute of Certified Management Accountants (ICMA) Australia and one associate member of CIMA UK are members of the CIPLC Board to provide adequate guidance on financial matters.

PROVISION OF INFORMATION

The Board is provided information in a timely manner in a quality appropriate to enable it to discharge its duties. Directors are provided with monthly and quarterly reports on performance and such other reports and documents as necessary. The Chairman ensures all Directors are adequately briefed on issues arising at meetings.

SELECTION & APPOINTMENTS TO THE BOARD

GRI 2-10

The Board has overall responsibility for governance across the Company and retains effective control through the Board-approved Governance Framework. The selection process is guided by a formal and transparent process, and the Board approves nominations and commences the regulatory process. The Board decides on the appointments based on the recommendations made by the Nomination & Governance Committee.

In compliance with new regulatory requirements, a formal Policy on Corporate Governance, Nominations and Re-Election was published on the Company's website with effect from 1st October 2024. The Policy establishes the relevant criteria and clear guidelines for the nomination of new Directors and the re-election of existing Directors to the Board, ensuring greater accountability, transparency, and fairness across the process

All new Directors receive a formal induction and an orientation pack that outlines the main areas that require familiarisation.

RE-ELECTION OF DIRECTORS

1. The provisions of the Company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting and seek re-election by the shareholders at that meeting
2. Directors who are over 70 years old will be reappointed by the shareholders in terms of section 211 of the Companies Act No.07 of 2007.
3. The Board decides on the re-election of Directors based on the recommendation made by the Nominations and Governance Committee.

DISCLOSURE OF REMUNERATION

The Financial Statements include a detailed disclosure of Directors' Remuneration in note 35.4. All Non-Executive Directors are compensated with a fixed fee, without any additional performance-based or incentive payments.

MANAGEMENT STRUCTURE

The Board of Directors operates with a clear focus on strategic delegation and robust oversight mechanisms to drive organisational success. An overview of the key practices employed is:

DELEGATION OF AUTHORITY TO THE DIRECTOR/ CEO:

The Board has entrusted the Director/CEO with primary authority to execute the strategic objectives formulated by them. This delegation reflects a high level of trust in the Director/CEO's leadership capabilities and expertise in steering the company towards its goals. By empowering the Director/CEO, the Board enables swift decision-making and agile responses to market dynamics.

MONTHLY PERFORMANCE REVIEWS:

Regular performance reviews are integral to ensuring the company stays on track towards its objectives. The Director/ CEO, along with key management personnel, convenes monthly meetings to meticulously evaluate the company's performance. These sessions provide a platform for in-depth discussions on operational metrics, financial performance, market trends, and any emerging challenges. Additionally, the team meets promptly as required to address urgent matters and capitalise on emerging opportunities.

QUARTERLY BOARD MEETINGS WITH THE DIRECTOR/CEO AND MANAGER-FINANCE:

To maintain transparency and alignment between the executive leadership and the Board, the Director/CEO and the Finance Manager attend quarterly Board meetings. These sessions serve as vital forums for presenting financial updates, strategic initiatives, and operational highlights. By involving key executives in these meetings, the Board gains first-hand insights into the company's financial health, risk management strategies, and overall performance trajectory.

RELATIONS WITH SHAREHOLDERS

CIPLC continued to maintain professional and transparent communications with all shareholders during the 12 months of the year. The company ensures effective communication and interaction with its shareholders through its Annual General Meeting (AGM) through the process of providing:

COMPREHENSIVE NOTICE OF MEETING:

The Notice of Meeting is included in the Annual Report, ensuring that shareholders are well-informed about the upcoming AGM. This notice contains the agenda for the AGM, along with detailed instructions on voting procedures, including the appointment of proxies. A Form of Proxy is enclosed with the Annual Report, facilitating convenient participation for shareholders. Moreover, the company adheres to the period of notice prescribed by the Companies Act No 7 of 2007, ensuring compliance with regulatory requirements.

ENCOURAGEMENT OF SHAREHOLDER PARTICIPATION:

CIPLC actively encourages the participation of shareholders at the AGM, recognising it as a vital platform for fostering dialogue and transparency. The Board firmly believes that the AGM serves as a means of maintaining effective communication with shareholders. During the meeting, the Board is committed to offering clarifications and addressing any concerns raised by shareholders, thereby fostering a culture of openness and accountability.

TAILORED DELIVERY OF ANNUAL REPORTS:

Annual Reports are diligently delivered to all shareholders entitled to receive them, ensuring widespread access to key information about the company's performance, financial health, and strategic direction.

ENHANCED ACCESSIBILITY VIA ONLINE PLATFORMS:

In addition to traditional delivery methods, we enhance accessibility to our Annual Reports by publishing them on both the company website and the Colombo Stock Exchange (CSE) website.

COMMUNICATION WITH SHAREHOLDERS

The Quarterly Financial Statements, disclosures, and announcements are published on the CSE website for public distribution. The Annual Report serves as the primary means of communication with shareholders and other stakeholders and is also submitted to the Colombo Stock Exchange. Shareholders are encouraged to address any concerns they may have with either the Chairman or the Company Secretary.

Communication sources	Frequency
Annual Reports	Annually
Interim financial statement	Quarterly
Press release	As required
Announcement to CSE	As required

PRICE SENSITIVE INFORMATION

Due care is exercised when sharing price-sensitive information.

SHAREHOLDER VALUE AND RETURNS

The Board recommends appropriate dividends at timely intervals, which may be ratified by the shareholders at the AGM. The company has declared a dividend of Rs. 6.00 to each Shareholder during the year 2025/26.

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

At CIPLC, transparency and accountability are foundational principles guiding the company's disclosure practices.

ADHERENCE TO SRI LANKA ACCOUNTING STANDARDS:

Sri Lanka Accounting Standards are followed for the disclosure of financial information. By following these standards, the company ensures consistency, comparability, and reliability in its financial reporting.

COMPREHENSIVE DISCLOSURE OF FINANCIAL AND NON-FINANCIAL INFORMATION:

CIPLC has enhanced its level of transparency with regard to business operations by voluntarily adopting the Integrated Reporting Framework to disclose information regarding its financial and non-financial capitals, and adopting the Global Reporting Initiative (GRI) Standards to disclose its environmental and social impacts. In addition, CIPLC has commenced adopting the Sri Lanka Sustainability Disclosure Standards to divulge material information regarding risks and opportunities arising from sustainability and climate change impacts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES:

The company demonstrates its commitment to accountability by including a Statement of Directors' Responsibilities for the financial statements. This statement, located on page 150 of the annual report, outlines the Directors' Responsibilities in relation to the preparation and presentation of the financial statements.

MANAGEMENT REPORT

The Chairman's Message (pages 22-25) and the Chief Executive Officer's Review (pages 26-28) in this report explain the Company's performance during the financial year. Additionally, the Management Discussion and Analysis (pages 38-52) provides a comprehensive overview of the Company's activities and achievements.

MINIMUM PUBLIC HOLDING

The Company meets the minimum public holding requirement in terms of Rule 7.14.1 of the CSE Listing Rules, and shares held by the public is 49.76% as of 31st March 2026.

COMPANY SECRETARY

The role of the Company Secretary is pivotal in ensuring the effective functioning of the Board and upholding the highest standards of corporate governance.

KEY FUNCTION IN BOARD OPERATIONS:

The office of the Company Secretary serves as the linchpin for the smooth operation of the Board. Acting as a central point of contact, the Company Secretary facilitates seamless communication, coordination, and administrative support essential for the Board's activities.

PROFESSIONAL SECRETARIAL SERVICES:

Corporate Services (Private) Limited provides expert secretarial services to the Board, ensuring efficiency and compliance with regulatory requirements. With their specialised expertise, they assist the Board in navigating complex governance frameworks and regulatory landscapes.

GUIDANCE ON CORPORATE GOVERNANCE:

The Company Secretary plays a pivotal role in guiding the Board in fulfilling its duties and responsibilities, and championing best practices in corporate governance. This includes providing expert advice, ensuring adherence to regulatory requirements, and promoting ethical conduct and transparency.

CONDUCT OF BOARD AND GENERAL MEETINGS:

A core responsibility of the Company Secretary is to ensure the orderly conduct of both Board and General Meetings in strict accordance with the company's Articles of Association and relevant legislation by planning, preparing the agenda, and facilitating discussions.

MAINTENANCE OF STATUTORY RECORDS:

The Company Secretary is responsible for maintaining accurate statutory registers and minute books, documenting the proceedings of Board Meetings, for compliance purposes and providing a comprehensive audit trail of decision-making processes.

TIMELY COMMUNICATION WITH STAKEHOLDERS:

Prompt communication with regulators and shareholders is essential in maintaining transparency and fostering trust. The Company Secretary takes charge of ensuring timely and accurate communication with these stakeholders, keeping them informed of pertinent developments and regulatory obligations.

AGM AND DIVIDEND DECLARATIONS:

With the necessary approval from the Colombo Stock Exchange (CSE), the Company Secretary oversees the preparation and conduct of the Annual General Meeting (AGM) and facilitates dividend declarations, ensuring compliance with regulatory norms and shareholder expectations.

COMPLIANCE

As a responsible corporate citizen, CIPLC treats compliance as an integral component of its operations. The Board is responsible for ensuring that appropriate policies are in place to manage and mitigate compliance risks, while Management is responsible for implementing these policies and undertakes to timely address critical issues to preserve the value of the Company.

STATUTORY COMPLIANCE AND LEGAL SUPPORT:

Filing statutory returns, facilitating access to legal advice, and ensuring compliance with regulatory requirements are core responsibilities of the Company Secretary. They collaborate with the Board to navigate legal complexities and mitigate risks effectively.

COMPLIANCE MONITORING SYSTEM

CIPLC has a structured process to continually monitor compliance with the Director/CEO overseeing the compliance status of the regulatory framework, including corporate governance, CSE and SEC regulations, and the Companies Act. 2007, labour regulations, environmental regulations, local government regulations pertaining to its operations and consumer protection regulations.

The respective heads of departments submit monthly compliance confirmations to the Director/CEO. In turn, the Director/CEO submits quarterly compliance confirmation to the Board of Directors for their review.

TAX GOVERNANCE

The Manager of Finance submits the tax compliance report with sign off to the Board on a quarterly basis, which is included in the Board information pack. CIPLC ensures all tax payments and tax returns are made with applicable tax laws, transparency and accountability.

COMPLIANCE SIGN OFF

Heads of department sign off on the regulatory compliance checklist on a monthly basis, confirming that all laws and regulations are adhered to.

COMPLIANCE REPORT

COMPLIANCE WITH LAWS AND REGULATIONS

GRI 2-27

COMPANIES ACT 2007	
Section	Companies Act -2007: 168 (1)(a)
Subject	Changes in Nature of Business
Requirement	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries, and the classes of business in which the Company has an interest
Compliance Status	No significant changes in the company's or its subsidiary's nature of business

Section	Companies Act -2007: 168 (1)(b)
Subject	Financial Statements
Requirement	Financial Statements of the Company and the Group for the accounting period completed and signed
Compliance Status	The Financial Statements for the year have been signed by the directors

Section	Companies Act -2007: 168 (1)(c)
Subject	Audit Report
Requirement	Auditors' Report on Financial Statements of the Company and the Group
Compliance Status	The Financial Statements were audited by an Independent Auditor. Please refer to the page No from 152 to 154 for the Audit report

Section	Companies Act -2007: 168 (1)(d)
Subject	Changes in Accounting Policies
Requirement	Change of accounting policies during the accounting period
Compliance Status	No significant changes were made in the Company's accounting policies during the financial year

Section	Companies Act -2007: 168 (1)(e)
Subject	Interest Register
Requirement	Particulars of entries in the interest register made during the accounting period
Compliance Status	Interest Register - Page No 148

Section	Companies Act -2007: 168 (1)(f)
Subject	Directors Remuneration
Requirement	Remuneration and other benefits paid to the Directors during the accounting period
Compliance Status	Remuneration of Directors - Page No 149

Section	Companies Act -2007: 168 (1)(g)
Subject	Donations to charities
Requirement	Total amount of donations made by the Company and the Group during the accounting period
Compliance Status	Donation- Page No 147

COMPLIANCE REPORT

COMPANIES ACT 2007

Section	Companies Act -2007: 168 (1)(h)
Subject	Directorate of the Company
Requirement	The Directorate of the Company and the Group as at the end of the accounting period, along with the changes that occurred during the accounting period
Compliance Status	Corporate Governance - Page No 108 to 109

Section	Companies Act -2007: 168 (1)(i)
Subject	Payables to Auditors
Requirement	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them
Compliance Status	Notes to the Financial Statements Page No 173

Section	Companies Act -2007: 168 (1)(j)
Subject	Relationship with Auditors
Requirement	Relationship or interest of the Auditors with the Company or any of its subsidiaries
Compliance Status	Auditors Page No 147

Section	Companies Act -2007: 168 (1)(k)
Subject	Annual Report
Requirement	Annual Report of the Board of Directors signed on behalf of the Board
Compliance Status	Two Directors and the Company Secretary have signed the Annual Report of the Board

CSE

Section	CSE: Rule - 7.6 (i)
Subject	Names of Directors of the entity
Requirement	Board of directors during the FY with profiles
Compliance Status	Board of Directors - Page No 30 to 34

Section	CSE: Rule - 7.6 (ii)
Subject	Principal Activities
Requirement	Principal activities of the entity and its subsidiaries during the year under review
Compliance Status	Accounting Policies - Page No 160

Section	CSE: Rule - 7.6 (iii)
Subject	The 20 largest shareholders
Requirement	The 20 largest shareholders of voting and non-voting shares and the percentage of shares
Compliance Status	Share Information - page No 211

CSE	
Section	CSE: Rule - 7.6 (iv)
Subject	Public holding details
Requirement	The float-adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement
Compliance Status	Share Information - Page No 210 to 211

CSE	
Section	CSE: Rule - 7.6 (v)
Subject	Directors & CEO Shareholding
Requirement	Each Director's and Chief Executive Officer's shareholding in each class of shares, LKR and Foreign Currency denominated
Compliance Status	Shareholding of Directors Page No 148

Section	CSE: Rule - 7.6 (vi)
Subject	Material foreseeable risk factors of the Entity
Requirement	Each Director's and Chief Executive Officer's shareholding in each class of shares, LKR and Foreign Currency denominated
Compliance Status	Shareholding of Directors - Page No 148

Section	CSE: Rule - 7.6 (viii)
Subject	Properties Details
Requirement	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties
Compliance Status	Notes to the Financial Statements - Page No 180 to 181

Section	CSE: Rule - 7.6 (ix)
Subject	No of Shares
Requirement	Number of shares representing the stated capital
Compliance Status	Notes to the Financial Statements - Page No 186

Section	CSE: Rule - 7.6 (x)
Subject	Distribution schedule
Requirement	Distribution schedule of the number of holders and the percentage of their total holding
Compliance Status	Distribution of Shareholdings as at 31 March 2026 - Page No 210

COMPLIANCE REPORT

CSE	
Section	CSE: Rule - 7.6 (xi)
Subject	Share price
Requirement	Ratios and market price information
Compliance Status	Share Trading during the year ended 31st March 2026 - Page No 211

Section	CSE: Rule - 7.6 (xii)
Subject	Fixed Assets Details
Requirement	Significant changes in the entity's or its subsidiaries' fixed assets and the market value of land
Compliance Status	Notes to Financial Statements Page No 177 to 182

CSE	
Section	CSE: Rule - 9.14.6
Subject	Related Party Transactions
Requirement	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower. Details of investments in a Related Party and/or amounts due from a Related Party are to be set out separately. a) date of the transaction b) name of the Related Party c) relationship between the Entity and the Related Party d) amount of the transaction and terms of the transaction e) rationale for entering into the transaction
Compliance Status	Notes to Financial Statements - Pages No 192 to 194

9.3 BOARD COMMITTEES	
Section	CSE: Rule - 9.3.1
Subject	Minimum required committees
Requirement	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at a minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.
Compliance Status	Committee Reports - Pages No 137 to 142

Section	CSE: Rule - 9.3.2
Subject	Disclosure Requirements on Board Committees
Requirement	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.
Compliance Status	Committee Reports - Pages No 137 to 142

CSE	
Section	CSE: Rule - 9.3.3
Subject	The Chairperson of the Board of Directors is not the Chairperson of Board Sub-committees.
Requirement	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Sub-committees referred to in Rule 9.3.1 above.
Compliance Status	Committee Reports - Pages No 137 to 142

9.4. ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS.

Section	CSE: Rule - 9.4.1
Subject	Maintenance of the records
Requirement	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained
Compliance Status	Maintenance of statutory records Page No 113

Section	CSE : Rule - 9.4.2
Subject	Communication and relations with shareholders and investors
Requirement	(a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. (d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.
Compliance Status	The policy has been disclosed on the Company’s website, and the list of disclosed policies is provided under the Corporate Governance section. Page No 108

CSE

9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

Section	CSE: Rule - 9.5.2
Subject	Confirmation of compliance of rules
Requirement	Confirmation on compliance with requirements of the policy on matters relating to the Board of Directors. If no complied reasons for the same with proposed remedial action
Compliance Status	Corporate Governance Report – Page 107

CSE

9.6 CHAIRPERSON AND CEO

Section	CSE: Rule - 9.6.1
Subject	The Chairman and CEO are not the same individual
Requirement	The Chairman of every Listed Entity shall be a Non-Executive Director, and the position of Chairman and CEO shall not be held by the same individual.
Compliance Status	The Chairman & CEO are two different individuals & Chairman is a Non-Executive Director.

9.7 FITNESS OF DIRECTORS AND CEO

Section	CSE: Rule - 9.7.1 to 9.7.3
Subject	Directors & CEO
Requirement	Directors & CEO should be fit & proper persons as mentioned in the Rule No. 9.7.3. Fit and Proper Assessment Criteria: a) Honesty, Integrity and Reputation b) Competence and Capability c) Financial Soundness
Compliance Status	Nomination & Governance Committee review of fit & proper prior to appointment.

Section	CSE: Rule - 9.7.4
Subject	Declarations from directors regarding Fit & Proper satisfaction
Requirement	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.
Compliance Status	Obtained

Section	CSE: Rule - 9.7.5
Subject	Disclosures in the Annual Report Fit & Proper assessment
Requirement	Shall include the following disclosures/reports in the Annual Report; a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s.
Compliance Status	Fit & proper Confirmations have been obtained from each Director, and it is prudently assessed by the Board of Directors when annual assessment of continuation of directorships, in order to strengthen the diversity of the Board to induce fresh perspectives that will foster the robust debate and support effective decision making.

CSE

9.8 BOARD COMPOSITION

Section	CSE: Rule - 9.8.1
Subject	No of minimum Directors
Requirement	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.
Compliance Status	The CIPLC Board consists of Nine Directors

CSE	
Section	CSE: Rule - 9.8.2
Subject	Number of minimum Independent Directors
Requirement	The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.
Compliance Status	Three Directors are Independent Non-Executive Directors out of 9 Directors

Section	CSE: Rule – 9.8.3
Subject	Determining independence
Requirement	Criteria not met by the Non-Executive Directors and basis for determining independence
Compliance Status	All independent Non-Executive Directors meet the criteria.

Section	CSE: Rule - 9.8.5
Subject	Declaration of Independence of Directors
Requirement	a) Each Independent Director to submit a signed and dated declaration annually of his or her “independence” or “non-independence” against the criteria specified herein and in the format in Appendix 9A b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors` declaration and other information available to it, and shall set out the names of Directors determined to be ‘independent’ in the Annual Report.
Compliance Status	Obtained

9.10 DISCLOSURES RELATING TO DIRECTORS

Section	CSE: Rule - 9.10.1
Subject	No. of Directorships in Board
Requirement	Listed Entities shall disclose its policy on the maximum number of directorships it’s Board members shall be permitted to hold.
Compliance Status	Board of Directors – Page No 32 to 34
Section	CSE: Rule - 9.10.2
Subject	Appointment of new Directors
Requirement	Upon the appointment of a new Director to its board, make an immediate Market announcement setting out the following; i. A brief resume of such Director. ii. His/her capacity of directorship; and iii. Statements by the entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the entity.
Compliance Status	There are 2 New Appointments, and market announcements were made.

COMPLIANCE REPORT

CSE	
Section	CSE: Rule - 9.10.4
Subject	Disclosures relating to Directors
Requirement	Shall also disclose the following in relation to the Directors in the Annual Report: (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or independent Director (e) The total number and names of companies in Sri Lanka (f) Number of Board meetings in FY (g) Names of Board Committees in which the Director serves as Chairperson or a member (h) Details of attendance of Committee Meetings of the Audit, RPT Review, Nominations, Governance and Remuneration Committees.
Compliance Status	Board of Directors – Page No 32 to 34

Section	CSE: Rule - 9.11.1
Subject	Nominations & Governance Committee
Requirement	Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules and shall have a written terms of reference.
Compliance Status	Nominations & Governance Committee report – Page No 142

Section	CSE: Rule - 9.11.2
Subject	A formal procedure for the appointment of new Directors/re-election of directors
Requirement	Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the board through the Nominations and Governance Committee.
Compliance Status	Nominations & Governance Committee Report- Page 142

Section	CSE: Rule - 9.11.3
Subject	Nomination & Governance
Requirement	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.
Compliance Status	Nominations & Governance Committee report - Page 142

Section	CSE: Rule - 9.11.4
Subject	Composition of Nominations & Governance Committee
Requirement	Comprises a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. There are no Executive Directors on the committee.
Compliance Status	Nominations & Governance Committee report – Page No 142

CSE	
Section	CSE: Rule - 9.11.5
Subject	Functions of Nominations & Governance Committee
Requirement	Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. A member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.
Compliance Status	Nominations & Governance Committee report – Page No 142
Section	CSE: Rule - 9.11.6
Subject	Disclosure of Nominations & Governance Committee
Requirement	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson, and the report shall contain; (a) the names of the Chairperson and members of the Committee and the nature of directorships held by such members); (b) the date of appointment to the Committee; (c) whether a documented policy and processes are in place when nominating Directors; (d) whether all directors should be required to submit themselves for re-election at regular intervals and at least once in every three (3) years; (e) a disclosure on Board diversity in the range of experience, skills, age and gender as an essential factor for effective Board performance; (f) Details to demonstrate effective implementation of policies and processes relating to the appointment and reappointment of Directors. (g) information regarding directors who are re-elected or being proposed for re-election (h) Periodic evaluations have been conducted on the performance of the Board of Directors and the CEO (i) processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity; (j) Induction programmes/orientation programmes conducted for newly appointed Directors (k) A statement that the Directors of the Listed Entity meet the criteria for determining independence.
Compliance Status	Nominations & Governance Committee report – Page No 142

Section	CSE: Rule - 9.12.2
Subject	Remuneration Committee
Requirement	Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12
Compliance Status	Remuneration Committee report – Page No 139

Section	CSE: Rule – 9.12.3
Subject	Remuneration Committee
Requirement	Shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.
Compliance Status	Report of Remuneration Committee - Page No 139

Section	CSE: Rule – 9.12.4
Subject	Remuneration Committee
Requirement	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.
Compliance Status	Report of Remuneration Committee - Page No 139

COMPLIANCE REPORT

CSE	
Section	CSE: Rule – 9.12.5
Subject	Remuneration Committee
Requirement	The Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.
Compliance Status	Report of Remuneration Committee - Page No 139
Section	CSE: Rule -9.12.6
Subject	Composition of Remuneration Committee
Requirement	Shall comprise a minimum of three Non-Executive Directors, out of which 2 members shall be Independent
Compliance Status	The Committee comprises Three Non-Executive Directors, Two of whom are independent. The Chairman of the committee is also an independent Director.

Section	CSE: Rule -9.12.7
Subject	Functions of the Remuneration Committee
Requirement	The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and the CEO of the Listed Entity
Compliance Status	The Committee recommends the remuneration of the Chief Executive Officer / Executive Director

Section	CSE: Rule -9.12.8
Subject	Disclosure of Remuneration of Directors
Requirement	Disclosure in the Annual Report relating to Remuneration. The Annual Report should set out; a. Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members; b. A statement regarding the remuneration policy; and, The aggregate remuneration of the Executive and Non-Executive Directors.
Compliance Status	Disclosed in Remuneration committee report. Page No.139

Section	CSE: Rule - 9.13.1 to 9.13.2
Subject	Audit Committee
Requirement	Entities shall have an Audit Committee that conforms to the requirements set out in Rule 9.13 and shall have a written terms of reference clearly defining its scope, authority and duties.
Compliance Status	Audit Committee Report Page No 137 to 138

CSE	
Section	CSE: Rule -9.13.3
Subject	Composition of Audit Committee
Requirement	Shall comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever is higher, shall be Independent Directors. An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors The Chairman of the Audit Committee or one member should be a Member of a recognised professional accounting body. The Chief Executive Officer and the Chief Financial Officer should attend Audit Committee Meetings. There are no Executive Directors on the committee as Directors.
Compliance Status	The committee comprises five Non-Executive Directors, three of whom are independent. The Chief Executive Officer and the Manager of Finance attend Audit Committee meetings Three members of the Committee are members of professional accounting bodies.

Section	CSE: Rule -9.13.4
Subject	Functions of the Audit Committee
Requirement	Should be as outlined in the listing rules
Compliance Status	Audit Committee Report – Page No 137 to 138

Section	CSE: Rule -9.13.5
Subject	Disclosure of the Audit Committee
Requirement	Disclosure in the Annual Report relating to the Audit Committee a. The names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members; b. The status of risk management and internal control of the listed entity and as a group. c. A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances. d. An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act, the SEC Act and other relevant financial reporting related regulations and requirements. e. The Listed Entity has a formal Audit Charter. f. The manner in which internal audit assurance is achieved and a summary of the work of the internal audit function. h. The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination i. Details demonstrating the effective discharge of its functions and duties for that financial year of the listed entity. The Annual Report shall contain a Report of the Audit Committee in the prescribed manner
Compliance Status	Audit Committee Report – Page No 137 to 138

COMPLIANCE REPORT

CSE	
Section	CSE: Rule - 9.14.1
Subject	Related Party Transactions Review Committee
Requirement	Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14
Compliance Status	Related Party Transactions Review Report – Page No 140

Section	CSE: Rule - 9.14.2
Subject	Related Party Transactions Review Committee (RPTRC)
Requirement	Shall comprise a minimum of three (3) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity and the Chairman of the RPTRC shall be an Independent Non-Executive Director (INED).
Compliance Status	There are five Non-Executive Directors, of whom three are independent. The Chairman is an INED.

