



SWISSTEK (CEYLON) PLC

MOMENTUM

INTEGRATED ANNUAL REPORT 2025/26

The background features a stylized illustration of five skyscrapers of varying heights in the upper half, and a dense network of roots extending from the base of the buildings down to the bottom of the page. The entire graphic is rendered in a light orange or tan color against a solid orange background.

MOMENTUM

Momentum is the force that transforms progress into lasting success. It is built through resilience, innovation, disciplined execution, and the ability to seize opportunities in an evolving environment.

For Swisstek (Ceylon) PLC, FY 2025/26 was a year of accelerating momentum. As the construction sector regained confidence, the Company leveraged its strong market position, trusted brands, and manufacturing excellence to deliver outstanding growth in revenue, profitability, and market share

This momentum was powered by continuous innovation, operational excellence, customer-centricity, and strategic investments that strengthened competitiveness across its portfolio. At the same time, investments in sustainability, digital transformation, research and development, and green manufacturing laid the foundation for future growth.

As Swisstek moves forward, it remains committed to sustaining this momentum building on its achievements, expanding opportunities, and creating enduring value for customers, stakeholders, and the nation.

Driven by purpose, strengthened by trust, and powered by progress, Swisstek continues to build momentum towards a stronger and more sustainable future.

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ABOUT THIS REPORT

We are pleased to present the

9th Integrated Annual Report of Swisstek (Ceylon) PLC under the theme “Momentum” for the financial year ended 31st March 2026.

This Report reflects a year in which Swisstek (Ceylon) PLC strengthened its growth trajectory, advanced key strategic priorities, and continued to build on the foundations that support long-term value creation. The theme “Momentum” captures the Company’s forward movement driven by operational resilience, market responsiveness, innovation, and a continued focus on sustainable progress.

Through this Integrated Annual Report, we provide our stakeholders with a balanced and transparent account of our performance, strategy, governance, risks, opportunities, and value creation journey during the year under review.



BASIS OF PREPARATION - REPORTING PERIOD GRI 2-3

This Report has been prepared in alignment with the Group's annual financial reporting cycle and covers the period from 1st April 2025 to 31st March 2026. To provide stakeholders with meaningful context and support informed decision-making, the Report includes comparative performance information from the preceding financial year. Where relevant, it also outlines the Group's strategic priorities, future outlook, and expectations. Further details on the treatment of projections and forward-looking statements beyond the scope of the reporting period are provided in the relevant section of this Report.

REPORTING SCOPE AND BOUNDARY GRI 2-2

This Integrated Annual Report provides a comprehensive overview of the financial, operational, governance, and sustainability performance of Swisstek (Ceylon) PLC

for the financial year ended 31st March 2026.

Prepared primarily for our stakeholders, this report outlines how our strategy, governance framework, business model, and integrated thinking approach collectively support sustainable value creation in a dynamic economic and regulatory environment.

This report demonstrates how our interconnected capitals, strategic priorities, stakeholder relationships, and operational capabilities work together to strengthen organisational resilience and long-term relevance.

In addition to reporting our performance for the year, this report provides insight into our strategic outlook, key priorities, and our preparedness to navigate future opportunities and uncertainties.

Significant events occurring between the reporting date and the date of Board approval have been incorporated where relevant to maintain completeness and relevance.

SIGNIFICANT CHANGES AND RESTATEMENTS

As stakeholder expectations and reporting practices continue to evolve, Swisstek remains committed to enhancing the quality, relevance, and transparency of its disclosures.

This year's report reflects strengthened disclosures relating to integrated value creation, stakeholder engagement, sustainability priorities, governance oversight, enterprise risk management, and climate awareness, in line with evolving reporting expectations.

There were no material restatements of previously disclosed non-financial information, nor significant changes to ownership structure requiring retrospective adjustment during the reporting period.

Any notable changes to organisational structure, reporting methodology, or operational scope have been disclosed where relevant within the report.

FINANCIAL REPORTING

Swisstek (Ceylon) PLC's financial disclosures meet Sri Lanka's principal statutory obligations:

- ▶ Sri Lanka Accounting Standards (SLFRS/LKAS), as required under the Accounting and Auditing Standards Act No. 15 of 1995
- ▶ Companies Act No. 07 of 2007, which governs the form, content
- ▶ Securities and Exchange Commission Act No. 36 of 1987
- ▶ Listing rules of Colombo Stock Exchange.

These standards ensure that our financial statements adopt a going-concern approach and deliver a true and fair view of the Company's financial position, performance, and cash flows.

NARRATIVE REPORTING

Beyond the financial results, the narrative report provides context to the Group's performance, progress, and key developments during the year.

- ▶ Chairman's and Group Managing Director's Statements
- ▶ Outline the strategic direction of the Group and highlight key performance achievements.
- ▶ Business Model and Strategy
- ▶ Explains how the Group creates, sustains, and distributes value.
- ▶ Stakeholder Engagement
- ▶ Highlights the group's relationships with employees, customers, suppliers, and the wider community.

High-quality narrative reporting places strategy at the centre of the report by linking risks, resources and outcomes, thereby enabling stakeholders to better understand the Group's execution and future prospects.

CORPORATE GOVERNANCE

The Company remains committed to upholding high standards of corporate governance in line with applicable regulatory requirements and recognised best practices in Sri Lanka.

Our governance framework is guided by the

- ▶ Code of Best Practice on Corporate Governance issued by CA Sri Lanka, covering Board composition, director independence, Board committees, risk oversight, and remuneration.
- ▶ SEC's Corporate Governance Listing Rules, which require listed entities to disclose matters relating to Board structures, Board evaluations, and related-party transactions.

The Board, supported by its Audit, Risk and Sustainability Committees, oversees the integrity of financial and non-financial reporting and ensures alignment with stakeholder interests.

MATERIALITY AND CONNECTIVITY

A comprehensive material assessment was conducted, taking into account financial thresholds, stakeholder feedback, and strategic priorities to identify the matters most relevant to value creation.

Operational excellence, product innovation, climate resilience, and human capital development were identified as material matters, with clear linkages across financial, manufactured, intellectual, human, social, and relationship, and natural capitals.

ASSURANCE AND GOVERNANCE

Financial Assurance: is provided by Messrs KPMG, Chartered Accountants, who issue an unqualified opinion on the statutory financial statements in accordance with applicable auditing standards.

Non-financial Controls: Integrity is overseen through internal audit and risk management processes, while external assurance over selected ESG

metrics is planned for future reporting cycles.

The Board: Supported by its Audit, Risk, and Sustainability Committees, oversees the reporting process, data quality, and alignment with stakeholder expectations.

CAPITALS AND VALUE CREATION

This Report presents the Group's performance across the six capitals, demonstrating how resources are utilised to create sustainable value.



ABOUT THIS REPORT**DATA COLLECTION AND
METHODOLOGIES**

We use standardised data collection templates, SAP-based production and ERP systems, and an energy metering platform to support data accuracy and consistency.

Disclosure metrics are aligned with GRI definitions, TCFD climate-related approaches, and SASB materiality mapping, enabling year-on-year comparability.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements relating to the Group's expected financial position and operating performance. These statements are subject to inherent risks and uncertainties, and actual results may differ materially from those expressed or implied.

The Group undertakes no obligation to publicly update or revise such statements in the event of changes in circumstances or expectations.

**DIGITAL ACCESSIBILITY AND
FORMAT**

An interactive PDF optimised for screen readers, together with a mobile-first web version, is available on the Company's website and the CSE portal. Hyperlinked icons enhance navigation by connecting relevant content to capitals, SDGs, KPIs, and stakeholder groups.

BOARD ACKNOWLEDGMENT

The Board of Directors acknowledges its collective responsibility for the integrity of this Report and confirms that, to the best of its knowledge, all material information has been fairly presented and appropriately disclosed.

This acknowledgment is aligned with the <IR> Framework requirement for a "statement by those charged with governance accepting responsibility for the report." It reflects the Group's commitment to accurate, balanced, and transparent reporting.

ABOUT US

INTRODUCTION

Swisstek (Ceylon) PLC has established itself as a progressive force in Sri Lanka's construction and building solutions sector, with a strong foundation built on quality, innovation, and trust. Our business is centred on creating solutions that enhance modern living while supporting the nation's infrastructure and development ambitions. By embracing innovation, strengthening operational excellence, and embedding sustainability into our growth strategy, we continue to redefine industry benchmarks and unlock new opportunities for value creation. More than a manufacturer or solutions provider, we are a partner in shaping spaces, empowering progress, and contributing to Sri Lanka's evolving growth story.

At Swisstek (Ceylon) PLC, we believe construction is more than the creation of physical spaces; it is the foundation upon which progress is built. With a steadfast commitment to innovation, quality, and sustainability, we have grown into a trusted name in Sri Lanka's construction ecosystem, delivering solutions that blend functionality, aesthetics, and durability. Our approach is anchored in anticipating change, embracing transformation, and continuously raising the bar in everything we do. As we move forward, we remain focused on creating meaningful impact not only for our customers and stakeholders, but for the broader communities and industries we serve.

A COMMITMENT TO INDUSTRY LEADERSHIP

Our growth journey has been defined by a relentless pursuit of excellence and an ability to anticipate market shifts. By continuously investing in advanced technologies, product innovation, and operational capabilities, we remain agile in responding to

evolving customer expectations and industry trends. This forward-looking approach enables us to maintain our competitive edge while setting new benchmarks in quality and performance.

DRIVING SUSTAINABLE GROWTH

At Swisstek, growth is guided by responsibility. We recognise that long-term success depends not only on business performance, but also on the positive impact we create for our stakeholders and the environment. Sustainability is therefore embedded within our strategic thinking, influencing how we innovate, operate, and create value across our business.

CREATING ENDURING VALUE

Beyond delivering construction and lifestyle solutions, we see ourselves as contributors to Sri Lanka's broader economic and social progress. Through strong partnerships, customer-centric innovation, and a commitment to excellence, we create enduring value for our customers, employees, shareholders, and communities.

LOOKING AHEAD

As we continue to build momentum, our focus remains firmly on shaping the future of the built environment through innovation, strategic expansion, and responsible growth, strengthening our position as a trusted partner in progress.

OUR VISION

To be a leading manufacturer in Sri Lanka's construction industry, recognised for Innovation and sustainability-led solutions in fixing, finishing, and beautifying products and services.

OUR MISSION

To revolutionise the construction landscape in Sri Lanka through relentless dedication to innovation, sustainability, and excellence.

OUR VALUES

Integrity

We uphold the highest standards of ethics, honesty, and transparency in every aspect of our business. Integrity guides our decisions, actions, and relationships, ensuring we consistently do what is right even when it is not the easiest or most profitable path.

Innovation

Innovation is at the heart of our growth journey, driving us to pioneer new ideas, technologies, and solutions that transform the construction industry. Through continuous improvement and forward-thinking approaches, we create sustainable value for our stakeholders while shaping the future of the built environment.

Accountability

We take ownership of our actions, decisions, and commitments, holding ourselves responsible for delivering excellence and achieving meaningful outcomes. Accountability fosters discipline, trust, and a strong performance culture that ensures we consistently meet the expectations of our stakeholders.

Teamwork

We believe collaboration is the foundation of sustainable success. By valuing diverse perspectives, respecting individual contributions, and working together with shared purpose, we harness our collective strengths to achieve common goals and build enduring relationships.

ABOUT US

OUR PRODUCTS

FIXING

Tile Adhesive

Manufactured under ISO 9001:2015, Swisstek Tile Adhesive is Sri Lanka's only SLS-certified cementitious adhesive. Independently lab-tested for premium quality, it bonds ceramic/porcelain tiles, granite, marble and more on walls or floors. Special polymer and proprietary binders enhance water resistance, bond strength and long-term durability.



FIXING

Aqua Shield 2K Waterproofer

A two-component, cementitious waterproofing system blended with graded aggregates and acrylic modifiers. Ideal for concrete slabs, rooftops, balconies, water tanks, pools, retaining walls, bathrooms and kitchens—it forms a seamless, crack-bridging barrier against water ingress.



FIXING

Skim Coat

A high-build, water-based textured compound for smoothing interior/exterior walls prior to painting. Its fine white finish levels imperfections and offers excellent adhesion and workability, ensuring a flawless substrate for any decorative treatment.



FINISHING

Swisstek SW-101

Swisstek SW-101 is a cutting-edge epoxy resin grout engineered for hygiene-critical environments. Highly resistant to chemicals, abrasion, and impact, it delivers exceptional durability and performance. Its impervious, taint-free surface prevents bacterial entry and is easy to maintain in a sterile condition—making it ideal for kitchens, food processing areas, hospitals, and laboratories.



FINISHING

Swisstek SW-102

Epoxy Tile Adhesive is a high-performance adhesive formulated to provide exceptional bond strengths. It is designed for use with various types of tiles including ceramic, mosaic, porcelain, and gauged stone tiles. Suitable for walls and floors, and recommended for applications with intermittent water exposure such as showers and tub surrounds.



FINISHING

Grout and Sealer

Available in 20 vibrant colours, Swisstek Tile Grout meets ISO standards and is the island's only SLS-certified grout. Regular independent testing guarantees consistent quality. Our Grout Sealer is a transparent, water-based penetrant that locks out moisture and stains, keeping grout joints crisp and easy to maintain.



FINISHING**Silicone Sealant**

Neutral, non-acidic silicone formulated for 100% waterproof joint sealing. With superior tensile strength, mold-resistance and UV stability, it adheres to ceramics, glass, metals and more without discoloration, ensuring leak-proof performance in wet areas.

**FIXING****Quick Flow**

A self-leveling, cement-based levelling mortar for thin-bed floor preparation. Just mix with water and pour to create a flat, seamless surface ready for carpets, vinyl, tiles or engineered wood-delivering fast set-up, minimal shrinkage and high compressive strength.

**BEAUTIFICATION****Decorative Pebbles**

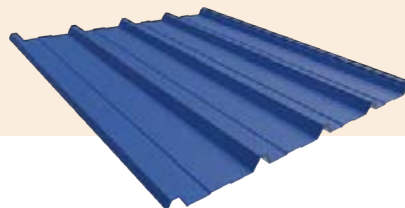
Premium, tumbled aggregates in crystal white, black, ivory, grey and pink. Perfect for exposed-aggregate concrete, aquariums, planters or decorative landscaping, these pebbles add vibrant yet elegant colour accents to interior or exterior spaces.

**BEAUTIFICATION****Tile and Marble Cleaner**

Heavy-duty, pH-balanced cleaner that restores the natural lustre of ceramic, porcelain and stone tiles post-installation. It removes grout haze, dust and stubborn dirt without harming the substrate or sealants.

**ALUMINIUM SOLUTIONS****Roof Master and Profiles**

QUALICOAT-certified, pre-painted zinc-aluminium extrusions for roofing, cladding, purlins, gutters, window and door frames. Engineered for high corrosion resistance, precise tolerances and architectural versatility in commercial and residential construction.

**WOODEN FLOORING****SWISSPARKETT**

Engineered timber floors in sustainable Burma Teak, Indonesian Teak, Merbau and more. Pre-finished with durable UV-cured coatings, sold as floating or glue-down panels, they combine classic aesthetics, dimensional stability and eco-friendly FSC-certified sourcing for luxury interiors.



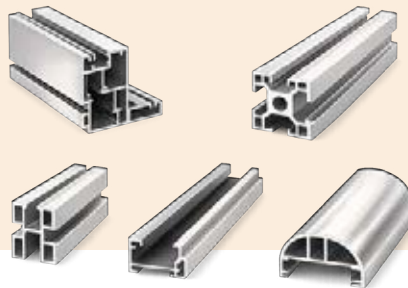
ABOUT US

DIY RANGE

Swisstek has strategically expanded its market footprint by launching an agile Do-It-Yourself (DIY) range featuring 4 innovative products across 6 SKUs. Moving beyond traditional, highly technical portfolios that demand specialized trade applicators, this user-friendly line bridges the gap to connect our brand directly with retail consumers. The current portfolio delivers accessible, high-performance solutions including Multi Foam, Zinc Spray, and Multi Bond (Fast Grip & Perfect Grip) variants to seamlessly empower customers to handle everyday household fixes independently. Capitalizing on early market potential, Swisstek plans to aggressively scale this high-margin category with further product introductions in the upcoming cycles.

**ALUMINIUM SOLUTIONS****Extrusions**

Swisstek Aluminium manufactures aluminium extrusion profiles for a diverse range of architectural, industrial, transportation, renewable energy, and specialized engineering applications. Produced to stringent quality and export standards, the Company's extrusion solutions are designed to deliver consistency, precision, and long-term performance across demanding applications. Supported by advanced manufacturing technology, value-added finishing capabilities, and the increasing use of recycled aluminium, the Company provides customized extrusion solutions that meet the evolving requirements of both local and international customers.

**ALUMINIUM SOLUTIONS****Architectural Systems**

Swisstek Aluminium offers a comprehensive range of architectural aluminium systems for residential, commercial, and industrial applications. The portfolio includes sliding doors and windows, swing doors and windows, folding doors, tilt-and-turn windows, curtain walls, glass partitions, shopfronts, office partitions, louvers, kitchen cabinet systems, panel doors, and other specialized aluminium solutions.

To cater to diverse market segments and application requirements, the portfolio is structured across three distinct product categories. Allura, the Company's proprietary premium range, represents the highest level of architectural performance, design sophistication, and system innovation. The Superior range offers enhanced functionality, design flexibility, and hardware compatibility for a wide spectrum of projects, while the Classic range provides practical and cost-effective solutions for everyday applications.



ALUMINIUM SOLUTION

Prefabricated Products

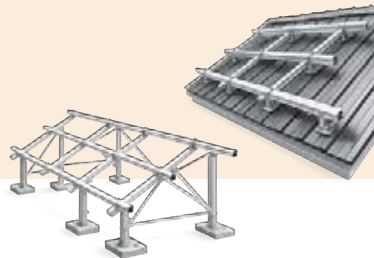
The Company's finished products portfolio includes aluminium multi-purpose ladders, step ladders, ready-to-fix bathroom doors, tile skirting, and tile beading solutions. Designed for both professional and consumer applications, these products combine functionality, durability, and ease of installation across a wide range of construction and home improvement projects.



ALUMINIUM SOLUTION

Solar Structures

Swisstek Aluminium manufactures roof-mounted and ground-mounted solar support structures for residential, commercial, and utility-scale solar installations. Supporting the growing adoption of renewable energy infrastructure, these solutions are engineered to deliver structural reliability and long-term performance across diverse operating environments.



PRODUCTION FACILITIES

Swisstek (Ceylon) PLC
Balummahara Factory
Complex



Swisstek Aluminium Ltd
Dompe Factory
Complex



Facility	Location	Key Outputs	Installed Capacity	FY 2025/26 Output
Balummahara Factory	Balummahara	Tile Adhesive, Grout, Skim Coat, Water Proofer, and Grout Sealer	80,000 MT	74,471MT
Dompe Factory	Dompe	Aluminium Extrusions, Architectural Systems, Prefabricated Products and Solar structures	8,400 MT	6,693 MT
Zinc Aluminium Factory	Weliweriya	Roofing Sheets, Gutters and Accessories	4,200 MT	905 MT

ABOUT US

OUR CONTRIBUTION

PEOPLE	PLANET	CUSTOMERS
Developing human capital through continuous learning, capability enhancement, and career progression opportunities.	Enhancing environmental stewardship through energy management and resource optimisation initiatives.	Creating superior customer experiences through responsive service, technical expertise, and round-the-clock support.
Fostering employee wellbeing through fair remuneration, recognition, and a supportive workplace culture.	Promoting circularity by achieving 100% recycling of demand and silica dust, reintegrating materials into the production process.	Wide range of finishing products to cater to evolving life style preferences of customers.

The value generated through our operations extends well beyond financial performance. By distributing economic value among employees, governments, providers of capital, shareholders, and future growth initiatives, we create a multiplier effect that supports livelihoods, strengthens institutions, rewards investment, and enables sustainable long-term value creation. This distribution reflects our commitment to ensuring that the benefits of our success are shared across the stakeholders who contribute to our journey.

Recipient	Amount (Rs'000)	% of Value Added
Employees (Remuneration)	1,628,785	40%
Government (Taxes)	394,931	10%
Lenders (Interest)	590,273	14%
Shareholders (Dividends)	232,662	6%
Retained (Depreciation)	267,561	7%
Retained (Profit)	976,695	23%
Total Value Added	4,090,906	100%

OUR WAY FORWARD

Product Innovation and R&D

- ▶ Accelerate research and development initiatives to introduce innovative, market-driven products.
- ▶ Enhance product quality, performance, and differentiation to meet evolving customer needs.
- ▶ Foster a culture of continuous innovation to strengthen competitive advantage.

Prudent Governance and Stakeholder Engagement

- ▶ Maintain disciplined financial and operational management to ensure sustainable growth.
- ▶ Deepen engagement with customers, employees, suppliers, investors, and communities.
- ▶ Strengthen transparency, accountability, and responsible business practices across operations.

Green Manufacturing and Circularity

- ▶ Expand investments in renewable energy and resource-efficient manufacturing processes.
- ▶ Advance circular economy initiatives through waste reduction, recycling, and responsible resource utilisation.
- ▶ Reduce environmental impacts while enhancing operational resilience and efficiency.

Digital Transformation

- ▶ Accelerate digitalisation across the value chain to improve productivity and responsiveness.
- ▶ Leverage automation, data analytics, and emerging technologies to drive operational excellence.
- ▶ Enhance customer experiences through digitally enabled solutions and services.

Export Market Expansion

- ▶ Deepen penetration in existing export markets while exploring new international opportunities.
- ▶ Strengthen global partnerships and distribution networks to broaden market reach.
- ▶ Position the Company as a trusted international brand recognised for quality and innovation.

Sustainable Value Creation

- ▶ Balance growth ambitions with environmental and social responsibilities.
- ▶ Build long-term resilience through responsible investment and strategic execution.
- ▶ Create enduring value for shareholders and all stakeholders through sustainable business practices.

KEY MILESTONES

1967

Incorporated as Parquet (Ceylon) Ltd to manufacture mosaic flooring using local teak offcuts; entered into a technical collaboration with Bauwerk AG of Switzerland and introduced SWISSPARKETT to the Sri Lankan market.

1972

Entered the export market for mosaic flooring and block parquet manufactured using Teak, Kumbuk, and Panakka.

1983

Listed on the Colombo Stock Exchange.

2003

Became a member of the Lanka Walltile Group of Companies.

2009

Changed its core business from wooden flooring to tile mortar and tile grout. Manufacturing of wooden flooring was discontinued, while imported wooden flooring continued to be sold locally.

2010

Acquired Ceykor Aluminium Industries Ltd, expanding into the manufacture and sale of aluminium extrusions.

2020

Swisstek Aluminium signed a contract with ETEM to market its system in Sri Lanka, while expanding warehouse and logistics capacity. The Company also introduced QUICK FLOW, GROUT SEALER, ladders, and fabricated doors.

2019

Swisstek Aluminium obtained QUALICOAT Certification, the gold standard for powder-coated aluminium. Swisstek timber flooring also secured the largest timber flooring contract in Sri Lanka through the Waterfront project

2015

Awarded ISO 9001 certification by the Sri Lanka Standards Institution for the manufacture of tile mortar and invested Rs. 170 million in a plant to increase production capacity.

2013

Vallibel One PLC became the Company's ultimate parent company.

2011

Renamed Parquet (Ceylon) PLC to Swisstek (Ceylon) PLC, and Ceykor Aluminium Industries Ltd was renamed Swisstek Aluminium Ltd. Introduced the SWISSTEK brand for tile mortar and tile grout, later extending it to decorative pebbles, skim coat, and tile cleaner. Imported wooden flooring continued to be sold under SWISSPARKETT, while aluminium products were marketed under SWISSTEK ALUMINIUM.

2021

Strengthened its e-commerce platform and secured the timber flooring project for Prime Grand Residences, Ward Place, Colombo 07.

2022

Swisstek Aluminium became the No. 1 aluminium extrusions supplier in Sri Lanka, while Swisstek (Ceylon) became the No. 1 mortar supplier in Sri Lanka. Both companies were also recognised as a Great Place to Work.

2023

Entered the zinc aluminium roofing segment under the sub-brand Swisstek Roof Master and expanded into waterproofing solutions with cementitious and silicone-based products.

2024

Continued to hold the market leadership position in the adhesive and grout market and was recognised for the first time among Sri Lanka's Most Loved Product Brands in the LMD Readers' Most Loved Product Brands 2023/24 rankings.

2025

Implemented SAP S/4HANA to enhance data accessibility and support a more data-driven culture. Introduced a new vision, mission, and values, maintained market leadership in adhesive and grout, improved its LMD Most Loved Product Brands ranking from 104th to 88th, and launched the new epoxy-based products SW 101 and SW 102.



**OUR VALUE
CREATION STORY**

PERFORMANCE HIGHLIGHTS

		Group		Company	
		2025/26	2024/25	2025/26	2024/25
Financial Performance					
Revenue	Rs. Million	16,884	15,269	4,697	3,382
Gross profit	Rs. Million	4,288	3,449	1,520	1,033
Operating expenses	Rs. Million	2,324	1,750	725	479
Operating profit	Rs. Million	2,163	1,872	902	678
Pre-tax profit	Rs. Million	1,644	1,251	840	571
Taxation	Rs. Million	440	321	266	165
Profit for the year	Rs. Million	1,204	930	573	406
GP margin	%	25	22	32	31
OP margin	%	13	12	19	20
Net profit margin	%	7	6	12	12
Return on average equity	%	26	32	21	17
Financial Position					
Total assets	Rs. Million	14,761	13,061	5,225	4,509
Non-current assets	Rs. Million	4,541	4,427	3,013	2,959
Current assets	Rs. Million	10,220	8,635	2,212	1,550
Shareholders' funds	Rs. Million	3,887	3,170	2,743	2,456
Borrowings	Rs. Million	5,779	6,383	1,229	999
Gearing ratio	Times	0.61	1.21	0.25	0.31
Interest cover	Times	3.66	2.74	8.24	5.76
Current ratio	Times	1.31	1.40	1.24	1.19
Quick asset ratio	Times	0.59	0.57	0.85	0.78
Investor information					
Earnings per share	Rs.	7.32	6.32	4.19	2.96
Dividend per share	Rs.	2.05	1.45	2.05	1.45
Net Asset Value per share	Rs.	33.59	26.87	20.04	17.95
Market value per share at 31st March	Rs.	79.50	46.60	79.50	46.60
Market capitalisation as at 31st March	Rs. Million	10,880	6,378	10,880	6,378
P/E ratio	Times	10.86	7.37	18.99	15.72
Dividend pay out	%	28.02	22.94	48.96	48.92
Dividend cover	Times	3.57	4.36	2.04	2.38

PERFORMANCE HIGHLIGHTS

			Group	
			2025/26	2024/25
 Human Capital	Total employees	No.	735	697
	Payments to employees	Rs. Million	1,453	1,109
	Employee retention rate	%	79	89
	Female representation	%	12	10
	New recruits	No.	208	197
	Investment in training	Rs. Million	6	3
	Total training hours	Hours	7,391	6,874
	Average training hours/employee	Hours	10	9.9
	Workplace injuries	No.	85	137
	Union representation	%	39	37
 Manufactured Capital	Property, plant and equipment	Rs. Million	3,945	3,933
	Investment in capex	Rs. Million	392	433
	Production volume	MT	81,164	62,839
 Intellectual Capital	R&D Investment	Rs. Million	6	8
	New products launched	No.	7	8
	Average length of employee service	Years	13	12
 Social and Relationship Capital	Payments to suppliers	Rs. Million	10,961	7,654
	Proportional spending to local suppliers	%	39	50
	CSR Beneficiaries	No.	750	600
	Investment in CSR	Rs. Million	6	4
 Natural Capital	Raw material Consumption	MT	84,079	65,205
	Energy consumption	GJ	81,671	81,176
	Energy intensity	GJ per unit	1.01	1.29
	Water consumption	M3	9,394	10,004
	Solid waste generation	MT	53	28
	Carbon footprint	TCO ₂	2,271	2,634

CHAIRMAN'S MESSAGE



“The year’s performance underscores Swisstek’s ability to convert revenue growth into accelerated earnings growth, reinforcing the strength of its business model and the effectiveness of its strategy to drive sustainable value creation while strengthening its leadership position within the construction sector.”

Dear Stakeholders,

I am pleased to present the Integrated Annual Report of Swisstek (Ceylon) PLC for the financial year 2025/26, a year that marked the decisive return of momentum for both the construction industry and our business. As Sri Lanka’s economic recovery gained traction, improving market confidence, lower financing costs, and a gradual revival in construction activity created a more favourable operating environment across our key markets.

Capitalising on these positive market dynamics, Swisstek delivered a strong financial performance, recording revenue of LKR 16.9 billion, an increase of 10.6% over the previous year, while profit before tax increased by an impressive 31.4% to LKR 1.6 billion. These results reflect the Group’s ability to convert improving market conditions into tangible value through disciplined execution, operational efficiencies, strategic pricing, and a relentless focus on customer service and market leadership.

The year under review therefore represents more than a period of strong financial performance. It signifies the restoration of

momentum across our business, strengthening our competitive position and creating a solid platform for sustainable growth in the years ahead.

GAINING MOMENTUM AMIDST CHALLENGES

The past few years have been among the most challenging in Sri Lanka’s economic history, demanding resilience, agility, and disciplined execution from businesses across every sector. During the year under review, however, the foundations of recovery became increasingly evident. Inflation moderated to single-digit levels, interest rates continued their downward trajectory, exchange rate stability improved, and economic activity gradually strengthened. These developments helped restore business confidence and renewed momentum within the construction sector, particularly across residential, commercial, and renovation-related activity.

While the operating environment improved, significant challenges emerged as externalities. Cyclone Ditwah disrupted economic activity in the third quarter across several regions, affecting construction

CHAIRMAN'S MESSAGE

schedules, logistics networks, customer mobility, and project execution. At the same time, escalating geopolitical tensions created volatility in global supply chains, exerting pressure on raw material costs and freight rates. These external factors tested the resilience of businesses across the industry.

Against this backdrop, Swisstek delivered an exceptional performance, demonstrating the strength of its strategy, business model, and market leadership. Revenue increased by 10.6% to LKR 16.9 billion, while gross profit grew by 24.3% to LKR 4.3 billion. Operating profit grew by 15.5% to LKR 2.2 billion, reflecting the benefits of pricing discipline, manufacturing efficiencies, and operational optimisation. More significantly, profit before tax increased by 31.4% to LKR 1.6 billion, while profit after tax rose by 29.5% to LKR 1.20 billion, substantially outpacing revenue growth and reflecting the Group's ability to convert market opportunities into sustainable earnings. The Group further strengthened its financial position through prudent treasury management, reducing finance costs by 13.4% to LKR 590.6 million.

The year's performance underscores Swisstek's ability to convert revenue growth into accelerated earnings growth, reinforcing the strength of its business model and the effectiveness of its strategy to drive sustainable value creation while strengthening its leadership position within the construction sector.

MARKET LEADERSHIP

The Company's performance also translated into strengthened market leadership. Swisstek further consolidated its position in the tile mortar segment while continuing to

expand its presence across roofing, waterproofing, and complementary construction solutions. The gains in market share achieved during the year underscore growing customer confidence in the Company's brands, product quality, service excellence, and value proposition.

More importantly, the year demonstrated the success of the strategic foundations laid over recent years. Investments in diversification, distribution expansion, operational excellence, and brand building enabled the Company not only to withstand external shocks but also to emerge stronger from them. The ability to simultaneously double turnover and profitability, strengthen market leadership, and generate healthy cash flows reflects a business that is well positioned to capitalise on the recovery of Sri Lanka's construction sector and deliver sustainable long-term value to its stakeholders.

These results reinforce management's confidence that Swisstek is entering its next phase of growth from a position of considerable strength, with a resilient business model, expanding market opportunities, and a proven ability to create value even under challenging operating conditions.

OUR STRATEGIC FOCUS

During the year, the Board remained focused on providing clear strategic oversight and disciplined stewardship to support the Company's long-term growth trajectory. Periods of recovery often bring optimism, but they also require prudent decision-making, strong governance, and a balanced approach to risk and opportunity. In this context, the Board maintained close oversight over strategic priorities, capital discipline, operational resilience, governance

enhancement, and long-term value creation initiatives. A particularly encouraging development during the year was the advancement of operational transformation initiatives through the structured Business Excellence programme introduced across the Group. For a manufacturing-focused enterprise such as Swisstek, operational excellence is fundamental to long-term competitiveness. Productivity improvements, process optimisation, waste reduction, cost discipline, and quality consistency are not merely operational priorities; they are strategic enablers of sustainable profitability and customer confidence. The Board views this transformation as an important long-term investment in strengthening organisational capability, efficiency, and competitiveness.

ANCHORED ON STRONG GOVERNANCE

As stakeholder expectations continue to evolve, governance today extends well beyond traditional financial oversight. Transparency, accountability, sustainability readiness, and effective risk management have become integral to corporate leadership. We remain committed to strengthening governance practices in a manner that supports enduring business resilience while aligning with emerging expectations of responsible corporate stewardship.

Swisstek's position is further enhanced by the broader institutional strength of the Group. Being part of a diversified corporate ecosystem provides the Company with strategic resilience, governance maturity, operational learning, and access to shared expertise that strengthen our ability to navigate changing market conditions with confidence. In increasingly dynamic

environments, such institutional backing creates a meaningful competitive advantage, enabling long-term decision-making with greater conviction.

OUR PEOPLE

Equally important to our strategic journey is our people. No manufacturing enterprise can sustain momentum without a committed, capable, and engaged workforce. The Board continues to place significant emphasis on employee wellbeing, organisational capability development, and workplace safety. Given the nature of our manufacturing operations, safety remains a critical responsibility, requiring constant vigilance, preventive discipline, and a deeply embedded culture of operational care. Beyond safety, continued investment in leadership capability, technical competencies, employee engagement, and organisational inclusivity will remain essential as the Company positions itself for its next phase of growth.

INTEGRATING SUSTAINABILITY

As we look to the future, sustainability remains increasingly intertwined with long-term business resilience. Responsible manufacturing, efficient resource utilisation, environmental stewardship, governance integrity, and positive stakeholder relationships are no longer peripheral considerations; they are central to enduring competitiveness. Swisstek remains committed to integrating these principles progressively into its strategic and operational thinking, recognising that sustainable businesses are ultimately those that create value responsibly and consistently.

GAINING MOMENTUM

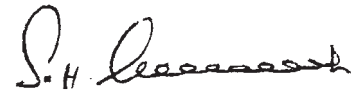
While Sri Lanka's economic recovery remains gradual, the trajectory is undoubtedly more encouraging than in recent years. Improving financing conditions, renewed investor confidence, and anticipated acceleration in construction-related activity present meaningful opportunities for businesses positioned to respond with agility and discipline. At the same time, global uncertainty, input cost volatility, competitive pressures, and evolving market expectations remind us that recovery must not be mistaken for certainty.

Accordingly, our focus remains on sustaining momentum through disciplined execution, strengthening market leadership across our core business segments, accelerating operational excellence, deepening customer relevance, investing in organisational capability, and ensuring that growth is pursued responsibly and sustainably.

A NOTE OF APPRECIATION

On behalf of the Board, I wish to extend my sincere appreciation to our Group Managing Director and the leadership team for their commitment and strategic execution during the year. I also thank our employees, whose resilience, professionalism, and dedication continue to drive the business forward. To our customers, suppliers, shareholders, business partners, and all stakeholders, I express my gratitude for your continued trust and confidence in Swisstek. Finally I wish to place my appreciation to my colleagues of the Board for their collective wisdom in driving Swisstek towards greater heights of momentum.

As we move forward, we do so with stronger foundations, renewed confidence, and a clear sense of purpose. The momentum we have regained must now be transformed into enduring and sustainable value for all stakeholders.



S H Amarasekera
Chairman

29th May 2026

GROUP MANAGING DIRECTOR'S REVIEW



“Each business segment plays a distinct yet complementary role, collectively creating an integrated ecosystem of solutions that strengthens the Company’s competitive positioning.”

Dear Stakeholders,

The true measure of an enduring business lies not merely in its ability to withstand disruption, but in its capacity to convert periods of change into opportunities for acceleration. Thus, the FY2025/26 marked such a defining phase for Swisstek (Ceylon) PLC. Therefore, it is with much pride that I present the review for the financial year 2025/26.

Improvement of Sri Lanka’s economic environment reignited confidence across the construction sector, creating a stronger platform for renewed growth and industry momentum. Against this backdrop, the industry regained its footing, with rising optimism across residential and commercial development segments paving the way for a more resilient and progressive phase of expansion.

Amidst these positive developments Swisstek (Ceylon) entered the year with clarity of purpose and disciplined execution. Our performance for the FY 2025/26 reflects not only the benefit of a recovering economy, but more importantly, the resilience of our business model, the strength of our market positioning, and the commitment of our people. By

staying agile, enhancing operational excellence, and leveraging the strength of the wider Vallibel Group ecosystem, we were able to convert improving market conditions into measurable business progress. Therefore, this year was one of renewed momentum commercially, operationally, and strategically.

GAINING MOMENTUM THROUGH A DIVERSIFIED BUSINESS MODEL

Swisstek’s ability to sustain performance through shifting market cycles is anchored in the strength and diversity of its operating portfolio. Strategically positioned across three core segments tile finishing solutions, aluminium roofing solutions, and waterproofing solutions the Company addresses critical aspects of Sri Lanka’s evolving construction and infrastructure landscape, creating a balanced and resilient business model. This year’s performance reflects strong commercial momentum and focused operational execution across the diversified business verticals. Revenue growth of 11%, coupled with a 24% increase in gross profit and a 16% improvement in operating profit, demonstrates our success in driving efficiency, strengthening

margins, and capitalising on market opportunities. At Company level, the robust 39% growth in revenue and 47% increase in profit before tax further highlight the effectiveness of our growth strategies.

This diversified structure enables Swisstek to participate across multiple stages of the construction value chain, reducing concentration risk while enhancing its relevance to a broad spectrum of customer needs. Each business segment plays a distinct yet complementary role, collectively creating an integrated ecosystem of solutions that strengthens the Company's competitive positioning.

The gradual revival of Sri Lanka's construction sector, supported by improving macroeconomic fundamentals, easing financing conditions, and renewed investor confidence, created a more favourable operating environment during the year. Residential construction activity gained momentum through heightened renovation and housing demand, while commercial developments began to recover as business sentiment improved.

Against this backdrop, Swisstek's tile finishing business continued to serve as a strategic cornerstone, underpinned by strong brand equity, established contractor relationships, and market leadership in quality solutions. The aluminium roofing segment strengthened its contribution amid growing demand for durable, cost-effective, and efficient roofing systems, particularly as customers prioritised long-term value. Meanwhile, the waterproofing business continued to gain traction, reflecting increased awareness around structural resilience, lifecycle performance, and preventive maintenance in modern

construction. During the year, we introduced construction services as an additional business vertical, leveraging on our established expertise and trust built over the years.

The collective strength of these segments enabled Swisstek not only to capitalise on the sector's recovery, but also to reinforce its resilience, ensuring sustained growth momentum while positioning the Company to capture future opportunities in Sri Lanka's built environment.



For a manufacturing-led business such as ours, operational excellence is not optional it is fundamental to competitiveness.

The year under review has been particularly challenging for the export segment, shaped by evolving global uncertainties and changes in taxation policies in the United States, which have impacted operating conditions across our key markets. Despite these headwinds, the Group has remained resilient, demonstrating agility and a forward-looking strategic approach.

In response, we have initiated a deliberate diversification strategy to strengthen our geographic presence beyond the United States, with a growing focus on opportunities in Europe and South Asia. This expansion is aimed at mitigating concentration risks while positioning the Group to capture emerging growth potential across multiple regions.

Concurrently, we have continued to broaden our sectoral footprint. While

maintaining our strong presence in construction and renewable energy, we have strategically expanded into the automotive industry, further enhancing our market relevance and long-term value creation prospects.

DRIVING OPERATIONAL EXCELLENCE WITH DISCIPLINE

While external conditions improved, sustainable performance demanded internal discipline. A significant strategic milestone during the year was the launch of our structured Business Excellence Programme, a Group-wide transformation initiative

spanning a time horizon of three years, which is designed to unlock long-term operational efficiencies, productivity gains, waste reduction, and cost optimisation across the organisation.

Implemented as a multi-year initiative, this programme reflects our commitment to institutionalising continuous improvement rather than pursuing isolated efficiencies. During the first phase, multiple improvement projects were initiated across the business, focusing on process optimisation, production effectiveness, cost discipline, and resource utilisation.

For a manufacturing-led business such as ours, operational excellence is not optional it is fundamental to competitiveness. Our ability to improve throughput, minimise waste, strengthen quality consistency, and optimise input costs directly influences

GROUP MANAGING DIRECTOR'S REVIEW

both customer satisfaction and profitability. These initiatives have already begun generating measurable outcomes amounting to LKR 238 Million for the year under review, while creating a stronger operational foundation for future scale.

STRENGTHENING MANUFACTURING CAPABILITY AND PRODUCT LEADERSHIP

Manufacturing remains at the heart of Swisstek's value creation model. Throughout the year, we continued strengthening our manufacturing capabilities to improve reliability, productivity, and responsiveness to customer demand. Investments in plant optimisation, process discipline, and capability enhancement were directed toward ensuring that our operations remain cost-efficient, quality-focused, and scalable.

Equally important has been our emphasis on innovation and product relevance. Construction markets continue to evolve, with customers demanding greater durability, performance, ease of application, and value efficiency. Our teams remained focused on ensuring our product portfolio evolves in step with these market expectations.

As construction confidence returns, the businesses that will lead are those capable not simply of supplying products, but of delivering dependable performance, technical expertise, and trusted partnerships.

SAFETY, PEOPLE, AND ORGANISATIONAL STRENGTH

At Swisstek (Ceylon) momentum is ultimately created by people. As a manufacturing-centric organisation, health and safety remain among our most critical priorities. The nature of our operations presents inherent industrial risks, requiring constant

vigilance, preventive discipline, and a deeply embedded safety culture.

During the year, we continued strengthening workplace safety through proactive interventions, enhanced monitoring, risk awareness programmes, and improvements in operational safety practices. Safety considerations were also embedded within our broader Business Excellence framework, reinforcing the principle that operational efficiency must always be pursued responsibly.

Beyond operational safety, we remained committed to strengthening employee engagement, capability development, and organisational cohesion.

Several employee-focused initiatives were undertaken to foster stronger engagement and team connectivity, including structured employee recognition programmes, management dialogue sessions, employee welfare initiatives, and targeted engagement with female team members to better understand career aspirations and create pathways for progression.

Leadership capability building, technical competency enhancement, and succession readiness remain strategic priorities as we position the organisation for future growth.

SUSTAINABILITY AND RESPONSIBLE GROWTH

Sustainable business performance requires balancing economic growth with environmental and social responsibility.

As a manufacturing business, this responsibility carries particular significance. Resource efficiency, waste management, responsible

production practices, and workplace wellbeing remain embedded within our operational priorities.

Our continuous improvement initiatives increasingly integrate sustainability outcomes—not only from a cost perspective, but from a stewardship perspective.

We also recognise our broader role in supporting communities and contributing positively to the social ecosystem in which we operate. Through employee welfare initiatives, community engagement efforts, and responsible governance practices, we continue strengthening our commitment to long-term stakeholder value creation.

BACKED BY GROUP STRENGTH

A defining strength of Swisstek lies in the strategic backing of the broader Group.

Being part of a larger, diversified business ecosystem provides us with institutional resilience, governance discipline, strategic oversight, and the confidence to make forward-looking investments even amid uncertain conditions.

This Group affiliation enhances not only financial resilience, but also operational learning, shared expertise, and strategic agility critical advantages in dynamic market environments.

FUTURE FOCUS

As Sri Lanka's construction sector continues its gradual recovery, Swisstek remains firmly focused on translating emerging opportunities into sustainable long-term growth. The Company's forward strategy is centred on strengthening its leadership across core business segments while sharpening operational agility, innovation, and

execution excellence to capture the next phase of market expansion.

A key priority will be deepening market penetration across the tile finishing, aluminium roofing, and waterproofing segments, supported by enhanced product innovation, stronger channel partnerships, and differentiated value propositions aligned with evolving customer expectations. As construction activity gains broader momentum across residential, commercial, and infrastructure segments, Swisstek is well positioned to capitalise on renewed demand through its integrated solutions portfolio.

Operational excellence will remain a critical strategic lever. Building on the momentum of the Group-wide Business Excellence initiative, the Company will continue driving productivity enhancements, process optimisation, waste reduction, and cost discipline across its manufacturing footprint, further strengthening margins and competitiveness in an increasingly dynamic operating environment.

Swisstek will also continue investing in its people, technical capabilities, and leadership pipeline, recognising that long-term resilience is built not only through products and infrastructure, but through empowered teams capable of driving innovation and execution excellence. Parallely, greater emphasis will be placed on sustainability, safety, and responsible manufacturing practices to ensure growth remains aligned with stakeholder expectations and long-term environmental stewardship.

Supported by the strength of its diversified portfolio, strong brand equity, and the broader capabilities of the Group, Swisstek

enters the future with confidence well positioned to accelerate momentum, expand market relevance, and create enduring value in Sri Lanka's evolving built environment.

APPRECIATION

As we reflect on the year under review, I wish to extend my sincere appreciation to all those who have contributed to our continued progress and resilience. My gratitude goes to our employees, whose dedication, professionalism, and unwavering commitment have been instrumental in sustaining our momentum and delivering excellence across the organisation. I also thank our customers, business partners, suppliers, bankers, and other stakeholders for the trust and confidence they continue to place in us.

I extend my heartfelt appreciation to my fellow Board members for their invaluable guidance, stewardship, and strategic insight, which continue to strengthen our governance and long-term direction. I also acknowledge the leadership team for their disciplined execution and steadfast focus in navigating a dynamic operating environment.

Finally, I wish to express our sincere appreciation to our shareholders for their continued confidence and support, which inspire us to remain focused on creating sustainable long-term value.



L A D N Perera

Group Managing Director

29th May 2026

BOARD OF DIRECTORS



MR. S H AMARASEKERA
Non-Executive Chairman

Mr. Harsha Amarasekera, a renowned lawyer and an eminent legal practitioner in the Sri Lanka legal fraternity since 1987, is a non-executive Director of the Company.

Mr. Harsha Amarasekera, President's Counsel has a wide practice in the Original Courts as well as in the Appellate Courts. His fields of expertise include Commercial Law, Business Law, Securities Law, Banking Law and Intellectual Property Law. Mr. Amarasekera has extensive experience in the corporate sector being an Independent Director and Chairman of several listed Companies in the Colombo Stock Exchange.

Mr. Amarasekera is the Non-Executive Chairman of CIC Holdings PLC, CIC Agri Business (Pvt) Ltd, Swisstek Aluminium Limited and Vallibel Power Erathna PLC.

He is also the Chairman of Colombo Port City Economic Commission and the Chairman/Independent Non-Executive Director of Sampath Bank PLC. He is also the Co-Chairman of Royal Ceramics Lanka PLC.

