



**ELEVATE,  
INNOVATE,  
SUSTAIN**



# ELEVATE, INNOVATE, SUSTAIN

Innovation isn't just what we do - it defines us. At Alumex, we don't follow trends; we set them. Like aluminium - strong, adaptable, and built to last; we are constantly evolving, pushing boundaries, and redefining possibilities. From a local extruder to a global force, our growth isn't just about scale; it's about impact. Every breakthrough moves us forward, empowering industries, shaping skylines, and setting new sustainability benchmarks.

Our relentless pursuit of excellence fuels innovation and expansion, delivering solutions beyond aluminium extrusions. But true progress is about how we build, not just what we build. Responsibility is woven into our DNA, ensuring sustainable practices and technological advancements go hand in hand.

We are not just manufacturers - we are architects of the future. This report is a testament to our ambition, transformation, and vision - a glimpse into how Alumex is shaping tomorrow.



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## ABOUT THIS REPORT



## REPORT PROFILE

The Integrated Annual Report for FY 2024/25 marks the 9th Integrated Report of Alumex PLC, reaffirming the Company's enduring commitment to reporting excellence. This report illustrates how Alumex continues to fulfill its core purpose of delivering measurable and sustainable value to its diverse stakeholders, including shareholders, employees, customers, suppliers, regulators, and the broader community.

It presents a clear and cohesive narrative of the Company's progress and performance against its strategic priorities. In addition, the report offers a comprehensive assessment of both financial and non-financial outcomes for FY 2024/25, enabling stakeholders to evaluate Alumex's ability to create and sustain long-term value while identifying any potential risks to value creation.

### KEY IMPROVEMENTS IN FY 2024/25 REPORT GRI 2-3

The FY 2024/25 Integrated Annual Report introduces several key improvements that enhance the depth, quality, and transparency of disclosures. These include independent assurance on adherence to the GRI Standards, reinforcing the credibility of sustainability reporting. A dedicated section highlights the progress in adopting SLFRS S1 and S2, showcasing Alumex PLC's alignment with evolving sustainability related financial reporting requirements. The integration of sustainability related risks and opportunities, including climate related risks, into the Risk Report provides stakeholders with a comprehensive view of long term value driveLKR Additionally, the report presents a detailed overview of corporate governance best practices, outlining the steps taken to comply with the Colombo Stock Exchange's new listing rules on corporate governance. These enhancements reflect the Company's continued commitment to strong governance, transparency, and regulatory compliance.

#### Connect with Us



Alumex Website

### SCOPE AND BOUNDARY

This report covers the period 1st April 2024 to 31st March 2025 and includes post balance sheet events and information up to the date of Board approval on 2nd May 2025.

The data in this report - both financial and non-financial - pertains to Alumex PLC's business model, strategy, performance and prospects.

All previous reports, including the most recent report for FY 2023/24, are available for viewing and download at <https://alumexgroup.com/investor-relations-awards/>

## REPORTING BOUNDARY FOR THE FY 2024/25 INTEGRATED REPORT



## REPORTING FRAMEWORKS

FINANCIAL REPORTING	GOVERNANCE AND RISK REPORTING	INTEGRATED REPORTING	SUSTAINABILITY REPORTING
<ul style="list-style-type: none"> <li>♦ Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995</li> <li>♦ Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka</li> <li>♦ Companies Act no. 7 of 2007</li> </ul>	<ul style="list-style-type: none"> <li>♦ Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (ICASL)</li> <li>♦ New Corporate Governance rules issued by the CSE for listed entities</li> </ul>	<ul style="list-style-type: none"> <li>♦ Integrated Reporting Framework &lt;IR&gt; by the International Integrated Reporting Council (IIRC)</li> </ul>	<ul style="list-style-type: none"> <li>♦ Global Reporting Initiative (GRI) Standards "In Accordance" (The GRI Content Index is on page 250)</li> <li>♦ United Nations Sustainable Development Goals (SDG's)</li> <li>♦ IFRS S 1 and S 2</li> </ul>



A summary of this report is available as a short video on our website providing a quick and engaging overview of the key points covered.

Viewing and download at <https://alumexgroup.com>

# ABOUT THIS REPORT

## INFORMATION GATHERING AND REPORT PREPARATION

Information included in this report has been sourced from multiple sources, including through interviews with the Company’s leadership (the Chairman, Managing Director and member of the Corporate Management team) and other members of team Alumex. Data obtained from verified external sources have also been used to support internal information.

All content has been prepared concurrently to prevent information gaps and ensure connectivity of information. The report preparation process is overseen by a dedicated internal team with support from specialist external reporting advisoLKR

## MATERIALITY

Alumex accepts that the principle of Materiality (as defined by GRI) is a vital business tool that facilitates integrated thinking. Hence the materiality determination process has been used as the basis to establish the scope and scale of information to be included in this report.

The Materiality section on page 49 describes how Material Topics are identified, assessed and incorporated in the Company’s strategy in order to drive organisational value and deliver stakeholder expectations.

## COMBINED ASSURANCE GRI 2-5

The integrity of the financial and non-financial information presented in the report has been validated using the combined assurance model. Internally, the Board Audit Committee has played a key role in evaluating the underlying reporting processes and has conducted a thorough review of the Integrated Report to confirm its alignment with the applicable reporting frameworks and standards. In addition, independent assurance has been obtained for the financial statements for the year ending 31st March 2025 as well as on the integrated reporting process and the GRI standards.

Independent external assurance has been obtained in regard to the following.

### INTEGRATED REPORT

Independent Assurance Report by Ernst & Young regarding the validity, accuracy and completeness of the Integrated Report for FY 2024/25. (Page 187 to 188)

### FINANCIAL STATEMENTS

Independent Audit Report by external auditors Ernst & Young on the accuracy and completeness of Financial Statements for the year ending 31st March 2025 . (Page 191 to 193)

### SUSTAINABILITY DISCLOSURES

Independent Assurance Report by Ernst & Young to verify compliance with the GRI Standards. (Page 185 to 186)

## FORWARD-LOOKING STATEMENTS

Certain statements in the FY 2024/25 Integrated Annual Report, including the economic outlook and expectations regarding operating results, growth prospects and the outlook for Alumex's operations, may contain certain forward looking statements.

Although the expectations and outcomes described in such forward looking statements have been deemed reasonable at the time of publishing this report, the Company does not offer any assurance that such expectations will prove to be correct in the future due to changes in economic and market conditions, changes in the regulatory or competitive environment etc. As such, actual results may differ from those set out in the forward looking statements. Accordingly Alumex PLC does not undertake to review or revise any of these forward-looking statements at a later date. On this basis, the Company confirms that there are no restatements pertaining to the FY 2023/24 Annual Report or any reports prior to that.

GRI 2-4

## BOARD RESPONSIBILITY STATEMENT

The Alumex PLC Board acknowledges its responsibility for the integrity of the Integrated Annual Report for FY 2024/25. In doing so, the Board confirms that the Integrated Annual Report for FY 2024/25 has been prepared in accordance with the guidelines of the International Integrated Reporting <IR> Framework and remains satisfied that the report provides a balanced and appropriate assessment of the Company's business model, governance, strategy, risks and opportunities, performance and future prospects and how these are likely to impact Alumex's ability to create and preserve value while mitigating value erosion over the short, medium and long term.



**Mr. A. M. Pandithage**  
Chairman

## FEEDBACK GRI 2-3

The Board welcomes stakeholder feedback on this integrated annual report and requests readers to direct all such feedback to.

The Chief Financial Officer,  
Alumex PLC,  
Pattiwila Road, Sapugaskanda,  
Makola,

Tel - 94 11 2400332,  
Email: [info@alumexgroup.com](mailto:info@alumexgroup.com). [www.alumexgroup.com](http://www.alumexgroup.com)

# ABOUT ALUMEX PLC

“AT ALUMEX,  
**WE DON'T  
JUST MANUFACTURE  
ALUMINIUM**

**WE ELEVATE  
INDUSTRIES,  
INNOVATE  
SOLUTIONS, AND  
SUSTAIN PROGRESS  
FOR GENERATIONS  
TO COME**”

Alumex PLC is Sri Lanka's foremost Aluminium extrusion manufacturer, proudly holding over 45% market share across commercial, industrial, residential, and architectural sectors. With a legacy spanning 39 years, Alumex has played a transformative role in shaping the nation's built environment leading with innovation, quality, and a deep commitment to sustainability and ESG.

Alumex has grown into a globally competitive enterprise over the past six years, the Company has expanded its export footprint, delivering responsibly manufactured products to 15 countries across five continents significantly enhancing its global presence and contribution to national export earnings. Our growth story is not just about scale it's about impact. With internationally certified operations and a sustainability-first mindset, Alumex continues to redefine industry standards. A milestone achievement during the year was our induction into the Aluminium Stewardship Initiative (ASI), further affirming our commitment to ethical sourcing, environmental stewardship, and global best practices.

## OUR LOCATIONS

1.  
**Head Office and  
Main Factory:**  
Sapugaskanda, Makola

2.  
**Other Factories:**  
Prime Plant at Ekala,  
Ja-Ela.

6.  
**International  
Accreditations**

5.  
**ESG-  
Integrated  
Operating  
Model**

4.  
**State of  
the Art  
Manufacturing  
Plants**

## THE ALUMEX ADVANTAGE

Ability to Meet the  
Full Spectrum of  
Market Needs,  
1.

In House Expertise  
and R&D to  
Innovate and Excel  
2.

Brand Hall Marks of  
High-Quality Consistency &  
Reliability  
3.

# OUR PRODUCT PORTFOLIO GRI 2-6, 417-1

Our product offering reflects Alumex's commitment to addressing the full spectrum of market needs through a diverse and evolving portfolio.

## CORE BRAND ARCHITECTURE

We operate through three core brands Alumex, Lumin, and Alco each a leader in its respective market segment, delivering trusted Aluminium solutions for architectural, industrial, and residential applications.

## OTHER BRANDS

Our product ecosystem continues to expand with other strategic brands that support modern construction and sustainability goals:

- ♦ ABS – Alumex Building System
- ♦ Alumex Solar
- ♦ Ozon

## DIY SOLUTIONS FOR MODERN LIVING

Our Dwelling range provides pre-fabricated, Ready-to-Install Aluminium doors and windows tailored for the Do-It-Yourself (DIY) market, enabling ease, accessibility, and design flexibility for contemporary homeowners

3.  
Value Adding Plant  
and 3R Plant

## DISTRIBUTION NETWORK

- 9 Distribution Centers, 3 LUMIN Concept Centers
- Network of Dealers and Distributors in all 9 Provinces

## TESTAMENTS TO THE QUALITY OF WHAT AND HOW WE PRODUCE



## HIGHEST QUALITY STANDARDS OUR PRODUCTS MEET



## INTERNATIONAL ACCREDITATIONS



# PURPOSE, VISION, MISSION AND VALUES

To be the premier Aluminium extrusion manufacturer in the South Asian Region.

## VISION



Create customer intimacy with innovative Aluminium solutions through world-class, sustainable manufacturing practices.

## MISSION



Together, we elevate living through sustainable and innovative Aluminium solutions.

## PURPOSE



## VALUES



### HONESTY AND INTEGRITY

Ethical and transparent in all our dealings.



### ACCOUNTABILITY

Holding ourselves responsible to deliver what we promise.



### YES, WE CAN!

(Team work) - Working with each other and with our partners across boundaries, to make things happen.



### LOVE FOR HUMANITY

Treating everyone with respect and dignity, providing for the development of our people and rewarding them for good performance.



### ENDURING CUSTOMER VALUE

Enhancing experiences for every customer, from the rural farmer to the global consumer.



### YES, WE WILL WIN!

(A will to win) - Exhibiting the will to win that which is important to Hayleys and its shareholders



### SOCIAL RESPONSIBILITY AS A GOOD CORPORATE CITIZEN

Caring for the communities in which we work, actively supporting their growth and being environmentally responsible in all we do.



### INNOVATION

Transforming ideas into products and services to create economic, social and environmental value in the pioneering spirit of Hayleys.



# REASONS TO INVEST IN ALUMEX

## ROBUST FINANCIAL PERFORMANCE

Revenue advanced 30.4 % year-on-year to LKR 14.3 billion

Profit after tax surged 4.6 times, reaching LKR 867 million

The Board reinstated cash distributions with a LKR 0.40 interim dividend per share.

## “ELEVATE” SUSTAINABILITY IN ACTION

Environmental stewardship is embedded in the corporate strategy:

Elevate policy framework: Clear 2030 targets for carbon, energy and resource efficiency guide decision-making and capex.

Aluminium’s recyclability and light-weighting properties make it the preferred choice for green construction.

## MARKET LEADERSHIP & BRAND EQUITY

Alumex retains an unassailable position at the centre of Sri Lanka’s Aluminium value chain.

More than 45% of domestic extrusion demand is serviced by Alumex products, supported by the flagship Alumex, LUMIN and ALCO brands .

New footholds in Australia, the UK and New Zealand open higher-margin channels and diversify currency exposure.

Recent technology upgrades expand extrusion, powder-coating and finishing throughput, while a 27% uplift in brand-building spend accelerates market penetration.

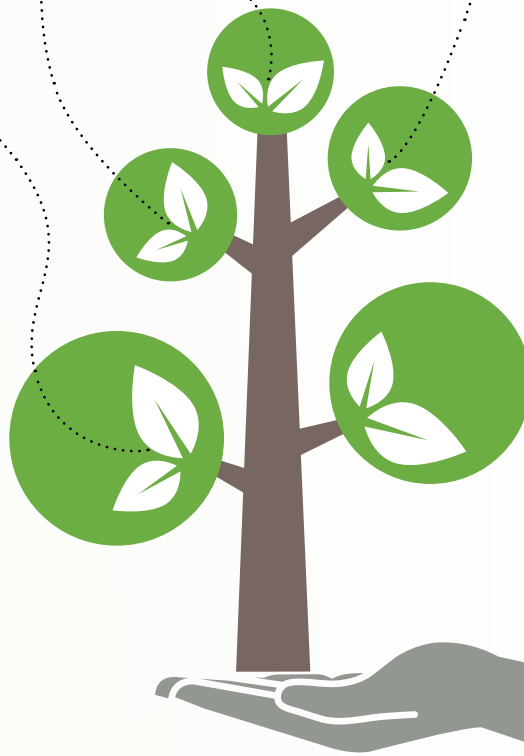
## INDUSTRIAL SCALE & TECHNICAL EXCELLENCE

Alumex remains the nation’s premier Aluminium manufacturer and a regional benchmark:

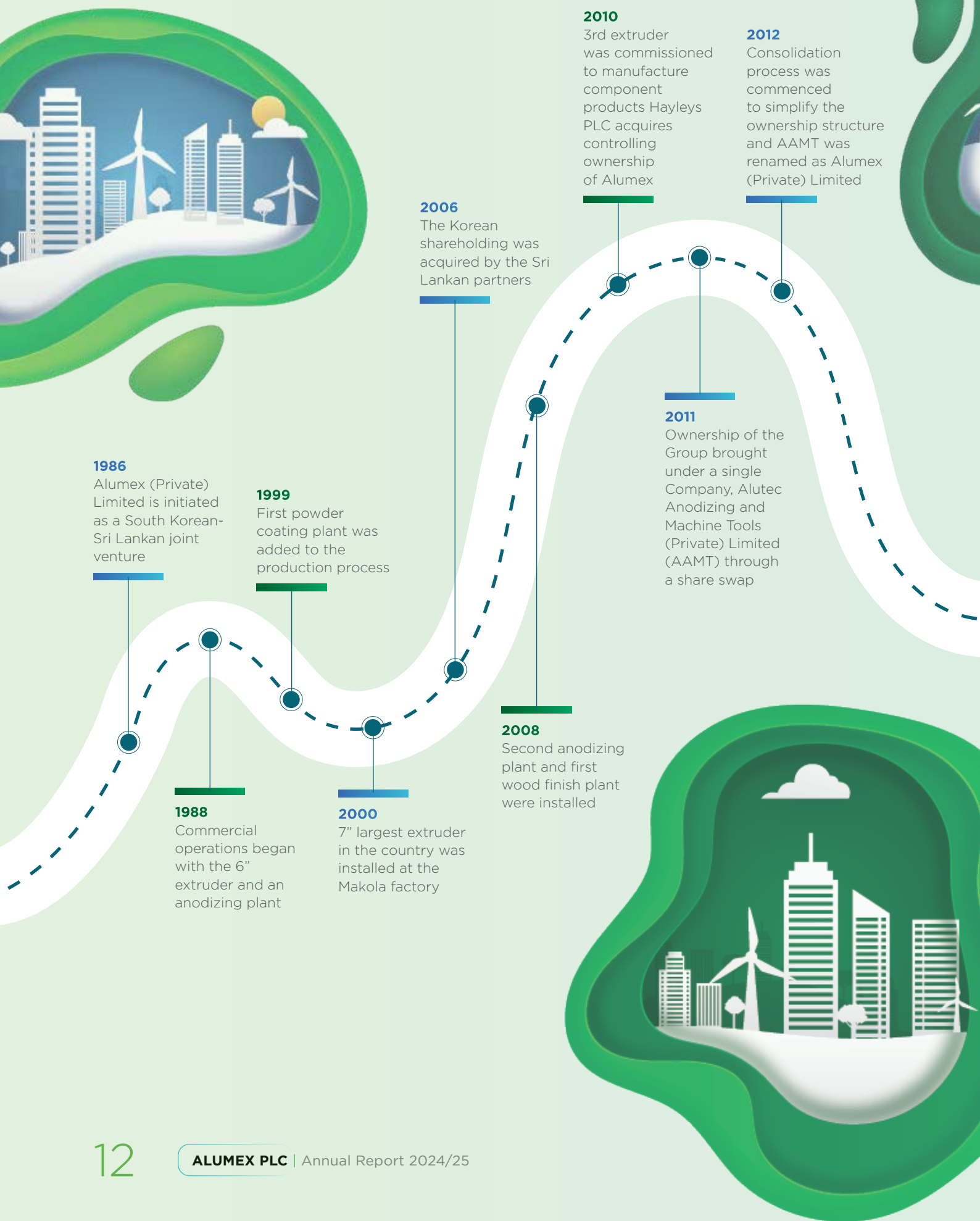
Largest installed capacity: 22,000 MT of annual extrusion output

New die-casting, advanced assembly facilities

Multiple ISO and proprietary system licences ensure products meet the stringent specifications demanded by international façades.