Section	CSE: Rule - 9.14.4
Subject	Frequency of Meeting of RPTRC
Requirement	The Committee shall meet at least once a calendar quarter. The Committee shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.
Compliance Status	Report of the Related Party Transactions Review Committee – Page No 140

CSE	
Section	CSE: Rule -7.13.1
Subject	Minimum Public Holding
Requirement	Minimum no of public shareholders and Minimum percentage of public shareholdings
Compliance Status	Minimum Public Holding – Page No 210

CSE	
Section	CSE: Rule -9.14.5
Subject	Related Party Transaction Review Committee (RPTRC)
Requirement	Subject to the exemptions given in terms of Rule 9.14.10, the Related Party Transactions Review Committee shall review in advance all proposed Related Party Transactions. In the event of any material changes to a previously reviewed Related Party Transaction in terms of Rule 9.14.5 (1) above, such proposed material changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction.
Compliance Status	Report of the Related Party Transactions Review Committee – Page no 140

CSE	
Section	CSE: Rule -9.14.6
Subject	Shareholder approval
Requirement	Listed entities shall obtain shareholder approval by way of a special resolution for the Related Party Transactions.
Compliance Status	No such situations arose during the year.

Section	CSE: Rule -9.14.7
Subject	Immediate disclosure/market announcement to CSE
Requirement	Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the total assets, whichever is lower, or if the aggregate value of all non-recurrent Related Party Transactions entered into with the same related party during the same financial year amounts to 10% of the equity or 5% of the total assets of the equity as per the latest Audited Financial Statements.
Compliance Status	No transaction exceeding 10% of the Equity or 5% of the total assets

Section	CSE: Rule -9.14.8 (3)
Subject	Disclosures in Annual Report- Related Party Transactions Review Committee
Requirement	The Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: The names of the Directors comprising the Committee; A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated its comments/observations to the Board of Directors. The policies and procedures adopted by the Committee for reviewing the Related Party Transactions.
Compliance Status	Report of the Related Party Transactions Review Committee – Page no 140
Section	CSE: Rule - 9.14.8
Subject	Disclosures - Related Party Transactions
Requirement	In the case of Non-recurrent Related Party Transactions: if the aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets of the Listed Entity, whichever is lower, the following information must be presented in the Annual Report in tabular format. Name of the related Party Relationship Value of the Related Party Transactions entered into during the financial year Value of Related Party Transactions as a % of Equity and as a % of Total Assets Terms and Conditions of Related Party Transactions The rationale for entering into the transactions
Compliance Status	Disclosed on Page No 192 to 194

COMPLIANCE REPORT

CSE	
Section	CSE: Rule - 9.2.3 (i)
Subject	List of Policies
Requirement	List of policies in place as per Rule 9.2.1, with reference to the website
Compliance Status	Corporate Governance Page No. 108

Section	CSE: Rule - 9.2.3 (ii)
Subject	Changes in Policies
Requirement	Any Changes to policies adopted
Compliance Status	Corporate Governance Page No. 108

Section	CSE: Rule - 9.2.1
Subject	Policies Disclosures
Requirement	Listed Entities shall establish and maintain the following policies and disclose the fact of the existence of such policies together with the details relating to the implementation of such policies by the Entity on its website (a) Policy on matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk Management and Internal Controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistle-blowing (l) Policy on Anti-Bribery and Corruption
Compliance Status	Disclosed on the company website
Section	CSE: Rule - 9.2.2
Subject	Exemption granted on the rules
Requirement	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.
Compliance Status	No exemption was requested.

Section	CSE: Rule - 9.2.4
Subject	Availability of the Policy statements
Requirement	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy
Compliance Status	Available in the company website.

CSE

Section	CSE: Rule - 9.4.2 (d)
Subject	Communication and relations with shareholders and investors
Requirement	(a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to the same and published on the website of the Exchange.
Compliance Status	Disclosed in Corporate Governance Page No. 112

Section	CSE: Rule - 9.5.1
Subject	Formal Policy Governing the Board of Directors
Requirement	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors
Compliance Status	Disclosed in Corporate Governance Page No. 108

ICASL

Section	ICASL -Code: H.4.2
Subject	Process to ascertain the sustainability/ESG factors
Requirement	The company should have a process to ascertain, assess and manage sustainability/ESG factors which have an impact on the sustainability of the company.
Compliance Status	Disclosed in Commitment to Sustainability Page No. 54 to 68

Section	ICASL -Code: H.5.2
Subject	Providing information related to Sustainability /ESG Factors
Requirement	Companies should provide information in relation to: The relevance of environmental, social and governance factors to their business models and strategy How sustainability/ESG-related issues may affect their business How risks and opportunities pertaining to sustainability/ESG are recognised, managed, measured and reported.
Compliance Status	Disclosed in Commitment to Sustainability Page No. 54 to 68

Section	ICASL -Code: H.5.4
Subject	The Board's responsibility on the Sustainability/ ESG reporting
Requirement	Sustainability/ESG reporting is a board's responsibility, and it is designed to add value by providing a credible account of the company's economic, social and environmental impacts. Sustainability/ESG reporting and disclosure should be formalised as part of the Company's reporting process and take place on a regular basis.
Compliance Status	Disclosed in Corporate Governance Page No. 109

RISK MANAGEMENT

CIPLC's Integrated Risk Management System (IRMS) is a core component of the Company's sustainable business model, enabling proactive and well-judged responses to both threats and emerging opportunities. The system has been specifically designed to safeguard the Company against a broad spectrum of internal and external risks. As a net importer of raw materials, CIPLC is particularly exposed to global supply chain disruptions and foreign exchange volatility. In addition, its role as a manufacturer and supplier to the domestic market exposes the Company to regulatory, manufacturing, labour and market-related risks. Accordingly, financial sustainability is closely linked to the effective and timely management of this complex risk landscape. The Company therefore maintains a continuous process of reviewing its risk environment, supported by structured mechanisms to identify, monitor and assess potential impacts.

EVOLVING RISK ENVIRONMENT

During the financial year 2025/26, the risk environment evolved significantly. While much of the year was characterised by relative macroeconomic stability in Sri Lanka, the final month saw a sharp escalation in risk levels due to the Iran–US–Israel conflict. This development heightened supply chain risk and commodity price risk, due to CIPLC's dependence on imported PVC resin. Although the Company does not source its resin from the Middle East, due to being petroleum byproducts, supplies are intrinsically linked to the Middle East. In response, the Company's proactive strategy of maintaining buffer stocks and securing forward orders has mitigated short-term disruptions, while parallel efforts are underway to evaluate alternative sourcing options.

Energy-related risks have also increased, given the potential for disruptions to petroleum fuel supplies if the conflict persists. However, planned investments in solar energy for the Wattala facility were deferred due to capacity constraints in the national grid and the high cost of off-grid solutions. Meanwhile, foreign exchange risk remained elevated throughout the year due to the continued depreciation of the Sri Lankan Rupee against the US Dollar.

As market demand recovered during the year, competitive pressures intensified. In response, CIPLC strengthened its market intelligence and engagement mechanisms. Regular interactions between the CEO and the marketing team ensured close monitoring of market dynamics, while senior management maintained direct engagement with key dealers and distributors, and major buyers, to manage risks and opportunities. These efforts supported timely strategic responses to safeguard market share and navigate uncertainty.

From a governance perspective, the Company remained fully compliant with the revised Listing Rules of the Colombo Stock Exchange as at end-March 2026. The Investment Committee, established in the previous year, continued to play a key role in guiding investment decisions and mitigating expansion-related risks. The Risk Management Committee met annually to evaluate all major risk areas in collaboration with the CEO and senior management, with its findings and recommendations presented to the Board to support informed decision-making.

Further strengthening internal controls, the Company enhanced its assurance framework through the appointment of a dedicated Head of Internal Audit in the previous year.

IMPROVEMENTS TO RISK MANAGEMENT IN 2025/26

During the last financial year, we implemented an endpoint security solution across the entire network, including mobile devices, to strengthen defences against cyber threats and reduce overall risk exposure.

OUR RISK GOVERNANCE STRUCTURE

RISK GOVERNANCE

The ultimate responsibility for managing risks faced by the Company lies with the CIPLC Board. The risk governance structure comprises:

- ☑ A dedicated Risk Management Committee responsible for monitoring the Company's risk exposure and ensuring effective risk management.
- ☑ The CEO works directly with the Committee in this process, with the involvement of Senior Management.
- ☑ For practical and effective risk management, risk ownership is cascaded down the hierarchy and across functional units, reaching all grades of employees.

BOARD	Provides direction and guidance as needed
RISK MANAGEMENT COMMITTEE	Establishing policy and guideline monitoring management system
DIRECTOR/CEO	Communicate policies and guidelines set out by the committee. Overlook risk management system in the company
SENIOR MANAGEMENT	Identifies level of risks Assess level of risks Mitigate level of risks

CIPLC'S RISK UNIVERSE

CIPLC's risk universe encompasses all potential threats that could adversely impact the Company's operations. During the financial year, this risk landscape remained dynamic, with certain risks intensifying while others moderated in line with evolving internal conditions and external developments.

Risk Types	Trend in 2026/27	
Strategic Risk	Strategic risks declined during 2025/26, with sustained market recovery, but are increasing again, due to the Middle Eastern conflict, which could cause raw material supply shortages, thereby curtailing production, resulting in the Company not achieving its strategic objectives	↑
Supply chain risk	The risk became elevated in March 2026	↑
Market Risk	The risk of adverse market movements is rising due to market impacts from the Middle Eastern conflict	↑
Credit Risk	Credit risk has stabilised within the country	↓
Liquidity Risk	The Company has adequate funds to sustain growth	↓
Foreign currency risk	The continued rupee depreciation during the year, and the impact of the Middle Eastern conflict, are causing this risk to move upwards	↑
Commodity Price Risk	While prices were stable during the year, prices commenced to spike following the Middle Eastern conflict	↓
Human Resources Risk	The Company has continually improved its employee engagement, and this risk remains low	↓
Cyber Security Risk	This risk is rising due to the increased digitisation of the Company's processes	↑
Compliance Risk	Compliance oversight ensures that this risk is low	↓

MANAGING THE RISKS

STRATEGIC RISK

Description

Strategic risk arises from failure to achieve the strategic goals of the Company. Business and adopted after evaluating the overall risks associated with such strategies.

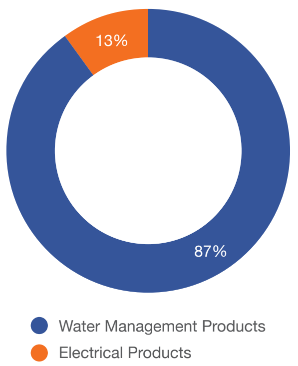
How we managed the risk

Revenue diversification strategy.

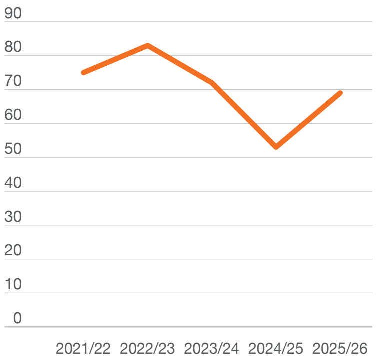
The revenue composition is being diversified among water management products and electrical products to reduce revenue concentration on one product category.

Status as at 31st March 2026

Revenue Composition



Inventory Residence Period (Days)



MARKET RISK

Description

Market risk arises from fluctuating interest rates, foreign currency shortages, foreign currency exchange rates and equity prices. Excessive movements in market risk indicators could bring severe volatility to the Company's gross profit.

How we managed the risk

☑ To mitigate the exchange rate risk, we adopted hedging & derivatives such as forwards and options.

☑ To mitigate the interest rate volatility, we have a diversified investment portfolio

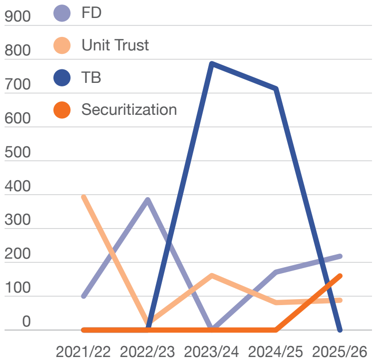
Status as at 31st March 2026

Value of investments

	Rs. Mn
Treasury Bonds	**194.72**
Fixed Deposits	**217.99**
Securitisation	**159.5**
NDB Wealth	**87.93**

Investment Analysis 2021/22 to 2025/26

Investment Analysis (Rs. Mn)



CREDIT RISK

Description

Credit risk is the potential loss due to debtors failing to meet their obligations towards the Company.

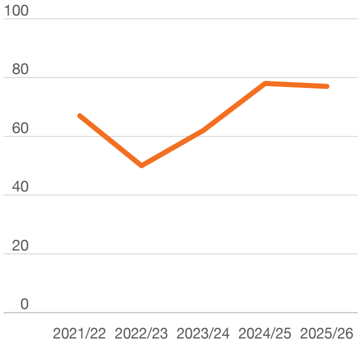
How we managed the risk

- ☑ A Board-approved credit policy
- ☑ New distributors are reviewed for creditworthiness
- ☑ Credit limits are established for each customer, and limits are reviewed annually.

Status as at 31st March 2026

As a result of mitigating actions, impairment provisioning on trade receivables has reduced by 8% from last year.

Debtor Residence Period (Days)



FINANCIAL POSITION EXTRACTS: TRADE RECEIVABLES

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	**2026**	**2025**	**2026**	**2025**
Trade Receivables	**1,957,286**	1,412,811	**1,956,723**	1,412,248
Impairment of Trade Receivables	**(45,318)**	(47,046)	**(44,822)**	(46,550)
	1,911,968	1,365,765	**1,911,901**	1,365,698

LIQUIDITY RISK

Description

Liquidity risk refers to the risk when the Company does not have sufficient financial resources to meet supplier payments and loans requirements without incurring excessive costs.

How we managed the risk

The Company maintains a healthy cash flow with excess cash invested in Fixed Deposits, securitisation, and Unit Trusts through licensed commercial or development banks

Status as at 31st March 2026

Value of investments

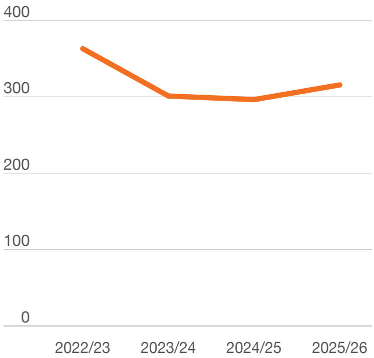
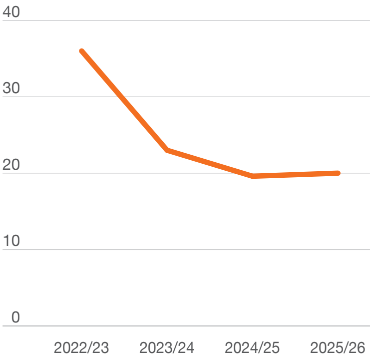
	Rs. Mn
Treasury Bonds	**194.72**
Fixed Deposits	**217.99**
Securitisation	**159.5**
NDB Wealth	**87.93**

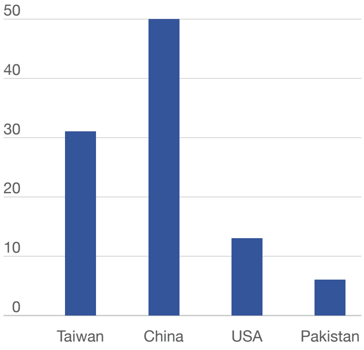
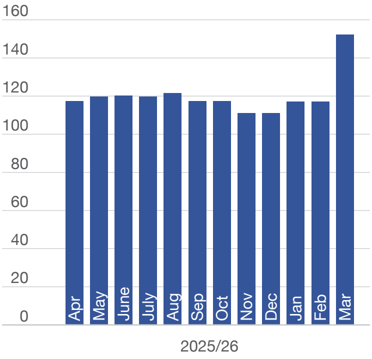
The Company maintains a positive cash position. 'Cash and Cash Equivalents: Rs. 111 Mn

FINANCIAL POSITION EXTRACTS: INVESTMENTS

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	**2026**	**2025**	**2026**	**2025**
Investment in Quoted Equity Securities	**11,394**	12,177	**11,394**	12,177
Investment in Securitisation	**159,503**	-	**159,503**	-
Investment in Unit Trust	**87,935**	81,464	**87,935**	81,464
Investment in Fixed Deposit	**217,991**	171,093	**217,991**	171,093
Investment in Treasury Bills	**-**	713,120	**-**	713,120
	476,823	977,854	**476,823**	977,854

RISK MANAGEMENT

FOREIGN CURRENCY RISK	
Description	The foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.
How we managed the risk	The Company manages the risk by adjusting product prices to safeguard the gross profit margin.
Status as at 31st March 2026	Dollar Exchange Rate (Avg.) (US $)  Gross Profit Margin (%) 

COMMODITY PRICE RISK	
Description	The potential risk of volatility in world resin prices will impact earnings from PVC pipes
How we managed the risk	CIPLC maintains a diversified supplier base and has good bargaining power in purchasing raw materials. However, the Company was exposed to global price fluctuations of key raw materials, mainly PVC resins, in 2025/26,
Status as at 31st March 2026	Registered Resin Suppliers (%)  PVC Resin Price (US $) 

HUMAN RESOURCES RISK

Description

Failure to employ suitable personnel for relevant tasks, lack of proper performance recognition mechanisms, and losses arising from misconduct of employees mainly give rise to people risk.

How we managed the risk

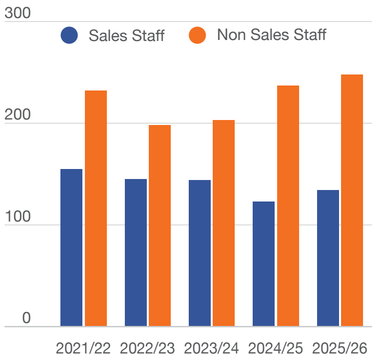
The Company ensures that adequate processes are in place to understand and respond to employee needs. To manage the risks:

☑ Staff recognition and rewards are through annual performance appraisals.
☑ Adherence to minimum qualifications based on the positions filled
☑ Pre-employment screening, employer feedback
☑ Exit interviews

Status as at 31st March 2026

CIPLC did not face industrial action or interruptions of business activities during the year.

Sales Staff & Non-Sales Staff



CYBER SECURITY RISK

Description

Cyber security threats include.

☑ Malware
☑ Phishing
☑ Distributed Denial of Service (DDoS) Attacks
☑ Man-in-the-Middle Attacks Insider
☑ Threats: Zero-day Exploits

How we managed the risk

Risk management measures:

☑ Firewall Implementation
☑ Virus Protection for Individual Machines
☑ Cloud-Based Mail Server (Office 365)
☑ SSL Certification for Websites
☑ Restrictions on External Devices
☑ Controlled Application Installation

Status as at 31st March 2026

CIPLC did not face any significant cyberattacks or loss of data during the year.

RISK MANAGEMENT

OPERATIONAL RISK	
Description	Operational risk is the potential losses caused by flawed or failed processes, policies, systems or events that disrupt business operations. The main operational risks faced by the Company 1. Non-availability of insurance coverage of raw material or finished goods and not renewed on the due date before expiry 2. Fraud, damages and misappropriation of assets 3. Non-responding for Customer Complaints 4. Electricity breakdown at the factories 5. Non-availability of raw materials on time 6. Non-availability of skills/labour to operate machines on time
How we managed the risk	Operational risk exposures are managed through a consistent set of management processes for risk identification, assessment, control and monitoring.
Status as at 31st March 2026	CIPLC did not face any significant operational delays during the year, due to proactive monitoring of operational risks.

REGULATION & COMPLIANCE RISK	
Description	Compliance Risk is defined as the potential threat to earnings or business resulting from violations or infringement of laws, regulations or stipulated practices and standards within the Company, industry and Government.
How we managed the risk	A dedicated Compliance Department is operational, as well as the Company Secretaries, to ensure timely compliance. The Board regularly reviews compliance status to ensure compliance at all times.
Status as at 31st March 2026	CIPLC did not face any fines or penalties for compliance or delays in compliance with any applicable laws and regulations during the year.

Key Prudential Requirements	Regulatory Requirement	Actual as at 31/03/2026
Consumer Affairs Act No 9 of 2003	☑ SLS Certification for uPVC Pressure fittings and Pipes ☑ Switches and Switches socket outlets ☑ PVC Solvent Cement	Complied
National Environment Act No 47 of 1980	Environmental protection license	Complied

AUDIT COMMITTEE REPORT

RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

The role, functions and composition of the Board Audit Committee (BAC) are defined by the provisions of;

1. Section 9.13 of the Listing Rules of the Colombo Stock Exchange (the CSE Rules)
2. The Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Board Audit Committee is a sub-committee of the Board of Directors chaired by an independent non-executive director and comprising exclusively of Non-Executive Directors, to assist the Board in fulfilling its oversight responsibilities in relation to financial reporting, internal control system compliance with legal and regulatory requirements, internal audit, and external audit related affairs of the Company.

AUDIT COMMITTEE COMPOSITION

The Audit Committee is comprised of Five Non-Executive Directors, of whom three are Independent Non-Executive Directors.

The composition at the Audit Committee as at 31st March 2026:

Member	Status	Remarks
Mrs. T. P. Gunasekara	Chairperson-IND/NED	Chairperson from 1st September 2025
Mr. D. T. R. De Silva	IND/NED	Chairman till 31st August 2025
Mr. A. K. Gunarathne	NED	
Mr. D. K. Welmillage	IND/NED	
Ms. W. M. T. W. Weerasinghe	NED	Appointed w.e.f. 1st September 2025

(IND-Independent Director, NED- Non-Executive Director)

Brief profiles of the members are given on pages from 32 to 34 of the Annual Report under the Board of Directors. The Head of Internal Audit functions as Secretary to the Audit Committee.

MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee met four times during the year. The attendance of the members at Audit Committee Meetings was as follows:

Member	Status	No. of Meetings Attended
Mrs. T. P. Gunasekara	Chairperson-IND/NED	3/4
Mr. D. T. R. De Silva	IND/NED	4/4
Mr. A. K. Gunarathne	NED	4/4
Mr. D. K. Welmillage	IND/NED	4/4
Ms. W. M. T. W. Weerasinghe	NED	2/2

The Chairman, Chief Executive Officer and Manager-Finance, also attend these meetings by invitation as and when required. On the invitation of the Audit Committee, the Company's External Auditor, M/s. KPMG (Chartered Accountants) attended two Audit Committee meetings during the year. Proceedings of the Audit Committee meetings are reported regularly to the Board of Directors.

AUDIT COMMITTEE CHARTER

The terms of reference of the Audit Committee are clearly defined in the Audit Committee Charter which is reviewed and revised annually and approved by the Board of Directors.

ROLE OF THE AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in fulfilling its responsibilities effectively relating to oversight over financial reporting, internal controls, and external and internal audit-related affairs of the Company. The Committee has been empowered to:

☑ Examine internally any matter relating to the financial affairs of the Company.

☑ Review and follow up on the work carried out by both Internal Auditors and External Auditors, and follow up on findings and recommendations arising from thereon.

☑ Review risk management measures and examine the adequacy, efficiency, and effectiveness of the Internal Control System over financial reporting.

☑ Review the compliance of financial reporting obligations under the Companies Act No. 07 of 2007, Sri Lanka. Accounting and Auditing Standard Monitoring Board Act No 15 of 1995, Colombo Stock Exchange Listing Rules and regulations of the Securities and Exchange Commission of Sri Lanka.

FINANCIAL REPORTING

The Committee assisted the Board of Directors in discharging its responsibility for reviewing the preparation of the quarterly and annual Financial Statements to reflect a true and fair view of the affairs of the Company in accordance with the Company's accounting records and in conformity with the Sri Lanka Accounting Standards, the Companies Act No.7 of 2007, rules, and regulations of CSE and SEC.

AUDIT COMMITTEE REPORT

The Committee reviewed the Company's interim and annual Financial Statements prior to submission to the Board and recommended their issue to shareholders.

The Audit Committee reviewed the internal controls on the financial reporting system in place to ensure the reliability and integrity of information provided. Their view included the extent of compliance with LKAS/SLFRS and applicable laws and regulations, review of critical accounting policies and practices and any changes thereto, alternative accounting treatments, going concern assumptions, major judgemental areas and material audit judgments.

EXTERNAL AUDIT

The Audit Committee is empowered by the Board to recommend the appointment of the External Auditor in compliance with the relevant rules and guidelines issued by the CSE and the Code of Best Practices on Corporate Governance issued by CA Sri Lanka, and to audit fees, service period, and recommend the re-appointment of the External Auditor.

The External Auditor's letter of engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors prior to commencement of the audit.

The annual financial statements 2025/26 were reviewed with the External Auditor and recommended for the approval of the Board. Their Management Letter and management's responses thereto were also reviewed.

The Committee also met with the External Auditor at a meeting without the presence of management to discuss whether there have been any irregularities, constraints, reservations, or any other unsatisfactory matters arising from the audit which the Auditor wished to discuss with the Audit Committee.

The Committee assisted the Board of Directors in engaging the External Auditor for non- audit services in compliance with the statutes and ensured that engagement in non-audit services does not impair the External Auditor's independence and objectivity.

RISKS AND INTERNAL CONTROLS

The Audit Committee reviewed the Company's operations and monitored the effectiveness of internal controls and procedures, and is of the view that adequate controls and procedures are in place to provide reasonable assurance to the Board that the assets of the Company are safeguarded and the financial statements present a true and fair view.