Mr. Amarasekera serves as Non-Executive Director in the Ceylon Hotel Holdings (Pvt) Ltd., EFL Global Logistics (PTE) Ltd., Galle Face Management Company (Pvt) Ltd., Lanka Tiles PLC, Lanka Walltiles PLC, Link Natural Products (Pvt) Ltd., Millennium Airlines (Pvt) Ltd, Millennium Investments Lanka (Pvt) Ltd and an Independent Non-Executive Director of Expolanka Holding Limited.

Total No. of Companies Holding Directorship/Key Management positions: 17

Date appointed to the Board : 01st September 2018



MR. L A D N PERERA
Group Managing Director

Mr. Daminda Perera was appointed as the Executive Director of Swisstek (Ceylon) PLC on 21st May 2025. He is a dynamic business leader with over 21 years of cross-industry experience spanning pharmaceuticals, FMCG, automotive, agriculture, manufacturing and construction.

Blending ground-level sales expertise with boardroom strategy, he has consistently delivered excellence in strategic planning, brand development, route-to-market optimization and operational leadership.

A multi-award-winning professional, Mr. Perera has been honored multiple times at Unilever Sri Lanka for marketing innovation, customer development and leadership including the prestigious "Marketing Hero" and "Wall of Fame" recognitions. His career reflects a proven track record of driving growth, building high-performing teams and transforming business outcomes across diverse sectors.

He holds a Master's in Business Administration (specialized in Marketing) and a Postgraduate Diploma in Marketing, UK. He is a Member of the Chartered Institute of Marketing, UK and a Member of the Sri Lanka Institute of Marketing.

He serves as the Managing Director of Swisstek Aluminium Limited. Further, he was appointed as a Director of Swisstek Development Ltd. and Swisstek Investments (Pvt) Ltd.

Total No. of Companies Holding Directorship/Key Management positions: 04

Date appointed to the Board : 21st May 2025



MR. J K A SIRINATHA
Non-Executive Director

Mr. J K Aravinda Sirinatha holds a Master's Degree in Business Administration, a Bachelor's Degree in Management and has also completed the Intermediate level exams held by the Institute of Chartered Accountants of Sri Lanka. He holds 25 years' experience in the fields of finance, Manufacturing, Supply Chain Management and Sales and Marketing.

At present he is the Chairman of National Housing Authority of Sri Lanka and contributes his knowledge and experience in the capacity of Non-Executive Director in State owned Enterprises such as Urban Development Authority, HDFC Bank, Ocean View Development Company, Urban settlement Development Authority and Fragmentation Board

He serves as Non-Executive Director of Delmege Air Services Ltd, Delmege Freight Services (Private) Ltd, Ever Paint and Chemical Industries (Private) Limited, Home Base Lanka (Pvt) Ltd and LB Managements Services (Private) Ltd.

Total No. of Companies Holding Directorship/Key Management positions: 11

Date appointed to the Board : 01st January 2014



DR. S SELLIAH
Non-Executive Director

Dr. S Selliah has over two decades of diverse experience in serving on the Boards of companies in varied fields such as Manufacturing, Banking, Insurance, Logistics, Packaging, Healthcare, Renewable Power generation, Plantation, Retail etc. He holds an MBBS degree and a Master's Degree (M.Phil).

He currently serves on the Boards of many Public listed and Private companies. Has extensive experience on serving on Board sub committees as Chairman or member which include, Human Resource and Remuneration committee, Investment committee, Strategic Planning committee, Related Party Transaction committee, Nomination and Governance committee, Audit committee, and Risk Management committee etc.

Dr. Selliah serves on a Non-Executive capacity in the following company Boards. Dr. Selliah is the Chairman of JAT Holdings PLC and serves as a Director of Commercial Bank of Ceylon PLC, ACL Cables PLC, Arunodhaya Private Ltd, Lanka Tiles PLC, Lanka Walltiles PLC, Arunodhaya Industries (Pvt) Ltd. He is also the Chairman of Cleanco Lanka (Private) Ltd, Orysys Ltd, Soul Corporation (Private) Ltd., Vydexa Lanka Power Corporation (Pvt) Ltd and Andysel (Private) Ltd. He is also the Deputy Chairman of ArunoAus (Pte) Ltd. He also is a director of Arunodhaya Investments (Pvt) Ltd. He has also served on many other Listed company Boards in the past.

Dr. Selliah has served as a Senior Lecturer in the Faculty of Medicine, University of Kelaniya for many years in the past and served on several committees. He has also been Head of the Department of Physiology for many years during this period at the Faculty. He has also served as a Member of the University Council at the University of Colombo in the past.

Total No. of Companies Holding Directorship positions: 15

Date appointed to the Board : 28th March 2017



MR. A M WEERASINGHE
Non-Executive Director

The Founder of Royal Ceramics Lanka PLC, established in 1990, he is a gem merchant by profession and presently holds the position of Deputy Chairman of the Company. Mr. Weerasinghe has been in the business field for more than 38 years involved in Real Estate, Construction, Transportation & Healthcare Industry and a Landed Proprietor.

In addition to the above, he is the Chairman of Rocell Bathware Limited, Lanka Ceramics PLC, Singhe Hospitals PLC, Weerasinghe Property Development (Pvt) Ltd Weerasinghe Gems (Pvt) Ltd and the Co- Chairman of Lanka Tiles PLC and Lanka Walltiles PLC. He also serves as a Non-Executive Director of Swisstek Aluminium Limited, Biscuits and Chocolate Company Ltd, C P Holding (Pvt) Ltd, LC Plantation Projects (Pvt) Ltd and Rocell Properties Limited.

Total No. of Companies Holding Directorship/Key Management positions: 14

Date appointed to the Board : 15th March 2017



MR. K D G GUNARATNE
Non-Executive Director

Mr. Gamini Gunaratne studied at St. Thomas' College Mt. Lavinia and was a member of the Western Provincial Council during the period 1989 to 2009.

He serves as a Non-Executive Chairman of Lanka Hotel & Residencies (Sheraton Colombo), Independent Non-Executive Director of Vallibel Power Erathna PLC. Non-Executive Director of Dipped Products PLC, Hayleys PLC and Horana Plantations PLC. He also holds Directorships at College of Fashion & Design (Pvt) Ltd, SLIT International Limited and East West Properties PLC.

He serves as the Executive Chairman of Lanka Hotel & Residencies (Pvt) Ltd (Sheraton Colombo), Independent Non-Executive Director of Vallibel Power Erathna PLC and East West Properties PLC. Non-Executive Director of Dipped Products PLC, Hayleys PLC and Horana Plantations PLC. He also holds Directorships at College of Fashion & Design (Pvt) Ltd, SLIT International Limited.

Total No. of Companies Holding Directorship/Key Management positions: 09

Date appointed to the Board : 30th August 2017

BOARD OF DIRECTORS



MR. C M U WEERAWARDENA
Independent Non-Executive Director

Mr. Chethiya weerawardena holds a Doctor of Business Administration (DBA) from the University of Azteca, North America, where his research focused on integrating corporate finance principles into state-owned enterprises and restructuring strategies for both public and private entities. He also holds a Master of Business Administration (MBA) from the University of Suffolk, United Kingdom, completed through the British School of Commerce in Sri Lanka, and a Master of Laws (LLM) from Buckinghamshire New University, United Kingdom. In addition to his academic achievements, he is a Member of the Chartered Management Institute (MCMI – UK), a Professional Member of the Financial Management Association (FMA – USA), a Fellow of the Institute of Chartered Professional Managers of Sri Lanka (FCPM), and a Member of the Chartered Institute of Marketing (MCIM – UK).

Mr. Umagiliya currently serves as Chairman of Uni Dil Packaging Limited and Uni Dil Solutions Limited, Sri Lanka's leading packaging solutions providers. He is also a Non-Executive Director of DHT Cement (Pvt) Ltd (PowerTech), and an Independent Non-Executive Director of Fortress Resorts PLC and Swisstek Aluminium Limited. He was recently appointed to the Board of East West Properties PLC and Laughs Holdings as a Non-Executive Director. Previously, he served as a Director of Pan Asia Banking Corporation PLC.

Through these roles, Mr. Umagiliya has contributed extensively to brand strategy development, corporate governance, financial restructuring, internal control strengthening, and positioning organizations for sustainable growth. His multidisciplinary expertise in finance, management, law, and marketing, combined with extensive board-level experience across multiple industries, makes him a valuable contributor to the strategic direction and governance of the companies he serves.

Total No. of Companies Holding Directorship/Key Management positions: 08

Date appointed to the Board : 01st October 2018



MR. R M M J RATNAYAKE
Independent Non-Executive Director

Mr. Mohan Rathnayake is a Fellow of the Chartered Institute of Management Accountants UK and has read for an MBA. He was the Chairman of the Committee which issued Sri Lanka's first internationally listed USD Bond by a corporate entity for Sri Lanka Telecom PLC (SLT), which traded on the Singapore Stock Exchange, for the expansion of SLT and Mobitel. This was when the sovereign had not been rated by International Rating Agencies.

Mr Ratnayake currently serves as the Managing Director of Colonial Motors (Ceylon) Ltd., Director of Union Investments (Pvt) Ltd., and Non Executive Director of C M Holdings PLC. He also serves as a Senior Independent Non-Executive Director of ACL Plastics PLC. He is an Independent Non-Executive Director of Lanka Tiles PLC, Lanka Walltiles PLC, Serandib Land PLC, UB Finance PLC, , Lee Hedges PLC and Lee Hedges Investments Limited. Mr Ratnayake also serves on several Sub Committees.

He has served on the Board of a State-owned entity in the Export Sector and has expertise in the fields of Tea Exports, Tea Plantations, Telecommunications and the Motor Industry. He held the position of Deputy Chairman of a listed Financial Institute falling under the purview of the Central Bank of Sri Lanka and served as the Chairman of Lanka Realty Investments PLC.

Total No. of Companies Holding Directorship/Key Management positions: 11

Date appointed to the Board : 01st January 2025



MR. B D S MENDIS
Independent Non-Executive
Director

Mr. Dinesh Mendis has a corporate career spanning over 30 years and is an innovative business leader with exceptional strategic, operational, marketing and people development experience and was a Director of Aitken Spence Group Ltd from 2007 to 2022.

He has led as the Managing Director, companies in a variety of industries which include Fintech and Financial Services, Freight Forwarding, Logistics, Engineering and held Directorships in companies in ICT, Printing and Packaging, and Real Estate Industries in Sri Lanka. He also has experience working in the Retail industry in the United States.

Mr. Mendis holds a Bachelor of Science Degree (BSc), (Magna Cum Laude) from Slippery Rock University of Pennsylvania, USA, specializing in Marketing and Economics where he won the outstanding Undergraduate Student award in both Marketing and Economics in his final year 1992. He also holds a Master of Business Administration Degree (MBA) specializing in Marketing in 1993 from The University of Texas, USA.

Mr. Mendis has served on the Board of Directors of the American Chamber of Commerce in Sri Lanka, the Sri Lanka Logistics and Freight Forwarders Association and is currently the President of The National Council for Child and Youth Welfare. He is involved in mentoring and advising a few local small and medium enterprises.

He serves as an Independent Non-Executive Director of Lanka Walltiles PLC and Vallibel Power Erathna PLC.

Total No. of Companies Holding Directorship/Key Management positions: 03

Date appointed to the Board : 01st January 2025



MR. I G I M ILUKKUMBURA
Non-Executive Director

Mr. I M Ilukkumbura is a financial professional with over 18 years of experience in finance, audit, compliance, and strategic leadership across diversified sectors including manufacturing, tourism, plantations, transportation, and conglomerates.

He currently serve as the Group Chief Financial Officer of the Uni Dil Group of Companies and have been heading the finance department since 2017.

A key milestone in his tenure at Uni Dil Group was his lead role in the successful acquisition of a foreign company, where he was responsible for financial due diligence, valuation, funding structuring, regulatory compliance, and post-acquisition financial integration. This project significantly strengthened the Group's international footprint.

Prior to joining Unidil Group, he served as the Finance Manager at Mackinnons Travels (Pvt) Ltd, a fully owned subsidiary of John Keells Holdings PLC.

Earlier in his career, he was associated with Ernst & Young, progressing from Audit Trainee to Assistant Manager, and gained extensive exposure to audit and assurance services for large and complex organizations, including listed entities. His experience includes working with international accounting and auditing standards, regulatory framework, and ERP systems such as SAP and MS Navision etc.

He is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of Sri Lanka (ICASL) and a Member of the Association of Chartered Certified Accountants (ACCA – Global). He is also a Member of

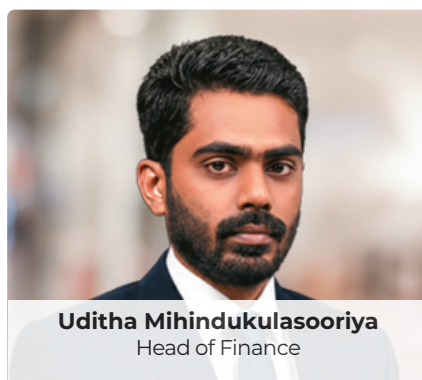
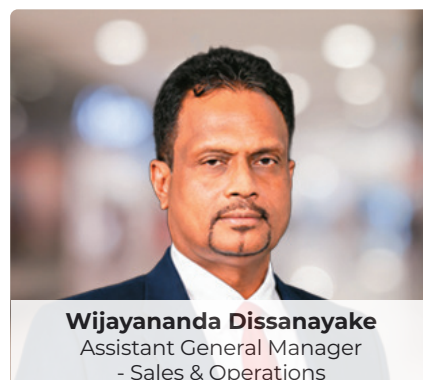
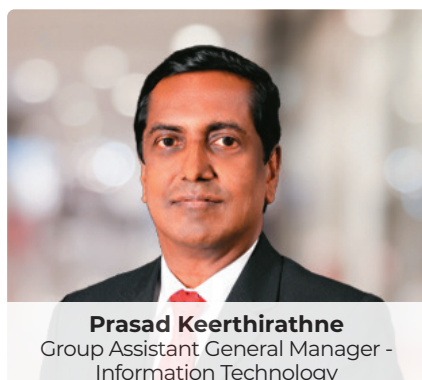
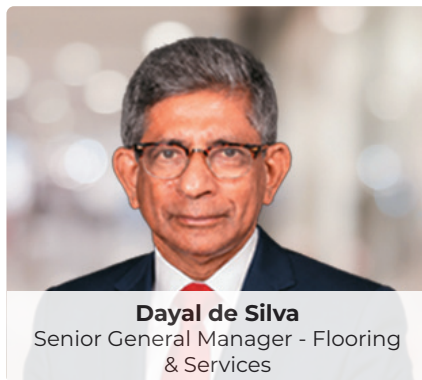
the Institute of Chartered Professional Managers of Sri Lanka (MCPM).

He holds a MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura, and a B.Sc in Business Management (Second Upper Class) from the Rajarata University of Sri Lanka. In addition, he is a Certified TPM Practitioner.

He serves as a Non-Executive Director of Swisstek Aluminium Limited.

Total No. of Companies Holding Directorship/Key Management positions: 02

Date appointed to the Board : 29th January 2026

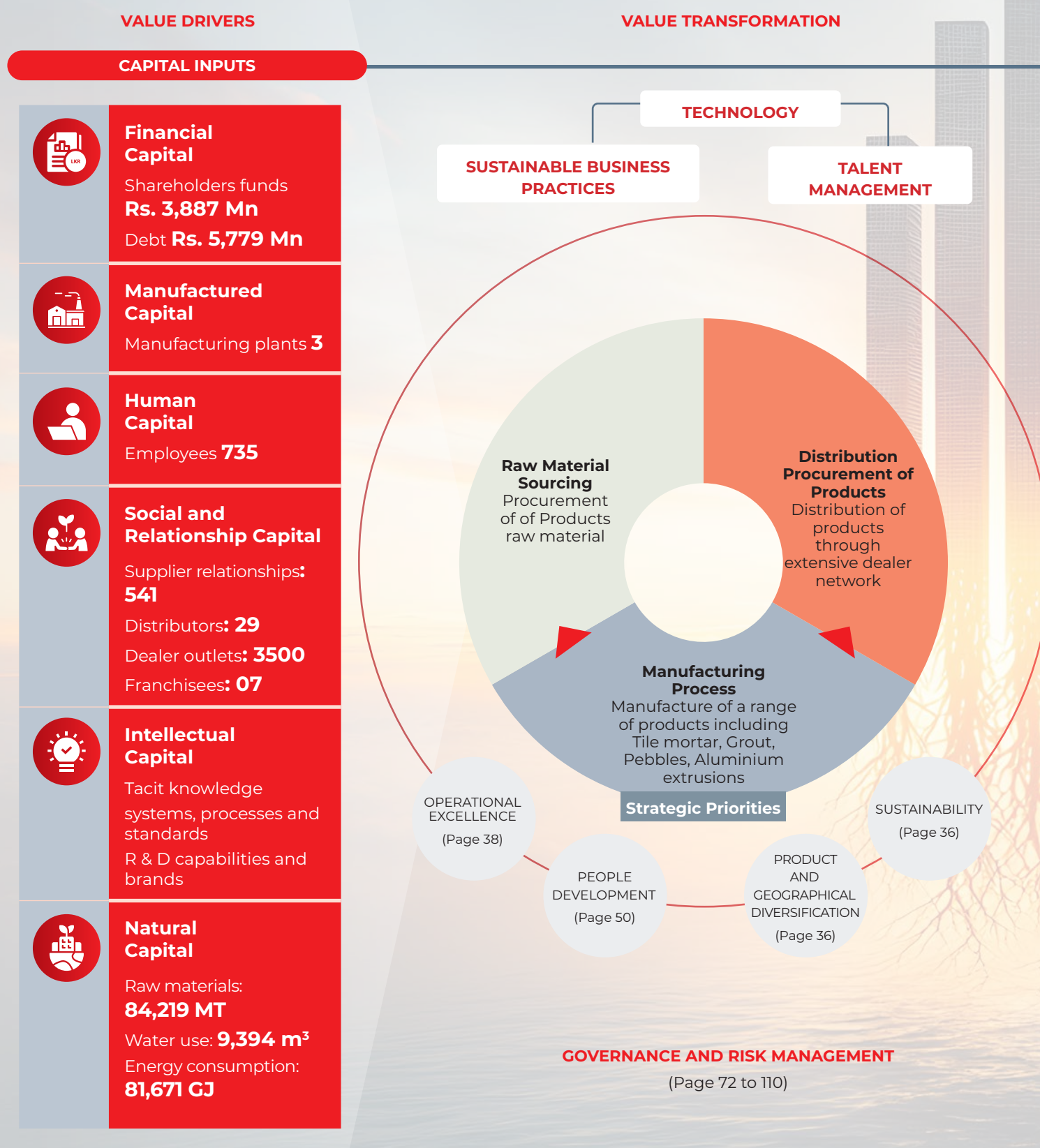
SENIOR MANAGEMENT TEAM



**MANAGEMENT
DISCUSSION AND
ANALYSIS**

VALUE CREATION MODEL

Our value creation model depicts how we created sustainable value for our stakeholders by strategically leveraging our capital inputs.



VALUE DELIVERED

OUTPUTS

Revenue
Rs. 16,884 Mn

Operating Profit (EBIT)
Rs. 2,163 Mn

Net Assets Per Share
Rs. 33.59

Dividend per share
Rs. 2.05

Payments to employees
Rs. 1,453 Mn

Investment in training
and development
Rs. 5.67 Mn

Payments to suppliers
Rs. 10,961 Mn

Investments in
community engagement
Rs. 6 Mn

Effluent discharge
30,451 m³

OUTCOMES

Shareholders

Sustainable returns
(Refer Financial capital
on page 42)

Customers

Innovative products
Increased customer
convenience
(Refer Social and Relationship
Capital Report on page 56)

Employees

Opportunities for career
progression and skill
development in a dynamic
environment
(Refer Human Capital Report
on page 50)

Suppliers

Stronger partnerships
(Refer Social and Relationship
Capital Report on page 56)

Community

Mutually beneficial
relationships
with the communities
we operate in
(Refer Social and Relationship
Capital Report on page 56)

CONTRIBUTION TO SDG's



STAKEHOLDER ENGAGEMENT

At Swisstek, stakeholder engagement is central to how we create sustainable value. We recognise that maintaining open, transparent, and ongoing dialogue with our stakeholders is essential to understanding their evolving expectations, addressing key concerns, and ensuring that our strategy, operations, and reporting remain aligned with what matters most.

Our approach is structured, continuous, and guided by the principles of inclusivity, responsiveness, and accountability. Through a mix of formal and informal engagement channels including surveys, forums, workshops, digital platforms, and direct interactions we gather timely and actionable insights that help strengthen relationships, build trust, and support effective decision-making.

Swisstek adopts a focused approach to stakeholder prioritisation, engaging closely with those who are most significantly impacted by our operations, as well as those who influence our ability to deliver long-term value. This enables us to respond more effectively to a dynamic operating environment while supporting materiality assessments, strategic refinement, and sustainable growth.

ENGAGEMENT WITH KEY INTERNAL AND EXTERNAL STAKEHOLDERS

Category	Shareholders & Investors	Employees	Customers
Process / Method of Engagement	AGM and E-AGM Quarterly results calls Webinars; investor portal updates	Town-hall meetings Pulse and engagement surveys LMS training modules Well-being workshops	On-site technical workshops Customer satisfaction surveys 24/7 AI chat portal Dedicated account managers
Frequency	Quarterly and annually	Biannual surveys Monthly engagement initiatives	Quarterly surveys Ongoing
Interests & Expectations	Transparent financial performance Governance Dividends	Career development Health and safety Inclusion	Product reliability Technical support Value for money
Key Concerns Addressed	Profitability Risk management Return on investment	Job security Upskilling Workplace wellness	Product performance issues Installation guidance
Our Response	Launched interactive investor webinars with live Q&A Enhanced the investor portal with real-time dashboards and email alerts on CSE disclosures	Rolled out a digital career-path tool Achieved zero lost-time incidents through expanded EHS training Launched mental health webinars	Reformulated grout for 15% faster setting Deployed AI chat for instant support Produced new best-practice installation guides and e-learning videos
Highlights	Strengthened investor access and transparency through more interactive and real-time communication channels	Advanced employee well-being, career development, and workplace safety, achieving zero lost-time incidents	Enhanced customer support and product performance through faster-setting grout and always-on digital assistance

ENGAGEMENT WITH VALUE CHAIN, COMMUNITY, AND REGULATORY STAKEHOLDERS

Category	Suppliers & Partners	Communities & Ngos	Regulators & Industry Bodies
Process / Method of Engagement	Annual supplier conference E-procurement platform Joint R&D sessions Sustainability workshops	Community liaison forums CSR project steering committees Environmental impact assessments	Compliance briefings and workshops CSE and SEC consultations Industry association panels
Frequency	Annual conference Ongoing	Quarterly forums As needed	Semi-annual As scheduled
Interests & Expectations	Fair payment terms Auality inputs ESG alignment	Environmental protection Local employment Community investment	Regulatory compliance Standards alignment Sector collaboration
Key Concerns Addressed	Timely payments Raw-material consistency ESG compliance	Dust and noise Local livelihoods Water access	Adherence to SLAS Companies Act requirements Listing rules
Our Response	Reduced payment cycles to 14 days Co-developed low-carbon material grades Trained 150 suppliers on ESG best practices Integrated supplier scorecards	Installed additional dust filters, enabling 100% cement dust recycling Launched vocational apprenticeship programmes Funded community water-well projects	Contributed to draft updates of the National Green Reporting System Fast-tracked approvals for new waterproofing solutions Successfully hosted two CEA and CSE audits
Highlights	Strengthened supplier relationships through faster payments, ESG capability-building, and closer performance monitoring	Expanded community support while improving environmental safeguards through recycling, skills development, and water access initiatives	Sustained proactive regulatory engagement through compliance, collaboration, and successful external audits

MATERIALITY

DEFINING WHAT MATTERS MOST

At Swisstek (Ceylon) PLC, our approach to materiality is guided by a clear understanding that long-term value creation depends on our ability to identify and respond to the issues that matter most to our business and stakeholders. As a manufacturing-driven organisation operating within Sri Lanka's construction and building materials sector, our material priorities are shaped by evolving market conditions, stakeholder expectations, regulatory developments, environmental responsibilities, and the strategic direction of the Group.

Our materiality assessment serves as a critical strategic tool, enabling us to focus resources on areas that have the greatest potential to influence enterprise value, operational resilience, stakeholder trust, and sustainable growth.

OUR APPROACH

During the year, we undertook a structured review of material matters through a stakeholder-informed and management-led assessment process. This included evaluating internal strategic priorities, emerging industry trends, operational risks, sustainability considerations, and feedback from

key stakeholder groups including customers, employees, investors, suppliers, regulators, and local communities.

The assessment considered both:

- ▶ The significance of our economic, environmental, and social impacts, and
- ▶ The extent to which these matters influence stakeholder decisions and the Company's long-term success.

This dual perspective ensures alignment with evolving sustainability reporting expectations while reinforcing integrated decision-making across the business.

KEY MATERIAL MATTERS

The assessment identified the following areas as priorities for Swisstek:

- ▶ Sustainable profitability and market growth
- ▶ Operational efficiency and manufacturing excellence
- ▶ Workplace health, safety, and employee wellbeing
- ▶ Product quality, innovation, and customer trust

- ▶ Energy efficiency and responsible resource consumption
- ▶ Waste reduction and circular manufacturing practices
- ▶ Talent development, leadership capability, and workforce engagement
- ▶ Ethical governance, compliance, and business integrity
- ▶ Supply chain resilience and responsible sourcing
- ▶ Climate resilience and environmental stewardship

INTEGRATION INTO STRATEGY

Material matters are embedded into our strategic planning, risk management, operational decision-making, and sustainability agenda. Our Group-wide Business Excellence programme, focused on continuous improvement, cost optimisation, waste reduction, and process discipline, directly supports several of these priorities while strengthening operational competitiveness.

As a manufacturing environment where workplace safety and operational continuity are critical, particular emphasis is placed on employee protection, preventive safety culture, process reliability, and environmental responsibility.

Material Topic	Why It Matters to Swisstek	Strategic Response	Stakeholders Impacted	Linked Capitals
Sustainable Financial Performance & Growth	Ensures resilience, shareholder confidence, and capacity for reinvestment amidst cyclical market conditions	Revenue growth, portfolio diversification, cost discipline, capital allocation, market expansion	Shareholders, investors, lenders, customers	Financial Capital
Operational Excellence & Manufacturing Efficiency	Critical to maintaining competitiveness, productivity, quality consistency, and cost optimisation in a manufacturing-intensive business	Business Excellence programme, process optimisation, waste reduction, automation, production discipline	Customers, investors, employees	Manufactured Capital

Material Topic	Why It Matters to Swisstek	Strategic Response	Stakeholders Impacted	Linked Capitals
Employee Health, Safety & Wellbeing	Manufacturing operations involve exposure to dust, machinery, and workplace hazards, making workforce protection a business imperative	Preventive safety culture, risk assessments, PPE, training, workplace monitoring, wellbeing initiatives	Employees, regulators, communities	Human Capital
Talent Development, Leadership & Employee Engagement	Skilled talent and engaged teams drive innovation, productivity, operational reliability, and future leadership continuity	Technical capability building, leadership development, employee engagement programmes, diversity and inclusion initiatives	Employees, management	Human Capital / Intellectual Capital
Product Quality, Innovation & Customer Value	Quality assurance and product reliability are central to customer trust and brand strength in the construction materials sector	Product innovation, quality assurance systems, continuous product improvement, customer responsiveness	Customers, distributors, contractors	Intellectual Capital / Social & Relationship Capital
Environmental Stewardship & Resource Efficiency	Manufacturing activities consume energy, raw materials, and water, making environmental management essential for long-term sustainability	Energy efficiency initiatives, waste minimisation, responsible material use, emissions management, sustainability projects	Regulators, communities, customers, investors	Natural Capital
Governance, Ethics & Compliance	Strong governance underpins accountability, risk management, stakeholder trust, and regulatory compliance	Governance oversight, internal controls, ethical conduct, compliance frameworks, policy alignment	Investors, regulators, employees, stakeholders	Social & Relationship Capital
Supply Chain Resilience & Responsible Sourcing	Reliable access to raw materials and supplier continuity are critical to operational stability and customer fulfilment	Supplier partnerships, sourcing diversification, procurement discipline, supply chain monitoring	Suppliers, customers, operations teams	Social & Relationship Capital
Climate Resilience & Future Readiness	Climate and regulatory shifts may influence manufacturing operations, costs, and stakeholder expectations over time	Efficiency investments, resilience planning, sustainable operating practices, adaptive business planning	Investors, regulators, communities	Natural Capital / Financial Capital

LOOKING AHEAD ►

Materiality is not a static exercise. As stakeholder expectations, regulatory landscapes, and industry dynamics continue to evolve, Swisstek will continue refining its material priorities to remain relevant, responsive, and resilient. This disciplined approach ensures we remain focused on creating sustainable value while contributing meaningfully to the broader construction ecosystem and national development.

STRATEGY AND WAY FORWARD

GATHERING MOMENTUM FOR SUSTAINABLE GROWTH

As the construction industry gathers pace, Swisstek is strategically positioning itself to capitalize on the opportunities emerging across the market. While continuing to strengthen its leadership in the tile-related product category, the Company has successfully accelerated its product

diversification strategy, expanding into complementary construction solutions beyond its traditional core portfolio.

This deliberate shift has enabled Swisstek to broaden its market reach, reduce reliance on a single product segment, and create multiple avenues for growth. The expansion into new product categories has not only enhanced business resilience but also

contributed to a more balanced and diversified earnings profile. Supported by strong market demand, an expanding distribution footprint, and a growing portfolio of innovative building solutions, Swisstek is building significant momentum, reinforcing its position as a comprehensive construction solutions provider and laying a strong foundation for long-term value creation

Strategic Priority	Key Actions
Strengthen Leadership in Core Product Categories	▶ Enhance brand awareness and consideration through integrated traditional and digital marketing campaigns. ▶ Expand product availability across distribution, large trade (LT) and retail chain (RCL) channels. ▶ Strengthen channel partnerships and customer engagement initiatives.
Accelerate Growth in Zinc Aluminium Roofing Solutions	▶ Expand dealer network coverage and penetration. ▶ Increase participation in project-based and direct business opportunities. ▶ Strengthen market visibility and customer acquisition initiatives.
Build a Leadership Position in Premium Timber Flooring	▶ Target high-value residential, hospitality and commercial developments. ▶ Strengthen relationships with architects, designers and developers. ▶ Showcase premium product offerings through project references.
Launch and Scale the Swisstek DIY Portfolio	▶ Introduce a dedicated DIY product range. ▶ Establish availability across direct, distribution and modern trade channels. ▶ Drive e-commerce sales through omnichannel platforms.
Expand into Coatings and Liquid Waterproofing Solutions	▶ Evaluate local third-party manufacturing and import opportunities. ▶ Assess acquisition opportunities for a local manufacturing facility. ▶ Conduct commercial and operational feasibility studies.
Develop a Construction Services Business Vertical	▶ Evaluate opportunities across construction-related services. ▶ Define operating model, organisational structure and business case. ▶ Establish capability requirements and investment framework.

Strategic Priority	Key Actions
Driving Growth in Exports Segment	▶ Geographic diversification beyond US market to Europe and South Asia ▶ Product portfolio expansion to automotive industry while strengthening the core of construction and renewable energy segments
Driving Growth in Architectural Aluminium Profile Segment	▶ Focus on expanding premium solution offerings within high-end market segments ▶ Implement pricing adjustments to accurately reflect aluminium cost structures ▶ Strengthen market reach through a structured channel partner development programme

These initiatives are designed to strengthen Swisstek's market leadership in its core categories while creating new avenues for growth through product diversification, geographic expansion, and adjacent business opportunities. Together, they support the Company's ambition to accelerate revenue growth, enhance market presence, and build a more diversified and resilient business portfolio for the future.

RESPONDING TO THE DYNAMICS OF THE OPERATING ENVIRONMENT

Operating within one of Sri Lanka's most dynamic and cyclical industries, Swisstek (Ceylon) PLC demonstrated resilience and adaptability amidst evolving market conditions during the year under review. While the gradual recovery of the construction sector created renewed opportunities, the industry continued to face cost pressures, competitive intensity, and changing customer dynamics. Against this backdrop, the Company remained focused on operational excellence, prudent cost management, product innovation, and customer-centric value delivery.

Leveraging its diversified presence across construction-related segments and the strength of the broader Group, Swisstek continued to navigate industry volatility with agility, reinforcing its market position while capitalising on emerging growth opportunities within Sri Lanka's recovering construction landscape.

GLOBAL OPERATING CONTEXT

The global operating environment during FY 2025/26 remained characterised by uncertainty, albeit with greater stability compared to preceding years. Persistent geopolitical tensions, trade route disruptions, volatility in commodity markets, and fluctuations in global energy prices continued to influence industrial manufacturing economics worldwide. Although international supply chains demonstrated improved normalisation compared to the severe disruptions experienced in earlier periods, manufacturers remained exposed to procurement volatility, cost unpredictability, and shifting shipping dynamics.

For Swisstek, these developments carried direct operational implications. As a manufacturer reliant on imported raw materials, industrial chemicals, specialised components, packaging materials, and machinery-related inputs, global supply chain conditions significantly influence production continuity, procurement economics, and working capital management. Freight cost fluctuations, supplier lead times, and global commodity price movements remained key determinants of operational efficiency.

At the same time, global manufacturing trends increasingly prioritised operational productivity, lean manufacturing, sustainability-led production, and cost discipline reinforcing the need for manufacturers to drive efficiency not merely as a response to disruption, but as a structural competitive advantage.

SWISSTEK'S RESPONSE

Swisstek responded by strengthening procurement visibility, enhancing supplier coordination, and maintaining disciplined inventory planning to ensure supply continuity and minimise operational disruption. The Group continued to prioritise operational efficiency across its manufacturing ecosystem, ensuring that global externalities were managed proactively rather than reactively.

LOCAL MACROECONOMIC CONTEXT

Sri Lanka's macroeconomic environment during FY 2025/26 reflected a notable recovery in stability following the severe disruptions experienced in prior years. According to the Central Bank of Sri Lanka's Annual Economic Review 2025, the domestic economy benefited from easing inflation, improved exchange rate stability, stronger external sector

performance, and a gradual recovery in financial system confidence. These developments collectively created a more predictable and supportive operating environment for businesses.

One of the most impactful developments for Swisstek was the moderation of domestic interest rates. As inflationary pressures eased and monetary conditions normalised, borrowing costs reduced significantly, enabling banks to gradually resume lending activity across commercial project financing, business lending, and residential mortgages. Given the construction sector's high dependence on financing availability, this marked a critical turning point.

Improved access to credit created the conditions for stalled projects to recommence, while enhancing investor confidence in commercial development and improving affordability for residential property development.

The stabilisation of the Sri Lankan Rupee also delivered operational benefits. For manufacturers dependent on imported inputs, exchange rate predictability improved procurement planning, reduced pricing uncertainty, and supported better cost management.

Meanwhile, easing inflation helped restore business sentiment and consumer confidence, although affordability considerations remained relevant, particularly in price-sensitive sectors.

However, structural challenges persisted. Energy tariffs, logistics costs, labour-related expenses, and broader operational overheads continued to exert pressure on manufacturing economics, requiring disciplined internal cost management.

SWISSTEK'S RESPONSE

Swisstek adopted a measured but opportunity-focused response to the improving macroeconomic environment. According to the Central Bank of Sri Lanka's Annual Economic Review 2025, the Sri Lankan economy continued its path of stabilisation, supported by easing inflation, improved external sector performance, strengthened banking sector confidence, and a gradual recovery in domestic economic activity. For Swisstek, these developments created a more constructive operating environment compared to prior years, although market recovery remained phased and selective. Against this backdrop, the Group adopted a disciplined and forward-looking operational approach, balancing readiness for growth with continued cost optimisation and efficiency enhancement.

The Group maintained production readiness in anticipation of recovering demand, ensuring operational flexibility as construction activity gradually resumed. Procurement planning was strengthened to capitalise on exchange rate stability while minimising cost volatility, and inventory management was optimised to balance supply

assurance with working capital efficiency.

Recognising that external recovery alone would not guarantee sustainable competitiveness, the Group intensified its internal focus on operational productivity, cost optimisation, and process discipline.

INTEREST RATE MODERATION AND REVIVAL OF CONSTRUCTION FINANCING

One of the most significant macroeconomic developments during FY 2025/26 was the continued easing of domestic interest rates following the stabilisation of inflation and monetary policy conditions. The reduction in borrowing costs created renewed momentum within the financial system, with banks gradually resuming lending activities across commercial construction financing, working capital facilities, and housing loans.

This had direct implications for Swisstek. Construction is fundamentally a credit-driven sector, and the availability of financing is often the catalyst for project execution. Lower lending rates improved the viability of commercial developments, apartment construction, mixed-use projects, and residential housing activity, enabling previously deferred projects to recommence.

This gradual revival in construction financing positively influenced demand across Swisstek's product portfolio, particularly in tiles, sanitaryware, bathware, and interior finishing products.

SWISSTEK'S STRATEGIC RESPONSE

Swisstek proactively positioned itself to benefit from this improving financing environment through a series of operational interventions:

- ▶ Maintaining production readiness across manufacturing facilities to respond swiftly to recovering order flows
- ▶ Preserving supply continuity through proactive procurement planning to avoid disruptions as project activity increased
- ▶ Strengthening relationships with dealer networks, distributors, contractors, and channel partners to ensure demand capture at market touchpoints
- ▶ Enhancing forecasting discipline to better align production with evolving market demand patterns
- ▶ Preserving operational flexibility to scale capacity in line with recovery momentum rather than committing prematurely to fixed expansion

This approach ensured the Group remained commercially responsive while preserving operational efficiency.

EXCHANGE RATE STABILITY AND PROCUREMENT OPTIMISATION

The relative stabilisation of the Sri Lankan Rupee during FY 2025/26 materially improved procurement visibility for industrial manufacturers. Compared to prior periods of severe currency volatility, a more stable exchange environment reduced uncertainty around imported input costs.

This was particularly significant for Swisstek, whose manufacturing operations depend on imported raw materials, specialised chemicals, machinery components, industrial consumables, and certain finishing inputs.

Improved exchange predictability enabled better pricing visibility,

RESPONDING TO THE DYNAMICS OF THE OPERATING ENVIRONMENT

reduced procurement risk, and more disciplined inventory decision-making.

SWISSTEK'S STRATEGIC RESPONSE

Swisstek strengthened procurement resilience through:

- ▶ Improved sourcing discipline and supplier engagement
- ▶ Better procurement timing to optimise input cost management
- ▶ Enhanced inventory planning to balance supply security with working capital efficiency
- ▶ Reduced exposure to reactive emergency procurement
- ▶ Greater visibility over input cost structures, supporting pricing stability

This strengthened the Group's ability to protect margins while maintaining operational continuity.

INFLATION MODERATION AND DEMAND RECOVERY

The easing of inflation during the year contributed positively to both business sentiment and consumer confidence. Lower inflation reduced uncertainty, improved planning visibility, and supported gradual improvements in affordability.

For Swisstek, this was particularly relevant in the retail construction segment, where customer purchasing decisions are closely influenced by disposable income, borrowing affordability, and economic sentiment.

However, despite macroeconomic improvement, purchasing behaviour remained selective, with customers continuing to demonstrate value sensitivity.

SWISSTEK'S STRATEGIC RESPONSE

To remain competitive in this

environment, Swisstek focused on:

- ▶ Preserving product affordability through disciplined cost management
- ▶ Enhancing operational efficiency to reduce internal cost leakages
- ▶ Maintaining strong product quality to reinforce brand trust
- ▶ Leveraging its established market reputation to sustain customer preference
- ▶ Optimising distribution responsiveness to meet shifting demand efficiently

This ensured relevance in a market where recovery remained cautious rather than broad-based.

CONSTRUCTION SECTOR RECOVERY AND MARKET VOLATILITY

Although macroeconomic conditions improved, the construction sector's recovery remained gradual and uneven. Project execution continued to depend on investor confidence, financing access, regulatory certainty, and broader economic visibility.

Demand recovery was therefore fragmented across commercial, residential, and institutional segments.

For Swisstek, this created an environment requiring operational agility rather than fixed assumptions.

SWISSTEK'S STRATEGIC RESPONSE

The Group maintained flexibility through:

- ▶ Adaptive production scheduling aligned with real-time market demand

- ▶ Dynamic inventory management to avoid overstocking in uncertain conditions
- ▶ Responsive distribution deployment to align with project execution timelines
- ▶ Continuous monitoring of market signals and construction activity trends
- ▶ Maintaining cost discipline while preserving growth readiness

This flexible operating model reduced risk while enabling responsiveness.

The Central Bank highlighted strengthening banking sector stability and recovering credit intermediation during the year. This broader financial system recovery positively influenced construction-related ecosystems, including developers, contractors, distributors, and channel partners.

For Swisstek, this improved the overall health of its commercial operating environment.

ENERGY COSTS AND MANUFACTURING COST PRESSURES

Despite macroeconomic stabilisation, structural cost pressures remained, particularly energy tariffs, utilities, fuel costs, and logistics expenses.

As a manufacturing-intensive enterprise, cost productivity remained critical to profitability and competitiveness.

SWISSTEK'S STRATEGIC RESPONSE

Swisstek responded through operational excellence initiatives focused on:

- ▶ Process optimisation
- ▶ Waste reduction

- ▶ Resource productivity improvements
- ▶ Manufacturing efficiency enhancement
- ▶ Cost rationalisation across operational functions
- ▶ Better cost conversion across production processes

These measures strengthened margin resilience.

CONSTRUCTION INDUSTRY CONTEXT AND MARKET IMPLICATIONS

As a business fundamentally linked to construction and interior finishing, the health of Sri Lanka's construction industry remains one of the most significant determinants of Swisstek's operating performance.

During FY 2025/26, the construction sector showed early signs of recovery, supported by improving macroeconomic stability, reduced financing costs, and renewed confidence across segments of the real estate and development ecosystem. Lower interest rates improved access to project funding for developers, while mortgage affordability gradually improved for residential customers.

This created positive momentum across commercial developments, apartment projects, mixed-use developments, hospitality-related refurbishments, and residential construction—segments that directly drive demand for Swisstek's product portfolio.

Nevertheless, the recovery remained phased rather than broad-based. Project execution continued to be influenced by investor caution, financing approval timelines, broader economic sentiment, and affordability considerations. Demand therefore remained selective

and somewhat uneven across construction categories.

For Swisstek, this meant that while market conditions were improving, operational responsiveness and agility remained essential.

SWISSTEK'S STRATEGIC RESPONSE

Implementation of the Sales and Operations Planning (S&OP) Process

During the second quarter of FY 2025/26, Swisstek successfully introduced a structured Sales and Operations Planning (S&OP) process across the organisation to strengthen planning accuracy, cross-functional alignment, and operational coordination.

The implementation of the S&OP framework enabled the Company to better capture real market demand and improve decision-making through a more integrated planning approach. The process facilitated stronger collaboration between key business functions including Sales, Procurement, Production, Supply Chain, and Operations, ensuring that all departments aligned with a unified demand and supply plan.

The introduction of the S&OP process also enhanced forecasting visibility, improved resource planning, supported inventory optimisation, and strengthened the Company's ability to respond proactively to changing market conditions. This initiative contributed significantly towards improving operational efficiency, reducing planning gaps, and building a more disciplined and data-driven planning culture across the organisation.

SWISSTEK'S STRATEGIC RESPONSE TO INDUSTRY DYNAMICS

Swisstek responded by aligning its working capital strategy closely with evolving market conditions.

Manufacturing agility remained a key operational priority, with production scheduling managed dynamically to align output with actual demand patterns rather than fixed assumptions.

Supply chain resilience was strengthened through proactive procurement management, ensuring uninterrupted access to critical inputs as project momentum improved.

Distribution responsiveness remained critical, with the Group maintaining strong dealer, distributor, contractor, and channel engagement to capture recovering market demand efficiently.

Operational cost discipline remained central to preserving competitiveness in a market where pricing sensitivity persisted.

A defining initiative during the year was the introduction of the structured Business Excellence programme, a three-year transformation initiative focused on productivity enhancement, waste elimination, process optimisation, and operational cost effectiveness.

This programme was deployed across 31 projects, generating estimated savings of LKR 320 million, of which LKR 238 million had already been realised during FY 2025/26.

This initiative materially strengthened Swisstek's ability to improve cost conversion, enhance operational efficiency, and build scalable long-term competitiveness.



FINANCIAL CAPITAL

Achieving financial stability through our growth momentum

Our financial capital, comprising shareholders' equity, debt funding, and internally generated cash flows, provides the foundation for sustainable growth, operational resilience, and long-term value creation. It enables us to invest in capacity expansion, product diversification, innovation, and customer experience while delivering consistent returns to shareholders and maintaining financial strength.

Strategic Priorities

- ▶ Revenue Growth
- ▶ Profitability Enhancement
- ▶ Cash Flow Generation
- ▶ Capital Investment
- ▶ Financial Resilience
- ▶ Shareholder Returns

Strategic Highlights

- ▶ Expanded market presence and captured opportunities arising from construction sector recovery.
- ▶ Improved margins through pricing discipline, operational efficiencies, and portfolio diversification.
- ▶ Strengthened operating cash flows through disciplined working capital management.
- ▶ Invested in manufacturing, brand building digitalisation, and business expansion initiatives.
- ▶ Maintained adequate liquidity, funding access, and balance sheet strength amidst evolving market conditions.
- ▶ Focused on sustainable earnings growth and long-term value creation.

SDG's Aligned



MANAGEMENT APPROACH

With the Sri Lankan economy entering a period of gradual recovery and the construction industry regaining momentum, our focus during the year was on accelerating profitable growth, strengthening market leadership, and improving capital efficiency. We sought to leverage emerging opportunities in construction, infrastructure development, and housing while expanding our presence across complementary building material segments. Strategic priorities included enhancing revenue diversification, improving margins through cost reflective pricing mechanisms, optimizing working capital, and maintaining a prudent balance between growth investments and financial stability.

The Group adopted a growth strategy to build market share along with a disciplined capital allocation framework that prioritises investments capable of generating sustainable returns while maintaining adequate financial flexibility.

During the year, we continued to optimise resource allocation towards strategic growth initiatives, including market expansion, product diversification, manufacturing improvements, and customer experience enhancements. Particular attention was paid to improving cash generation and working capital management through tighter inventory controls, improved debtor collections, and more efficient procurement practices.

The Group also remained focused on maintaining a prudent capital structure by carefully managing debt levels and financing costs. This enabled the business to preserve liquidity while retaining the

capacity to pursue attractive growth opportunities as market conditions improved.

Strong governance, transparent financial reporting, and rigorous risk management practices continue to underpin our financial management philosophy, ensuring that capital is deployed responsibly and in alignment with long-term stakeholder interests.

ACHIEVEMENTS DURING THE YEAR

The year marked another important phase in our transformation journey as we capitalised on the recovery of the construction sector and strengthened our position as a diversified building materials solutions provider. Our strategic focus on product diversification, market expansion, and operational excellence enabled us to deliver strong growth while reducing reliance on any single product category.