# OUR JOURNEY



**1986**

Alumex (Private) Limited is initiated as a South Korean-Sri Lankan joint venture

**1999**

First powder coating plant was added to the production process

**1988**

Commercial operations began with the 6" extruder and an anodizing plant

**2000**

7" largest extruder in the country was installed at the Makola factory

**2006**

The Korean shareholding was acquired by the Sri Lankan partners

**2010**

3rd extruder was commissioned to manufacture component products Hayleys PLC acquires controlling ownership of Alumex

**2012**

Consolidation process was commenced to simplify the ownership structure and AAMT was renamed as Alumex (Private) Limited

**2011**

Ownership of the Group brought under a single Company, Alutec Anodizing and Machine Tools (Private) Limited (AAMT) through a share swap

**2008**

Second anodizing plant and first wood finish plant were installed



#### 2014

Alumex Limited made an Initial Public Offering (IPO) in the Colombo Stock Exchange and registered as Alumex PLC

#### 2013

Alumex (Private) Limited was re-registered as Alumex Limited and Alutec Extrusions (Private) Limited a fully-owned subsidiary was amalgamated with Alumex Limited

#### 2015

3rd powder coating plant was added to the production line and the residential brand "Lumin" was introduced with the first Lumin Concept Centre in Nawala

#### 2016

Eight Alumex-owned, tested systems were launched under the new brand "Alumex TS" together with the "AluSys" design calculation software system

#### 2019

Established the international marketing division to explore the foreign markets

#### 2018

Prime Plant in Ekala was opened with the third extrusion plant and the vertical powder coating plant. Both Qualicoat and Qualanod certifications were obtained for powder coating and Anodizing processes

#### 2022

Introduced environment friendly low carbon Aluminium "OZON" to the export market New state-of-the-art melting plant was opened new brand "Dwelling" was introduced under the ready-to fix product range Alumex commits to Aluminium Stewardship Initiative for Sustainable Society

#### 2020

A New fighter brand "Alco" was launched. Strategic partnerships were formed with seven international brands for under license manufacturing

#### 2025

Establishing a new high-pressure die casting manufacturing facility and launching a unit for balcony assembly.

# CHAIRMAN'S STATEMENT



**Growing at the fastest pace in over a decade, Revenue rose by an impressive 30%, demonstrating robust demand for our expanded portfolio and the strength of our brand in both domestic and export markets.**



Dear Stakeholder,

I am pleased to present to you the 9th Integrated Annual Report of Alumex PLC for the financial year ending 31st March 2025.

I am excited to share with you the progress made by Alumex during the FY 2024/25 as we continued to build on our strong foundations by pursuing new avenues for growth, innovation, and global impact.

## MACROECONOMIC SUMMARY

The global economic landscape remained challenging in 2024 shaped by persistent geopolitical uncertainties, trade disruptions, and fluctuating commodity prices. These dynamics continued to test business resilience worldwide, especially in emerging markets. Against this backdrop, Sri Lanka's economy demonstrated definitive signs of stability, guided by the IMF-supported recovery framework and sustained implementation of structural reforms. Encouraging signs of macroeconomic improvement emerged with GDP growth reaching 5% in 2024 on the back of tighter fiscal discipline, and improved investor sentiments. The overall growth is primarily driven by industry activities, with construction activities recording a growth of 19%. The exchange rate exhibited greater stability, with the LKR appreciating notably against the US Dollar during the year, while foreign exchange reserves improved moderately bolstered by strong external sector performance.

## STELLAR RESULTS

It is undeniable that the operating landscape in which we operate today is increasingly complex and dynamic. However Alumex's performance in the FY 2024/25 stands as a testament to the agility with which we navigated global volatility and leveraged favourable developments in the domestic economy to reposition ourselves for stronger, more sustainable growth.

Working with greater clarity to strengthen both product and market diversity, we achieved exceptional financial results.

Growing at the fastest pace in over a decade, Revenue rose by an impressive 30%, demonstrating robust demand for our expanded portfolio and the strength of our brand in both domestic and export markets. Importantly, the Company's export volumes surged by 56% during the year, contributing 34% to the total revenue. More notably, profit before tax surged to LKR 1,141 million representing a significant improvement year on year, while net profit after tax reached LKR 867 million.

Our balance sheet continues to reflect the strength of our strategic investments and disciplined financial stewardship. As of year-end, fixed assets stood at LKR 6.1 billion, with total assets reaching LKR 16.5 billion. May I add that these milestones are not merely financial streaks; they signify the resilience of our business model and the relentless drive of our people to outperform expectations despite external headwinds.

Taking into consideration the performance for the year and prospects, the Company paid interim dividends of LKR 0.40 per share during the year.

## FOCUS ON ESG

Our approach to ESG remains anchored by the belief that sustainability must define how we operate, grow, and create value. Alumex marked a major milestone in its ESG aspirations during the year, emerging as the first Aluminium manufacturer in Sri Lanka to be certified under the Aluminium Stewardship Initiative (ASI) Performance Standard.

Another defining moment in our ESG journey came in December 2024 with the launch of our "ELEVATE" ESG Roadmap.

ELEVATE represents a strategic blueprint which ensures that our business aligns with both national regulatory expectations and international ESG standards, thus marking a transformative shift in how we embed sustainability across our business. In line with the launch of ELEVATE, the Company's ESG governance structures were strengthened with the establishment of an ESG Steering Committee chaired by the Managing Director and the appointment of three additional sub-committees responsible for the Environmental, Social and Governance domains.

Decarbonising our value chain remains a top priority under the ELEVATE roadmap as we strive to align with the 1.5-degree roadmap outlined by the International Aluminium Institute (IAI). Accordingly, we aim to systematically reduce emissions by transitioning to cleaner energy sources by investing in renewable and integrating energy-efficient technologies into our manufacturing processes.

We are also committed to consistently elevating the quality of our annual report which included preparing for the implementation of the new SLFRS S1 and S2 sustainability disclosure standards.

## GOVERNANCE AND STEWARDSHIP

With regulatory reforms redefining the corporate governance landscape in 2024, compliance

## CHAIRMAN'S STATEMENT

became a focal point in the Board agendas in the current year. One of the most notable developments was the introduction of Section 9 of the Colombo Stock Exchange (CSE) Listing Rules on Corporate Governance, which mandated stronger standards on Board independence, sub-committee compositions, policy frameworks and emphasised greater transparency in shareholder engagement and corporate disclosures.

In alignment with these new requirements, the Alumex Board constituted 2 new Board sub-committees, namely the Nomination and Governance Committee and the Related Party Transaction Review Committee, both formally approved by the Board on 7th May 2024. Until then, these functions were managed through our parent Company, Hayleys PLC.

Further, to comply with Section 9.2.1 of the CSE Listing Rules, the Board approved twelve mandatory policies, which were made publicly accessible on the Company's website with effect from 1st October 2024, marking a clear step forward in ensuring transparency and reinforcing stakeholder trust.

### BOARD CHANGES

The year under review saw several Board changes, which have strengthened its composition and skill profile. During the year, we welcomed Mr. Jonathan Alles to the Board as an Independent Non-Executive Director; I am certain that his extensive experience in financial services and corporate governance will add significant



**Alumex's strategic priorities remain clear and forward-looking. We will continue to deepen our presence in international markets by expanding our export footprint, supported by a broader and more diversified product portfolio that meets evolving customer needs.**



value to Alumex's strategic direction and oversight capabilities. Further, Mr. Dushan Waduavala was appointed to the Board as an Executive Director, bringing with him deep international marketing and industry knowledge. Meanwhile, Mr. Munaweera resigned from the Board on the 3rd of May 2025 and on behalf of Alumex, I wish to extend my sincere appreciation for his service and valuable contributions during his tenure. During the year, Mr. Ranil De Silva was appointed as the Senior Independent Director of Alumex, based on the recommendations of the Nomination and Governance Committee.

### LOOKING AHEAD

The global economic outlook for 2025 remains mixed, influenced by cautious optimism as major economies seek to stabilise amidst inflationary pressures, ongoing geopolitical uncertainties and anticipated disruptions to trade flows owing to protectionist policies.

Meanwhile it appears that Sri Lanka is set to achieve a more pronounced recovery in 2025. Having achieved visible results in 2024, Sri Lanka's economic outlook

for the short-to-medium term remains positive. Declining interest rates, a more stable exchange rate, and the gradual rebuilding of foreign reserves point to strengthening macroeconomic fundamentals. These developments, while still in their early stages, are expected to have a strong ripple effect across industries, including construction and infrastructure, key sectors that will inevitably induce the demand for Aluminium products.

While mindful of external risks, including potential global economic volatility and shifting trade dynamics, Alumex's strategic priorities remain clear and forward-looking. We will continue to deepen our presence in international markets by expanding our export footprint, supported by a broader and more diversified product portfolio that meets evolving customer needs. Our focus on research and development will be intensified to drive innovation and maintain our competitive edge. At the same time, we expect our endeavour to deepen ESG integration to gain further traction as we look to reinforce our position as a sustainability leader in the global Aluminium value chain.



As we step into the future, we will continue to be guided by our strategic vision to transform, grow and thrive alongside our stakeholders.

### APPRECIATIONS

As we conclude what is undoubtedly Alumex's most successful year to date, I wish to extend my heartfelt appreciation to my fellow Board members for their invaluable support, foresight, and wise counsel throughout the year. I also commend our dynamic Managing Director, Mr. Pramuk Dediwela and the entire Team Alumex for their unwavering dedication, diligence, and drive in delivering an exceptional performance. Their efforts have not only resulted in a strong set of financial results but have also elevated Alumex's stature as a benchmark in Sri Lanka's Aluminium extrusion industry and a growing brand in international markets.

A special note of gratitude is due to the Nomination and Governance Committee and the Related Party Transactions Review Committee of Hayleys PLC for their continued support and guidance over the years, which has been instrumental in shaping our governance journey.

I also wish to acknowledge the support of our regulatory bodies, whose oversight and engagement have contributed to our progress.

To our shareholders, customers, suppliers, business partners, both in Sri Lanka and across the world, and all our stakeholders: thank you for the trust and confidence you have

placed in us. Your continued belief in our purpose is what inspires us to aim higher and deliver more, year after year.



Mohan Pandithage  
Chairman

2nd May 2025

## MANAGING DIRECTOR'S REVIEW



**It was a landmark year for exports, with volumes growing by 56%, while export earnings in USD terms rose from \$10.3 million to \$16.2 million, the highest ever in Alumex's 39-year history.**



Dear Stakeholder,

The year under review was a remarkable one for Alumex, representing a significant chapter in the Company's 39-year journey marked by success stories on many fronts. We expanded our global footprint, elevated our product offering to new segments, and strengthened our resilience in the face of adversity, while contributing to Sri Lanka's economic revival.



## OPERATING ENVIRONMENT

Global economic activity remained mixed in 2024, with many advanced economies grappling with monetary tightening and geopolitical uncertainty, while emerging markets contributed positively to global output. Commodity prices, including Aluminium, stabilised after a volatile period, driven by both improved supply chain efficiencies and moderating global inflation.

Within this context, the demand for Aluminium extrusions witnessed a steady resurgence with reliability, aptitude, and compliance considered the top sourcing priorities across key global markets. Likewise, the transition toward green infrastructure, sustainable construction, and lightweight mobility also appeared to be gaining momentums worldwide creating opportunities for high-quality, compliant manufactureLKR

Meanwhile, Sri Lanka's economy began to show early signs of stability and recovery with the country recording a GDP growth of 5% in 2024, bolstered by strong performances across all key sectors. Renewed interest in the construction and infrastructure sectors saw the resumption of long-stalled public infrastructure projects, while private sector investment in residential and commercial development picked up pace, reflecting improving consumer sentiments. Other macroeconomic fundamentals remained largely favourable with inflation recording gradual decline during the year and interest rates remaining conducive for investment growth. Furthermore, greater

stability in exchange rates alongside sustained improvements in foreign reserves, collectively contributed towards boosting confidence in external trade and financing.

## STRATEGY AND FOCUS

With capabilities and deep industry insights that aptly positioned us to respond to global and local trends, we moved swiftly and deliberately to accelerate growth across both international and domestic markets. Central to our global market strategy was the rigorous expansion of our export footprint, in high-potential regions such as the USA and New Zealand, as well as neighbouring South Asian markets. A particularly important milestone was the formation of a strategic partnership designed to deepen Alumex's presence in North America, a region that has been actively diversifying its supplier base. This partnership lays the foundation for long-term engagement in this highly sophisticated market, where quality, precision, and compliance are foremost priorities.

Simultaneously, we made major strides in enhancing our product portfolio. Targeted investment in research and development yielded 44 export-oriented product innovations, allowing us to address market-specific demands and solidify our value proposition in niche, high-growth segments. In particular, our diversification into lifestyle and light engineering applications markets marked a key strategic pivot towards higher-margin, design-driven offerings. A standout achievement in this regard was the launch of the Capral

Urban Range, a premium product line developed in collaboration with Capral Australia, signalling the commencement of our transition toward architectural-grade solutions defined by aesthetics, durability, and performance.

To further amplify Alumex's presence on the global stage our teams participated in several global trade exhibitions most notably Aluminium 2024 in Düsseldorf, and the UK Metals Expo in Birmingham. These forums not only expanded our network of industry collaborators but also positioned Alumex as a forward-thinking player in the global Aluminium landscape.

On the domestic front, our efforts were anchored in a strategic repositioning of Alumex as the preferred choice for high-quality, tested architectural Aluminium products. Working to consciously differentiate ourselves from generic, low-cost alternatives we focused on offering value through engineering excellence and product reliability. Simultaneously we expanded our dealer network, with the addition of 23 new partners in order to extend our reach into fast-growing urban markets around Sri Lanka. Moreover, keen to capitalise on the exponential rise in rooftop solar installations, we continued to actively promote our Aluminium infrastructure for mounting systems.

Brand building remained a key focus during the year and interventions included enhancement and expansion of our flagship Lumin Concept Centers, offering immersive experiences to

## MANAGING DIRECTOR'S REVIEW

customers and industry professionals alike. We also relaunched the Alumex corporate website, integrating AI-powered features to improve user engagement, streamline product discovery, and provide intelligent support services.