- ☑ The Committee also reviewed the accounting policies, emerging accounting issues and disclosures relating to Sri Lanka Accounting Standards (LKAS)/Sri Lanka Financial Reporting Standards (SLFRS).
- ☑ The compliance of financial reporting obligations under the Colombo Stock Exchange (CSE) listing rules, rules and regulations of the Securities and Exchange Commission (SEC) and the Companies Act No.7 of 2007.
- ☑ Reviewed the Interim and Annual Financial Statements and recommended these for approval by the Board and submission to shareholders.
- ☑ Followed the policy on the engagement of an external auditor to provide non-audit services that are permitted under the relevant statutes, regulations, requirements, and guidelines.

INTERNAL AUDIT

During the year, the Audit Committee reviewed the adequacy of the scope, functions and resources of the internal audit division, the results of the internal audit process and its evaluation of the Company's internal control system. The Audit Committee also reviewed and approved the adequacy of coverage of the internal audit program.

ROLE OF INTERNAL AUDIT

- ☑ Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties
- ☑ Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined
- ☑ Make balanced assessments of all available and relevant facts and circumstances
- ☑ Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments

The Committee reviewed the effectiveness of the audit processes in accordance with applicable standards and best practices.

REGULATORY COMPLIANCE

The Audit Committee reviewed the information requirements of the Companies Act No 07 of 2007, and other reporting requirements under SEC and CSE.

T. P. Gunesekera
Chairperson – Audit Committee

4th June 2026

REPORT OF THE REMUNERATION COMMITTEE

RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

☑ Section 9.12 of the Listing Rules of the Colombo Stock Exchange (the CSE Rules)

☑ Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Remuneration Committee had been formed by the Board, conforming to the provisions of the Listing Rules of the Colombo Stock Exchange on Corporate Governance for a Listed Entity and the best practice on Corporate Governance.

COMPOSITION

The Remuneration Committee comprised 03 Non-Executive Directors of the company, two of whom are independent.

Member	Status	Remarks
Mr. D. T. R. De Silva	Chairman / IND/ NED	Chairman from 05th February 2026
Mr. D. K. Welmillage	IND/NED	Chairman from 1st December 2024 to 04th February 2026
Mr. A. K. Gunarathne	NED	

(IND-Independent Director, NED- Non-Executive Director)

The Chief Executive Officer of the Company assists the Committee by providing relevant information and participating in its analysis and deliberations, except when his own compensation package is reviewed.

MEETINGS OF THE REMUNERATION COMMITTEE

The Committee met twice during the year. The attendance of the members at the meeting was as follows:

Member	Status	No. of Meetings Attended
Mr. D. T. R. De Silva	Chairman / IND/ NED	2/2
Mr. D. K. Welmillage	IND/NED	2/2
Mr. A. K. Gunarathne	NED	2/2

The Director/Chief Executive Officer, along with the Manager Human Resources and Other Officers as necessary, were available by invitation to assist in the deliberations of the Committee.

FEES AND REMUNERATION

All Non-Executive Directors receive a fee for attending meetings and serving on sub-committees. The Non-Executive Director fee structure is reviewed periodically and revised as necessary. Aggregate remuneration paid to Non Executive Directors and Executive Directors is disclosed in note 35.4 to the financial statements on page 194.

FUNCTIONS

The Committee continues to uphold the principles of accountability and transparency and ensures that the HR& Remuneration Policy demonstrates a clear link between reward and performance. The Committee is responsible for setting up the remuneration policy and determining the remuneration packages of the Executive Director and the Key Management Personnel. The Committee reviews the remuneration structure periodically and evaluates it vis-à-vis industry norms to warrant fairness and internal & external equity. The Committee reviews the Company's compensation structures from time to time to ensure alignment with strategic priorities and comparison with those offered by other similar entities.

Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non discriminatory pay practices among them to ensure that their independence is not impaired.

The Committee assesses the performance of the staff, including the Corporate Management level Officers, vis-à-vis the given targets and gives guidance on salary increments and annual bonus. The Committee was called to consider the qualifications, experience and suitability of persons to fill KMP positions that fell vacant during the year.

REMUNERATION POLICY

The reward strategies and remuneration structure of the Company are designed to attract, motivate and retain suitably skilled and qualified staff, at all levels of the organisational hierarchy, in a highly competitive environment and reward their performance commensurate with each individual's commitment towards the organisation. Accordingly, a key feature of the remuneration policy is to pay for performance. The policy is designed to recognise and reward individual contributions based on their impact on the performance of the company and to generate human capital with the right mix of experience, skills and knowledge to drive the business strategy

On behalf of the Board Remuneration Committee

D. T. R. De Silva
Chairman – Remuneration Committee

4th June 2026

REPORT OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

1. Section 9.14 of the Listing Rules of the Colombo Stock Exchange (the CSE Rules);
2. Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Related Party Transactions Review Committee comprises three Independent Non-Executive Directors and two Non-Executive Directors.

Member	Status	Remarks
Mr. D. T. R. De Silva	Chairman / IND/ NED	Appointed w.e.f.1st September 2025
Mrs. T. P. Gunasekara	IND/NED	
Mr. D. K. Welmillage	IND/NED	Chairperson till 31st August 2025
Mr. A. K. Gunarathne	NED	
Mr. D. Virantha	NED	Appointed w.e.f. 1st September 2025

The Director/Chief Executive Officer, as necessary, was available by invitation to assist in the deliberations of the Committee

The Manager – Finance functions Acts the Secretary to the Committee.

MEETINGS OF THE COMMITTEE

The Committee met four times during the financial year to review related party transactions, and the proceedings of the committee meetings are reported to the Board. Details of individual member attendance are given below.

Member	Status	No. of Meetings Attended
Mr. D. T. R. De Silva	Chairman / IND/ NED	4/4
Mrs. T. P. Gunasekara	IND/NED	3/4
Mr. D. K. Welmillage	IND/NED	4/4
Mr. A. K. Gunarathne	NED	4/4
Mr. D. Virantha	NED	2/2

FUNCTIONS

The Committee ensured that the management has implemented a process to identify and report proposed transactions with related parties. The Committee obtained all required information on such transactions, including but not limited to other unaffiliated sources of comparable products or services and the terms offered by such parties, from the Director/CEO and senior managers of the Company

Wherever required, the Committee also could obtain advice from competent independent professionals in ascertaining the value of assets acquired from or disposed of to related parties.

The Committee reviewed all recurrent and non-recurrent transactions and proposed transactions with related parties. During the period under review, there were no non-recurrent nor recurrent related party transactions that exceeded the threshold referred to in the Listing Rules of the Colombo Stock Exchange.

The Committee made recommendations to the Board wherever prior approval of the Board was required to proceed with such related party transactions, and also set guidelines for the senior management to follow with regard to ongoing related party transactions.

DECLARATION BY THE COMMITTEE

During the year, the company did not have any related party transactions which required the approval of the shareholders or immediate market disclosure under the rules. The related party transactions are disclosed in note 35 on pages 192 to 194 of the financial statements.

D. T. R. De Silva
Chairman - Related Party Transactions Review Committee

4th June 2026

BOARD RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Central Industries PLC has established the Risk Management Committee (RMC) to assess and oversee the management of most significant risks within the Company. The function of the RMC is to identify and review the various risks faced by the Company and ensure adequate safeguards are in place to mitigate such risks.

COMPOSITION OF THE COMMITTEE

The Risk Management Committee comprised five Non–Executive Directors, of whom three are Independent Non-Executive Directors. The following members comprise the RMC as at 31st March 2026.

Member	Status	
Mrs. T. P. Gunasekera	Chairperson-IND/ NED	Chairperson from 1st September 2025
Mr. D. T. R. De Silva	IND/NED	Chairman till 31st August 2025
Mr. A. K. Gunarathne	NED	
Mr. D. K. Welmillage	IND/NED	
Ms. W. M. T. W. Weerasinghe	NED	Appointed w.e.f. 1st September 2025

(IND-Independent Director, NED- Non – Executive Director)

The Head of the Internal Audit function acts as the Secretary to the Committee

MEETING ATTENDANCE

The RMC met once during the year. The attendance of the members at the meetings was as follows:

Member	Status	No. of Meetings Attended
Mrs. T. P. Gunasekera	Chairperson-IND/ NED	1/1
Mr. D. T. R. De Silva	IND/NED	1/1
Mr. A. K. Gunarathne	NED	1/1
Mr. D. K. Welmillage	IND/NED	1/1
Ms. W. M. T. W. Weerasinghe	NED	1/1

RESPONSIBILITIES

The RMC assists the Board of Directors in its oversight function in relation to how the company deals with various types of risks, both internal and external, that the Company is exposed to, including credit, liquidity, market and operational, etc. and assesses the adequacy of risk management procedures in place.

The Risk Committee,

- ☑ Reviews at least annually the major risk exposures of the Company and its business units, including market, credit, and liquidity risk, against established risk measurement methodologies and the steps management has taken to monitor and mitigate such exposures.
- ☑ Oversees the Company’s risk identification framework
- ☑ Receives, reviews and discusses reports, as necessary and appropriate, regarding significant new product risks, emerging risks and regulatory matters related to the Committee’s authority, duties and responsibilities as set forth in the charter.
- ☑ Makes such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.

The Minutes of the RMC Meetings and their recommendations were presented to the Board, and any further observations were communicated back to the management for implementation.

T. P. Gunesekera
Chairperson

4th June 2026

NOMINATIONS & GOVERNANCE COMMITTEE REPORT

The Nomination and Governance Committee appointed by the Board of Directors is responsible for making recommendations to the Board on all new Board, Board Sub-committee and Key Management Personnel appointments. The Committee reviews the Board and Key Management Succession Plan to ensure its adequacy to meet the Company's requirements.

COMPOSITION OF THE COMMITTEE

The Nomination and Governance Committee comprise of four Non-Executive Directors, of whom two are Independent Non-Executive Directors. The Chairman of the committee shall be an Independent Non-Executive Director. The following members comprise the N&GC as at 31st March 2026.

Member	Status	Appointment Date
Mr. D. T. R. De Silva	Chairman / IND/ NED	27th September 2024
Mr. D. K. Welmillage	IND/NED	30th November 2024
Mr. A. K. Gunarathne	NED	27th September 2024
Mr. C. S. Hettiarachchi	NED	1st September 2025

(IND-Independent Director, NED- Non – Executive Director)

The Corporate Services (Private) Limited Acts Secretary to the Nomination & Governance Committee.

MEETING ATTENDANCE

The Committee meets as and when required, but at least once per annum. The attendance of the members at the meetings was as follows:

Member	Status	No. of Meetings Attended
Mr. D. T. R. De Silva	Chairman / IND/ NED	3/3
Mr. D. K. Welmillage	IND/NED	3/3
Mr. A. K. Gunarathne	NED	3/3
Mr. C. S. Hettiarachchi	NED	2/2

SCOPE

The functions of the committee are:

- ☑ Ensuring the board-approved process is followed for the appointment and re-election of Directors to the Board.
- ☑ Responsible for making recommendations to the Board on all new Board, Board Sub-committee and Key Management Personnel appointments
- ☑ Regular review of the skills, competency and experience of the Board and Key Management positions to ensure that adequate expertise is available at the Corporate Management Level
- ☑ Regular Review and develop the succession plan for the Board and Key Management Positions with a view to providing recommendations and advice to the Board regarding such appointments
- ☑ No member of the Nomination and Governance Committee shall participate in deliberations relating to his/her own appointment.
- ☑ Review and recommend the overall corporate governance framework of the Company, taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.
- ☑ Periodically review and update the corporate Governance Policies/Framework of the Company to be in line with the regulatory and legal developments and prevailing best practices.

The Committee continued to work closely with the Board of Directors on matters assigned to it, and duties and responsibilities delegated to it in terms of the Committee Terms of Reference, and reported back to the Board of Directors with its recommendations.

D. T. R. De Silva
Chairman

4th June 2026

CROWNING ACHIEVEMENTS

Harvesting the Rewards of Maturity

QUARTERLY FINANCIAL ANALYSIS

FIRST QUARTER

PROFIT & LOSS RS. MN

	Q01 25/26	Q01 24/25
Net Revenue	**1324**	1159
Cost of Sale	**(1048)**	(939)
Gross Profit	**275**	220
Operating Profit	**167**	125
Profit before Tax	**196**	160
Net Profit	**137**	112

In Q1 2025/26, the Company's net revenue increased by 14% to Rs. 1,324 Mn compared to Q1 2024/25, reflecting improved sales performance. Cost of sales also rose by 12% to Rs. 1,048 Mn due to higher input and production costs. However, the increase in revenue outpaced the rise in costs, leading to an improvement in profitability. As a result, net profit increased by 22% to Rs. 137 Mn, indicating enhanced cost control and improved margins during the quarter.

FINANCIAL POSITION - RS. MN

	Jun-25	Jun-24
Total Assets	**5,255**	5,289
Total Equity	**4,377**	4,092
Total Liabilities	**878**	1,197

The Company's financial position remained stable during the period. Total assets slightly decreased to Rs. 5,255 Mn. However, total equity increased by 7% to Rs. 4,377 Mn. Meanwhile, total liabilities decreased significantly by 27% to Rs. 878 Mn, reflecting reduced reliance on external financing and improved financial stability.

SECOND QUARTER

PROFIT & LOSS RS. MN

	Q2 25/26	Q2 24/25
Net Revenue	**1,805**	1,422
Cost of Sale	**(1,430)**	(1,156)
Gross Profit	**375**	267
Operating Profit	**243**	178
Profit before Tax	**273**	205
Net Profit	**191**	151

In Q2 2025/26, the Company's net revenue increased by 27% to Rs. 1,805 Mn compared to Q2 2024/25, reflecting strong sales growth. Cost of sales also rose by 24% to Rs. 1,430 Mn; however, the increase was lower than the growth in revenue, indicating improved cost efficiency. As a result, net profit increased by 26% to Rs. 191 Mn, demonstrating enhanced profitability during the quarter.

FINANCIAL POSITION - RS. MN

	Sep-25	Sep-24
Total Assets	**5,500**	5,216
Total Equity	**4,568**	4,098
Total Liabilities	**932**	1,119

The Company's financial position improved during the period. Total assets increased by 5% to Rs. 5,500 Mn. Total equity rose by 11% to Rs. 4,568 Mn, supported by higher retained earnings, while total liabilities decreased by 17% to Rs. 932 Mn. This reflects a stronger capital structure and reduced dependence on external financing.

THIRD QUARTER

PROFIT & LOSS RS. MN

	Q3 2025	Q3 2024
Net Revenue	**1,618**	1,396
Cost of Sale	**(1,308)**	(1,139)
Gross Profit	**310**	258
Operating Profit	**182**	169
Profit before Tax	**195**	196
Net Profit	**136**	139

In Q3 2025, the Company's net revenue increased by 16% to Rs. 1,618 Mn compared to Q3 2024/25. Cost of sales also rose by 15% to Rs. 1,308 Mn, broadly in line with revenue growth. Despite the improvement in sales, net profit slightly declined by 2% to Rs. 136 Mn, indicating margin pressure during the quarter.

FINANCIAL POSITION - RS. MN

	Dec-25	Dec-24
Total Assets	**5,787**	4,843
Total Equity	**4,704**	4,236
Total Liabilities	**1083**	607

The Company's financial position improved during the period. Total assets increased significantly by 19% to Rs. 5,787 Mn, indicating business expansion. Total equity also rose by 11% to Rs. 4,704 Mn, supported by retained earnings. However, total liabilities increased sharply to Rs. 1,083 Mn from Rs. 607 Mn, reflecting higher external financing. Overall, despite the rise in liabilities, the stronger asset base and equity growth indicate an expanded but still stable financial position.

FOURTH QUARTER

PROFIT & LOSS RS. MN

	Q4 25/26	Q4 24/25
Net Revenue	**1,876**	1,335
Cost of Sale	**(1,482)**	(1,037)
Gross Profit	**393**	298
Operating Profit	**248**	177
Profit before Tax	**267**	209
Net Profit	**185**	146

In the fourth quarter of 2025/26, the company recorded its highest quarterly performance with net revenue reaching Rs. 1,876 Mn. This represents a significant increase compared to the Rs. 1,335 Mn reported in the corresponding quarter of the previous year. Despite inflationary pressures driving up the cost of sales to Rs. 1,482 Mn, the company achieved a gross profit of Rs. 393 Mn and an operating profit of Rs. 248 Mn. Net profit for the period climbed to Rs. 185 Mn, up from Rs. 146 Mn in Q4 2024/25.

FINANCIAL POSITION - RS. MN

	Mar-26	Mar-25
Total Assets	**5,725**	5,063
Total Equity	**4,893**	4,385
Total Liabilities	**832**	679

Regarding the financial position as of March 2026, the total asset base grew by 8% year-on-year to Rs. 5,725 Mn, reflecting continued operational expansion. Total equity strengthened to Rs. 4,893 Mn, while total liabilities were effectively managed down to Rs. 832 Mn, highlighting reduced external obligations and a stable financial footing.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in presenting to the Members their report together with the Audited Financial Statements of Central Industries PLC and the Group for the year ended 31st March 2026.

REVIEW OF THE YEAR'S PERFORMANCE

The Chairman's and Chief Executive Officer's Review describe the Company's progress and highlights important events during the year.

PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture and distribution of Pipes and Fittings for domestic and industrial use. The Company also manufactures and distributes Electrical Switches, Sockets and Accessories, and markets other products used in the construction industry. The wholly owned subsidiary company Polymer Technologies (Pvt) Ltd did not carry out any business activity during the year.

PARENT ENTERPRISE

The Company's parent and ultimate parent enterprise is Central Finance Company PLC.

MAJOR SHAREHOLDERS

The twenty largest shareholders of the Company as at 31st March 2026 are given on page 211 together with an analysis of the shareholdings. As at that date the Company had 2,395 shareholders.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company so that it reflects a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

FINANCIAL RESULTS

The financial statements of the Company and the Group are given on pages 155 to 208.

	Group		Company	
	2025/26	**2024/25**	**2025/26**	**2024/25**
	Rs. '000s	**Rs. '000s**	**Rs. '000s**	**Rs. '000s**
Revenue	**6,566,809**	5,313,102	**6,566,809**	5,313,102
Profit before tax for the year after providing for bad debts, depreciation of property, plant and equipment and all known liabilities	**935,813**	770,002	**935,791**	769,966
Provision for taxation	**(284,710)**	(222,133)	**(284,710)**	(222,133)
Profit for the year after taxation	**651,103**	547,869	**651,080**	547,833

DIVIDENDS

The Directors recommend the payment of a first and final dividend of Rs. 6 per share for the year ended 31st March 2026. This will be paid out of the taxable profit of the Company. As required by section 56(2) of the Companies Act No.7 of 2007, the Directors confirm that the Company satisfies the solvency test in terms of section 57 of the Act and that the Company has obtained a certificate from the Auditors to this effect.

TAXATION

The rate of corporate tax applicable to Central Industries PLC and its subsidiary is 30%

PROPERTY PLANT AND EQUIPMENT

The Group invested Rs. 89.52 Mn in property, plant & equipment during the year. The movement in property plant and equipment during the year is given in Note 13 to the Financial Statements. The movement in intangible assets during the year is given in Note 14 to the Financial Statements.

PUBLIC HOLDINGS

Public Holding of the Company as at 31st March 2026 was 49.76% Comprising 12,038,723 shares and a float adjusted market capitalization of Rs. 2,468,103,247. In terms of the rule 7.13.1.(a) of the listing rules of the Colombo Stock Exchange, the Company qualifies under option five of the minimum public holding requirement.

ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the requirements of the Company's Act No.07 of 2007 and Sri Lanka Accounting Standards applicable for the current accounting period and are consistent with the accounting policies adopted in the previous year.

STATUTORY PAYMENTS

The directors are satisfied that statutory payments due to the Government and in relation to the employees have been made in full and on time to the best of their knowledge and belief.

EVENTS AFTER THE REPORTING PERIOD

There have been no material post balance sheet events which would require adjustment to, or disclosure other than as stated in Note 34 to the Financial Statements

DONATIONS

During the year, donations to charities of Rs. 82,990/- were made by the Company.

HUMAN RESOURCES

Employment policies of the company are based on recruiting the best available people, training them to enhance their skills and offering equal career opportunities regardless of gender, race or religion. There were no issues pertaining to employees and industrial relations pertaining to the company that occurred during the year under review requiring disclosure.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2026 was Rs. 453,539,402/- and is represented by 24,195,193 ordinary shares.

GOING CONCERN

The Directors continue to adopt the going concern basis in preparing the Financial Statements. The Directors, after making enquiries and following a review of the Company's budget for 2026/27, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

BOARD OF DIRECTORS

The Directors of the Company as at 31st March 2026 were:

NON - EXECUTIVE DIRECTORS

Mr. C. S. Hettiarachchi - Chairman

Mr. A. K. Gunaratne

Mr. C. S. W. De Costa

Ms. W. M. T. W. Weerasinghe

Mr. M. A. D. D. Virantha

EXECUTIVE DIRECTOR

Mr. I. M. P. Rupatunge

INDEPENDENT NON - EXECUTIVE DIRECTORS

Mr. D. T. R. De Silva

Mr. D. K. Welmillage

Mrs. T. P. Gunasekera

RE-ELECTIONS TO THE BOARD

Mr. A. K. Gunaratne a director who retires by rotation in terms of Article 85 of the Articles of Association of the Company.

Ms. W. M. Thilini W. Weerasinghe, who retires in terms of Article 91 of the Articles of Association and being eligible has offered herself for re-election.

Mr. M. A. Don Dushan Virantha, who retires in terms of Article 91 of the Articles of Association and being eligible has offered himself for re-election.

To propose the following resolution as an ordinary resolution for the reappointment of Mr. C. S. W. De Costa in terms of section 211 of the Companies Act No. 07 of 2007 (as amended).

"IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. C. S. W. De Costa who has reached the age of 74 years prior to this Annual General Meeting and that he be reappointed as a director of the Company".

AUDITORS

The Financial Statements for the year have been audited by KPMG Chartered Accountants, who offer themselves for re-appointment.

The remuneration of the Auditors is disclosed in Note 9 to the consolidated financial statements.

In addition, the Auditors were paid Rs. 174,291 /-for work not directly related with the audit of the financial statements, and consisted mainly of opinion expressed in relation to the As far as the Directors are aware the Auditors do not have any other relationship with the Company other than as disclosed above.

The retiring auditors have expressed their willingness to continue in office. A resolution to re-appoint them as auditors and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the auditors, their effectiveness and relationship with the Group including the level of audit and non-audit fees paid to the Auditor.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has not engaged in any activities contravening laws and regulations. All officers responsible for ensuring compliance with the provisions of various laws and regulations confirm their compliance to the Board on a monthly basis.

DIRECTORS' INTERESTS IN TRANSACTIONS

The Directors' interests in transactions with the Company are disclosed in the Interests Register and in Note 35 to the Financial Statements. The Company carried out transactions during the year in the ordinary course of its business at commercial rates with the following related entities.

Name of the Company and Relationship	Name of Directors	Position	Nature of Transactions
Central Finance Co. PLC (Parent Company)	Mr. A. K. Gunaratne	Director Chairman	Interest earned from short term deposits = Rs. 39,121/- (2024/25 – Rs. 37,610/-) Short term deposits as at 31st March 2026 = 699,602 (2024/25 – Rs. 664,393 /-) Divided paid Cash Rs. 63,965,664
CF Insurance Brokers (Pvt) Ltd. (Fellow Subsidiary)	Mr. C. S. Hettiarachchi Mr. A. K. Gunaratne Ms. W. M. Thilini W. Weerasinghe	Chairman Director Director	The Company has paid total premia of Rs. 6.1 Mn (2024/25- Rs. 7.6 Mn) to insurers during the year. CF Insurance Brokers (Pvt) Ltd is entitled to an agency/brokerage commission on such premia paid by the Company. Divided paid Cash Rs. 8,293,710
Tivoli Plastics (Pvt.) Ltd. (An Enterprise owned by a Director)	Mr. C. S. W. De Costa	Director	Manufacture of PVC Fittings under agreement with the Company. The cost of services obtained during the year was Rs. 28.59 Mn (2024/25 - Rs. 24.17 Mn.)
Polymer Technologies (Pvt) Ltd. (A wholly owned subsidiary)	Mr. I. M. P. Rupathunge Mr. A. K. Gunaratne	Director Director Director	Funds advanced by the subsidiary to Central Industries PLC, repayable on demand. Amount due to the subsidiary – Rs. 1.23 Mn (2024/25 – Rs. 1.26 Mn) Rs. 82,857/-has been paid as interest on the above funds during the year. (2024/25 – Rs. 102,695/-)

The Directors had no direct or indirect interests in any other contract or proposed contract in relation to the business of the Company.

INTERESTS REGISTER

The Interests Register is maintained by the Company as per the Companies Act No.07 of 2007.

SHAREHOLDINGS OF DIRECTORS

Director	NO.OF SHARES HELD AS AT	
	31st March 2026	**1st April 2025**
Mr. C. S. Hettiarachchi	**-**	-
Mr. A. K. Gunaratne	**-**	-
Mr. C. S. W. De Costa	**-**	-
Mr. D. T. R. De Silva	**-**	-
Mr. I. M. P. Rupatunge	**-**	-
Mr. D. K. Welmillage	**9,178**	9,178
Mrs. T. P. Gunesekera	**-**	-
Ms. W. M. T. W. Weerasinghe	**-**	-
Mr. M. A. D. D. Virantha	**-**	-

The shareholdings of entities in which the Directors have controlling interest:

	NO.OF SHARES HELD AS AT	
	31st March 2026	1st April 2025
Central Finance Company PLC	**10,660,944**	10,660,944
CF Insurance Brokers (Pvt.) Ltd.	**1,382,285**	1,382,285
CF Growth Fund Ltd	**44,068**	44,068
Expanded Plastic Products Ltd.	**7,894**	7,894
Tivoli Lanka (Pvt) Ltd.	**420,082**	420,082

During the year ended 31st March 2026;

Mr. E. H. Wijenaike, Mr. A. K. Gunaratne were Directors of Central Finance Company PLC.

Mr. C. S. Hettiarachchi was Chairman of CF Insurance Brokers (Pvt) Ltd.

Mr. A. K. Gunaratne and Ms. W. M. T. W. Weerasinghe were Director of CF Insurance Brokers (Pvt.) Ltd.

Mr. E. H. Wijenaike exercised significant control over CF Insurance Brokers (Pvt) Ltd through direct/indirect voting power.