Key achievements included:

- ▶ Strengthening leadership in tile adhesives and grouts while expanding market share across complementary product categories.
- ▶ Accelerating growth in waterproofing, roofing solutions, timber flooring, and other value-added construction materials.
- ▶ Enhancing distribution reach and dealer penetration across the country, improving product availability and customer accessibility.
- ▶ Maintaining disciplined cost reflective pricing strategies that supported margin preservation despite competitive market conditions.
- ▶ Improving working capital management through inventory optimisation and tighter credit controls.
- ▶ Advancing digital initiatives and customer engagement platforms to enhance operational efficiency and customer experience.
- ▶ Continuing investments in manufacturing efficiency, automation, and capacity enhancement to support future growth.
- ▶ Strengthening cash flow generation and balance sheet resilience while funding strategic growth initiatives.

Indicator	FY 2025/26	FY 2024/25	YoY Change
Revenue	LKR 16.9 Bn	LKR 10.8 Bn	+56%
Total assets	LKR 14.8 Bn	LKR 11.8 Bn	+25%
Net asset value per share	LKR 33.59	LKR 26.87	+25%
Market capitalization	LKR 10.9 Bn	LKR 6.4 Bn	+70%
EBITDA	LKR 2.4 Bn	LKR 2.1 Bn	+14%
Return on equity	31%	29%	+2%
Gearing ratio	61%	121%	-60%
Operating cash flow	LKR 1.4 Bn	LKR (0.4) Bn	+450%

FINANCIAL CAPITAL

FINANCIAL PERFORMANCE

Revenue

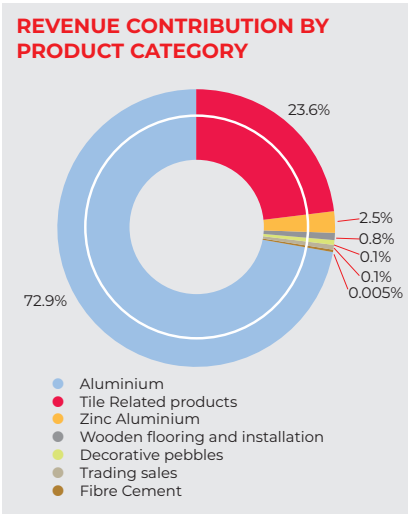
The recovery of Sri Lanka’s construction sector during FY 2025/26 created a strong growth platform for the Group, supported by improving market sentiment, increased private sector investment, and the gradual revival of residential, commercial, and infrastructure development activities. These favourable industry dynamics translated into robust demand across the Group’s portfolio, driving revenue growth of 11% during the year.

A key contributor to this performance was the Company’s deliberate strategy of expanding beyond its traditional tile-related product portfolio into higher-growth and complementary building material categories. This diversification initiative continued to gain traction, enabling the business to capture a larger share of customer spending.

The roofing segment was a standout performer during the year, emerging as one of the strongest growth drivers, with revenue doubling year on year to record a 100% increase. The segment benefited from growing market acceptance, wider channel penetration, and increased participation in both retail and project-based developments. The strong momentum achieved in tile related products further complemented the revenue position. The performance of other segments reinforces the Company’s strategic objective of building a diversified construction solutions portfolio while reducing reliance on any single product category.

The combined impact of market recovery, increased product penetration, successful cross-selling initiatives, and customer acquisition

efforts resulted in broad-based growth across multiple business segments. Consequently, the Company recorded overall revenue growth of 39%, reflecting the effectiveness of its diversification strategy and its ability to capitalize on emerging opportunities across the construction value chain.



COST OF SALES AND GROSS PROFITABILITY

The operating environment remained significantly more stable compared to recent years, with easing inflationary pressures and improved supply chain conditions supporting more predictable procurement and inventory management practices. However, the business continued to face cost pressures arising from global commodity price movements, logistics expenses, energy costs, and exchange rate fluctuations.

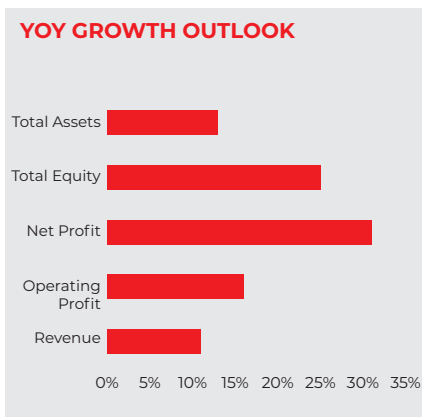
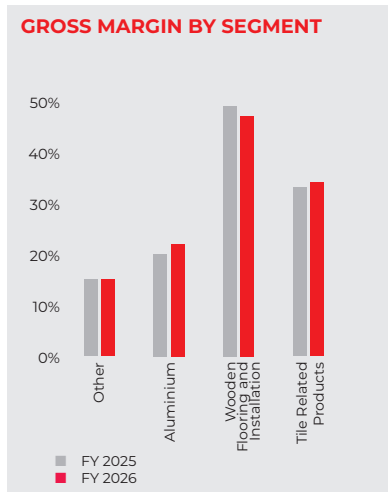
During the year, average raw material and procurement costs increased in relation to topline by approximately 6%, while freight and logistics-related expenses were increased significantly towards the end of the reporting year. Utility rates remained elevated during the first half of the previous financial year, followed by a decline before

rising significantly towards the latter part of the current financial year. Despite these fluctuations, overall utility and energy costs recorded a net reduction of 5% for the period. This improvement was supported by the successful implementation of utility efficiency enhancement initiatives.

To mitigate these pressures, the Group continued to pursue strategic sourcing initiatives, supplier diversification programs, and procurement efficiencies aimed at strengthening supply chain resilience while ensuring uninterrupted product availability. The Group’s supplier diversification strategy proved particularly valuable, reducing dependence on a limited supplier base and enhancing negotiating leverage. Increased sourcing from regional markets such as India and Malaysia further helped contain procurement risks and optimize landed costs.

The growing contribution from higher-margin product categories, particularly roofing, construction and other value-added solutions, also supported profitability improvement. As a result, the Group achieved a favourable shift in product mix, which partially offset cost escalations experienced during the year.

Consequently, gross profit increased by Rs. 839Mn, while gross profit margin improved by 200 basis points to 25%, supported by higher sales volumes, disciplined pricing strategies, operational efficiencies, and an enhanced product mix. The strong profitability performance demonstrates the Group’s ability to translate revenue growth into sustainable earnings while maintaining cost discipline in a competitive market environment.



FINANCIAL POSITION

Total Assets

The Group's asset base continued to strengthen during FY 2025/26, reflecting investments made to support future growth and improve operational capabilities.

Investments in branding and sales and marketing initiatives, warehousing infrastructure, technology platforms, and distribution capabilities enhanced the Group's ability to meet growing customer demand while improving operational efficiency. Working capital investments were managed prudently to ensure sufficient product availability without compromising liquidity.

The Group's asset portfolio remains well balanced, providing a solid platform for future expansion while supporting efficient utilisation of capital.

Total Liabilities

The Group maintained a prudent approach to financing, ensuring that borrowings remained aligned with operational requirements and strategic investments. Stronger cash generation and improved working capital efficiency helped support liquidity and reduce reliance on short-term financing.

Management continues to focus on maintaining an optimal debt profile while balancing growth ambitions with financial discipline. This approach strengthens resilience against potential market volatility and enhances the Group's ability to capitalise on emerging opportunities.

Equity

Shareholders' equity continued to strengthen through improved profitability and retained earnings growth. The enhancement of the Group's net asset base reflects the value created through disciplined execution of strategic priorities and prudent financial management.

The Board remains committed to protecting and growing shareholder value through sustainable earnings growth, efficient capital allocation, and continued investment in initiatives that strengthen the Group's long-term competitive advantage.

WAY FORWARD ▶

As Sri Lanka's construction sector continues its recovery and growth trajectory, we are well positioned to capitalise on the opportunities that lie ahead. Our strong market position, diversified product portfolio, extensive distribution network, and trusted brands provide a solid foundation for sustained growth.

In FY 2026/27, our focus will be on accelerating market share gains, expanding into higher-growth product segments, improving operational efficiency, and enhancing returns on capital employed. We will continue investing in innovation, customer experience, digital capabilities, and supply chain resilience while maintaining disciplined financial management.

Through these efforts, we aim to strengthen our leadership position within the finishing segment of the construction industry, deliver sustainable value to shareholders, and create a more resilient and future-ready business capable of thriving in an increasingly dynamic marketplace.



MANUFACTURED CAPITAL

Building the operational foundation to achieve momentum

Manufactured capital represents the physical and operational infrastructure that underpins Swisstek (Ceylon) PLC's ability to create and deliver value. As a manufacturing-led provider of fixing, finishing, and beautification solutions for Sri Lanka's construction and interiors sector, this capital encompasses the Company's manufacturing plants, machinery, automation systems, logistics fleet, warehousing capabilities, digital production platforms, and supporting operational processes.

Strategic Priorities

- ▶ Enhancing production throughput through optimal utilisation of installed capacity
- ▶ Strengthening equipment reliability and operational continuity
- ▶ Reducing downtime through proactive maintenance interventions
- ▶ Improving process control through digital integration and automation
- ▶ Enhancing logistics responsiveness to support business expansion
- ▶ Embedding sustainability considerations into manufacturing operations
- ▶ Building capacity readiness for future growth

Strategic Highlights

- ▶ Production capacity – 92,600 MT per year
- ▶ Value of capital expenditure of the group in 2025/26 is Rs. 374Mn

SDG's Aligned



OUR MANAGEMENT APPROACH

Swisstek's approach to managing manufactured capital is anchored in maximising productivity, enhancing reliability, strengthening operational agility, and ensuring disciplined capital allocation. For Swisstek, manufactured capital is not viewed merely as a base of productive assets, but as a strategic enabler of competitiveness, responsiveness, and sustainable growth. The Company's manufacturing ecosystem plays a critical role in translating market demand into consistent product availability, superior quality, operational efficiency, and enhanced customer service.

Given the improving construction sector outlook and the strong recovery in customer demand witnessed during the year, the effective stewardship of manufactured capital became an increasingly important strategic priority. During the year under review, the Company experienced a notable increase in demand, particularly in the latter part of the financial year, creating both growth opportunities and operational pressures. Rather than pursuing immediate large-scale infrastructure expansion, the Company adopted a measured strategy focused on extracting greater value from existing assets through optimisation, process discipline, targeted automation, and maintenance excellence.

This approach reflects Swisstek's broader operating philosophy of balancing growth with prudence ensuring that capital investments are purposeful, efficiency-led, and aligned with long-term strategic priorities.

This disciplined stewardship enabled Swisstek to remain agile, responsive, and operationally resilient in a dynamic market environment.

MANUFACTURING FOOTPRINT

The manufacturing operations of Swisstek is conducted from three three strategically located sites in the Gampaha district.

Main Plant – Balummahara, Imbulgoda	Weliweriya Plant	Storage and Distribution Hub	Swisstek Aluminium Plant - Dompe
Located in a 6 acre site, the core manufacturing activities of tile grout, adhesives, and skim coat are conducted at this location.	Located in a 1 acre plant, the production of zinc aluminium roofing sheets are conducted at this location	Located within a proximity of 4 KM to the main plant this 16 acre facility provides warehousing and storage for finished products.	Located in a 14 acre site, core manufacturing activities of Aluminum extrusions, precision engineered aluminum solutions for residential and commercial structures.

The above three manufacturing facilities provide a stable foundation that is scalable, optimized for logistics, and embedded within a well-coordinated supply chain. The distribution outlets and showroom network, located islandwide, offer extensive reach and access to customers..

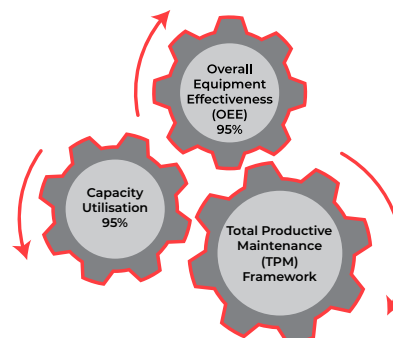
DRIVING OPERATIONAL EXCELLENCE THROUGH ASSET OPTIMISATION

A defining priority during the year was the optimisation of existing manufacturing assets to meet rising market demand while preserving capital efficiency.

As production volumes accelerated, management focused on improving machine utilisation, production scheduling, resource deployment, and plant-wide productivity to maximise throughput without immediate large-scale expansion.

This focus yielded strong performance outcomes, demonstrating the resilience and effectiveness of Swisstek's manufacturing platform.

Key operating metrics achieved during the year included:



MANUFACTURED CAPITAL

These outcomes underscore the Company's ability to unlock latent capacity through disciplined operational management while maintaining production stability and service continuity.

STRENGTHENING RELIABILITY THROUGH MAINTENANCE EXCELLENCE

Operational reliability remained fundamental to Swisstek's manufactured capital strategy.

Recognising that sustainable productivity depends not only on asset availability but also on equipment reliability, the Company strengthened its Total Productive Maintenance (TPM) framework during the year.

The enhanced TPM approach focused on embedding a more structured preventive and predictive maintenance culture, enabling the business to reduce unplanned disruptions, extend equipment life, and maintain consistent manufacturing quality.

A particularly effective operational improvement was the implementation of a real-time breakdown management system that enhanced cross-functional responsiveness. Production teams were empowered to immediately escalate equipment breakdowns through a dedicated communication protocol, enabling rapid maintenance intervention, real-time incident tracking, and monthly performance analysis.

This structured approach improved:

- ▶ Breakdown response times
- ▶ Root cause identification
- ▶ Preventive corrective action planning
- ▶ Equipment reliability

- ▶ Continuous performance improvement

The result was a more resilient manufacturing operation capable of sustaining higher production intensity without compromising quality.

TARGETED CAPACITY ENHANCEMENT AND AUTOMATION

While the year did not involve major infrastructure expansion, Swisstek pursued carefully targeted interventions to alleviate operational bottlenecks and improve throughput where the business case was compelling.

A notable initiative was the introduction of an automated grout packing machine, representing an investment of approximately LKR 10 Mn. This enhancement significantly improved packing efficiency while increasing production capacity by an estimated 15% to 20%, directly supporting the Company's ability to respond to heightened demand.

This selective investment reflects Swisstek's disciplined capital philosophy deploying resources where productivity gains are immediate, measurable, and strategically relevant.

Rather than expansion for expansion's sake, the Company focused on smart interventions that delivered tangible operational returns.

ENHANCING LOGISTICS CAPABILITY

As Swisstek's business footprint expanded, particularly within newer product categories, logistics infrastructure assumed greater strategic importance.

The Company recognised that manufacturing efficiency alone

would not be sufficient without equally responsive downstream logistics capability.

To strengthen this area, Swisstek invested in both physical and organisational logistics enhancements, including:

- ▶ Addition of a new transport vehicle valued at approximately LKR 25 Mn
- ▶ Dedicated management oversight for logistics operations
- ▶ Improved warehouse coordination and fleet management processes

These improvements strengthened supply chain responsiveness, improved product movement efficiency, and ensured smoother coordination between production output and customer fulfilment.

DIGITAL ENABLEMENT OF MANUFACTURED CAPITAL

Technology continued to play an increasingly important role in strengthening the Company's manufacturing ecosystem.

During the year, Swisstek successfully embedded the SAP enterprise resource planning platform across core business functions, including procurement, manufacturing, quality assurance, logistics, and sales.

This transformation significantly enhanced operational integration and process visibility, enabling more data-driven and coordinated decision-making across the value chain.

The benefits included:

- ▶ Improved process governance and workflow control
- ▶ Greater operational transparency

- ▶ Enhanced data integrity and reporting reliability
- ▶ Better production planning and resource coordination
- ▶ Stronger enterprise-wide decision support

This digital foundation positions Swisstek to scale more efficiently as business complexity increases.

SUSTAINABILITY WITHIN MANUFACTURING OPERATIONS

Swisstek continues to progressively integrate sustainability into the stewardship of its manufactured capital.

Operational environmental improvements remain focused on practical interventions that enhance both efficiency and environmental performance.

Previous investments in dust extraction infrastructure delivered measurable improvements in emission management, contributing to a cleaner and safer production environment. The Company also introduced vibration control measures to improve equipment performance and workplace conditions.

Energy optimisation efforts also progressed through operational innovation, including the use of natural sunlight for sand drying, reducing dependence on energy-intensive drying methods and lowering operational costs.

These initiatives reflect a pragmatic sustainability approach where operational efficiency and environmental stewardship advance in tandem.

WAY FORWARD ▶

As Swisstek continues its growth journey, the management of manufactured capital will increasingly evolve from efficiency optimisation toward strategic infrastructure readiness.

With demand trends strengthening and capacity utilisation already operating at elevated levels, the Company is now prioritising selective infrastructure modernisation to create greater flexibility for long-term expansion.

Key priorities include:

- ▶ Refurbishment of ageing manufacturing infrastructure
- ▶ Structural enhancements to facilitate future capacity expansion
- ▶ Improvement of employee welfare infrastructure
- ▶ Continued investment in automation and reliability enhancement
- ▶ Strengthening logistics and operational scalability

The Company's long-term focus is clear: to build a manufacturing ecosystem that is agile, resilient, scalable, and future-ready capable of supporting Swisstek's ambitions as a leading solutions provider in Sri Lanka's construction and building materials landscape.



HUMAN CAPITAL

Sustaining momentum through our people



Human capital represents the collective skills, expertise, experience, leadership capability, organisational culture, and commitment of Swisstek (Ceylon) PLC's people, who remain central to sustaining operational excellence and long-term business growth.

As a manufacturing-led organisation operating in a dynamic and performance-driven sector, Swisstek's people are fundamental to translating strategy into execution, driving productivity, maintaining product quality, strengthening customer responsiveness, and enabling innovation across the business.

At Swisstek, momentum is not sustained by infrastructure or systems alone it is powered by the resilience, discipline, adaptability, and commitment of the workforce. Every operational achievement, customer milestone, and strategic progression is ultimately underpinned by the people who bring the Company's vision to life.

Strategic Priorities

- ▶ Strengthening workforce capability and technical competence
- ▶ Building leadership depth and succession readiness
- ▶ Fostering a high-performance culture aligned with operational excellence

Strategic Highlights

- ▶ Strengthening production leadership and operational excellence
- ▶ Enhancing technical and manufacturing capabilities
- ▶ Building future-ready talent across operations
- ▶ Empowering female talent across the workforce
- ▶ Driving employee engagement and team cohesion
- ▶ Embedding a high-performance and accountability culture
- ▶ Leveraging Group strength for talent development and capability building
- ▶ Advancing digital and process excellence in manufacturing
- ▶ Strengthening workforce resilience, productivity, and agility
- ▶ Fostering innovation and continuous improvement across operations

SDG's Aligned



OUR MANAGEMENT APPROACH

Swisstek adopts a people-centric and performance-driven approach to human capital management, recognising that sustainable business momentum depends on attracting, developing, engaging, and retaining a capable and motivated workforce.

The Company's human capital strategy focuses on aligning workforce capability with business priorities while fostering a safe, inclusive, and empowering work environment where employees can perform at their best and realise their full potential.

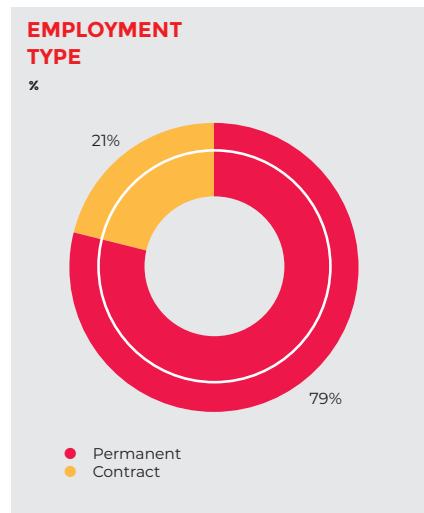
Key strategic priorities include::

- ▶ Enhancing employee engagement, retention, and workplace experience
- ▶ Prioritising employee health, safety, and wellbeing
- ▶ Advancing workforce digitalisation and process efficiency
- ▶ Promoting fairness, inclusion, and ethical employment practices

As business activity strengthened during the year and organisational complexity evolved through digital transformation and growth initiatives, continued investment in workforce capability, engagement, safety, and leadership development remained a strategic priority. The ongoing Business Excellence programme focussed on improving the human resource standards of the Company through integrated initiatives. This approach ensured that human capital remains a strategic value driver supporting resilience, productivity, and future growth.

EMPLOYEE PROFILE AND WORKFORCE COMPOSITION

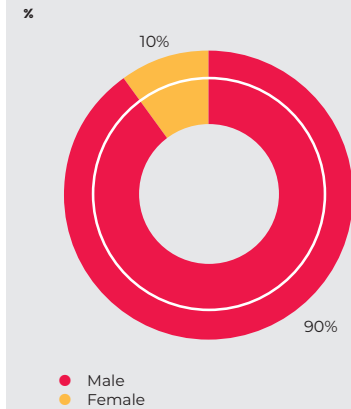
As at the close of the financial year, Swisstek employed a diverse workforce spanning manufacturing operations, aluminium operations, and corporate support functions. Reflecting the operational nature of the business, the workforce combines deep institutional knowledge with emerging talent, creating a balanced platform for continuity and renewal.



GENDER DIVERSITY

As a manufacturing-intensive business, workforce demographics naturally reflect the operational structure of the organisation. However, Swisstek remains committed to fostering a more inclusive workplace by expanding opportunities for female participation across technical, operational, and leadership roles. A strong understanding of workforce composition enables more effective talent planning, succession management, diversity monitoring, and organisational capability building.

EMPLOYMENT GENDER WISE



AGE DISTRIBUTION

Maintaining a balanced age profile is critical to sustaining organisational momentum, ensuring the business benefits from both experience-driven institutional strength and emerging talent capable of driving future transformation.

TENURE PROFILE

Employee tenure reflects the depth of organisational stability, retention strength, and accumulated institutional knowledge that supports operational resilience.

A healthy tenure mix allows the Company to preserve critical knowledge while continuously refreshing its talent base.

EDUCATIONAL BACKGROUND

The diversity of educational qualifications across the workforce supports both operational execution and long-term capability building.

Swisstek's workforce combines technical expertise, vocational capability, operational experience, and professional leadership competence, enabling balanced organisational performance.

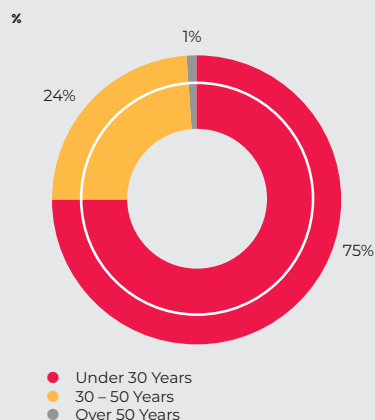
HUMAN CAPITAL

TALENT ACQUISITION AND
WORKFORCE RENEWAL

As operational activity strengthened and workforce requirements evolved, talent acquisition remained a key strategic priority.

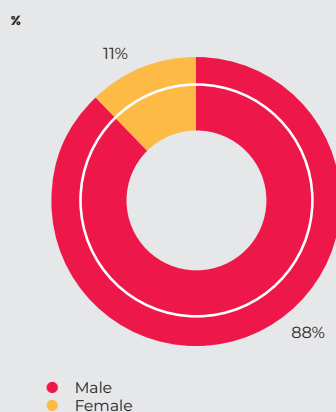
Recruitment efforts focused particularly on operational, technical, and specialist roles, ensuring workforce capability remained aligned with production demands and strategic growth priorities.

The Company continued to strengthen recruitment through partnerships, structured hiring processes, and improved onboarding practices that support faster workforce integration and cultural alignment.

NEW RECRUITS
BY AGE

RECRUITMENT PROFILE

Swisstek's recruitment philosophy extends beyond filling vacancies—it focuses on attracting talent capable of contributing meaningfully to organisational performance and long-term capability development.

NEW RECRUITS
BY GENDERRETENTION AND WORKFORCE
STABILITY

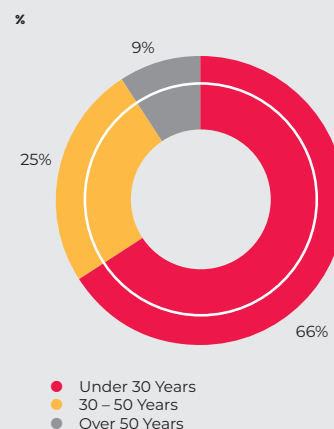
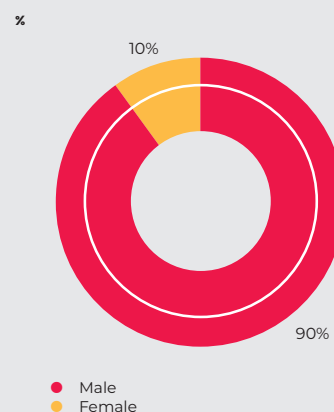
Retaining skilled employees remains critical to preserving institutional capability, reducing operational disruption, and maintaining workforce continuity.

Swisstek continues to monitor workforce movement carefully, recognising that retention is influenced by culture, leadership, employee experience, career development, and wellbeing.

The Company's employee engagement efforts, performance recognition systems, and capability-building initiatives collectively contribute to workforce stability.

STAFF TURNOVER

This analysis supports the identification of workforce trends and informs targeted retention interventions.

TURNOVER
BY AGETURNOVER
BY GENDERLEARNING, DEVELOPMENT AND
LEADERSHIP CAPABILITY

Continuous capability development remains central to Swisstek's human capital strategy.

As a manufacturing-led organisation operating in an increasingly competitive and digitally evolving environment, the Company recognises that workforce capability directly shapes productivity, innovation, and resilience.

Learning interventions during the year focused on technical, operational, leadership, compliance, and systems capability development.

Key initiatives included:

- ▶ Technical training across manufacturing and maintenance disciplines
- ▶ ISO and compliance capability development
- ▶ SAP ERP capability-building across relevant functions
- ▶ Leadership development for emerging talent
- ▶ Team-building and decision-making capability enhancement
- ▶ Wellbeing and personal development programmes

The Company also commenced more structured leadership pipeline development to strengthen succession readiness and organisational continuity.

PERFORMANCE, RECOGNITION AND REWARD

Swisstek's performance management philosophy is designed to align individual contribution with broader business objectives while reinforcing accountability, productivity, and continuous improvement.

Performance is supported through structured evaluation frameworks, incentive mechanisms, and recognition programmes that

encourage excellence across all levels of the organisation.

REMUNERATION PHILOSOPHY

Swisstek's remuneration framework is designed to attract, retain, and motivate talent while maintaining alignment with market competitiveness and business performance.

Compensation reflects both fixed and performance-linked reward structures aligned with operational outcomes and individual contribution. The Company's broader employee value proposition extends beyond direct financial compensation.

Monetary Benefits

- ▶ Base salary
- ▶ Performance-linked incentives
- ▶ Productivity incentives
- ▶ Attendance incentives
- ▶ Overtime payments
- ▶ Festival advances

Non-Monetary Benefits

- ▶ Medical insurance
- ▶ Life insurance cover
- ▶ Personal protective equipment
- ▶ Uniforms
- ▶ Subsidised meals
- ▶ Annual health screenings
- ▶ Learning and development opportunities
- ▶ Employee recognition programmes
- ▶ Team engagement initiatives

These benefits strengthen employee wellbeing, security, and overall workplace experience.

EMPLOYEE WELLBEING, INCLUSION AND WORKPLACE SUPPORT

Swisstek recognises that employee wellbeing is fundamental to sustaining performance, engagement, and long-term workforce resilience.

The Company continues to support employees through initiatives that

promote physical wellbeing, mental wellness, workplace comfort, and broader quality of life.

Maternity and Family Support

Swisstek remains committed to supporting employees through key life stages while ensuring compliance with applicable labour legislation and fostering workplace inclusivity.

Maternity Leave

▶ Employees eligible	01
▶ Employees utilising maternity leave	
▶ Employees who returned to work after maternity leave	01
▶ Return-to-work rate	100%
▶ Retention following return	100%

HUMAN CAPITAL

EMPLOYEE REPRESENTATION AND INDUSTRIAL RELATIONS

Constructive employee relations are fundamental to workforce stability and operational continuity.

Swisstek remains committed to maintaining fair employment practices, transparent communication, and respectful engagement across all employee groups.

The Company's focus remains on maintaining collaborative, stable, and positive industrial relations that support operational momentum and workforce trust.

HEALTH, SAFETY AND WELLBEING

Health and safety remain central to Swisstek's human capital strategy, particularly given the operational nature of the business. As a manufacturing-centric organisation, Swisstek operates in an environment where employees are naturally exposed to operational hazards associated with industrial production, including dust, machinery-related risks, and other workplace safety challenges. Recognising this, the Company maintained an uncompromising focus on preventive action, proactive risk mitigation, and the continuous strengthening of workplace safety standards across its operations.

Health and safety remained a critical operational priority during the year, with sustained investments in safer processes, enhanced protective measures, awareness-building, and stronger safety governance aimed at fostering a culture where prevention takes precedence over response. This commitment was further reinforced through the Group's Business Excellence Programme, which integrated workplace safety improvement as a core operational focus area alongside productivity

enhancement, waste reduction, and process optimisation. By embedding safety into continuous improvement initiatives, Swisstek continues to advance a safer, more resilient, and operationally disciplined manufacturing environment for its people.

Key focus areas include:

- ▶ Safety governance and compliance
- ▶ Workplace hazard identification and mitigation
- ▶ PPE enforcement and operational safety discipline
- ▶ Safety awareness and training
- ▶ Emergency preparedness and response readiness
- ▶ Occupational health monitoring
- ▶ Employee wellbeing initiatives

The Company also continues to strengthen workplace conditions through environmental improvements, including air quality enhancements and safer operating environments.

Health & Safety Performance

- ▶ Lost Time Injury Frequency Rate - 7.23
- ▶ Recordable incidents - 04
- ▶ Near misses reported - 06
- ▶ Safety audits completed – 02 + Daily Safety Walkthrough observations
- ▶ Safety training hours – Please Refer the HR training Records
- ▶ PPE compliance rate – Not Applicable

Employee wellbeing initiatives during the year included health screenings, awareness programmes, and broader wellness interventions supporting holistic workforce health.

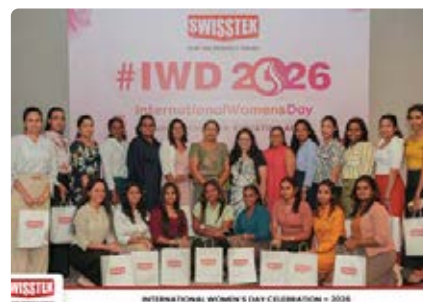
EMPLOYEE ENGAGEMENT AND ORGANISATIONAL CULTURE

Strengthening Belonging and Shared Purpose

Swisstek continues to foster a workplace culture built on accountability, collaboration, mutual respect, and shared achievement.

Employee engagement remains critical to sustaining morale, productivity, retention, and organisational cohesion.

Employee engagement initiatives included:





- ▶ Annual Pirith Ceremony – Reinforcing the Company's people-first culture, the annual Pirith ceremony provided a meaningful platform for spiritual reflection, collective wellbeing, and fostering a sense of unity among employees and their families.
 - ▶ Annual Staff Outing – Organised for executive-grade employees and above, the annual staff outing served as an important engagement platform to strengthen camaraderie, encourage informal collaboration, and build stronger interpersonal connections beyond the workplace.
 - ▶ Educational Support for Employees' Families – Reflecting the Company's commitment to employee wellbeing beyond the workplace, school books were provided to the children of factory employees, easing the back-to-school burden while reinforcing the Company's support for family welfare and community upliftment.
 - ▶ One-to-One Career Development Dialogues – The Company conducted individual engagement sessions between management and female team members to better understand their career aspirations, identify development needs, and explore how the organisation can create clearer pathways for their professional advancement and leadership growth.
 - ▶ Employee Recognition Programmes – Structured recognition initiatives continued to celebrate employee contributions, reinforcing a culture of appreciation, motivation, and performance excellence.
 - ▶ Cross-Functional Interaction Opportunities – Employees were encouraged to engage across functions, fostering stronger collaboration, broader organisational understanding, and a more integrated team culture.
 - ▶ Cultural and Social Engagement Activities – A range of social and cultural initiatives helped nurture team spirit, strengthen employee connectedness, and contribute to a more inclusive and engaging workplace environment.
- These initiatives strengthen organisational connection and reinforce a culture capable of sustaining momentum.

WAY FORWARD ▶

As Swisstek continues its growth journey, human capital will remain central to building resilience, strengthening competitiveness, and enabling sustainable value creation. Momentum is ultimately sustained by the people who create it.

By continuing to invest in capability, culture, safety, and leadership, Swisstek is building a resilient, engaged, and future-ready workforce capable of driving its next phase of growth.

Future priorities include:

- ▶ Strengthening technical and leadership capability
- ▶ Deepening succession planning and talent development
- ▶ Advancing digital workforce systems
- ▶ Enhancing employee wellbeing and workplace infrastructure
- ▶ Strengthening workforce diversity and inclusion
- ▶ Improving engagement and retention outcomes
- ▶ Building organisational agility to support future growth



SOCIAL AND RELATIONSHIP CAPITAL

Building meaningful connections that drive sustainable momentum

At Swisstek (Ceylon) PLC, Social and Relationship Capital represents the strength of the relationships we cultivate with customers, dealers, suppliers, regulators, communities, business partners, and other stakeholders who contribute to our long-term success. As a trusted player in Sri Lanka’s construction and building solutions sector, we recognise that enduring relationships built on trust, reliability, responsiveness, and shared value are fundamental to sustaining growth and strengthening market leadership.

Strategic Priorities

- ▶ Strengthen customer engagement and satisfaction
- ▶ Expand and empower dealer and distributor networks
- ▶ Build resilient and responsible supplier partnerships
- ▶ Enhance community engagement and social impact
- ▶ Strengthen regulatory and industry collaboration
- ▶ Promote stakeholder-centric innovation and responsiveness

Strategic Highlights

- ▶ Enhanced customer loyalty and service excellence
- ▶ Improved market reach and customer accessibility
- ▶ Stable supply chains and sustainable procurement
- ▶ Positive social contribution and community wellbeing
- ▶ Improved compliance and governance standards
- ▶ Continuous improvement and stronger brand equity

SDG's Aligned



MANAGEMENT APPROACH

Our approach to managing Social and Relationship Capital is centred on creating mutually beneficial and long-term stakeholder relationships that support operational resilience, business continuity, and sustainable value creation. We engage stakeholders through structured communication channels, regular feedback mechanisms, collaborative partnerships, and responsible business practices.

Aligned with our growth-oriented strategy, we continued to strengthen stakeholder relationships across our value chain during FY2025/26, reinforcing Swisstek's position as the preferred partner in Sri Lanka's construction materials sector. Through consistent engagement with customers, distributors, dealers, contractors, architects, and project developers, we deepened market

connectivity, enhanced brand visibility, and strengthened trust in our products and services. Our commitment to responsiveness, reliability, and stakeholder-centricity enabled us to create sustainable value while supporting the evolving needs of the construction industry.

As the market leader in tile adhesives and complementary construction solutions, Swisstek played a pivotal role in stabilising the industry during a period of intense price-based competition. Leveraging our market leadership position, we successfully established benchmark pricing across key product categories, promoting greater pricing discipline within the sector. This strategic approach not only protected product quality and industry standards but also enabled the Company to maintain healthy margins while delivering sustainable value to customers and channel partners alike.

We emphasise responsiveness, transparency, service excellence, and ethical engagement across the value chain. The Company continues to leverage digital platforms, CRM systems, and regional engagement networks to strengthen connectivity with customers, dealers, and suppliers while promoting accountability and efficiency throughout stakeholder interactions.

CUSTOMERS

Customer Value Proposition

At Swisstek, our customer value proposition is built on delivering trusted quality, innovative solutions, and exceptional accessibility, backed by a deep understanding of Sri Lankan customer needs. As a homegrown market leader, we combine local insight with global standards to offer products that enhance spaces, elevate lifestyles, and create lasting value.



SOCIAL AND RELATIONSHIP CAPITAL

Sri Lankan Heritage

As a proudly Sri Lankan brand, Swisstek has built enduring trust through its commitment to quality, reliability, and innovation. Our strong local presence enables us to understand evolving customer preferences and deliver solutions that are tailored to the unique requirements of the Sri Lankan market while meeting international quality benchmarks.

Diverse Product Portfolio

Swisstek continues to strengthen its leadership position through a broad and continuously expanding portfolio that caters to residential, commercial, and industrial applications. Moving beyond its traditional strengths, the Company has diversified into complementary construction and finishing solutions, providing customers with a comprehensive range of products under a trusted brand. The Company introduced a DIY range that provides convenient solutions for customers to handle simple repairs.

Our commitment to innovation and product development has enabled us to introduce new categories and value-added solutions that align with emerging construction trends, changing customer preferences, and evolving project requirements. This diversified offering allows customers to access multiple solutions through a single trusted partner, enhancing convenience and project efficiency.

Affordable Value

Swisstek is committed to making quality accessible. Through efficient operations, strategic sourcing, and scale advantages, we deliver products that offer an optimal balance between performance, durability, and affordability. Our ability to maintain competitive pricing while preserving quality standards ensures superior value

for customers across all market segments.

Trusted Quality and Sustainability

Quality remains central to everything we do. Our products are manufactured and sourced to stringent quality standards, ensuring durability, consistency, and superior performance. At the same time, we continue to embed sustainability throughout our operations by promoting environmentally responsible practices, resource efficiency, and sustainable product development.

By combining quality assurance with responsible manufacturing practices, we provide customers with products they can trust while supporting broader environmental and sustainability goals.

Seamless Customer Experience

We strive to deliver a superior customer journey through responsive service, digital integration, and operational excellence. Investments in technology, process automation, and enhanced customer engagement platforms have strengthened our ability to provide timely support, efficient order fulfilment, and a consistent service experience across all customer touchpoints.

Our customer-centric approach ensures that every interaction with Swisstek is characterised by convenience, reliability, and professionalism.

Accessibility and Market Reach

Swisstek's extensive distribution footprint provides customers with easy access to our products and services across the country. Through a well-established network of dealers, distributors, retail partners, and strategic customer touchpoints,

we ensure product availability wherever demand exists.

This strong market presence, coupled with growing visibility and expanding reach, allows us to serve customers efficiently while strengthening brand preference and market leadership across the construction and building materials sector.

Creating Enduring Value

By combining trusted quality, innovative solutions, affordability, accessibility, and exceptional customer service, Swisstek delivers a compelling value proposition that supports customers throughout their construction and renovation journeys. Our commitment to continuous improvement and customer satisfaction positions us as a preferred partner in building stronger, smarter, and more sustainable spaces.

Customer Relationship Management

Customers remain at the heart of Swisstek's business strategy. During the year, the Company continued to strengthen customer engagement through enhanced service responsiveness, structured feedback mechanisms, and improved customer support systems. With a growing customer base spanning contractors, dealers, developers, and retail consumers, Swisstek remained focused on delivering consistent product quality, technical expertise, and dependable service experiences.

The Company further strengthened its CRM capabilities through digital engagement platforms and post-sales feedback mechanisms, enabling quicker issue resolution and greater customer responsiveness. Continuous engagement through dealer interactions, social media platforms,

and customer support channels also contributed to strengthening customer trust and market confidence.

Swisstek additionally utilised customer insights and market feedback to support product innovation, packaging improvements, and customised solutions aligned with evolving market expectations.

Supported by strong brand equity, an expanding distribution footprint, and superior customer engagement, Swisstek outperformed market growth and further consolidated its leadership position. The Company maintained category leadership in tile adhesives and complementary products while increasing market penetration to achieve an estimated market share of approximately 15%, significantly ahead of overall industry growth trends.

Customer-centricity remained a key differentiator. Through enhanced service standards, faster response times, technical support capabilities, and stronger channel relationships, we elevated the customer experience across multiple touchpoints. These efforts were recognised nationally, with Swisstek advancing to 75th place in the LMD Best Customer Service Index, a significant achievement considering the Company first entered the Top 100 rankings in 2023 at the 97th place. This recognition reflects the success of our sustained investments in service excellence and our commitment to building long-term stakeholder relationships founded on trust, responsiveness, and value creation.

As we continue to diversify our product portfolio and expand our presence across new market segments, we remain committed to

fostering meaningful stakeholder partnerships that strengthen our competitive advantage, enhance customer loyalty, and support sustainable growth for all stakeholders.

Dealer and Distributor Engagement

Swisstek's islandwide dealer and distributor network plays a vital role in expanding market reach and ensuring product accessibility across Sri Lanka. During the year, the Company further strengthened dealer relationships through structured engagement programs, loyalty initiatives, technical support, and regular market interactions.

The Company also collaborated closely with distributors and channel partners to improve market responsiveness, strengthen inventory planning, and support sales growth across multiple product categories. These partnerships continue to enhance operational agility and reinforce Swisstek's market presence within the construction and building materials industry.

SUPPLIERS

Building Strong Supplier Partnerships Across Our Value Chain

At Swisstek, we recognise that sustainable growth is built upon strong relationships with the stakeholders who contribute to our success. From suppliers and industry partners to local communities and skilled tradespeople, we are committed to creating shared value through collaboration, trust, and responsible business practices. Our approach focuses on strengthening supply chain resilience, supporting local economic development, fostering industry advancement,

and promoting environmental stewardship across the broader construction ecosystem.

In an increasingly volatile global operating environment characterised by geopolitical uncertainty, supply chain disruptions, fluctuating freight costs, and changing market dynamics, maintaining a resilient and diversified supplier network has become a strategic imperative. During the year, Swisstek continued to broaden its supplier base, reducing reliance on a limited number of suppliers and sourcing markets for critical materials. This supplier broad-basing strategy has enhanced procurement flexibility, mitigated concentration risk, and strengthened business continuity.

Recognising the advantages of regional sourcing, the Company has strategically expanded relationships with suppliers in India and Malaysia, enabling shorter lead times, improved supply reliability, and reduced freight costs compared with more distant sourcing destinations. Complementing this approach, dual-sourcing arrangements and alternative supplier qualification processes have been implemented for key raw materials to ensure uninterrupted supply amidst evolving global trade conditions.

Beyond ensuring continuity of supply, Swisstek actively works alongside suppliers to drive innovation, quality enhancement, and operational excellence. Collaborative initiatives focus on product development, process improvements, cost optimisation, and sustainable sourcing practices, enabling both parties to create long-term value while maintaining the high standards expected by customers.

SOCIAL AND RELATIONSHIP CAPITAL

Environmental, Social and Governance (ESG) considerations are increasingly integrated into our supplier selection and evaluation processes. In addition to traditional measures of quality, cost, and delivery performance, suppliers are assessed on environmental management practices, ethical business conduct, regulatory compliance, labour standards, and their commitment to sustainability. This ensures that our supply chain reflects the same responsible business principles that underpin our own operations.

Our commitment to responsible sourcing extends to supporting local suppliers and resource providers. During the year, Swisstek continued to work closely with sand mining operators and other raw material suppliers, providing financial assistance and technical support to improve extraction methods, product quality, environmental compliance, and rehabilitation practices. These initiatives not only strengthen supply security but also contribute to the long-term sustainability of natural resources and the livelihoods of communities that depend on them.

As a company deeply embedded within Sri Lanka's construction industry, Swisstek also recognises its responsibility to contribute to broader industry development and community wellbeing. Through engagement with applicators, contractors, dealers, architects, engineers, and other industry stakeholders, the Company promotes knowledge sharing, skills development, and professional advancement across the construction value chain. These initiatives help improve industry standards, create employment opportunities, and enhance the quality and durability of built

environments throughout the country.

Supporting local economic development remains an integral component of our stakeholder engagement strategy. By prioritising local sourcing wherever feasible and strengthening domestic supplier capabilities, Swisstek contributes to job creation, entrepreneurship, and economic resilience within the communities in which we operate. These efforts create a multiplier effect that extends the benefits of business growth beyond the organisation itself.

Environmental stewardship continues to guide our engagement with both suppliers and communities. Through responsible sourcing practices, support for sustainable resource management, and collaboration on environmental improvement initiatives, we seek to minimise ecological impacts while creating long-term value for future generations. Our efforts reflect the belief that economic progress and environmental responsibility must advance together.

As Swisstek continues to expand its portfolio and strengthen its market position, we remain committed to building enduring partnerships that support resilience, innovation, sustainability, and shared prosperity. By fostering strong relationships throughout our value chain and contributing positively to the communities we serve, we are creating a robust foundation for sustainable growth and long-term stakeholder value.

Regulatory and Industry Engagement

Swisstek maintained proactive engagement with regulators, industry bodies, and relevant authorities to ensure compliance

with regulatory requirements and industry standards. The Company continued to strengthen governance and compliance processes while supporting industry-wide collaboration and knowledge sharing.

Active participation in industry forums and regulatory discussions enabled Swisstek to remain responsive to evolving market expectations, environmental standards, and operational requirements within the manufacturing and construction sectors.

Partnerships and Industry Collaboration

The Company continued to strengthen partnerships with technical institutions, trade associations, logistics providers, and industry stakeholders to support innovation, knowledge sharing, and industry development. These collaborations contributed to strengthening technical capabilities, improving operational efficiencies, and enhancing customer experiences across the value chain.

Swisstek also continued to support industry exhibitions, trade engagements, and technical awareness initiatives that promote product knowledge, innovation, and sustainable construction practices.

COMMUNITY

Community Engagement and Social Impact

As a responsible corporate citizen, Swisstek continued to invest in initiatives that positively impact communities connected to its operations. The Company's community engagement efforts focused on education, environmental stewardship, social wellbeing, and employee-led volunteerism.

During the year, Swisstek supported educational initiatives for schoolchildren, contributed to community welfare programs, and participated in environmental initiatives aimed at promoting sustainability awareness and environmental responsibility. Employee participation in community-driven initiatives also strengthened the Company's culture of social responsibility and collective engagement.

The Company remains committed to creating long-term social value while fostering stronger relationships with surrounding communities and stakeholders.

WAY FORWARD ▶

Looking ahead, Swisstek will continue to strengthen its stakeholder-centric approach by deepening engagement, improving digital connectivity, and enhancing collaboration across the value chain. The Company remains focused on creating sustainable and inclusive stakeholder relationships that reinforce long-term resilience and support future growth momentum.

Key areas of focus for FY 2026/27 include:

- ▶ Achieving competitive growth in core business segments in a responsible manner.
- ▶ Building brand awareness and equity as the preferred choice for finishing in the construction sector.
- ▶ Enhancing digital stakeholder engagement platforms and CRM integration.
- ▶ Strengthening dealer and contractor engagement initiatives.
- ▶ Expanding ESG-focused supplier engagement frameworks.
- ▶ Increasing community investments focused on education and sustainability.
- ▶ Improving stakeholder feedback analytics and engagement monitoring.
- ▶ Strengthening industry collaboration and knowledge-sharing initiatives.
- ▶ Swisstek firmly believes that enduring relationships built on trust, responsiveness, and shared progress remain essential to sustaining competitive advantage and creating meaningful value for all stakeholders



INTELLECTUAL CAPITAL

Harnessing Knowledge, Innovation and Operational Intelligence to Drive Sustainable Value

Intellectual capital represents the collective knowledge, technical expertise, innovation capability, institutional processes, systems, quality frameworks, and organisational know-how that enable Swisstek (Ceylon) PLC to create differentiated value in a competitive marketplace.