As part of our broader strategy to support Alumex's market expansion drive, we placed strong emphasis on enhancing our sourcing and inventory function. In this regard, we embarked on a complete reengineering of our supplier management framework by embedding ESG principles into sourcing decisions and formalising compliance assessments. These initiatives not only improved traceability and risk management but also aligns with our commitment to responsible business practices and long-term value creation.

### FINANCIAL RESULTS

The financial results for the FY 2024/25 stand as a clear testament to the strength and effectiveness of Alumex's strategic direction. The Company recorded revenue of LKR 14.3 billion an all-time high that represents a robust 30% year-on-year growth from LKR 11.0 billion in FY 2023/24. Our revenue mix also highlights the strength of our diversified market reach, with exports now contributing 34% of total revenue, up from 30% last year, while local revenues accounted for 66%. Local revenue rose to LKR 9.5 billion, a 23% increase over the prior year, fuelled by economic recovery, lower interest rates, and increased activity in the renewable energy sector.

Meanwhile, it was a landmark year for exports, with volumes growing by 56%, while export earnings in USD terms rose from \$10.3 million

to \$16.2 million, the highest ever in Alumex's 39-year history.

These outstanding results, I believe, underscore the confidence our customers place in us and validate the bold strategic decisions we have taken across product innovation, market expansion, and operational transformation.

The Company's effective margin management and operational efficiency were further reflected in the Profit Before Tax, which more than tripled to LKR 1.14 billion, up from LKR 232 million. The PBT margin improved significantly from 2.1% to 8.0%, driven by increased capacity utilisation, leaner cost structures, and enhanced income from other sources.

After accounting for a tax expense of LKR 274 million, the Profit After Tax rose sharply to LKR 867 million, compared to LKR 186.1 million in the prior year. Bolstered by strong bottom-line results, operating cash flows registered a 102% improvement contributing towards further enhancing the Company's balance sheet.

### INVESTMENT IN INFRASTRUCTURE AND CAPACITY BUILDING

At Alumex, we recognise that long-term success hinges on the investments we make today. This year we invested LKR 1,290 million in replacing and modernising key assets at our Ekala facility. Considering this as an opportunity to reassess and recalibrate, we commissioned a state-of-the-art Vertical Powder Coating (VPC) line and Powder-on-Powder (PoP) technology to deliver high-end finishes that meet international specifications essential for unlocking premium market opportunities, especially in the export space.

Likewise, to support the evolution of our product portfolio, we commissioned a new high-pressure die casting line, a balcony assembly line, and a CNC profile bending facility, each selected to expand our design capabilities and improve production, customer service, speed and precision.

In tandem, we restructured our warehousing footprint by consolidating smaller units into a centralised raw material warehouse to improve inventory flow and traceability and support supply chain discipline needed for future growth.

### DIGITALISATION AND AUTOMATION

As we continue to scale and expand our product portfolio to serve diverse customer segments, building digital strength across the value chain has become a key strategic imperative to drive efficiency, agility, and smarter decision-making.

During the year under review, we committed a significant investment towards upgrading our IT infrastructure to lay the groundwork for enterprise-wide digital transformation covering both front-end and back-end processes.

We initiated the deployment of AI technologies in three core areas: improving yield in secondary billet manufacturing, optimising the extrusion process, and enhancing knowledge capture and sharing for continuous learning and innovation. These initiatives are poised to deliver tangible benefits in process optimisation, cost control, and product quality.

To strengthen data-driven decision-making, we also commenced the implementation of SAP Analytics Cloud for advanced business

intelligence. Simultaneously, a Barcode/QR code system is being rolled out to improve product handling and ensure end-to-end traceability, while an advanced production planning system will support us in meeting the higher volumes expected in the years ahead.

All these initiatives are set to go live in the FY 2025/26, positioning Alumex as a digitally enabled, insight-driven business ready to lead in a fast-evolving industry landscape. This transformation will sharpen our responsiveness, deepen customer trust, and fortify our competitive edge as we step confidently into the future.

#### PEOPLE DEVELOPMENT

We have always viewed people's development as central to building a resilient organisation that can thrive in a dynamic and competitive landscape.

In the year under review, we allocated significant resources towards training and upskilling our teams which resulted in a total of 11,656 hours, 6,271 hours for executives and 5,385 hours for non-executives, a remarkable 56% increase in training hours, a testament to our commitment to building both technical depth and leadership strength across the organisation.

We also continued the "Renaissance of Alumex" initiative, a structured effort to embed a culture of operational excellence through the formation of cross-functional OPEX teams who are at the forefront of identifying and executing improvements that enhance productivity, reduce waste, and drive innovation from within.



**Another defining achievement this year was the successful completion of the Aluminium Stewardship Initiative (ASI) certification audit, which brings us closer to achieving full certification in the forthcoming financial year. This highlights our commitment to ethical sourcing, environmental stewardship, and social responsibility**



#### SUSTAINABILITY HIGHLIGHTS

In December 2024, we proudly unveiled Elevate, our Sustainability Roadmap that denotes what I consider to be a quantum leap in how we approach environmental, social, and governance (ESG) aspirations as our offering is more than Aluminium to society. This bold and forward-looking blueprint serves as a comprehensive action plan to embed sustainability into the DNA of our operations, decision-making, and culture. Our aspirations include increasing reliance on renewable energy across our operations, optimising water consumption and contributing towards preserving ecosystems and biodiversity.

Our targets are supported by a robust framework of real-time monitoring, continuous improvement initiatives, and a growing emphasis on water recycling and reuse.

Another defining achievement this year was the successful completion of the Aluminium Stewardship Initiative (ASI) certification audit, which brings us closer to achieving full certification in the forthcoming financial year. Highlighting our commitment to ethical sourcing, environmental stewardship, and social responsibility, the ASI certification will substantially enhance Alumex's standing as a responsible and sustainable manufacturer within the global

Aluminium value chain, thus opening up access to premium international markets.

#### PROGRESS ON SLFRS S1 & S2 ADOPTION

We recognise that complying with evolving sustainability compliance requirements is essential to building resilience, securing investor confidence, and unlocking long-term value for all our stakeholders. In this context, our preparations for the adoption of Sri Lanka Sustainability Reporting Standards (SLFRS) S1 and S2 reflects our commitment to embedding sustainability into the core of our business strategy, risk management and decision-making processes. To that end, the Company's leadership, including myself, spent a considerable amount of time this past year disseminating the guidelines and improving our understanding on sustainability-related risks and opportunities across our value chain. We strengthened governance and reporting structures to provide oversight and direction for the implementation of these mandates.

#### AWARDS AND ACCOLADES FOR 2024

Being recognised through awards and accolades, I believe validates our strategic direction, reaffirms the agility of our business model and acknowledges the strength of our people.

## MANAGING DIRECTOR'S REVIEW

In the FY 2024/25 Alumex continues to add to its growing list of awards. Alumex was declared the Best National Industry Brand (Large Scale - Metal, Die, Mold, Machinery Tools & Allied Industry Sector) at the National Industry Brand Excellence Awards 2024.

Likewise at the National Business Excellence Awards 2024, Alumex was awarded the Gold Award in the Manufacturing – Engineering Sector. We also secured the Top 10 Award at the CNCI Achiever of Industrial Excellence Awards 2024, and a Silver Award (Extra Large Category – Manufacturing Sector) at the same forum. At the NCE Export Awards 2024, we won Silver in the Machinery & Light Engineering Products Sector (Extra Large Category), while the Presidential Export Award 2023/24 conferred a Merit Award in the Light Engineering Products segment.

In recognition of our efforts to strengthen supply chain resilience and efficiency, we received a Special Commendation (Large Scale) at the National Supply Chain Excellence Awards 2024. We were also recognised for our public presence at the Construct Awards 2024, winning the award for the Most Attractive Stall, while our product quality was honoured with a SLIA Product Award.

Our journey in transparent and accountable communication was validated once again at the CMA Excellence in Integrated Reporting Awards 2024, where we earned a Merit Award, as well as at the Asia Integrated Reporting Awards 2024, where Alumex was presented the Silver Award in the SME Sector, a prestigious regional recognition that underlines the credibility of our reporting practices and our commitment to integrated thinking. Capping off these recognitions was

a standout moment at the TAGS Awards 2024, where the Alumex PLC Integrated Annual Report for the FY 2023/24 was honoured with the Gold Award in the Manufacturing Sector (Group Turnover up to LKR 20 Bn).

### OUTLOOK AND PROSPECTS

Looking ahead, the country outlook appears encouraging, with forecasts suggesting sustained GDP growth driven by key sectors such as construction, tourism, and a robust export recovery.

Against this positive surrounding, Alumex's short-to-medium term strategy will revolve around export market expansion, with a strong emphasis on value-added segments to enhance our competitive edge internationally. Simultaneously, we plan to deepen our local market penetration and broaden our footprint by responding dynamically to rising demands and evolving customer needs.

Innovation remains at the heart of these efforts. Through ongoing product innovation and diversification, we aim to stay ahead of market trends and deliver solutions that meet tomorrow's challenges. I expect these efforts to be further augmented by our digital transformation and automation initiatives aimed at enhancing operational efficiency and scalability, preparing us to meet higher volumes with precision and agility. Finally, sustainability and ESG integration will be a key focal point in our onward journey. Together, these strategic priorities position us well to navigate the future confidently and continue delivering exceptional value.

### ACKNOWLEDGEMENTS

As I reflect on what has truly been a tremendous year of growth for Alumex, I am filled with gratitude

for the many individuals and partners whose unwavering support has propelled us forward.

First and foremost, I wish to express my heartfelt appreciation to our Chairman, Deputy Chairman, and the Board of Directors for their strategic foresight which has been instrumental in shaping the trajectory of our business and positioning Alumex as an industry leader.

I would also like to extend my deepest thanks to my outstanding Management Team and all Alumex employees. Your commitment has not only elevated our operational excellence but also ensured that we remained resilient and focused through challenging times, consistently delivering on our strategic priorities.

To our valued customers, suppliers, business partners, shareholders, and all other stakeholders; thank you for the trust you continue to place in us. Your support and collaboration inspire us to keep pushing boundaries, raising standards, and delivering meaningful value that goes beyond business.

As we look to the future, I remain confident that with your continued belief in our journey, we will reach even greater heights together.



Pramuk Dediwela  
Managing Director

2nd May 2025

## PERFORMANCE HIGHLIGHTS



## SALIENT. SECURE. ASSURED.

This year, Alumex PLC has pushed boundaries, cultivated transformation and has embraced the cutting edge to redefine the paradigms of possibility. Across our key segments, positive change has been a constant.



# YEAR AT A GLANCE



## FINANCIAL & OPERATIONAL HIGHLIGHTS

Revenue grew by  
**30% to LKR 14.34 Bn**



EBITDA increased by  
**64% to LKR 2.35 Bn**


Profit Before Tax reached  
**LKR 1,141 Mn, up 392%**

Dividend of  
**LKR 0.40 per share  
declared**

Total assets base rose by  
**29% to LKR 16.56 Bn**

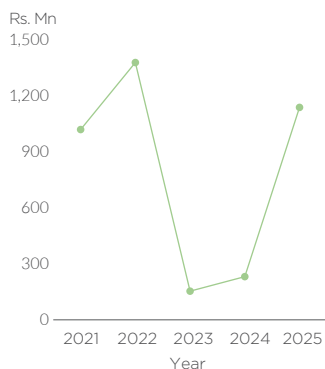
Export revenue growth of  
**48%**



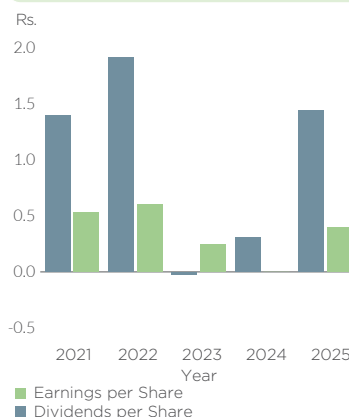
Economic Value Generated  **LKR 4,503 Mn, growth 29%**

Earning per share rose to  
**LKR 1.45 from LKR 0.31**

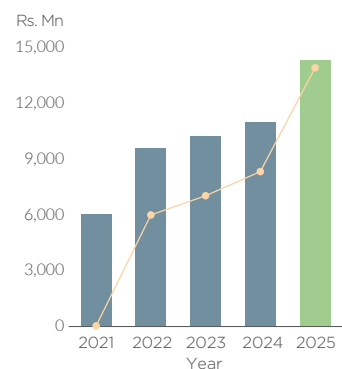
Profit Before Tax



Earnings Per share & Dividends per share



Revenue





## ESG HIGHLIGHTS

**450 trees planted**  
as part of reforestation efforts

Community investment grew  
**4% to LKR 4.1 Mn**

Reliance on recycled aluminium  
**46%**

GHG emission  
**12,660 tCO<sub>2</sub>e**

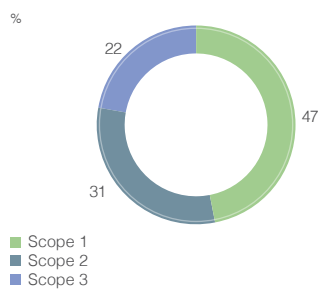
Innovation Output  
**46**

Establishment of  
**ESG Committee**

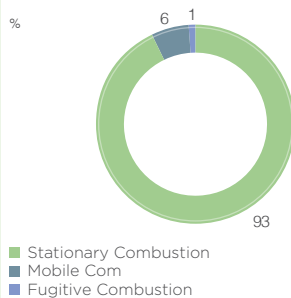
Aluminium Stewardship Initiative  
(ASI) Performance Standard certified

Launch of “ELEVATE”  
ESG Roadmap

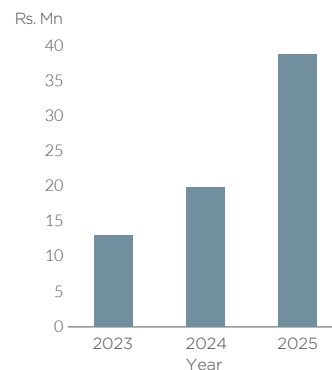
Scope Emission Distribution



Scope 1 Emission Distribution - tCO<sub>2</sub>e



Investment in R&D







# FINANCIAL HIGHLIGHTS

		2025	Change %	2024	2023
<b>EARNINGS HIGHLIGHTS AND RATIOS</b>					
Revenue	LKR Mn	14,338	30	10,993	10,215
Earnings Before Interest, Taxes, Depreciation & Amortisation (EBITDA)	LKR Mn	2,346	64	1,427	1,569
Results from Operating Activities (EBIT)	LKR Mn	1,911	82	1,053	1,222
Profit Before Tax	LKR Mn	1,141	392	232	154
Income Tax	LKR Mn	274	499	46	164
Profit After Tax	LKR Mn	867	366	186	(10)
Profit Attributable to shareholders	LKR Mn	867	366	186	(10)
Dividends	LKR Mn	239	-	-	150
Gross Profit Margin	%	20.14	(2)	20.61	20.07
Operating Profit Margin	%	13.33	39	9.58	11.97
Net Profit Margin	%	6.05	257	1.69	(0.10)
Earnings Per Share (Basic)	LKR	1.45	366	0.31	(0.02)
Return on Assets (ROA)	%	5.24	263	1.44	(0.10)
Return on Capital Employed (ROCE)	%	16	32	12	14
Return on Equity	%	21	309	5	(0.3)
Interest Cover	No. of times	2.52	99	1.27	1.03
<b>Financial Position Highlights and Ratios</b>					
Total Assets	LKR Mn	16,555	29	12,881	10,518
Total Debt	LKR Mn	8,607	38	6,246	4,542
Equity Attributable to Equity Holders of the Parent	LKR Mn	3,229	24	2,597	2,391
Stated Capital	LKR Mn	284	-	284	284
Revenue Reserve	LKR Mn	1,133	22	928	934
Gearing	%	64.94	5	62.11	55.73
Debt / Equity	%	185.25	13	163.95	125.88
Equity Asset Ratio	%	28.06	(5)	29.57	34.31
Net Assets Per Share	LKR	7.76	22	6.36	6.03
Current Ratio	No. of times	1.06	(3)	1.09	1.02
Quick Asset Ratio	No. of times	0.51	34	0.38	0.35
No. of Shares in Issue	No.	598,605,680	-	598,605,680	598,605,680
<b>Market / Shareholder Information</b>					
Market Value Per Share	LKR	15.20	58	9.60	8.20
Highest Market Price Per Share	LKR	16.90	59	10.60	11.00
Lowest Market Price Per Share	LKR	9.50	23	7.70	5.40
Value as at End of Financial Year	LKR Mn	9,099	58	5,747	4,909
Dividend Per Share	LKR	0.40	-	-	0.25
Price Earnings Ratio	No. of times	10	(68)	31	(481)
Effective Dividend Rate (Dividend Yield)	%	2.63	-	-	3.05
Dividend Payout Ratio	%	28	-	-	(1,466)
Dividend Cover	No. of times	3.62	-	-	(0.07)
<b>Others</b>					
Economic Value Generated	LKR Mn	4,503	29	3,482	3,331
Economic Value Distributed	LKR Mn	3,282	14	2,876	3,130
- Government	LKR Mn	115	-	-	(644)
- Employees	LKR Mn	1,866	33	1,407	1,191
- Others	LKR Mn	1,301	(11)	1,469	2,583
Value Added Per Employee	LKR Mn	4.50	-	4.50	4.69
Company Employment	No.	1,001	29	774	735
Average Revenue Per Employee	LKR Mn	14.32	1	14.20	13.90
Average Operating Income Per Employee	LKR Mn	1.91	40	1.36	1.66
Interest Rate of Comparable Government Security					
- Treasury Bill (1 year)	%	8	(20)	10	24
- Treasury Bond (5 year)	%	11	(8)	12	28