Mr. A. K. Gunaratne was a Director of CF Growth Fund Ltd.

Mr. E. H. Wijenaike exercised significant control over CF Growth Fund Ltd through direct/indirect voting power.

Mr. C. S. W. De Costa was a Director of Tivoli Lanka (Pvt) Ltd

REMUNERATION OF DIRECTORS

The remuneration of the Directors is disclosed in Note 9 to the consolidated financial statements.

The aggregate remuneration received by the Directors during the year under review was: -

	2025/26	2024/25
	Rs. '000s	Rs. '000s
Executive Directors	**35,060**	28,030
Non-Executive Directors	**1,930**	2,640

For and on behalf of the Board,

C. S. Hettiarachchi
Chairman

I. M. P. Rupatunge
Director/CEO

Corporate Services (Pvt.) Ltd.
Secretaries

Colombo
4th June 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement sets out the responsibilities of the Directors of the Company in the preparation of the Financial Statements of the Company. These differ from the responsibilities of the Auditors, which are set out in their report appearing on page 154. The Companies Act No. 07 of 2007requires the Directors to prepare Financial Statements for each financial year, giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for that financial year.

In preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgments and estimates have been made, and applicable accounting standards have been followed.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and to enable them to ensure that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and provide the information required by the Companies Act. They are also responsible for taking reasonable measures to safeguard the assets of the Company and, in that context, to have proper regard to the establishment of appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

By Order of the Board

Corporate Services (Pvt) Limited
Secretaries
Central Industries PLC

Colombo
4th June 2026

STATEMENT OF CHIEF EXECUTIVE OFFICER AND MANAGER FINANCE-ASSURANCE ON OPERATION AND FINANCE

Statement of Chief Executive Officer and Manager Finance assurance on operation and finance

The Financial Statements of Central Industries PLC and the Consolidated Financial Statements of the Company and its Subsidiary ("the Group") as at 31st March 2026 have been prepared in conformity with the requirements of the following:

1. Sri Lanka Accounting Standards (SLFRSs & LKASs) issued by the Institute of Chartered Accountants of Sri Lanka,
2. Companies Act No. 07 of 2007 and amendments thereto,
3. Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
4. The Listing Rules of the Colombo Stock Exchange (CSE),
5. The Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka

The Company presents its financial results to its shareholders on a quarterly basis. The formats used in the preparation of the Financial Statements and disclosures made, comply with the formats prescribed by the Sri Lanka Accounting Standard - LKAS1 (Presentation of Financial Statements). The significant Accounting Policies of the Company and the Group are in compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka. Further such Accounting Policies are appropriate and are consistently applied. The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with the Board.

Audit Committee and External Auditors. Comparative information has been restated wherever necessary to comply with the current presentation. The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. We confirm that to the best of our knowledge, the Financial Statements give a true and fair view of the assets, liabilities, financial position, results of the operations and the cash flows of the Company. We have reasonable grounds to believe that the Company has adequate resources to continue in operational existence for the foreseeable future.. Our Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal control and accounting. The Financial Statements of the Group were audited by KPMG, Chartered Accountants, the independent External Auditors. Their Report is given on pages 152-154 of this Annual Report. The Board Audit Committee report is given on pages 137-138. We confirm that to the best of our knowledge:

☑ The Company has complied with all applicable laws, regulations and prudential requirements;

☑ There are no material non compliances; and

☑ There are no material litigations that are pending against the Company

W. M. Mahesh Amaradasa
Manager Finance

I. M. P. Rupatunge
Director/Chief Executive Officer

4th June 2026
Colombo, Sri Lanka

INDEPENDENT AUDITORS' REPORT

KPMG

KPMG
(Chartered Accountants)
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TO THE SHAREHOLDERS OF CENTRAL INDUSTRIES PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Central Industries PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31st March 2026, and the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information set out on pages 155 to 208 in the annual report.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

01. RECOVERABILITY OF TRADE RECEIVABLES

(Refer to the material accounting policy Note 3.3 and explanatory Note 18 to these financial statements.)

Risk Description	Our Audit Responses
The Group has recorded trade receivables amounting to Rs. 1,957 Mn as at 31st March 2026. There are inherent risks relating to customer's credit risk profile which varies due to the size of each customer and the industries that the customers operate in. The risk is whether the trade receivables are recoverable, and that adequate impairment provision has been made for bad and doubtful receivables. An impairment provision amounting to Rs. 45 Mn has been recognized for trade receivables of the Group as at the reporting date. The recoverability of trade receivables and the judgements involved in determining the estimation of impairment provision were considered as key focus areas.	Our audit procedures included, ☑ Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the key internal controls within the credit control and approval process. ☑ On a sample basis, assessing whether items in the trade debtors ageing report were classified within the appropriate ageing bucket by comparing individual items in the report with underlying supporting documentation, which included sales invoices and goods delivery notes. ☑ Assessing the appropriateness of the impairment on trade receivables based on the 'expected credit loss' model as per SLFRS 09, with reference to historical payment trends and forward-looking scenarios. ☑ Assessing the adequacy of relevant disclosures included in the consolidated Financial Statements.

02. CARRYING VALUE OF INVENTORIES

(Refer to the material accounting policy 3.8 and explanatory Note 17 to the financial statements.)

Risk Description	Our Audit Responses
The Group has recorded inventories of Rs. 1,703 Mn and provision for slow-moving and obsolete inventories of Rs. 65 Mn as at 31st March 2026. The Group has significant levels of inventories and judgment is exercised with regards to the categorization of inventories as obsolete and/ or slow-moving for the assessment of provision. Estimates are involved in assessing the provision for slow-moving and obsolete inventories and for the valuation of inventories based on lower of cost or net realizable value. Further, as explained in Note 3.8 to the financial statements, management judgment is applied in arriving at the cost of inventories in order to accurately reflect the manufacturing costs incurred in bringing them to their current condition and physical location. Given the level of judgments and estimates involved, the carrying value of inventories is identified as a key audit matter.	Our audit procedures included, ☑ Obtaining an understanding of and assessing the design, implementation, and operating effectiveness of key controls that management has established to manage inventories including purchases, issuing inventories, and holding of inventories. ☑ Assessing the valuation of inventories as at the reporting date, and inventory levels, including assessing the reasonableness of judgements/estimates made regarding obsolescence. ☑ Evaluating the adequacy and consistency of provisioning for inventories at the reporting date and comparing with the Group's inventory provision policy in accordance with the requirement of relevant accounting standards. ☑ On a sample basis, comparing the carrying amounts of the Group's inventories with the net realization value of those inventories subsequent to the end of the reporting period. ☑ Observing the physical verification of inventories as at the year-end on a sample basis and, assessing the effectiveness of the physical count controls in operation at the count location to identify damaged and expired stocks that require provision for slow-moving and obsolete inventories or write off. ☑ Assessing whether the accounting policies had been consistently applied and the adequacy of the Group's disclosures in respect of the judgment and estimation made in respect of inventory provisioning.

OTHER INFORMATION

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

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

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

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- ☑ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☑ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- ☑ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☑ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ☑ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ☑ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

KPMG
Chartered Accountants
Colombo
4th June 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March		GROUP		COMPANY	
(In Thousands of Rupees)	Notes	2026	2025	2026	2025
Revenue	6	**6,566,809**	5,313,102	**6,566,809**	5,313,102
Cost of Sales		**(5,226,996)**	(4,270,345)	**(5,226,996)**	(4,270,345)
Gross Profit		**1,339,813**	1,042,757	**1,339,813**	1,042,757
Other Income	7	**1,006**	2,384	**1,006**	2,384
Selling and Distribution Expenses		**(285,308)**	(218,881)	**(285,308)**	(218,881)
Administrative Expenses		**(209,877)**	(177,515)	**(209,817)**	(177,448)
Operating Profit		**845,634**	648,745	**845,694**	648,812
Finance Income		**110,098**	141,693	**110,098**	141,693
Finance Expense		**(19,919)**	(20,436)	**(20,002)**	(20,539)
Net Finance Income	8	**90,179**	121,257	**90,096**	121,154
Profit Before Taxation	9	**935,813**	770,002	**935,790**	769,966
Income Tax Expenses	10	**(284,710)**	(222,133)	**(284,710)**	(222,133)
Profit for the Year		**651,103**	547,869	**651,080**	547,833
Other Comprehensive Income					
Items that will not be Reclassified to Profit or Loss					
Actuarial Gain on Defined Benefit Obligations	25.3	**3,794**	3,098	**3,794**	3,098
Deferred Tax on Actuarial Gain Defined Benefit Obligations	10.2	**(1,138)**	(929)	**(1,138)**	(929)
Other Comprehensive Income for the year net of tax		**2,656**	2,169	**2,656**	2,169
Total Comprehensive Income for the year net of tax		**653,759**	550,038	**653,736**	550,002
Profit attributable to					
Owners of the Company		**651,103**	547,869	**651,080**	547,833
Total Comprehensive Income attributable to					
Owners of the Company		**653,759**	550,038	**653,736**	550,002
Basic Earnings per Share (Rs.)	11	**26.91**	22.64	**26.91**	22.64

The annexed Notes to the Financial Statements from pages 160 to 208 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

For the year ended 31st March		GROUP		COMPANY	
(In Thousands of Rupees)	Notes	2026	2025	2026	2025
ASSETS					
Property, Plant and Equipment	13	**1,280,136**	1,290,237	**1,280,136**	1,290,237
Intangible Assets	14	**3,132**	3,789	**3,132**	3,789
Financial Assets at Amortized Cost	15	**194,716**	193,456	**194,716**	193,456
Investment in Subsidiary	16	**-**	-	**1,000**	1,000
Non-Current Assets		**1,477,984**	1,487,482	**1,478,984**	1,488,482
Inventories	17	**1,637,984**	965,095	**1,637,984**	965,095
Trade & Other Receivables	18	**2,065,371**	1,552,798	**2,065,304**	1,552,731
Investment valued at Fair Value Through Profit and Loss	19	**99,329**	93,641	**99,329**	93,641
Investment measured at amortized cost	21	**377,494**	884,213	**377,494**	884,213
Current Tax Assets	31.2	**26**	28	**-**	-
Cash and Cash Equivalents	20	**111,620**	79,828	**111,497**	79,704
Current Assets		**4,291,824**	3,575,603	**4,291,608**	3,575,384
Total Assets		**5,769,808**	5,063,085	**5,770,592**	5,063,866
EQUITY AND LIABILITIES					
EQUITY					
Stated Capital	22	**453,539**	453,539	**453,539**	453,539
Revaluation Reserve	23	**510,055**	514,461	**510,055**	514,461
General Reserve	24	**100,814**	100,814	**100,814**	100,814
Retained Earnings		**3,828,975**	3,315,980	**3,828,710**	3,315,738
Equity Attributable to Owners of the Company		**4,893,383**	4,384,794	**4,893,118**	4,384,552
Non-Controlling Interests		**-**	-	**-**	-
Total Equity		**4,893,383**	4,384,794	**4,893,118**	4,384,552
LIABILITIES					
Retirement Benefit Obligations	25	**87,487**	82,431	**87,487**	82,431
Deferred Tax Liabilities	26	**159,387**	157,980	**159,387**	157,980
Non-Current Liabilities		**246,874**	240,411	**246,874**	240,411
Trade Creditors	27	**64,522**	59,252	**64,456**	59,185
Other Payables	28	**442,405**	264,582	**442,289**	264,465
Warranty Provision	29	**8,251**	6,125	**8,251**	6,125
Loans and Borrowings	30	**-**	4,444	**-**	4,444
Current Tax Liabilities	31.1	**113,503**	102,184	**113,503**	102,184
Amounts due to Related Party	32	**870**	1,293	**870**	1,293
Amounts due to Subsidiary	33	**-**	-	**1,231**	1,207
Current Liabilities		**629,551**	437,880	**630,600**	438,903
Total Liabilities		**876,425**	678,291	**877,474**	679,314
Total Equity and Liabilities		**5,769,808**	5,063,085	**5,770,592**	5,063,866
Net Assets per Ordinary Share (Rs.)		**202.25**	181.23	**202.24**	181.22

The annexed Notes to the Financial Statements from pages 160 to 208 form an integral part of these Financial Statements.
These Financial Statements are in compliance with the requirements of the Companies Act No.7 of 2007

Mahesh Amaradasa
Manager-Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. For and on behalf of the Board,

C. S. Hettiarachchi
Chairman

I. M. P. Rupatunge
Director/CEO

Colombo.
4th June 2026

STATEMENT OF CHANGES IN EQUITY

GROUP (In Thousands of Rupees)	**Stated Capital**	**Revaluation Reserve**	**General Reserve**	**Retained Earnings**	**Total Equity**
Balance as at 1st April 2024	453,539	518,147	100,814	2,907,427	3,979,927
Comprehensive Income for the Year					
Profit for the Year	-	-	-	547,869	547,869
Other Comprehensive Income for the Year					
Actuarial Gain on Defined Benefit Obligations (Note 25.3)	-	-	-	3,098	3,098
Deferred Tax on Other Comprehensive Income	-	-	-	(929)	(929)
Total Comprehensive Income for the Year	-	-	-	550,038	550,038
Depreciation on Revaluation Surplus	-	(5,574)	-	5,574	-
Deferred Tax on Revaluation Surplus	-	1,888	-	(1,888)	-
Transactions with Owners of the Company					
Final Cash Dividend, 2023/24 - paid (Note 12)	-	-	-	(145,171)	(145,171)
	-	(3,686)	-	(141,485)	(145,171)
Balance as at 31st March 2025	453,539	514,461	100,814	3,315,980	4,384,794
Balance as at 1st April 2025	453,539	514,461	100,814	3,315,980	4,384,794
Comprehensive Income for the Year					
Profit for the Year	-	-	-	651,103	651,103
Other Comprehensive Income for the Year					
Actuarial Gain on Defined Benefit Obligations (Note 25.3)	-	-	-	3,794	3,794
Deferred Tax on Other Comprehensive Income	-	-	-	(1,138)	(1,138)
Total Comprehensive Income for the Year	-	-	-	653,759	653,759
Depreciation on Revaluation Surplus	-	(6,294)	-	6,294	-
Deferred Tax on Revaluation Surplus	-	1,888	-	(1,888)	-
Transactions with Owners of the Company					
Final Cash Dividend, 2024/25 - paid (Note 12)	-	-	-	(145,070)	(145,070)
	-	(4,406)	-	(140,764)	(145,170)
Balance as at 31st March 2026	453,539	510,055	100,814	3,828,975	4,893,383

The annexed Notes to the Financial Statements from pages 160 to 208 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF CHANGES IN EQUITY

COMPANY **(In Thousands of Rupees)**	**Stated Capital**	**Revaluation Reserve**	**General Reserve**	**Retained Earnings**	**Total Equity**
Balance as at 1st April 2024	453,539	518,147	100,814	2,907,221	3,979,721
Comprehensive Income for the Year					
Profit for the Year	-	-	-	547,833	547,833
Other Comprehensive Income for the year					
Actuarial Gain on Defined Benefit Obligations (Note 25.3)	-	-	-	3,098	3,098
Deferred Tax on Other Comprehensive Income	-	-	-	(929)	(929)
Total Comprehensive Income for the Year	-	-	-	550,002	550,002
Depreciation on Revaluation Surplus	-	(5,574)	-	5,574	-
Deferred Tax on Revaluation Surplus	-	1,888	-	(1,888)	-
Transactions with Owners of the Company					
Final Cash Dividend, 2023/24 - paid (Note 12)	-	-	-	(145,171)	(145,171)
	-	(3,686)	-	(141,485)	(145,171)
Balance as at 31st March 2025	453,539	514,461	100,814	3,315,738	4,384,552
Balance as at 1st April 2025	453,539	514,461	100,814	3,315,738	4,384,552
Comprehensive Income for the year					
Profit for the Year	-	-	-	651,080	651,080
Other Comprehensive Income for the year					
Actuarial Gain on Defined Benefit Obligations (Note 25)	-	-	-	3,794	3,794
Deferred Tax on Other Comprehensive Income	-	-	-	(1,138)	(1,138)
Total Comprehensive Income for the Year	-	-	-	653,736	653,736
Depreciation on Revaluation Surplus	-	(6,294)	-	6,294	-
Deferred Tax on Revaluation Surplus	-	1,888	-	(1,888)	-
Transactions with Owners of the Company					
Final Cash Dividend, 2024/25 - paid (Note 12)	-	-	-	(145,170)	(145,170)
	-	(4,406)	-	(140,764)	(145,170)
Balance as at 31st March 2026	453,539	510,055	100,814	3,828,710	4,893,118

The annexed Notes to the Financial Statements from pages 160 to 208 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF CASH FLOWS

For the year ended 31st March		**GROUP**		**COMPANY**	
(In Thousands of Rupees)	**Note**	**2026**	**2025**	**2026**	**2025**
Cash Flows from Operating Activities					
Profit before taxation		**935,813**	770,002	**935,790**	769,966
Adjustments for :					
Depreciation of Property, Plant & Equipment	13	**90,335**	87,559	**90,335**	87,559
Amortisation of Intangible Assets	14	**1,141**	1,037	**1,141**	1,037
Impairment loss of Property,Plant & Equipment	13	**-**	6	**-**	6
Disposal Gain on Redemption of Unit Trust Investments	19.2	**(13,115)**	(16,632)	**(13,115)**	(16,632)
Interest Income-Treasury Bill	8	**(12,578)**	(69,802)	**(12,578)**	(69,802)
Interest Income-Treasury Bond	8	**(44,704)**	(46,146)	**(44,704)**	(46,146)
Loss/(Gain)on Quoted Investment valued at Fair Value Through Profit and Loss	8	**783**	(3,112)	**783**	(3,112)
Gain on Unit Trust Investment valued at Value Through Profit & Loss	8	**(356)**	(447)	**(356)**	(447)
Provision for Retirement Benefit Obligations	25.2	**16,097**	16,446	**16,097**	16,446
Provision / (Reversal) for Impairment of Trade Debtors & other receivables	18.1 & 18.3	**606**	(1,391)	**606**	(1,391)
Reversal of inventory to Net Realizable Value	17.2	**2,867**	915	**2,867**	915
Reversal of provision for Slow moving inventories	17.1	**(14,774)**	(50,225)	**(14,774)**	(50,225)
Interest Expenses	8	**18,740**	20,041	**18,823**	20,144
Interest income from other Investment	8	**(39,047)**	(5,395)	**(39,047)**	(5,395)
Dividend Income	8	**(131)**	(159)	**(131)**	(159)
Operating Profit before Working Capital Changes		**941,677**	702,697	**941,737**	702,764
(Increase) / Decrease in Inventories	17	**(649,336)**	41,882	**(649,336)**	43,713
Increase in Trade and Other Receivables		**(467,959)**	(456,490)	**(467,959)**	(456,423)
(Decrease) / Increase in Amounts due to Related Parties		**(423)**	112	**(423)**	112
Increase in Amounts due to Subsidiaries		**-**	-	**24**	42
Increase in Trade and Other Payables		**128,366**	43,356	**128,366**	43,285
Cash (Used in) / Generated from Operating Activities		**(47,675)**	331,557	**(47,591)**	331,661
Gratuity Paid	25.1	**(7,247)**	(3,995)	**(7,247)**	(3,995)
Interest Paid	8	**(18,740)**	(20,041)	**(18,823)**	(20,144)
Taxes Paid	31.1	**(273,124)**	(263,938)	**(273,124)**	(263,938)
Net Cash (Used in) / Generated from Operating Activities		**(346,786)**	43,583	**(346,785)**	43,584
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment and Intangible Assets	13 & 14	**(65,195)**	(42,160)	**(65,195)**	(42,160)
Redemption in Unit Trust	19	**2,013,000**	2,299,000	**2,013,000**	2,299,000
Investments in Unit Trust	19	**(2,006,000)**	(2,200,000)	**(2,006,000)**	(2,200,000)
Matured Treasury Bill		**1,103,459**	2,755,890	**1,103,459**	2,755,890
Investment in Treasury Bill		**(399,557)**	(2,681,920)	**(399,557)**	(2,681,920)
Matured Repo		**-**	110,230	**-**	110,230
Matured Fixed Deposits		**170,000**	-	**170,000**	-
Investments in Fixed Deposits		**(209,275)**	(170,000)	**(209,275)**	(170,000)
Investments in Securitization		**(150,000)**	-	**(150,000)**	-
Sales of Quoted Equity Securities	19.1	**-**	2,543	**-**	2,543
Purchase of Capital Work-in-Progress	13.13	**(15,533)**	(30,023)	**(15,533)**	(30,023)
Interest Received	8	**87,162**	117,548	**87,162**	117,548
Dividend Received	8	**131**	159	**131**	159
Net Cash Generated from Investing Activities		**528,192**	161,267	**528,192**	161,267
Cash Flows from Financing Activities					
Short Term and Long Term Loans obtained	30	**850,000**	729,000	**850,000**	729,000
Repayment of Short Term and Long Term Loans	30	**(854,444)**	(742,580)	**(854,444)**	(742,580)
Dividends paid		**(145,170)**	(145,171)	**(145,170)**	(145,171)
Net Cash Used in Financing Activities		**(149,614)**	(158,751)	**(149,614)**	(158,751)
Net Increase in Cash and Cash Equivalents		**31,792**	46,099	**31,793**	46,100
Cash and Cash Equivalents at the beginning of the Year	20	**79,828**	33,729	**79,704**	33,604
Cash and Cash Equivalents at the End of the Year	20	**111,620**	79,828	**111,497**	79,704

The annexed Notes to the Financial Statements from pages 160 to 208 attached hereto form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

ACCOUNTING POLICIES

1 REPORTING ENTITY

1.1 CORPORATE INFORMATION

Central Industries PLC ("the Company") is a public limited liability company incorporated on 18th September 1984 and domiciled in Sri Lanka.

The registered office of the Company and the principal place of business is situated at 312, Nawala Road, Rajagiriya. The ordinary shares of the Company are listed on the Colombo Stock Exchange.

The Consolidated Financial Statements of the Company for the year ended 31st March 2026 comprise the Company and its subsidiary (together referred to as the "Group" and individually as "Group entities").

The Company has fully owned subsidiary, Polymer Technologies (Pvt) Limited (incorporated on 02nd March 1993). This wholly owned subsidiary Company did not carry out any business activities during the year.

Financial statements of the Company and the subsidiary are prepared for a common financial year which ends on 31st March using uniform accounting policies.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principal activities of the Company are the manufacture and distribution of PVC pipes and fittings & Electrical products. The Company also manufactures and markets other products for the construction and building industry.

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

1.3 PARENT ENTERPRISE AND ULTIMATE PARENT ENTERPRISE

Central Finance Company PLC is the parent for the Company as at 31st March 2026. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Central Finance Company PLC.

1.4 NUMBER OF EMPLOYEES

The numbers of employees of the Group and Company as at 31st March 2025 are as follows:

Group	382 (2025 360)
Company	382 (2025 360)

1.5 RESPONSIBILITIES FOR FINANCIAL STATEMENTS AND APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and presentation of the financial statements of the Group as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards. The Directors' responsibility over financial statements is set out in detail in the Statement of Directors' Responsibility.

The financial statements of the Group for the year ended 31st March 2026 were authorized for issue in accordance with a resolution of the Board of Directors on 4th June 2026.

2 BASIS OF PREPARATION

2.1 CURRENT VERSUS - NON- CURRENT CLASSIFICATION

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realized within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

2.2 STATEMENT OF COMPLIANCE

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

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

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

2.3 BASIS OF MEASUREMENT

The financial statements of the Group and the Company have been prepared on the historical cost basis, except for the following material items in the statement of financial position.

Item	Basis of Measurement	Note Number
Freehold land and buildings	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation	13
Defined Benefit Obligations	Measured at the present value of the defined benefit obligation	25
Investments valued at fair value through profit or loss	Measured at fair Value	19

2.4 FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Sri Lankan Rupees, which is the functional and presentation currency of all Group entities. There was no change in the Group's presentation and functional currency during the year under review. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousands, unless stated otherwise.

2.5 USE OF ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes;

Critical accounting assumptions and estimation uncertainties	Note
Fair value of land and buildings	2.5.1
Useful life-time of the property, plant and equipment	2.5.2
Impairment on non-financial assets	3.4
Measurement of defined benefit obligation: key actuarial assumptions	2.5.3
Impairment measurement of financial assets: determination of inputs into the ECL measurement model, including key assumptions and incorporation of forward-looking information	2.5.4
Warranty Provision	4.2 (iv)
Sales return provision	4.1

2.5.1 FAIR VALUE OF LAND AND BUILDINGS

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in Equity through Other Comprehensive Income (OCI). Valuations are performed to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The valuation techniques, significant unobservable inputs, key assumptions used to determine the fair value of the land and building, and sensitivity analysis are provided in Note 13.9 and 13.10.

2.5.2 USEFUL LIFE-TIME OF THE PROPERTY, PLANT AND EQUIPMENT

The Group reviews the residual values, useful lives, and methods of depreciation of property, plant and equipment at each reporting date. Judgement of the Management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty. Refer Note 3.6.3 for more details.

2.5.3 MEASUREMENT OF DEFINED BENEFIT OBLIGATION

The cost of defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 25.4 for the assumptions used to determine defined benefit obligations. Sensitivity analysis to key assumptions is disclosed in Note 25.5.

2.5.4 IMPAIRMENT MEASUREMENT OF FINANCIAL ASSETS

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses.

The Group's Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- ☑ Development of ECL models, including the various statistical formulas and the choice of inputs;
- ☑ Determination of associations between macro-economic inputs, such as GDP growth, inflation, interest rates, exchange rates and unemployment and the effect on Probability of Default (PDs), Exposure at Default (EAD) and Loss Given Default (LGD);
- ☑ Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

2.6 MEASUREMENT OF FAIR VALUE

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

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Group assesses evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset that is not based on observable market data. (Unobservable inputs).

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

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumption made in measuring fair value is included in note 40.1

2.7 MATERIALITY AND AGGREGATION

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements 'and amendments to the LKAS 1 on 'Disclosure Initiative'.