As a pioneering Sri Lankan manufacturer in the construction solutions sector, Swisstek's intellectual capital extends far beyond proprietary knowledge. It encompasses the Company's product development capabilities, manufacturing process expertise, digital platforms, quality management systems, market intelligence, operational disciplines, and decades of accumulated technical experience that together underpin business resilience and long-term competitiveness.

Strategic Priorities

- ▶ Advancing product innovation and application expertise
- ▶ Strengthening process excellence and operational know-how
- ▶ Enhancing enterprise-wide digital integration and data visibility
- ▶ Maintaining robust quality assurance and certification standards
- ▶ Leveraging market intelligence and customer insights
- ▶ Building scalable organisational systems that support agility and growth
- ▶ Embedding a culture of continuous learning and improvement

Strategic Highlights

- ▶ Full SAP ERP integration across production plants, distribution centers, Head Office and Sales.
- ▶ Introduced 7 new product SKUs.
- ▶ Conducted 5,761 hours of structured training and development.
- ▶ Regional expansion of brand

SDG's Aligned



MANAGEMENT APPROACH

With a heritage spanning over five decades, Swisstek has built deep technical and commercial capabilities across fixing, finishing, and beautification solutions, enabling the Company to evolve in line with changing customer expectations, market requirements, and industry advancements. Intellectual capital therefore serves as a critical enabler of innovation, efficiency, quality leadership, and sustained value creation.

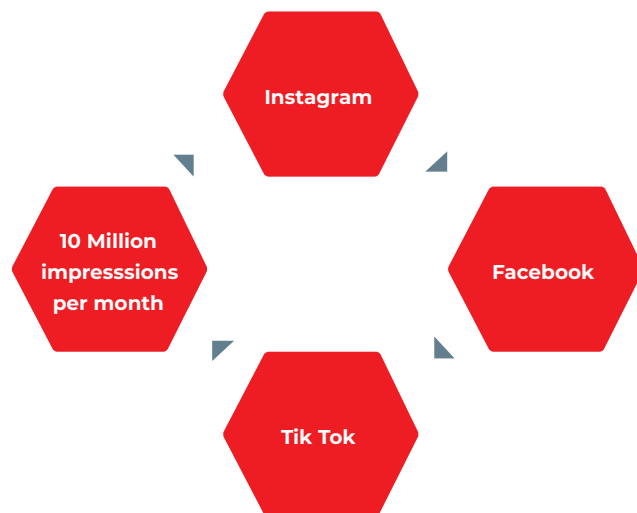
Swisstek adopts a structured and forward-looking approach to intellectual capital management, recognising that sustainable competitive advantage increasingly depends on how effectively knowledge, systems, innovation, and institutional capability are developed, embedded, and scaled across the organisation.

The Company's management approach is centred on strengthening technical excellence, enhancing operational intelligence, institutionalising process discipline, and fostering innovation-led growth. This disciplined approach ensures that intellectual capital remains an active strategic asset rather than a passive repository of knowledge.

BUILDING BRAND STRENGTH

The Swisstek brand is associated with quality, reliability, and innovative products which has been endorsed by ongoing customer testimonials which reinforce the unique product and quality characteristics. During the year the Company focussed on brand building through multi- platform campaigns, customer engagement

initiatives and media partnerships to expand brand reach and awareness. Our marketing and brand building strategy focused from mainstream media – TV, radio with an intensified focus on digital platforms. Swisstek was ranked among the Top 100 Most Loved Brands in Sri Lanka (LMD 2025).



Markets Share details are as follows:



INNOVATION AS A STRATEGIC DIFFERENTIATOR

Innovation remains deeply embedded within Swisstek's corporate DNA and continues to shape the Company's market positioning.

As a solutions-led manufacturer, Swisstek's ability to develop products that respond to evolving construction trends, customer needs, and performance expectations remains central to its value proposition. Over the years,

INTELLECTUAL CAPITAL

the Company has consistently expanded and refined its product portfolio to strengthen its relevance across residential, commercial, and industrial applications.

Its innovation capability is supported by accumulated technical expertise in formulation science, product engineering, application performance, and material optimisation, enabling Swisstek to differentiate itself in highly competitive market segments.

This capability has allowed the Company to maintain leadership across several product categories while continuing to evolve its offering in response to changing market dynamics.

MARKET INTELLIGENCE AND CUSTOMER-CENTRIC KNOWLEDGE

Swisstek's intellectual capital is also strengthened by its understanding of market dynamics, customer requirements, and application trends.

The Company continuously leverages commercial insights to anticipate evolving customer needs, refine product offerings, and improve go-to-market effectiveness.

The strengthening of digital sales systems during the year enhanced market intelligence capabilities, enabling improved visibility into customer engagement, sales performance, and emerging demand trends.

This stronger connection between customer insight and operational execution enables faster decision-making and greater market responsiveness.

PROCESS KNOWLEDGE AND OPERATIONAL INTELLIGENCE

Operational excellence at Swisstek is underpinned by strong institutional knowledge and disciplined process management.

Years of manufacturing experience have enabled the Company to build deep expertise in production optimisation, process control, quality consistency, and efficiency management. This operational know-how represents a significant intellectual asset that supports both profitability and resilience.

During the year, continued focus was placed on strengthening process intelligence through:

- ▶ Enhanced production monitoring
- ▶ Structured preventive and predictive maintenance practices
- ▶ Root cause analysis of operational disruptions
- ▶ Continuous performance measurement
- ▶ Total Productive Maintenance (TPM) disciplines

These capabilities enable Swisstek to convert operational learning into measurable performance gains, supporting productivity, consistency, and responsiveness.

BUSINESS EXCELLENCE INITIATIVE AND ITS IMPACT

During the year, the Company introduced a Group-wide structured initiative titled Business Excellence, designed to be implemented across a three-year horizon. The initiative focuses on driving continuous production improvements, reducing waste, enhancing operational efficiencies and achieving greater cost effectiveness across the business.

In its first year of implementation, Business Excellence was rolled out through 31 focused projects, with an estimated cost-saving potential of LKR 320 Mn. By the close of the year, the Company had already realised LKR 238 Mn in savings, reflecting strong execution discipline and the tangible value of a continuous improvement mindset.

DIGITAL TRANSFORMATION AND SYSTEMS INTEGRATION

Digital capability continued to strengthen Swisstek's intellectual capital base during the year.

A significant milestone was the implementation and embedding of the SAP enterprise resource planning (ERP) platform in the FY 2024/25 which has enabled the Company to create a more integrated, data-driven operating environment across the organisation.

The platform enhances enterprise-wide visibility across:

- ▶ Procurement
- ▶ Manufacturing
- ▶ Quality assurance
- ▶ Logistics
- ▶ Sales and distribution
- ▶ Inventory planning
- ▶ Financial controls

This transformation has materially strengthened process governance, data integrity, reporting reliability, and decision-making agility.

In parallel, digital sales force automation initiatives improved market responsiveness, strengthened customer engagement visibility, and enhanced commercial execution.

Together, these systems represent critical intellectual infrastructure supporting scale, efficiency, and strategic decision-making.

QUALITY ASSURANCE AND INSTITUTIONAL EXCELLENCE

Swisstek's reputation for reliability and product quality is supported by strong institutional frameworks and technical disciplines.

Quality assurance systems, certification standards, process controls, and technical governance mechanisms form an important component of the Company's intellectual capital.

As the only SLS-certified company in Sri Lanka for tile mortar and tile grout, supported by ISO-certified operational practices, Swisstek continues to leverage its quality credentials as a source of differentiation and customer trust. This reflects not only technical capability but also a deeply embedded culture of quality discipline, compliance, and continuous improvement.

The Company's institutional knowledge in maintaining product consistency, manufacturing standards, and technical assurance remains a significant competitive strength

ISO 9001-2015 Quality Management System across all production facilities

SLS certification for tile adhesive and grout

LEAN process reviews focussing on waste reduction across all facilities

BSEN755:1 – British Standard for Aluminium Extrusion

Qualicoat SeaSide – Swiss certification for powder coatings

Green Label Product – Certification for manufacturing excellence with environmentally safe practices.

ISO 14001:2015 - Environmental Management System

BUILDING A CULTURE OF CONTINUOUS LEARNING

Swisstek recognises that intellectual capital is sustained not merely through systems and processes, but through people, collaboration, and a culture of continuous improvement.

Cross-functional learning, operational problem-solving, knowledge sharing, and performance review mechanisms support the institutionalisation of learning across the organisation.

Disciplines such as TPM, operational review forums, root cause analysis, and process improvement initiatives help convert day-to-day operational experience into repeatable organisational capability. This continuous learning culture strengthens adaptability and long-term organisational resilience.

WAY FORWARD ▶

As Swisstek advances its growth ambitions, intellectual capital will remain central to building competitive advantage in an increasingly dynamic operating environment.

Future priorities include:

- ▶ Deepening digital integration and analytics capability
- ▶ Strengthening innovation and product development capacity
- ▶ Enhancing process intelligence across operations
- ▶ Leveraging data for faster commercial and operational decision-making
- ▶ Strengthening technical knowledge across product and manufacturing functions
- ▶ Scaling organisational systems to support growth and complexity

Swisstek's long-term success will increasingly depend not only on the physical assets it deploys, but on the knowledge, systems, innovation capability, and institutional intelligence that power those assets.

By continuing to strengthen its intellectual capital, the Company is building a smarter, more agile, and future-ready enterprise capable of delivering sustained value across stakeholder groups.



NATURAL CAPITAL

Preserving resources, advancing sustainability

Natural capital represents the environmental resources and ecosystem services that underpin Swisstek’s operations. As a manufacturer, the Company relies extensively on natural raw materials such as silica sand, minerals, aggregates, aluminium, and other resource-based inputs. Recognising the finite nature of these resources and the increasing environmental expectations placed upon manufacturers, Swisstek has embedded sustainability into its operational philosophy, focusing on responsible resource utilisation, waste minimisation, circular economy principles, and environmentally conscious product innovation.

Strategic Priorities

- ▶ Climate Resilience & Decarbonisation
- ▶ Resource Efficiency & Circularity
- ▶ Sustainable Agriculture & Biodiversity
- ▶ Responsible Sourcing
- ▶ Water Stewardship
- ▶ Environmental Governance

Strategic Highlights

- ▶ Reduced emissions through energy efficiency initiatives, renewable energy adoption, and climate-conscious operations.
- ▶ Optimised water, energy, and material consumption while promoting waste reduction, recycling, and circularity.
- ▶ Advanced sustainable agricultural practices, responsible land use, and biodiversity conservation initiatives.
- ▶ Strengthened sustainable procurement and supplier engagement to minimise environmental impacts across the value chain.
- ▶ Enhanced water-use efficiency, conservation measures, and responsible watershed management practices.
- ▶ Maintained strong environmental management systems, compliance, monitoring, and risk management practices

SDG's Aligned



OUR MANAGEMENT APPROACH

The Company's approach to natural capital extends beyond regulatory compliance. It seeks to create long-term value through sustainable manufacturing practices that reduce environmental impact, improve resource efficiency, support national sustainability objectives, and contribute to the development of a greener construction sector. Environmental stewardship is therefore integrated into decision-making across sourcing, manufacturing, product development, logistics, and stakeholder engagement.

Swisstek continues to maintain a robust environmental management framework that seeks to minimise the ecological footprint of its operations while supporting sustainable business growth. Environmental considerations are integrated into operational planning, manufacturing processes, product design, and investment decisions.

The Company continuously evaluates opportunities to improve environmental performance through process enhancements, technology adoption, employee awareness initiatives, and collaboration with external institutions. Environmental policies and management systems guide efforts relating to energy conservation, waste management, emissions control, responsible sourcing, and sustainable product development.

This disciplined approach has enabled Swisstek to maintain strong environmental compliance while progressively advancing its sustainability ambitions.

INITIATIVES IN FY 2025/26

Driving Circular Economy Practices

One of the most significant achievements in the management

of natural capital has been the Company's continued progress towards a circular manufacturing model.

Recognising that waste materials represent both an environmental burden and a potential resource, Swisstek has invested in systems that enable the recovery and reuse of production by-products. Through enhancements to dust extraction and recovery systems, the Company successfully captures and recycles silica sand dust and cement dust generated during manufacturing operations. These recovered materials are reintroduced into production processes wherever feasible, reducing material wastage while lowering the demand for virgin resources.

Similarly, all packaging-related polythene waste generated through operations is segregated and directed towards recycling channels, preventing landfill disposal while supporting the broader recycling ecosystem. The Company also continues to explore opportunities to convert waste materials into value-added products, creating additional environmental and commercial benefits.

These initiatives reinforce Swisstek's ambition of becoming a near-zero waste manufacturing operation while supporting national circular economy objectives.

In FY 2025/2026, our material consumption was as follows:

Material Type	Consumption (MT)	Consumption (MT)
	2024/25	2025/26
Cement	20,993 MT	28,933 MT
Chemicals	715 MT	782 MT
Sand and Powders	13,314 MT	11,616 MT
Zinc Aluminium	420 MT	905 MT
Aluminium	8,413 MT	8,425 MT

To reduce environmental impact, we implemented material optimization measures across production lines, resulting in 2002 MT of recycled and reused materials equivalent to 2% of total material input. This was achieved through:

- ▶ Reprocessing off-spec batches.
- ▶ Recycling internal waste streams.
- ▶ Improving raw material yield per product unit.

We are engaging suppliers to explore low-carbon, low-impact alternatives and sourcing certified materials wherever possible.

VALUING ENVIRONMENTAL PERFORMANCE

Swisstek commenced internal efforts to quantify the financial value of environmental performance improvements in FY 2025/2026. This exercise reinforces the business case for sustainability by translating environmental gains into monetary terms.

NATURAL CAPITAL

Estimated savings include:

- ▶ **Avoided virgin material procurement: LKR 3,248 million.**
- ▶ **Waste disposal cost savings: LKR 34 million.**
- ▶ **Energy efficiency savings: LKR 3 million.**
- ▶ **Total environmental cost savings: LKR 16.2 million.**

This valuation highlights the tangible economic value of resource efficiency, providing a foundation for future natural capital accounting efforts.

EMISSIONS AND AIR QUALITY MANAGEMENT

Maintaining air quality standards remains a key environmental priority given the nature of manufacturing activities.

Swisstek has invested in dust extraction and filtration systems designed to minimise particulate emissions arising from material handling and production processes. Continuous monitoring ensures that emissions remain well below the thresholds established by the Central Environmental Authority.

The significant improvements achieved in Total Suspended Particulate Matter (TSPM) measurements over recent years demonstrate the effectiveness of these investments and reflect the Company's commitment to cleaner production practices. By proactively managing emissions, Swisstek safeguards employee wellbeing, supports community health, and maintains compliance with environmental regulations.

ADVANCING ENERGY EFFICIENCY

Energy efficiency remains a priority, balancing cost management with environmental responsibility.

Swisstek's energy management initiatives integrate technological upgrades, process optimisation, and behavioural change.

FY 2025/2026 achievements include:

- ▶ **Completed LED retrofitting across all plants, saving 34,200 kWh annually.**
- ▶ **Repaired compressed air system leaks, saving 80,000 kWh annually.**

Energy consumption data:

Energy Source	Consumption (GJ)	Consumption (GJ)
	2024/25	2025/26
Electricity	36,770 GJ	37,425 GJ
Diesel/Kerosene/Furnace Oil	23,599 GJ	23,817 GJ
LPG	20,807 GJ	20,364 GJ

Sector	Energy Consumption (GJ)	Energy Consumption (GJ)
	2024/25	2025/26
Tile Adhesive Plant	7500 GJ	9,437 GJ
Aluminium Plant	73,677 GJ	72,169 GJ

WATER STEWARDSHIP

Although Swisstek's manufacturing processes are predominantly based on dry material processing and therefore do not require substantial water consumption, the Company remains committed to responsible water stewardship.

A notable aspect of the business model is that water is not directly utilised within the production processes of its core product categories. Furthermore, the Company does not discharge production-related wastewater into municipal sewer systems or natural watercourses, resulting in minimal operational impact on local water resources.

The Company nevertheless continues to monitor water consumption across its facilities and seeks opportunities to improve efficiency wherever practical.

Water Withdrawal by Segment	Consumption (m ³)	Consumption (m ³)
	2024/25	2025/26
Tile Adhesive Plant	9,957 m ³	9,348 m³
Aluminium Plant	47 m ³	45 m³

Water Withdrawal by Source	Withdrawal (m ³)	Withdrawal (m ³)
	2024/25	2025/26
Municipal Supply	454 m ³	1,390 m³
Groundwater Wells	9,550 m ³	7,958 m³

RESPONSIBLE WASTE MANAGEMENT

Waste management remains a critical focus area given the scale of manufacturing activities across the Group.

During the year, Swisstek continued to strengthen waste handling, segregation, storage, and recovery processes across its facilities. Enhanced dust extraction systems have significantly improved the recovery of production waste, reducing airborne particulate emissions while enabling valuable materials to be reclaimed and reused. Aluminium-related sludge generated through extrusion processes is managed through approved third-party channels to ensure responsible disposal and environmental protection.

These initiatives demonstrate the Company's commitment to keeping materials in productive use for as long as possible and reducing environmental impacts associated with waste generation.

Waste Type	Disposal Method	Volume (MT)	Volume (MT)
		2024/25	2025/26
General Waste (Non-Hazardous)	Municipal Council waste handlers	28 MT	53 MT

- ▶ 100% compliance with CEA discharge limits.
- ▶ Third-party testing confirmed discharge quality.
- ▶ Pilot feasibility for rainwater harvesting at the tile adhesive plant.

During FY 2025/26, we invested in and initiated a project aimed at scaling up water reuse and rainwater harvesting initiatives, reinforcing our commitment to sustainable water management and resource conservation

ENERGY MANAGEMENT AND EFFICIENCY IMPROVEMENTS

Energy represents one of the most significant environmental inputs within the manufacturing process. Swisstek therefore continues to pursue initiatives aimed at improving energy efficiency and reducing dependence on non-renewable energy sources.

During the year, the Company implemented process innovations that reduced fuel consumption associated with drying operations. By utilising natural sun-drying methods for silica sand preparation, Swisstek was able to significantly reduce reliance on fuel-powered drying systems, generating both environmental and economic benefits. These improvements contributed to lower fossil fuel consumption while supporting operational cost efficiencies.

The Company continues to evaluate future opportunities relating to renewable energy integration and energy-efficient technologies that can further reduce its carbon footprint while enhancing operational resilience.

- ▶ Achieved 6% reduction in diesel use per output unit.
- ▶ Improved air quality via ventilation upgrades.
- ▶ Commenced solar feasibility at aluminium operations.

NATURAL CAPITAL

EMISSIONS	TCO2 2024/25	TCO2 2025/26
305-1 Direct (Scope 1) GHG Emission	1067	920
Energy Indirect (Scope 2) GHG Emission	1417	1,222
Energy Indirect (Scope 3) GHG Emission	150	129

COMPLIANCE: UPHOLDING ENVIRONMENTAL OBLIGATIONS

Maintaining the highest standards of environmental compliance remains a cornerstone of Swisstek’s sustainability strategy. During FY 2025/26, the Company achieved 100% compliance with all applicable environmental licenses, permits, and statutory reporting requirements across its operations.

Swisstek recorded zero environmental fines, penalties, or regulatory breaches during the

year, reflecting the effectiveness of its environmental management systems and governance practices. Furthermore, both internal and external environmental audits were successfully completed with no major findings, reinforcing the Company’s commitment to operational discipline and responsible stewardship.

The Company continues to closely monitor evolving environmental regulations and industry standards to ensure proactive compliance,

strengthen risk management, and maintain alignment with emerging sustainability expectations. This vigilant approach supports Swisstek’s broader objective of conducting business responsibly while creating long-term value for stakeholders and the environment.

STAKEHOLDER-SPECIFIC ENVIRONMENTAL IMPACTS

Swisstek’s environmental performance directly influences key stakeholder groups:

Stakeholder	Key Environmental Concerns	Swisstek’s Response
Communities	Water quality, emissions	Compliance with CEA discharge standards; monitoring air quality; noise control measures
Customers	Sustainable products	Exploring recycled content; supplier engagement on material sustainability
Regulators	Legal compliance	100% compliance; transparent reporting; timely permit renewals
Investors	Climate risk, efficiency	Energy savings, GHG inventory; decarbonisation roadmap
Employees	Health & safety	Air extractor upgrades; PPE provision; workplace safety monitoring

SUSTAINABLE PRODUCT DEVELOPMENT

Swisstek continues to align its product innovation agenda with emerging environmental and sustainability requirements within the construction sector.

As demand grows for greener and more resource-efficient building materials, the Company has prioritised the development

of products that minimise environmental impact while maintaining superior performance characteristics. Product development initiatives increasingly focus on optimising the use of silica-based materials and alternative inputs while reducing dependence on high-carbon cement-intensive formulations.

This strategy supports the transition towards sustainable construction while positioning Swisstek to capitalise on emerging opportunities linked to green buildings, energy-efficient construction, and environmentally responsible infrastructure development.

BUILDING A SUSTAINABILITY CULTURE

The successful management of natural capital extends beyond systems and technologies—it requires the active participation of employees throughout the organisation.

Swisstek continues to cultivate a culture of environmental responsibility through employee awareness programmes, training initiatives, and continuous improvement practices. Training on 5S methodologies, waste reduction practices, and Kaizen principles encourages employees to identify opportunities for resource conservation and operational improvement.

Recognition programmes further reinforce these behaviours by rewarding innovative ideas that contribute to waste reduction, efficiency enhancement, and environmental stewardship. Through these initiatives, sustainability has become an integral part of the Company's operational culture.

STRATEGIC COLLABORATIONS FOR SUSTAINABLE INNOVATION

Swisstek recognises that collaboration is essential to solving complex environmental challenges and accelerating sustainable innovation.

The Company is therefore pursuing partnerships with leading national institutions including the Atomic Energy Board and the National Engineering Research and Development Centre (NERD Centre). These collaborations are intended to support the development of innovative products derived from recovered waste materials and align future product portfolios with emerging sustainable housing and construction standards.

Such partnerships position Swisstek at the forefront of sustainable construction material innovation while supporting national initiatives aimed at creating environmentally responsible infrastructure and housing solutions.

WAY FORWARD ▶

As Sri Lanka's construction sector enters a new phase of growth driven by urbanisation, infrastructure development, and increasing sustainability expectations, the effective management of natural capital will become even more critical.

Looking ahead, Swisstek will focus on expanding circular economy initiatives, increasing the utilisation of recycled and recovered materials, enhancing energy efficiency, and accelerating the development of sustainable construction solutions. The Company will also continue to explore strategic partnerships, cleaner technologies, and environmentally responsible manufacturing practices that support long-term business resilience and environmental stewardship.

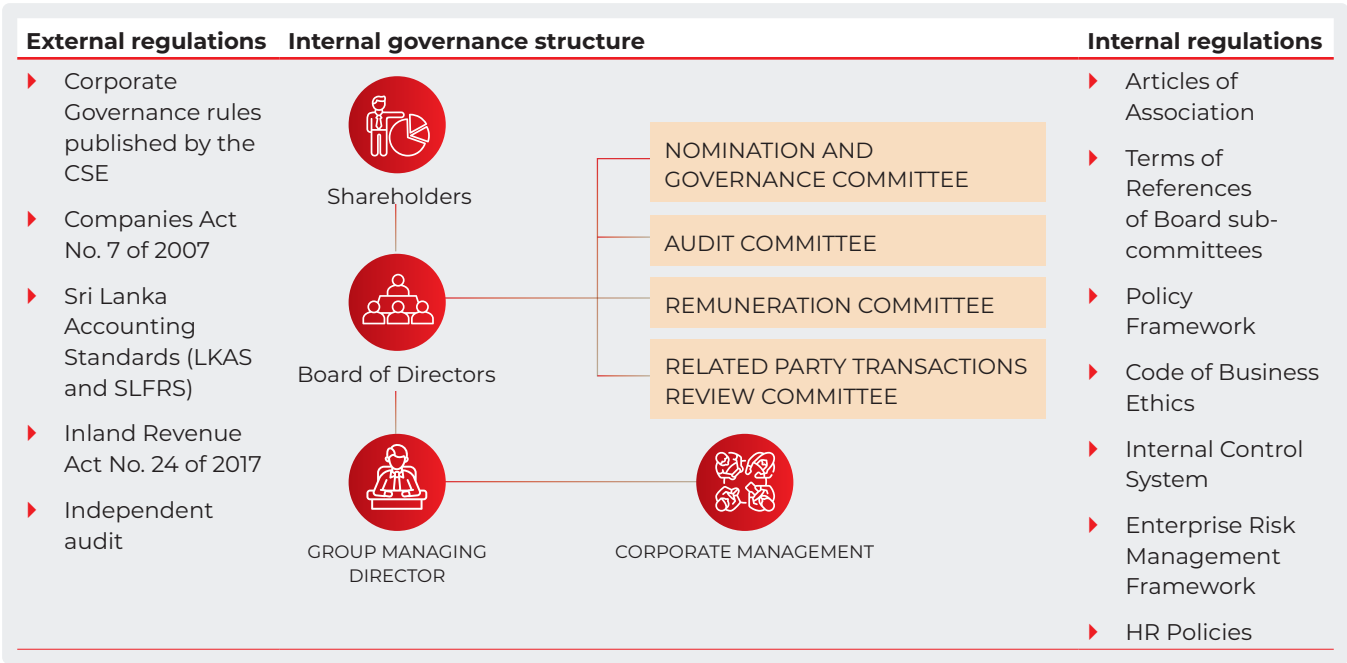
By integrating sustainability into every stage of its value chain, Swisstek is not only reducing its environmental footprint but also creating a competitive advantage that positions the Company as a preferred partner in Sri Lanka's transition towards a greener and more sustainable built environment.

CORPORATE GOVERNANCE

The resilient performance demonstrated by Swisstek (Ceylon) PLC over the past few years stands as a compelling testament to the strength and effectiveness of our corporate governance framework. This resilience is deeply rooted in our unwavering commitment to upholding the highest standards of governance, which we recognise as a cornerstone in building sustainable value for all stakeholders.

We firmly believe that good governance is not merely a compliance requirement but a strategic imperative that drives integrity, ethical conduct, and responsible decision-making across every level of the organisation. As such, we remain resolute in our pursuit of continuous improvement, actively benchmarking our governance practices against global best practices and emerging trends.

In an evolving regulatory and risk landscape, we continue to strengthen our internal controls, through board oversight, and cultivate a culture of accountability, transparency, and ethical leadership. These efforts are supported by a robust governance structure that promotes diversity of thought, prudent risk management, and stakeholder inclusivity.



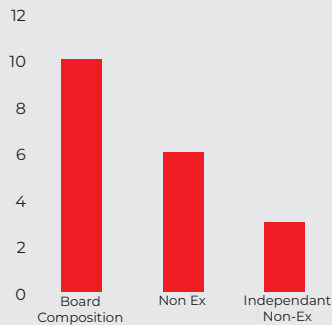
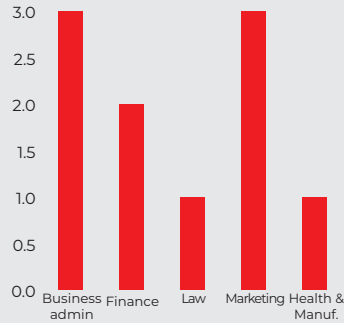
BOARD COMPOSITION AND EXPERTISE

The Board of Directors is ultimately responsible for ensuring that Swisstek (Ceylon) PLC functions within a rigorous and effective governance structure. The Board provides leadership, to safeguard stakeholder value creation within a framework of robust and effective controls. The Board is well balanced and competent to discharge their statutory and fiduciary duties,

objectively and effectively. Careful consideration has been given to ensure that the Board has the right mix of skills and experience as well as varying perspectives.

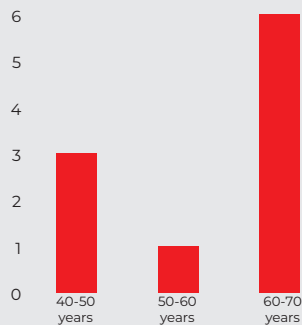
The Board comprised of 9 directors of whom 3 were independent non-executive directors as at 31st March 2026. They have been appointed in compliance with the CSE Listing Rules supporting objectivity and performance oversight, particularly

in financial and legal matters. All Board members have experience in business roles. The Chairman is a President's Counsel with wide experience in governance and corporate strategy.

BOARD COMPOSITION**BOARD SKILL PROFILES****ROLES AND RESPONSIBILITIES**

The roles of the Chairman and Chief Executive have been combined taking into account the business needs of the Group and the skills, experience and vision of the Chairman who is also the largest beneficial shareholder.

While maintaining accountability, the Board has delegated responsibility to relevant Board sub-committees and Management with clearly defined missions and authorities. Accordingly, the Board is supported by 04 sub-committees which have oversight responsibility on specific areas delegated to them, thereby allowing the Board to devote its time to strategic agenda items. The Audit Committee, Remuneration Committee, Nomination and Governance Committee and Related Party Transactions Review Committee assist the Board, as permitted by the listing rules of the CSE.

DIVERCITY OF AGE**GENDER DIVERCITY****100%**

Committee	Composition	Areas of oversight
Audit Committee (AC)	01-Chairman - Independent Non-Executive Director 02 Members - Independent Non-Executive Director and Non-Executive Director	Compliance with financial reporting requirements, Adequacy and effectiveness of internal controls Adequacy and effectiveness of risk management processes Assessment of the independence and performance of the external auditors Make recommendations to the Board pertaining to external auditors including remuneration and terms of engagement
Remuneration Committee (RC)	01-Chairman - Independent Non-Executive Director 02 Members - Independent Non-Executive Director and Non-Executive Director	Considering and recommending to the Board, the broad policy for the remuneration package of Executive Directors, Non-executive directors and Key Corporate Management Recommending and approving total remuneration package including fixed and variable components of the executive directors including the Group Managing Director Determining the policy for the terms of employment of Executive Directors

CORPORATE GOVERNANCE

Committee	Composition	Areas of oversight
		Monitoring the performance conditions subject to which any long-term incentive awards may be granted under the schemes adopted by the Company and recommending grant of long-term incentive award.
		Bearing the responsibility for selecting and appointing any remuneration consultants who advises the committee
Nomination and Governance Committee	01 Chairman - Independent Non-Executive Director 02 Members - Independent Non-Executive Director and Non-Executive Director	Reviewing Board and Board-level Committee structure, composition, and competencies. Recommending new appointments and re-election of Directors. Ensuring governance-related legal and regulatory requirements of Directors to hold office. Overseeing Board and senior management succession plans.
Related Party Transactions Review Committee (RPTC)	01 Chairman - Independent Non-Executive Director 02 Members - Independent Non-Executive Director and Non-Executive Director	Establishing a policy framework and process to review related party transactions of the Group Ensuring that due process is followed for all related party transactions Determining whether related party transactions to be entered into by the Group require Board or shareholder approval. Ensuring that immediate market and Annual Report disclosures are made in a timely and detailed manner as required by the CSE Listing Rules

The Board's contribution to value creation in 2025/26

Strategy	Shaping the corporate culture
Formulation of the strategic direction to create shared and sustainable stakeholder value. Given the unprecedented operating conditions that prevailed during the year, the Board engaged proactively with the business to ensure continuity of operations amidst volatile business conditions.	Board members model ethical behaviour in their decisions and actions and their conduct sets the tone for the entire organisation. The Board maintains transparency in board activities and decisions to build trust and accountability.
Risk management	Stakeholder engagement
The Board assisted by the Audit Committee ensures effective risk management. Effective risk management is underpinned by the Group's risk management framework which has been designed to optimise risk-reward factors.	The Board plays a pivotal role in fostering robust stakeholder engagement, which is crucial for building trust, enhancing reputation, and ensuring long-term success. By establishing clear channels for stakeholder interaction and ensuring regular, honest updates, the Board maintains an ongoing dialogue with all stakeholders.

MEETING ATTENDANCE

The Board meets monthly/bi-monthly (as deemed appropriate) to review performance and progress against strategy and to assess risks arising from the operating environment. The agenda and Board Papers for meetings are sent in advance allowing members sufficient time to review the same.

		Board Meeting	Audit Committee	Related Party Transactions	Remuneration Committee	Nomination and Governance Committee
1	Mr. S H Amarasekera - Chairman	10/10	-	-	1/1	1/1
2	Mr. A M Weerasinghe	10/10	-	-	-	-
3	Mr. L A D N Perera - Group Managing Director (appointed on 28th July '25)	8/8	-	-	-	-
4	Dr. S Selliah	8/10	-	4/4	-	-
5	Mr. J K A Sirinatha	5/10	-	-	-	-
6	Mr. K D G Gunaratne	6/10	4/4	-	-	-
7	Mr. C M U Weerawardena	6/10	-	-	1/1	1/1
8	Mr. R M M J Ratnayake	10/10	4/4	4/4	-	1/1
9	Mr. B D S Mendis	10/10	4/4	4/4	1/1	-
10	Mr. I G I M Ilukkumbura (appointed on 29th January 2026)	2/2	-	-	-	-
11	Mr. A S Mahendra (resigned on 31st October '25)	7/7	-	-	-	-

CORPORATE GOVERNANCE

SECTION A

Code of Best Practice of Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Section Number		Compliance Status	Comment
1. THE COMPANY			
A. Directors			
A.1	The Board	Every public company should be headed by an effective Board, which should direct, lead and control the Company.	Compliant
A.1.1	Regular Board Meetings	Frequency of Board meetings. (at least once every quarter)	Compliant
A.1.2	Board Responsibilities	Ensure formulation and implementation of a sound business strategy.	Compliant
		Ensure that the MD/CEO and the management team possess the necessary skills, experience and knowledge for effective implementation of the strategy.	Compliant
		Adapt effective CEO and senior management succession strategy.	Compliant
		Ensure that effective systems are in place to secure integrity of information, internal controls, business continuity and risk management.	Compliant
A.1.2	Board Responsibilities Contd.	Ensure that the company's activities are conducted in compliance with laws, regulations and ethical standards.	Compliant
		Ensure that all stakeholder interests are considered in corporate decisions.	Compliant
		Recognised sustainable business development in corporate strategy, decisions and activities.	Compliant
		Ensure that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.	Compliant
		Fulfill other Board functions that are vital, given the scale, nature and complexity of the business concerned.	Compliant
A.1.3	Compliance with Laws and Access to Independent Professional Advice	Act in accordance with the laws of the country and seek professional advice whenever required.	Compliant
A.1.4	Access to Advice and the Services of a Company Secretary	Advice and Services of the Company Secretary.	Compliant
		The company should obtain appropriate insurance cover as recommended by the nominations committee for board, directors, and key management personnel.	Not Applicable

Section Number		Compliance Status	Comment
A.1.5	Independent Judgment of Directors	Bring Independent judgment on various business issues and standards of business conduct.	Compliant
A.1.6	Dedication of adequate time and effort to matters of the Board and the Company	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.	Compliant
A.1.7		One third of the directors can call for a resolution to be presented to the board where they feel it is in best interest to the company to do so.	Not Applicable
A.1.8	Training and continuous Development of Directors	Every Director should receive appropriate training when first appointed to the Board and subsequently as necessary.	Compliant
A.2	Chairman and Chief Executive Officer	Chairman and CEO are two different positions and need to be divided responsibilities.	Compliant
A.3	Chairman's Role	The Chairman's role in preserving good Corporate Governance.	Compliant
A.4	Financial Acumen	Availability of sufficient financial acumen and knowledge to offer guidance on matters of finance.	Compliant
A.5	Board Balance	The Board should have a balance of executive and non- Executive Directors.	Compliant
A.5.1		Presence of non- Executive Directors.	Compliant
A.5.2		Independent Directors.	Compliant
A.5.3		Criteria to evaluate "Independence" of Non- Executive Directors.	Compliant
A.5.4		Annual Declaration of Non- Executive Directors.	Compliant
A.5.5		Annual determination of 'Independence' of Non- Executive Directors by the Board.	Compliant
A.5.6		Appointment of an Alternate Directors by a Non-executive/ independent Directors.	Not Applicable
A.5.7		Appointment of Senior Independent Director.	Not Applicable
A.5.8		Availability of the senior independent director for confidential discussions with other directors.	No senior independent director
A.5.9		Responsibility of Chairman to hold meetings only with Non-executive Directors.	Compliant

CORPORATE GOVERNANCE

Section Number		Compliance Status	Comment
A.5.10		Recording of concerns which cannot be unanimously resolved in Board minutes.	Compliant
A.6	Supply of Information	The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.	Compliant
A.6.1		Managements responsibility to provide the Board with appropriate and timely information.	Compliant
A.6.2		Preparation of minutes, agenda and Board papers prior to the Board meetings.	Compliant
A.7	Appointments to the Board; Nomination Committee	There should be a formal and transparent procedure for the appointment of new Directors to the Board.	Compliant
A.7.1		Composition of the Nomination Committee	Compliant
A.7.2		Annual assessment of the board composition against pre-defined criteria of skill and knowledge requirements. Please refer to the Page 126 of the Annual Report for Nomination Committee Report.	Compliant
A.7.3		Succession plan for the Chief Executive Officer and for Key Management Personnel and determine the training and development for those identified for succession.	Not Applicable
A.7.4		Disclosure of details of new directors to shareholders.	Compliant
A.7.5		The chairman and members of the Nomination Committee should be identified in the annual report. Please refer to the Page 126 of the Annual Report.	Compliant
A.7.6		Terms of reference for Nomination Committees Please refer to the Page 126 of the Annual Report.	Compliant
A.8	Re Election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years. Please refer page 111 of the annual report for details of re-election of Directors.	Compliant
A.8.1		Appointment and re-election of non-Executive Directors. Please refer page 111 of the Annual Report.	Compliant
A.8.2		Election of Directors by the shareholders. Please refer page 111 of the Annual Report.	Compliant

Section Number		Compliance Status	Comment
A.8.3		In the event of a resignation of a director prior to completion of his appointed term, the director should provide a written communication to the board of his reasons for resignations.	Not Applicable
A.9	Appraisal of Board Performance	Board should periodically appraise their own performance.	Compliant
A.10	Disclosure of Information of Directors.	Shareholders should be kept advised of relevant details in respect of Directors.	Compliant
A.10.1		Disclosures on Directors in the annual report.	Compliant
A.11	Appraisal of CEO	The Board should require, at least annually, to assess the performance of the CEO.	Compliant
A.11.1		Setting annual target for MD/ CEO.	Compliant
A.11.2		Evaluation of the performance of the CEO.	Compliant
B. Directors' Remuneration			
B.1	Directors Remuneration	Companies should establish a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.	Compliant
B.2	Level and Makeup of Remuneration	The Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully.	Compliant
B.2.1		Presence of a Remuneration Committee. Please refer page 121 for the Remuneration Committee Report.	Compliant
B.2.2		Composition of Remuneration Committee. Please refer page 121 for details of the composition of Remuneration Committee.	Compliant
B.2.3		Ability to consult the Chairman and/ or CEO and to seek professional advice by the committee.	Compliant
B.2.4		Determination of remuneration of Non-Executive Directors.	Compliant
B.2.5		Remuneration packages of Executive Directors.	Compliant
B.2.6		Comparison of remuneration with other Companies.	Compliant
B.2.7		The remuneration committee should be sensitive to remuneration and employment conditions elsewhere in the company or group of which it is a part, especially when determining annual salary increase.	Compliant
B.2.8		Designing performance – based remuneration of Executive Directors.	Compliant

CORPORATE GOVERNANCE

Section Number		Compliance Status	Comment
B.2.9		Executive share options should not be offered at a discount, save as permitted by the listing rules of the Stock Exchange. Shares granted under share option schemes should not be exercisable in less than three years and the remuneration committee should consider requiring directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise.	Not applicable
B.2.10		In designing schemes of performance-related remuneration, remuneration committee should follow the provisions that would enable the company to recover sums paid or withhold a portion of such performance related remuneration and specify the circumstances in which a company may not entitled to do so.	Compliant
B.2.11		The remuneration committee should consider what compensation commitments their chief executive's and executive directors 'contracts of services, if any, entail in the event of early termination.	Compliant
B.2.12		Where the initial contract does not explicitly provide for compensation commitments, remuneration committee should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances.	Compliant
B.2.13 B.2.14		Remuneration of Non-Executive Directors.	Compliant
B.2.15		The chairman and members of the remuneration committee should be listed in the annual report each year. Please refer page 121 for the Remuneration Committee Report.	Compliant
B.2.16		The terms of reference for Remuneration Committee. Please refer page 121 for the Remuneration Committee Report.	Compliant
B.3	Disclosure of Remuneration	The Company's Annual Report should contain a statement of Remuneration policy and details of Remuneration of the Board as whole.	Compliant
B.3.1 B.3.2		Disclosure of Remuneration.	Compliant
C. Relations with Share Holders			
C.1	Constructive use of the Annual General Meeting (AGM) and Conduct of General Meeting	Boards should use the AGM to communicate with shareholders and should encourage their participation. Please refer page 206 for details of the Annual General Meeting.	Compliant
C.1.1		Companies should arrange for the Notice of the AGM and related papers to be sent to shareholders as determined by statute, before the meeting.	Compliant

Section Number		Compliance Status	Comment
C.1.2		Separate Resolution to be proposed for each item.	Compliant
C.1.3		Use of Proxy Votes.	Compliant
C.1.4		Availability of Chairmen of Board Committees at the AGM.	Compliant
C.1.5		Summary of procedures Governing voting at the General Meeting.	Compliant
C.2		The Board should implement effective communication with shareholders.	Compliant
C.2.1			
C.2.2			
C.2.3		Communication channel to reach shareholders.	
		Company's Communication policy and methodology.	Compliant
C.2.4		The Company should disclose the contact person for such communications.	Compliant
C.2.5		Process to make directors aware of major issues and concerns of shareholders.	Compliant
C.2.6		Person to be contacted on shareholders matters.	Compliant
C.2.7		Formulation of a process for responding to shareholders and disclosure on them.	Compliant
C.3	Major and Material Transaction	Disclosure of all material transactions including related party transactions.	Not applicable
D. Accountability and Audit			
D.1	Financial and Business Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.	
D.1.1		Board responsibility for statutory and regulatory reporting.	Compliant
D.1.2		Declarations by Directors in the Directors' report.	Compliant
D.1.3		Declarations by the Chief Executive Officer and the Group Financial Controller on the financial statements before the approval of the board of directors.	Compliant
D.1.4		Declaration by the Board on going concern of the business.	Compliant
D.1.5		Statements by Directors and Auditors on responsibility for financial reporting.	Compliant
D.1.6		Management Discussion Analysis.	Compliant
D.1.7		Requirement to summon an Extraordinary General Meeting (EGM) to notify serious loss of capital.	Not applicable
D.1.8		Adequate and accurate disclosure of related party transactions.	Compliant

CORPORATE GOVERNANCE

Section Number	Compliance Status	Comment
D.2	Risk Management and Internal Control	Risk Internal Controls.
D.2.1		Compliant
D.2.1.1	Directors to conduct an annual review of Risk Management and internal controls.	Compliant
D.2.1.1	Robust assessment of the principal risks facing the company.	Compliant
D.2.1.2	Please refer risk management report on page 107 to 110.	
D.2.1.2	The board should describe the risk management framework, processes, responsibilities and explain in the annual report how they are being managed or mitigated.	Compliant
D.2.1.3 to D.2.1.8	Establishment of a risk committee to oversee risk management, and its composition, duties, authority and the disclosure in the annual report.	Not applicable
D.2.2	Establishment of a risk management framework.	Compliant
D.2.2.1	Please refer page 107 for the report on risk management.	
D.2.2.1	The board should ensure that effective system of internal controls is establish in respect of financial, operational and compliance system, processes, and practices and are monitored regularly.	Compliant
D.2.2.2	Please refer page 122 for the Audit committee report.	
D.2.2.2	The need for an internal audit function.	Compliant
D.2.2.3	Audit Committee to ensure carrying out the reviews of the process and effectiveness of risk management and Internal Control.	Compliant
D.2.2.4	Responsibilities of directors in maintaining a sound system of internal control and the contents of the statement of internal control.	Compliant
D.2.2.4	Please refer page 119 for the directors' statement on internal controls.	
D.3	Audit Committee.	Compliant
D.3.1	The Board Should establish an Audit Committee.	Compliant
D.3.1	Please refer Audit committee Report on Pages 122 to 123.	
D.3.2	Duties of the Audit Committee.	Compliant
D.3.2	Terms of reference of the Audit Committee.	

Section Number		Compliance Status	Comment
D.3.3		Disclosure of names of the members of the Audit Committee. The number of meetings held attendance of each director. The scope of work and how its roles and responsibilities were discharged.	Compliant
		Names of Directors comprising the Audit Committee are set out on page 122 of the Annual Report.	
D.4	Risk Committee	The board should establish a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification, rating and management of risk.	Compliant
		Audit Committee reviews the effectiveness of risk management of the group.	
D.5	Related Party Transactions Review Committee	The Board Should establish a procedure to ensure that the Company does not engage in transactions with 'related parties' in a manner that would grant such parties "more favorable treatment" than that accorded to third parties in the normal course of business.	Compliant
D. 6		Code of Business Conduct & Ethics.	Compliant
D.7		Corporate Governance Disclosure.	Compliant
D.7.1		Disclosure of compliance with the Corporate Governance Code.	Compliant
		Page 72 to 106 set out the manner and extent to which the company has complied with the principles and provisions of the Code of Best Practice on Corporate Governance issued jointly by the SEC and the CA Sri Lanka.	
2. SHAREHOLDERS			
E. Institutional Investors			
E1.1	A listed company should conduct a regular and structured dialogue with shareholders.		Compliant
E.2	Evaluation on Governance Disclosures	Institutional investors should be encouraged to give due weight to the relevant governance arrangements.	Compliant
F. Other Investors			
F.1	Investing/ Divesting Decisions	Individual Shareholders are encouraged to seek independent advice on investing or divesting decisions.	Compliant
F.2	Shareholder Voting	All Shareholders are encouraged to participate at Annual General Meeting and cast their votes.	Compliant
G. Interest of Things and Cybersecurity			
G.1	The Board review the IT environment through its audit committee.		Compliant

CORPORATE GOVERNANCE

Section Number	Compliance Status	Comment
H. Environment, Society and Governance (ESG)		
H.1.1 - H.1.5	Disclose the policies and procedures adopted to develop environment, society and Governance (ESG).	Compliant
I. Special Considerations for Listed Entities		
I.1	Establishment and maintenance of policies The board has taken necessary steps for the establishment of policies mentioned under principle I.1.1.	Compliant
I.2	Policy on matters relating to the board of directors	Compliant

SECTION B

This section covers the Company's extent of adherence to the Corporate Governance Rules set out in Section 9 of the Listing Rules of the Colombo Stock Exchange.

The following table presents the details of the Company's compliance with Section 9 of the CSE Listing Rules on Corporate Governance as at 31st March 2026.