# ESG HIGHLIGHTS

		2025	Change %	2024	2023
	<b>ENVIRONMENTAL (E)</b>				
	<b>Resources</b>				
Total Energy consumption	GJ	105,539	26	83,718	67,023
Non-renewable energy consumption	GJ	103,141	34	76,902	60,448
Renewable energy generated	KWh	666,126	-65	1,893,403	1,826,299
Out of total energy consumed	%	2.3	-72	8.1	10
Out of total electricity consumed	%	7.3	-68	23	28.2
Energy Intensity (energy per revenue) 	MJ / LKR Mn	6.7	-3	7.6	6.6
Recycled water usage	%	2	18	1.7	0.2
	<b>Waste</b>				
Solid waste	MT	2,105	116	974	1,786
Effluents discharged	m3	77,816	-8	84,458	74,540
Total water withdrawal	m3	111,166	32	84,458	74,540
Water intensity (water withdrawal per revenue)	L / LKR Mn	7,753	1	7,683	7,297
Waste water treated through internal treatment plants	%	70	-30	100	100
Recycled water usage	%	2	18	1.7	0.2
	<b>Emission</b>				
Total Carbon footprint (GHG emission)	tCO2e	12,660	29	9,809	8,909
Scope 01 emissions	tCO2e	5,896	44	4,083	4,119
Scope 02 emissions	tCO2e	3,887	-14	4,542	3,738
Scope 03 emissions	tCO2e	2,879	137	1,214	1,052
	tCO2e / LKR Mn				
Emission intensity (emission per revenue)	Mn	0.9	-1	0.9	0.9
	<b>Biodiversity</b>				
Land Area in or Near Protected Zones	hectares	-	-	-	-
Reforestation -Trees Planted	No.	450	118	206	300
	<b>SOCIAL (S)</b>				
	<b>Community Engagement</b>				
Community Investment	LKR Mn	4.1	4	3.9	0.8
Community Investment Beneficiaries	No.	2,190	0.5	2,180	2,210
Innovation Output - New Products Introduced	No.	46	-70	153	180
Investment in R&D	LKR Mn	38.7	10	19.8	13
	<b>People &amp; Employees</b>				
Gender Diversity - Female Representation	%	5.9	17	5	4
New Recruits	No.	274	57	176	57
Employee Training Expenditure	LKR Mn	5.7	73	3.3	9
Training hours	Hours	11,657	54	7,563	12,270
Average training hours per employee	Hours	12	19	10	17
Employee Retention Rate	%	84	-4	88	87
Work-Related Injury Incidents	No.	142	82	78	22
Lost working days	No.	235	571	35	61
	<b>Suppliers &amp; Business Partners</b>				
Total number of suppliers (as at end-March)	No.	1,598	-33	2,385	2,435
Number of SME Suppliers	No.	268	-66	796	1,837
Total Payments to Suppliers	LKR Mn	18,554	73	10,720	11,495
Proportion of spending on local suppliers	%	48	-16	57	65
Suppliers Benefiting from Development Programs	No.	-	-	-	-
Total Tax Paid to Government	LKR Mn	826	-5	873	732
	<b>GOVERNANCE (G)</b>				
	<b>Values &amp; Ethics</b>				
Number of whistle-blowers cases reported and solved	No.	0	-	0	0
	<b>Management Systems</b>				
ESG Committee Meeting Frequency	No.	4	-	0	0
Total audits conducted on management systems					
Internal Audits	No.	4	-	4	4
External Audits	No.	11	-	7	7
	<b>Data Privacy &amp; Security</b>				
Number of Reported Cybersecurity Incidents	No.	0	-	0	0
	<b>Other</b>				
Human Rights Violations	No.	0	-	0	0
Dividends Paid to Shareholders	LKR Mn	239	-	0	150

# BOARD OF DIRECTORS



**Mr. Mohan Pandithage**

Chairman

*Appointed to the Board on  
4th November 2010*

GRI 2-11

## Skills and experience

Since assuming the role of Chairman and Chief Executive in 2009, Mr. Pandithage's strategic vision has redefined the growth trajectory of Hayleys, transforming the Group to one of Sri Lanka's most diversified, sustainable and socio-economically impactful enterprises. His foresight in capturing emerging opportunities and driving strategic investments in key industries have significantly enhanced the Group's earnings potential and long-term resilience. Mr. Pandithage is an accomplished industry veteran and respected leader in the field of transportation and logistics, having led the Group's Transportation Sector prior to this appointment as Chairman of the Group. He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport and has been honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. He

was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association.

He is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a Member of the Advisory Council of the Ceylon Association of Shipping Agents (CASA). He also serves as a Council Member of the Employers' Federation of Ceylon.

Mr. Pandithage also serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka.

## Other appointments

Chairman and Chief Executive of Hayleys PLC. Executive Chairman of Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, Singer (Sri Lanka) PLC, Hayleys Fibre PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, The Kingsbury PLC and Hayleys Leisure PLC. He also serves as a Non-Executive Director on the Board of Diesel and Motor Engineering PLC.



**Mr. Sarath Ganegoda**

Deputy Chairman

*Appointed to the Board on  
4th November 2010*

## Skills and experience

An accomplished corporate leader counting over 30 years of multifaceted experience across diverse industries, Mr. Ganegoda has held several senior leadership positions in large private sector organisations in Sri Lanka and overseas. Having served the Hayleys Group between 1987 and 2002, he rejoined in 2007 and was appointed to the Group Management Committee the same year. He is currently responsible for the Strategic Business Development Unit and Group Information Technology of Hayleys PLC.

Mr. Ganegoda holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He is a Fellow Member of CA Sri Lanka and a Member of the Institute of Certified Management Accountants of Australia.

## Other appointments

Executive Director of Hayleys PLC. Non-Executive Director of Haycarb



**Mr. Pramuk Dediwela**

Managing Director

*Appointed to the Board on  
1st December 2010*

PLC, Dipped Products PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC and Hayleys Leisure PLC. He serves on the Boards of several private and unlisted public companies in the Hayleys Group. He also serves as the Chairman of Sri Lankan Airlines Limited and Sri Lankan Catering Limited.

**Skills and experience**

Mr. Dediwela started his career in January 1989 and has over 36 years of experience in the fields of marketing and sales, material and logistics, finance, manufacturing, and administration as well as human resources under Alumex Group. He was appointed as an Executive Director of the Company in December 2010, as the Chief Operating Officer in November 2017 and as the Managing Director in July 2018.

He is a financial economist cum marketer and holds a Masters in Financial Economics (University of Colombo), Master of Business Administration (University of Southern Queensland), Postgraduate Diploma in Business and Financial Administration (CA Sri Lanka/Cranfield - UK), Postgraduate Diploma in Marketing (Chartered Institute of Marketing - UK) and Diploma in Management (OUSL).

He is a member of the Advisory Committee on Metal, Mould, Die & Light Engineering under Ministry of

Industries/ Export Development Board and Member of the Sri Lanka Economics Association. He is a Council Member of the Foundry Development & Services Institute of Sri Lanka (a UNDP funded Institute).

# BOARD OF DIRECTORS



**Mr. Ranil De Silva**

Senior Independent Director  
*Appointed to the Board on  
3rd January 2024*

**Skills and experience**

Mr. De Silva is an Associate Member of the Chartered Accountants of Sri Lanka, a Member of the Chartered Institute of Marketing, UK and the Chartered Institute of Management Accountants, UK.

He served as the Joint Managing Director of Aitken Spence Hotel Management (Pvt) Ltd, and as the Managing Director of the Hemas Hotel Sector. An alumnus of Ernst & Young, he has wide experience locally and overseas in diverse industries.

**Other appointments**

Independent Non-Executive Director of Singer Finance (Lanka) PLC, Hayleys Leisure PLC, The Kingsbury PLC and Central Industries PLC. Non-Executive Director of Lanka Shipping & Logistics (Pvt) Ltd.



**Mr. Asghar Akbarally (Asgi)**

Non-Executive Director  
*Appointed to the Board on 22nd  
November 2010*

**Skills and experience**

Mr. Akbarally is the Managing Director of Akbar Brothers (Pvt) Ltd, Sri Lanka's leading exporter of tea and one of the country's largest diversified corporations.

A career spanning over 45 years, Asgi Akbarally has spearhead innovation and new ventures at the conglomerate. Today, he holds directorship in multiple subsidiaries and affiliates of the Akbar Group across sectors ranging from Manufacturing to Property Development, Hotels & Leisure, Healthcare, Power Generation, Packaging & Printing, Logistics, and Environmental Services.

He is also the Honorary Consul of the Hashemite Kingdom of Jordan to Sri Lanka. He holds a BSc Degree in Industrial Engineering from the California State University and is a Fellow Member of the Institute of Certified Professional ManageLKR A lifelong classic car

enthusiast, Asgi is the Patron of the Classic Car Club of Ceylon and the author of "Classic and Vintage Automobiles of Ceylon."

**Other appointments**

Managing Director of Akbar Brothers (Pvt) Ltd and Renewgen (Pvt) Ltd. Deputy Chairman of Windforce PLC, and Chairman of Amana Bank PLC, Hermitage Resorts (Pvt) Ltd, Uthurumaafaru Holding (Pvt) Ltd, Maldives, Lhaviyani Holdings (Pvt) Ltd and Cocoon Investments (Pvt) Ltd, Maldives.



**Dr. Harsha Cabral, PC**

Non-Executive Director

*Appointed to the Board on  
1st January 2014*

#### **Skills and experience**

A President's Counsel of Sri Lanka and a renowned lawyer with an illustrious practice in the Commercial High Courts and the Supreme Courts of Sri Lanka, Dr. Cabral counts over thirty-seven (37) years' experience in the field of Intellectual Property Law, Company Law, Commercial Law, Commercial Arbitration, Securities Laws and International Trade Law covering both civil and criminal aspects. He has been instrumental in drafting several key legislations including the Arbitration Act, No. 11 of 1995, the current Companies Act No. 07 of 2007 and the Intellectual Property Law.

Dr. Cabral served as a sitting member of the International Chamber of Commerce (ICC) International Court of Arbitration in Paris for a period of six years till 2021. He is also a member of the Corporate Governance Faculty and the Corporate Governance Committee of the Institute of Chartered Accountants of Sri

Lanka, and University Grants Commission (UGC) nominee on the Post Graduate Institute of Medicine (PGIM). Further, he was appointed to the Board of Management of the Post Graduate Institute of Management. He is a member of the Law Commission of Sri Lanka, and a Member of the Advisory Committee on Intellectual Property Law.

In addition to his extensive practice in courts, Dr. Cabral also plays an active role in nurturing the next generation of legal professionals through ongoing engagement as a senior visiting lecturer in several local and international universities. He has also published several books on corporate law, intellectual property law and corporate governance among otheLKR

Dr. Cabral holds a Doctorate in Corporate Law from the University of Canberra, Australia. He is also a Fellow of the Institute of Chartered Governance Institute (UK & Ireland).

#### **Other appointments**

Chairman of the Tokyo Cement Group and Independent Non-Executive Director of several subsidiaries of the Tokyo Group, Chairman of National Savings Bank, and Air Lanka, (Pvt) Ltd. Non-Executive Director of Hayleys PLC, Sri Lankan Airlines Limited, Sri Lankan Catering Limited, Diesel & Motor Engineering PLC, Ceylinco Life Insurance Company and, Chevron Lubricants Lanka PLC.

CCC-ICLP International ADR Centre (Guarantee) Limited, Sri Lanka, Institute of Information Technology (Guarantee) Limited (SLIIT), SLIIT International (Private) Limited, Nanadiriya (Guarantee) Limited (Chairman). Through these appointments he serves on several Audit Committees, Nominations and Governance Committees, Remuneration Committees, Recoveries Committees and Related Party Transactions Review Committees, chairing most of them.

## BOARD OF DIRECTORS



**Mr. Manoha Rajakariar**

Independent Non-Executive Director

*Appointed to the Board on  
3rd January 2024*

Mr. Rajakariar is a highly experienced finance professional with a career spanning over 30 years. Until June 2024, he served as the Chief Financial Officer at South Asia Gateway Terminals (SAGT), where he was a key member of the executive committee and senior management team. Prior to this, he held senior leadership roles at John Keells Holdings PLC (JKH), including Executive Vice President and Group Financial Controller. His tenure at JKH, which began in 1996, saw him serve as the Sector Financial Controller for the Tea Broking and Plantations Sector, CEO of the Shared Services arm, and later, Group Financial Controller before joining SAGT in 2018.

Mr. Rajakariar also gained valuable experience in audit assurance, risk, and compliance through his work with Coopers and Lybrand (PWC)

in Sri Lanka and Malawi. He is a Fellow Member of The Institute of Chartered Accountants of Sri Lanka, the Chartered Institute of Management Accountants (UK), and the Institute of Certified Management Accountants of Sri Lanka, underscoring his strong expertise in finance and governance.

In addition to his corporate career, he is actively involved in professional and community initiatives, serving on the Ethics Committee of CA Sri Lanka and in Finance committee of Sri Lanka Cancer Society.

### Other appointments

Independent Non-Executive Director at Hayleys Fiber PLC, Asset Line Finance Limited, Digital Mobility Solutions Lanka PLC (Pick-Me), Elpitiya Plantations PLC, and Access Engineering PLC.



**Mr. Jonathan Alles**

Independent Non-Executive Director

*Appointed to the Board on 26th  
December 2024*

### Skills and experience

Mr. Alles was the Managing Director/Chief Executive Officer of Hatton National Bank PLC ('HNB') and counts over 37 years of banking experience, having served several international banks including the National Bank of Abu-Dhabi, Saudi British Bank-Riyadh, British Bank of the Middle-East and HSBC, Dubai and Colombo before taking on the reins at HNB. He was a Director of the Sri Lanka Banks Association (SLBA) and its Chairman from 2014 to 2016. He served as Chairman of the Asian Bankers Association for 3 years from 2018 onwards, was a member of its Board of Directors and also served as the Chairman of its Advisory Committee. Mr. Alles holds a First Class MBA in Finance from the University of Stirling in United Kingdom. He is an Associate Member of the Institute of Bankers of Sri Lanka.

### Other appointments

Independent Non-Executive Director of Hayleys PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC, United Motors Lanka PLC, Ceylon Beverage Holdings PLC, Lion Brewery Ceylon PLC and Vallibel One PLC. Non-Executive Director of DHT Cement (Private) Limited.





**Mr. Prageeth Rajapaksha**

Executive Director

*Appointed to the Board on 16th November 2017*



**Mr. Dushan Waduawala**

Executive Director

*Appointed to the Board on 3rd May 2025*



**Mr. Somasiri Munaweera**

Non-Executive Director

*Appointed to the Board on 1st January 2014 and resigned on 3rd May 2025*

#### Skills and experience

Mr. Rajapaksha joined Alumex PLC in March 2012 as the Chief Financial Officer and was appointed as an Executive Director in November 2017. He has 22 years of experience in external audit and financial management disciplines in varied industries of auditing, telecommunication and manufacturing in local and overseas companies.