Notes to the Financial Statements are presented in systematic manner which ensures the understandability and comparability of Financial Statements of the Group and the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.8 GOING CONCERN

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of crisis on the Group and the appropriateness of the use of the going concern basis. Group has evaluated the resilience of its businesses considering a wide range of factors such as current and expected profitability, the ability to defer nonessential capital expenditure, debt repayment schedules, if any, cash reserves and potential sources of financing facilities, if required, and the ability to continue providing goods and services.

In management's view, the Group will have sufficient resources to continue for a future period. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Consolidated Financial Statements of the Group continued to be prepared on a going concern basis.

2.9 COMPARATIVE INFORMATION

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

2.10 ROUNDING

The amounts in the Financial Statements have been rounded-off to the nearest rupees thousands, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements'.

3 MATERIAL ACCOUNTING POLICES

The Group has consistently applied the following accounting policies to all periods presented in these Consolidated Financial Statements.

3.1 BASIS OF CONSOLIDATION

The Group's Financial Statements comprise of the consolidation of Financial Statements of the company and its subsidiaries prepared in terms of Sri Lanka Accounting standard (SLFRS -10) - Consolidated Financial Statements.

3.1.1 BUSINESS COMBINATIONS

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

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

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3.1.2 SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

Adjustments required to the accounting policies of subsidiaries are changed wherever necessary to align them with the policies adopted by the Group.

Subsequent to the acquisition, the Company continues to recognize the investment in the subsidiary at cost.

Name of subsidiary	Controlling interest
Polymer Technologies (Pvt) Ltd	100%

3.1.3 INTRA-GROUP TRANSACTIONS

Transfer prices between Group entities are set on an arm's length basis in a manner similar to transactions with third parties.

Intra-group balances, intra-group transactions and resulting unrealized profits are eliminated in full in the Financial Statements. Unrealized losses resulting from intra-group transactions are eliminated unless the cost cannot be recovered.

3.2 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates as at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate as at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognized in profit or loss.

3.3 FINANCIAL INSTRUMENTS

(A) RECOGNITION AND INITIAL MEASUREMENT

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

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

(B) CLASSIFICATION AND SUBSEQUENT MEASUREMENT

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

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

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

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

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

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

FINANCIAL ASSETS - BUSINESS MODEL ASSESSMENT:

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

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

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

FINANCIAL ASSETS - ASSESSMENT WHETHER CONTRACTUAL CASH FLOWS ARE SOLELY PAYMENTS OF PRINCIPAL AND INTEREST

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

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

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

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

FINANCIAL ASSETS - SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

FINANCIAL ASSETS AT FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

FINANCIAL ASSETS AT AMORTISED COST

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

FINANCIAL LIABILITIES - CLASSIFICATION, SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

Financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(C) DERECOGNITION

FINANCIAL ASSETS

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

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

FINANCIAL LIABILITIES

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

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

OFFSETTING

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

(D) IMPAIRMENT POLICY

NON-DERIVATIVE FINANCIAL ASSETS
FINANCIAL INSTRUMENTS AND CONTRACT ASSETS

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortized cost. Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

MEASUREMENT OF ECLS

ECL is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

PRESENTATION OF ALLOWANCE FOR ECL IN THE STATEMENT OF FINANCIAL POSITION

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

3.4 IMPAIRMENT POLICY: NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

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

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

3.5 STATED CAPITAL
ORDINARY SHARES

Ordinary Shares are classified as equity. Incidental costs attributable to the issue of ordinary shares are recognized as an expense.

3.6 PROPERTY, PLANT AND EQUIPMENT

3.6.1 RECOGNITION AND MEASUREMENT

3.6.1.1 BASIS OF RECOGNITION

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

3.6.1.2 BASIS OF MEASUREMENT

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. The cost of property, plant and equipment comprises purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to the working condition of its intended use. This also includes costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that asset. When parts of an item of Property, Plant and Equipment (major components) have different useful lives, they are accounted for as separate items of property, plant and equipment.

SUBSEQUENT MEASUREMENT - COST MODEL

The Group applies the Cost Model to all property, plant and equipment except for freehold land and freehold building and records at cost of purchase together with any incidental expenses thereon, less accumulated depreciation and any accumulate impairment losses.

SUBSEQUENT MEASUREMENT - REVALUATION MODEL

The Group applies the Revaluation Model for the entire class of freehold land and freehold building for measurement after initial recognition. Such properties are carried at revalued amounts, being their fair value at the date of revaluation, less any subsequent accumulated depreciation on buildings subsequent to the date of valuation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land and Buildings do not change other than by a significant amount at each reporting period, the Group will revalue such land and building every five years.

Any surplus arising on the revaluation is recognized in other comprehensive income except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognized in income statement, in which case the credit to that extent is recognized in income statement. Any deficit on revaluation is recognized in income statement except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognized in other comprehensive income. Therefore, revaluation increases, and decreases cannot be offset, even within a class of assets.

3.6.2 SUBSEQUENT COSTS

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

3.6.3 DEPRECIATION

The Group provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on a straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets. Depreciation on revalued classes of assets is based on the remaining useful life of the assets at the time of the revaluation. Land is not depreciated.

Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised as an expense in the Income statement.

Estimated useful lives of significant items of Property, Plant and Equipment are as follows:

Category of Asset	Useful Economics Life Time (Years)
Buildings	40
Plant and Machinery (Excluding the Processing Unit of the Extrusion Lines)	5-25
Solar Power Unit	5
Tools and Equipment	3 -5
Furniture and Fittings	10
Motor Vehicles	5
Computer Equipment	3-5
Processing units of Extrusion Lines	10,000-15,000 operating hours.

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

3.6.4 DE-RECOGNITION

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use. The gains or losses arising on derecognition (disposal or retirement) of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of the assets are recognized net within ‘other income’ in the Statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

3.6.5 REVALUATION SURPLUS ON FREEHOLD LAND AND BUILDINGS

As per section 6 and Chapter IV of the Inland Revenue Act No. 24 of 2017, freehold land and buildings used for business or investment purpose would be liable to tax at the time of realisation. Accordingly, deferred tax is recognised on the revaluation surplus of freehold land and buildings which are treated as capital assets used in the business for tax purposes. In accordance with Sri Lanka Accounting Standards, the deferred tax impact has been charged to retained earnings as the related surplus has been previously added to retained earnings.

3.6.6 CAPITAL WORK-IN-PROGRESS

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work–in–progress whilst, the capital assets which have been completed during the year and put to use have been transferred to property, plant and equipment.

3.7 INTANGIBLE ASSETS

(A) RECOGNITION AND MEASUREMENT

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associate hardware, and can be clearly identified, reliably measured and is probable will lead to future economic benefits are included in the Statement of Financial Position under the category, Intangible Assets, and carried at cost less accumulated amortization and accumulated impairment losses if any.

(B) SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(C) AMORTIZATION

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

The estimated useful life-time in 5 years for all computer software for the current and comparative years.

Amortization methods, useful life-time and residual values are reviewed at each reporting date and adjusted if appropriate.

(D) DE-RECOGNITION

Gains or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

3.8 INVENTORIES

Inventories are valued at the lower of cost or net realizable value under the weighted average method, after recognising provision for non-moving, slow moving items and obsolescence.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of raw materials are determined at purchase price including all expenses incurred in sourcing.

The cost of Work-in-Progress is the value of raw material and direct inputs transferred to production. The cost of finished goods includes raw material cost, direct labour costs and a systematic allocation of fixed and variable production overheads.

NON-MOVING AND SLOW-MOVING INVENTORIES

The management carries out an annual review of the inventories and makes provisions as follows:

NON-MOVING INVENTORIES

80% provision is made on the value of items which have not moved for more than 12 months.

SLOW-MOVING INVENTORIES

50% provision is made on the value of slow-moving items which are in excess of 12 months' average requirements.

MACHINERY SPARES

Provision is made in full for machinery spares which have been carried in stocks for more than 10 years.

3.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturity of three months or less. Bank overdrafts are shown in current liabilities. For purpose of Cash Flow, Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as components of cash and cash equivalents.

3.10 LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances payable after one year from the reporting date.

All known liabilities are accounted for in the statement of financial position.

3.10.1 PROVISIONS

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation, it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognized as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

3.11 EMPLOYEE BENEFITS

(A) DEFINED CONTRIBUTION PLANS - (EMPLOYEES PROVIDENT FUND AND EMPLOYEES TRUST FUND)

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognized as expenses in the profit and loss in the period during which related services are rendered by employees.

EMPLOYEES' PROVIDENT FUND

The Group and employees contribute 12% and 8% respectively on the salary of each employee. The fund is managed by the Central Bank of Sri Lanka.

EMPLOYEE TRUST FUND

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

Contributions to defined contribution plans are recognized as an expense in the Statement of Comprehensive Income as incurred.

(B) DEFINED BENEFIT PLANS

A defined Benefit Plan is a post- employment benefit plan other than a Defined Contribution Plan. The liability recognized in the Statement of Financial Position in respect of a Defined Benefit Plan is the present value of the defined benefit obligation at the Statement of Financial Position date. The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method, as recommended by LKAS 19, Retirement Benefits Obligations.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in the notes to the Financial Statements. This liability is not externally funded and the item is grouped under Non- Current Liabilities in the Statement of Financial Position.

The qualifying remuneration of all permanent employees in considered in the calculation of the defined benefit obligation.

However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service. Liabilities are computed on the basis of half a month's salary for each year of completed service. The Company's obligations under the said Act is determined based on an actuarial valuation using the projected unit credit method carried out by a professional actuary.

Re-measurements of the defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(C) SHORT-TERM EMPLOYEE BENEFITS

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

(D) TERMINATION BENEFITS

Termination benefits are recognized as an expense when the Group and the Company is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group and the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.12 CAPITAL COMMITMENTS AND CONTINGENCIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Financial Statements.

Capital commitments and contingent liabilities of the Group are disclosed in Notes 39 and 38 to the Financial Statements.

4 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4.1 REVENUE RECOGNITION

Revenue is comprised of the invoiced value of goods sold to customers after deduction of trade discounts, but before charging taxes hereon and net off estimated returns.

The amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of product. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group revenue is recognised when a customer obtains control of the goods or services –Determining the timing of the transfer of control – at a point in time or overtime requires judgement.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes and after eliminating sales within the Group.

THE FOLLOWING SPECIFIC CRITERIA ARE USED FOR THE PURPOSE OF RECOGNITION OF REVENUE:

a. Revenue from the sale of goods is recognized in the Statement of Profit or Loss when control of the goods has been transferred to the customers. Recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with trade returns and trade discounts.

b. Interest income is recognized on an accrual basis.

c. Dividend income is recognized when the shareholders' right to receive the payment is established. Dividend income is recognised under finance income.

d. Profit or loss of a revenue nature on the disposal of Property, Plant and Equipment and other non-current assets have been accounted in the Statement of Profit or Loss having deducted from the proceeds on disposal, the carrying amount of the asset and the related selling expenses.

e. Realized gains arising from the derecognition of financial assets measured at fair value through profit and loss is recognised under finance income.

4.2 EXPENDITURE

(I) OPERATING EXPENDITURE

All expenditure incurred in running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to the state Profit & Loss in arriving at the profit for the year. For the purpose of presentation of Statements of Profit or Loss and Other Comprehensive Income, the Directors are of the opinion that the 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 treated as capital expenditure.

Repairs and renewals are recognized in Profit or Loss in the year in which the expenditure is incurred.

(II) FINANCE COST

Interest cost is recognised in the Income Statement as it accrues and is calculated by using the effective interest rate method. The Group's finance cost includes interest expenses on short-term borrowing and other interest expenses.

The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

(III) BORROWING COST

As per the Sri Lanka Accounting Standard - LKAS 23 on 'Borrowing Costs', the Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. A qualifying asset is an asset which takes a substantial period to get ready for its intended use or sale. Other borrowing costs are recognised in the Income Statement in the period in which they occur.

(IV) WARRANTY PROVISION

A provision for warranty claims is recognized when Electrical products are sold. The provision is based on historical claim experience and management's estimate of future warranty obligations. The provision is reviewed periodically and revised as necessary.

4.3 INCOME TAX EXPENSES

Income tax expense comprises both current and deferred tax. Income tax expense is recognised in income statement except to the extent that it relates to items recognised directly in equity, in which case is recognised in the statement of comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

A. CURRENT TAXATION

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

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial Statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the Financial Statements.

B. DEFERRED TAXATION

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- ☑ Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss;
- ☑ Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- ☑ Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

C. TAX EXPOSURES

In determining the amount of current and deferred tax, the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

4.4 BASIC EARNINGS PER SHARE

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

4.5 DIVIDEND DISTRIBUTION

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Group.

4.6 STATEMENT OF CASH FLOWS

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

The Statement of Cash Flows has been prepared using the “indirect method”. Interest paid is classified as an operating cash flow, interest and dividends received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting the Statement of Cash Flow.

4.7 SEGMENT REPORTING

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

Segment information reflects Water Management Products and Electrical Products. Inter segment transfers are based on fair market prices.

The Group's business activities are located in Sri Lanka. Consequently, assets and liabilities by geographic regions are considered not material to be segmented. Expenses that cannot be directly identified to a particular segment are allocated on the basis decided by the management and applied consistently throughout the year.

5 SRI LANKA ACCOUNTING STANDARDS (SLFRS) ISSUED BUT NOT YET EFFECTIVE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/ improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards are allowed, but the Group has not early adopted any of the new or amended standards in the preparation of these Financial Statements.

Accounting Standards (SLFRSs/LKASs) which will become applicable for financial periods beginning on 1st April 2026.

Accordingly, the Group has not applied these standards in preparing these Financial Statements.

SLFRS S1 – General Requirements for Disclosure of Sustainability related financial information.

SLFRS S2 – Climate Related Disclosure.

SLFRS 18 – Presentation and Disclosure in Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

6 REVENUE

For the year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Revenue from Contracts with Customers				
Water Management Products	**5,719,749**	4,803,576	**5,719,749**	4,803,576
Electrical Products	**847,060**	509,526	**847,060**	509,526
Total Revenue	**6,566,809**	5,313,102	**6,566,809**	5,313,102

6.1 In accordance with SLFRS 15 – Revenue from Contracts with Customers, the Company recognises revenue net of estimated variable consideration and customer refund obligations.

6.2 TIMING OF REVENUE RECOGNITION

For the year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Products & services transferred at a point in time	6,566,809	5,313,102	6,566,809	5,313,102
Products & services transferred over time	**-**	-	**-**	-
Total Revenue	**6,566,809**	5,313,102	**6,566,809**	5,313,102

Segmental Information is given in Note 36 to these Financial Statements.

7 OTHER INCOME

For the year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Sale of Scrap and Obsolete items	**1,006**	2,384	**1,006**	2,384
	1,006	2,384	**1,006**	2,384

8 NET FINANCE INCOME

For the year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Dividend Income	**131**	159	**131**	159
Interest Income on Other Investments	**39,047**	5,395	**39,047**	5,395
Disposal Gain on Redemption of Unit Trust Investments	**13,115**	16,632	**13,115**	16,632
Interest Income - Treasury Bills	**12,578**	69,802	**12,578**	69,802
Net Change in Investments valued at Fair Value Through Profit and Loss - Quoted Equity Securities	**-**	3,112	**-**	3,112
Interest Income - Treasury Bond	**44,704**	46,146	**44,704**	46,146
Net Change in Investments valued at Fair Value Through Profit and Loss-Unit Trust	**356**	447	**356**	447
Exchange Gain	**167**	-	**167**	-
Finance Income	**110,098**	141,693	**110,098**	141,693

For the year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Interest Expense on Financial Liabilities	**15,447**	16,901	**15,530**	17,004
Interest Expense on Distributor Security Deposits	**3,293**	3,140	**3,293**	3,140
Net Change in Investments valued at Fair Value Through Profit and Loss - Quoted Equity Securities	**783**	-	**783**	-
Net Foreign Exchange Loss	**-**	36	**-**	36
Stamp Duty	**396**	359	**396**	359
Finance Expense	**19,919**	20,436	**20,002**	20,539
Net Finance Income	**90,179**	121,257	**90,096**	121,154

9 PROFIT BEFORE TAXATION

The profit before taxation for the year is stated after charging all expenses including the following:

For the year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Directors' Emoluments	**36,990**	32,260	**36,990**	32,260
Auditors' Remuneration - Statutory Audit - KPMG	**930**	832	**930**	832
- Non Audit Services	**174**	288	**174**	288
Depreciation on Property Plant & Equipment (Note 13)	**90,335**	87,559	**90,335**	87,559
Amortization of Intangible Assets (Note 14)	**1,141**	1,037	**1,141**	1,037
Donations	**83**	32	**83**	32
Legal Expenses	**1,977**	1,866	**1,977**	1,866
Net Impairment/(Reversal) for Trade Receivables (Note 18.1)	**606**	(2,878)	**606**	(2,878)
Reversal of provision for slow-moving and obsolete Inventories (Note 17.1)	**(14,774)**	(50,225)	**(14,774)**	(50,225)
Write-down of inventory to Net Realizable Value (Note 17.2)	**(2,867)**	(915)	**(2,867)**	(915)
Personnel Costs				
Remuneration	**283,203**	244,471	**283,203**	244,471
Defined Contribution Plans - EPF	**34,029**	29,336	**34,029**	29,336
Defined Contribution Plans - ETF	**8,509**	7,334	**8,509**	7,334
Defined Benefit Plans (Note 25.2)	**16,097**	16,446	**16,097**	16,446

10 INCOME TAXES

10.1 AMOUNTS RECOGNISED IN PROFIT OR LOSS

For the year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Current Tax Expense				
Income Tax on Current Year's Profits (Note 10.3)	**284,443**	220,199	**284,443**	220,199
Income Tax Over Provision for Prior Year	**(2)**	(7,237)	**(2)**	(7,237)
	284,441	212,962	**284,441**	212,962
Deferred tax expense				
Reversal/(Origination) of Deferred Tax Assets (Note 26.1)	**2,795**	11,107	**2,795**	11,107
(Reversal)/Origination of Deferred Tax Liability (Note 26.2)	**(2,526)**	(1,936)	**(2,526)**	(1,936)
	269	9,171	**269**	9,171
Income Tax Expense recognised in Profit or Loss	**284,710**	222,133	**284,710**	222,133

10.2 AMOUNTS RECOGNIZED IN OTHER COMPREHENSIVE INCOME

For the year ended 31st March	2026			2025		
(In Thousands of Rupees)	Value Before Tax	Tax (Expenses)/ Benefit	Net of Tax	Value Before Tax	Tax (Expenses)/ Benefit	Net of Tax
GROUP						
Item that will not be reclassified to profit or loss						
Actuarial Gain on Defined Benefit Obligations	**3,794**	**(1,138)**	**2,656**	3,098	(929)	2,169
	3,794	**(1,138)**	**2,656**	3,098	(929)	2,169
COMPANY						
Item that will not be reclassified to profit or loss						
Actuarial Gain on Defined Benefit Obligations	**3,794**	**(1,138)**	**2,656**	3,098	(929)	2,169
	3,794	**(1,138)**	**2,656**	3,098	(929)	2,169

10.3 RECONCILIATION OF ACCOUNTING PROFITS AND TAXABLE INCOME

For the year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Profit Before Taxation	**935,813**	770,002	**935,790**	769,966
Other Source of Income	**(110,098)**	(141,693)	**(110,098)**	(141,693)
Aggregate Disallowed Expenses	**128,340**	105,462	**128,363**	105,498
Aggregate Allowed Expenses	**(115,354)**	(137,748)	**(115,354)**	(137,748)
Assessable Income from Business	**838,701**	596,023	**838,701**	596,023
Assessable Interest Income	**109,441**	137,974	**109,441**	137,974
Taxable Income	**948,142**	733,997	**948,142**	733,997
Current Tax at 30%	**284,443**	220,199	**284,443**	220,199
Total Income Tax on Current Year's Taxable Income	**284,443**	220,199	**284,443**	220,199

10.4 APPLICABLE INCOME TAX RATES AS PER THE DEPARTMENT OF INLAND REVENUE

The Group/ Company is liable to pay income tax on its taxable income at 30% as per the Inland Revenue (Amendment) Act No 45 of 2022 (2025-30%).

10.5 RECONCILIATION OF EFFECTIVE TAX RATE

For the year ended 31st March	GROUP			
(In Thousands of Rupees)	2026		2025	
Profit Before Taxation	**935,813**		770,002	
Income Tax Using the Domestic Tax Rate	**280,744**	**30%**	231,001	30%
Other Source of Income	**(33,029)**	**-4%**	(42,508)	-6%
Aggregate Disallowed Expenses	**38,502**	**4%**	31,639	4%
Aggregate Allowed Expenses	**(34,606)**	**-4%**	(41,324)	-5%
	251,611	**27%**	178,808	23%
Other Statutory Income	**32,832**	**4%**	41,391	5%
Total Statutory Income	**284,443**	**30%**	220,200	29%
Adjustment For Prior Years	**(2)**	**0%**	(7,237)	-1%
Current Tax on Profit for the Year	**284,441**	**30%**	212,963	28%
Provision of Deferred Tax	**269**	**0%**	9,171	1%
Total Income Tax Expense	**284,710**	**30%**	222,134	29%

For the year ended 31st March	COMPANY			
(In Thousands of Rupees)	2026		2025	
Profit Before Taxation	**935,790**		769,966	
Income Tax Using the Domestic Tax Rate	**280,737**	**30%**	230,990	30%
Other Source of Income	**(33,029)**	**-4%**	(42,508)	-6%
Aggregate Disallowed Expenses	**38,509**	**4%**	31,649	4%
Aggregate Allowed Expenses	**(34,606)**	**-4%**	(41,324)	-5%
	251,611	**27%**	178,807	23%
Other Statutory Income	**32,832**	**4%**	41,392	5%
Total Statutory Income	**284,443**	**30%**	220,199	29%
Adjustment For Prior Years	**(2)**	**0%**	(7,237)	-1%
Current Tax on Profit for the Year	**284,441**	**30%**	212,962	28%
Provision of Deferred Tax	**269**	**0%**	9,171	1%
Total Income Tax Expense	**284,710**	**30%**	222,133	29%

11 BASIC EARNINGS PER SHARE

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent entity by the weighted average number of ordinary shares in issue during the year.

The following reflect the profit and share data used in the Basic Earnings Per Share computation:

For the year ended 31st March,	GROUP		COMPANY	
	2026	2025	2026	2025
Profit attributable to Ordinary Shareholders (Rs'000)	**651,103**	547,869	**651,080**	547,833
Weighted Average Number of Ordinary Shares (Note 11.1)	**24,195,193**	24,195,193	**24,195,193**	24,195,193
Basic Earnings Per Share (Rs.)	**26.91**	22.64	**26.91**	22.64

11.1 WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES

For the year ended 31st March,	GROUP		COMPANY	
	2026	2025	2026	2025
Issued ordinary shares at as at beginning of the year	**24,195,193**	24,195,193	**24,195,193**	24,195,193
Weighted-average number of ordinary shares as at 31st March	**24,195,193**	24,195,193	**24,195,193**	24,195,193

11.2 DILUTED EARNING PER SHARE

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted Earnings Per Share is the same as Basic Earnings Per Share shown above.

12 DIVIDENDS PER SHARE

12.1 DIVIDEND DECLARED AND PAID DURING THE YEAR

The final dividend declared for the year ended 31st March 2025 of Rs. 6.00 per share amounting to Rs. 145,171,158 by way of cash dividend. (2024: Rs. 145,171,158 by way of cash dividend)

12.2 COMPLIANCE WITH SECTION 56 AND 57 OF THE COMPANIES ACT NO. 7 OF 2007

As required by Section 56 of the Companies Act, No.7 of 2007, the Board of Directors of the Company has certified that the Company satisfies the Solvency Test in accordance with the Section 57, prior to recommending the first and final dividend for the year ended 31st March 2025. A statement of solvency completed and duly signed by the Directors has been audited by M/S KPMG, Chartered Accountants.