Rule No	Corporate Governance Rule	Status of Compliance
9.2 Policies		
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website; (a) Policy on the 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 (f) employees, including policies on trading in the Entity's listed securities (g) Policy on Risk management and Internal controls (h) Policy on Relations with Shareholders and Investors (i) Policy on Environmental, Social and Governance Sustainability (j) Policy on Control and Management of Company Assets and Shareholder (k) Investments (l) Policy on Corporate Disclosures (m) Policy on Whistleblowing (n) Policy on Anti-Bribery and Corruption	Complied

Rule No	Corporate Governance Rule	Status of Compliance
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	No such waivers were granted.
9.2.3	Listed Entities shall disclose in its Annual Report: (i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. (ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	Complied
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Will be provided upon receiving a written request
9.3 Board Committees		
9.3.1	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 minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Complied
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.	Complied
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Complied
9.4 Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	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.	Complied

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Rule No	Corporate Governance Rule	Status of Compliance
9.4.2	Communication and relations with shareholders and investors (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.	Complied
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Complied
9.6 Chairperson and CEO		
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director. Consequently, the position of Chairperson and CEO shall not be held by the same individual.	Complied
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of these Rules). Such Market Announcement shall include the following: (a) The reasons for non-compliance (b) The rationale for combining the positions of the Chairperson and CEO	Not Applicable
9.6.3	(c) The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate. (d) The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3.(b) and (c) above. (e) The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.	

Rule No	Corporate Governance Rule	Status of Compliance
9.6.4	Until Listed Entities comply with Rule 9.6.1 above, such Entities shall be required to explain the reasons for non-compliance with Rule 9.6.1 in the Annual Report.	Not Applicable
9.7 Fitness of Directors and CEOs		
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.	Complied
9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	Complied
9.7.3	Fit and Proper Assessment Criteria: a) Honesty, Integrity and Reputation A Director or the CEO of a Listed Entity shall not be considered 'fit and proper' if she or he; (i) has been convicted by a competent court of law in respect of a market offence for which he/she has been charged under the SEC Act or Securities Laws outside of Sri Lanka. (ii) in his/her individual capacity or as a part of any business that he/she has been involved in, who/which has had a license or registration that has been cancelled by the SEC or any other regulatory authority. (iii) has been convicted, within or outside Sri Lanka of an offence under any law involving fraud, misappropriation or dishonesty or the conviction of which involved a finding that he/she acted fraudulently or dishonestly. (iv) has been convicted for contravening any provision of any law within or outside Sri Lanka for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies. (v) has been disqualified from acting as a Director or CEO of a company or has been dismissed or requested to resign from any position or office by the SEC in terms of the SEC Act or rules and regulations issued thereunder or any other statutory regulatory body due to mismanagement of funds or an offence which involves the commission of financial fraud. (vi) has been disqualified from acting as a CEO/Key Management Person/Director of a company regulated by the CBSL and/or the Insurance Regulatory Commission of Sri Lanka (IRCSL) as applicable for failure to satisfy the fit and proper assessment criteria issued by the CBSL and/or IRCSL respectively. (vii) has been a Director or the CEO of any Listed Entity which has been delisted by the Exchange in the circumstances specified in Rule 11.3 of these Rules.	Complied

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
	b) Competence and Capability A Director or the CEO of an Entity shall not be considered as 'fit and proper' if she or he; (i) does not possess suitable academic or professional qualifications or necessary skills, competencies and experience which are determined by the Nominations and Governance Committee of the Listed Entity in terms of Rule 9.11.5 of these Rules which are required to efficiently contribute to the business operations of the Entity in his/her capacity as a Director/CEO (as applicable). (ii) has been declared by a court of competent jurisdiction in Sri Lanka or outside Sri Lanka, to be of unsound mind.	
	c) Financial Soundness A Director or the CEO of an Entity shall not be considered as a 'fit and proper person' by the Exchange, if she or he; (i) is an undischarged bankrupt or a person on whose behalf a receiver or manager or liquidator or an equivalent person has been appointed within or outside Sri Lanka. (ii) has been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Sri Lanka or outside Sri Lanka. (iii) has been in a position capable of exercising significant influence in a company that has: (a) been declared bankrupt within or outside of Sri Lanka; or (b) its assets sequestered for the non-satisfaction of a judgement debt.	
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have 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.	Complied
9.7.5	Disclosures in the Annual Report of Listed Entities Listed Entities 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 noncompliance/s.	Complied
9.8 Board Composition		
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied

Rule No	Corporate Governance Rule	Status of Compliance
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied
9.8.3	Criteria for determining independence: A Director shall not be considered independent if he/she: (i) has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director. (ii) currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) currently has/had during the preceding financial year a Close Family Member who is a Director and/or CEO in the Listed Entity. (iv) has a Significant Shareholding in the Listed Entity. (v) has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) is employed in another company or business; a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. in which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c. that has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) is a director of another company; a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. that has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) has a Material Business Relationship or a Significant Shareholding in another company or business; a. in which a majority of the other directors of the Listed Entity are employed or are directors; and/or b. which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c. where the core line of business of such company is in direct conflict with the line of business of the Listed Entity. (ix) is above the age of seventy (70) years.	Complied

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Rule No	Corporate Governance Rule	Status of Compliance
9.8.5	The Board of Directors of Listed Entities shall require: (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, containing at a minimum the content prescribed therein. (b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors’ declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report. (c) If the Board of Directors determines that the Independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	Complied
9.9 Alternate Directors	If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity: (a) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. (b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Listed Entity. (c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. (d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following: - The exceptional circumstances leading to such appointment; - The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director; - The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and, - A Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. (e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.	Not Applicable

Rule No	Corporate Governance Rule	Status of Compliance
9.10 Disclosures relating to Directors		
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	Complied
9.10.2	Listed Entities shall, 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. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	Complied
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date there of.	Complied
9.10.4	Listed Entities 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 in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; (f) number of Board meetings of the Listed Entity attended during the year; (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, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID	Complied

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Rule No	Corporate Governance Rule	Status of Compliance
9.11 Nominations And Governance Committee		
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied
9.11.2	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.	Complied
9.11.3	The Nominations and Governance Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied
9.11.4	Composition (1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.	Complied Please refer page 126 Complied
9.11.5	Functions The functions of the Nominations and Governance Committee shall include the following: (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. However, a member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment. (ii) Consider and recommend (or not recommend) the re-appointment/re-election of current Directors taking into account; ▶ the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Listed Entity and the discharge of the Board's overall responsibilities; and, ▶ the number of directorships held by the Director in other listed and unlisted companies and other principal commitments. (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity. (iv) Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements.	Complied

Rule No	Corporate Governance Rule	Status of Compliance
	v) Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity. (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities. (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices. (ix) Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	
9.11.6	Disclosures in Annual Report The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson. The said report shall include the following; (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;	Complied

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Rule No	Corporate Governance Rule	Status of Compliance
	(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 appointment and reappointment of Directors. (g) The following information regarding directors who are re-elected or being proposed for re-election during the year: ▶ Board Committees served on (as a member or Chairperson), ▶ Date of first appointment as a Director, ▶ Date of last re-appointment as a Director, ▶ Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities; and, ▶ Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity. (h) Whether periodic evaluations have been conducted on the performance of the Board of Directors and the CEO of the Entity as specified in Rule 9.11.5 above (i) Processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity;	
	(j) Induction programs/orientation programs conducted for newly appointed Directors on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations, or an appropriate negative statement; (k) Annual update given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations, or an appropriate negative statement. (l) A statement that the Directors of the Listed Entity meet the criteria for determining independence.	Complied
	(m) A statement that the Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity's fail to comply with any provisions of such Rules, a statement explaining the reason for such noncompliance and the proposed remedial action taken for the rectification of non compliance.	Complied
9.12 Remuneration Committee		
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied

Rule No	Corporate Governance Rule	Status of Compliance
9.12.3	The Remuneration Committee 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.	Complied
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied
9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied
9.12.6	Composition	Complied
	(1) The members of the Remuneration Committee shall; (Effective from 01/10/2024)	
	(a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.	Complied Refer page 121
	(b) not comprise of Executive Directors of the Listed Entity.	
	(2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	3) The Committee formed on 01st January 2025. is chaired by an Independent Director
9.12.7	Functions	Complied
	(1) The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.	The Remuneration Committee Report on page 121 contains the functions of the Committee.
	(2) The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	

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Rule No	Corporate Governance Rule	Status of Compliance
9.12.8	Disclosure in Annual Report The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company); (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors.	Complied Refer page 121.
9.13 Audit Committee		
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Not Applicable
9.13.2	The Audit Committee shall have a written term of reference clearly defining its scope, authority and duties.	Complied
9.13.3	Composition (1) The members of the Audit Committee shall; (a) 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 higher, shall be Independent Directors.	Complied Refer page 122
	(b) not comprise of Executive Directors of the Listed Entity.	Complied
	(2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	Complied
	(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.	Complied
	(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied

Rule No	Corporate Governance Rule	Status of Compliance
	(5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Complied
	(6) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
9.13.4	Functions (1) The functions of the Audit Committee shall include the following: (i) Oversee the Entity's compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements. (ii) Review the quarterly results and year-end financial statements of the Entity prior to tabling for the approval of the Board of Directors of the Entity with special reference to: (a) changes in or implementation of major accounting policy changes; (b) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; (c) compliance with accounting standards and other legal requirements; (d) any related party transaction and conflict of interest situation that may arise within the Listed Entity or group including any transaction, procedure or course of conduct that raises questions of management integrity; (e) any letter of resignation from the external auditors of the Listed Entity; and, (f) whether there is reason (supported by grounds) to believe that the Listed Entity's external auditor is not suitable for re-appointment (iii) To make recommendations to the Board pertaining to appointment, reappointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Complied

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Rule No	Corporate Governance Rule	Status of Compliance
	(iv) Obtain and review assurance received from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Entity's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Entity's risk management and internal control systems. (v) Review the internal controls in place to prevent the leakage of material information to unauthorised persons. (vi) Oversee the processes to ensure that the Entity's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards. (vii) Review and assess the company's risk management process, including the adequacy of the overall control environment and controls in areas of significant risks and updated business continuity plans. (viii) Review the risk policies adopted by the Entity on an annual basis. (ix) Take prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the committee on the basis of the Listed Entity's policies and regulatory requirements. (x) Review the scope and results of the internal and external audit and its effectiveness, and the independence, performance and objectivity of the auditors. (xi) To develop and implement policy on the engagement of the external auditor to supply non-audit services, at minimum taking into account relevant ethical guidance regarding the provision of non-audit services by an external audit firm; and to report to the Board identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps ought to be taken. (xii) if a change of auditor is recommended by the Audit Committee in circumstances where the audit opinion of the immediately disclosed financial period or any period where subsequent disclosure of audit opinion is pending and such opinion carries a modification or an emphasis of matter of going concern, then the Audit Committee report shall include the rationale of the Audit Committee for recommending the removal of the auditor. (xiii) Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of a Listed Entity has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee shall promptly report such matter to the Exchange. (2) Where Listed Entities maintain two (02) separate Committees to carry out the Audit and Risk functions, the terms of reference of such Committees shall, at a minimum, include the respective functions stipulated in Rule 9.13.4 (1) above.	

Rule No	Corporate Governance Rule	Status of Compliance
9.13.5	Disclosures in Annual Report (1) The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity. The Audit Committee Report shall set out the manner in which the Entity has complied with the requirements applicable to the Audit Committee during the period for which the Annual Report relates. (2) The Audit Committee Report shall contain the following disclosures: (a) the names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members (or persons in the parent company's committee in the case of group company); (b) The status of risk management and internal control of the Listed Entity and as a Group (where applicable). (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 and the SEC Act and other relevant financial reporting related regulations and requirements. (e) whether 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; (g) Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity; (h) a statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and (i) a statement confirming that the Audit Committee has made a determination of the independence of auditors and the basis of such determination. It shall also contain details on the number of years that the external auditor and the audit partner were engaged. If the external auditor provides non-audit services, explanations must be made of how auditor objectivity and independence are safeguarded taking into consideration fees paid for non-audit services provided by the external auditor and affiliated parties.	Complied
9.14 Related Party Transactions Review Committee		
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied

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Rule No	Corporate Governance Rule	Status of Compliance
9.14.2	Composition (1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	Complied Refer page 124.
9.14.3	Functions (1) Listed Entities shall have a Related Party Transactions Review Committee which shall be responsible for reviewing the Related Party Transactions as set out herein. (2) The objective of these Rules on Related Party Transactions is to ensure that the interests of shareholders as a whole are taken into account by a Listed Entity when entering into Related Party Transactions. These Rules further provide specific measures to prevent Directors, C EOs or Substantial Shareholders taking advantage of their positions. (3) When applying these Rules on Related Party Transactions, the objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) The Related Party Transactions Review Committee shall establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.	Complied
9.14.4	General Requirements (1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. (3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. (4) If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter.	Complied

Rule No	Corporate Governance Rule	Status of Compliance
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee (1) 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. (2) 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. (3) The Related Party Transactions Review Committee shall be provided with all the facts and circumstances of the proposed Related Party Transaction by the senior management to facilitate the review of a Related Party Transaction. Such information shall include where applicable: (i) the Related Party's relationship to the Listed Entity and interest in the transaction; (ii) the material facts of the proposed Related Party Transaction, including the proposed aggregate value of such transaction; (iii) the benefits of the proposed Related Party Transaction to the Listed Entity; (iv) the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed Related Party Transaction is on terms that are comparable to the terms generally available to an unaffiliated third party under the same or similar circumstances, or to employees generally. (4) In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the Related Party Transactions Review Committee shall take into account the following, among other factors it deems appropriate: (i) the facts and circumstances made available to it as set out above, (ii) the views of the Chairperson of the Board of Directors and the Chairperson of the Nominations and Governance and/or Audit Committee of the impact of the proposed Related Party Transaction on a director's independence (if the related party is a director, a close family member of a director or an entity in which a director is a partner, shareholder or executive officer); and (iii) whether the Related Party Transaction requires immediate market disclosure, as set out in these Rules.	Complied

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Rule No	Corporate Governance Rule	Status of Compliance
	(5) No Director shall participate in any discussion of a proposed Related Party Transaction in which he or she is a Related Party, except that the Director, at the request of the Committee, may participate in discussions for the express purpose of providing information concerning the Related Party Transaction to the Committee. Where deemed necessary considering the issues of potential conflict, which were presented to the Committee, the Committee may recommend the creation of a special committee to review and approve the proposed Related Party Transaction. (6) If a Related Party Transaction will be ongoing (a Recurrent Related Party Transaction), the Related Party Transactions Review Committee may establish guidelines for the senior management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on an annual basis, shall review and assess ongoing relationships with the Related Party to determine whether they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.	
9.14.6	Shareholder Approval (1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transactions: (A) If a non-recurrent transaction; (i) Any Related Party Transaction of a value equal to, or more than: (a) one third (1/3) of the Total Assets of the Entity as per the latest Audited Financial Statements of the Entity; or (b) one third (1/3) of the Total Assets of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other nonrecurrent transactions entered into with the same Related Party during the same financial year. (ii) If the Listed Entity acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Entity or its associates. (B) If a recurrent transaction; Any recurrent Related Party Transaction of a value equal to, or more than: (i) one third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity; or (ii) one third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same financial year; And;	Complied No requirement arose for the FY 2025/26

Rule No	Corporate Governance Rule	Status of Compliance
	(iii) the transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favourable to the Related Party than those generally available to the public. (2) In relation to Rules 9.14.6 (1) (A) (i) (b) and 9.14.6 (1)(B) (ii) above, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation. (3) If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.	
9.14.7	Disclosures (1) Immediate Disclosures A Listed Entity shall make an immediate Market Announcement to the Exchange; (a) of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or (b) of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.	Complied No requirement arose for FY 2024/25
	Listed Entities shall disclose subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the financial year. The Market Announcement to the Exchange shall include: (i) the date of the transaction or the period where applicable (ii) the name of the relevant Related Party (iii) the relationship between the Listed Entity and the Related Party	Complied No requirement arose for FY 2024/25

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Rule No	Corporate Governance Rule	Status of Compliance
	(iv) details of the transaction including the amount, relevant terms of the transaction and the basis on which the terms were arrived at (v) the rationale for entering into the transaction (vi) the following statement: The Related Party Transactions Review Committee of the Entity is of the view that the transaction/s is/are on normal commercial terms, and is/are not prejudicial to the interests of the Entity and its minority shareholders and the Related Party Transaction Review Committee is/is not (delete as applicable) obtaining an opinion from an independent expert prior to forming its view on the transaction. (vii) the aggregate value of the Related Party Transactions for the financial year with the particular Related Party whose transaction is the subject of the announcement and the aggregate value of all non-recurrent Related Party Transactions for the same financial year.	
9.14.8	Disclosures in the Annual Report (1) 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, as per the latest Audited Financial Statements the following information must be presented in the Annual Report. (2) In the case of Recurrent Related Party Transactions: if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity must disclose the aggregate value of recurrent Related Party Transactions entered into during the financial year in its Annual Report. The name of the Related Party and the corresponding aggregate value of the Related Party Transactions entered into with the same Related Party must be presented. (3) 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 (4) An affirmative declaration by the Board of Directors in the Annual Report that these Rules pertaining to Related Party Transactions have been complied with or if the Entity has not entered into any Related Party Transaction/s a negative statement to that effect.	Complied No disclosures for FY 2025/26

Rule No	Corporate Governance Rule	Status of Compliance
9.14.9	Acquisition and Disposal of Assets from/to Related Parties (1) Except for transactions set out in Rule 9.14.10, Listed Entities shall ensure that neither the Listed Entity nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Entity without obtaining the approval of the shareholders of the Entity by way of a Special Resolution. An asset is substantial if its value or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets of the Entity as per the latest Audited Financial Statements. (2) If a transaction requires shareholder approval as set out in Rule 9.14.9(1) above, such approval shall be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction. (3) Rule 9.14.9(1) does not apply to: • a transaction between the Listed Entity and a wholly owned subsidiary. • a transaction between wholly owned subsidiaries of the Listed Entity. • a takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended). • any transaction entered into by the Listed Entity with a Bank as principal, on arm's length terms and in the ordinary course of its banking business. (4) The members of the Related Party Transactions Review Committee should obtain 'competent independent advice' from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under consideration. A person who is in the same group of the Listed Entity or who has a Significant Interest in or Financial Connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice. (5) The competent independent advice obtained in terms of Rule 9.14.9 (4) above should be circulated with the notice of meeting to obtain the shareholder approval as set out in Rule 9.14.9 (1) above. (6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include: (a) the key assumptions, conditions or restrictions that impact the estimate value; (b) the different valuation methodologies considered and employed in valuing the subject asset/s and justification for adopting one or more of them in the valuation; (c) the sources of information relied upon for the valuation; (d) the identity of individuals participating in the valuation assignment and their qualifications; (e) statement confirming the independence of the parties participating in the advice;	Not Applicable

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
	(f) a statement as to whether the transaction is on usual commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders as a whole.	
9.16	Additional Disclosures	
	The following declarations by the Board of Directors to be included in the Annual Report:	Complied
	(i) They have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested;	
	(ii) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so;	
	(iii) they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;	
	(iv) disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	

RISK MANAGEMENT

NAVIGATING UNCERTAINTY WITH STRATEGIC RESILIENCE

In an increasingly interconnected and unpredictable global environment, effective risk management has become a strategic imperative rather than a purely operational discipline. For Swisstek (Ceylon) PLC, risk management forms an integral part of decision-making, enabling the business to preserve stability, protect value, and sustain growth amid evolving domestic and global uncertainties.

The operating landscape for 2025/26 presents a distinct risk profile. While Sri Lanka has demonstrated encouraging economic recovery, external geopolitical tensions, global commodity market volatility, supply chain disruptions, energy market uncertainty, climate-related challenges, and competitive pressures continue to shape the business environment.

As a manufacturing enterprise with exposure to imported raw materials, logistics networks, industrial energy consumption, and cyclical construction demand, Swisstek remains sensitive to both local and international disruptions. Our approach therefore extends beyond risk mitigation toward enterprise resilience building the agility, foresight, and operational discipline required to respond proactively while capitalising on emerging opportunities.

Through a structured and continuously evolving enterprise risk management framework, we identify material risks, assess their implications, deploy mitigation strategies, and maintain robust governance oversight to ensure the Company remains resilient, strategically aligned, and positioned for long-term value creation.

OUR RISK PHILOSOPHY

Risk-Aware, Opportunity-Driven, and Future-Ready

Risk and opportunity are inseparable elements of strategic business management. Sustainable growth is not achieved through risk avoidance, but through informed decision-making supported by strong governance, disciplined controls, and adaptive leadership.

At Swisstek, we adopt a risk-aware philosophy that recognises uncertainty as an inherent part of doing business. Our enterprise-wide risk management framework enables the identification, evaluation, monitoring, and mitigation of risks that may affect strategic execution, operational continuity, financial performance, reputation, and stakeholder confidence.

By embedding risk awareness into the fabric of the organisation, we strengthen our ability to anticipate disruption, make timely interventions, and pursue growth opportunities with confidence.

RISK GOVERNANCE

Clear Oversight, Defined Accountability, and Independent Assurance

Risk governance at Swisstek is built upon clearly defined responsibilities, structured oversight mechanisms, and independent assurance processes that collectively reinforce sound decision-making and organisational resilience.

Ultimate responsibility for enterprise risk oversight rests with the Board of Directors, which establishes the Company's risk appetite, provides strategic direction, and ensures the adequacy of internal controls and governance systems.

Acting on behalf of the Board, the Audit Committee of Swisstek Ceylon PLC provides oversight over financial controls, internal risk management, compliance, and assurance processes, ensuring that material risk exposures are appropriately addressed.

Independent assurance is provided through Deloitte Sri Lanka, the Group's Internal Audit partner, whose periodic reviews evaluate the effectiveness of internal controls, governance mechanisms, and risk mitigation practices, while providing actionable recommendations for continuous improvement.

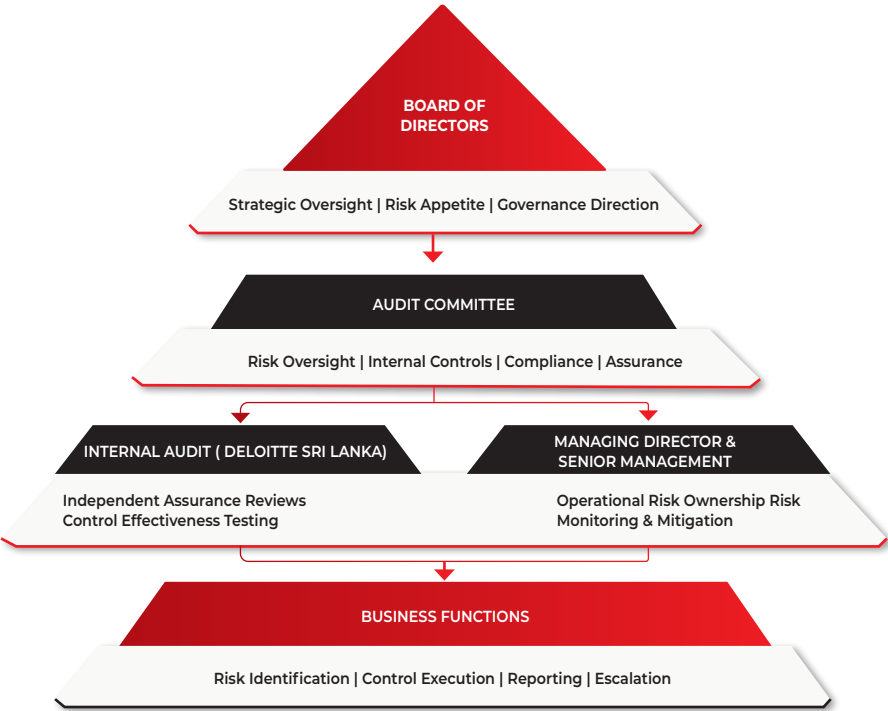
The Group Managing Director and Senior Management Team are responsible for operational risk ownership, implementing mitigation actions, monitoring emerging threats, and escalating material concerns to the Board in a timely manner.

This multi-layered governance structure fosters accountability, transparency, and agility, ensuring that risks are managed within acceptable thresholds while supporting long-term strategic execution.

RISK MANAGEMENT

RISK GOVERNANCE STRUCTURE

Diagram Concept 1: Governance Pyramid



OUR ENTERPRISE RISK MANAGEMENT APPROACH

Risk management at Swisstek follows a continuous enterprise-wide process designed to identify and respond to both immediate threats and emerging structural risks.

Our approach incorporates internal assessments, macroeconomic monitoring, industry analysis, stakeholder insights, operational reporting, and assurance reviews to maintain a comprehensive understanding of risk exposures.

This process allows management to move beyond reactive risk management toward predictive resilience planning.

Diagram Concept 2: Circular Risk Management Process



PRINCIPAL RISKS AND OPPORTUNITIES 2025/26

As Sri Lanka transitions into a more stable economic phase, the risk environment has evolved from domestic financial instability toward broader structural and geopolitical uncertainty.

Global trade fragmentation, ongoing geopolitical tensions, supply chain disruption, energy market instability, commodity price fluctuations, and climate-related events continue to create volatility across manufacturing ecosystems.

Against this backdrop, Swisstek's risk management priorities remain focused on resilience, agility, and long-term competitiveness.

RISK LANDSCAPE OVERVIEW

Diagram Concept 3: External Risk Universe



PRINCIPAL RISK PROFILE

1. Geopolitical and Supply Chain Disruption

Risk Rating: High

Strategic Linkage: Operational Excellence

Heightened geopolitical tensions, particularly across the Middle East, Red Sea shipping corridors, and global trade routes, continue

to introduce uncertainty into international logistics and procurement networks.

As a manufacturer dependent on imported raw materials and global shipping infrastructure, Swisstek remains exposed to disruptions in supply continuity, freight escalation, procurement delays, and inventory pressure.

Potential Impact

- ▶ Raw material shortages
- ▶ Longer procurement lead times
- ▶ Shipping cost escalation
- ▶ Production disruption
- ▶ Margin compression

Mitigation

- ▶ Supplier diversification
- ▶ Strategic procurement planning
- ▶ Safety stock optimisation
- ▶ Geopolitical risk monitoring
- ▶ Alternative sourcing evaluation

2. Commodity Price Volatility

Risk Rating: High

Strategic Linkage: Operational Excellence

Global aluminium markets remain susceptible to geopolitical instability, energy cost fluctuations, and industrial demand shifts.

As aluminium remains a critical production input, pricing volatility can significantly impact profitability and working capital efficiency.

Potential Impact

- ▶ Increased production costs

- ▶ Margin erosion
- ▶ Working capital strain
- ▶ Pricing competitiveness pressure

Mitigation

- ▶ Daily commodity monitoring
- ▶ Supplier price lock arrangements
- ▶ Selective hedging
- ▶ Inventory optimisation
- ▶ Waste reduction initiatives

3. Macroeconomic and Domestic Demand Risk

Risk Rating: Medium

Strategic Linkage: Financial Discipline

Despite improved macroeconomic stability, risks remain associated with fiscal reforms, exchange rate movement, taxation changes, and consumer demand sensitivity.

The construction and real estate sectors remain cyclical and sensitive to financing conditions.

Potential Impact

- ▶ Reduced demand
- ▶ Slower project execution
- ▶ Margin pressure
- ▶ Working capital challenges

Mitigation

- ▶ Economic scenario monitoring
- ▶ Portfolio diversification
- ▶ Cost optimisation
- ▶ Capital discipline
- ▶ Export market development

4. Competitive Market Pressure

Risk Rating: High

Strategic Linkage: Product Diversification

The market remains highly competitive due to substitute products, aggressive pricing, and evolving customer expectations.

Potential Impact

- ▶ Market share loss
- ▶ Margin pressure
- ▶ Brand erosion

Mitigation

- ▶ Product innovation
- ▶ Distribution expansion
- ▶ Brand strengthening
- ▶ Value-added product focus

5. Energy Security and Utility Cost Risk

Risk Rating: Medium – High

Strategic Linkage: Sustainable Operations

Energy remains a critical manufacturing input, with global oil market volatility and domestic utility pricing reforms posing cost pressures.

Potential Impact

- ▶ Increased production costs
- ▶ Profitability pressure
- ▶ Operational inefficiencies

RISK MANAGEMENT

Mitigation

- ▶ Energy efficiency initiatives
- ▶ Renewable energy exploration
- ▶ Process optimisation
- ▶ Cost monitoring

6. Human Capital Risk

Risk Rating: Medium

Strategic Linkage: People Development

Talent migration and manufacturing skill shortages continue to affect workforce stability.

Potential Impact

- ▶ Productivity loss
- ▶ Capability gaps
- ▶ Recruitment challenges

Mitigation

- ▶ Retention programmes
- ▶ Capability development
- ▶ Succession planning
- ▶ Culture strengthening

7. Innovation and Market Relevance Risk

Risk Rating: Medium

Strategic Linkage: Growth & Diversification

Changing design preferences and construction trends require continued innovation.

Potential Impact

- ▶ Reduced competitiveness
- ▶ Slower growth

Mitigation

- ▶ R&D investment
- ▶ Product development
- ▶ Market intelligence

8. Climate and Environmental Risk

Risk Rating: Medium

Strategic Linkage: Sustainability

Climate-related disruptions, water availability concerns, and environmental compliance pressures continue to intensify.

Potential Impact

- ▶ Operational disruption
- ▶ Resource constraints
- ▶ Compliance costs

Mitigation

- ▶ Sustainable manufacturing initiatives
- ▶ Recycled material integration
- ▶ ESG roadmap execution

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

The Board of Directors of Swisstek (Ceylon) PLC is pleased to present herewith the Annual Report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as 'the Group') for the year ended 31st March 2026 as set out on page 132 to 191.

This Annual Report of the Board on the affairs of the Company contains the information required in terms of the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and is guided by recommended best practices.

FORMATION

Swisstek (Ceylon) PLC is a public limited liability company which was incorporated under the Companies Ordinance No.51 of 1938 as a public company on 12th day of July 1967. Pursuant to the requirements of the Companies Act No. 07 of 2007, the Company was re-registered on 6th June 2008 and bears registration No. PQ 155.

The registered office of the company is at No. 118A, Nawala Road, Narahenpita, Colombo 05

PRINCIPAL ACTIVITIES OF THE COMPANY AND REVIEW OF PERFORMANCE DURING THE YEAR

The main activity of Swisstek (Ceylon) PLC is the manufacture and sale of tile grout, tile adhesive, skim coat, and zinc-aluminium products.

Principal activities of the subsidiaries are given in Note 32 to the Financial Statements on pages 187 to 189.

This Report together with the Financial Statements, reflect the state of affairs of the Company.

The Chairman's Review describes the Company's affairs and mentions important events, which took place during the year under review.

FINANCIAL STATEMENTS`

The Financial Statements of the Company duly signed by two Directors on behalf of the Board and the Auditors are given on pages 132 to 137.

Summarized Financial Results

Year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Revenue	16,884,028	15,268,675	4,696,520	3,382,153
Profit for the year	1,203,534	929,586	573,096	405,677

INDEPENDENT AUDITORS' REPORT

The Report of the Independent Auditors on the Financial Statements of the Company is given on page 132.

ACCOUNTING POLICIES

The Financial Statements of the Company and the Group have been prepared in accordance with the Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (SLFRSs), Sri Lanka Financial Reporting Standards (LKASs), relevant interpretations of the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC). The significant accounting policies adopted in the preparation of financial statements are given on pages 141 to 157.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect 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 requirements of the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

DIRECTORS

The names of the Directors who held office as at the end of the accounting period and upto date are given below and their brief profiles appear on pages 24 to 27.

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

Executive Director	
Mr. L A D N Perera	Group Managing Director/Chief Executive Officer (Appointed on 21st May 2025)
Non - Executive Directors	
Mr. S H Amarasekera	Chairman
Mr. A M Weerasinghe	
Dr. S Selliah	
Mr. K D G Gunaratne	
Mr. J K A Sirinatha	
Mr. I G I M Ilukkumbura	Appointed on 29th January 2026
Independent Non - Executive Directors	
Mr. C M U Weerawardene	
Mr. R M M J Ratnayake	
Mr. B D S Mendis	

RESIGNATIONS OF BOARD MEMBERS

Mr. J A P M Jayasekera, Managing Director resigned on 1st April 2025

Mr. A S Mahendra, Non-Executive Director resigned on 31st October 2025

APPOINTMENTS OF BOARD MEMBERS

Mr. L A D N Perera was appointed as an Executive Director/Chief Executive Officer on 21st May 2025. Consequently, Mr. L A D N Perera was appointed the Group Managing Director with effect from 28th July 2025.

Mr. I G I M Ilukkumbura was appointed as a Non-Independent Non-Executive Director on 29th January 2026.

RETIREMENT BY ROTATION AND RE-ELECTION OF DIRECTORS

Dr. S Selliah and Mr C M U Weerawardena retire by rotation in terms of Articles 103 and 104 of the Articles of Association and being eligible, consequent to review by the Nominations and Governance Committee, are recommended by the Board for re-election.

RECOMMENDATION FOR RE-ELECTION OF DIRECTORS WHO WERE APPOINTED SINCE THE LAST ANNUAL GENERAL MEETING

Mr. I G I M Ilukkumbura was appointed to the Board in terms of Article 110 of the Articles of Association of the Company since the last Annual General Meeting. Consequent to review by the Nominations and Governance Committee, he is recommended by the Board for re-election by the shareholders.

DIRECTORS OF SUBSIDIARY COMPANIES

Swisstek Aluminium Limited

Mr. S H Amarasekera
Mr. A M Weerasinghe
Mr. J A P M Jayasekera - Resigned 01.04.2025
Mr. A S Mahendra - Resigned 31.10.2025
Mr. T G Thoradeniya
Mr. C M U Weerawardena
Mr. S M Liyanage
Mr. L A D N Perera - Appointed on 21.05.2025

Swisstek Development Ltd

Mr. K D A Perera
Mr. J A P M Jayasekera - Resigned on 01.04.2025
Mr. A M Weerasinghe
Mr. L A D N Perera - Appointed on 19.11.2025

Swisstek Investments (Pvt) Ltd

Mr. L A D N Perera - Appointed pn 19.11.2025
Mr. J A P M Jayasekera - Resigned on 01.04.2025
Mr. A M Weerasinghe

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the Financial Year under review and as at the date of such Declarations. These Declarations were placed before the Nominations and Governance Committee, and upon review by the Nominations and Governance Committee, where no member participated in decisions relating to his/her continuation, were then presented to the Board.

The Board determined that all Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules and qualify to continue as Directors in their respective capacities, subject to those who retire by rotation and /or appointed since the last Annual General Meeting being re-elected by the shareholders at the forthcoming Annual General Meeting.

INDEPENDENCE OF DIRECTORS

The Board, based on the Declarations submitted by the Independent Directors declaring independence against the criteria specified in the Listing Rules and such other information available to the Board that could reasonably be constructed to have a bearing on the independence of such Directors, determined that the three (3) Independent Directors, namely Mr. C M U Weerawardene, Mr. B D S Mendis and Mr. R M M J Ratnayake meet the criteria for Independence and are 'Independent' in terms of the Listing Rules.

OTHER DIRECTORSHIPS HELD BY THE DIRECTORS

The Board, based on the recommendations of the Nominations and Governance Committee, and considering the time allocation required of the Directors for Board related matters of the Company decided that a Director of the Company shall not hold more than Eleven (11) directorships in Listed Companies.

POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

The Company has in terms of the above Policy, acted in compliance with the requirements set out in Rule 9.5.1 of the Listing Rules.

ADDITIONAL DISCLOSURES PERTAINING TO DIRECTORS

(i) Material Interests in Contracts involving the Company

The Directors have declared all material interests in contracts involving the Company in terms of the Companies Act and the Articles of the Association of the Company and have acted as prescribed therein, and where relevant have refrained from voting on matters in which they were materially interested.

(ii) Material Business Relationships with each other

None of the Directors or close family members have any material business relationships with the other Directors of the Company.

(iii) Other Directorships held by the Directors

Other Directorships held by Directors are disclosed on pages 24 to 27.

(iv) Review of Internal Controls

The Directors have, through the Audit Committee, conducted a review of the Internal controls covering financial, operational and compliance control and risk management and thereby obtained reasonable assurance of their effectiveness and successful adherence therewith.

(v) Applicable Laws Rules and Regulations

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

INTERESTS REGISTER

The Company maintains an Interests Register in terms of the Companies Act, No. 07 of 2007. General Notices by Directors of their Related Parties and Specific Declarations are recorded in the Interests Register.

The relevant interests of Directors in the shares of the Company as at 31st March 2026 as recorded in the Interests Register are given in this Report under Directors' shareholding.

DIRECTORS' REMUNERATION

The Directors' remuneration is disclosed under key management personnel compensation in Note 32.2 to the Financial Statements on page 190.

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

Directors' Shareholding

	No. of Shares as at	
	31.03.2026	31.03.2025
Mr. S H Amarasekera	-	-
Mr. A M Weeasinghe	263,142	263,142
Mr. L A D N Perera (appointed on 21.05.2025)	-	N/A
Dr. S Selliah	-	-
Mr. J K A Sirinatha	-	-
Mr. A S Mahendra (resigned on 31.10.2025)	-	-
Mr. K D G Gunaratne	-	-
Mr. C M U Weerawardena	-	-
Mr. R M M J Ratnayake	-	-
Mr. B D S Mendis	-	-
Mr. I G I M Ilukkumbura (appointed on 29.01.2026)	-	N/A

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2026 was LKR Rs.368,256,000/- represented by 136,860,000 Ordinary Shares. There were no changes in the Stated Capital of the Company during the year

SHAREHOLDERS

There were 4,840 shareholders registered as at 31st March 2026 (3,200 shareholders as at 31st March 2025). The details of distribution are given on pages 192 to 194 of this Report.

MAJOR SHAREHOLDERS, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information on the distribution of shareholding, analysis of shareholders, market values per share, dividends, net assets per share, twenty largest shareholders of the Company, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on pages 192 to 194 under Investor Information.

EMPLOYMENT POLICY

The Company's employment policy is totally non-discriminatory which respects individuals and provides career opportunities irrespective of the gender, race or religion.

As at 31st March 2026 145 persons were in employment (120 persons as at 31st March 2025) in the Company.

MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS PERTAINING TO THE COMPANY

No material issues pertaining to employees or industrial relations of the Company occurred during the year under review which required disclosure under Rule 7.6 (vii) of the Listing Rules.

RESERVES

The movement of reserves during the year are given under the Statement of Changes in Equity on page 138.

CAPITAL EXPENDITURE

The total capital expenditure during the year amounted to Rs. 101 Mn compared to Rs. 24 Mn incurred in the previous year. Details of movement in property, plant and equipment and capital work-in-progress are given under Note 13.1 to the Financial Statements.

PROPERTY PLANT AND EQUIPMENT

The book value of property, plant and equipment as at the reporting sheet date amounted to Rs. 2,164 Mn (2025 – Rs. 2,134 Mn)

The extents, locations, valuations and the number of buildings of the Company's land holdings are given below:

LAND HOLDINGS

Location	No. of buildings	Land in Extent (perches)	Valuation Rs. '000
Factory Complex, Belummahara, Belummahara, Imbulgoda	18	984.5	787,600
No:334/5, Colombo Road, Belummahara, Imbulgoda	1	20.0	12,831
No: 288/26, Colombo Road, Belummahara, Imbulgoda	-	81.6	59,131
No: 177/6, New Kandy Rd., Weliweriya	1	85.0	51,000
Land at Belummahara	-	1.0	814
Warehouse-Nedungamuwa, Ratupaswela	6	2,446.0	387,533
	26	3,618.1	1,298,909

The movement of fixed assets during the year is given in Note 13 to the financial statements.

Details and movements of property, plant and equipment are given under Note 13 to the Financial Statements on page 164 to 168.

DIVIDENDS

The Board of Directors have recommended a final dividend of 40 cents per share for the year under review, subject to obtaining a certificate of solvency from the Auditors and approval by the shareholders at the forthcoming Annual General Meeting. In accordance with Section 56 of the Companies Act, the Directors have confirmed that, immediately after this distribution, the Company will satisfy the solvency test as required under the Act.

The Board declared an interim dividend of Rs. 1.70 per share on 27th February 2026, which was paid to shareholders within the timelines set out in the Listing Rules.

INVESTMENTS

Details of the Company's quoted and unquoted investments as at 31st March 2026 are given in Notes 14 to the Financial Statements on page 168.

DONATIONS

During the year, neither the Company nor any of its subsidiaries made any donations.

RISK MANAGEMENT

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company. The Directors review this process through the Audit Committee.

Specific steps taken by the Company in managing the risks are detailed in the section on Risk Management on pages 107 to 110.

BOARD MEETING

Ten (10) Board Meetings of the Company were held during the year under review and the Directors' attendance at those Meetings is set out on page 75.

CORPORATE GOVERNANCE

The Corporate Governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity, and commitment of the Board of Directors, Management, and employees.

The Corporate Governance Statement on pages 72 to 106 explains the measures adopted by the Company during the year.

The Board of Directors confirms that the Company has complied with Section 9 of the Listing Rules on Corporate Governance during the Financial year and as at the end of the reporting date.

The Directors further declare that the Company has complied with the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31st March 2026.

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

Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and Nominations and Governance Committee function as Board Sub-Committees, in compliance with the Listing Rules of the Colombo Stock Exchange.

They comprise Directors who possess the requisite qualifications and experience, and the composition of the said Committees is as follows.

Audit Committee		
Mr. R M M J Ratnayake	Chairman	Independent Non-Executive Director
Mr. B D S Mendis		Independent Non-Executive Director
Mr. K D G Gunaratne		Non-Executive Director
Related Party Transactions Review Committee		
Mr. B D S Mendis	Chairman	Independent Non-Executive Director
Mr. R M M J Ratnayake		Independent Non-Executive Director
Dr. Sivakumar Selliah		Non-Executive Director
Remuneration Committee		
Mr. B D S Mendis	Chairman	Independent Non-Executive Director
Mr. S H Amarasekera		Non-Executive Director
Mr. C M U Weerawardena		Independent Non-Executive Director
Nominations and Governance Committee		
Mr. R M M J Ratnayake	Chairman	Independent Non-Executive Director
Mr. S H Amarasekera		Non-Executive Director
Mr. C M U Weerawardena		Independent Non-Executive Director

POLICIES IN TERMS OF RULE 9.2 OF THE LISTING RULES

The Company has established the following policies which are disclosed on the Company website www.swisstekceylon.com

- (a) Policy on the 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 Whistleblowing
- (l) Policy on Anti-Bribery and Corruption

These Policies were subject to review by the relevant Sub Committees and there were no material changes to the policies during the year.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of,

and in respect of employees of the Company and all other known statutory dues as were due and payable by the Company as at the reporting date have been paid or, where relevant provided for, except for certain assessments where appeals have been lodged.

CONTINGENT LIABILITIES

Except as disclosed in Note 35 to the Financial Statements on page 191, there were no material Contingent Liabilities as at the reporting date.

EVENTS OCCURRING AFTER THE REPORTING DATE

As disclosed in Note 36 to the financial statements there are no other material events as at the date of the auditor's report which require adjustment to or disclosure in the financial statements.

POLICY ON RELATIONS WITH SHAREHOLDERS AND INVESTORS

The company believes in effective communication and relations with shareholders and investors and brings to the attention of the Board any major issues and concerns of the stakeholders. The Company maintains a Board approved Policy on relations with shareholders and investors for such. The policy defines the process to make all Directors aware of major issues and concerns of shareholders in the event such instances occur.

The Company has appointed PW Corporate Secretarial (Pvt) Ltd, Company Secretaries for communicate with shareholders/ investors.

CORPORATE SOCIAL RESPONSIBILITY

The Company continued its Corporate Social Responsibility Programme,

ENVIRONMENTAL PROTECTION

After making adequate enquiries from the management, the Directors are satisfied that the Company operates in a manner that minimises the detrimental effects on the environment and provides products and services that have a beneficial effect on the customers and the communities within which the Company operates

INDEPENDENT AUDITORS

Company

Messrs KPMG, Chartered Accountants served as the Auditors during the year under review and also provided non audit/ consultancy services.

A total amount of Rs.2,403,000/- (2025 - Rs.1,518,000/-) is payable by the Company to the Auditors for the year under review comprising Rs.1,065,000/- (2025 - Rs.925,000/-) as audit fees and Rs.1,338,000/- (2025 - Rs.593,000/-) for non-audit services.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 22nd May 2026 recommended that they be reappointed as Auditors. A resolution to re-appoint the Auditors and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Based on the declaration provided by Messrs KPMG, Chartered Accountants and to the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditor and provider of tax related services), or interest in, the Company, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence

within the meaning of the Code of Professional Conduct and Ethics issued by The Institute of Chartered Accountants of Sri Lanka as at the reporting date.

Group

The audits of subsidiary companies are handled by firms of Chartered Accountants in Sri Lanka. Details of payments to such audit firms on account of audit fees and for permitted non audit services, are set out in Note 10 to the Financial Statements on page 160.

GOING CONCERN

The financial statements are prepared on going concern principles. After making adequate enquires from the management, the Directors are satisfied that the Company, its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING - AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The "Special Business" set out as Item 2 of the Notice of Annual General Meeting contains amendments to certain Articles of the Articles of Association of the Company, as recommended by the Directors, to be adopted by way of a Special Resolution. The salient amendments proposed are :

- (a) To align the Articles relating to registration of joint holders, with the applicable provisions of the Listing Rules.

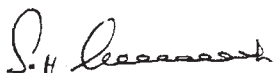
ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

- (b) To align with the provisions of Listing Rules vis-à-vis compliance with CSE and CDS Rules.

ANNUAL GENERAL MEETING

The Notice of the Fifty Ninth (59th) Annual General Meeting appears on page 206.

This Annual Report is signed for and on behalf of the Board of Directors by



S H Amarasekera
Chairman



L A D N Perera
Group Managing Director



P W Corporate Secretarial (Pvt) Ltd
Secretaries

29th May 2026
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is responsible for the preparation and presentation of the financial statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 of Sri Lanka and Sri Lanka Accounting Standards (SLFRS/ LKAS), so as to give a true and fair view of the financial position of the Company as at the reporting date and of its financial performance and cash flows for the period then ended.

In preparing these financial statements, the Directors are required to ensure that:

- ▶ Appropriate accounting policies have been selected and applied consistently
- ▶ Reasonable and prudent judgments and estimates have been made.
- ▶ All applicable Sri Lanka Accounting Standards have been followed and any material departures have been disclosed and explained.
- ▶ The financial statements have been prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act No. 07 of 2007.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements for the year ended 31st March 2026.

By order of the Board

Swisstek (Ceylon) PLC



P W Corporate Secretarial (Pvt) Ltd

Secretaries

29th May 2026

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

The financial statements are prepared in compliance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 7 of 2007 and any other applicable statutes to the extent applicable to the Company. There are no departures from the prescribed accounting standards in their adoption. The accounting policies used in the preparation of the financial statements are appropriate and are consistently applied, except where otherwise stated in the notes accompanying the financial statements.

The Board of Directors and the management of our Company accept responsibility for the integrity and

Objectivity of these financial statements. The estimates and judgments relating to the financial statements were made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs.

To ensure this, the Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The financial statements were audited by M/s. KPMG, Chartered Accountants. The independency of the external auditor has been assessed by the Audit Committee and the Board and have been determined as independent.

The Audit Committee of our Company meets periodically with the internal auditors and the external auditors to review the manner in which these auditors are performing their responsibilities and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the external auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

It is also declared and confirmed that the Company has complied with and ensured compliance by the auditors with the guidelines for the audit of Listed Companies.