He holds a Bachelor of Business Administration and a Master of Business Administration Degree from the University of Colombo and a Diploma in Information Systems Security Control and Audit from the Institute of Chartered Accountants of Sri Lanka. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and an Associate Member of the Institute of Certified Management Accountants of Sri Lanka.

#### Skills and experience

Mr. Waduawala joined Alumex PLC in 2019 as Deputy General Manager, International Business Development (Sales & Marketing) Promoted to General Manager in 2023 and was appointed as an Executive Director in May 2025. He has over 20 years of experience in international marketing, sales, and business development covering diverse business segments such as freight, rubber, printing and packaging, and coconut. He started his career with Hayleys Advantis and worked in companies such as DSI, DPJ Holdings, CEAT, Richard Pieris and Renuka Agri Foods prior to joining Alumex PLC.

He holds a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (CIM) UK and an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura. He is a member of PIMA and the Sri Lanka Institute of Marketing (SLIM).

#### Skills and experience

Mr. Munaweera counts over 37 years of experience in mercantile and audit sector. He holds a Bachelor of Commerce (Special) Degree from the University of Colombo and a Master of Business Administration from the postgraduate Institute of Management, University of Sri Jayewardenepura. Mr. Munaweera is a Member of the Association of Chartered Certified Accountants (ACCAUK), fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and the Institute of Certified Management Accountants of Sri Lanka (FCMA).

#### Other appointment

Mr. Munaweera is the Precedent Partner of S. Munaweera & Company, Chartered Accountants and also serves as the Deputy Chairman of New Anthony's Farms (Private) Limited, Managing Director of Southern Management and Corporate Services (Private) Limited, Director of SM Bentley Corporate Services (Private) Limited and New Anthony's Feeds Limited.

## CORPORATE MANAGEMENT



**Mr. Dilhan Jayawardena**

General Manager -  
Supply Chain Management



**Mr. Wasantha Dissanayake**

General Manager -  
Manufacturing



**Mr. Gihan Pilapitiya**

General Manager - Sales, Marketing  
& BD ( Local Markets)



**Mr. Rajitha Perera**

Deputy General Manager - Marketing  
and Business Development



**Mr. Tissa Jayathilaka**

Deputy General Manager - Sales,  
Distribution and Technical Support



**Mr. Sanjaya Kumarasekara**

Deputy General Manager -  
Quality & Technical



**Mr. Dharmasiri Namal**

Deputy General Manager - Human  
Resources and Administration



**Mr. Dilhan Jayawardena**

- General Manager - Supply Chain Management

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Dilhan joined Alumex PLC and was appointed as a member of the corporate management team with effect from April 2016 with overall responsibility for both local and overseas marketing and sales functions. In 2018, Dilhan was assigned new responsibilities of the logistics operation. He has over 33 years of broad expertise in areas such as market research, customer services, promotions and production planning, whilst managing many local as well as international brands across industries such as, apparel, logistics and transportation, accessories, electric & electronics, household decorative, hardware, advertising, printing and fabrication.

Dilhan, was instrumental in elevating the logistics function to support the business growth and created multiple distribution networks to enhance customer service at Alumex PLC. In 2022, he was appointed to look after the entire Supply Chain Management for end-to-end supply chain solutions of the Company. He obtained his professional Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (CIM) UK. Also, he is member of the Chartered Institute of Marketing (UK). Also, he is a Fellow Member (FCIM) of the Chartered Institute of Marketing (UK) and the Chartered Institute of Logistics and Transport (CILT).

**Mr. Wasantha Dissanayake**

- General Manager - Manufacturing

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Wasantha joined Alumex PLC in October 2023 undertaking the responsibility of manufacturing in Alumex. He has over 23 years' experience in general management, manufacturing, material management, quality assurance in the automotive parts manufacturing industry in multinational companies. He has experience in manufacturing management systems in Germany and India, and a lead auditor for ISO 9001, ISO 14001 and IOSH qualified. Before joining Alumex PLC, he held several senior general management positions in the automotive manufacturing industry. He is a council member of the Sri Lanka Mould and Die Makers Association. He holds a BSc Degree in Mathematics and industrial management and MBA in Management of Technology from the University of Moratuwa.

**Mr. Gihan Pilapitiya**

- General Manager - Sales, Marketing & BD  
(Local Markets)

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Gihan Pilapitiya joined the Corporate Management team of Alumex PLC in July 2024. A seasoned senior management professional with over 30 years of experience in the automotive and trading industries, he currently oversees Sales, Marketing, and Business Development functions for local markets.

Gihan brings extensive expertise in brand building, market expansion, and regulatory engagement. Prior to joining Alumex, he held key leadership roles such as General Manager, Chief Executive Officer, and Director across leading organisations in the automotive and heavy equipment sectors. His career encompasses a strong background in marketing, product management, and general trading operations.

He is a Chartered Marketer and holds a Diploma in Marketing from the Chartered Institute of Marketing (CIM), UK. He also holds a Postgraduate Diploma in Management from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura.

**Mr. Rajitha Perera**

Deputy General Manager  
- Marketing and Business Development

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Rajitha Perera joined Alumex PLC and was appointed to the Corporate Management Team effective March 1, 2019. With over 16 years of experience, he is a seasoned marketing professional with a proven track record in developing impactful marketing and branding strategies for both local and international markets. His expertise spans multiple industries, including FMCG and techno-commercial sectors, with a strong focus on differentiated communication, innovation, and visual identity development.

Rajitha holds a BSc (Hons) degree from the Metropolitan University of Manchester, UK, and an MBA from the University of Queensland, Australia. He is also a member of the Chartered Institute of Marketing (UK).

## CORPORATE MANAGEMENT

### Mr. Tissa Jayathilaka

Deputy General Manager  
- Sales, Distribution and Technical Support

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Tissa was appointed as a member of the corporate management team of Alumex PLC with effect from 1st April 2023 with the responsibility for sales and distribution. Tissa is a marketing professional with over 31 years of experience in sales and marketing. He obtained his professional Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (CIM) UK and holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura.

### Mr. Sanjaya Kumarasekara

- Deputy General Manager – Quality & Technical

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Sanjaya Joined Alumex PLC in September 2012 and served in the Manufacturing Department. He is an experienced engineering professional with a solid technical background, has good analytical skills, expertise in administration, operation, team development, general management and commercial activities and in 2022 he was assigned to lead the Alumex Prime plant. In December 2024 Sanjaya has been assigned to lead the organisations Quality and Technical divisions. Sanjaya is well versed in both the local and international manufacturing industries such as plastics, polyurethane, rubber and MDF that comes with his 29 years of industrial experience. He obtained National Diploma in Technology from University of Moratuwa and holds an MBA from the University of Sri Jayewardenepura. Further, he is a certified TPM and Lean practitioner.

### Mr. Dharmasiri Namal

Deputy General Manager  
- Human Resources and Administration

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Namal joined Alumex PLC and appointed as a member of the Senior Management team with effect from 17th December 2013 with the overall responsibility for the Human Resources and Administration function. Namal has diversified experience in human resources and administration, with over 24 years and experience in different manufacturing industries in developing HR policies, developing and driving performance management systems, talent acquisition and talent management, implementing HRIS systems, managing industrial and employee relations, managing labour and trade union matters, etc. He is a Human Resources Graduate from the University of Sri Jayewardenepura, obtained his professional qualifications in Human Resources Management from the Chartered Institute of Personnel Management (CIPM) and holds an MBA from the Cardiff Metropolitan University, UK. In addition, he is a member of the visiting lecturer panel of CIPM.

# MANAGEMENT TEAM



**Mr. Sardha Perera**  
Senior Manager - Sales



**Mr. Akila Wijegunaratna**  
Senior Manager - Engineering



**Mr. Ishara Jayawardhana**  
Senior Manager - Manufacturing



**Mr. Samantha Jayawickrama**  
Senior Manager  
- Business Development



**Mr. Rajith Ranasinghe**  
Senior Manager - Logistics



**Mr. Gayan Indeera**  
Senior Manager  
- Research and Development



**MLKR Buddhika Hettiarachchi**  
Senior Manager  
- Quality Assurance



**Mr. Kalinda Kaluarachchi**  
Senior Manager - Manufacturing



**Mr. Benuka Devapriya**  
Senior Manager - Finance

# SOCIO ECONOMIC IMPACT

## ECONOMIC CONTRIBUTION

As Sri Lanka's leading Aluminium extrusions manufacturer, Alumex holds a 45% market share and has expanded its reach to 15 countries across five continents. Over the past five years, the Company has seen substantial growth in its export revenue, driven by a commitment to quality, innovation, and international standards.

With a legacy spanning over 39 years, Alumex delivers innovative, world-class solutions to various industries, including construction, industry, and renewable energy. The Company's operations support Sri Lanka's economic development by delivering high-quality Aluminium products that meet diverse industry requirements.

Through these multifaceted contributions, Alumex PLC significantly bolsters Sri Lanka's economic growth, industrial development, and sustainability efforts.

## MANAGEMENT APPROACH

In December 2024, Alumex launched its 'Elevate' Environmental, Social, and Governance (ESG) roadmap, aiming to set a benchmark for sustainable Aluminium manufacturing, both in Sri Lanka and globally. This initiative underscores the Company's commitment to long-term value creation and environmental stewardship.

This forward-thinking approach has not only broadened the spectrum of Sri Lanka's exports but also provides a blueprint for industry peers aiming to diversify and strengthen their own export strategies and explore new avenues for global market penetration.

## CREATING VALUE

For the financial year ended March 31, 2025, Alumex reported a revenue of LKR 14.3 billion, an increase of LKR 3.4 billion from the previous year's LKR 10.9 billion. Net profit rose sharply to LKR 867 million, compared to LKR 187 million in the prior year which reflects an improvement of LKR 681 million.

## INFRASTRUCTURE INVESTMENT

	Investment to Date LKR Mn	Annual Capacity MT
Extrusions	832.6	22,200
Power Coating	476.6	17,200
Wood effect finishing	5.6	1,200
Anodizing	19.2	5,400
Melting	12.1	12,000
High-pressure Die Casting	91.0	240
Value Adding Plant	52.3	2,700

		2024/25	2023/24
Value Created	GRI 201-1	LKR Mn	LKR Mn
Revenue from contracts with customers		14,338.2	10,993.0
Other Income		1,498.1	53.8
Finance income		290.7	648.2
Cost of materials and services bought in		(11,624.0)	(8,213.0)
		4,503.0	3,482.0
Value Distributed	Share		Share
To Employees as remuneration	41%	1,866.0	41%
To Government as Tax	2%	115.1	-
To Shareholders as Dividend	5%	239.4	-
To Lenders of capital	24%	1,061.0	42%
			1,469.1
Value retained for expansion & growth	Share		Share
Depreciation	10%	435.4	11%
Profit retained	14%	627.7	5%
Differed Tax	4%	158.4	1%
		4,503.0	3,482.0

# AWARDS AND ACCOLADES



- 1 Tags Award 2024 - Gold Award  
(Manufacturing Sector - Group Turnover Upto  
Lkr 20 Bn)
- 2 Export Brand Of The Year 2024 - Bronze  
Award
- 3 National Industry Brand Excellence 2024  
- Best National Industry Brand (Large Scale  
Metal, Die, Mold, Machinery Tools & Allied  
Industry Sector)
- 4 National Supply Chain Excellence Awards  
2024 - Special Commendation (Large Scale)
- 5 CNCI Achiever Of Industrial Excellence 2024  
- Silver Award (Extra Large Category  
Manufacturing Sector)

- 6 NCE Export Awards 2024 - Silver Award  
(Machinery & Light Engineering Products  
Sector - Extra Large Category)
- 7 CMA Excellence In Integrated Reporting  
Awards 2024 - Merit Award
- 8 Presidential Export Award 2023/24 - Merit  
Award (Light Engineering Products)
- 9 Construct Awards 2024 - Most Attractive Stall
- 10 CNCI Achiever Of Industrial Excellence Awards  
2024 - Top 10 Award
- 11 National Business Excellence Awards 2024  
- Gold Award (Manufacturing - Engineering  
Sector)
- 12 Asia Integrated Reporting Awards 2024  
- Silver Award (SME Sector)

# OUR BUSINESS PARTNERS



**JOTUN MENA**

UAE

JOTUN is the premier brand in Europe and the Middle East, manufacturing powder and thermal polymer alloy coatings.



**Sublitex S.R.L.**

ITALY

Sublitex S.R.L., a part of the Miroglio Group, is an Italian company specializing in transfer printing technologies.



**Presezzi Extrusion S.p.A.**

ITALY

Established in 1994, Presezzi Extrusion S.p.A. is a leading Italian manufacturer of extrusion presses and related equipment for aluminum, copper, and brass industries.



**Aluminium Bahrain B.S.C. (ALBA)**

BAHRAIN

Established in 1968, Aluminium Bahrain B.S.C. (Alba) stands as one of the world's largest aluminium smelters, producing over 1.62 million metric tonnes annually as of 2024.



**SurTec Middle East LLC**

UAE

SurTec Middle East LLC is a subsidiary of the SurTec Group, a global specialist in chemical surface treatment solutions. The company offers a comprehensive range of chemical specialties for surface finishing applications.



**Axalta Coating Systems France SAS**

FRANCE

Axalta Coating Systems France SAS is a subsidiary of Axalta Coating Systems, a global leader in the coatings industry with a history dating back to 1866.



**Emirates Global Aluminium (EGA)**

UAE

Emirates Global Aluminium (EGA), established in 2013 through the merger of Dubai Aluminium (DUBAL) and Emirates Aluminium (EMAL), stands as the largest industrial company in the UAE outside the oil and gas sector.





# OUR BUSINESS PARTNERS



CHINA



**Go Go Automatic Ltd Company**

Founded in 2014, Go Go Automatic is a Chinese trading company specializing in hydraulic components.

CHINA



**Jiangsu Giant Ally Imp. & Exp. Co., Ltd.**

Jiangsu Giant Ally is an export-oriented enterprise integrated with industry and trade, affiliated with Giansun Group.



**Vedanta Limited** INDIA

Vedanta Limited is a globally diversified natural resources company headquartered in India, with operations in metals, oil and gas, and power.

SINGAPORE



**Kim Ann Engineering Pte. Ltd.**

Established in 1974, Kim Ann Engineering is a leading specialty metal center in Singapore, offering a comprehensive range of specialty metals and value-added services.



**Akzo Nobel India Limited** INDIA

Akzo Nobel India Limited, a subsidiary of the Dutch multinational AkzoNobel N.V., is a leading paints and coatings company in India.

INDIA



**Scottish Chemical Industries**

Established in 1984, Scottish Chemical Industries (SCI) is a leading Indian manufacturer and exporter of foundry consumables and raw materials.