For the year ended 31st March,	GROUP		COMPANY	
	2026	2025	2026	2025
Dividend paid (Rs.'000)	**145,171**	145,171	**145,171**	145,171
Weighted-average number of ordinary shares	**24,195,193**	24,195,193	**24,195,193**	24,195,193
Dividend per Share (Rs.)	**6**	6	**6**	6

13 PROPERTY, PLANT AND EQUIPMENT

GROUP (In Thousands of Rupees)	Freehold Land	Freehold Buildings	Solar Power Generation	Plant and Machinery	Processing Units of extrusion Lines	Tools & Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Total 2025/26	Total 2024/25
Cost / Revaluation											
As at 1st April 2025	560,930	434,694	103,141	632,339	65,808	58,946	4,492	21,284	37,667	**1,919,301**	1,860,882
Additions during the year	-	-	-	47,699	3,361	8,972	826	-	3,853	**64,711**	41,652
Transfers from Capital Work-in-Progress	-	22,525	2,285	-	-	-	-	-	-	**24,810**	20,024
Written off during the year	-	-	-	-	-	(38)	-	-	-	**(38)**	(3,256)
Disposals during the year	-	-	-	(12,957)	-	(2,956)	(115)	-	(2,593)	**(18,621)**	-
As at 31st March 2026	560,930	457,219	105,426	667,081	69,169	64,924	5,203	21,284	38,927	**1,990,163**	1,919,302
Accumulated Depreciation											
As at 1st April 2025	-	14,148	32,173	448,956	43,501	52,318	2,831	21,261	25,377	**640,565**	556,256
Charge for the year	-	14,618	20,821	41,194	5,463	3,079	346	23	4,791	**90,335**	87,559
Deprecation on assets Written-off	-	-	-	-	-	(38)	-	-	-	**(38)**	(3,250)
Deprecation on disposals during the year	-	-	-	(12,957)	-	(2,956)	(106)	-	(2,593)	**(18,612)**	-
As at 31st March 2026	-	28,766	52,994	477,193	48,964	52,403	3,071	21,284	27,575	**712,250**	640,565
Net Carrying Amount	560,930	428,453	52,432	189,888	20,205	12,521	2,132	-	11,352	**1,277,913**	1,278,737
Capital Work in progress (Note 13.12)	-	2,223	-	-	-	-	-	-	-	**2,223**	11,500
Property, Plant and Equipment	560,930	430,676	52,432	189,888	20,205	12,521	2,132	-	11,352	**1,280,136**	1,290,237

COMPANY (In Thousands of Rupees)	**Freehold Land**	**Freehold Buildings**	**Solar Power Generation**	**Plant and Machinery**	**Processing Units of extrusion Lines**	**Tools & Equipment**	**Furniture & Fittings**	**Motor Vehicles**	**Computer Equipments**	**Total 2025/26**	**Total 2024/25**
Cost / Revaluation											
As at 1st April 2025	560,930	434,694	103,141	628,773	65,808	58,946	4,492	21,284	37,667	**1,915,735**	,857,316
Additions during the year	-	-	-	47,699	3,361	8,972	826	-	3,853	**64,711**	41,652
Transfers from Capital Work-in-Progress	-	22,525	2,285	-	-	-	-	-	-	**24,810**	20,024
Written off during the year	-	-	-	-	-	(38)	-	-	-	**(38)**	(3,256)
Disposals during the year	-	-	-	(12,957)	-	(2,956)	(115)	-	(2,593)	**(18,621)**	-
As at 31st March 2026	560,930	457,219	105,426	663,515	69,169	64,924	5,203	21,284	38,927	**1,986,597**	1,915,736
Accumulated Depreciation											
As at 1st April 2025	-	14,148	32,173	445,390	43,501	52,318	2,831	21,261	25,377	**636,999**	552,690
Charge for the year	-	14,618	20,821	41,194	5,463	3,079	346	23	4,791	**90,335**	87,559
Deprecation on assets Written-off	-	-	-	-	-	(38)	-	-	-	**(38)**	(3,250)
Deprecation on disposals during the year	-	-	-	(12,957)	-	(2,956)	(106)	-	(2,593)	**(18,612)**	-
As at 31st March 2026	-	28,766	52,994	473,627	48,964	52,403	3,071	21,284	27,575	**708,684**	636,999
Net Carrying Amount	560,930	428,453	52,432	189,888	20,205	12,521	2,132	-	11,352	**1,277,913**	1,278,737
Capital Work in progress (Note 13.12)	-	2,223	-	-	-	-	-	-	-	**2,223**	11,500
Property, Plant and Equipment	560,930	430,676	52,432	189,888	20,205	12,521	2,132	-	11,352	**1,280,136**	1,290,237

13.1 FULLY DEPRECIATED PROPERTY, PLANT AND EQUIPMENT IN USE

Property, Plant and Equipment includes fully depreciated assets which are in the use of normal business activities having a cost of Rs. 322 Mn. (2024/2025 Rs. 308 Mn).

13.2 TITLE RESTRICTION ON PROPERTY, PLANT AND EQUIPMENT

There are no restrictions that existed on the title of the PPE of the Company as at the reporting date except assets disclosured under note 13.6.

13.3 ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT DURING THE YEAR

During the financial year, the Group acquired PPE for the aggregate value of Rs. 64.71 Mn (2024/2025 - Rs. 41.65 Mn) by means of cash.

13.4 CAPITALISATION OF BORROWING COST

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2025/2026 (2024/2025 – Nil).

13.5 TEMPORARILY IDLE PROPERTY, PLANT AND EQUIPMENT

There is no temporarily idle property, plant or equipment as at the reporting date. (2024/2025 - Nil)

13.6 PROPERTY, PLANT AND EQUIPMENT PLEDGED AS SECURITY FOR LIABILITIES

The value of the property, plant and equipment pledged as security against borrowings as follows,

Bank	Facilities Available
Public Bank Ltd	Overdraft, Import Loan and Guarantee facilities for Rs. 80 Mn. (Negative Pledge of book value of PPE Rs.1,278 Mn)

13.7 VALUATION OF LANDS AND BUILDINGS

The Group uses the revaluation model of measurement for lands and buildings. The Group engaged Mr. Anuradha Senevirathne - MRICS (UK), FIV (Sri Lanka), an independent valuer, to determine the fair value of its lands and buildings. Fair value is determined by reference to market-based evidence. Valuations are based on open market rates, adjusted for any difference in the nature, location or condition of the specific property. The date of the most recent valuation was 31st March 2024. Directors' are on the view that there are no significant changes to the fair value of freehold land and buildings as at 31st March 2026.

13.8 FAIR VALUE HIERARCHY

The fair value of the Land and Building was determined by an external independent property valuer, Mr. Anuradha Senevirathne - MRICS (UK), FIV (Sri Lanka), having appropriate recognised professional qualifications and experience in the category of the property being valued. The valuer provides the fair value of the property. Based on the valuation techniques used it has been classified under Level 3 in fair value hierarchy. Valuation techniques and significant unobservable inputs are disclosed under notes 13.9 and 13.10.

13.9 THE DETAILS OF FREEHOLD LAND AND BUILDINGS WHICH ARE STATED AT VALUATION ARE AS FOLLOWS;

GROUP Location	Extent perches (Land)	Square feet (Building)	No of buildings	Method of valuation	Effective date of valuation	Name of the independent professional valuer/ location and address	Revalued amount	Net book value before revaluation	Revaluation gain/(Loss)
13.9 A. FREEHOLD LAND CARRIED AT REVALUED AMOUNT									
Factory- 195/4, Kerawalapitiya Road, Hendala Wattala	3A-1R-2P	-	-	Market comparable method	31-Mar-24	Mr. Anuradha Senevirathne - MRICS (UK), FIV (Sri Lanka)	365,470	313,260	52,210
Head Office-312, Nawala Road, Rajagiriya	18 Perches	-	-		31-Mar-24		112,000	96,000	16,000
Land-No 07, Elhena Junction, Warapalana, Udathuththiripitiya	8A-2R- 31 P	-	-		31-Mar-24	No. 59/3, Urapola, Pilimathalawa, Kandy	83,460	62,596	20,864
							560,930	471,856	89,074
13.9 B. FREEHOLD BUILDINGS CARRIED AT REVALUED AMOUNT									
Factory- 195/4, Kerawalapitiya Road, Hendala Wattala	-	65,429 Sq.ft	16	Contractor's method	31-Mar-24	Mr. Anuradha Senevirathne - MRICS (UK), FIV (Sri Lanka)	121,486	72,395	49,091
Head Office-312, Nawala Road, Rajagiriya	-	14,525 Sq.ft	1		31-Mar-24		76,000	44,483	31,517
Land-No 07, Elhena Junction, Warapalana, Udathuththiripitiya	-	62,271 Sq.ft	3		31-Mar-24	No. 59/3, Urapola, Pilimathalawa, Kandy	237,208	203,178	34,030
							434,694	320,056	114,638

13.10 VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS USED IN MEASURING FAIR VALUE

The following table shows the valuation techniques used in measuring fair values, the significant unobservable inputs and sensitivity of the fair value measurement to changes in significant unobservable inputs.

GROUP Property	Effective date of valuation	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs	Interrelationship between key unobservable inputs and Fair value measurement	Sensitivity of the fair value measurement to inputs
13.10 A. FREEHOLD LAND						
Factory- 195/4, Kerawalapitiya Road, Hendala Wattala	31-Mar-24	Market comparable method	Market value per perch	Rs. 700,000	Positive correlated sensitivity	Estimated fair value would increase/ (decrease) if price per perch would increase /(decrease)
Head Office-312, Nawala Road,Rajagiriya	31-Mar-24			Rs. 6,500,000		
Land-No 07, Elhena Junction, Warapalana,Udathuththiripitiya	31-Mar-24			Rs. 60,000		
13.10 B. FREEHOLD BUILDINGS						
Factory- 195/4, Kerawalapitiya Road, Hendala Wattala	31-Mar-24	Contractor's method	Rate per square foot for building	Between Rs. 500 - Rs. 2,000	Positive correlated sensitivity	Estimated fair value would increase/ (decrease) if Rate per square foot would increase /(decrease)
Head Office-312, Nawala Road,Rajagiriya	31-Mar-24			Rs. 5,250		
Land-No 07, Elhena Junction, Warapalana,Udathuththiripitiya	31-Mar-24			Between Rs. 3,500 - Rs. 4,500		

MARKET COMPARABLE METHOD

This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property. In this process outlier transactions, indicative of particular motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.

CONTRACTOR'S METHOD

The valuation model considers reconstructing a new building of similar structure and design based on current market prices for material, labour and present construction techniques and thereafter adjusting the depreciation due to use, age and obsolescence through market changes.

13.11 IF LANDS AND BUILDINGS WERE STATED AT HISTORICAL COST, THE AMOUNTS WOULD HAVE BEEN AS FOLLOWS;

The carrying amount of Group's freehold land and buildings that would have been included in the Financial Statements if the freehold land and buildings have been carried at cost less depreciation is as follows,

FREEHOLD LAND

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Cost as at 1st April	**44,256**	44,256	**44,256**	44,256
Carrying value as at 31st March	**44,256**	44,256	**44,256**	44,256

FREEHOLD BUILDING

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Cost as at 1st April	**89,341**	165,943	**89,341**	165,943
Additions during the year	**22,525**	18,125	**22,525**	18,125
Accumulated Depreciation	**(103,451)**	(94,727)	**(103,451)**	(94,727)
Carrying value as at 31st March	**8,415**	89,341	**8,415**	89,341

13.12 CAPITAL WORK - IN - PROGRESS

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance as at 1st April	**11,500**	1,500	**11,500**	1,500
Additions during the Year	**15,533**	30,023	**15,533**	30,023
Transfrred to Property, Plant and Equipment	**(24,810)**	(20,023)	**(24,810)**	(20,023)
Balance as at 31st March	**2,223**	11,500	**2,223**	11,500

Capital work in progress represents the amount of expenditure recognised under property, plant and equipment during the design and construction of Road network at Yakkala Factory.

14 INTANGIBLE ASSETS

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Cost				
Balance as at 1st April	**9,132**	8,624	**9,132**	8,624
Additions during the year	**484**	508	**484**	508
Balance at 31st March	**9,616**	9,132	**9,616**	9,132
Accumulated Amortisation				
Balance at 1st April	**5,343**	4,306	**5,343**	4,306
Charge for the year	**1,141**	1,037	**1,141**	1,037
Balance at 31st March	**6,484**	5,343	**6,484**	5,343
Carrying Value as at 31st March	**3,132**	3,789	**3,132**	3,789

Intangible assets consists of computer software acquired by the Group/Company.

15 FINANCIAL ASSETS AT AMORTIZED COST

Financial Assets at amortized cost represents Treasury Bonds received during 2023/24 at an effective interest rate of 23.24% in lieu of outstanding receivable from the National Water Supply and Drainage Board of Sri Lanka for the value of Rs. 189 Mn. The Financial Asset is measured at amortized Cost as at 31st March 2026 for the value of Rs. 194.7 Mn. (2025 : Rs.193.46 Mn).

16 INVESTMENT IN SUBSIDIARY

As at 31st March	**2026**	**2025**
(In Thousands of Rupees)		
Polymer Technologies (Pvt) Limited (100,000 Ordinary Shares -100% at cost)	**1,000**	1,000
	1,000	1,000

Polymer Technologies (Pvt) Limited did not carry out any commercial operations during the year. The Board is of the view that there is no requirement for any impairment of the investments in the Polymer Technology as at the reporting date based on the assessment of the net asset value.

17 INVENTORIES

As at 31st March	**GROUP**		**COMPANY**	
(In Thousands of Rupees)	**2026**	**2025**	**2026**	**2025**
Raw Materials	**1,006,812**	458,496	**1,006,812**	458,496
Work-in-Progress	**33,270**	10,824	**33,270**	10,824
Finished Goods	**382,801**	386,462	**382,801**	386,462
Machinery Spares	**23,263**	21,106	**23,263**	21,106
Consumable Stock and By products	**632**	1,634	**632**	1,634
Goods-in-Transit	**256,374**	166,515	**256,374**	166,515
	1,703,152	1,045,037	**1,703,152**	1,045,037
Less :- Provision for non-moving and slow moving				
Inventories (Note 17.1)	**(65,168)**	(79,942)	**(65,168)**	(79,942)
	1,637,984	965,095	**1,637,984**	965,095

17.1 PROVISION FOR NON-MOVING AND SLOW MOVING INVENTORIES

As at 31st March	**GROUP**		**COMPANY**	
(In Thousands of Rupees)	**2026**	**2025**	**2026**	**2025**
Balance as at 1st April	**79,942**	130,167	**79,942**	130,167
Reversal during the year	**(14,774)**	(50,225)	**(14,774)**	(50,225)
Balance as at 31st March	**65,168**	79,942	**65,168**	79,942

17.2 THE AMOUNT RECOGNISED IN THE PROFIT AND LOSS AS EXPENSE

As at 31st March	**GROUP**		**COMPANY**	
(In Thousands of Rupees)	**2026**	**2025**	**2026**	**2025**
The Amount of inventories recognised as an expense during the year	**4,077,714**	3,268,267	**4,077,714**	3,268,267
Reversal of provision for slow-moving and obsolete Inventories	**(14,774)**	(50,225)	**(14,774)**	(50,225)
Write-down of inventory to Net Realizable Value	**(2,867)**	(915)	**(2,867)**	(915)

17.3 FACILITIES AVAILABLE FROM BANKS AGAINST A NEGATIVE PLEDGE OVER THE COMPANY'S INVENTORIES

Bank	Facilities Available
Hatton National Bank PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs. 1,000 Mn
Commercial Bank of Ceylon PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs. 1,169.40 Mn
Seylan Bank PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs. 1,100 Mn
Pan Asia Banking Corporation PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs. 270 Mn
Sampath Bank PLC	Short Term Loan, Overdraft, Import Loan for Rs. 500 Mn
Union Bank of Colombo PLC	Short Term Loan, Overdraft, Import Loan for Rs. 250 Mn

18 TRADE AND OTHER RECEIVABLES

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Trade Receivables	**1,957,286**	1,412,811	**1,956,723**	1,412,248
Provision for Impairment (Note 18.1)	**(45,318)**	(47,046)	**(44,822)**	(46,550)
	1,911,968	1,365,765	**1,911,901**	1,365,698
Deposits	**9,283**	31,340	**9,283**	31,340
Advances and Prepayments (Note 18.2)	**143,081**	154,225	**143,081**	154,225
Other Receivables (Note 18.3)	**1,039**	1,468	**1,039**	1,468
	2,065,371	1,552,798	**2,065,304**	1,552,731

18.1 PROVISION FOR IMPAIRMENT

Balance as at 1st April	**47,046**	50,142	**46,550**	49,646
Provision recognised during the year	**4,349**	17,718	**4,349**	17,718
Reversal during the year	**(3,743)**	(20,596)	**(3,743)**	(20,596)
Write-off of previously impaired Debtors	**(2,334)**	(218)	**(2,334)**	(218)
Balance at 31st March	**45,318**	47,046	**44,822**	46,550

There is no enforcement activities relating to the write-off of debtors during the year.

18.2 Advances and Prepayments include the advance payment made to suppliers.

18.3 OTHER RECEIVABLES	2026	2025	2026	2025
Other Receivables	**2,526**	2,955	**2,526**	2,955
Provision for Impairment	**(1,487)**	(1,487)	**(1,487)**	(1,487)
	1,039	1,468	**1,039**	1,468

19 INVESTMENT VALUED AT FAIR VALUE THROUGH PROFIT AND LOSS

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Investment in Quoted Equity Securities (19.1)	**11,394**	12,177	**11,394**	12,177
Investment in Unit Trust (19.2)	**87,935**	81,464	**87,935**	81,464
	99,329	93,641	**99,329**	93,641

19.1 INVESTMENTS IN QUOTED EQUITY SECURITIES

	GROUP/COMPANY					
(In Thousands of Rupees)	No of Shares	Cost	Market value as at 31.03.2026	No of Shares	Cost	Market value as at 31.03.2025
Hemas Holding PLC	**6,475**	**73**	**192**	1,295	73	155
Lanka Tiles PLC	**20,000**	**1,378**	**914**	20,000	1,378	1,014
Browns Investment PLC	**340,000**	**2,862**	**2,075**	340,000	2,862	2,482
LOLC Holdings PLC	**10,500**	**5,886**	**5,562**	10,500	5,886	6,245
Royal Ceramics Lanka PLC	**61,586**	**2,641**	**2,648**	61,586	2,641	2,279
Sarvodaya Development Finance PLC	**100**	**2**	**3**	100	2	2
		12,842	**11,394**		12,842	12,177

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance as at 1st April	**12,177**	11,608	**12,177**	11,608
Sales during the year	**-**	(2,543)	**-**	(2,543)
Fair Value (loss)/gain for the year	**(783)**	3,112	**(783)**	3,112
Balance as at 31st March	**11,394**	12,177	**11,394**	12,177

19.2 INVESTMENTS IN UNIT TRUST

	GROUP/COMPANY							
(In Thousands of Rupees)	No of Units	Cost	Price	Fair value as at 31.03.2026	No of Units	Cost	Price	Fair value as at 31.03.2025
NDB Wealth Income Fund	**459,581**	**15,995**	**35**	**16,221**	-	-	-	-
NDB Wealth Money Plus Fund	**1,685,723**	**71,584**	**43**	**71,714**	2,272,869	81,017	36	81,464
	2,145,304	**87,579**	**78**	**87,935**	2,272,869	81,017	36	81,464

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Fair value as at 1st April	**81,464**	163,385	**81,464**	163,385
Investments made during the year	**2,006,000**	2,200,000	**2,006,000**	2,200,000
Redemption made during the year	**(2,013,000)**	(2,299,000)	**(2,013,000)**	(2,299,000)
Disposal Gain on sales of Unit Trust Investments	**13,115**	16,632	**13,115**	16,632
Fair Value on re-measurement	**356**	447	**356**	447
Fair Value of Unit Trust as at 31st March	**87,935**	81,464	**87,935**	81,464

20 CASH AND CASH EQUIVALENTS

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Cash in Hand	**395**	370	**395**	370
Cash at Bank	**111,225**	79,458	**111,102**	79,334
Cash and Cash Equivalents in the Statement of Financial Position	**111,620**	79,828	**111,497**	79,704
Cash and Cash Equivalents in the Statement of Cash flows	**111,620**	79,828	**111,497**	79,704

21 INVESTMENT MEASURED AT AMORTIZED COST

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Deposits with financial institutions at amortised cost	**377,494**	171,093	**377,494**	171,093
Investment in treasury bills (LCY) at amortised cost	**-**	713,120	**-**	713,120
	377,494	884,213	**377,494**	884,213

22 STATED CAPITAL

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Issued and fully paid Ordinary Shares	**453,539**	453,539	**453,539**	453,539

22.1 MOVEMENT IN NUMBER OF ORDINARY SHARES

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Issued ordinary shares at as at the beginning of the year	**24,195,193**	24,195,193	**24,195,193**	24,195,193
Shares issued as a scrip dividend	**-**	-	**-**	-
Number of ordinary shares at 31 March	**24,195,193**	24,195,193	**24,195,193**	24,195,193

22.2 MOVEMENT IN STATED CAPITAL

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Issued ordinary shares at as at the beginning of the year	**453,539**	453,539	**453,539**	453,539
Number of ordinary shares at 31 March	**453,539**	453,539	**453,539**	453,539

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

23 REVALUATION RESERVE

The revaluation reserve relates to freehold land and buildings which has been revalued by the Group.

For the Year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance as at 1st April	**514,461**	518,147	**514,461**	518,147
Depreciation on Revaluation Surplus	**(6,294)**	(5,574)	**(6,294)**	(5,574)
Deferred Tax on Revaluation Surplus	**1,888**	1,888	**1,888**	1,888
Balance as at 31st March	**510,055**	514,461	**510,055**	514,461

24 GENERAL RESERVE

The General Reserve represents the amount set aside by the Group/Company for future expansion and contingencies.

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
General Reserve	**100,814**	100,814	**100,814**	100,814
	100,814	100,814	**100,814**	100,814

25 RETIREMENT BENEFIT OBLIGATIONS

For the Year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Retirement benefit obligation	**87,487**	82,431	**87,487**	82,431
	87,487	82,431	**87,487**	82,431

25.1 MOVEMENT IN PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATIONS

For the Year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Retirement Benefit Obligation as at 1st April	**82,431**	73,078	**82,431**	73,078
Included in profit or loss				
Current Service Cost and Interest Cost (Note 25.2)	**16,097**	16,446	**16,097**	16,446
Included in other comprehensive income				
Actuarial Gain (Note 25.3)	**(3,794)**	(3,098)	**(3,794)**	(3,098)
	94,734	86,426	**94,734**	86,426
Payments during the year	**(7,247)**	(3,995)	**(7,247)**	(3,995)
Retirement benefit obligation at 31st March	**87,487**	82,431	**87,487**	82,431

The provision for Retirement Benefits Obligations as at 31st March 2026 is based on the actuarial valuation carried out by professionally qualified actuaries, Mr. Pushpakumar Gunasekara , an Actuary/Associate of Institute of Acturies of Australia, using “Projected Unit Credit” (PUC) method, the method recommended by the Sri Lanka Accounting Standard – LKAS 19 on Retirement Benefit Obligations.

The actuarial present value of the promised retirement benefits as at 31st March 2026 amounted to Rs. 87,487,058/-

25.2 AMOUNTS RECOGNISED IN PROFIT OR LOSS

For the year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Current Service cost	**7,854**	7,311	**7,854**	7,311
Interest Cost	**8,243**	9,135	**8,243**	9,135
	16,097	16,446	**16,097**	16,446

25.3 AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

For the year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Actuarial Gain during the year	**(3,794)**	(3,098)	**(3,794)**	(3,098)
	(3,794)	(3,098)	**(3,794)**	(3,098)

25.4 ACTUARIAL ASSUMPTIONS

The following are the principle assumptions used by the valuer for the valuation as at 31st March 2026.

For the year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Discount rate	**9.75%**	10%	**9.75%**	10%
A Long-Term treasury bond rate of 12.50% P.a.(2024-17.75%) was used to discount future liability taking in to consideration the remaining working life of employees				
Expected Future salary increases	**10%**	10%	**10%**	10%
Staff turnover rate	**19%**	20.50%	**19%**	20.50%
Retirement age (Years)	**60**	60	**60**	60
Weighted average retirement age	**4.92 years**	4.36 years	**4.92 years**	4.36 years

Other assumptions regarding future mortality are based on A67-70 (Ultimate) UK Assured Lives Table.

The gratuity liability is not externally funded.

It is also assumed that the company will continue in business as a going concern.;

25.5 SENSITIVITY OF ASSUMPTIONS EMPLOYED IN THE ACTUARIAL VALUATION

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

For the year ended 31st March	2026		2025	
(In Thousands of Rupees)	Effect on defined benefit liability	Estimated defined benefit liability	Effect on defined benefit liability	Estimated defined benefit liability
Discount rate				
1% increase in discount rate	**(2,518)**	**84,969**	(2,290)	80,141
1% decrease in discount rate	**2,716**	**90,203**	2,467	84,898

For the year ended 31st March	2026		2025	
(In Thousands of Rupees)	Effect on defined benefit liability	Estimated defined benefit liability	Effect on defined benefit liability	Estimated defined benefit liability
Salary increment rate				
1% increase in salary increment rate	**3,070**	**90,557**	2,811	85,242
1% decrease in salary increment rate	**(2,900)**	**84,587**	(2,658)	79,774

25.6 MATURITY ANALYSIS OF PAYMENTS

The following payments are expected on defined benefit obligation in future years.

For the year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Within next 12 months	**25,511**	23,509	**25,511**	23,509
Between 1-2 years	**1,090**	2,047	**1,090**	2,047
Between 2-5 years	**45,493**	56,875	**45,493**	56,875
Between 5-10 years	**15,393**	-	**15,393**	-
	87,487	82,431	**87,487**	82,431

26 DEFERRED TAXATION

As at 31st March	GROUP		COMPANY	
(In Thousands of rupees)	2026	2025	2026	2025
Deferred Tax Liabilities - Note 26.1	**220,414**	222,940	**220,414**	222,940
Deferred Tax Assets - Note 26.2	**(61,027)**	(64,960)	**(61,027)**	(64,960)
	159,387	157,980	**159,387**	157,980

26.1 DEFERRED TAX ASSETS

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance at the beginning of the year	**64,960**	76,996	**64,960**	76,996
Reversal during the year - Profit or Loss	**(2,795)**	(11,107)	**(2,795)**	(11,107)
Reversal during the year - Other Comprehensive Income	**(1,138)**	(929)	**(1,138)**	(929)
Balance at the end of the year	**61,027**	64,960	**61,027**	64,960

26.2 DEFERRED TAX LIABILITIES

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance at the beginning of the year	**222,940**	224,876	**222,940**	224,876
Reversal during the year - Profit or Loss	**(2,526)**	(1,936)	**(2,526)**	(1,936)
Balance at the end of the year	**220,414**	222,940	**220,414**	222,940

26.3 PROVISION FOR THE YEAR

For the Year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Reversal/(Provision) during the year recognized in Profit or Loss	**269**	(9,171)	**269**	(9,171)
Provision during the year recognized in Other Comprehensive Income	**(1,138)**	(929)	**(1,138)**	(929)
Reversal during the year recognized in Comprehensive Income	**(869)**	(10,100)	**(869)**	(10,100)

26.4 RECONCILIATION OF DEFERRED TAX EFFECT ON TEMPORARY DIFFERENCES

As at 31st March,	2026		2025	
(In Thousands of Rupees)	Deductible/ (taxable) Temporary Difference	Tax effect on temporary difference	Deductible/ (taxable) Temporary Difference	Tax effect on temporary difference
COMPANY				
Temporary Difference on Property Plant & Equipment	**(243,722)**	**(73,116)**	(248,344)	(74,504)
Temporary Difference on Revaluation of Land and Buildings	**(494,787)**	**(148,436)**	(494,788)	(148,436)
Temporary Difference on Retirement Benefit Obligations	**87,487**	**26,246**	82,431	24,729
Temporary Difference on provision for slow-moving inventories	**65,168**	**19,550**	79,942	23,982
Temporary Difference on Provision for impairment of trade & other receivables	**46,309**	**13,894**	48,037	14,411
Temporary Difference on Provision for Warranty Claims	**8,251**	**2,475**	6,125	1,838
	(531,294)	**(159,387)**	(526,603)	(157,980)

27 TRADE CREDITORS

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Local Suppliers	**64,522**	59,184	**64,456**	59,117
Foreign Suppliers	**-**	68	**-**	68
Balance as at 31st March	**64,522**	59,252	**64,456**	59,185

28 OTHER PAYABLES

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Accrued Expenses	**193,587**	143,336	**193,481**	143,233
Distributor Security Deposits	**58,050**	40,585	**58,050**	40,585
Other Liabilities	**190,768**	80,661	**190,758**	80,647
Balance as at 31st March	**442,405**	264,582	**442,289**	264,465

29 WARRANTY PROVISION

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance as at 1st April	**6,125**	3,765	**6,125**	3,765
Provision made during the year	**3,897**	3,155	**3,897**	3,155
Warranty claim paid during the year	**(1,771)**	(795)	**(1,771)**	(795)
Balance as at 31st March	**8,251**	6,125	**8,251**	6,125

Warranty provision is recognised for expected warranty claims of 0.5% on electrical products sales.