It is also confirmed that the Company is compliant to the Code of Best Practice in Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.



Uditha Mihindukulasooriya
Head of Finance



L A D N Perera
Group Managing Director

29th May 2026

REMUNERATION COMMITTEE REPORT

The Remuneration Committee of the Company was formed by the Board effective 1st October 2024 in line with Listing Rules of the Colombo Stock Exchange on Corporate Governance.

COMPOSITION

The Committee comprises two Independent Directors (one of whom is the Chairman) and one Non-Executive Director in conformity with Rule 9.12.6 of the Listing Rules.

The Committee was last reconstituted on 1st January 2025 in compliance with Rule 9.12 of the Listing Rules.

As of 31st March 2026, and the date of this Report, the composition of the Committee is as follows :

Name of Member	Date of appointment to the Committee	Nature of Directorship
Mr. B D S Mendis (Chairman)	01.01.2025	Independent Non-Executive Director
Mr. S H Amarasekera	01.10.2024	Non-Executive Director
Mr. C M U Weerawardena	01.01.2025	Independent Non-Executive Director

Brief profiles of the members appear on pages 24 to 27 of this report

The Group Managing Director attends the Committee meetings by invitation, if and when the Committee requires his presence.

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd function as the Secretaries of the Committee.

MEETINGS

The Remuneration Committee met once during the year.

The attendance of the members at the meeting is as follows.

Name of Member	Attendance
Mr. B D S Mendis (Chairman)	1/1
Mr. S H Amarasekera	1/1
Mr. C U Weerawardena	1/1

FUNCTIONS PERFORMED BY THE REMUNERATION COMMITTEE

- Evaluating and recommending to the Board, the remuneration payable to the Board, Managing Director, Executive Directors and the Key Management Personnel of the Company, based on which the Board to makes the final determination.
- Ensuring that the Board complies with the Companies Act in relation to Directors remuneration, especially the requirements of Section 216. It also ensures that employees are adequately compensated based on their performance and contribution for the period under review and in line with future potential.

- Making recommendations under the Policy on Remuneration, on the remuneration framework that enables the Company to attract and retain a high quality and responsive staff in its operations and carry it out inter alia with reference to appropriate market rates where they are relevant, and benchmarking specific categories where required.
- Ensuring internal equity and fairness in and between the various pay categories and building incentives in the cost of employment structure to encourage and reward excellent performance, on objectively defined criteria.
- Ensuring that staff costs are within the budget set by the Management and approval by the Board and are sustainable over a reasonable period of time.

REMUNERATION POLICY

The Company's remuneration policy aims to attract, motivate and retain a highly qualified and experienced staff while ensuring competitive rewards aligned with industry standards. Compensation packages are structured to reflect each employee's expertise and contributions, considering business performance and shareholder returns.

DISCLOSURE ON DIRECTORS' REMUNERATION

The aggregate amount of remuneration paid to the Executive and Non-Executive Directors for the last financial year is disclosed in Note 32.2 of the Financial Statements on page 190 of the Annual Report under key management remuneration.



B D S Mendis
Chairman - Remuneration Committee

29th May 2026

AUDIT COMMITTEE REPORT

ROLE OF THE AUDIT COMMITTEE

The Audit Committee of the Company was formed on 01st October 2024. The Audit Committee is a Sub-Committee of the Board, to which it is accountable. The function of the Audit Committee is defined in the Audit Committee Charter. Primarily it is to assist the Board in its oversight of the integrity of the Financial Statements of the Company, to assess

the adequacy of the risk management framework of the Company, assess the independence and the performance of the Company's external audit function and internal audit functions and review compliance of the Company with legal and regulatory requirements.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprised of the following three Non-Executive Directors of the Board.

The Committee was last reconstituted on 1st January 2025.

Mr. R M M J Ratnayake Chairman - Independent Non-Executive

Mr. K D G Gunaratne Committee Member - Non-Executive

Mr. B D S Mendis Committee Member- Independent Non-Executive

The Group Managing Director and the Head of Finance attend the meetings at the invitation of the Audit Committee. P W Corporate Secretarial (Pvt) Ltd functions as the Secretary to the Audit Committee.

Representatives of the Company, external auditors and internal auditors also attend Audit Committee meetings by invitation.

The Audit Committee has the required expertise in finance, law and business management to deliberate Audit Committee matters and recommend necessary action to be taken.

MEETINGS

The Audit Committee met 04 times during the year. The attendance of the members at the meeting is as follows.

Name of Member	Attendance
Mr. R M M J Ratnayake (Chairman)	4/4
Mr. K D G Gunaratne	4/4
Mr. B D S Mendis	4/4

FUNCTIONS PERFORMED BY THE AUDIT COMMITTEE

- a. The Committee reviewed the provisional financial statements that were published for financial year 2025/26 and the audited financial statements of financial year 2025/26. It reviewed the preparation, presentation and adequacy of disclosures in the financial statements of the Company, in accordance with Sri Lanka Accounting Standards. It also reviewed the Company's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- b. The Committee reviewed the internal audit reports. The internal audit function is carried out by M/s. Deloitte Associates. The Internal audits are done on a process based audit framework to improve process performance and control.
- c. The Committee reviewed the external auditors' report and management letter for the last year. All recommendations proposed by the external auditors were discussed with the senior partner and recommendations proposed were duly carried out by the Management. In addition the Audit Committee reviewed external auditors and the engagement partner's relationships with the Company, and assessed that the external auditors are independent.
- d. The Non-Audit Services provided by the External Auditor were also reviewed and the Committee was of the view that such services did not impair with their independence and were not within the category of services identified as restricted under the guidelines for listed companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.
- e. The Audit Committee in conjunction with the Group Managing Director of the Company reviewed the Company's disclosure controls and procedures and internal control over financial reporting.
- f. The Audit Committee reviewed the Company's framework and practices with respect to risk assessment and risk management, including

discussing with Management of the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.

- g. The Audit Committee reviewed the Company's arrangement for the confidential receipt, retention and treatment of complaints alleging fraud, received from any sources and pertaining to accounting, internal controls or other such matters and assured the confidentiality to whistle-blowing employees. It also reviewed the Company's procedures for detecting and preventing fraud and bribery and receiving reports on non-compliance and reviewed the procedure for receiving and dealing with Non-Compliance with Laws and Regulations (NOCLAR) referred by Professional Accountants.
- h. Performed other activities related to this Charter as requested by the Board of Directors. Oversaw special investigations as needed. Reviewed and assessed the adequacy of the committee Charter annually and requested board approval for proposed changes, and ensured appropriate disclosure as may be required by law or regulations.

COMPLIANCE

Representations and assurances were obtained from M/s. KPMG, Chartered Accountants, and the management team on the entities finances and operations including assurances regarding provisions for possible liabilities.

Compliance reports were reviewed to ensure adherence to statutory requirements, including CSE Rules, Sri Lanka Financial Reporting

Standards, and the Companies Act No. 07 of 2007.

Regular updates on HR and legal compliance matters were also obtained.

ETHICS AND GOOD GOVERNANCE

The Committee emphasized ethical standards among employees, reinforcing policies on Business Conduct, Whistleblowing, and Anti-Bribery & Corruption. Training programs were conducted to ensure awareness, and confidential procedures were in place for independent investigations of whistleblowing reports.

CONCLUSION

The Committee is of the opinion that the Company is in compliance with the relevant legal and regulatory requirements including financial reporting requirements, CSE Rules, Companies Act and SEC Act and other relevant reporting related regulations and requirements.

The Audit Committee remains committed to upholding the highest standards of corporate governance, financial integrity, and risk management. Through diligent oversight and proactive engagement with stakeholders, the Committee continues to enhance transparency and accountability in all financial and operational aspects of the Company.



R M M J Ratnayake

Chairman - Audit Committee

29th May 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee of the Company was formed by the Board effective 1st October 2024 in line with Listing Rules of the Colombo Stock Exchange on Corporate Governance.

COMPOSITION

The Committee comprises two Independent Directors (one of whom is the Chairman) and one Non-Executive Director in conformity with Rule 9.14.2 of the Listing Rules.

As of 31st March 2026 and the date of this Report, the composition of the Committee is as follows:

Name of Member	Date of appointment to the Committee	Nature of Directorship
Mr. B D S Mendis (Chairman)	01.01.2025	Independent Non-Executive Director
Dr. S Selliah	01.10.2024	Non-Executive Director
Mr. R M M J Ratnayake	01.01.2025	Independent Non-Executive Director

Brief profiles of the members appear on pages 24 to 27 of this Report.

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd, serves as the Secretaries to the Committee.

The Group Managing Director and the Head of Finance attend meetings by invitation.

MEETINGS

The Committee held four (04) meetings during the year and the attendance of the members at the meetings are as follows.

Name of Member	Attendance
Mr. B D S Mendis (Chairman)	4/4
Dr. S Selliah	4/4
Mr. R M M J Ratnayake	4/4

RESPONSIBILITIES OF THE COMMITTEE

The RPTRC of the Company is primarily responsible to conduct an independent review, approval and oversight of related party transactions of Swisstek (Ceylon) PLC and to establish processes to ensure that the Company complies with the relevant provisions of the Listing Rules, with the objective that the interests of the shareholders as a whole are taken into account when entering into related party transactions.

FUNCTIONS OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The following are key responsibilities as set out in the Terms of Reference for RPTRC have been discharged by the Committee during the year under review:

- a) That the Company complies with the Rules on Related Party Transactions set out in the Listing Rules.
- b) Subject to the exemptions in the Listing Rules, review in advance, all proposed related party transactions or ensure compliance with the said requirement for prior approval, based on guidelines established for recurrent related party transactions.
- c) Perform other activities arising from the Terms of Reference as requested by the Board
- d) Hold meetings every quarter and report to the Board on the Committee's activities
- e) Share information with the Audit Committee as necessary and appropriate, where such information is relevant to the Audit Committee.
- f) Review the Terms of Reference (TOR) at least annually and recommend amendments to the said TOR to the Board as and when determined to be appropriate by the Committee.

PROCEDURES FOR REPORTING RELATED PARTY TRANSACTIONS

The Group Managing Director is responsible for reporting to the Committee through the Head of Finance, for review by the Committee and approval of the Board (where applicable), related party transactions proposed to be entered into other than those falling under the exempted related party transactions in the Listing Rules.

Moreover, on a quarterly basis, the Group Managing Director through the Head of Finance, is required to report to the Committee the related party transactions entered into by the Company during the quarter under review.

REVIEW OF RELATED PARTY TRANSACTIONS

The Committee reviewed all related party transactions of the Company for the financial year 2025/26, in terms of Rule 9.14 of the Listing Rules of the Colombo Stock Exchange on related party transactions, based on papers circulated by the Management and/or through guidelines issued to the Management on related party transactions and reporting thereon.

There were no Non-recurrent related party transactions entered into during financial year with an aggregate value that exceeded the lower of 10% of the equity or 5% of the total assets.

Further, there were no Recurrent related party transactions carried out during the financial year ended 31st March 2026, the aggregate value of which exceeded 10% of the revenue.

In the opinion of the Committee, the terms of all transactions conducted were on commercial terms and were no more favourable to the related parties than those generally available to non-related parties.

The details of related party transactions entered into during the year, are given in Note 32 to the Financial Statements, on pages 187 to 189 of this Annual Report.

DECLARATION

The Committee confirms that it has reviewed all Related Party Transactions during the financial year and has communicated its comments / observations to the Board of Directors.

A declaration by the Board of Directors on compliance with the Rules pertaining to Related Party Transactions appears on the Report of the Board of Directors on Pages 111 to 118 of this Annual Report.



B D S Mendis

Chairman - Related Party Transactions Review Committee

29th May 2026

NOMINATION AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee (NGC) of Swisstek (Ceylon) PLC was established on 01st October 2024 by the Board of Directors in line with the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

COMPOSITION

The Committee comprises two Independent Directors (one of whom is the Chairman) and one Non-Executive Director in conformity with Rule 9.11.4 of the Listing Rules.

The Committee was last reconstituted on 1st January 2025, in compliance with Rule 9.11 of the Listing Rules.

As of 31st March 2026, and the date of this Report, the composition of the Committee is as follows:

Name of Member	Date of appointment to the Committee	Nature of Directorship
Mr. R M M J Ratnayake (Chairman)	01.01.2025	Independent Non-Executive Director
Mr. S H Amarasekera	01.10.2024	Non-Executive Director
Mr. C M U Weerawardena	01.01.2025	Independent Non-Executive Director

Brief profiles of the members appear on pages 24 to 27 of this Report.

The Company Secretaries, P W Corporate Secretarial (Pvt) Ltd function as the Secretaries to the Committee.

MEETINGS

The NGC had one (1) meeting during the financial year under review. The attendance of the members at the said meeting is set out in the table below:

Name of Member	Attendance
Mr. R M M J Ratnayake (Chairman)	1/1
Mr. S H Amarasekera	1/1
Mr. C M U Weerawardena	1/1

The recommendations / decisions of the Committee were also carried out via circular resolutions during the year under review.

The NGC operates under a Board approved Terms of Reference (TOR) defining its scope, authority, duties and matters. All members are Non-Executive Directors and maintain independence, free from business, operational, personal, or other relationships that may compromise their unbiased judgment.

POLICY AND PROCESSES FOR DIRECTORS' NOMINATIONS

The Company has established a documented policy and defined processes for the nomination of Directors.

These processes include :

- Overseeing the identification, assessment, selection, and nomination of suitable candidates to be appointed as Directors to fill any vacancy on the Board, howsoever created and/or as additional Directors based on the business requirements of the Company, and in compliance with the applicable Rules and Regulations.
- Assessing the skills, knowledge, experience, expertise, diversity, and levels of independence necessary at the Board level, that will best complement the effectiveness of the Board;
- Assessing the fitness and propriety of Director's nominees in terms of Rule 9.7.3 of the Listing Rules of the Colombo Stock Exchange, and obtaining declarations from such nominees in confirmation thereof.
- Where a Director nominee is to be appointed as an Independent Director, identifying any potential conflicts of interest and assessing the independence of the candidate, and overseeing that he / she satisfies the criteria for independence as per Rule 9.8.5 of the Listing Rules and obtaining a duly completed declaration to that effect from the said party.
- Based on the assessment as aforesaid making recommendations to the Board on appointment of new Directors.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, one-third of the Directors shall retire from office provided that Directors appointed to the office of Managing or Joint Managing Director shall not while holding that office be subject to retirement by rotation or be taken into account in determining the Directors to retire in each year.

Accordingly, the Directors who retire at the forthcoming Annual General Meeting have been selected in terms of the said Articles of Association.

INFORMATION ON DIRECTORS' RE-ELECTION / RE-APPOINTMENT

As required by the Listing Rules, the table below sets out the details of the Directors who were re-elected

/ re-appointed at the 58th Annual General Meeting held on 30th June 2025, and the details of those Directors who are recommended for re-election at the forthcoming Annual General Meeting, in accordance with the provisions of the Articles of Association of the Company and the Companies Act No. 7 of 2007:

59th Annual General Meeting to be held on 30th June 2026

Name of Director	Board Committees served on	Date of First appointment as a Director	Date of last re-election / re-appointment as a Director	Directorships or Chairpersonship and other principal commitments both present and those held over the preceding three years in other Listed entities	Any relationship including close family relationships between the candidate and the Directors, the Listed Entity or its shareholders holding more than 10% of the shares of the Listed Entity
Re-election in terms of Articles 103 and 104 of the Articles of Association of the Company					
Dr. Sivakumar Selliah	RPTRC	14.11.2003	30.06.2023	Refer profile on page 25	None
Mr. C M U Weerawardena	RC NGC	01.10.2018	29.06.2022	Refer profile on page 26	None
Re-election of Directors appointed since last Annual General Meeting in terms of Article 110 of the Articles of Association of the Company					
Mr. I G I M Ilukkumbura	-	29.01.2026	N/A	Refer profile on page 25	None

NOMINATION AND GOVERNANCE COMMITTEE REPORT

59th Annual General Meeting to be held on 30th June 2026

Name of Director	Board Committees served on	Date of First appointment as a Director	Date of last re-election / re-appointment as a Director	Directorships or Chairpersonship and other principal commitments both present and those held over the preceding three years in other Listed entities	Any relationship including close family relationships between the candidate and the Directors, the Listed Entity or its shareholders holding more than 10% of the shares of the Listed Entity
Re-election in terms of Articles 103 and 104 of the Articles of Association of the Company					
Mr. K D G Gunaratne	AC	30.08.2017	30.06.2021	Refer profile on page 26	None
Mr. S H Amarasekera	RC	01.09.2018	29.06.2022	Refer profile on page 24	None
Re-election of Directors appointed since last Annual General Meeting in terms of Article 110 of the Articles of Association of the Company					
Mr. L A D N Perera	-	21.05.2025	N/A	Refer profile on page 24	None
Mr. B D S Mendis	RPTRC AC	01.01.2025	N/A	Refer profile on page 27	None
Mr. R M M J Ratnayake	NGC RPTRC AC	01.01.2025	N/A	Refer profile on page 27	None

AC	Audit Committee
RPTRC	Related Party Transactions Review Committee
RC	Remuneration Committee
NGC	Nominations and Governance Committee

BOARD DIVERSITY

The Board of Directors considers Board diversity as an essential requirement in ensuring the Board's effective performance. Therefore a diverse Board across the dimensions of experience, skills and age manages the Company which aligns with the Company's strategic goals and governance standards.

Experience	The Board comprises Directors with broad and relevant experience across a range of disciplines aligned with the Company's business needs. Collectively, the Board brings expertise in entrepreneurship, finance, and risk management, public administration, advisory services to Sri Lankan small and medium enterprises, mergers and acquisitions, transactional analysis, marketing, governance, and legal matters.
Skills	The Board possesses skills that are essential to drive the business of the Company including communication skills, leadership skills, decision making skills, organizational skills and skills to embody the vision of organization. Many Directors are experienced entrepreneurs, professionals and business leaders and make significant contribution towards the strategic direction of the Company and its subsidiaries with their diverse skills and attributes, in the relevant fields.
Age	There is a distribution amongst different age groups, ranging from 25 years to 68 years.

EFFECTIVE IMPLEMENTATION OF POLICIES AND PROCESSES FOR APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

During the year under review the NGC's activities that demonstrate the effective implementation of policies and processes for appointment and re-appointment/re-election of Directors, are outlined below:

- The NGC reviewed the criteria for fitness and propriety, independence and other compliance requirements for individual Directors at the time of their initial appointments to the Board and through annual review. Such a review also covered the general disclosure of interests, declarations and other information provided by Director nominees and by individual Directors in accordance with the Listing Rules, Companies Act and the Company's Articles of Association.
- Past experience of Director nominees and the positions held by such personnel are considered by the NGC prior to recommending their appointments.
- A process has been established for Board evaluations, including attendance, qualifications and experience, engagement and effective contribution as a Board member, to ensure that each Director continues to add value to the Company to achieve its objectives, before the NGC recommends the re-election / re-appointment of a Director.

PERIODIC EVALUATIONS ON THE PERFORMANCE OF THE BOARD AND THE EXECUTIVE DIRECTORS

As per the Rules on Corporate Governance embodied in the Listing Rules and the Policy on Corporate Governance, Nomination and Re-election adopted by the Company with effect from 1st October 2024, periodic evaluations of the performance of the Board of Directors, Sub Committees and the Executive Directors of the Company have been carried out, through a scheme of self-assessment undertaken by each Director. The NGC has reviewed the results of such assessment and reported its findings on the matter to the Board.

PROCESS ON THE FLOW OF INFORMATION TO INDEPENDENT DIRECTORS ON MAJOR ISSUES

The Company ensures that Independent Directors are informed through a structured communication framework, including regular Board and Committee meetings, with detailed agenda and relevant documents shared in advance. Directors receive periodic updates on key financial, operational and strategic matters, with direct access to the Senior Management and the Company Secretaries to seek clarifications on matters falling under the purview of the Board.

Special briefings are provided to the Directors through the Group Managing Director and/or the Company Secretaries in dealing with important matters, and all clarifications sought by Independent Directors are provided by the Group Managing Director or the Senior Management of the Company as directed by the Group Managing Director.

BRIEFINGS TO NEWLY APPOINTED DIRECTORS AND ANNUAL UPDATES TO THE BOARD

Briefings are provided to newly appointed Directors, covering operations, governance, regulations, strategic objectives, financial performance and key policies, and in certain instances these briefings are provided during visits to Company's Factory/Warehouses.

Updates are also provided to the Board on corporate governance, regulatory developments and relevant laws, ensuring compliance, effective risk management, and alignment with legislative amendments to protect shareholder interests.

DETERMINATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS

The NGC confirms that the three Independent Directors who serve on the Board of the Company at the date of this Report meet the criteria for independence as stipulated in Rule 9.8.3 of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS STIPULATED UNDER THE LISTING RULES

The NGC confirms that the Company has complied with the Corporate Governance Requirements stipulated in the Listing Rules.



R M J Ratnayake
Chairman

Nominations and Governance
Committee

29th May 2026





**FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT



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

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

TO THE SHAREHOLDERS OF SWISSTEK (CEYLON) PLC Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Swisstek (Ceylon) PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CARRYING VALUE OF INVENTORIES

Refer to the accounting policies in "Note 3.7 to the financial statements: Inventories" and "Note 17 to the financial statements: Inventories".

Risk Description

The Group has recognized a total provision of Rs. 275 Mn in relation to the total inventory valued at Rs. 5,899 Mn - as at 31st March 2026.

As discussed in Note 3.7, management judgment is applied to the cost of manufactured products in order to accurately reflect the manufacturing costs incurred in bringing them to their current condition and physical location. This primarily relates to the assessment of direct labor costs incurred, manufacturing overheads to be absorbed and other relevant production costs.

Our response

Our audit procedures included;

- ▶ Obtaining an understanding and assessing the design, implementation and operating effectiveness of the Group's key controls relating to the assessment of inventory valuation and inventory provisioning.
- ▶ Performing the observations of inventory physical verifications in order to verify the existence and identify any damaged, obsolete inventory.

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T.J.S. Rajakarier FCA
W.K.D.C. Abeyaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

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

Risk Description	Our response
A risk surrounding the carrying value of inventory when compared to the net realizable value as a result of inadequate provisioning has also been identified. Establishing a provision for slow-moving, obsolete and damaged inventory involves estimates and judgments, taking into account forecast sales and historical usage information. We identified assessing the carrying value of inventories as a key audit matter because of the inherent risk that the Group's inventories may become obsolete or may be sold at prices below their carrying values and because the judgment exercised by management in determining the appropriate provision for inventories involves management's bias.	<i>On a sample basis, we have performed the following:</i> ▶ Agreeing the cost of raw materials to third party supplier invoices. ▶ For work in progress and finished goods, we obtained the bill of material and tested the underlying costs within each stock item. We challenged the key assumptions concerning overhead absorption by assessing the appropriateness of costs included in the calculation. ▶ Checked the parameters and system accuracy of computation of weighted average cost with the assistance of IT audit specialist. ▶ Assessing the net realizable value (NRV) on a sample basis of stock items by agreeing their subsequent sales price to customer invoices to ensure that the items are held at the lower of cost and NRV. ▶ Obtaining an understanding of the movements in the inventory for the year and evaluating the adequacy of the provision for non-moving and slow-moving inventory. ▶ Assessing whether the Group's 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.

RECOVERABILITY OF TRADE RECEIVABLES

Refer to the accounting policies in "Note 3.3 to the financial statements: Impairment" and "Note 18 to the financial statements: Trade and other receivables".

Risk Description	Our response
As disclosed in Note 18 to the financial statements, the Group has recognized trade receivables balance of Rs.3,455 Mn - as at 31st March 2026, after provision for impairment of Rs. 71 Mn. The Group's customers operate in a number of sectors, having different credit profiles. SLFRS 9 – "Financial Instruments" ECL Model takes into account judgment in setting the assumptions such as forward-looking probability of default (PD), loss given default (LGD), macroeconomic scenarios including their weighting and judgments over the use of data inputs required. We identified impairment of trade receivables as a key audit matter for our audit, as it requires management to exercise subjective judgment in making assumptions and estimates for the assessment of provision for impairment of trade receivables.	Our audit procedures included; ▶ Obtaining an understanding and assessing the design, implementation and operating effectiveness of management key internal control over the credit control and approval processes. ▶ Testing the adequacy of the provisions for impairment recorded against trade receivable balances, based on 'Expected Credit loss' model as per 'SLFRS 09', as well as the reasonability of the model methodology. ▶ Assessing the adequacy of the Group's disclosures regarding the degree of judgments and estimation involved in arriving at the allowance for impairment losses of trade receivables.

INDEPENDENT AUDITOR’S REPORT



FAIR VALUE OF INVESTMENT PROPERTY

Refer to the accounting policies in “Note 3.6 to the financial statements: Investment Property” and “Note 16 to the financial statements: Investment Property”.

Risk Description	Our response
The fair value of the investment property amounted to Rs. 206 Mn as at 31st March 2026. Management’s assessment of fair value of investment property was determined on valuations performed by a qualified independent property valuer in accordance with recognized industry standards. Estimating the fair value is a complex process which involves a significant degree of judgment and estimates in respect of perch price of the land, value per square feet, diversity of locations and nature of the property. We identified assessing the fair value of investment property as a key audit matter due to the complexity of the valuation method, subjectivity of the significant judgments and estimations involved.	Our audit procedures included: ▶ Assessing the objectivity, independence, competence and qualifications of the external valuer. ▶ Obtaining and inspecting the valuation reports prepared by independent valuer engaged by the Company. ▶ Assessing the reasonableness of the data and appropriateness of the key assumptions used against externally published market comparable or industry data where available. ▶ Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

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. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will 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, identified above when it becomes available 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.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the

group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.



KPMG
Colombo, Sri Lanka

29th May 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March,		Group		Company	
		2026	2025	2026	2025
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	6	16,884,028	15,268,675	4,696,520	3,382,153
Cost of sales		(12,596,027)	(11,819,871)	(3,176,465)	(2,348,960)
Gross profit		4,288,001	3,448,804	1,520,055	1,033,193
Other income	7	199,427	173,966	107,497	123,033
Administrative expenses		(759,236)	(610,661)	(281,938)	(178,401)
Selling and distribution expenses		(1,297,656)	(1,084,644)	(428,740)	(289,377)
Other expenses	8	(267,331)	(55,122)	(14,416)	(10,765)
Results from operating activities		2,163,205	1,872,343	902,458	677,683
Finance income	9.1	71,108	60,918	46,648	10,402
Finance cost	9.2	(590,556)	(682,300)	(109,512)	(117,579)
Net Finance cost		(519,448)	(621,382)	(62,864)	(107,177)
Profit/(Loss) before tax	10	1,643,757	1,250,961	839,594	570,506
Income tax expense	11	(440,223)	(321,375)	(266,498)	(164,829)
Profit/(Loss) for the year		1,203,534	929,586	573,096	405,677
Other comprehensive income/(loss) :					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liability	24.2	(5,324)	(11,055)	(8,948)	(3,901)
Deferred tax on Other Comprehensive Income		1,960	2,601	2,684	1,170
Other comprehensive income/(loss) for the period		(3,364)	(8,454)	(6,264)	(2,731)
Total comprehensive income for the period		1,200,170	921,132	566,832	402,946
Profit/(Loss) Attributable to;					
Owners of the company		1,001,446	865,176	573,096	405,677
Non controlling interest		202,088	64,410	-	-
Profit/(Loss) for the year		1,203,534	929,586	573,096	405,677
Total comprehensive income/(loss) attributable to:					
Owners of the company		997,154	857,444	566,832	402,946
Non controlling interest		203,016	63,688	-	-
Total comprehensive income/(loss) for the year		1,200,170	921,132	566,832	402,946
Basic earnings/(loss) per share	12	7.32	6.32	4.19	2.96

The notes on Pages 141 to 191 are an integral part of the financial statements.

Figures in brackets indicate deductions.

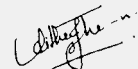
STATEMENT OF FINANCIAL POSITION

As at 31st March,	Note	Group		Company	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets					
Property, plant and equipment	13	3,945,250	3,932,818	2,164,551	2,134,208
Capital work-in-progress	13.1	178,802	15,468	31,751	5,816
Intangible assets	13.2	92,670	105,154	73,775	78,601
Right to use of asset	13.3	61,481	113,440	-	-
Investment in subsidiary	14	-	-	536,988	536,988
Other long term investments	15	56,667	56,667	-	-
Investment property	16	206,000	203,000	206,000	203,000
Non current assets		4,540,870	4,426,547	3,013,065	2,958,613
Inventories	17	5,624,416	5,099,084	697,798	535,854
Trade and other receivables	18	3,877,997	3,029,517	1,087,077	657,843
Contract assets	19	-	-	-	-
Amounts due from related companies	20	105,716	53,754	107,307	64,066
Short term investments	21.3	40,679	36,332	40,679	36,332
Cash and cash equivalents	21.1	570,934	416,113	278,668	255,986
Current assets		10,219,742	8,634,800	2,211,529	1,550,081
Total assets		14,760,612	13,061,347	5,224,594	4,508,694
Equity					
Stated capital	22	368,256	368,256	368,256	368,256
Reserves	23	1,002,005	1,002,005	748,707	748,707
Retained earnings		2,516,869	1,800,278	1,625,770	1,339,501
Equity attributable to owners of the company		3,887,130	3,170,539	2,742,733	2,456,464
Non controlling interest		710,354	507,338	-	-
Total equity		4,597,484	3,677,877	2,742,733	2,456,464
Liabilities					
Retirement benefits obligation	24	136,609	105,111	49,574	33,427
Lease liability	25.4	39,838	63,501	-	-
Deferred tax liability	11.2	401,666	358,334	432,758	428,237
Loans and borrowings	25.2	1,811,673	2,706,997	209,163	289,163
Non current liabilities		2,389,786	3,233,943	691,495	750,827
Trade and other payables	26	3,517,838	2,284,423	667,019	503,043
Loans & borrowings	25.1	1,226,262	917,735	80,004	80,004
Short term loans	27	2,293,205	2,206,420	671,115	476,882
Amounts due to related companies	28	147,619	127,106	17,005	-
Lease liability	25.4	23,038	45,709	-	-
Tax payable	29	180,731	125,428	86,254	88,487
Bank overdrafts	21.2	384,649	442,706	268,969	152,987
Current liabilities		7,773,342	6,149,527	1,790,366	1,301,403
Total liabilities		10,163,128	9,383,470	2,481,861	2,052,230
Total equity and liabilities		14,760,612	13,061,347	5,224,594	4,508,694

The notes on Pages 141 to 191 are an integral part of the financial statements.

Figures in brackets indicate deductions.

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

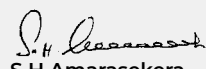


U I Mihindukulasooriya

Head Of Finance

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

Approved for and on behalf of the Board of Directors :



S H Amarasekera

Chairman



L A D N Perera

Group Managing Director

29th May 2026

Colombo

STATEMENT OF CHANGES IN EQUITY

Group	Stated capital	Revaluation reserve	Capital redemption reserve	General reserve	Retained earnings / (losses)	Total	Non-controlling interest	Total equity
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
For the year ended 31st March,								
Balance as at 31st march 2024	368,256	982,042	121	19,842	978,954	2,349,215	48,958	2,398,173
- Profit for the year	-	-	-	-	865,176	865,176	64,410	929,586
Other comprehensive income								
- Defined benefit plan actuarial gains/(losses)	-	-	-	-	(10,152)	(10,152)	(903)	(11,055)
- Deferred tax on other comprehensive income	-	-	-	-	2,421	2,421	181	2,602
	-	-	-	-	(7,731)	(7,731)	(722)	(8,453)
Proceeds on issues on shares to minority shareholders							64,537	64,537
Transfer of control to the non controlling interest					162,326	162,326	330,155	492,481
Transactions with owners of the company								
- Dividend paid (note 22.1)	-	-	-	-	(198,447)	(198,447)	-	(198,447)
Balance as at 31st march 2025	368,256	982,042	121	19,842	1,800,278	3,170,539	507,338	3,677,877
- Profit for the year	-	-	-	-	1,001,446	1,001,446	202,088	1,203,534
Other comprehensive income								
- Defined benefit plan actuarial gains/(losses)	-	-	-	-	(6,484)	(6,484)	1,160	(5,324)
- Deferred tax on other comprehensive income	-	-	-	-	2,192	2,192	(232)	1,960
	-	-	-	-	(4,292)	(4,292)	928	(3,364)
Transactions with owners of the company								
- Dividend paid (note 22.1)	-	-	-	-	(280,563)	(280,563)	-	(280,563)
Balance as at 31st march 2026	368,256	982,042	121	19,842	2,516,869	3,887,130	710,354	4,597,484

The notes on Pages 141 to 191 are an integral part of the financial statements.
Figures in brackets indicate deductions.

Company	Stated capital	Revaluation reserve	Capital redemption reserve	General reserve	Retained earnings / (losses)	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
For the year ended 31st March,						
Balance as at 31st March 2024	368,256	728,744	121	19,842	1,135,002	2,251,965
- Profit/(Loss) for the year	-	-	-	-	405,677	405,677
Other comprehensive income						
- Defined benefit plan actuarial gains/(losses)	-	-	-	-	(3,901)	(3,901)
- Deferred tax on other comprehensive income	-	-	-	-	1,170	1,170
	-	-	-	-	(2,731)	(2,731)
Transactions with owners of the Company						
- Dividend paid (Note 22.1)	-	-	-	-	(198,447)	(198,447)
Balance as at 31st March 2025	368,256	728,744	121	19,842	1,339,501	2,456,464
- Capital Infusion						
- Profit/(Loss) for the year	-	-	-	-	573,096	573,096
Other comprehensive income						
- Defined benefit plan actuarial gains/(losses)	-	-	-	-	(8,948)	(8,948)
- Deferred tax on other comprehensive income	-	-	-	-	2,684	2,684
	-	-	-	-	(6,264)	(6,264)
Transactions with owners of the Company						
- Dividend paid (Note 22.1)	-	-	-	-	(280,563)	(280,563)
Balance as at 31st March 2026	368,256	728,744	121	19,842	1,625,770	2,742,733

The notes on Pages 141 to 191 are an integral part of the financial statements.
Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

	Note	Group		Company	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31 March,					
Profit/(loss) before taxation		1,643,757	1,250,961	839,594	570,506
Adjustments for;					
Depreciation of property plant and equipment	13	209,661	233,825	68,397	72,475
Amortization	13.2	67,212	8,307	5,678	728
Inventory write off		-	2,963	-	2,963
Debtor writeoff		120	-	120	-
Inventory provision	17.1	158,430	41,781	1,789	360
Interest income	9.1	(20,835)	(10,815)	(20,454)	(10,402)
Provision on retirement benefit obligation	24.1	30,699	23,678	9,063	7,031
Interest expense	9.2	590,555	675,307	109,512	110,585
(Profit)/loss on sale of property, plant & equipment	7	(1,217)	(258)	(1,831)	-
(Gain)/ loss on revaluation of investment property	16	(3,000)	(1,000)	(3,000)	(1,000)
Provision for impairment of trade receivables	18	15,650	10,378	12,507	7,442
Unrealized exchange loss / (gain)		(2,923)	(43,109)	(7,731)	6,994
Changes in;					
- Trade and other payables		1,217,882	561,168	163,971	128,084
- Amounts due to related companies		20,512	(42,277)	17,005	(8,343)
- Inventories		(683,760)	(985,642)	(163,733)	(72,423)
- Trade and other receivables		(853,252)	(919,473)	(437,891)	(117,851)
- Amounts due from related companies		(51,962)	(5,345)	(43,241)	(2,377)
- Contract asset	19	-	30,033	-	30,033
Cash generated from/(used in) operating activities		2,337,529	830,482	549,755	724,805
Bank loan interest paid		(578,255)	(692,345)	(108,724)	(108,106)
Lease interest paid	25.4	(7,819)	(8,717)	-	-
Income tax paid	29	(339,628)	(126,005)	(261,526)	(124,660)
Gratuity payment	24	(4,525)	(8,243)	(1,864)	(1,459)
Net cash generated from/(used in) operating activities		1,407,302	(4,828)	177,641	490,580
Cash flows from investing activities					
Acquisition of property, plant and equipment	13	(228,572)	(187,976)	(100,960)	(23,710)
Addition to intangible asset	13.2	(852)	(81,049)	(852)	(79,180)
Addition to construction work in progress	13.1	(163,694)	(15,108)	(26,295)	(5,456)
Proceeds on disposal of property, plant & equipment		8,056	-	4,411	-
Investment in subsidiary		-	-	-	(250,000)
Short term investment	21.3	(1,369)	(36,332)	(1,369)	(36,332)
Net cash generated from/(used in) investing activities		(386,431)	(320,465)	(125,065)	(394,678)
Cash flows from financing activities					
Dividend paid	22.1	(280,563)	(198,447)	(280,563)	(198,447)
Interest income	9.1	20,835	10,815	20,454	10,402
Loan obtained		6,344,427	7,549,986	2,021,594	2,744,622
Repayment of borrowings		(6,844,441)	(7,676,965)	(1,907,361)	(2,598,815)
Share issue		-	557,018	-	-
Lease payment	25.4	(48,251)	(21,728)	-	-
Net cash generated from/(used in) financing activities		(807,993)	220,679	(145,876)	(42,238)
Net increase/(decrease) in cash and cash equivalents		212,878	(104,614)	(93,300)	53,664
Cash & cash equivalents at the beginning of the year		(26,593)	78,021	102,999	48,568
Cash & cash equivalents at the end of the year	21	186,285	(26,593)	9,699	102,999
Cash & cash equivalents at the end of the year					
Cash & cash equivalents	21.1	570,934	416,113	278,668	255,986
Bank overdraft	21.2	(384,649)	(442,706)	(268,969)	(152,987)
Cash & cash equivalents at the end of the year		186,285	(26,593)	9,699	102,999

The notes on Pages 141 to 191 are an integral part of the financial statements.
Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Swisstek (Ceylon) PLC (the “Company”) is a public limited liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company is listed on the Colombo Stock Exchange of Sri Lanka. The address of the Company’s registered office is No.215, Nawala Road, Narahenpita, Colombo 05.

The Consolidated Financial Statements of Swisstek (Ceylon) PLC as at and for the year ended 31st March 2026 encompass the Company and its subsidiaries (together referred to as the “Group”).

Descriptions of the nature of the operations and principal activities of the Company, and its Subsidiaries are given on note 3.1.

Lanka Walltiles PLC is the immediate parent of Swisstek (Ceylon) PLC and the ultimate parent is Vallibel One PLC.

The financial statements of all Companies in the Group are prepared for a common financial year, which ends on 31st March.

2. BASIS OF PREPERATION

2.1 Statement of compliance

The Consolidated financial statements of the Group comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with the material accounting policies and notes to the financial statements. The Consolidated Financial Statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (the “Accounting Standards”), as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Accounting Standards comprise:

- ▶ Sri Lanka Financial Reporting Standards (“SLFRSs”)
- ▶ Sri Lanka Accounting Standards (“LKAS”)
- ▶ Statements of Recommended Practices (“SoRPs”)
- ▶ Statement of Alternate Treatment (SoATs)

- ▶ 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.

These financial statements, except for information on cash flows, have been prepared following accrual basis of accounting.

2.2 Statement of presentation

The Board of Directors is responsible for the preparation and presentation of the financial statements and further, financial statements of the Group have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

The financial statements were authorized for issue by the directors on 29th May 2026.

2.3 Basis of measurement

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

- ▶ Fair Value through Other Comprehensive Income (FVOCI) financial assets are measured at fair value.
- ▶ The liability for defined benefit obligation is actuarially valued and recognized at the present value of the defined benefit obligation.
- ▶ Land and building measured at cost at the time of acquisition and subsequently at revaluation.
- ▶ Investment property is measured at fair value.

2.4 Functional and presentation currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Group’s functional currency. All financial information presented in Sri Lankan Rupees have been given to the nearest thousand, unless stated otherwise.

2.5 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with SLFRSs requires

NOTES TO THE FINANCIAL STATEMENTS

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.

In particular, Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are described in the following notes:

Note 11.2 – Deferred tax

Note 13 – Property Plant and Equipment

Note 24 – Retirement benefits obligation

Note 16 – Investment Property

Note 18 – Impairment of Trade Receivables

Note 6 – Revenue Recognition

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.

SLFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date which takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

A Fair value measurement requires an entity to determine all the following;

1. The particular asset or liability that is the

subject of the measurement

2. For a non-Financial asset, the valuation premise that is appropriate for the measurement (Consistently with its highest and best use).
3. The principal (or most advantageous) market for the asset or liability.
4. The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorized.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

When an asset is acquired or a liability is assumed in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). In contrast, the fair value

of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price).

2.6.1 Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumption and other risks affecting the specific instrument.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair 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.

2.7 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately, unless they are immaterial.

2.8 Going Concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future and confirms that they do not intend either to liquidate or to

cease operations of the Group. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

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

3.1 Basis of Consolidation

The consolidated financial statements (referred to as the "Group") Comprise the financial statements of the Company and its subsidiaries prepared in terms of Sri Lanka Accounting Standard (SLFRS-10) Consolidated Financial Statement and share of profit or loss.

The main activity of Swisstek (Ceylon) PLC is the manufacture and sale of tile grout, tile adhesive, skim coat, and zinc-aluminium products.

Swisstek Aluminium Limited manufactures and sells aluminium extrusions and allied products through a network of dealers and distributors.

Swisstek Development Ltd is operates as a property holding company known for its strategic investments and development projects.

Subsidiaries are disclosed in note 14 to the consolidated financial statements.

3.1.1 Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

As per the requirements of Sri Lanka Accounting Standard (SLFRS 3) - Business Combinations when the Group acquires a business it assesses the financial assets and liabilities assumed under classifications or designations on the basis of the contractual terms, economic conditions, its operating or accounting policies and other pertinent conditions exist at the acquisition date as at the acquisition date, which is the date on

NOTES TO THE FINANCIAL STATEMENTS

which control is transferred to the Group. Control exists when the Group has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable and other contractual arrangements.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred plus the recognized amount of any non-controlling interests in the acquire plus if the business combination achieved in stages, the fair value of the pre-existing interest in the acquire less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired exceed the cost of the acquisition of the entity, the surplus, which is a gain on bargain purchase is recognised immediately in the consolidated income statement.

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

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 Non- controlling interest

Non-controlling interests are measured at their proportionate share of acquirer's identifiable net assets at the date of acquisition. Changes in the group interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra- group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are

generally recognized in statement of profit or loss and other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

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 significant financing component is initially measured at the transaction price.

(b) Classification and subsequent measurement

Financial assets

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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

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 assets - Subsequent measurement and gains and losses

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 assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial 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.

(c) Impairment policy

(i) Non-derivative financial assets Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- Financial assets measured at amortised cost;
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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

- ▶ the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter

period if the expected life of the instrument is less than 12 months).

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

Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- ▶ significant financial difficulty of the borrower or issuer;
- ▶ the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- ▶ it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- ▶ the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no

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significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

Non-financial assets

The carrying amounts of the Group's non-financial 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 goodwill and intangible assets that have indefinite 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 or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been

a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Property, plant and equipment

3.4.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and buildings are stated at fair value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use.

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

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

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

3.4.2 Subsequent costs

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

servicing of property, plant and equipment are recognized in profit and loss as incurred.

3.4.3 Derecognition

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

When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.4.4 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost/valuation, less its residual value. Fully depreciated property, plant and equipment are retained in the financial statements until such time when they are no longer in use. Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Leased assets are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Group will have ownership by the end of the lease term. Land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The estimated useful lives for the current and comparative periods are as follows. Estimates in respect of certain item of

property, plant and equipment were revised with effect from 1 April 2014.

The estimated useful lives for the assets are as follows.

Description of the asset	Estimated useful lifetime
Buildings	5 to 50 years
Plant and machinery	5 to 20 years
Factory Electrification	5 to 20 years
Furniture and fittings	5 to 10 years
Motor vehicles	5 years
Office Equipment	4 to 5 years
Road way	25 years
Tools and Equipment	2 to 5 years

3.4.5 Intangible assets

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply of goods or services, or for administrative purpose.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably in accordance with LKAS 38 - "Intangible Assets". Accordingly, these assets are stated at cost less accumulated amortization and accumulated impairment losses in the statement of financial position.

3.4.5.1 Computer Software

Computer software is amortised over their estimated useful economic life on a straight-line basis. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful lives for the intangible assets is estimated to fall within a range

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of 5 - 15 years depending on their expected period of economic benefit.

Amortization methods, useful lives and residual values are reviewed at each reporting date.

De-recognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.5 Leases

Recognition and initial measurement (As a lessee)

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset

reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

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

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

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and capitalized borrowing cost.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property on transfer. Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognized immediately in profit or loss.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value, after making the

due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less than estimated cost of completion and the estimated cost necessary to make the sale.

The cost of inventory is determined on the basis of weighted average. In the case of manufactured products, cost includes direct expenditure and appropriate proportion of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

3.8 Trade and other receivables

Trade and other receivables are stated at their estimated realisable amounts.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

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 that fall due for payment later than one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

3.10.1 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the liability. Unwinding of discount is recognized

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as finance cost.

3.10.2 Employee benefits

3.10.2.1 Defined benefit plan

Defined Benefit Plan is a post-employment benefit plan other than Defined Contribution Plan. The liability recognized in the statement of financial position in respect of 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 projected unit credit method, as recommended by LKAS 19, "Employee Benefits". 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 note 24 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. 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.

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

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in staff expenses in profit or loss.

3.10.2.2 Defined contribution plan

Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. Obligations for contributions to Employees Provident Fund (EPF) and Employees Trust Fund (ETF) covering all employees are

recognised as an expense in profit or loss as incurred.

The Group and employees contribute 12% and 8% respectively of the salary of each employee to the Employees' Provident Fund managed by the Central Bank of Sri Lanka. The Company contribute 3% of the salary of each employee to the Employees' Trust Fund managed by Central Bank of Sri Lanka.

3.10.2.3 Short-Term 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 if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11 Commitments and contingencies

Commitments and contingent liabilities of the Group are disclosed in the respective Notes to the Financial Statements.

3.12 Trade and other payables

Trade and other payables are stated at their cost.

3.13 Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

3.14 Statement of profit or loss and other comprehensive income

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive Income, the function of expenses method is adopted, as it represents fairly the elements of Group performance.

3.15 Revenue recognition

3.15.1 Performance obligations and revenue

recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

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

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
Sale of Manufacturing and Trading Goods.	The Group engaged in varieties of sale of goods in Tile related products, Decorative pebbles and Trading sales of Aluminum and Fiber Cement.	The revenue is recognized based on the identified performance obligation. The transaction price is allocated to performance obligations and recognized the revenue in point in time upon analysis of each sale of goods.
Sale of Timber with installation services	The Group supply Timber to customers with installation services embedded in the contract.	The supply of Timber is recognized at the point of deliver the goods to the customer and the revenue for installation services is recognized over installation period for the transactions that consumes a significant time period for installation. The revenue is recognized at a point in a time either for the transactions which consumes an insignificant installation period or for the transactions where the installation services provided on the same day of delivery of goods.

3.15.2 Other Income

3.15.2.1 Rental income

Rent income from investment property is recognized in profit or loss on a straight-line basis over the term of the lease.