## STRATEGIC OVERVIEW

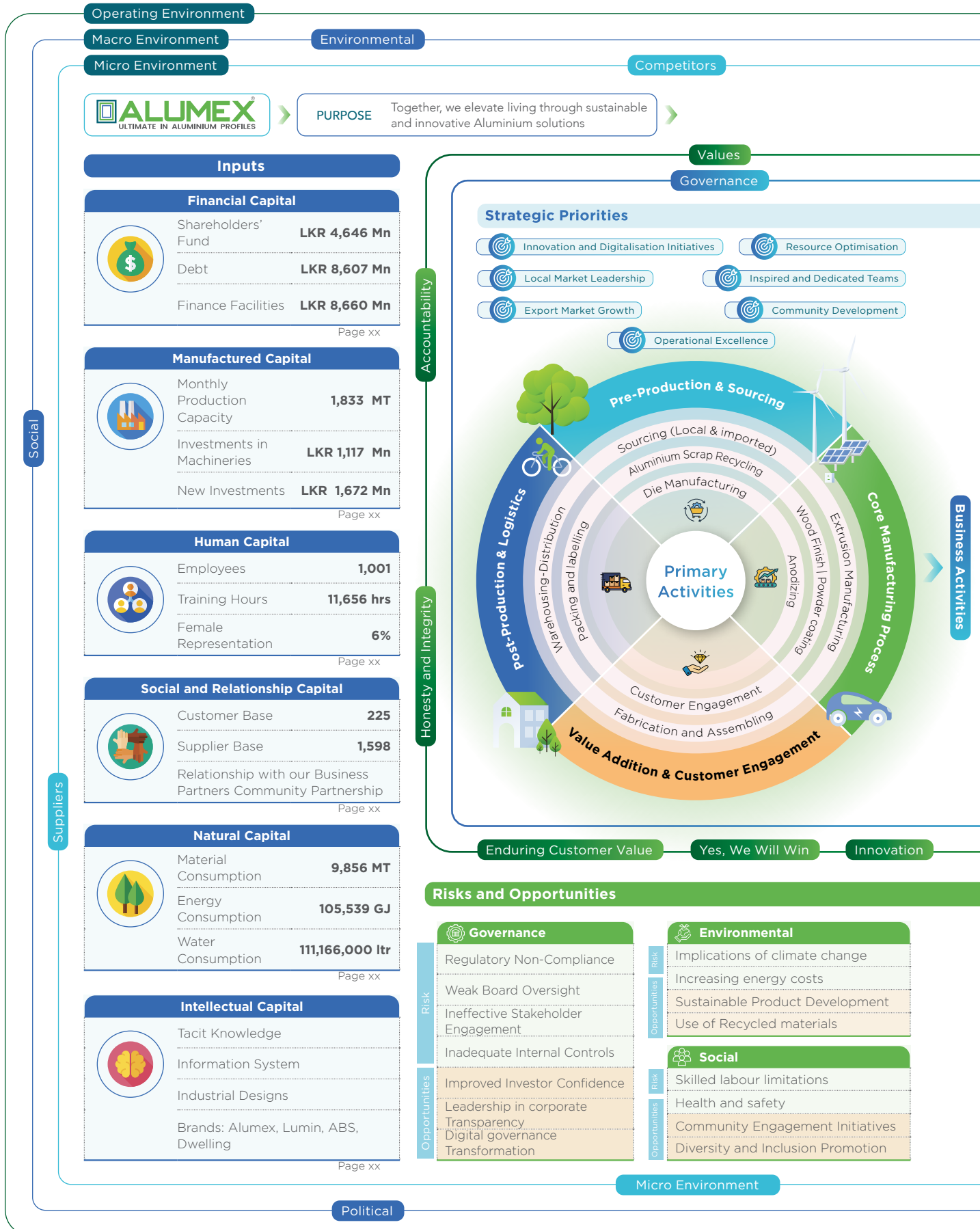


## INNOVATE. EXACT. IMPACT.

As Alumex PLC stands at the forefront of innovation, we make deliberate moves to ensure our progress and prosperity in an ever-changing operational landscape. Every decision drives growth, and every action guarantees results.



# VALUE CREATION MODEL



**VISION** To be the Premier Aluminium Extrusion Manufacturer in the South Asian Region.

**MISSION** We will create customer intimacy with innovative Aluminium solutions through world-class sustainable manufacturing practices.



## Social Responsibility

Risk	Economic
	Macro-economic uncertainty
	Exchange rate dynamics
	Interest rate trends
Opportunities	Inflation
	Operational Efficiency Improvements
	Government Infrastructure Initiatives
	Sustainable Finance Access

Yes, We Can

Love for Humanity

## Outputs

Financial Capital	
Revenue	LKR 14.34 Bn
Net Profit	LKR 867 Mn

Manufactured Capital	
Quality Aluminium Products	
New ISO certification	
Extrusion Production	8,119 MT
Finished Production	8,061 MT
Local Billet Production	4,742 MT
Die Production	791

Human Capital	
Rewarding Work Environment with Opportunities for Career and Skill Development	
Salaries and Benefits	LKR 1,866 Mn
Investment in Training	LKR 5.7 Mn
New Employees Hired	274

Social and Relationship Capital	
Customers	
Higher Sales	
Value-Added & New Products	46
Export Sales Volume Growth by	56%
Fabricators Trained	673
Reduced customer complaints improved quality and standards	
Suppliers	
Payments to Suppliers	LKR 18.5 Bn
New local Suppliers	366
Community	
Community Investments	LKR 3.1 Mn
Number of Fabricators	673

Natural Capital	
Energy Intensity	6.75 MJ/LKR Mn
Emission Intensity	0.88 tCO <sub>2</sub> e/LKR Mn
Preserve our planet through minimising the negative impacts of our operations	

Intellectual Capital	
Investment in R&D	38.08 Mn
New industrial and Customer Designs	
Quality Aluminium Profiles Certification	
Ethical Management Practices	
Brand Value Development	

## Outcomes/Impacts

## Social

Alumex PLC proudly recorded a 17% increase in female representation across our workforce to fostering equitable workplace.

Alumex PLC welcomed 274 new team members into our growing family - a powerful reflection of our continued expansion, innovation, and investment in people.



## Economic

The Company boomed its exports during the year and developed its business as a foreign exchange earning source for the country.

Paid income tax, value-added tax and other relevant taxes to the Government to strengthen the Government's financial policies.



## Environmental

Alumex PLC achieved a 3% reduction in energy intensity and measured as energy consumed per unit of revenue.

In line with our commitment to environmental stewardship, Alumex PLC recorded an emission intensity of 0.88.



## Governance

The ESG Committee of Alumex PLC convened four times, reinforcing our commitment to robust governance and sustainable value creation.

Alumex PLC has distributed LKR 239.44 million in dividends to its shareholders.



Technological

Stakeholders

Customers

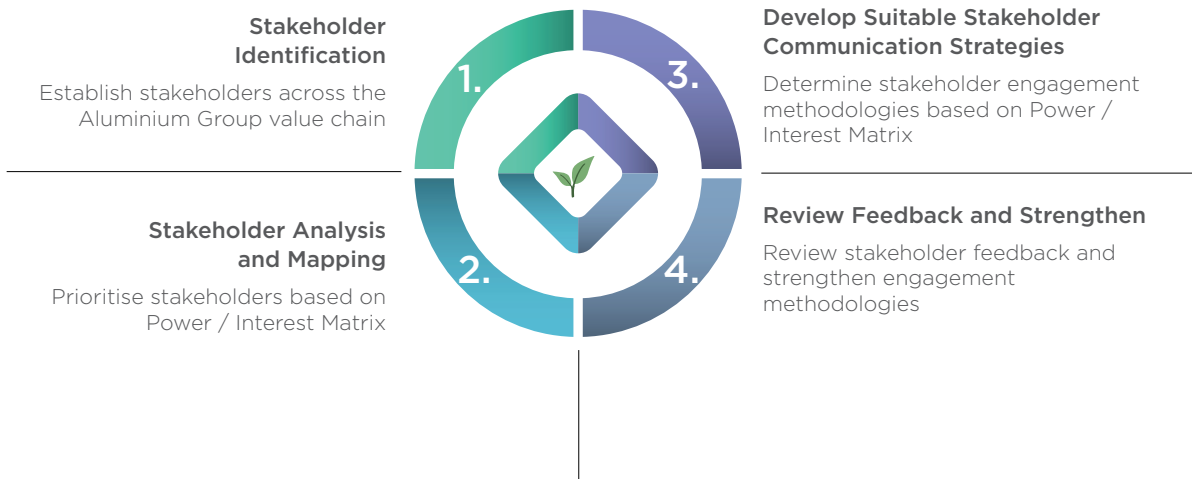
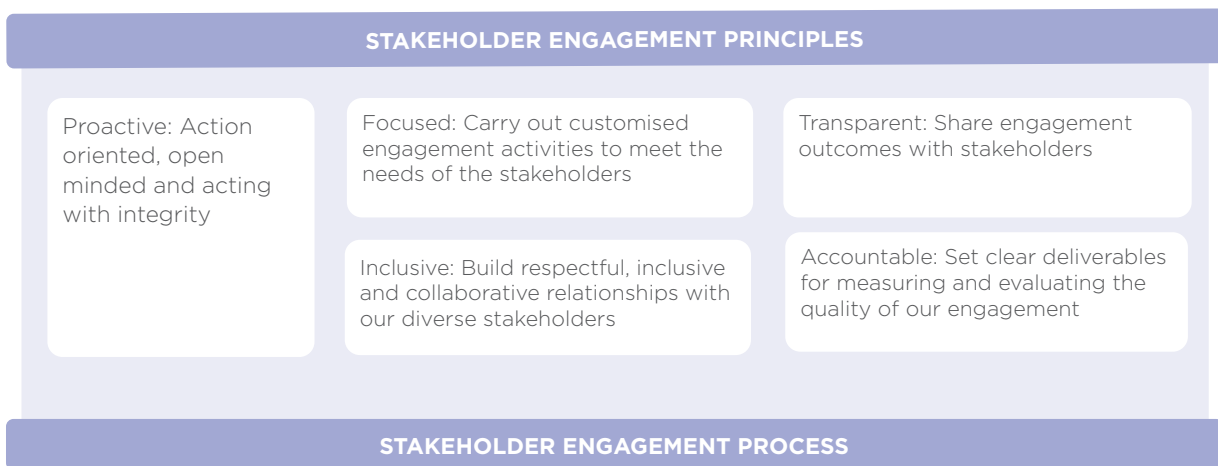
Economical

# STAKEHOLDER ENGAGEMENT

The Alumex accepts that maintaining open, continuous communication with stakeholders is essential to staying responsive to industry developments, identifying new opportunities, and ensuring alignment with stakeholder expectations. Hence stakeholder engagement forms an integral part of the Company's operational and strategic frameworks.

Alumex adopts a comprehensive, multi-channel approach to stakeholder engagement and gathers insights through direct interactions, collaborative initiatives, industry platforms, and structured research. This broad-based engagement allows the Company to capture diverse perspectives and build a nuanced understanding of the needs, priorities, and concerns of stakeholders who are influenced by or those who have the power to influence the Company activities.

These interactions serve a dual purpose; on the one hand providing stakeholders the opportunity to raise concerns and indicate their expectations. On the other hand, interacting meaningfully with stakeholders allows Alumex to share its vision, performance, and strategic objectives.



## SHAREHOLDERS

5,365 individual and corporate shareholders

STRENGTH OF RELATIONSHIP



Medium and Frequency of Engagement	Key concerns raised	Material Matters Identified	Value Delivery Metrics
<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual Report</li> <li>Extraordinary General Meetings (as needed)</li> <li>Interim Financial Statements (quarterly)</li> <li>CSE Announcements (as needed)</li> <li>Press Conferences / Press Releases (as needed)</li> <li>Corporate Website (continuous and ongoing)</li> <li>Social Media Platforms (continuous and ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable growth in earnings</li> <li>Responsible corporate management with profitability and returns</li> <li>Growth opportunities</li> <li>Future plans</li> <li>Transparency and timely disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Operational Safety and Emergency Preparedness</li> <li>Economic Performance</li> <li>Regulations and Compliance</li> <li>Technology and Product Innovation</li> <li>Manufacturing Capability</li> <li>Tax</li> <li>Foreign Exchange Impacts</li> <li>Operational Efficiency &amp; Productivity</li> <li>Government Policy</li> </ul>	<ul style="list-style-type: none"> <li>Dividend Payout Ratio - 28%</li> <li>NAVPS - 7.76</li> <li>ROA - 5.24%</li> <li>ROE - 21%</li> </ul>

## CUSTOMERS

B2B customers in Sri Lanka and global B2B customers

STRENGTH OF RELATIONSHIP



Medium and Frequency of Engagement	Key concerns raised	Material Matters Identified	Value Delivery Metrics
<ul style="list-style-type: none"> <li>Annual dealer awards</li> <li>Participation in trade fairs and other promotional activities (as needed)</li> <li>Customer Satisfaction Surveys (periodic)</li> <li>Corporate Website (continuous and ongoing)</li> <li>Social Media Platforms (continuous and ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>Architectural designs</li> <li>Product Innovation</li> <li>Product quality and value-addition</li> <li>Technical training</li> <li>Price and availability</li> <li>Timely delivery services</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Product Quality</li> <li>Regulations and Compliance</li> <li>Technology and Product Innovation</li> <li>Manufacturing Capability</li> </ul>	<ul style="list-style-type: none"> <li>Local Sales Volume 61% of the Company Volumes</li> <li>Export Sales Volume 39% of the Company Volumes</li> <li>Customer complaints - 257</li> <li>Customer Satisfaction score - 77%</li> <li>Customer Retention beyond 5 years</li> </ul>

## EMPLOYEES

1,001 employees at all levels of Alumex's Operations

STRENGTH OF RELATIONSHIP



Medium and Frequency of Engagement	Key concerns raised	Material Matters Identified	Value Delivery Metrics
<ul style="list-style-type: none"> <li>Monthly meetings with trade union representatives</li> <li>Daily / weekly team briefings at plants</li> <li>Annual Performance Review Meeting</li> <li>Internal communications (Continuous)</li> <li>Open Door Policy (As needed)</li> </ul>	<ul style="list-style-type: none"> <li>Equal opportunity employment</li> <li>Workplace improvements</li> <li>Fair remuneration and benefits</li> <li>Skills training Practices</li> <li>Career development</li> <li>Training and development</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Employee Wellbeing</li> <li>Regulations and Compliance</li> <li>Operational Efficiency &amp; Productivity</li> </ul>	<ul style="list-style-type: none"> <li>New recruits - 274</li> <li>Employees promotions- 66</li> <li>Overall gender ratio - 94:06 (Male:Female)</li> <li>Gender ratio at a leadership level - 19:01 (Male:Female)</li> <li>Zero incidents of discrimination</li> </ul>

# STAKEHOLDER ENGAGEMENT

## SUPPLIERS

**1,598 local and overseas suppliers providing essential materials and services Alumex's day-to-day operations.**

### STRENGTH OF RELATIONSHIP



Medium and Frequency of Engagement	Key concerns raised	Material Matters Identified	Value Delivery Metrics
<ul style="list-style-type: none"> <li>◆ Ongoing interactions with local and overseas suppliers</li> <li>◆ Supplier on-Boarding (As needed)</li> <li>◆ Supplier due diligence (as needed)</li> <li>◆ Press Conferences / Press Releases (as needed)</li> <li>◆ Corporate Website (continuous and ongoing)</li> <li>◆ Social Media Platforms (continuous and ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Level playing field to ensure fair selection</li> <li>◆ Timely settlement of dues</li> <li>◆ Opportunities for business expansion</li> </ul>	<ul style="list-style-type: none"> <li>◆ Economic Performance</li> <li>◆ Regulations and Compliance</li> <li>◆ Technology and Product Innovation</li> <li>◆ Manufacturing Capability</li> <li>◆ Operational Efficiency &amp; Productivity</li> </ul>	<ul style="list-style-type: none"> <li>◆ Amount paid to suppliers - 18,554 Mn</li> <li>◆ Proportion paid to local suppliers - 48%</li> <li>◆ New suppliers on-boarded - 366</li> </ul>

## REGULATORS

**Local regulatory bodies connected with Alumex PLC**

### STRENGTH OF RELATIONSHIP



Medium and Frequency of Engagement	Key concerns raised	Material Matters Identified	Value Delivery Metrics
<ul style="list-style-type: none"> <li>◆ Directives and circulars (continuous and ongoing)</li> <li>◆ Interim Financials (quarterly)</li> <li>◆ Annual Report (annual)</li> <li>◆ CSE / SEC filings (as mandated)</li> <li>◆ Other regulatory submissions (as mandated)</li> <li>◆ Other meetings (as mandated)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Compliance with statutory and regulatory requirements</li> <li>◆ Complying with relevant laws, rules</li> <li>◆ Voluntary adoption of best business practices</li> <li>◆ Payment of statutory dues</li> </ul>	<ul style="list-style-type: none"> <li>◆ Energy Consumption</li> <li>◆ Emissions and Air Quality</li> <li>◆ Waste</li> <li>◆ Biodiversity</li> <li>◆ Water and Effluents</li> <li>◆ Material</li> <li>◆ Operational Safety and Emergency Preparedness</li> <li>◆ Regulations and Compliance</li> <li>◆ Tax</li> <li>◆ Government Policy</li> </ul>	<ul style="list-style-type: none"> <li>◆ Zero Incidents of Non-Compliance</li> <li>◆ Taxes Paid</li> </ul>

## COMMUNITY

**Communities residing in the vicinity of Alumex plants and the broader society**

### STRENGTH OF RELATIONSHIP



Medium and Frequency of Engagement	Key concerns raised	Material Matters Identified	Value Delivery Metrics
<ul style="list-style-type: none"> <li>◆ CSR activities (continuous and ongoing)</li> <li>◆ Training initiatives (as needed)</li> <li>◆ Focus group discussions (as needed)</li> <li>◆ Corporate Website (continuous and ongoing)</li> <li>◆ Social Media Platforms (continuous and ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Assistance to improve community infrastructure</li> <li>◆ Direct and indirect job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Energy Consumption</li> <li>◆ Emissions and Air Quality</li> <li>◆ Waste</li> <li>◆ Biodiversity</li> <li>◆ Water and Effluents</li> <li>◆ Material</li> <li>◆ Operational Safety and Emergency Preparedness</li> </ul>	<ul style="list-style-type: none"> <li>◆ Amount spent on CSR - 4 Mn</li> <li>◆ Reduction in grid electricity usage</li> <li>◆ Reduction in emissions</li> <li>◆ Reduction in waste sent to landfills owing to use of recycling / reclaimed materials</li> </ul>



# MATERIALITY DETERMINATION

At Alumex, the value creation process begins with the determination of material topics, those that hold the greatest relevance to the Company's long-term success and to its stakeholders. The materiality determination process is shaped by a combination of internal and external factors, including operational risks and opportunities, shifts in legal and regulatory landscapes, global sustainability trends, and direct input from stakeholder engagements.