30 LOANS AND BORROWINGS

For the year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Current				
Term Loans	-	4,444	-	4,444
	-	4,444	-	4,444
Non Current				
Term Loans	-	-	-	-
	-	-	-	-

	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance as at 1st April	**4,444**	18,024	**4,444**	18,024
Loans obtained during the Year	**850,000**	729,000	**850,000**	729,000
	854,444	747,024	**854,444**	747,024
Repayments during the Year	**(854,444)**	(742,580)	**(854,444)**	(742,580)
Balance at 31st March	-	4,444	-	4,444
Current	-	4,444	-	4,444
Non Current	-	-	-	-
Total Loan as at 31st March	-	4,444	-	4,444

31 CURRENT TAX ASSETS/ LIABILITIES

31.1 CURRENT TAX LIABILITIES

For the year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance as at 1st April	**102,184**	153,160	**102,184**	153,160
Provision for the year	**284,443**	220,199	**284,443**	220,199
Income Tax Over Provision Prior Years	**(2)**	(7,237)	**(2)**	(7,237)
WHT Recoverable during the year	**(2,158)**	(160)	**(2,158)**	(160)
Payments made during the year	**(270,966)**	(263,778)	**(270,966)**	(263,778)
Balance at 31st March	**113,503**	102,184	**113,503**	102,184

31.2 CURRENT TAX ASSETS

For the year ended 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Income Tax Receivables	**26**	28	-	-

Income tax receivable represents withholding tax recoverable by the subsidiary.

32 AMOUNTS DUE TO RELATED PARTY

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Tivoli Plastics (Pvt) Ltd.	**870**	1,293	**870**	1,293
	870	1,293	**870**	1,293

33 AMOUNTS DUE TO SUBSIDIARY

As at 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Polymer Technologies (Pvt) Ltd.	**-**	-	**1,231**	1,207
	-	-	**1,231**	1,207

The above balance represents funds advanced by the subsidiary to the Company. Interest has been paid to the subsidiary on these funds at the average weighted deposit rates (AWDR) that prevailed during the year.

34 EVENTS AFTER THE REPORTING PERIOD

34.1 PROPOSED DIVIDENDS FOR APPROVAL AT AGM

The Board of Directors has declared a First and final ordinary dividend of Rs. 6.00 per ordinary share for 2025/26 totalling to Rs. 145,171,158 subject to approval of the shareholders at the Annual General meeting to be held on 26th June 2026. The entire ordinary dividends will be paid out of Profit for the year ending 31st March 2026. As stipulated by Sri Lanka Accounting Standard (LKAS 10) Events After the Reporting period", the proposed dividend is not recognized as a liability as at 31st March 2026 in the Financial Statements.

Dividend per share is calculated by dividing the dividend declared out of profits for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

35 RELATED PARTY TRANSACTIONS

35.1 PARENT AND ULTIMATE CONTROLLING ENTITY

In the opinion of Directors, Central Finance Co. PLC is the parent and Ultimate parent of the Company.

35.2 TRANSACTIONS WITH GROUP ENTITY

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 -"Related Party Disclosures" the details of which are reported below. The consideration for the goods and services provided has been paid or accrued at prices offered to unrelated customers prevailing at that time.

Name of the Related Parties	Nature of Relationship	Nature of Transactions	Status	Transaction Value	
(In Thousands of Rupees)				31st March 2026	31st March 2025
Central Finance Co. PLC	Parent Company	Interest earned from Savings account	Recurrent	**39**	38
		Dividend Paid	Recurrent	**63,966**	63,966
		Scrip Dividend	Recurrent	**-**	-
CF Insurance Brokers (Pvt) Ltd.	Fellow Subsidiary	Value of Insurance premia Paid	Recurrent	**6,140**	7,592
		Dividend Paid	Recurrent	**8,294**	8,294
		Scrip Dividend	Recurrent	**-**	-

Name of the Related Parties	Nature of Relationship	Nature of Transactions	Status	Transaction Value	
(In Thousands of Rupees)				31st March 2026	31st March 2025
CF Growth Fund Ltd	Fellow Subsidiary	Dividend Paid	Recurrent	**264**	264
		Scrip Dividend	Recurrent	**-**	-
Expanded Plastic Product Ltd.	Fellow Subsidiary	Dividend Paid	Recurrent	**47**	47
		Scrip Dividend	Recurrent	**-**	-
Nations Trust Bank PLC.	An Associate of the	Interest received	Recurrent	**4,029**	2,395
	Parent Company	Interest and Charges Paid	Recurrent	**3,035**	3,013
Polymer Technologies (pvt) Ltd	A wholly owned subsidiary	Interest paid on funds advanced	Recurrent	**83**	103

35.2.(A) DUE TO / FROM GROUP ENTITY

Name of the Company	Nature of Relationship	Nature of Transactions	Status	Transaction Value	
(In Thousands of Rupees)				31st March 2026	31st March 2025
Central Finance Co. PLC	Parent Company	Saving account balance as at 31st March	Recurrent	**700**	664

35.3 TRANSACTIONS WITH OTHER RELATED PARTIES

				Transaction for the year ended 31 March			Balance outstanding as at 31 March	
Name of the Company	Nature of Relationship	Nature of Transactions	Status	2026	Aggregate value of Related Party Transactions as a % of Net Revenue	2025	2026	2025
(In Thousands of Rupees)								
Tivoli Plastics (Pvt) Ltd	An entity controlled by Director - Mr. C. S. W. De Costa	Subcontract Manufacture of PVC Pipe Fittings Value of Processing Charges paid	Recurrent	**28,594**	0.44%	24,178	**870**	1,293
		Dividend Paid	Recurrent	**313**	4.76%	4,513		
Amano Construction (Pvt) Ltd	An entity controlled by Director - Mr. C. S. W. De Costa	A contract for Rs. 7 Mn to construct a Boundary Wall at Yakkala				7,004	**-**	-

				Transaction for the year ended 31 March			Balance outstanding as at 31 March	
Name of the Company	**Nature of Relationship**	**Nature of Transactions**	**Status**	**2026**	**Aggregate value of Related Party Transactions as a % of Net Revenue**	**2025**	**2026**	**2025**
(In Thousands of Rupees)								
		Contract for Rs. 23 Mn to design and construction of Road network at Yakkala Factory - Final payment made during the year	Non Recurrent	**15,080**	0.23%	11,500	**-**	-

All transactions negotiated and carried out in the ordinary course of business have been reviewed and approved by the Related Party Transactions Review Committee of the Company. All the transactions entered into with these related parties on an arms length basis under normal commercial terms & conditions.

35.4 KEY MANAGEMENT PERSONNEL

According to LKAS 24 Related Party Disclosure, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors (including Executive and Non-Executive Directors) and CEO of the Company have been classified as Key Management Personnel of the Company and the Group.

As Central Finance Co. PLC (CFC) is the ultimate parent of the Company, the Board of Directors of CFC have the authority and responsibility of planning, directing and controlling the activities of the Company. Accordingly the Directors (including Executive and Non-Executive Directors) of CFC have also been classified as Key Management Personnel of the Company and the Group.

i Loans given to directors

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

ii Key Management Personnel compensation

Compensation paid to/on behalf of Key Management Personnel of the Group and Company are as follow:

For the Year ended 31st March,	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Short-term employee benefits	**33,660**	29,470	**33,660**	29,470
Post employment benefits	**3,330**	2,790	**3,330**	2,790
	36,990	32,260	**36,990**	32,260

35.5 The Group/Company has not made any provision with respect to related party receivables as there were no such receivables at the year end. (2025-Nil)

35.6 GUARANTEES WERE GIVEN TO/ RECEIVED FROM RELATED PARTIES

There are no guarantees given to/ received from related parties

35.7 THE TRANSACTIONS WITH CLOSE FAMILY MEMBERS

There were no transactions with Close Family Members during the year ended 31st March 2026.

36 SEGMENT INFORMATION

BASIS FOR SEGMENTATION

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Water Management Products	Manufacturing and distributing of Water Management Products
Electrical Products	Manufacturing and distributing of Electrical Products

For the year ended 31 March	2026	2025
(In Thousands of Rupees)		
Revenue		
Water Management Products	**5,719,749**	4,803,576
Electrical Products	**847,060**	509,526
	6,566,809	5,313,102
Profit Before Taxation		
Water Management Products	**849,220**	749,963
Electrical Products	**86,593**	20,039
	935,813	770,002

For the year ended 31 March	2026	2025
(In Thousands of Rupees)		
Segment Assets & Liabilities		
Total Assets		
Water Management Products	**5,478,715**	4,626,753
Electrical Products	**291,093**	436,332
	5,769,808	5,063,085
Total Liabilities		
Water Management Products	**828,583**	656,345
Electrical Products	**47,842**	21,946
	876,425	678,291

37 CONTINGENT LIABILITIES

The Company had no Litigations and Claims as at 31st March 2026.

The Company has issued bank guarantees totaling Rs. 164,477,194 to secure its obligations under customer contracts.

The outstanding tax assessments related to the company amounted to Rs. 96.44 Mn which have been duly appealed as at 31st March 2026. (2025: Rs. 17.8 Mn)

38 COMMITMENTS

The Board of Directors has approved to purchase capital assets totaling Rs. 77.40 Mn of which Rs. 61.04 Mn has been paid as an advance. The Company has no other capital commitments as at the 31st March 2026. (2024-Capital commitments totaling Rs. 86.42 Mn)

39 DIRECTORS' RESPONSIBILITIES

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

40 FINANCIAL INSTRUMENTS – FAIR VALUE & RISK MANAGEMENT

40.1 ACCOUNTING CLASSIFICATION & FAIR VALUE

Financial Instruments are measured on an ongoing basis either at Fair Value or at Amortized Cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized.

The following tables analyze financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized and a comparison of the carrying amounts and fair values of the financial assets and liabilities of the Company and Group which are not measured at fair value in the financial statements. The amounts are based on the values recognized in the statement of financial position.

Based on normal market conditions, the carrying value of financial assets and liabilities with shorter maturity periods have been considered as a reasonable approximation to the fair value. Accordingly, the fair value hierarchy does not apply to cash and cash equivalents, trade and other receivables, loans and borrowings, trade and other payables and amounts due to related parties and subsidiaries.

ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS – GROUP (AS AT 31ST MARCH 2026)

As at 31st March 2026	Financial Assets at FVTPL	Financial Assets At Amortized cost	Other Financial Liabilities	Total Carrying Amount	Fair value hierarchy			
					Fair value	Level 01	Level 02	Level 03
(In Thousands of Rupees)								
Financial assets measured at Fair Value								
Investments in Quoted Equity Securities	11,394	-	-	11,394	11,394	11,394	-	-
Investments in Unit Trust	87,935	-	-	87,935	87,935	-	87,935	-
	99,329	-	-	99,329	99,329	11,394	87,935	-
Financial assets not measured at Fair Value								
Trade Receivables	-	1,911,968	-	1,911,968	-	-	-	-
Cash and Cash Equivalents	-	111,620	-	111,620	-	-	-	-
Investments in Treasury Bond	-	194,716	-	194,716	194,716	-	194,716	-
Investments in Fixed Deposit & Securitization	-	377,494	-	377,494	377,494	-	377,494	-
	-	2,595,798	-	2,595,798	572,210	-	572,210	-
Total	99,329	2,595,798	-	2,695,127	671,539	11,394	660,145	-
Financial liabilities not measured at Fair Value								
Trade Creditors	-	-	64,522	64,522	-	-	-	-
Amount due to Related Parties	-	-	870	870	-	-	-	-
Total	-	-	65,392	65,392	-	-	-	-

ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS – GROUP (AS AT 31ST MARCH 2025)

As at 31st March 2025	Financial Assets at FVTPL	Financial Assets At Amortized cost	Other Financial Liabilities	Total Carrying Amount	Fair value hierarchy			
					Fair value	Level 01	Level 02	Level 03
(In Thousands of Rupees)								
Financial assets measured at Fair Value								
Investments in Treasury Bills	-	713,120	-	713,120	713,120	-	713,120	-
Investments in Quoted Equity Securities	12,177	-	-	12,177	12,177	12,177	-	-
Investments in Unit Trust	81,464	-	-	81,464	81,464	-	81,464	-
	93,641	713,120	-	806,761	806,761	12,177	794,584	-
Financial assets not measured at Fair Value								
Trade Receivables	-	1,365,765	-	1,365,765	-	-	-	-
Cash and Cash Equivalents	-	79,828	-	79,828	-	-	-	-
Investments in Treasury Bond	-	193,456	-	193,456	193,456	-	193,456	-
Investments in Fixed Deposit & Securitization	-	171,093	-	171,093	171,093	-	171,093	-
	-	1,810,142	-	1,810,142	364,549	-	364,549	-
Total	93,641	2,523,262	-	2,616,903	1,171,310	12,177	1,159,133	-
Financial liabilities not measured at Fair Value								
Loans and Borrowings	-	-	4,444	4,444	-	-	-	-
Trade Creditors	-	-	59,252	59,252	-	-	-	-
Amount due to Related Parties	-	-	1,293	1,293	-	-	-	-
Total	-	-	64,989	64,989	-	-	-	-

ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS – COMPANY (AS AT 31ST MARCH 2026)

As at 31st March 2026	Financial Assets at FVTPL	Financial Assets At Amortized cost	Other Financial Liabilities	Total Carrying Amount	Fair value hierarchy			
					Fair value	Level 01	Level 02	Level 03
(In Thousands of Rupees)								
Financial assets measured at Fair Value								
Investments in Quoted Equity Securities	11,394	-	-	11,394	11,394	11,394	-	-
Investments in Unit Trust	87,935	-	-	87,935	87,935	-	87,935	-
	99,329	-	-	99,329	99,329	11,394	87,935	-
Financial assets not measured at Fair Value								
Trade Receivables	-	1,911,901	-	1,911,901	-	-	-	-
Cash and Cash Equivalents	-	111,497	-	111,497	-	-	-	-
Investments in Treasury Bond	-	194,716	-	194,716	194,716	-	194,716	-
Investments in Fixed Deposits & Securitization	-	377,494	-	377,494	377,494	-	377,494	-
	-	2,595,608	-	2,595,608	572,210	-	572,210	-
Total	99,329	2,595,608	-	2,694,937	671,539	11,394	660,145	-
Financial liabilities not measured at Fair Value								
Trade Creditors	-	-	64,456	64,456	-	-	-	-
Amount due to Related Parties	-	-	870	870	-	-	-	-
Amount due to Subsidiaries	-	-	1,231	1,231	-	-	-	-
Total	-	-	66,557	66,557	-	-	-	-

ACCOUNTING CLASSIFICATIONS OF FINANCIAL INSTRUMENTS – COMPANY (AS AT 31ST MARCH 2025)

As at 31st March 2025	Financial Assets at FVTPL	Financial Assets At Amortized cost	Other Financial Liabilities	Total Carrying Amount	Fair value hierarchy			
					Fair value	Level 01	Level 02	Level 03
(In Thousands of Rupees)								
Financial assets measured at Fair Value								
Investments in Treasury Bills	-	713,120	-	713,120	713,120	-	713,120	-
Investments in Quoted Equity Securities	12,177	-	-	12,177	12,177	12,177	-	-
Investments in Unit Trust	81,464	-	-	81,464	81,464	-	81,464	-
	93,641	713,120	-	806,761	806,761	12,177	794,584	-
Financial assets not measured at Fair Value								
Trade Receivables	-	1,365,698	-	1,365,698	-	-	-	-
Cash and Cash Equivalents	-	79,704	-	79,704	-	-	-	-
Investments in Treasury Bond	-	193,456	-	193,456	193,456	-	193,456	-
Investments in Fixed Deposits & Securitization	-	171,093	-	171,093	171,093	-	171,093	-
	-	1,809,951	-	1,809,951	364,549	-	364,549	-
Total	93,641	2,523,071	-	2,616,712	1,171,310	12,177	1,159,133	-
Financial liabilities not measured at Fair Value								
Loans and Borrowings	-	-	4,444	4,444	-	-	-	-
Trade Creditors	-	-	59,185	59,185	-	-	-	-
Amount due to Related Parties	-	-	1,293	1,293	-	-	-	-
Amount due to Subsidiaries	-	-	1,207	1,207	-	-	-	-
Total	-	-	66,129	66,129	-	-	-	-

41 FINANCIAL RISK MANAGEMENT

OVERVIEW

The Group has exposure to the following risks arising from financial instruments:

☑ Credit risk

☑ Liquidity risk

☑ Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

RISK MANAGEMENT FRAMEWORK

The Group Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has delegated this function to the Director/Chief Executive Officer who develops and monitors the Group's risk management policies and reports regularly to the Board of Directors on its activities. The Group's risk management policies are established to identify and analyze the risks faced by the Group, set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

41.1 CREDIT RISK

Credit risk is the risk of financial loss to the Group, if a customer or counter-party to a financial instrument fails to meet contractual obligations. Credit risk arises principally from the Group's receivables from customers and placement of deposits with banking institutions.

41.1.1 EXPOSURE TO CREDIT RISK

The Group's maximum exposure to credit risk as at the year end based on the gross carrying value of financial assets in the statement of financial position is given below. There were no off-balance sheet exposures as at the year end date.

As at 31st March		GROUP		COMPANY	
(In Thousands of Rupees)	Note	2026	2025	2026	2025
Financial assets at fair value through Profit or Loss					
Investment in Quoted Equity Securities	Note 19.1	**11,394**	12,177	**11,394**	12,177
Investment in Unit Trust	Note 19.2	**87,935**	81,464	**87,935**	81,464
Financial assets at amortized cost					
Trade Receivables	Note 18	**1,957,286**	1,412,811	**1,956,723**	1,412,248
Investment in Fixed Deposit & Securization	Note 21	**377,494**	171,093	**377,494**	171,093
Investment in Treasury Bills	Note 21	**-**	713,120	**-**	713,120
Investment in Treasury Bond	Note 15	**194,716**	193,456	**194,716**	193,456
Cash at Bank	Note 20	**111,225**	79,458	**111,102**	79,334
Total		**2,740,050**	2,663,579	**2,739,364**	2,662,892

41.1.2 MANAGEMENT OF CREDIT RISK

A) TRADE RECEIVABLES

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the market segment of the Group's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer, which represents the maximum open amount without requiring further approval from the Director/ Chief Executive Officer; these limits are reviewed annually. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis or on secured basis. In response to the current economic conditions , the risk management committee has also been performing more frequent reviews of sales limits for customers in regions and industries that are severely impacted.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 and 60 days for individual and corporate customers respectively. All extensions were granted within current sales limits after careful consideration of the impact of the current economic conditions on the creditworthiness of the customer and each customer that was granted an extension is closely monitored for credit deterioration.

More than 84% of the Group's customers have been transacting with the Group for over four years. In monitoring customer credit risk, customers are grouped according to the credit characteristics of the market segment, including whether they are an individual or legal entity, whether they are a corporate customer or a state entity.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

The maximum exposure to credit risk for trade receivables at the end of the reporting period by type of counter party was as follows;

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Retail Dealer Channel Customers	**1,008,449**	797,520	**1,007,886**	796,957
Corporate Customers	**410,032**	226,460	**410,032**	226,460
State Entities	**538,805**	388,831	**538,805**	388,831
Total Trade Receivable	**1,957,286**	1,412,811	**1,956,723**	1,412,248

EXPECTED CREDIT LOSS ASSESSMENT FOR TRADE RECEIVABLES

The Company and the Group establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade Receivables. Since the Company and Group operates in an environment where each customer contract is different, developing an allowance matrix as a whole would be impracticable. Therefore the Board of Directors has decided to assess each receivable separately based on the segment, age of customer relationship and historical data of payment statistics as at every reporting date.

The aging of trade receivables at the end of the reporting period was as follows:

As at 31st March 2026	GROUP			COMPANY		
(In Thousands of Rupees)	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
1 – 60 days	1,464,165	1,203	1,462,962	1,463,602	1,203	1,462,399
61 – 182 days	430,774	3,049	427,725	430,774	3,049	427,725
Above 182 days	62,347	41,066	21,281	62,347	40,570	21,777
Total	1,957,286	45,318	1,911,968	1,956,723	44,822	1,911,901

MOVEMENTS IN THE ALLOWANCE FOR IMPAIRMENT IN RESPECT OF TRADE RECEIVABLES

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

As at 31st March 2026	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Balance at the beginning of the year	**47,046**	50,142	**46,550**	49,646
Impairment provision - recognized for the year	**606**	(2,878)	**606**	(2,878)
Written off during the year	**(2,334)**	(218)	**(2,334)**	(218)
Balance at the end of the year	**45,318**	47,046	**44,822**	46,550

B) CREDIT RISK ON FINANCIAL INVESTMENTS

The Group is also exposed to credit risk through its financial investments. The credit worthiness of the financial instruments are assessed using the credit ratings assigned to each security and fixed deposit. This rating provides the Company the indication of the financial stability of the investment. The ratings are based on Fitch Ratings.

CREDIT QUALITY ANALYSIS OF FINANCIAL INVESTMENTS

As at 31st March 2026	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
FD Investment having credit ratings				
A+ to A-	**217,991**	171,093	**217,991**	171,093
	217,991	171,093	**217,991**	171,093
Securitization Investment having credit ratings				
BBB to BBB-	**159,503**	-	**159,503**	-
	159,503	-	**159,503**	-
Unit Trust Investment having credit ratings				
AA+ to AA-	**87,935**	81,464	**87,935**	81,464
	87,935	81,464	**87,935**	81,464
Cash at Bank having credit ratings				
AA+ to AA-	**60,731**	48,306	**60,608**	48,182
A+ to A-	**50,149**	28,795	**50,149**	28,795
BBB to BBB-	**345**	2,357	**345**	2,357
	111,225	79,458	**111,102**	79,334

The above has been derived as per the Group's risk management policy of using the carrying values in the Statement of Financial Position. There were no off - balance sheet exposures as at the date. This does not include the exposure that would arise in the future as a result of changes in values.

RISK RESPONSE TO CREDIT RISK ON FINANCIAL INVESTMENTS

- ☑ The Company's investment policy prohibits non-graded investments, unless specifically authorised.
- ☑ Regularly review credit worthiness of counterparties and take necessary actions if required.
- ☑ Appropriate actions are implemented when the investments are expected to be a high credit risk.

41.2 LIQUIDITY RISK

Liquidity risk' is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

41.2.1 EXPOSURE TO LIQUIDITY RISK

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

GROUP

As at 31st March 2026 (In Thousands of Rupees)	**Total Carrying Amount**	**Contractual cash flows**				
		Total	**6 months or less**	**6 - 12 months**	**1-2 Years**	**More than 2 years**
Non-derivative financial liabilities						
Trade Payables	64,522	64,522	64,522	-	-	-
Other Payables	442,405	442,405	442,405	-	-	-
Amounts due to related parties	870	870	870	-	-	-
Warranty Provision	8,251	8,251	8,251	-	-	-
Current tax liability	113,503	113,503	113,503	-	-	-
	629,551	629,551	629,551	-	-	-

As at 31st March 2025 (In Thousands of Rupees)	**Total Carrying Amount**	**Contractual cash flows**				
		Total	**6 months or less**	**6 - 12 months**	**1-2 Years**	**More than 2 years**
Non-derivative financial liabilities						
Loans and Borrowings	4,444	4,548	4,548	-	-	-
Trade Payables	59,252	59,252	59,252	-	-	-
Other Payables	264,582	264,582	264,582	-	-	-
Amounts due to related parties	1,293	1,293	1,293	-	-	-
Warranty Provision	6,125	6,125	6,125	-	-	-
Current tax liability	102,184	102,184	102,184	-	-	-
	437,800	437,984	437,984	-	-	-

COMPANY

As at 31st March 2026 (In Thousands of Rupees)	**Total Carrying Amount**	**Contractual cash flows**				
		Total	**6 months or less**	**6 - 12 months**	**1-2 Years**	**More than 2 years**
Non-derivative financial liabilities						
Trade Payables	64,456	64,456	64,456	-	-	-
Other Payables	442,289	442,289	442,289	-	-	-
Amounts due to related parties	870	870	870	-	-	-
Amounts due to subsidiaries	1,231	1,231	1,231	-	-	-
Warranty Provision	8,251	8,251	8,251	-	-	-
Current tax liability	113,503	113,503	113,503	-	-	-
	630,600	630,600	630,600	-	-	-

As at 31st March 2025 (In Thousands of Rupees)	Total Carrying Amount	Contractual cash flows				
		Total	6 months or less	6 - 12 months	1-2 Years	More than 2 years
Non-derivative financial liabilities						
Loans and Borrowings	4,444	4,548	4,548	-	-	-
Trade Payables	59,185	59,185	59,185	-	-	-
Other Payables	264,465	264,465	264,465	-	-	-
Amounts due to related parties	1,293	1,293	1,293	-	-	-
Amounts due to subsidiaries	1,207	1,207	1,207	-	-	-
Warranty Provision	6,125	6,125	6,125	-	-	-
Current tax liability	102,184	102,184	102,184	-	-	-
	438,903	439,007	439,007	-	-	-

MANAGEMENT OF LIQUIDITY RISK

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group has access to approved short-term financing facilities from commercial banks, if required.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and it is estimated that the maturity of trade receivables as at the reporting date would occur in sufficient quantity and timing, given the historical trends, and currently available information which would enable the Group to meet its contractual obligations.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables, As at 31 March 2026, the expected cash flows from trade and other receivables maturing within two months were Rs. 855 Mn (2025- Rs. 524 Mn). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

- ☑ Maintaining a diversified funding base and appropriate contingency facilities.
- ☑ Carrying a portfolio of highly liquid assets that can be readily converted into cash to protect against unforeseen short-term interruptions to cash flows.
- ☑ Monitoring liquidity ratios and carrying out stress-testing of the Company's liquidity position.
- ☑ Regular reviews cash flow projections.
- ☑ Availability of stand by overdraft facility to be used in the event of an emergency.