3.15.2.2 Commission income

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the commission made by the Group.

3.15.2.3 Finance income and expenses

The Group's finance income and finance cost include:

- ▶ Interest income from loans granted
- ▶ Interest expense from borrowings
- ▶ Interest expense arising from leases
- ▶ Foreign exchange gain / (loss)

Interest income or expense is recognised using the effective interest method.

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the asset.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movement are in a net gain or net loss position.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or

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- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.15.3 Expenses

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

Provision have also been made for impairment of financial assets, all known liabilities and depreciation on property, plant and equipment.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to the income statement in the year in which the expenditure is incurred. The profit earned by the Group is before income tax expense and after making provision for all known liabilities and for the depreciation of property, plant and equipment.

3.16 Taxation

3.16.1 Income Tax

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

3.16.2 Current Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting

date, and any adjustment to tax payable in respect of previous years.

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

The provision for income tax on the Group's operation is based on the elements of income and expenditures reported in the Financial Statements and computed with in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto.

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.

3.16.3 Deferred Taxation

Deferred tax is recognised using the reporting method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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 based on the level of future taxable profit forecasts and tax planning strategy.

3.17 Events after the reporting period

The materiality of the events after the reporting date has been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements wherever necessary.

3.18 Earnings per share

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

3.19 Segmental reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and tax assets and liabilities. Inter-segment transfers are based on fair market prices. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

The Group comprises the following main business segments;

- a) **Tile related products:** This Segment includes tile related products such as Tile Adhesive, Grout, Skim coat, water proofer and Grout Sealer of Swisstek (Ceylon) PLC.
- b) **Wooden flooring and installation:** This segment includes the Swissparkett Branded

Wooden Flooring.

- c) **Aluminium:** This segment comprises the Zinc Aluminium Products of Swisstek (Ceylon) PLC and Aluminium Products of Subsidiary company - Swisstek Aluminium

- d) **Other:** This segment includes the Trading Products such as Tile Cleaner, Silicon Sealant and Decorative Pebbles of Swisstek (Ceylon) PLC

3.20 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged. The relevant details are disclosed in the respective notes to the Financial Statements.

3.21 Statement of cash flows

The cash flow statement has been prepared using the 'indirect method' in accordance with Sri Lanka Accounting Standard - LKAS 7 on 'Statement of Cash Flows'. Cash and cash equivalent comprise cash in hand and deposits held at call with banks net of bank overdraft and short term fixed deposits. that are readily convertible to known amount of cash and subject to an insignificant risk of change in value.

Interest received and dividends received are classified as investing cash flows, while dividend paid is classified as financing cash flows and interest paid is classified under the operating cash flows for the purpose of presentation of Cash Flow Statement. Bank overdrafts that are repayable on demand and forming an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of the Statement of Cash Flows.

3.22 New or Amended Accounting Standards issued, but not yet effective as at the reporting date

The following new or amended standards and interpretations have been issued, but not yet effective, as at the reporting date of the Consolidated Financial Statements. These are not expected to result in material impact to the Group on adoption.

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- ▶ Sri Lanka Accounting Standard – SLFRS 18 on “Presentation and Disclosure in Financial Statements” (SLFRS 18)

SLFRS 18 is a new accounting standard for presentation and disclosure in Financial Statements with effect from 1 January 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard – LKAS 1 on “Presentation of Financial Statements” and applies to the Group effective from 1 January 2027. The new accounting standard introduces the following key new requirements.

- ▶ Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit sub totals. Entities’ net profit will not change.
- ▶ Management – defined Performance Measures (MPMs) are disclosed in a single note in the Financial Statements.
- ▶ Enhanced guidance is provided on how to group information in the Financial Statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the Statement of Cashflows when presenting operating cashflows under indirect method.

The Group is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Group’s Income Statement, the Statement of Cashflows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the Financial Statements including items currently labelled as ‘other’.

- ▶ Sri Lanka Accounting Standard – SLFRS 19 on “Subsidiaries without Public Accountability” (SLFRS 19)

SLFRS 19 is a new accounting standard for subsidiaries to apply the recognition, measurement, and presentation requirements of full SLFRS Standards while applying a reduced set of disclosure requirements in Financial Statements with effect from 1 January 2027. The

Group does not expect this will result in a material impact on its Consolidated Financial Statements. However, this may have an impact on the separate Financial Statements of the subsidiaries of the Company as appropriate.

Other accounting standards

- ▶ Annual improvements to SLFRS Accounting Standards – Volume 11

The amendments apply for annual reporting periods beginning on or after 1 January 2026. These changes are not expected to have a significant impact on the Company’s Financial Statements

4. FINANCIAL RISK MANAGEMENT OVERVIEW

In the course of its business, the Group is exposed to a number risks arising from its use of financial instruments, including:

- ▶ Credit risk – See Note 30.1.1
- ▶ Liquidity risk - See Note 30.1.2
- ▶ Market risk (currency risk and interest rate risk) - See Note 30.1.3

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to 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 develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group 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 Group 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.

4.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group is exposed to credit risk on trade and other receivables.

Trade and other receivables

The creditworthiness of each customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk.

4.2 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 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.

4.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

Interest rate risk

The principal risk to which non – trading portfolios are exposed is the loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates

4.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

Requirements for appropriate segregation of duties, including the independent authorisation of transactions;

- ▶ Requirements for the reconciliation and monitoring of transactions;
- ▶ Compliance with regulatory and other legal requirements;
- ▶ Documentation of controls and procedures;
- ▶ Development of contingency plans;
- ▶ Training and professional development;
- ▶ Ethical and business standards;
- ▶ Risk mitigation, including insurance where this is effective.

NOTES TO THE FINANCIAL STATEMENTS

5 SEGMENT INFORMATION

Information about reportable segments for the year ended 31st March 2026;

For the year ended 31st March,	Tile related products	Wooden flooring and installation	Aluminium	Other	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total segment revenue	3,982,078	133,078	12,735,652	33,220	16,884,028
Total segment cost of sales	(2,610,385)	(70,975)	(9,886,430)	(28,237)	(12,596,027)
Segment gross profits	1,371,693	62,103	2,849,222	4,983	4,288,001
Other income	-	-	-	199,427	199,427
Administration expenses	(179,065)	(5,984)	(572,693)	(1,494)	(759,236)
Distribution expenses	(306,051)	(10,228)	(978,824)	(2,553)	(1,297,656)
Other expenses	(63,050)	(2,107)	(201,649)	(526)	(267,331)
Net finance cost	(122,511)	(4,094)	(391,821)	(1,022)	(519,448)
PBT	387,678	12,956	1,239,889	3,234	1,643,757
Income tax expense	(103,826)	(3,470)	(332,061)	(866)	(440,223)

Information about reportable segments for the year ended 31st March 2025;

For the year ended 31st March,	Tile related products	Wooden flooring and installation	Aluminium	Other	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total segment revenue	2,977,055	97,855	12,158,774	34,991	15,268,675
Total segment cost of sales	(1,986,568)	(49,995)	(9,753,566)	(29,742)	(11,819,871)
Segment gross profits	990,487	47,860	2,405,208	5,249	3,448,804
Other income	-	-	-	173,966	173,966
Administration expenses	(119,065)	(3,914)	(486,283)	(1,399)	(610,661)
Distribution expenses	(211,482)	(6,951)	(863,725)	(2,486)	(1,084,644)
Other expenses	(10,747)	(353)	(43,896)	(126)	(55,122)
Net finance cost	(121,156)	(3,982)	(494,820)	(1,424)	(621,382)
PBT	243,910	8,017	996,167	2,867	1,250,961
Income tax expense	(62,661)	(2,060)	(255,918)	(736)	(321,375)

The segment assets and liabilities and capital expenditure for the year ended are as follows.

	Tile related products	Wooden flooring and installation	Aluminium	Other	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31st March 2026					
Assets	5,015,153	167,603	9,536,017	41,839	14,760,612
Liabilities	2,382,370	79,617	7,681,267	19,874	10,163,128
Capital expenditure	100,908	52	127,612	-	228,572
As at 31st March 2025					
Assets	4,316,095	141,868	8,541,654	50,730	13,061,347
Liabilities	1,964,565	64,576	7,331,239	23,090	9,383,470
Capital expenditure	23,659	53	151,323	-	175,034

6. REVENUE

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Tile related products	3,982,078	2,977,055	3,982,078	2,977,055
Zink aluminium	423,242	207,512	423,242	207,512
Wooden flooring & installation	133,078	97,855	133,078	97,855
Decorative pebbles	21,778	19,869	21,778	19,869
Trading sales	10,653	15,017	10,653	15,017
Fibre cement	789	105	789	105
Aluminium	12,312,410	11,951,262	124,902	64,740
	16,884,028	15,268,675	4,696,520	3,382,153

6.1. Disaggregation of revenue based on timing

Revenue recognized in pointing time	16,750,950	15,170,820	4,563,442	3,284,298
Revenue recognized in over time	133,078	97,855	133,078	97,855
	16,884,028	15,268,675	4,696,520	3,382,153

7. OTHER INCOME

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gain on disposal of property, plant & equipment	1,831	258	1,831	-
Increase in fair value of investment property	3,000	1,000	3,000	1,000
Rent income	20,304	23,778	19,083	21,789
Sales commission	66,342	72,678	66,342	72,678
Sundry income	107,950	76,252	17,241	27,566
	199,427	173,966	107,497	123,033

8. OTHER EXPENSES

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Loss on disposal of property, plant & equipment	614	-	-	-
Provision for obsolete and slow moving inventory	250,947	41,781	1,789	360
Inventory write off	-	2,963	-	2,963
Debtor write off	120	-	120	-
Provision for bad and doubtful debts	15,650	10,378	12,507	7,442
	267,331	55,122	14,416	10,765

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9. NET FINANCE COST**9.1 Finance income**

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest income	20,835	10,815	20,454	10,402
Foreign exchange gain	50,273	50,103	26,194	-
	71,108	60,918	46,648	10,402

9.2 Finance cost

Interest expenses on short term borrowings	545,740	628,153	87,923	92,243
Finance lease interest	7,819	8,717	-	-
Bank overdraft interest & charges	36,997	38,436	21,589	18,342
Foreign exchange loss	-	6,994	-	6,994
	590,556	682,300	109,512	117,579
Net finance Income / (cost) recognized in profit or loss	(519,448)	(621,382)	(62,864)	(107,177)

10. PROFIT BEFORE TAXATION

Is stated after charging all expenses including the following;

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Directors' emoluments	41,697	16,256	33,922	7,059
Auditors' remuneration - Company auditors	1,065	925	1,065	925
- Subsidiary auditors	820	698	-	-
Non audit services	3,315	2,575	1,338	593
Technical fees	62,265	-	25,000	-
Salaries, wages and other related cost	1,372,707	1,109,227	405,030	282,827
Defined benefit plan cost - retirement gratuity	30,699	23,678	9,063	7,030
Defined contribution plan cost - EPF & ETF	80,678	64,031	20,685	15,412
Depreciation on property plant and equipment	209,661	203,381	68,397	72,472
Provision/ (reversal) obsolete inventory	250,947	41,781	1,789	360
Provision/ (reversal) of impairment of trade receivables	15,650	10,378	12,507	7,442
Amortization of intangible assets	13,336	8,307	5,678	728

11. INCOME TAX EXPENSE/(REVERSAL)

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax expense	380,765	201,689	245,715	161,400
Deferred tax (reversal)/ charge for the year (Note 11.1)	45,292	121,663	7,205	4,966
Adjustment for prior years	14,166	(1,977)	13,578	(1,537)
	440,223	321,375	266,498	164,829

The Inland Revenue (Amendment) Act No.45 of 2022, the Company is liable to pay tax at the rate of 30% of its entire taxable profit.

According to Board of Investment of Sri Lanka law No. 04 of 1978, Swisstek Aluminium Limited which is a subsidiary of Swisstek (Ceylon) PLC has entered into an agreement with BOI on 27th August 2009, where it was entitled to a tax exemption on its profits and income for a period of five years and it was thereafter liable to income tax on such profits and income at the rate of 20%.

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Reconciliation of the accounting profit and the income tax expense				
Profit/ (loss) before taxation	1,643,757	1,250,961	839,594	570,506
Aggregate disallowed expenses and income	827,593	543,480	245,058	210,150
Aggregate allowed items	(977,025)	(482,329)	(265,602)	(242,654)
Current year tax losses utilized	-	(572,667)	-	-
Qualifying payments	(25)	-	-	-
Taxable Income	1,494,300	739,445	819,050	538,002
Taxable income liable at 20% tax rate	675,250	201,443	-	-
Taxable income liable at 30% tax rate	819,050	538,002	819,050	538,002
Income tax at 20% - - service & other	135,050	40,289	-	-
Income tax at 30%	245,715	161,400	245,715	161,400
Total income tax expense for the year	380,765	201,689	245,715	161,400
Effective tax rate	23%	16%	29%	28%

11.1 Movement in deferred tax balance during the year

Balance at the beginning of the year	358,334	239,272	428,237	424,441
(Reversed)/originated during the year	45,292	121,663	7,205	4,966
Originated during the year - Recognised in other				
- Comprehensive income	(1,960)	(2,601)	(2,684)	(1,170)
Balance at the end of the year	401,666	358,334	432,758	428,237

NOTES TO THE FINANCIAL STATEMENTS

11.2 Deferred tax provision / reversal for the year

Deferred tax assets and liabilities are attributable to the following:

For the year ended 31st March,	Group				Company			
	2026		2025		2026		2025	
	Temporary Difference Rs.'000	Deferred Tax Rs.'000	Temporary Difference Rs.'000	Deferred Tax Rs.'000	Temporary Difference Rs.'000	Deferred Tax Rs.'000	Temporary Difference Rs.'000	Deferred Tax Rs.'000
Deferred tax assets								
Employee benefits and related provisions	217,703	48,499	105,111	24,365	49,574	14,872	33,427	10,028
Inventory provision	315,010	65,817	116,580	25,952	28,154	8,446	26,365	7,910
Provision for impairment receivable of trade receivables-collective	70,675	17,029	55,025	12,647	28,936	8,682	16,429	4,929
Leased liability	62,876	12,575	109,210	21,842	-	-	-	-
Tax losses - Note 11.3	1,026,512	205,302	1,434,869	286,973	-	-	-	-
	1,692,776	349,222	1,820,796	371,779	106,664	32,000	76,221	22,867
Deferred tax liabilities								
Property, plant and equipment - other than land	(1,501,334)	(345,365)	(1,371,264)	(315,099)	(450,981)	(135,294)	(408,467)	(122,540)
Right to use of asset	(61,481)	(12,296)	(113,440)	(22,688)	-	-	-	-
Investment property	(168,940)	(50,682)	(165,940)	(49,783)	(168,940)	(50,682)	(165,940)	(49,783)
Land carried at revaluation	(1,145,254)	(342,545)	(1,145,253)	(342,543)	(929,272)	(278,782)	(929,271)	(278,781)
	(2,877,007)	(750,888)	(2,795,896)	(730,113)	(1,549,193)	(464,758)	(1,503,678)	(451,104)
Net deferred tax asset/ (liability)	(1,184,231)	(401,666)	(975,099)	(358,334)	(1,442,529)	(432,758)	(1,427,457)	(428,237)

Deferred tax asset as at the reporting date have been tested for recoverability based on the estimated future taxable income of the company in line with approved business plans and budgets covering the period of six years and management is of the view that taxable losses can be set off in future. These tax losses under the Inland Revenue Act No. 24 of 2017 can be carry forward up to six years. These deferred tax assets are from Swisstek Aluminium.

11.3 Tax Losses

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at the beginning of the year	1,434,869	2,007,536	-	-
Tax losses recognized during the year	13,491	-	-	-
Tax losses set-off during the year	(421,848)	(572,667)	-	-
Balance at the end of the year	1,026,512	1,434,869	-	-

12. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to ordinary shareholders divided by the weighted average number ordinary shares in issue during the year.

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit/(Loss) attributable to ordinary shareholders	1,001,446	865,176	573,096	405,677
Weighted average number of ordinary shares	136,860,000	136,860,000	136,860,000	136,860,000
Earnings/(Loss) per share (Rs.)	7.32	6.32	4.19	2.96
Weighted average number of ordinary shares				
Issued ordinary shares	136,860,000	136,860,000	136,860,000	136,860,000
Weighted average number of ordinary shares in issue during the year	136,860,000	136,860,000	136,860,000	136,860,000

13. PROPERTY, PLANT AND EQUIPMENT

Swisstek (Ceylon) PLC

- (a) The lands and buildings have been revalued by an Independent Chartered valuer, Mr. D.G.Newton, on 31st March 2024 on contractor's method as follows. The said valuation has been incorporated in the financial statements and the surplus arising from the revaluation was recognized under reserves and in 2025, a reassessment of the valuation was performed by the same valuer and no significant changes to the revalued carrying amount as at 31st March 2026.
- (b) The entire land is classified as property plant and equipment since the portion of the land held for company's use and the land on which investment property is situated is not clearly demarcated and cannot be sold separately.
- (c) The carrying amount of the lands if carried at cost is as follows.

	Land in Extent (perches)	Carrying value as at 31.03.2026 Rs.'000	Carrying value as at 31.03.2025 Rs.'000
Swisstek (Ceylon) PLC			
Factory Complex, Belummahara, Imbulgoda	984.50	1,381	1,381
No:334/5, Colombo Road, Belummahara, Imbulgoda	20.00	5,753	5,753
No: 288/26, Colombo Road, Belummahara, Imbulgoda	81.60	38,080	38,080
No: 177/6, New Kandy Rd., Weliweriya	84.50	37,961	37,961
Land at Nedungamuwa	2,446.00	285,648	285,648
Land at Belummahara	0.96	814	814
	3,617.56	369,637	369,637
Swisstek Aluminium Limited			
Pahala Dompe, Lot-1 in Plan No-3458	97.17	10,727	10,727
Pahala Dompe, Lot-2 in Plan No-3458	1,495.10	176,000	176,000
Pahala Dompe, Lot-3 in Plan No-3458	85.20	4,000	4,000
Pahala Dompe, Lot-4 in Plan No-3458	144.80	19,281	19,281
Pahala Dompe, Lot-1 in Plan No-5790	112.00	9,485	9,485
Owita, Land Lot-1	17.00	400	-
Lot 02 - Paddy Field	126.00	2,961	-
	2,077.27	222,853	219,493

NOTES TO THE FINANCIAL STATEMENTS

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) The carrying amount of the buildings if carried at cost is as follows,

	Extent/ floor Area	No. of buildings	Cost	Accumulated depreciation	Carrying value as at 31.03.2026	Carrying value as at 31.03.2025
	Sq.ft.	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Swisstek (Ceylon) PLC						
Factory Complex, Belummahara, Imbulgoda	62,530	17	248,803	52,964	195,839	200,815
Factory Complex, Belummahara, Imbulgoda - Crushing Plant 2 and other additions	7,000	1	39,304	11,530	27,774	28,560
No: 177/6, New Kandy Rd., Weliweriya	27,170	1	80,563	20,551	60,012	61,624
Building at Nedungamuwa	55,362	8	171,677	19,963	151,714	155,147
			540,347	105,008	435,339	446,146
Swisstek Aluminium Limited						
Building at Pahala Dompe, Dompe	173,965	23	731,659	141,464	590,195	605,244
			731,659	141,464	590,195	605,244

(e) Land and Building carried at revalued amount.

	Type of property	No. of buildings	Extent	Valuation Technique	Significant unobservable input:price/ acre/range	Carrying value as at 31.03.2026	Fair value as at 31.03.2026
						Rs.'000	Rs.'000
Swisstek (Ceylon) PLC							
Factory Complex, Belummahara, Imbulgoda	Land	-	984.5 Perches	Market based evidence	Rs. 800,000/- per perch	787,600	787,600
No: 288/26, Colombo Road, Belummahara, Imbulgoda	Land	-	81.6 perches	Market based evidence	Rs. 725,000/- per perch	59,131	59,131
No:334/5, Colombo Road, Belummahara, Imbulgoda	Land	-	20 Perches	Market based evidence	Rs. 650,000/- per perch	12,831	12,831
No: 177/6, New Kandy Rd., Weliweriya	Land	-	85.0 Perches	Market based evidence	Rs. 600,000/- per perch	51,000	51,000
Land at Nedungamuwa	Land	-	2,446.0 Perches	Market based evidence	Rs. 100,000/- to 175,000/- per perch	387,533	387,533
Land at Belummahara	Land	-	0.95 Perches	Market based evidence	Rs. 848,000/- per perch	814	814
Factory Complex, Belummahara, Imbulgoda	Buildings	18	62,530 sq.ft	Contractors Method	Rs. 750/- to 4,500/- per sq.ft.	223,482	223,482
No: 177/6, New Kandy Rd., Weliweriya	Building	1	27,170 Sq.ft.	Contractors Method	Rs. 2,850/- to 3,350/- per sq.ft.	73,961	73,961
Nadungamuwa, Ratupaswela	Building	8	50,085 Sq.ft	Depreciated replacement cost	Rs. 750/- to 3,250/- per sq.ft.	172,950	172,950
						1,769,302	1,769,302

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**(e)** Land and Building carried at revalued amount.

	Type of property	No. of buildings	Extent	Valuation Technique	Significant unobservable input: price/acre/range	Carrying value as at 31.03.2026 Rs.'000	Fair value as at 31.03.2026 Rs.'000
Swisstek Aluminium Limited							
Lot-1 in Plan No-3458	Land	-	97.17 Perches	Market based evidence	Rs. 125,000/- Per perch	12,146	12,146
Lot-2 in Plan No-3458	Land	-	1495.1 Perches	Market based evidence	Rs. 85,000/- Per perch	261,643	261,643
Lot-3 in Plan No-3458	Land	-	85.2 Perches	Market based evidence	Rs. 85,000/- Per perch	7,242	7,242
Lot-4 in Plan No-3458	Land	-	144.8 Perches	Market based evidence	Rs. 30,000/- Per perch	4,344	4,344
Lot-1 in Plan No-5790	Land	-	112 Perches	Market based evidence	Rs. 125,000/- Per perch	14,000	14,000
Owita, Land Lot-1	Land	-	17 Perches	Market based evidence	Rs. 23,500/- Per perch	400	-
Lot 02 - Paddy Field	Land	-	126 Perches	Market based evidence	Rs. 23,500/- Per perch	2,961	-
Buildings at Pahala Dompe, Dompe	Buildings	23	173,965 Sq.ft	Contractors Method	1,250/- to 7,500/- per Sq.ft	779,963	802,406
10% Quantity Allowance for Larger extent, Internal Roads and Single use						(29,437)	(29,437)
						1,053,261	1,072,344

The above properties are revalued and recorded under freehold land and buildings. Fair Value measurement disclosure for revalued land based on un-observable inputs are as follows,

- (A) Quoted Price (unadjusted) in active markets for identical assets or liabilities (Level -1).
- (B) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices) (Level -2)
- (C) Input for the assets or liability that are not based on observable market data (that is, unobservable inputs) (Level -3).

DESCRIPTION OF VALUATION TECHNIQUES.

Market Approach The Selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets making appropriate adjustments for any differences in the nature, size, location or condition of the specific property.

COST APPROACH

The market Value of a property is estimated as a function of the current cost to purchase or replace the property. Adjustments to new replacement cost are made to account for depreciation to determine the market value of the property.

INCOME APPROACH

The income approach is specifically used to evaluate properties in commercial real estate, that is, properties that are income-generating are most suitable under the income approach. Investors that evaluate the value of a property using the income approach need to pay attention to the condition of the property as at the time it is being rented.

The income approach converts future amounts to a single discounted amount taking into account, inter alia, risk and uncertainty. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Depreciated Replacement Cost Approach Depreciated replacement cost of an asset is the current cost to replace the asset less accumulated depreciation. It is the cost company spends to acquire the current replacement asset and deduct the accumulated depreciation to reflects with the current asset condition. It is simply the replacement cost less depreciation which already deduct from current asset.

NOTES TO THE FINANCIAL STATEMENTS

13 PROPERTY, PLANT & EQUIPMENT (CONTD.)

Group	Freehold Land	Buildings	Plant & Machinery	Machinery under Lease	Factory Electrification	Furniture & Fittings	Motor Vehicles	Office Equipments	Road Way	Tools & Equipments	Total
Description	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Cost/ Revaluation											
As at 31st March 2024	1,567,908	1,278,370	1,975,399	35,640	74,645	34,733	61,141	90,945	27,459	74,362	5,220,602
Additions during the year	-	14,162	87,260	25,035	166	10,779	1,274	15,552	4,601	16,205	175,034
Disposals	-	-	-	(26,104)	-	-	-	-	-	-	(26,104)
As at 31st March 2025	1,567,908	1,292,532	2,062,659	34,571	74,811	45,512	62,415	106,497	32,060	90,567	5,369,532
Additions during the year	3,146	37,572	70,988	21,093	181	19,416	24,150	29,561	6,278	16,187	228,572
Transfers from CWIP	-	360	-	-	-	-	-	-	-	-	360
Disposals	-	-	(28,627)	-	-	-	(2,339)	(10,023)	-	-	(40,989)
As at 31st March 2026	1,571,054	1,330,464	2,105,020	55,664	74,992	64,928	84,226	126,035	38,338	106,754	5,557,475
Accumulated depreciation											
As at 31st March 2024	-	5,378	1,004,263	27,982	24,447	21,289	48,239	59,407	1,679	61,263	1,253,947
Charge for the Year	-	37,231	120,852	2,177	6,971	4,792	3,942	11,122	754	15,540	203,381
Disposals/Transfers	-	-	-	(20,614)	-	-	-	-	-	-	(20,614)
As at 31st March 2025	-	42,609	1,125,115	9,545	31,418	26,081	52,181	70,529	2,433	76,803	1,436,714
Charge for the Year	-	37,505	117,057	6,180	6,654	7,083	5,933	13,772	905	14,572	209,661
Disposals	-	-	(22,609)	-	-	-	(1,518)	(10,023)	-	-	(34,150)
As at 31st March 2026	-	80,114	1,219,563	15,725	38,072	33,164	56,596	74,278	3,338	91,375	1,612,225
As at 31st March 2025	1,567,908	1,249,923	937,544	25,026	43,393	19,431	10,234	35,968	29,627	13,764	3,932,818
As at 31st March 2026	1,571,054	1,250,350	885,457	39,939	36,920	31,764	27,630	51,757	35,000	15,379	3,945,250

Property, plant and equipment of the company consists of fully depreciated assets with a value of Rs.735,929,796/- (2025- Rs.652,085,131/-) as at the year end.

13 PROPERTY, PLANT & EQUIPMENT (CONTD.)

Company

Description	Freehold Land	Buildings	Plant & Machinery	Factory Electrification	Furniture & Fittings	Motor Vehicles	Office Equipments	Road Way	Tools & Equipments	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Cost/ Revaluation										
As at 31st March 2024	1,298,909	470,998	521,075	38,741	12,721	50,177	23,839	27,459	23,199	2,467,118
Additions during the year	-	1,847	7,498	166	985	1,274	5,727	4,601	1,613	23,711
As at 31st March 2025	1,298,909	472,845	528,573	38,907	13,706	51,451	29,566	32,060	24,812	2,490,829
Additions during the year	-	33,100	30,827	181	3,143	12,200	14,227	6,278	1,004	100,960
Transfers from CWIP	-	360	-	-	-	-	-	-	-	360
Disposals/ Transfers	-	-	(2,365)	-	-	(2,339)	-	-	-	(4,704)
As at 31st March 2026	1,298,909	506,305	557,035	39,088	16,849	61,312	43,793	38,338	25,816	2,587,445
Accumulated depreciation										
As at 31st March 2024	-	-	176,038	21,988	7,457	39,625	16,101	1,679	21,261	284,149
Charge for the Year	-	17,813	38,752	4,577	1,692	3,942	3,144	754	1,798	72,472
As at 31st March 2025	-	17,813	214,790	26,565	9,149	43,567	19,245	2,433	23,059	356,621
Charge for the Year	-	18,099	34,097	4,260	1,882	4,017	4,362	905	775	68,397
Disposals/Transfers	-	-	(606)	-	-	(1,518)	-	-	-	(2,124)
As at 31st March 2026	-	35,912	248,281	30,825	11,031	46,066	23,607	3,338	23,834	422,894
As at 31st March 2025	1,298,909	455,032	313,783	12,342	4,557	7,884	10,321	29,627	1,753	2,134,208
As at 31st March 2026	1,298,909	470,393	308,754	8,263	5,818	15,246	20,186	35,000	1,982	2,164,551

Property, plant and equipment of the company consists of fully depreciated assets with a value of Rs.121,836,903/- (2025- Rs.109,978,788/-) as at the year end.

There were no items of property, plant and equipment pledged as securities for liabilities as at the reporting date other than the ones disclosed in Note 25.3 of these financial statements.

There were no restrictions existed on title of property, plant and equipment of the Company and Group as at the reporting date.

There was no temporary idle property, plant and equipment as at the reporting date.

The amount or expenditures recognized in the carrying amount of property, plant and equipment in course of construction is disclosed in Note 13.1 in these financial statements.

There was no compensation receivable from third parties for items of property, plant and equipment that were impaired, lost or given up as at the reporting date.

There were no property, plant and equipment retired from active use at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

13.1 Capital work - in - progress

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at the beginning of the year	15,468	360	5,816	360
Cost incurred during the year	163,694	15,108	26,295	5,456
During the year transferred to PPE	(360)	-	(360)	-
Balance as at 31st March	178,802	15,468	31,751	5,816

The capital work in progress as at the reporting date includes costs incurred during the financial year in relation to buildings under construction at Swisstek (Ceylon) PLC and Swisstek Aluminium Limited.

13.2 Intangible assets

Cost				
As at 1 April	136,778	55,728	80,535	1,355
Additions during the year	852	81,050	852	79,180
As at 31st March	137,630	136,778	81,387	80,535
Accumulated amortization				
As at 1 April	31,624	23,317	1,934	1,206
Amortization for the Year	13,336	8,307	5,678	728
As at 31st March	44,960	31,624	7,612	1,934
Net book value	92,670	105,154	73,775	78,601

13.3 Right to use of assets

Set below, are the carrying amounts of the right of use assets and liabilities and the movements during the year.

As at 1 April	113,440	10,705	-	-
Additions	1,917	148,980	-	-
Net derecognitions	-	(9,450)	-	-
Less: Depreciation charge	(53,876)	(36,795)	-	-
As at 31st March	61,481	113,440	-	-

13.3.1 Following are the amounts recognised in profit or loss

Depreciation charge of right-of-use assets	53,876	36,795	-	-
Interest expense on lease liabilities	7,819	8,717	-	-
Total amount recognised in profit or loss	61,695	45,512	-	-

13.3.2 Following are the amounts recognized in statement of cash flow

Lease payment	48,251	21,728	-	-
Lease Interest paid	7,819	8,717	-	-
Total amount recognised in statement of cash flow	56,070	30,445	-	-

14. INVESTMENT IN SUBSIDIARY

	No of shares As at 31-03-2026	Holding %	Cost As at 31-03- 2026 Rs.'000	No of shares As at 31-03-2025	Holding %	Cost As at 31-03- 2025 Rs.'000
Swisstek Aluminium Ltd	145,067,842	67.99%	479,784	145,067,842	67.99%	479,784
Swisstek Development (Pvt) Limited	5,720,350	100%	57,204	5,720,350	100%	57,204
			536,988			536,988

15. OTHER LONG TERM INVESTMENTS

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
CP Holding (Private) Limited	56,667	56,667	-	-
	56,667	56,667	-	-

Above Investment in 16.67% of CP Holdings (Private) Limited has been designated as investment in FVOCI. The balance reflects the recent sale price of remaining non-quoted investments. The investment has been designated the investments in FVOCI because these represent investments that the Group intended to held for the long term for strategic purpose. No strategic investments were disposed during 2025/2026, and there were no transfer of any cumulative gain or loss within these equity investment.

16. INVESTMENT PROPERTY

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/ Revaluation				
Balance as at 1 April	203,000	202,000	203,000	202,000
Change in fair value	3,000	1,000	3,000	1,000
Balance as at 31st March	206,000	203,000	206,000	203,000

Investment property consists of a retail tiles sales centre and three stores/warehouses. These are leased to Lanka Tiles PLC (LT), Lanka Walltiles PLC (LW) and Royal Ceramic Lanka PLC (RCL).

Rental income earned from investment properties by the Group/Company amounted to Rs. 30.8 Mn (2024/25 - Rs. 21.8 Mn). Direct operating expenses incurred amounted to Rs. 10.4 Mn.

The carrying amount of Investment Property is the fair value of the property as determined by a registered independent valuer Mr. D.G.Newton on 31st March 2026.

Address	Type of property	Occupying party	Extent	Cost	Date of Valuation	Fair Value 2026 Rs.'000	Fair Value 2025 Rs.'000
Factory complex, belummahara, imbulgoda	Tile stores	LT /LW	26,000 sq.ft	5,663	31-Mar-26	121,846	120,071
Factory complex, belummahara, imbulgoda	Sales center	LT /LW/RCL	4,900 sq.ft	14,053	31-Mar-26	42,646	42,025
Factory complex, belummahara, imbulgoda	Open shed	LW	3,400 sq.ft	6,277	31-Mar-26	11,381	11,215
Factory complex, belummahara, imbulgoda	Warehouse	RCL	5,000 sq.ft	11,067	31-Mar-26	30,127	29,689
				37,060		206,000	203,000

NOTES TO THE FINANCIAL STATEMENTS

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of Land and investment property, as well as the significant unobservable inputs used.

Address	Location	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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Swisstek (Ceylon) PLC**Investment property**

Factory Complex	Belummahara	Investment method	A reasonable rent that the property could fetch in its existing use is estimated on the basis of rent paid to comparable properties. Valuation estimated market rental rates ranging from LKR 58.00 to LKR 85.00 per square feet and capitalization rates (YP) ranging from 13% to 17%.	The estimated fair value would increase/decrease if expected market rentals get high/low.
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Property plant and equipment

Land and building	Belummahara	Contractor's method	Considering the location, extent and site characteristics the land value is determined by adopting rates from Rs. 350,000 to Rs. 1,000,000 per perch. The building value is determined by adopting rates from Rs. 750 to Rs. 4,500 per sq.ft.	The estimated fair value would increase/decrease if the market value of the land or building gets high/low.
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17 INVENTORIES

As at 31st March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Spares and consumables	493,520	287,594	75,261	53,881
Raw material	2,861,629	2,449,403	530,363	371,819
Work in progress	1,056,166	978,975	3,959	1,754
Finished goods	1,488,111	1,499,692	116,369	134,765
Less: Provision for obsolete and slow moving items - (Note 17.1)	(275,010)	(116,580)	(28,154)	(26,365)
	5,624,416	5,099,084	697,798	535,854
Note 17.1 - Provision for obsolete and slow moving items				
Balance as at 1 April	116,580	74,799	26,365	26,005
Inventory written off	(52,517)	-	-	-
Provision made/(reversal) during the year	210,947	41,781	1,789	360
Balance as at 31st March	275,010	116,580	28,154	26,365

18 TRADE AND OTHER RECEIVABLES

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade receivables - Others	2,882,184	2,326,705	419,312	352,147
- Related companies (Note 18.1)	643,839	325,815	481,537	236,767
	3,526,023	2,652,520	900,849	588,914
Less : Provision for impairment of trade debtors	(70,675)	(55,025)	(28,936)	(16,429)
Deposits, advances, prepayments & other recoverables	422,649	432,022	215,164	85,358
	3,877,997	3,029,517	1,087,077	657,843

18.1 Trade receivables - Related companies

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Uni Dil Packaging Ltd.	-	17	-	17
Lanka Tiles PLC	77,747	231,785	-	192,182
Lanka Walltiles PLC	458,503	-	458,503	-
Lanka Swisstek (Pvt) Limited	89,175	49,417	-	-
Royal Ceramics Lanka PLC	16,973	44,568	16,973	44,568
Lanka Ceramics PLC	1,441	28	-	-
Swisstek Aluminium Limited	-	-	6,061	-
	643,839	325,815	481,537	236,767

19 CONTRACT ASSET AND FINANCIAL ASSETS

19.1 Contract assets

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1st April	-	30,033	-	30,033
During the year recognized/(derecognized)	-	(30,033)	-	(30,033)
As at 31st March	-	-	-	-

The contract assets primarily relate to company's rights to consideration for work completed but not billed at the reporting date on supply of timber. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

NOTES TO THE FINANCIAL STATEMENTS

20 AMOUNT DUE FROM RELATED COMPANIES

As at 31st March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Swisstek Aluminium Limited	-	-	1,098	9,971
Lanka Walltiles PLC	62,966	11,052	62,966	11,052
Royal Ceremics Lanka PLC	2,788	2,436	2,788	2,436
Lanka Tiles USA Inc.	32,561	28,833	32,561	28,833
Rocel Bathware Ltd	316	496	316	496
Lanka Tiles PLC	7,085	10,937	7,085	10,937
Swisstek Development (Pvt) Limited	-	-	493	341
	105,716	53,754	107,307	64,066

21 CASH AND CASH EQUIVALENTS

As at 31st March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
21.1 Favorable balances				
Cash in hand	1,176	2,473	750	750
Cash at banks	569,758	413,640	277,918	255,236
	570,934	416,113	278,668	255,986
21.2 Unfavorable balances				
Bank overdrafts	(384,649)	(442,706)	(268,969)	(152,987)
Cash and cash equivalents for the purpose of cash flow statement	186,285	(26,593)	9,699	102,999

21.3 Short term investments

As at 31st March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Fixed deposits	40,679	36,332	40,679	36,332
	40,679	36,332	40,679	36,332

22 STATED CAPITAL - COMPANY

As at 31st March,

	2026		2025	
	No. of Shares	Rs.'000	No. of Shares	Rs.'000
Balance as at 1st April	136,860,000	368,256	136,860,000	368,256
Balance as at 31st March	136,860,000	368,256	136,860,000	368,256

22.1 Dividend paid;

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rs. 0.3 per 136,860,000 ordinary shares	-	41,058	-	41,058
Rs. 1.15 per 136,860,000 ordinary shares	-	157,389	-	157,389
Rs. 0.35 per 136,860,000 ordinary shares	47,901	-	47,901	-
Rs. 1.70 per 136,860,000 ordinary shares	232,662	-	232,662	-
	280,563	198,447	280,563	198,447

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

23 RESERVES

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
a) Revaluation reserve (23.1)				
As at 1st April	982,042	982,042	728,744	728,744
As at 31st March	982,042	982,042	728,744	728,744
b) Capital redemption reserve (23.2)	121	121	121	121
c) General reserve (23.3)	19,842	19,842	19,842	19,842
Total	1,002,005	1,002,005	748,707	748,707

23.1 The revaluation reserve relates to property, plant and equipment which has been revalued by the Group.

23.2 The capital redemption reserve is created for the purpose of repurchasing shares back from shareholders. This fund is not used to distribute dividend or any other purpose

23.3 The general reserves relates to retained earnings set aside by the group.

NOTES TO THE FINANCIAL STATEMENTS

24 EMPLOYEE BENEFITS

As at 31st March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Movement in present value of the defined benefit obligation				
Defined benefit obligation at 1st April	105,111	78,621	33,427	23,955
Current service cost and interest (24.1)	30,699	23,678	9,063	7,030
Actuarial (gain)/ losses in other comprehensive income (24.2)	5,324	11,055	8,948	3,901
Payment during the year	(4,525)	(8,243)	(1,864)	(1,459)
Defined benefit obligation at 31st March	136,609	105,111	49,574	33,427
24.1 Expenses recognized in profit or loss				
Current service cost	19,137	13,850	5,386	4,036
Interest cost	11,562	9,828	3,677	2,994
	30,699	23,678	9,063	7,030
24.2 Actuarial (gain)/loss recognized in other comprehensive income				
Actuarial (gain) or loss	5,324	11,055	8,948	3,901
	5,324	11,055	8,948	3,901

As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zero coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing employee benefit obligations as per LKAS 19. Further, the salary increment rate of 15% is considered appropriate to be in line with the company's targeted future salary increments when taking into account the current market conditions and inflation rate.

	2026	2025
Swisstek (Ceylon) PLC		
1. Discount rate (the rate used to discount the future cash flows in order to determine the present value)	10.0%	11.0%
2. Future salary increase	15.0%	13.8%
3. Staff turnover	8.0%	8.0%
4. Weighted average duration of defined benefit obligation (years)	10.10	9.00
Swisstek Aluminium Limited		
1. Discount rate (the rate used to discount the future cash flows in order to determine the present value)	10.0%	11.0%
2. Future salary increase	10.0%	13.8%
3. Staff turnover	17.0%	22.0%
4. Weighted average duration of defined benefit obligation (years)	5.40	4.50

24 EMPLOYEE BENEFITS (CONTINUED)

As at 31st March,	Swisstek Aluminium Limited		Swisstek (Ceylon) PLC	
	2026	2025	2026	2025
Retainment age				
Male	60	60	60	60
Female	60	60	60	60
No of employees				
Male	539	528	123	102
Female	51	49	22	18
Total	590	577	145	120

In addition to above, assumptions regarding future mortality are based on published statistics and mortality tables.

24.3 Sensitivity of assumptions employed in 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.

The sensitivity of the Statement of profit or loss and other comprehensive income and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

Company		2026		2025	
Increase/ (Decrease) in discount rate	Increase/ (Decrease) in salary increment rate	Effect on charge to the Statement of profit or loss and other comprehensive income	Effect on employee benefit obligation	Effect on charge to the Statement of profit or loss and other comprehensive income	Effect on employee benefit obligation
		Rs.000	Rs.'000	Rs.000	Rs.'000
1%	*	4,243	(4,243)	2,634	(2,634)
-1%	*	(4,901)	4,901	(3,012)	3,012
*	1%	(4,873)	4,873	(3,054)	3,054
*	-1%	4,310	(4,310)	2,722	(2,722)

Subsidiary		2026		2025	
Increase/ (Decrease) in discount rate	Increase/ (Decrease) in salary increment rate	Effect on charge to the Statement of profit or loss and other comprehensive income	Effect on employee benefit obligation	Effect on charge to the Statement of profit or loss and other comprehensive income	Effect on employee benefit obligation
		Rs.000	Rs.'000	Rs.000	Rs.'000
1%	*	4,047	(4,047)	2,771	(2,771)
-1%	*	(4,468)	4,468	(3,007)	3,007
*	1%	(4,831)	4,831	(3,241)	3,241
*	-1%	4,452	(4,452)	3,041	(3,041)

NOTES TO THE FINANCIAL STATEMENTS

25 LOANS AND BORROWINGS

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement in interest bearing loans & borrowings				
Balance at the beginning of the year	3,624,733	3,767,294	369,167	17,413
Loans obtained during the year	344,933	382,500	-	382,500
Repayments made during the year	(931,731)	(525,062)	(80,000)	(30,746)
Balance at the end of the year	3,037,935	3,624,732	289,167	369,167
25.1 Amount falling due within one year	1,226,262	917,735	80,004	80,004
25.2 Amount falling due after one year	1,811,673	2,706,997	209,163	289,163

25.3 Bank loans

Lender	Interest rate	Security	Group				Company			
			2026		2025		2026		2025	
			Amount payable within one year	Amount payable after one year	Amount payable within one year	Amount payable after one year	Amount payable within one year	Amount payable after one year	Amount payable within one year	Amount payable after one year
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Nations Trust Bank PLC	AWPLR (repriced quarterly)	Primary MB over stocks and Book Debts of SAL for Rs. 600 MN.	163,342	-	250,500	163,342	-	-	-	-
Seylan Bank PLC	AWPLR+ 1%	MB No CBG/SM/19/009 for Rs.660 over stock & debtors	300,000	189,872	300,000	489,872	-	-	-	-
Commercial bank	Fixed Rate 7.75%	Solar Panel Equipment	31,320	7,759	31,320	39,079	-	-	-	-
DFCC Bank	AWPLR+ 1%	Mortgage Bond for Rs. 1,500 Mn over stock and	540,000	1,140,000	227,920	1,680,000	-	-	-	-
DFCC Bank	Fixed Rate 10%	Debtors with an insurance policy over stocks assigned in favour of the Bank.	19,949	14,962	21,612	34,911	-	-	-	-
DFCC Bank	0 %		6,379	4,252	6,379	10,630	-	-	-	-
Union Bank	Fixed Rate 11%	Clean	56,000	124,933	-	-	-	-	-	-
Commercial bank	Fixed Rate 11.50%	Clean	29,268	120,732	-	-	-	-	-	-
Bank of Ceylon	AWPLR+ 1%	Mortgage over Land, Building, Plant & Machinery owned by Swisstek (Ceylon) PLC	80,004	209,163	80,004	289,163	80,004	209,163	80,004	289,163
			1,226,262	1,811,673	917,735	2,706,997	80,004	209,163	80,004	289,163

There are no covenants placed by the loan providers for the above mentioned loans.

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
25.4 Lease liability				
Balance at the beginning of the year	109,210	15,845	-	-
Lease Additions	1,917	115,093	-	-
Lease Interest	7,819	8,717	-	-
Less: Payments	(56,070)	(30,445)	-	-
Balance as at end of the year	62,876	109,210	-	-
Amount payable within 12 months	23,038	45,709	-	-
Amount payable after 12 months	39,838	63,501	-	-
	62,876	109,210	-	-

26 TRADE AND OTHER PAYABLES

Trade payables - Others	2,042,985	1,501,264	239,852	221,750
- Related companies (Note 26.1)	1,540	1,844	20,267	23,729
	2,044,525	1,503,108	260,119	245,479
EPF / ETF payable	10,965	12,097	2,458	1,905
Bank loan interest payable	21,131	16,650	5,001	4,213
Accruals & other payables	1,157,069	702,585	297,452	201,463
VAT/SSCL/WHT/APIT payable	284,148	49,983	101,989	49,983
	3,517,838	2,284,423	667,019	503,043

26.1 Trade payables - Related companies

Swisstek Aluminium Ltd	-	-	18,727	21,885
Unidil Packaging Ltd.	1,540	1,844	1,540	1,844
	1,540	1,844	20,267	23,729

27 SHORT TERM LOANS

Balance at the beginning of the year	2,206,420	2,190,838	476,882	682,829
Loans obtained during the year	5,999,494	7,167,486	2,021,594	2,362,122
Repayments made during the year	(5,912,709)	(7,151,904)	(1,827,361)	(2,568,069)
Balance at the end of the year	2,293,205	2,206,420	671,115	476,882

Short Term loans have been obtained for Working capital financing from BOC (AWPLR+1.00%), COMMERCIAL BANK (AWPLR+0.5%), UNION BANK (AWPLR+1.00%), DFCC BANK (AWPLR+1.25%), SAMPATH BANK (AWPLR+1.00%), SEYLAN BANK (AWPLR+1.0%) & HATTON NATIONAL BANK (AWPLR + 0.5%) banks and are repayable within 3 to 6 months.