This process is enhanced by data-driven insights drawn from independent studies, sector analyses, evolving legal requirements, and media and social media sentiment. These insights help priorities the most significant issues, which are then mapped onto a materiality matrix. The matrix provides a clear visualisation of the topics that are most impactful to both the business and its stakeholders, serving as a strategic tool for decision-making and sustainability reporting.

With the launch of the ELEVATE ESG Roadmap in December 2024, Alumex has also adopted the double materiality lens, underscoring the commitment to align with the Hayleys Group practices for sustainability, transparency, and long-term value creation. This dual approach provides a keen insight into the impact on the Company's financials as well as the broader environmental, social, and governance impacts.

STAKEHOLDERS GROUP	ORGANISATIONAL MATERIALITY
Customers	Financial Impact Customers
Employees	Innovation Opportunity Employees
Share holders	Reputation Shareholders
Suppliers	Externalities Suppliers
Business Partners	Strategic Link Business Partners
Government	Risk
Communities	Community Relations

## MATERIALITY DETERMINATION PROCESS

### Materiality Identification

Compile a list of key issues arising out of the compliance, risk and governance processes, external operating environment as well as matters identified through stakeholder dialogue.

### Materiality Prioritisation

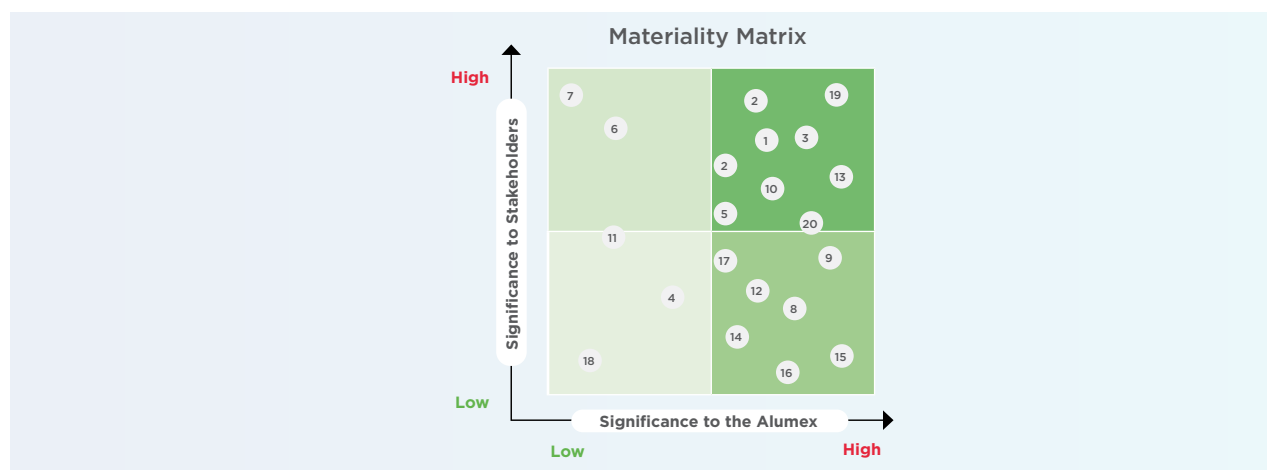
Use the Materiality Matrix to priorities identified issues based on the significance to stakeholders vs. importance for Alumex.

### Validation




















Prioritised issues are presented to the Board Audit Committee for review and validation.
































### Integration

Validated Material topics are integrated into the Company strategy. And cascaded down through business plans.



# MATERIALITY DETERMINATION

Material Topic		Topic Boundary	GRI Relevance	Financial Materiality	Impact Materiality	Management Approach Integration into the Alumex's Strategic Pillars			
						Local Market Leadership	Export Market Growth	Operational Excellence	Sustainability
1	Energy Consumption	I	GRI 302	Directly impacts operating costs, influencing overall profitability	High	-	-		
2	Emissions and Air Quality	I/E	GRI 305	Non-compliance with emission standards can lead to penalties, reputational damage, and restricted market access	High	-	-		
3	Waste	I/E	GRI 306	Inefficient waste management increases disposal costs and risks non-compliance fines	High	-	-		
4	Biodiversity	E	GRI 304	Operations in sensitive areas can lead to legal liabilities and reputational risks that affect investor confidence	Moderate	-	-	-	
5	Water and Effluents	I/E	GRI 306	Excessive water use or effluent discharge can incur regulatory costs and impact license-to-operate.	High	-	-		
6	Material	I/E	GRI 301	Rising raw material prices or supply disruptions directly affect production costs and margin stability	High	-	-		
7	Energy Cost	I	GRI 302	Fluctuations in energy prices can significantly affect operating expenses and profit margins	Moderate	-	-		-
8	Employee Wellbeing	I	GRI 401 GRI 402 GRI 404 GRI 405 GRI 406 GRI 407 GRI 408 GRI 409	Poor wellbeing can lead to high absenteeism and turnover, increasing HR costs and reducing productivity	High	-	-		
9	Customer Satisfaction	E	GRI 416 GRI 417 GRI 418	Declining satisfaction can reduce repeat business and revenue, affecting market share	High				-
10	Operational Safety and Emergency Preparedness	I	GRI 403	Safety failures result in downtime, legal costs, and reputational damage that impact financial performance	High	-	-		

Material Topic		Topic Boundary	GRI Relevance	Financial Materiality	Impact Materiality	Management Approach Integration into the Alumex's Strategic Pillars			
						Local Market Leadership	Export Market Growth	Operational Excellence	Sustainability
11	Market Presence	E	GRI 202	Weak presence in strategic markets limits revenue growth opportunities and reduces competitiveness	Moderate	-	-		-
12	Product Quality	I/E	N/A	Quality failures can lead to recalls, warranty costs, and erosion of customer trust and revenue	High				-
13	Economic Performance	I	GRI 201	Directly influences investor confidence, capital access, and long-term financial stability	High				-
14	Regulations and Compliance	I/E	N/A	Non-compliance can lead to legal penalties, operational disruptions, and financial loss	High				
15	Technology and Product Innovation	I/E	N/A	Investing in technology and innovation provides access to premium markets to enhance revenue growth	High				
16	Manufacturing Capability	I	N/A	Robust manufacturing capacity support expansion and diversification leading to higher revenue and profitability	Moderate				
17	Tax	I/E	GRI 207	Directly impacts profitability	Moderate				
18	Foreign Exchange Impacts	I	N/A	Volatility in exchange rates can cause unanticipated financial losses, especially for import/export operations	Low	-		-	-
19	Operational Efficiency & Productivity	I	N/A	High productivity and efficiency contributes towards cost reduction, thereby enhancing profitability	High				-
20	Government Policy	E	N/A	Policy shifts can affect costs, licensing, subsidies, or trade, with direct implications for financial forecasting and investment decisions	High				

I - INTERNAL E- EXTERNAL

# STRATEGY AND RESOURCE ALLOCATION

Strategy development at Alumex is a continuous process involving a comprehensive analysis of the Aluminium industry, both locally and globally. At the core of this process is a structured evaluation of Porter's Five Forces, which helps to understand the competitive landscape: from the intensity of rivalry among existing players to the threat posed by new entrants and substitute products, as well as the bargaining power of both suppliers and buyers. These insights are then systematically mapped against the Company's internal Strengths, Weaknesses, Opportunities, and Threats (SWOT) to ensure alignment between market realities and organisational capabilities.

This strategic approach supports the achievement of Alumex's strategic objectives by ensuring that decision-making is based on real-time industry intelligence with due consideration of internal capability assessment. Moreover, continuously monitoring industry trends enables Alumex to minimise disruptions and swiftly capitalise on emerging market segments to strengthen its position in both local and global markets.

Industry Analysis	
Rivalry Among Existing Players	The Aluminium industry in Sri Lanka experienced a competitive landscape as established manufacturers vied for market dominance. The demand in various industries such as automotive, and electronics, which favoured lightweight and corrosion-resistant Aluminium products, indicating a consumer shift towards innovative Aluminium solutions in construction and hardware. This period of rivalry fostered advancements in technology and product quality, contributing to innovation.
Threat of New Entrants	Key players in the market are likely to face competition from both established companies and new entrants leveraging advancements in technology and research. Reports suggest that the market will see innovations and improved product standards, which could intensify the competitive landscape.
Bargaining Power of Buyers	The bargaining power of buyers for Aluminium in Sri Lanka in 2024/25 appears to be influenced by several factors. This interest could potentially increase the bargaining power of buyers due to higher demand. Additionally, the presence of local manufacturers which offers a wide range of Aluminium products, may contribute to a competitive market environment, further impacting buyer bargaining power. However, the overall market dynamics would be determined by the interplay of demand, supply, and economic conditions prevailing in the country.
Bargaining Power of Suppliers	The bargaining power of suppliers for Aluminium is influenced by various factors, including market demand, production capacities, and global economic trends. The market dynamics are also shaped by the country's export activities, with data indicating a notable amount of Aluminium exports valued at US\$56 Mn during the year. These elements collectively contribute to the bargaining power of suppliers within the Sri Lankan Aluminium industry.
Substitute Products	In Sri Lanka, the search for alternatives to Aluminium has been driven by the need for materials that are both cost-effective and sustainable. Industries have been exploring options such as advanced polymers and composites, which offer similar qualities to Aluminium but with potential benefits like lower weight and improved environmental impact. These materials are being considered for a variety of applications, including construction, packaging, and automotive parts, reflecting a global trend towards more sustainable manufacturing practices.

# ALUMEX PLC SWOT



	Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> <li>Strong brand presence and market leadership in Sri Lanka</li> <li>Recognised product quality and innovation (Qualicoat, ISO 9001)</li> <li>Broad product range and export footprint</li> </ul>	<ul style="list-style-type: none"> <li>Competitive pricing pressures impacting margins</li> <li>High dependence on local demand fluctuations</li> </ul>	<ul style="list-style-type: none"> <li>Differentiation through sustainability and low-carbon products</li> <li>Increased demand for advanced Aluminium solutions</li> </ul>	<ul style="list-style-type: none"> <li>Aggressive innovation by competitors</li> <li>Customer loyalty shifts due to new product offerings</li> </ul>
	<ul style="list-style-type: none"> <li>Established distribution and customer networks</li> <li>Strong brand credibility and international accreditations</li> </ul>	<ul style="list-style-type: none"> <li>Potential complacency due to current market position</li> <li>High cost of continuous innovation</li> </ul>	<ul style="list-style-type: none"> <li>Further raise entry barriers through proprietary tech certifications, and sustainability leadership</li> </ul>	<ul style="list-style-type: none"> <li>Tech-savvy new entrants offering innovative or cheaper alternatives</li> </ul>
	<ul style="list-style-type: none"> <li>Trusted supplier with consistent quality</li> <li>Long-term relationships with key clients</li> </ul>	<ul style="list-style-type: none"> <li>Buyers may seek competitive pricing from local alternatives</li> <li>High product comparability</li> </ul>	<ul style="list-style-type: none"> <li>Educate buyers on the long-term value of sustainable products</li> <li>Customise solutions for high demand industries</li> </ul>	<ul style="list-style-type: none"> <li>Price wars driven by customer leverage</li> <li>Buyers shifting to cheaper or more innovative alternatives</li> </ul>
	<ul style="list-style-type: none"> <li>Ability to partially mitigate cost pressures through exports</li> <li>Integration of sustainable sourcing practices</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerability to global commodity price fluctuations</li> <li>Limited local raw material sources</li> </ul>	<ul style="list-style-type: none"> <li>Secure long-term supply contracts</li> <li>Explore circular sourcing/recycling of Aluminium</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain disruptions</li> <li>Price volatility in global Aluminium markets</li> </ul>
	<ul style="list-style-type: none"> <li>Aluminium's strength, durability, and recyclability make it a preferred material</li> <li>Brand alignment with green construction trends</li> </ul>	<ul style="list-style-type: none"> <li>Substitutes like polymers/composites may offer cost or environmental advantages</li> </ul>	<ul style="list-style-type: none"> <li>Develop hybrid materials or integrate Aluminium in multi-material innovations</li> <li>Position Aluminium as superior in lifecycle impact</li> </ul>	<ul style="list-style-type: none"> <li>Growing adoption of substitutes in packaging, construction, and automotive sector</li> </ul>

## STRATEGY AND RESOURCE ALLOCATION

### LOCAL MARKET LEADERSHIP

Alumex is Sri Lanka's premier manufacturer of Aluminium extrusions, commanding a dominant 45% market share across diverse sectors including commercial, industrial, residential, and architectural applications. After several years of subdued activity, 2024 marked a turning point for the Sri Lankan construction industry, which began showing strong signs of recovery driven by renewed investor confidence, eased import restrictions, and increased public and private sector infrastructure development.

This sectoral resurgence has provided a timely boost to Alumex's core operations, especially as the Company maintains a strong strategic focus on the domestic market, which accounts for 67% of its annual revenue. The majority of earnings are generated from generic product offerings under the trusted Alumex, Lumin and Alco brands, which continue to see growing demand within the rebounding local construction ecosystem.

Material Matters	Associated Risks and Opportunities	Stakeholders Impacted	
<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Product Quality</li> <li>Economic Performance</li> <li>Regulations and Compliance</li> <li>Technology and Product Innovation</li> <li>Manufacturing Capability</li> <li>Operational Efficiency &amp; Productivity</li> <li>Government Policy</li> </ul>	FO1 FO2 SR2 SR3 SR4 SO1  Refer - Risk Report on page 53	Customers	
Key Focus Areas for FY 2024/25	Resource Allocation	Capitals	Performance Outcomes
Product Innovation and Diversification	02 product innovations for the local market  Development of an affordable neonatal transfer trolley and incubator system for hospitals through a R&D tie up with CINEC campus	FC MC IC S&RC	22% growth in domestic sales volumes  45% - Market share (retail - Sri Lanka)  Readiness-to-Delivery (RTD) of the orders - 65%  Overall Customer Satisfaction - 77%
Branding and Marketing	LKR. 223 Mn invested in brand building, including enhancing and expanding of Lumin Concept Centers		
Improve Distribution and Market Access	Expansion of the dealer network with the appointment of 23 new dealers		
Customer Capacity Building	99 training programmes for fabricators offering 594 hours of training		

### FUTURE PLANS

#### Short Term

Develop new products and new processes focusing on mechanised door/window systems, technology upgrades to enhance products and services, improved packing methods, and digital initiatives to secure product-related tacit knowledge

#### Medium - Long Term

Conduct a comprehensive Brand Health Study to gain deeper insights into evolving market trends and customer expectations, further strengthening its strategic direction

## EXPORT MARKET GROWTH

The global demand for Aluminium extrusions has been steadily increasing, driven by the metal's versatility, lightweight nature, and strength. These characteristics make Aluminium extrusions highly sought after across a wide range of industries including aerospace, automotive, construction, and electronics. Advances in technology and a growing focus on sustainability are further fuelling demand, as manufacturers look for materials that support energy efficiency and environmentally responsible production.

Alumex has expanded its global footprint to 14 countries, successfully entering new markets and strengthening its presence in established territories like the US and New Zealand, both major contributors to its revenue. Additionally, in keeping with the global trend toward responsible manufacturing and circular economy principles, Alumex continues to diversify its low-carbon product line, which has gained strong market acceptance.