UNUTILISED BANK OVERDRAFT FACILITIES

As at 31st March 2026 the Group had approved overdraft facilities amounting to Rs. 270 Mn of which is not utilized at reporting date. In addition, the Company has access to approved trade and short-term financing facilities of Rs. 4,289.4 Mn from commercial banks, of which Rs. 250.348 Mn was utilized on Letter of Credit & bank guarantees as at 31st March 2026.

41.3 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that would impact Group's income or the value of investment in financial instruments. The objective of managing market risk is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Market risk principally arises from the Group's equity investments, interest-bearing financial assets and financial liabilities, and financial assets and financial liabilities denominated in foreign currencies.

41.3.1 CURRENCY RISK

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating due to changes in foreign exchange rates. The Group is exposed to foreign currency risk on purchases, borrowings and cash deposits denominated in currencies other than the functional currency of the Group. The currencies giving rise to this risk are primarily US Dollars.

41.3.1.1 EXPOSURE TO CURRENCY RISK

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows,

As at 31st March,	2026		2025	
(In Thousands of Rupees)	Amount in USD	Amount in Rs.	Amount in USD	Amount in Rs.
Financial Assets				
Cash and cash equivalents	**5.72**	**1,782**	3.90	1,138
	5.72	**1,782**	3.90	1,138
Net Finance Liability/(Assets) exposure	**(5.72)**	**(1,782)**	(3.90)	(1,138)

Closing average exchange rate as at 31st March 2026 is Rs. 311.77 (2024/2025- Rs. 292.07).

41.3.1.2 SENSITIVITY TO FOREIGN EXCHANGE RISK

The Group, as of the reporting date holds financial instruments denominated in currencies other than its functional / reporting currency. A reasonable possible strengthening or weakening of the US Dollar (USD) against Sri Lanka Rupee (LKR) as of the reporting date would have affected the measurement of USD denominated Assets and Liabilities and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The Group has not liabilities which are to be settled in US Dollars at the reporting date.

	Impact on Profit or Loss		Impact on Equity, net of tax	
(In Thousands of Rupees)	Strengthening	Weakening	Strengthening	Weakening
As at 31st March 2026				
Impact of change in 1% USD rate	**18**	**(18)**	**12**	**(12)**
Impact of change in 15% USD rate	**267**	**(267)**	**187**	**(187)**
As at 31st March 2025				
Impact of change in 1% USD rate	11	(11)	8	(8)
Impact of change in 15% USD rate	171	(171)	119	(119)

MANAGEMENT OF FOREIGN EXCHANGE RISK

- ☑ The Treasury officer analyses the market condition of foreign exchange and analyse the utilisation of cash flows.
- ☑ Regularly review timing of foreign currency cash in flows and outflows and takes decisions on whether to reinvest the foreign cash flows or utilise to make the foreign currency payments.
- ☑ Looking out forward contract possibilities.

41.3.2 INTEREST RATE RISK

Interest rate risk mainly arises as a result of the Group having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on regular basis and ensures that such risks are managed in a timely manner.

41.3.2.1 EXPOSURE TO INTEREST RATE RISK

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows,

As at 31st March,	2026			2025		
	Variable interest rate	Fixed interest rate	Total	Variable interest rate	Fixed interest rate	Total
(In Thousands of Rupees)	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets						
Investments in Treasury Bills	**-**	**-**	**-**	-	713,120	713,120
Investments in Treasury Bond	**-**	**194,716**	**194,716**	-	193,456	193,456
Investments in Fixed Deposits	**-**	**217,991**	**217,991**	-	171,093	171,093
	-	**412,707**	**412,707**	-	1,077,669	1,077,669
Financial liabilities						
Loans and borrowings	**-**	**-**	**-**	-	4,444	4,444
	-	**-**	**-**	-	4,444	4,444
Maximum exposure	**-**	**(412,707)**	**(412,707)**	-	(1,073,225)	(1,073,225)

MANAGEMENT OF INTEREST RATE RISK

- ☑ The Group monitors its interest rate risk exposure through periodic reviews of asset and liability positions.
- ☑ The Group limited to obtained short term (less than 3 months) loan with the variable interest rate. The Long term loans are obtained with fixed interest rate.

41.3.3 EQUITY RISK

The Group's exposure to equity risk arises from its investments in equity securities. Equity risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices.

41.3.3.1 LISTED EQUITY INVESTMENTS

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Investment in Quoted Equity Securities	**11,394**	12,177	**11,394**	12,177
	11,394	12,177	**11,394**	12,177

41.3.3.2 SENSITIVITY ANALYSIS OF EQUITY RISK

The following table shows the estimated impact on profitability an equity by fluctuation of stock market prices at the reporting date, assuming that all other variables remain constant.

As at 31st March	GROUP		COMPANY	
	Impact on PBT		Impact on PBT	
(In Thousands of Rupees)	2026	2025	2026	2025
10% decline in stock prices	**(1,139)**	(1,218)	**(1,139)**	(1,218)
10% Increase in stock prices	**1,139**	1,218	**1,139**	1,218

MANAGEMENT OF EQUITY RISK

The Group manages the equity risk through diversification and placing limits on individual and total equity portfolio investments. The Group's equity risk management policies are;

☑ Investment decisions are based on in depth macroeconomic and industry analysis as well as research reports on company performance.

☑ Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

☑ Adherence to the investment policy which includes stringent guidelines on risk exposures.

41.4 OPERATIONAL RISKS

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as the risks of misselling of products and non-compliance with legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective in managing operational risk is to balance the avoidance of financial losses and damage to the Group's reputation with overall cost-effectiveness and innovation. In all cases, Group policy requires compliance with all applicable legal and regulatory requirements.

The Board of Directors has delegated responsibility of operational risk to the Risk Committee, the committee is responsible for the development and implementation of controls to address operational risk.

MANAGEMENT OF OPERATIONAL RISK

☑ Segregation of duties, including the independent authorisation of transactions;

☑ Reconciliation and monitoring of transactions.

☑ Compliance with regulatory and other legal requirements.

☑ Documentation of controls and procedures.

☑ Training and professional development.

☑ The results of internal audit reviews are discussed, with audit committee and management.

☑ Compliance with the Company standards is supported by a programme of periodic reviews undertaken by internal audit.

42 CAPITAL MANAGEMENT

The Group's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retain earning . The Board of Directors monitors the return on capital, interest covering ratio, dividend to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

As at 31st March	GROUP		COMPANY	
(In Thousands of Rupees)	2026	2025	2026	2025
Liabilities				
Total Liabilities	**876,425**	678,291	**877,474**	679,314
Less:Cash and cash equivalents	**(111,620)**	(79,828)	**(111,497)**	(79,704)
Net Debt	**764,805**	598,463	**765,977**	599,609
Equity	**4,893,383**	4,384,794	**4,893,118**	4,384,552
Gearing ratio	**0.16**	0.14	**0.16**	0.14

GROUNDED IN CERTAINTY

Documenting the True Stature of our Performance

SHARE INFORMATION

1. STOCK EXCHANGE LISTING

Central Industries PLC is a public Listed Company (Reg.PQ 121) the issued ordinary shares of which are listed on the Colombo Stock Exchange.

2. STATED CAPITAL

The Stated Capital of the Company as defined by the Companies Act No. 07 of 2007 was Rs. 453.5 Mn. as at 31st March 2026.

3. SHAREHOLDERS AS AT 31ST MARCH 2026

	Quantity	%
Issued Ordinary Shares	24,195,193	
Shares held by the Parent Enterprise, Subsidiaries, Associates, Directors, and Shareholders whose holdings exceed 10%	12,156,470	50.24
Shares held by the public (In terms of the rule 7.13.1(a) of the Listing Rules,the Company qualifies under option five of the minimum public holding requirement)	12,038,723	49.76
Number of Public Shareholders	3,162	

4. DISTRIBUTION OF SHAREHOLDINGS AS AT 31ST MARCH 2026

	Residents			Non- Residents			Total		
Number of Shares held	No of Share holders	No. of Shares	%	No of Share holders	No. of Shares	%	No. of Share holders	No. of Shares	%
1-1,000	2,252	459,019	1.90	10	2,854	0.01	2,262	461,873	1.91
1,001-10,000	721	2,414,747	9.98	7	28,693	0.12	728	2,443,440	10.10
10,001-100,000	156	4,315,473	17.84	2	84,099	0.35	158	4,399,572	18.18
100,001-1,000,000	20	4,847,079	20.03	-	-	-	20	4,847,079	20.03
1,000,001 & Over	2	12,043,229	49.78	-	-	-	2	12,043,229	49.78
Total	3,151	24,079,547	99.53	19	115,646	0.48	3,170	24,195,193	100.00

5. TWENTY LARGEST SHAREHOLDERS

	Name	2026 No. of Shares	%	2025 No. of Shares	%
1	CENTRAL FINANCE COMPANY PLC A/C NO 03	**10,660,944**	**44.06**	10,660,944	44.06
2	CF INSURANCE BROKERS (PVT) LTD	**1,382,285**	**5.71**	1,382,285	5.71
3	HATTON NATIONAL BANK PLC - CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	**699,556**	**2.89**	-	-
4	MRS. SARASVATHI VASUDEVAN	**495,000**	**2.05**	500,000	2.07
5	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	**489,238**	**2.02**	-	-
6	EMPLOYEES TRUST FUND BOARD	**444,227**	**1.84**	846,421	3.50
7	BANK OF CEYLON-FIRST CAPITAL EQUITY FUND	**350,000**	**1.45**	-	-
8	PEOPLE’S LEASING & FINANCE PLC/MR. D. M. P. DISANAYAKE	**301,075**	**1.24**	-	-
9	ASSETLINE FINANCE PLC/C.DISSANAYAKE	**250,000**	**1.03**	108,000	0.00
10	MR. MURTAZA ALI JAFFERJEE	**184,589**	**0.76**	-	-
11	MR. PRASHANTHA WANIGASURIYA	**175,286**	**0.72**	175,286	0.72
12	MR. VARATHARAJAH SIVAKUMAR	**172,704**	**0.71**	236,246	0.01
13	HATTON NATIONAL BANK PLC A/C NO.4 (HNB RETIREMENT PENSION FUND)	**169,658**	**0.70**	-	-
14	MR. HANIF YUSOOF	**159,590**	**0.66**	159,590	0.66
15	INVENCO CAPITAL PRIVATE LIMITED	**154,197**	**0.64**	-	-
16	SENKADAGALA FINANCE PLC/N.P.W.DELGODA	**141,768**	**0.59**	-	-
17	SEYLAN BANK PLC/EMILE JOSEPH GUNESEKERA & MICHELLE GENEIEVE MARTHA GUNASEKERA	**121,000**	**0.50**	121,000	0.50
18	BANK OF CEYLON NO. 1 ACCOUNT	**112,500**	**0.46**	-	-
19	PEOPLE S LEASING AND FINANCE PLC/U.L.B.ARIYARATNA	**111,981**	**0.46**	-	-
20	MRS. FATHIMA SALMA SHAFEI	**107,710**	**0.45**	90,957	0.00
		16,683,308	**68.95**	-	-

6. SHARE TRADING DURING THE YEAR ENDED 31ST MARCH 2026

Highest Price - 14th January 2026	Rs. 290
Lowest Price - 07th April 2025	Rs. 134.00
Last Traded Price - 31st March 2026	Rs. 205
No. of Trades	5,366
No. of Shares Traded	2,723,363
Value of the Shares Traded	Rs. 706,733,837.25
Float Adjusted Market Capitalization as at 31st March 2025	Rs. 2,468,103,247.54

7. KEY FINANCIAL RATIOS

	2025/26	2024/25
Dividend per share (Rs.)	**6.00**	6.00
Dividend pay out	**22.30%**	22.00%
Net Assets per share (Rs.)	**202.25**	164.49
No of Shares in issue	**24,195,193**	24,195,193

FIVE YEAR SUMMARY

Year ended 31st March	2026	2025	2024	2023	2022
(In Thousands of Rupees)					
Income Statement					
Gross Revenue	**6,566,809**	5,313,102	4,321,998	4,333,998	6,731,883
Profit Before Taxation	**935,813**	770,002	908,745	773,043	675,638
Income Tax Expenses	**(284,710)**	(222,133)	(258,811)	(129,854)	(173,544)
Profit for the Year	**651,103**	547,869	649,934	643,189	502,094
Statement of Financial Position					
Assets					
Property ,Plant and equipment	**1,280,136**	1,290,237	1,306,126	1,093,583	1,025,026
Intangible Assets	**3,132**	3,789	4,318	484	646
Financial Assets at Amortized Cost	**194,716**	193,456	189,120	-	-
Total Current Assets	**4,291,824**	3,575,603	3,193,991	2,966,985	4,238,722
Total Assets	**5,769,808**	5,063,085	4,693,555	4,061,052	5,264,394
Equity and Liabilities					
Share Capital	**453,539**	453,539	453,539	393,785	284,912
Reserves	**4,439,844**	3,931,255	3,526,388	2,844,573	2,365,596
Total Equity	**4,893,383**	4,384,794	3,979,927	3,238,358	2,650,508
Deferred Taxation	**159,387**	157,980	147,880	128,125	109,357
Retirement Benefit Obligation	**87,487**	82,431	73,078	64,135	65,033
Loans and Borrowings	**-**	-	4,444	18,024	21,984
Total Current Liabilities	**629,551**	437,880	488,226	612,410	2,417,512
Total Equity and Liabilities	**5,769,808**	5,063,085	4,693,555	4,061,052	5,264,394
Earnings Per Share(Rs.)	**26.91**	22.64	26.86	26.86	21.40
Net Assets Per Share (Rs.)	**202.25**	181.23	164.49	133.84	112.95
Dividend Per Share (Rs,)	**6.00**	6.00	6.00	6.00	5.00
Price Earning ratio	**5.44**	6.47	4.13	3.17	4.26
Dividend yield	**4.10%**	4.10%	5.41%	7.12%	5.10%
Dividend pay out	**22.30%**	26.50%	22.34%	21.89%	23.00%
Price to book value	**0.72%**	0.81%	0.51%	0.71%	0.81%

GRI CONTENT INDEX

Statement of use	CIPLC has reported the information cited in this GRI content index for the period April 1st, 2025 to March 31st 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Our Legacy and Growth Journey page:13 to 15
	2-2 Entities included in the organization's sustainability reporting	About this Report page: 4 to 5
	2-3 Reporting period, frequency and contact point	About this Report page:5
	2-4 Restatements of information	About this Report page:5
	2-5 External assurance	About this Report page:5
	2-6 Activities, value chain and other business relationships	About us page:16-20
	2-7 Employees	Human Capital page:91
	2-8 Workers who are not employees	Human Capital page:91
	2-9 Governance structure and composition	Corporate Governance Page:106 to 108
	2-10 Nomination and selection of the highest governance body	Corporate Governance Page:111
	2-11 Chair of the highest governance body	Corporate Governance Page:110
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Page:110
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Page:112
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Page:109
	2-15 Conflicts of interest	Annual Report of the Board of Directors Page:148
	2-16 Communication of critical concerns	Commitment to Sustainability Page:54
	2-17 Collective knowledge of the highest governance body	Corporate Governance Page:108 to 109
	2-18 Evaluation of the performance of the highest governance body	Report of the Remuneration Committee:139
	2-19 Remuneration policies	Report of the Remuneration Committee:139
	2-20 Process to determine remuneration	Report of the Remuneration Committee:139
	2-21 Annual total compensation ratio	Human Capital Page:92
	2-22 Statement on sustainable development strategy	Commitment to Sustainability Page:54
	2-23 Policy commitments	Commitment to Sustainability Page:54
	2-24 Embedding policy commitments	Commitment to Sustainability Page:56
	2-25 Processes to remediate negative impacts	Commitment to Sustainability Page:56
	2-26 Mechanisms for seeking advice and raising concerns	Commitment to Sustainability Page:57
	2-27 Compliance with laws and regulations	Compliance Report Page:115 to 129
	2-28 Membership associations	Our Business Model Page:20
	2-29 Approach to stakeholder engagement	Integrated Stakeholder Engagement Page:41
	2-30 Collective bargaining agreements	Human Capital Page:92

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Page:46
	3-2 List of material topics	Materiality Page:46
	3-3 Management of material topics	Please refer capital chapters for management of each topic
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Socio Economic Impact Page:11-12
	201-2 Financial implications and other risks and opportunities due to climate change	SLFRS S1 and S2 Disclosures page:62 to 68
	201-3 Defined benefit plan obligations and other retirement plans	Notes to the financial statements Page:187-189
GRI 207: Tax 2019	207-1 Approach to tax	Notes to the financial statements Page:173-175
	207-2 Tax governance, control, and risk management	Notes to the financial statements Page:175
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital Page:101
	302-2 Energy consumption outside of the organization	Natural Capital Page:101
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SLFRS S1 and S2 Disclosures Page:66
	305-2 Energy indirect (Scope 2) GHG emissions	SLFRS S1 and S2 Disclosures Page:66
	305-3 Other indirect (Scope 3) GHG emissions	SLFRS S1 and S2 Disclosures Page:66
GRI 306: Waste 2020	306-3 Waste generated	Natural Capital Page:103
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital Page:94
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital Page:96
	403-9 Work-related injuries	Human Capital Page:97
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital Page:96
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital Page:96

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Forty Forth (44th) Annual General Meeting of Central Industries PLC be held at Central Finance Company PLC, No. 270, Vauxhall Street, Colombo 02 on this 26th day of June 2026 at 3.00 p.m., for the following purposes:

1. To receive and consider the Annual Report of the Board together with the Financial Statements of the Company for the year ended 31st March 2026 and Report of the Auditors thereon.
2. To declare a final dividend of Rs. 6/- per share for the financial year ended 31st March 2026 as recommended by the board of directors.
3. 3. To propose the following resolution as an ordinary resolution for the reappointment of Mr. C. S. W. De Costa in terms of section 211 of the Companies Act No. 07 of 2007 (as amended).

   "IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. C. S. W. De Costa who has reached the age of 74 years prior to this Annual General Meeting and that he be reappointed as a director of the Company".
4. To re-elect Mr. A. K. Gunaratne a director who retires by rotation in terms of Article 85 of the Articles of Association of the Company.
5. To re-elect Ms. W. M. Thilini W. Weerasinghe, who retires in terms of Article 91 of the Articles of Association and being eligible has offered herself for re-election.
6. To re-elect Mr. M. A. Don Dushan Virantha, who retires in terms of Article 91 of the Articles of Association and being eligible has offered himself for re-election.
7. To re-appoint M/s KPMG, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed with by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2027.
8. To authorize the Directors to determine contributions to charities for the ensuing year.

By Order of the Board,

CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries
CENTRAL INDUSTRIES PLC

Colombo on this 04th day of June 2026

Note:

Any shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote/speak in his/her stead and a form of proxy is sent herewith for this purpose. A proxy need not be a shareholder of the Company. A completed form of proxy must be deposited at the registered office of the Company, at No.312, Nawala, Road, Rajagiriya or e-mailed to corporateservices@corporateservices.lk not less than 48 hours before the time appointed for the holding of the meeting.

NOTES

FORM OF PROXY

*I/We…….……………………………………………. of

……………………………………………………………..……………………………… being *a member/members of CENTRAL INDUSTRIES PLC do hereby appoint

1.	Mr. C. S. Hettiarachchi	or failing him,
2.	Mr. A. K. Gunaratne	or failing him,
3.	Mr. C. S. W. De Costa	or failing him,
4.	Mr. I. M. P. Rupatunge	or failing him,
5.	Mr. D. T. R. De Silva	or failing him,
6.	Mr. D. K. Welmillage	or failing him,
7.	Ms. T. P. Gunasekera	or failing her,
8.	Ms. W. M. Thilini W. Weerasinghe	or failing her,
9.	Mr. M. A. Don Dushan Virantha	or failing him,

…………………………………………………………………………………..………………………..……………. of

…………………..……... as *my/our Proxy to vote/speak for *me/us on *my/our behalf at the 44th Annual General Meeting of the Company to be held on the 26th day of June 2026 at 3.00 p.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

		For	Against	Abstain
01	To receive and consider the annual report of the board of directors along with the financial statements of the Company for the year ended 31st March 2026 and the report of the auditors thereon.	☐	☐	☐
02	To declare a final dividend of Rs. 6/- per share for the financial year ended 31st March 2026 as recommended by the board of directors.	☐	☐	☐
03	IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. C. S. W. De Costa who has reached the age of seventy-three (74) years and that he be re-appointed as a director of the Company.	☐	☐	☐
04	To re-elect Mr. A. K. Gunaratne a director who retires by rotation in terms of Article 85 of the Articles of Association of the Company.	☐	☐	☐
05	To re-elect Ms. W. M. Thilini W. Weerasinghe, who retires in terms of Article 91 of the Articles of Association and being eligible has offered herself for re-election.	☐	☐	☐
06	To re-elect Mr. M. A. Don Dushan Virantha, who retires in terms of Article 91 of the Articles of Association and being eligible has offered himself for re-election.	☐	☐	☐
07	To re-appoint M/s KPMG, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed with by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2027.	☐	☐	☐
08	To authorize the directors to determine the contributions to charities for the ensuing year.	☐	☐	☐

Signed this…day of………Two Thousand and Twenty Six.

………………
*Signature/s

Note: Please delete the inappropriate words
Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. A Member entitled to attend and vote/speak at the Meeting is entitled to appoint a Proxy who need not be a member, to attend and vote instead of him.
3. In the case of a Corporate Member, the Form must be completed under its Common Seal, or signed by its attorney or by an officer on behalf of the corporation. The Company may, but shall not be bound to require evidence of the authority of any such attorney or officer.
4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy, in the manner prescribed by Articles of Association.
5. The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 312, Nawala Road, Rajagiriya not less than forty eight (48) hours before the appointed time for the Meeting.

LETTER TO SHAREHOLDERS

Date: 04th June 2026

Request for Beneficial Ownership Information

Dear Shareholder,

In accordance with the Companies (Amendment) Act No 12 of 2025, the Company is required to

1. within 30 days from the 31st of March 2026 (the date the relevant Amendment Act became operational) verify, report, record and notify
2. within 60 days from the 31st of March 2026 forward details relating to beneficial owners to the Registrar of Companies (ROC)
3. maintain a Register of Beneficial Owners and submit the relevant details to the ROC once a year as well as whenever a change occurs.

A “beneficial owner” is any natural person who directly or indirectly:

- Owns or controls ten percent (10%) or more of the shares or voting rights in the company; or
- Exercises effective control through other means, including influence over management, strategic decisions, or the general direction of the company.

Please download the Beneficial Ownership Information Questionnaire from the company’s **website www.nationalpvc.com** and complete and return it to the Company by 15th August 2026 to enable the Company to comply with the obligations under the Companies Act. The information collected will be used solely for statutory compliance purposes in accordance with the said Companies Act.

Please note that, under the Act:

- The details of beneficial owners may be made available to specified public authorities such as the Attorney-General, Financial Intelligence Unit, Department of Inland Revenue, Director-General of Customs, and other relevant regulators upon request.
- Limited details (such as name, nationality, country of residence, business address, and nature and extent of ownership) may be accessible to the public through the Registrar of Companies.
- All information will be retained securely by the Company for a minimum period of ten (10) years as required by law.

Should you have any questions or require clarification, please contact the Finance Manager Mr. Mahesh Amaradasa on contact no. 0707314021.

We thank you for your cooperation in ensuring compliance with the Companies Act.

Yours faithfully,

Chairman
Central Industries PLC

CORPORATE INFORMATION

NAME OF COMPANY

Central Industries PLC

LEGAL FORM

A Quoted Public Company with limited liability incorporated in Sri Lanka on 18th September 1984 and registered under the Companies Act No.07 of 2007.

DATE OF INCORPORATION

18th September 1984

COMPANY REGISTRATION NUMBER

PQ 121

ULTIMATE PARENT COMPANY

Central Finance Company PLC (Reg. No. PQ 67)

SUBSIDIARY COMPANY

Polymer Technologies (Pvt.) Ltd. (Reg. No. PV 2468)

DIRECTORS

1. C. S. Hettiarachchi - Chairman/Non-Executive Director
2. A. K. Gunaratne - Non-Executive Director
3. C. S. W. De Costa - Non-Executive Director
4. D. T. R. De Silva - Independent Non-Executive Director
5. I. M. P. Rupatunge - Chief Executive Officer/Executive Director
6. D. K. Welmillage - Independent Non-Executive Director
7. T. P. Gunasekera - Independent Non-Executive Director
8. W. M. T. W. Weerasinghe - Non-Executive Director
9. M. A. D. D. Virantha - Non-Executive Director

HEAD OFFICE AND REGISTERED OFFICE

No. 312, Nawala Road, Rajagiriya, Sri Lanka
Telephone : +94-11-7421421
Fax : +94-11-7421432
E-mail : info@nationalpvc.com
Website : www.nationalpvc.com

SECRETARIES

Corporate Services (Private) Limited 216, De Saram Place, Colombo 10.

AUDITORS

KPMG, Chartered Accountants
32 A, Sir Mohamed Macan Marker Mawatha, Colombo 03.

BANKERS

Hatton National Bank PLC
Nations Trust Bank PLC
Commercial Bank of Ceylon PLC
Sampath Bank PLC
Public Bank PLC
Seylan Bank PLC
Bank of Ceylon
Bank of China Limited
Pan Asia Banking Corporation PLC
People’s Bank
National Development Bank PLC
Union Bank

FACTORIES

No.195/4, Kerawalapitiya Rd, Hendala, Wattala
No.7, Elhena,Warapalana, Udathuthiritiya - Yakkala

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