NOTES TO THE FINANCIAL STATEMENTS

28 AMOUNTS DUE TO RELATED COMPANIES

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lanka Tiles PLC	75,530	62,379	-	-
Royal Ceramics Lanka PLC	515	-	-	-
Lanka Walltiles PLC	18,141	42,469	-	-
Vallibel One PLC	53,433	22,258	17,005	-
	147,619	127,106	17,005	-

29 INCOME TAX PAYABLE

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the beginning of the year	125,428	51,720	88,487	53,284
Income tax expense charged during the year	380,768	201,689	245,715	161,400
Adjustments for prior years	14,163	(1,976)	13,578	(1,537)
Income tax paid during the year	(339,628)	(126,005)	(261,526)	(124,660)
Balance at the end of the year	180,731	125,428	86,254	88,487

30 RISK MANAGEMENT

30.1 Financial Risk Management

Overview

The Group has exposure to the following risks from its use of 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. Further quantitative disclosures are included throughout these financial statements.

30.1.1 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 its contractual obligation, and arise principally from the Group's receivables from customers.

Carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows;

As at 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Carrying value				
Trade receivable	3,526,023	2,652,520	900,849	588,914
Amounts due from related companies	105,716	53,754	107,307	64,066
Cash & cash equivalents	569,758	413,640	277,918	255,236

Management of Credit Risk

Trade & Other Receivables

The group has a well-established credit control policy & process to minimize credit risk. Customers are categorized according to the segments and credits limit have been fixed as per the bank guarantees given by the respective customer. Transactions will be started only when the company receives the bank guarantees from the customers and further invoicing will be done only for the customers whose outstanding balance do not exceed the credit limit.

Impairment losses

The aging of trade and other receivables at the reporting date that were not impaired was as follows;

	Group				Company			
	2026		2025		2026		2025	
	Gross Balance Rs.'000	Impairment Rs.'000	Gross Balance Rs.'000	Impairment Rs.'000	Gross Balance Rs.'000	Impairment Rs.'000	Gross Balance Rs.'000	Impairment Rs.'000
Below 30 days	1,758,978	(1,856)	1,637,775	(960)	411,694	(363)	399,299	(333)
30 - 45 days	574,784	(991)	583,206	(1,036)	98,483	(189)	112,686	(258)
46 - 60 days	281,702	(1,126)	104,050	(183)	61,259	(844)	17,452	(40)
Over 61 days	910,559	(66,702)	327,489	(52,846)	329,413	(27,540)	59,477	(15,798)
	3,526,023	(70,675)	2,652,520	(55,025)	900,849	(28,936)	588,914	(16,429)

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The movement in the provision for impairment in respect of trade and other receivables during the year was as follows.

As at 31st March,	Impairment	
	Group Rs.'000	Company Rs.'000
Balance at 31st March 2024	44,647	8,987
Impairment loss recognised/(reversed)	10,378	7,442
Balance at 31st March 2025	55,025	16,429
Impairment loss recognised	15,650	12,507
Balance at 31st March 2026	70,675	28,936

The Group believes that the unimpaired amounts that are past due by more than 45 days are still to be collected in full, based on historic payment behaviour and extensive analysis of customer credit risk. Based on the Group's monitoring of customer credit risk, the Group believes that, except as indicated above, no impairment allowance is necessary in respect of trade receivables not past due.

Cash & cash equivalents

The Group held cash and cash equivalents of Rs. 570.9 Mn. at 31st March 2026 (2025: Rs. 416.1 Mn.), which represents its maximum credit exposure on these assets.

30.1.2 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 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. Due to the current uncertain economic condition in Sri Lanka, the interest rates has been slightly increased and as a result of that the company has exposed to a risk that significantly affects.

The following are the contractual maturities of financial liabilities, including estimated interest:

The maturity analysis of liabilities - Group	Carrying value Rs.'000	Current Upto 1 year Rs.'000	Non Current Upto 2 years Rs.'000	Upto 5 years Rs.'000	Above 5 years Rs.'000
As at 31st March 2026					
Bank overdrafts	384,649	384,649	-	-	-
Long term borrowings	3,037,935	1,361,151	1,752,216	428,735	71,083
Short term borrowings	2,293,205	2,545,457	-	-	-
Lease liability	62,876	50,737	24,766	45,721	-
Trade and other payable	2,065,656	2,065,656	-	-	-
Amount due to related companies	147,619	147,619	-	-	-
As at 31st March 2025					
Bank overdrafts	442,706	442,706	-	-	-
Long term borrowings	3,624,732	1,018,685	1,055,730	1,949,038	-
Short term borrowings	2,206,420	2,449,127	-	-	-
Lease liability	109,210	50,737	24,766	45,721	-
Trade and other payable	1,519,758	1,519,758	-	-	-
Amount due to related companies	127,106	127,106	-	-	-

The maturity analysis of liabilities - Company	Carrying value Rs.'000	Current Upto 1 year Rs.'000	Non Current Upto 2 years Rs.'000	Upto 5 years Rs.'000	Above 5 years Rs.'000
As at 31st March 2026					
Bank overdrafts	268,969	268,969	-	-	-
Long term borrowings	289,167	88,804	186,409	65,376	-
Short term borrowings	671,115	744,938	-	-	-
Trade and other payable	265,120	265,120	-	-	-
Amount due to related companies	17,005	17,005	-	-	-
As at 31st March 2025					
Bank overdrafts	152,987	152,987	-	-	-
Long term borrowings	369,167	88,804	176,389	208,197	-
Short term borrowings	476,882	529,339	-	-	-
Trade and other payable	249,692	249,692	-	-	-

As per the information of Fitch Rating Sri Lanka, the credit ratings of our financial institutions are BOC(AA-), COM(AA-), DFCC(A), SEYLAN(A+), SAMPATH(AA-), UNION (BBB+), HNB(AA-) & NTB (A+).

30.1.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc.; will effect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns.

(i) Currency risk

The risk that the fair value or future cash flows of a financial instrument fluctuation due to changes in foreign exchange rates. The Group is exposed to currency risk on sales, purchases, borrowings and investments that are denominated in a currency other than the functional currency which is Sri Lankan Rupees (LKR). Since The Sri Lankan Rupee witnessed a significant depreciation against the US Dollar & Euro.

The risk is minimized by hedging the currency either by hedge Internally by a matching sales and purchases or matching assets and liabilities of the same currency and amounts.

The principal exchange rates used by the Group for conversion of foreign currency balances and transactions, for the year as follows :

Currency	Average rate	Closing rate	
		Selling	Buying
U. S. Dollar	315.54	319.31	311.77

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity analysis

A strengthening or weakening of Sri Lankan Rupees as indicated below, against the major foreign currencies as at 31st March 2026 would have increased/(decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Increase/(Decrease) in principal exchange rates	Effect on Profit before Tax		Effect on Equity net of Tax	
	Strengthen	Weakening	Strengthen	Weakening
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 31.03.2026				
U. S. Dollar				
(5% Movement)	10,150	(10,150)	7,105	(7,105)
(10% Movement)	20,301	(20,301)	14,210	(14,210)
(15% Movement)	30,451	(30,451)	21,316	(21,316)
(20% Movement)	40,601	(40,601)	28,421	(28,421)
As at 31.03.2025				
U. S. Dollar				
(5% Movement)	11,235	(11,235)	7,865	(7,865)
(10% Movement)	22,470	(22,470)	15,729	(15,729)
(15% Movement)	33,705	(33,705)	23,594	(23,594)
(20% Movement)	44,940	(44,940)	31,458	(31,458)

(ii) Interest rate risk

The principal risk to which non-trading portfolios are exposed is the loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Considering the current economic uncertainties of the country the group expose to a higher interest rate risk.

At the end of the reporting period the interest rate profile of the Group's/company's interest-bearing financial instruments as reported to the management of the company was as follows;

	Group		Company	
	Nominal amount		Nominal amount	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Variable rate instruments				
Financial liabilities	(5,715,789)	(6,273,859)	(1,229,251)	(999,036)
	(5,715,789)	(6,273,859)	(1,229,251)	(999,036)

A reasonable possible change of 600 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant.

	Impact on Profit before tax			
	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Variable rate instruments				
200 bp increase	(114,316)	(125,477)	(24,585)	(19,981)
400 bp increase	(228,632)	(250,954)	(49,170)	(39,961)
500 bp increase	(285,789)	(313,693)	(61,463)	(49,952)
600 bp increase	(342,947)	(376,432)	(73,755)	(59,942)
200 bp decrease	114,316	125,477	24,585	19,981
400 bp decrease	228,632	250,954	49,170	39,961
500 bp decrease	285,789	313,693	61,463	49,952
600 bp decrease	342,947	376,432	73,755	59,942

	Effect on Equity net of Tax			
	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Variable rate instruments				
200 bp increase	(83,714)	(93,242)	(16,781)	(14,208)
400 bp increase	(167,428)	(186,484)	(33,563)	(28,416)
500 bp increase	(209,285)	(233,105)	(41,953)	(35,520)
600 bp increase	(251,142)	(279,725)	(50,344)	(42,624)
200 bp decrease	83,714	93,242	16,781	14,208
400 bp decrease	167,428	186,484	33,563	28,416
500 bp decrease	209,285	233,105	41,953	35,520
600 bp decrease	251,142	279,725	50,344	42,624

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity. The Group also monitors the level of dividends to ordinary shareholders.

The company's debt to adjusted capital ratio at the end of the reporting period was as follows.

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total liabilities	10,163,128	9,383,470	2,481,861	2,052,230
Less: cash and cash equivalents	570,934	416,113	278,668	255,986
Net debt	9,592,194	8,967,357	2,203,193	1,796,244
Total equity	4,597,484	3,677,877	2,742,733	2,456,464
Net debt to equity ratio at 31st March	2.09	2.44	0.80	0.73

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

31 CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENT**31.1 Carrying amount of financial instrument**

The Carrying amount of financial assets and liabilities, shown in the Statement of Financial Position, are as follows.

2026

	Note	Group			Total Rs.'000
		Amortised Cost Rs.'000	Financial Asset FVOCI Rs.'000	Other financial liabilities Rs.'000	
Financial assets					
Trade receivables	18	3,455,348	-	-	3,455,348
Amounts due from related companies	20	105,716	-	-	105,716
Other investment FVOCI	15	-	56,667	-	56,667
		3,561,064	56,667	-	3,617,731
Short term investment	21.3	40,679	-	-	40,679
Cash and cash equivalents	21.1	570,934	-	-	570,934
		4,172,676	56,667	-	4,229,344
Financial liabilities					
Loans and borrowings	25	-	-	3,037,935	3,037,935
Short term loans	27	-	-	2,293,205	2,293,205
Trade and other payables	26	-	-	2,065,656	2,065,656
Amounts due to related companies	28	-	-	147,619	147,619
Lease liability	25.4	-	-	62,876	62,876
Bank overdraft	21.2	-	-	384,649	384,649
		-	-	7,991,940	7,991,940

2025

	Note	Group			Total Rs.'000
		Amortised Cost Rs.'000	Financial Asset FVOCI Rs.'000	Other financial liabilities Rs.'000	
Financial assets					
Trade receivables	18	2,597,495	-	-	2,597,495
Amounts due from related companies	20	53,754	-	-	53,754
Other investment FVOCI	15	-	56,667	-	56,667
		2,651,249	56,667	-	2,707,916
Short term investment	21.3	36,332	-	-	36,332
Cash and cash equivalents	21.1	416,113	-	-	416,113
		3,103,694	56,667	-	3,160,361
Financial liabilities					
Loans and borrowings	25	-	-	3,624,732	3,624,732
Short term loans	27	-	-	2,206,420	2,206,420
Trade and other payables	26	-	-	1,519,758	1,519,758
Amounts due to related companies	28	-	-	127,106	127,106
Lease liability	25.4	-	-	109,210	109,210
Bank overdraft	21.2	-	-	442,706	442,706
		-	-	8,029,932	8,029,932

2026

	Note	Company			Total Rs.'000
		Amortised Cost Rs.'000	Financial Asset FVOCI Rs.'000	Other financial liabilities Rs.'000	
Financial assets					
Trade receivables	18	871,913	-	-	871,913
Amounts due from related companies	20	107,307	-	-	107,307
		979,220	-	-	979,220
Short term investment	21.3	40,679	-	-	40,679
Cash and cash equivalents	21.1	278,668	-	-	278,668
		1,298,567	-	-	1,298,567
Financial liabilities					
Loans and borrowings	25	-	-	289,167	289,167
Short term loans	27	-	-	671,115	671,115
Trade and other payables	26	-	-	265,120	265,120
Amounts due to related companies	28	-	-	17,005	17,005
Bank overdraft	21.2	-	-	268,969	268,969
		-	-	1,511,376	1,511,376

2025

	Note	Company			Total Rs.'000
		Amortised Cost Rs.'000	Financial Asset FVOCI Rs.'000	Other financial liabilities Rs.'000	
Financial assets					
Trade receivables	18	572,485	-	-	572,485
Amounts due from related companies	20	64,066	-	-	64,066
		636,551	-	-	636,551
Short term investment	21.3	36,332	-	-	36,332
Cash and cash equivalents	21.1	255,236	-	-	255,236
		928,119	-	-	928,119
Financial liabilities					
Loans and borrowings	25	-	-	369,167	369,167
Short term loans	27	-	-	476,882	476,882
Trade and other payables	26	-	-	249,692	249,692
Amounts due to related companies	28	-	-	-	-
Bank overdraft	21.2	-	-	152,987	152,987
		-	-	1,248,728	1,248,728

The group does not anticipate the fair value of the above to be significantly different to their carrying values and considers the impact as not material for the disclosure.

NOTES TO THE FINANCIAL STATEMENTS

31.2 Fair value hierarchy for assets carried at fair value

The table below analyses non financial assets measured at fair value at the end of the reporting period, by the level of the fair value hierarchy.

Further for current year the fair value disclosure of lease liability is also not required.

	Note	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Group 2026					
Investment property	16	-	-	206,000	206,000
Freehold land and building	13	-	-	2,841,646	2,841,646
Unquoted equity shares	15	-	-	56,667	56,667
Group 2025					
Investment property	16	-	-	203,000	203,000
Freehold land and building	13	-	-	2,817,831	2,817,831
Unquoted equity shares	15	-	-	56,667	56,667
Company 2026					
Investment property	16	-	-	206,000	206,000
Freehold land and building	13	-	-	1,769,302	1,769,302
Company 2025					
Investment property	16	-	-	203,000	203,000
Freehold land and building	13	-	-	1,753,941	1,753,941

32 RELATED COMPANIES

Details of transactions with related companies in the ordinary course of business are set out below:-

32.1 Transactions with related companies

Name of the Company	Relationship	Nature of the Transaction	Group		Company	
			2026	2025	2026	2025
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
a. Lanka Walltiles PLC	Parent Company	Sale of goods(adhesive/grout/decorative pebbles)	912,645	80	912,645	-
		Sales commission income	15,236	12,871	15,236	12,871
		Warehouse rental income	6,740	6,740	6,740	6,740
		Management fee				
		reimbursement	2,105	2,105	2,105	2,105
		Reimbursement of transport expense	12,035	-	12,035	-
		Interest against over due debtors	15,911	-	15,911	-
		Other reimbursement	52	-	52	-
		Reimbursement of expenses	(1,160)	(15,416)	(723)	(885)
		Microsoft licence fees	(193)	(193)	(193)	(193)
		Rent expenses	(97)	-	(97)	-
		Sap expenses	(8,865)	(27,160)	(2,630)	(27,160)
		Settlement of outstandings	36,048	24,209	5,048	24,209
		Receipts of outstandings	(456,275)	(45,230)	(456,275)	(17,211)
		Outstanding Balance as at 31st March 2026	503,328	(31,417)	521,469	11,052
b. Lanka Tiles PLC	Related Company	Sale of goods(adhesive/grout/decorative pebbles)	149,431	948,500	149,431	948,500
		Sale of goods - aluminium	38,145	41,539	-	-
		Purchase of goods	(9,837)	(10)	(466)	-
		Receipts of outstandings	(437,297)	(1,020,285)	(437,297)	(1,020,285)
		Operational & administration expenses	(6,637)	(14,205)	(6,637)	(10,090)
		Management fees				
		reimbursement	7,250	7,250	7,250	7,250
		Sap technical fees				
		reimbursement	(3,786)	(606)	(7)	(606)
		Reimbursement of transport expense	1,754	12,223	1,754	12,222
		Rent income	18,868	25,491	18,868	25,491
		Interest against over due debtors	109	-	109	-
		Other reimbursement	1,116	-	1,116	-
		Computer maintenance fees charged	(4,075)	(4,075)	(4,075)	(4,075)
		Sales commission income	47,209	59,588	47,209	59,588
		Finance cost	(6,047)	(6,047)	(6,047)	(6,047)
		Rent expenses			(1,034)	-
		Settlement of outstandings	33,792	17,550	33,792	17,540
		Loan interest expenses	-	(1,622)	-	-
		Outstanding Balance as at 31st March 2026	9,302	180,343	7,085	203,118

NOTES TO THE FINANCIAL STATEMENTS

Name of the Company	Relationship	Nature of the Transaction	Group		Company	
			2026	2025	2026	2025
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
c. Royal Ceramic Lanka PLC	Related Company	Sale of goods	378,867	221,849	378,867	221,849
		Sales commission income	13,128	10,946	13,128	10,946
		Reimbursement of security expenses	989	1,020	989	1,020
		Warehouse rental income	5,038	7,107	5,038	5,038
		Purchase of goods	(3,852)	(181)	(334)	-
		Administration expenses	(531)	(300)	(531)	(14)
		Settlement of outstandings	4,700	300	865	14
		Receipts of outstandings	(425,265)	(216,580)	(425,265)	(213,198)
		Expenses incurred by related party	(832)	-	-	-
		Outstanding Balance as at 31st March 2026	19,246	47,004	19,761	47,004
d. Rocell Bathware Ltd.	Related Company	Commission on sales	2,710	2,354	2,710	2,354
		Receipts of outstandings	(2,890)	(3,448)	(2,890)	(3,448)
		Outstanding Balance as at 31st March 2026	316	496	316	496
e. Unidil Packaging Ltd	Related Company	Sale of goods	3,638	-	3,638	-
		Receipts of outstandings	(3,655)	-	(3,655)	-
		Settlement of outstandings	19,335	11,355	19,335	11,355
		Purchase of corrugated boxes	(19,031)	(12,412)	(19,031)	(12,412)
		Outstanding Balance as at 31st March 2026	(1,540)	(1,827)	(1,540)	(1,827)
f. Swisstek Aluminium Ltd	Subsidiary Company	Sale of goods	-	-	12,344	5,991
		Purchase of goods	-	-	(132,813)	3,193
		Rent income	-	-	-	(69,054)
		Administration expenses	-	-	(6,183)	-
		Other reimbursement	-	-	3,941	-
		Receipts of outstandings	-	-	(16,254)	-
		Settlement of outstandings	-	-	139,310	64,007
		Outstanding Balance as at 31st March 2026	-	-	(11,569)	(11,914)

Name of the Company	Relationship	Nature of the Transaction	Group		Company	
			2026	2025	2026	2025
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
g. Lanka Ceramic PLC	Related Company	Rent income	1,441	486	-	-
		Reimbursement of operational expense	-	140	-	-
		Receipts of outstandings	(28)	(1,659)	-	-
		Outstanding Balance as at 31st March 2026	1,441	28	-	-
h. Lanka Tiles USA Inc.	Related Company	Foreign exchange gain/ (loss) of outstanding	3,728	(721)	3,728	(721)
		Outstanding Balance as at 31st March 2026	32,561	28,833	32,561	28,833
i. Lanka Swisstek Ltd.	Related Company	Sales of goods	58,196	48,279	-	-
		Reimbursement of expenses	-	1,138	-	-
		Settlement of outstandings	(18,438)	-	-	-
		Outstanding Balance as at 31st March 2026	89,175	49,417	-	-
j. Swisstek Development Ltd	Subsidiary Company	Reimbursement of administration expenses	-	-	152	161
		Outstanding Balance as at 31st March 2026	-	-	493	341
K. Vallibel One PLC	Related Company	Technical fees	(73,473)	-	(29,500)	-
		Administration expenses	(1,223)	-	(700)	-
		Settlement of outstandings	21,264	-	13,195	-
		Outstanding Balance as at 31st March 2026	(53,432)	-	(17,005)	-

NOTES TO THE FINANCIAL STATEMENTS

32.2 Transactions with key management person

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 Board of Directors (including Executive and Non-Executive Directors) have been classified as Key Management Personnel of the Company and the Group. Following transactions have been occurred with the key Management Personnel during the period.

(i) Loans given to directors

No loans have been given to the directors of the group.

(ii) Key management personnel compensation

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Director fees	10,230	11,622	2,455	2,425
Salary and allowances	31,467	4,634	31,467	4,634
	41,697	16,256	33,922	7,059

33 NON CONTROLLING INTEREST

The following table summarises the information relating to subsidiary that has material Non Controlling Interest (NCI).

As at 31st March,	Swisstek Aluminium Ltd	
	2026	2025
	Rs.'000	Rs.'000
NCI percentage	32.01%	32.01%
Non current assets	2,039,218	2,018,160
Current assets	8,035,689	7,115,769
Non current liabilities	(1,729,384)	(2,553,022)
Current liabilities	(6,003,660)	(4,878,199)
Net assets	2,341,863	1,702,708
Carrying amount of NCI	749,630	545,037
Revenue	12,194,809	11,945,042
Profit	636,256	510,378
OCI	2,899	(5,723)
Total comprehensive income	639,156	504,655
Profit allocated to NCI	202,088	64,410
OCI allocated to NCI	928	(722)
Cash flows from operating activities	1,229,707	(62,271)
Cash flows from investing activities	(261,030)	(22,858)
Cash flows from financing activities	(662,498)	65,057
Net increase (decrease) in cash and cash equivalents	306,179	(20,072)

34 CAPITAL EXPENDITURE COMMITMENTS

There were no material capital commitments as at the reporting date.

35 COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies.

36 EVENTS AFTER THE REPORTING DATE

Subject to the approval of the shareholders at the Annual General Meeting, on 30th June 2026 by circular resolution, the Board of Directors has recommended the final dividend of forty cents (Rs. 0.40) per share for the year ended 31st March 2026.

Other than above there are no material events occurred after the reporting date that require adjustment or disclosure in the financial statements.

INVESTOR INFORMATION

MAJOR SHAREHOLDERS LIST AS AT 31ST MARCH 2026

NO	NAME	NO OF SHARES	%
1	LANKA FLOORTILES PLC	65,425,900	47.805
2	LANKA WALLTILES PLC	15,706,250	11.476
3	ROYAL CERAMICS LANKA PLC.	9,413,065	6.878
4	PEOPLE'S LEASING AND FINANCE PLC/DR. K.A.P.GUNAWARDHANA	3,000,000	2.192
5	PEOPLE'S LEASING & FINANCE PLC/MR. IRESH SRIDAS GURUSINGHE	1,349,433	0.986
6	DFCC BANK PLC A/C NO.02	1,095,682	0.801
7	SEYLAN BANK PLC/CHITHRU NISHANTHA JAYASOORIYA	1,000,017	0.731
8	ARUNODHAYA INVESTMENTS (PRIVATE) LIMITED	1,000,000	0.731
9	ARUNODHAYA INDUSTRIES (PRIVATE) LIMITED	1,000,000	0.731
10	ANDYSEL PRIVATE LIMITED	1,000,000	0.731
11	ARUNODHAYA (PRIVATE) LIMITED	1,000,000	0.731
12	MR. G. ANURAGAVAN	872,364	0.637
13	COMMERCIAL BANK OF CEYLON PLC/G.S.N.PEIRIS	850,000	0.621
14	PEOPLE S LEASING AND FINANCE PLC/VERITE RESEARCH (PVT) LTD	770,000	0.563
15	MR. A.A. PAGE	625,000	0.457
16	MR. N.S. AHAMED & MRS. K.A.SHIFFER	623,779	0.456
17	DR. A.A.M. DHARMADASA	604,429	0.442
18	SEYLAN BANK PLC/GLADSTONE CAPITAL (PRIVATE) LIMITED	602,500	0.44
19	SHERWOOD CAPITAL (PVT) LTD	600,000	0.438
20	MRS. M.S. JAYEWARDENE	596,669	0.436
21	MR. U.M. BANDARA	578,300	0.423
22	MRS. S. VASUDEVAN	545,000	0.398
23	ROSEWOOD (PVT) LIMITED-ACCOUNT NO.1	500,000	0.365
24	MR. O. SENANAYAKE & MR. D.R.PEIRIS,MR. S.P.PERERA	464,798	0.34
25	SEYLAN BANK PLC/HOTEL INTERNATIONAL (PVT) LTD	402,049	0.294
SUB TOTOAL		109,625,235	80.103
OTHERS		27,234,765	19.897
TOTAL		136,860,000	100.000

DISTRIBUTION OF SHAREHOLDING AS AT 31-03-2026

Shareholdings	Number of Shareholders	No.of Shares	%
1-1,000	3,095	786,160	0.5744
1,001-10,000	1,276	4,831,269	3.5301
10,001-100,000	403	11,500,929	8.4034
100,001-1,000,000	67	22,751,295	16.6238
1,000,001 & Over	7	96,990,347	70.8683
Total	4,848	136,860,000	100.0000

ANALYSIS OF SHAREHOLDERS AS AT 31-03-2026

Type	No. of share Holders	Holding	%
Local Individuals	4,586	23,548,200	17.2060
Local Institutions	245	112,718,743	82.3607
Foreign Individuals	13	132,115	0.0965
Foreign Institutions	4	460,942	0.3368
Total	4,848	136,860,000	100.0000

DIRECTORS' AND CEO'S SHAREHOLDING AS AT 31-03-2026

No	Names of Directors	No of Shares	%
1	Mr. S H Amarasekera	-	-
2	Mr. A M Weerasinghe	263,142	0.19
3	Mr L A D N Perera	-	-
4	Dr S Selliah	-	-
5	Mr. J K A Sirinatha	-	-
6	Mr. K D G Gunaratne	-	-
7	Mr. C M U Weerawardena	-	-
8	Mr R M M J Ratnayake	-	-
9	Mr B D S Mendis	-	-
10	Mr. I G I M Ilukkumbura	-	-

INVESTOR INFORMATION

SHARE PRICES FOR THE YEAR 2025/2026

	As of 31/03/2026	As of 31/03/2025
Highest during the year (Rs.)	112.50 (14-07-2025)	48.00 (26-03-2025)
Lowest during the year (Rs.)	42.00 (07-04-2025)	18.10 (03-09-2024)
Value as at end of financial year (Rs.)	79.50 (31-03-2026)	46.60(28-03-2025)
Trade volume during the year	51,769	
Share volume during the year	89,980,548	
Turnover during the year (Rs.)	6,915,622,785.85	

PUBLIC HOLDING

- ▶ The Percentage of shares held by the Pubic as at 31st March 2026 – **30.7260%**
- ▶ No of public shareholders representing the above percentage - **4,840**
- ▶ The float adjusted market capitalization as at 31st March 2026 is **Rs. 3,343,105,618.50**

The Float adjusted market capitalization of the Company falls under Option 4 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said Option.

FIVE YEAR SUMMERY OF FINANCIAL POSITION

Group

As at 31st March,

	2026	2025	2024	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets					
Property, plant and equipment	4,185,532	4,061,726	3,977,718	3,614,292	3,410,725
Intangible assets	92,670	105,154	32,411	26,323	24,749
Other long term investment	56,667	56,667	56,667	56,666	56,667
Investment property	206,000	203,000	202,000	226,735	211,985
Non current assets	4,540,869	4,426,547	4,286,796	3,924,016	3,704,126
Inventories	5,624,416	5,099,084	4,158,185	4,594,619	2,848,174
Trade and other receivables	3,877,997	3,029,517	2,120,422	1,793,908	3,559,029
Contract assets	-	-	30,033	32,343	29,343
Tax receivables	-	-	-	-	-
Amounts due from related companies	105,716	53,754	48,409	7,155	4,789
Cash and cash equivalents	611,614	452,445	455,367	559,431	575,657
Current assets	10,219,743	8,634,800	6,812,416	6,987,456	7,016,992
Total assets	14,760,612	13,061,347	11,081,212	10,911,472	10,721,118
Equity					
Stated capital	368,256	368,256	368,256	368,256	368,256
Reserves	1,002,005	1,002,005	1,002,005	719,412	796,942
Retained earnings	2,516,869	1,800,278	978,954	1,156,195	1,989,932
Equity attributable to owners of the company	3,887,130	3,170,539	2,349,215	2,243,863	3,155,130
Non controlling interest	710,354	507,338	48,956	70,931	204,676
Total equity	4,597,484	3,677,877	2,398,173	2,314,794	3,359,806
Liabilities					
Retirement benefits obligation	136,609	105,111	78,621	49,002	49,052
Lease liability	39,838	63,501	12,391	16,270	21,576
Deferred tax liability	401,666	358,334	239,272	215,578	369,555
Loans and borrowings	1,811,673	2,706,997	3,248,823	119,132	494,071
Non current liabilities	2,389,786	3,233,943	3,579,107	399,982	934,254
Trade and other payables	3,517,838	2,284,423	1,792,720	1,333,428	2,124,998
Contract liabilities	-	-	-	-	3,836
Loans & borrowings	1,226,262	917,735	518,471	109,715	223,819
Short term loans	2,293,205	2,206,420	2,190,838	5,783,092	3,445,118
Amounts due to related companies	147,619	127,106	169,383	247,354	40,679
Borrowings - related party	-	-	-	-	-
Lease liability	23,038	45,709	3,454	5,306	4,083
Tax payable	180,731	125,428	51,722	26,992	104,557
Bank overdrafts	384,649	442,706	377,344	690,809	479,968
Current liabilities	7,773,342	6,149,527	5,103,932	8,196,696	6,427,058
Total liabilities	10,163,128	9,383,470	8,683,039	8,596,678	7,361,312
Total equity and liabilities	14,760,612	13,061,347	11,081,212	10,911,472	10,721,118
Shares in issue at end of the year *	136,860,000	136,860,000	136,860,000	136,860,000	136,860,000
Shares in issue at end of the year	136,860,000	136,860,000	136,860,000	136,860,000	136,860,000
Net Assets per share at the end of the year *	28.40	26.76	17.52	16.40	23.05
Market price per share at the end of the year	79.50	46.70	19.10	14.30	22.80
Market capitalization at the end of the year	10,880.37	6,391.36	2,614.03	1,957.10	3,120.41

FIVE YEAR SUMMERY OF INCOME STATEMENT

Group

For the year ended 31st March,

	2026	2025	2024	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	16,884,028	15,268,675	10,078,519	8,970,025	9,534,168
Cost of sales	(12,596,027)	(11,819,871)	(8,194,400)	(6,754,901)	(7,393,190)
Gross profit	4,288,001	3,448,804	1,884,119	2,215,124	2,140,978
Other income	199,427	173,966	200,543	189,078	126,109
Administration expenses	(759,236)	(610,661)	(455,345)	(351,255)	(319,409)
Distribution expenses	(1,297,656)	(1,084,644)	(840,002)	(776,648)	(686,842)
Other expenses	(267,331)	(55,122)	(11,282)	(13,093)	(30,759)
Results from operating activities	2,163,205	1,872,343	778,033	1,263,206	1,231,077
Net finance cost	(519,448)	(621,382)	(855,488)	(2,042,130)	(88,550)
Profit/(loss) before tax	1,643,757	1,250,961	(77,455)	(778,924)	1,142,527
Tax expense	(440,223)	(321,375)	(35,196)	76,233	242,988
Profit/(loss) for the year	1,203,534	929,586	(112,651)	(702,691)	899,539
Other comprehensive income / (loss)					
Gain on revaluation of land and buildings	-	-	404,000	-	-
Defined benefit plan actuarial gains / (losses)	(5,324)	(11,055)	(16,587)	12,131	5,181
Deferred tax on other comprehensive income	1,960	2,601	-	(80,733)	(983)
Other comprehensive income for the period	(3,364)	(8,454)	291,832	(68,603)	4,198
Total comprehensive income /(loss) for the period	1,200,170	921,132	179,181	(771,292)	903,737

STATEMENT OF VALUE ADDED

Group

For the year ended 31st March,

	2026	2025	2024	2023	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sales	16,884,028	15,268,675	10,078,519	8,945,000	9,534,169	5,393,229
Other Income	269,638	173,966	200,543	127,908	129,109	91,336
Cost of materials & services bought in	(13,062,760)	(11,699,932)	(8,260,248)	(6,716,171)	(6,921,275)	(3,680,856)
Value added	4,090,906	3,742,709	2,018,814	2,356,737	2,742,003	1,803,709
Distribution of Value Added						
Employees as remuneration	1,628,785	1,401,466	938,859	731,924	676,316	460,151
Government as taxes	394,931	199,714	107,083	120,125	226,814	35,416
Lenders of capital as interest	590,273	682,300	855,489	1,682,160	78,809	221,837
Shareholders as dividends	232,662	198,447	95,802	273,720	424,862	193,596
- Depreciation	267,561	331,196	134,233	250,392	191,995	232,219
- Profits / (losses)	976,695	929,586	(112,652)	701,583	1,143,206	660,490
Total	4,090,906	3,742,709	2,018,814	2,356,737	2,742,002	1,803,709

GRI CONTENT INDEX

Statement of use	Swisstek (Ceylon) PLC has reported in accordance with the GRI Standards for the period 01st April xx to 31st December xx
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	[Titles of the applicable GRI Sector Standards]

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	07 - 13				
	2-2 Entities included in the organization's sustainability reporting	07				
	2-3 Reporting period, frequency and contact point	04				
	2-4 Restatements of information	04				
	2-5 External assurance	132-135				
	2-7 Employees	50				
	2-8 Workers who are not employees	50				
	2-9 Governance structure and composition	72-106				
	2-10 Nomination and selection of the highest governance body	126-129				
	2-11 Chair of the highest governance body	126-129				
	2-12 Role of the highest governance body in overseeing the management of impacts	126-129				
	2-13 Delegation of responsibility for managing impacts	126-129				
	2-14 Role of the highest governance body in sustainability reporting	126				
	2-15 Conflicts of interest	126-129				
	2-16 Communication of critical concerns	126-129				
	2-17 Collective knowledge of the highest governance body	126-129				
	2-18 Evaluation of the performance of the highest governance body	126-129				
	2-19 Remuneration policies	-		Not disclosed due to confidentiality		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-20 Process to determine remuneration	53				
	2-21 Annual total compensation ratio	-		Not disclosed due to confidentiality		
	2-22 Statement on sustainable development strategy	30-31				
	2-23 Policy commitments	72				
	2-24 Embedding policy commitments	72-75				
	2-25 Processes to remediate negative impacts	72-75				
	2-26 Mechanisms for seeking advice and raising concerns	72-106				
	2-27 Compliance with laws and regulations	72-106				
	2-28 Membership associations	72				
	2-29 Approach to stakeholder engagement	32				
	2-30 Collective bargaining agreements	50-55				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	34				
	3-2 List of material topics	34				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	197				
	201-2 Financial implications and other risks and opportunities due to climate change	110				
	201-3 Defined benefit plan obligations and other retirement plans	174				
	201-4 Financial assistance received from government	-		No assistance received from government		
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-		Not Applicable	Remuneration offered above minimum wage without gender bias	
	202-2 Proportion of senior management hired from the local community	-		Not Applicable	All managers are hired from the local community.	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	46				
	203-2 Significant indirect economic impacts	38				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	16				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-		Not Applicable	No such Legal actions for anticompetitive behavior, antitrust, and monopoly practices.	
	207-4 Country-by-country reporting			Not Applicable	Operating only locally	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	67				
	301-2 Recycled input materials used	67				
	301-3 Reclaimed products and their packaging materials	-			There are no such reclaimed products and their packaging materials.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	68				
	302-2 Energy consumption outside of the organization	-		Not Applicable		
	302-3 Energy intensity	16				
	302-4 Reduction of energy consumption	68				
	302-5 Reductions in energy requirements of products and services	68				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	68-69				
	303-2 Management of water discharge-related impacts	68-69				
	303-3 Water withdrawal	68-69				
	303-4 Water discharge	68-69				
	303-5 Water consumption	68-69				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	-		Not Applicable		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-		Not Applicable		
	304-2 Significant impacts of activities, products and services on biodiversity	-			No such incidents reported in FY 25/26	
	304-3 Habitats protected or restored	-			No such incidents reported in FY 25/26	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-			No such incidents reported in FY 25/26	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	70				
	305-2 Energy indirect (Scope 2) GHG emissions	70				
	305-3 Other indirect (Scope 3) GHG emissions	70				
	305-4 GHG emissions intensity	70				
	305-5 Reduction of GHG emissions	16				
	305-6 Emissions of ozone-depleting substances (ODS)	-		Not Applicable		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-		Not Applicable		
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	69				
	306-2 Management of significant waste-related impacts	69				
	306-3 Waste generated	69				
	306-4 Waste diverted from disposal	68-69				
	306-5 Waste directed to disposal	68-69				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	56-61				
	308-2 Negative environmental impacts in the supply chain and actions taken	56-61				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	52				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	53				
	401-3 Parental leave	54				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-		Not applicable		
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	54				
	403-2 Hazard identification, risk assessment, and incident investigation	54				
	403-3 Occupational health services	54				
	403-4 Worker participation, consultation, and communication on occupational health and safety	54				
	403-5 Worker training on occupational health and safety	54				
	403-6 Promotion of worker health	54				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54-55				
	403-8 Workers covered by an occupational health and safety management system	54-55				
	403-9 Work-related injuries	54				
	403-10 Work-related ill health	54				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	16				
	404-2 Programs for upgrading employee skills and transition assistance programs	52-53				
	404-3 Percentage of employees receiving regular performance and career development reviews	52-53				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	73				
	405-2 Ratio of basic salary and remuneration of women to men	-		Not disclosed due to confidentiality		
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-		No such incidents reported in FY 25/26		
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	50-55				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	-		No such incidents reported in FY 25/26		
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	34		No such incidents reported in FY 25/26		
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	-				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	-		No such incidents reported in FY 25/26		
	413-2 Operations with significant actual and potential negative impacts on local communities	-		No such incidents reported in FY 25/26		
	414-2 Negative social impacts in the supply chain and actions taken	-		No such incidents reported in FY 25/26		
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	56-61				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-		No such incidents reported in FY 25/26		
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	56-61				
	417-2 Incidents of non-compliance concerning product and service information and labeling	-		No such incidents reported in FY 25/26		
	417-3 Incidents of non-compliance concerning marketing communications	-		No such incidents reported in FY 25/26		
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	34				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		No such incident reported in FY 25/26		

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty Ninth (59th) Annual General Meeting of Swisstek (Ceylon) PLC will be held on 30th June 2026 at 10.45 a.m. centered at No. 20, R A De Mel Mawatha, Colombo 3 for the following purposes:

1. ORDINARY BUSINESS

- (i) To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31st March 2026 and the Report of the Auditors thereon.
- (ii) To declare a Final Dividend of Cents Forty (Rs.0.40) per Ordinary share for the year ended 31st March 2026 as recommended by the Board of Directors.
- (iii) To re-elect Dr. Sivakumar Selliah, who retires by rotation in terms of Articles 103 and 104 of the Articles of Association, as a Director of the Company.
- (iv) To re-elect Mr Chethiya Minendra Umagiliya Weerawardena, who retires by rotation in terms of Articles 103 and 104 of the Articles of Association, as a Director of the Company.
- (v) To re-elect as a Director, Mr. Ilukkumbure Gedara Indika Manoj Ilukkumbura who was appointed to the Board since the last Annual General Meeting in terms of Article 110 of the Articles of Association.
- (vi) To re-appoint Messrs KPMG, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.
- (vii) To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.

2. SPECIAL BUSINESS

- (i) To consider and if thought fit, to pass the following resolution as a Special Resolution:

IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended:

- (1) by the substitution of the word “executors, administrators or heirs” in place of “executors or trustees” in line 2 of Article 15(iii) ;

- (2) by the inclusion of the words “or Executive Director” between the words “Officer” and “shall” in line 5 of Article 96 ;

- (3) by the inclusion of the words “or Chief Executive Officer or Executive Director” between the words “Director” and “shall” in line 7 of Article 103;

- (4) by the deletion of Article 145 in its entirety and the substitution thereof of the following new Article 145 ;

CONTRACTS

145. (1) A contract or other enforceable obligation may be entered into by the Company as follows:

- (a) an obligation which, if entered into by a natural person is required by law to be in writing signed by that person and be notarially attested, may be entered into on behalf of the Company in writing signed under the name of the Company by –
 - (i) two Directors of the Company, as authorized by a resolution of the Board and placing the Company Seal
 - (ii) any one Director and Secretary of the Company as authorized by a resolution of the Board and placing the Company Seal
 - (iii) any other person as authorized by a resolution of the Board
 - (iv) one or more Attorneys appointed by the Company, as set out in Article 136 hereof authorizing to enter into such obligation, and be notarially executed;
- (b) an obligation which, if entered into by a natural person is required by law to be in writing and signed by that person, may be entered into on behalf of the Company in writing signed by two Directors of the Company, as authorized by a Resolution of the Board by placing the Company Seal or by any one Director and Secretary of the Company as authorized by a resolution of the Board by placing the Company Seal or by a person authorized by a resolution of the Board, or one or more Attorneys authorized to enter into such obligation.

- (c) an obligation which if entered into by a natural person is not required by law to be in writing, may be entered into on behalf of the Company in writing or orally by a Director or a person authorized by a resolution of the Board.
- (2) The provisions of Sub Article (1) of Article 145 shall apply to a contract or other obligation
 - (a) whether or not that contract or obligation is entered into in Sri Lanka; and
 - (b) whether or not the law governing the contract or obligation is the law of Sri Lanka.
- (3) For the purpose of this Article, the Company may use a generally recognized abbreviation of any word in the name, unless it is misleading to do so."
- (5) by the deletion of Article 183 in its entirety and the substitution thereof of the following new Article 183;

183. "Notwithstanding anything to the contrary contained in the Articles of Association of the Company, so long as the Company is listed on the Colombo Stock Exchange, the Company shall comply with the Rules of the Colombo Stock Exchange and the Central Depository System, which shall be in force from time to time."

By order of the Board
Swisstek (Ceylon) PLC



P W Corporate Secretarial (Pvt) Ltd
 Secretaries

At Colombo
 29th May 2026

Notes:

1. A shareholder is entitled to appoint a Proxy to attend and vote at the meeting on his/her behalf.
2. A Proxy need not be a shareholder of the Company.
3. A Form of Proxy accompanies this Notice.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 118A, Nawala Road, Narahenpita, Colombo 05 by 10.45 a.m. on 28th June 2026.
5. Since the Meeting will be held via electronic means, shareholders who wish to participate in the AGM either by themselves or through their Proxies, are requested to forward the duly completed and signed Registration Form as per the Guidelines for Registration made available to the Shareholders on the Company/CSE Websites, to the Registrars of the Company, Corporate Solutions Unit, Central Depository Systems (Pvt) Limited, Ground Floor, M & M Centre, 341/5, Kotte Road, Rajagiriya or e-mailed to agm_egm_registrars@cds.lk by 10.45 a.m. on 28th June 2026.

Notes

[illegible]

Notes

FORM OF PROXY

I/We* (NIC / Passport / Company Reg. No.)
 of being a shareholder / shareholders of SWISSTEK (CEYLON) PLC hereby
 appoint (NIC/Passport No.....) of
 or failing him/her*:

Mr. Shiran Harsha Amarasekera	or failing him*
Mr. Liyana Arachchige Daminda Nishantha Perera	or failing him*
Mr. Amarakoon Mudiyansele Weerasinghe	or failing him*
Dr. Sivakumar Selliah	or failing him*
Mr. Kalupathiranalage Don Gamini Gunaratne	or failing him*
Mr. Jayawardana Kankanamge Aravinda Sirinatha	or failing him*
Mr. Chethiya Umagiliya Weerawardena	or failing him*
Mr. Ratnayake Mudiyansele Mohan Joseph Ratnayake	or failing him*
Mr. Balapuwaduge Dinesh Shamindra Mendis	or failing him*
Mr. Ilukkumbure Gedara Indika Manoj Ilukkumbura	

as my/our* proxy to represent and speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Fifty Ninth (59th) Annual General Meeting of the Company to be held on 30th June 2026 at 10.45 a.m. and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

1 ORDINARY BUSINESS	For	Against
i) To declare a Final Dividend of Cents Forty (Rs.0.40) per Ordinary share for the year ended 31st March 2026 as recommended by the Board of Directors.	☐	☐
ii) To re-elect Dr. S Selliah as a Director of the Company.	☐	☐
ii) To re-elect Mr C M U Weerawardena as a Director of the Company.	☐	☐
iv) To re-elect Mr. I G I M Ilukkumbura as a Director of the Company.	☐	☐
v) To re-appoint Messrs KPMG, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.	☐	☐
vi) To authorize the Directors to determine donations for the year ending 31st March 2027 and up to the date of the next Annual General Meeting.	☐	☐
2 SPECIAL BUSINESS		
i) To pass the Special Resolution as set out in item 2 (i) of the Notice of Meeting.	☐	☐

In witness my/our* hands this day of Two Thousand and Twenty Six.

.....
 Signature of Shareholder/s

*Please delete what is inapplicable.

- Notes: 1. A proxy need not be a shareholder of the Company
 2. Instructions as to completion appear overleaf.

Instructions for completion

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be deposited at the Registered Office of the Company, No. 118A, Nawala Road, Narahenpita, Colombo 05 by 10.45 a.m. on 28th of June 2026.
3. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

CORPORATE INFORMATION

NAME OF THE COMPANY

Swisstek (Ceylon) PLC

LEGAL FORM

Swisstek (Ceylon) PLC is a public limited liability company listed on the Colombo Stock Exchange. Which was incorporated under the Companies Ordinance No.51 of 1938 as a public company on 12th day of July 1967. Pursuant to the requirements of the new Companies Act No. 07 of 2007, the Company was re-registered on 6th June 2008 and bears registration number PQ155.

DIRECTORS

Mr. S H Amarasekera (Chairman)
Mr. L A D N Perera (Managing Director) -
Appointed on 21/05/2025
Mr. J K A Sirinatha
Dr. S Selliah
Mr. A M Weerasinghe
Mr. K D G Gunaratne
Mr. C U Weerawardena
Mr. R M M J Ratnayake
Mr. B D S Mendis
Mr. B D S Mendis
Mr. I G I M Ilukkumbura (Appointed on
29/01/2026)
Mr. A S Mahendra (Resigned 31/10/2025)

SECRETARIES

PW Corporate Secretarial (Pvt) Ltd
3/17 Kynsey Road, Colombo 08
Telephone : +94 11 4640360-3
Facsimile : +94 11 4740588
Email : pwcs@pwcs.lk

REGISTERED OFFICE

118 A, Nawala Road, Narahenpita,
Colombo 5
Telephone : +94 11 7807000
Facsimile : +94 11 7634590
Email : info@swisstekceylon.com
Website : www.swisstekceylon.com

FACTORY

Swisstek (Ceylon) PLC
Factory Complex, Belummahara,
Imbulgoda
Telephone : + 94 33 4930590
Facsimile : + 94 33 5701371
Email : info@swisstekceylon.com

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
Sampath Bank PLC
Hatton National Bank PLC
DFCC Bank PLC
Seylan Bank PLC
Union Bank of Colombo PLC
Nations Trust Bank PLC

AUDITORS

KPMG
Chartered Accountants
32 A Sir Mohammed Macan Markar
Mawatha, Colombo - 3
Telephone : + 94 11 5426 304
Facsimile : + 94 11 2541 249
website : www.kpmg.com/lk

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