Material Matters	Associated Risks and Opportunities	Stakeholders Impacted	
<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Product Quality</li> <li>Economic Performance</li> <li>Regulations and Compliance</li> <li>Technology and Product Innovation</li> <li>Manufacturing Capability</li> <li>Foreign Exchange Impacts</li> <li>Operational Efficiency &amp; Productivity</li> <li>Government Policy</li> </ul>	FR1 FO1 FO2 SR1 SR2 SR3 SR4 SO1  Refer - Risk Report on page 53	Customers	
Key Focus Areas for FY 2024/25	Resource Allocation	Capitals	Performance Outcomes
Strengthening Integrated Infrastructure	LKR. 468 Mn invested Vertical powder coating (VPC) line and powder on powder (POP) to improve finishing quality on par with international standards	FC MC IC S&RC	<ul style="list-style-type: none"> <li>56% growth in export sales volumes</li> </ul>
Product Innovation and Diversification	<ul style="list-style-type: none"> <li>LKR LKR 38.08 Mn invested in R &amp; D</li> <li>44 product innovations for the export market</li> <li>Launch of Capral Urban Range - Premium product line, in collaboration with Capral Australia</li> </ul>		
Market Development and Market Penetration	<ul style="list-style-type: none"> <li>Formed a strategic partnership to grow Alumex's presence in the north american market</li> <li>Participated in 14 events (roadshows, exhibitions etc.)</li> </ul>		

## FUTURE PLANS

### Short Term

Capacity Expansion: Expansion of high pressure die casting plant (Approx LKR 60Mn) with new die casting machine to cater new products for international demand, particularly in the US and New Zealand markets

### Medium - Long Term

Develop markets across all six continents Increase production capacity and capability on the Value-added product segment



## STRATEGY AND RESOURCE ALLOCATION

### OPERATIONAL EXCELLENCE

Operational excellence is the cornerstone of Alumex's strategy to outperform competitors and drive sustainable growth. By embedding lean manufacturing and fostering continuous improvement across all levels of operation, the Company focuses on enhancing process efficiency, quality, flexibility, and innovation further supported by international accreditations, including ISO 9001 and prestigious product quality labels such as Qualicoat, Qualicoat Sea Side, and Qualnod while integrating operational excellence with strong environmental and social responsibility. This disciplined approach strengthens Alumex's local market leadership and also positions the Company's export market growth trajectory.

Material Matters	Associated Risks and Opportunities	Stakeholders Impacted	
<ul style="list-style-type: none"> <li>Energy Consumption</li> <li>Emissions and Air Quality</li> <li>Waste</li> <li>Water and Effluents</li> <li>Material</li> <li>Energy Cost</li> <li>Employee Wellbeing</li> <li>Customer Satisfaction</li> <li>Operational Safety and</li> <li>Emergency Preparedness</li> <li>Market Presence</li> <li>Product Quality</li> <li>Economic Performance</li> <li>Regulations and Compliance</li> <li>Technology and Product</li> <li>Innovation</li> <li>Manufacturing Capability</li> <li>Tax</li> <li>Operational Efficiency &amp;</li> <li>Productivity</li> <li>Government Policy</li> </ul>	<ul style="list-style-type: none"> <li>SR2</li> <li>SR3</li> <li>SR4</li> <li>SO1</li> </ul>	Customers Employees Suppliers	
Risk Report on page XX			
Key Focus Areas for FY 2024/25	Resource Allocation	Capitals	Performance Outcomes
Strengthening Integrated Infrastructure	LKR. 540 million incurred for the expansion of Ekala production building to support growing local and export demand  LKR 1,189 Mn invested in other property, plant and equipment	FC MC IC S&RC	<ul style="list-style-type: none"> <li>1.3% year on year increase in manufacturing capacity</li> <li>34% overall capacity utilisation</li> <li>2.23% asset downtime</li> <li>86.24% - Overall Equipment Efficiency (OEE)</li> <li>0.97 times Asset Turnover Ratio</li> </ul>
Process Automation	LKR 4 Mn invested in IT infrastructure Digital transformation initiatives, including the use of data analytics for predictive maintenance Installation of a Bar Coding system to improve inventory management.		
Supply Chain Efficiency	Rolled out a digital supplier management system to simplify import supplier onboarding and track performance metrics in real time.		
Employee Skill Development	11,657 training hours		

### FUTURE PLANS

#### Short Term

SAP Analytics: Introduce SAP analytics (Approx LKR 25Mn) for decision making process of management and update real time information through KPI dashboards

#### Medium - Long Term

AI Automation: Expansion of AI and machine learning applications in production and logistics

## SUSTAINABILITY

Sustainability serves as a strategic pillar guiding Alumex's commitment to responsible manufacturing and long-term value creation. The Company commits to social and environmental responsibility, through a holistic approach that embeds sustainability in the strategy and business model.

Material Matters	Associated Risks and Opportunities	Stakeholders Impacted
<ul style="list-style-type: none"><li>◆ Energy Consumption</li><li>◆ Emissions and Air Quality</li><li>◆ Waste</li><li>◆ Biodiversity</li><li>◆ Water and Effluents</li><li>◆ Material</li><li>◆ Energy Cost</li><li>◆ Employee Wellbeing</li><li>◆ Customer Satisfaction</li><li>◆ Operational Safety and</li><li>◆ Emergency Preparedness</li><li>◆ Market Presence</li></ul>	<ul style="list-style-type: none"><li>◆ Product Quality</li><li>◆ Economic Performance</li><li>◆ Regulations and Compliance</li><li>◆ Technology and Product</li><li>◆ Innovation</li><li>◆ Manufacturing Capability</li><li>◆ Tax</li><li>◆ Foreign Exchange Impacts</li><li>◆ Operational Efficiency &amp;</li><li>◆ Productivity</li><li>◆ Government Policy</li></ul>	<div>SR1</div> <div>SR2</div> <div>SR3</div> <div>SR4</div> <div>SO1</div> <div>Refer - Risk Report on page 53</div> <div>Employees</div> <div>Suppliers</div> <div>Regulators</div> <div>Community</div>

Key Focus Areas for FY 2024/25	Resource Allocation	Capitals	Performance Outcomes
Increasing the percentage of reclaimed products	46% reclaimed Aluminium in the production processes	MC S&RC HC	<ul style="list-style-type: none"> <li>30% non-hazardous waste recycled</li> <li>4% increase in hazardous waste</li> <li>84.08% Employee Retention ratio</li> </ul>
Promoting Circularity	Strengthened circularity efforts in partnership with Goldstar Alloys India to export Aluminium ash, for reuse in casting Aluminium		
Employee Empowerment	LKR 1,866 Mn distributed as monetary benefits to employees 274 new recruits 66 employees granted promotions 85.62% employees receiving performance evaluations		
Sustainability Integration within the Supply Chain	Enhanced supplier screening process aligned with ESG principles and ASI (Aluminium Stewardship Initiative) certification criteria.  Introduced an automated tool to assess suppliers' sustainability credentials, including carbon footprint and ethical labour compliance.		
Community Development	LKR 4 Mn incurred on CSR activities		

## FUTURE PLANS

Short Term	Medium - Long Term
Reduce energy intensity from 14.42 GJ/Mt to 13.51GJ/Mt	25% reduction in GHG emission intensity 10% of total energy to come from renewable sources

# ESG & SLFRS S1 & S2 ADOPTION

## OVERVIEW

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

By adopting SLFRS S1 and S2, Alumex aims to better integrate sustainability into its strategic and operational decision-making processes, strengthen risk management, and future-proof its business against evolving regulatory and market expectations in the transition to a low-carbon economy. It is hoped that by enhancing transparency and accountability in sustainability reporting will boost stakeholder confidence and strengthen Alumex's leadership as a sustainable manufacturer across the global Aluminium value chain.

## 1. GOVERNANCE

The Governance Body Responsible for Oversight of Sustainability and Climate-Related Risks and Opportunities

The Alumex PLC Board of Directors holds ultimate responsibility for overseeing sustainability and climate-related risks and opportunities. This responsibility includes ensuring that ESG considerations are embedded into the Company's overall strategic direction and decision-making processes. Acting as the apex governance body, the Board is supported by the ESG Steering Committee, which includes key members of the Board such as the Managing Director (Chair), Finance Director, and other senior leaders. This committee plays a vital role in guiding Alumex's ESG agenda, reinforcing the Board's commitment to sustainable development and stakeholder value creation.

### Skills and Competencies for Oversight

The members of the ESG Steering Committee bring a diverse and specialised set of skills to the table, enabling robust oversight of sustainability and climate-related issues. These include deep expertise in finance, operations, legal affairs, human resource management, and sector-specific knowledge relevant to the

Aluminium industry. The inclusion of senior leadership and members of the Management Committee ensures that the committee is equipped with both technical knowledge and strategic foresight. Functional experts from environmental, social, and governance backgrounds also contribute through subcommittees, strengthening Alumex's capacity to respond effectively to evolving ESG challenges and opportunities.

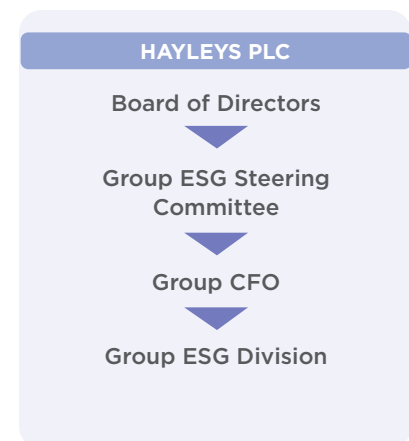
### Oversight for the Integration of Sustainability into Strategy and Decision-Making

Alumex's ESG Steering Committee plays a central role in ensuring the integration of sustainability into the Company's core business strategy and operational planning. The committee provides strategic

guidance for the implementation of the Company's ESG roadmap - Elevate, as well as for aligning Alumex's long-term growth aspirations with external frameworks such as the Aluminium Stewardship Initiative (ASI).

### Information Flow and Engagement Frequency

The ESG Steering Committee meets regularly to assess ESG risks and opportunities, monitor performance against defined ESG targets, and provide strategic direction for implementation. These reviews are supported by robust data collection and KPI monitoring systems managed by the System Certification and Sustainability Division. Information is periodically escalated to the Board and also reported to Hayleys PLC, Alumex's



parent Company, through a structured reporting mechanism. This ensures high transparency and enables the Hayleys Group ESG Steering Committee to maintain alignment with group-wide sustainability objectives.

Transparency is a core principle of Alumex's governance approach, with sustainability performance and progress being publicly disclosed through the Company's Annual Integrated Report and the Hayleys Group Sustainability Portal

### Responsibility for Target Setting and Performance Monitoring

The ESG Steering Committee is directly responsible for setting ESG-related targets and overseeing performance across environmental, social, and governance dimensions. These targets are translated into departmental KPIs and are actively monitored by the System Certification and Sustainability Division. The division ensures continuous progress tracking, compliance with regulatory requirements, and alignment with voluntary standards. Regular performance reviews are conducted, and findings are communicated to the Board and Hayleys PLC, enabling informed decision-making and proactive course correction where necessary.

### Management's Role in Oversight and Execution

Management plays an essential role in the execution of Alumex's ESG strategy. The System Certification and Sustainability Division spearheads day-to-day implementation, working closely with departmental ESG coordinators to ensure effective execution at the ground level. ESG responsibilities are embedded within business units, fostering accountability and enabling seamless integration of ESG principles into daily operations. The Management team, through its representation in the ESG Steering Committee and subcommittees,

ensures that operational execution is aligned with strategic objectives and stakeholder expectations.

### Management Controls and Procedures Integrated with Other Internal Functions

Alumex has integrated ESG management controls and procedures within its broader internal control and risk management frameworks. These controls are supported by cross-functional collaboration, with ESG considerations incorporated into operational planning, supply chain management, compliance, finance, and human resource functions. Policy frameworks covering areas such as environmental management, ethics, anti-corruption, and human rights are regularly updated and disseminated across the organisation. Training and policy refreshers are conducted to maintain awareness and drive continuous improvement. This holistic integration ensures that ESG is not treated as a soiled initiative but as an intrinsic part of Alumex's operational and strategic fabric.

## 2. STRATEGY: THE "ELEVATE" ESG ROADMAP 2023

Alumex's ESG strategy is articulated through the Elevate – ESG Roadmap 2023, which sets out the Company's sustainability goals into four interlinked pillars with each pillar representing an area of material ESG impact in line with SLFRS S1 (general sustainability-related disclosures) and SLFRS S2 (climate-related disclosures).

### Elevating Our Product Proposition

Alumex's endeavour to elevate the product proposition is underpinned by the conviction to transform manufacturing processes by embedding sustainability across the full product lifecycle. This includes integrating circular economy principles by increasing the use of recycled Aluminium, reducing waste, and fostering material recovery through enhanced scrap collection and reuse systems. Regular reviews are conducted to improve production methods by optimising raw material usage, reducing process



# SLFRS S1 & S2 ADOPTION

inefficiencies, and minimising environmental externalities. Efforts to enhance resource efficiency are reinforced by a comprehensive waste management strategy, which follows the globally recognised 7R framework - Reject, Reduce, Reuse, Reclaim, Replace, Repair, and Recycle with a view to systematically reducing and ultimately eliminating the volume of waste sent to landfills.

## Elevating Partnerships and Collaborations

Alumex PLC recognises that achieving meaningful sustainability outcomes requires collaboration across its value chain and broader community. Through responsible sourcing practices, Alumex ensures that its suppliers are aligned with ethical, social, and environmental standards, fostering accountability and shared value. On the customer front, the Company promotes open dialogue and continuous engagement to strengthen long-term relationships, while using feedback to refine products and services. Likewise investments in expanding vocational training programmes and reducing educational inequalities aim to empower local communities and promote inclusive growth for all communities.

## Elevating the Health of Our Planet

Recognising the environmental intensity of Aluminium manufacturing, Alumex has undertaken broad based climate

action, ranging from energy efficiency measures and increasing the proportion of cleaner energy within the Company's energy mix to water stewardship strategies focused on reducing consumption, enhancing treatment processes, and adopting sustainable sourcing methods to preserve local water resources. In parallel, Alumex actively contributes to biodiversity conservation by supporting reforestation and ecological restoration programs that enhance local habitats and promote ecosystem health.

## Elevating Our Human Capital

Alumex PLC is committed to fostering an inclusive, respectful, and empowering work environment, where all employees can thrive regardless of gender, background, or belief. Labour and human rights are upheld through strict adherence to national labour laws and best practices outlined by international conventions, with fair and equitable practices governing the complete employment lifecycle, from recruitment and compensation to promotion and performance management. Significant resources are also allocated to enhance both the technical and leadership skills required for employees to adapt and grow in a dynamic business environment. Special emphasis is placed on building female leadership and creating pathways for career progression, thereby cultivating a high-performing,

diverse, and future-ready workforce.

Health and safety also remain paramount, with systems aligned to global standards such as ISO 45001 and reinforced through proactive hazard identification, training, and monitoring.

## 3. RISK ASSESSMENT AND SCENARIO ANALYSIS (SLFRS S1/ S2)

In preparing for the SLFRS S1 & S2 implementation, Alumex undertook detailed climate projections and risk quantification in the current year based on data and insights from the Intergovernmental Panel on Climate Change's Sixth Assessment Report (IPCC AR6). Specifically, the Shared Socioeconomic Pathways (SSPs)—SSP1-2.6, SSP2-4.5, and SSP3-7.0, were used as the foundation for three distinct climate futures: low, intermediate, and high emissions trajectories, respectively. These scenarios were applied to evaluate a range of Possible outcomes for physical and transition risks associated with the Company's core business as a manufacturer of Aluminium extrusions.

A summary of the findings are detailed below

### PHYSICAL RISKS: EXTREME WEATHER EVENTS

Time Horizon	Business Model & Value Chain Impact	Financial Impact	C3 / SSP1-2.6 (Low Emissions - 2°C)	C6 / SSP2-4.5 (Intermediate - 3°C)	C7 / SSP3-7.0 (High Emissions - 4°C)
Short Term (0-2 years)	Minor disruptions to logistics and workforce due to localised extreme weather events.  Short-duration production downtime and delivery delays.	<ul style="list-style-type: none"> <li>Slight increase in OPEX (insurance, minor repairs)</li> <li>Temporary revenue dips from interrupted operations</li> </ul>	<ul style="list-style-type: none"> <li>Disruptions are infrequent and containable</li> <li>Minimal impact on profitability</li> </ul>	<ul style="list-style-type: none"> <li>Noticeable cost spikes from isolated events</li> <li>Premium increases and minor repair costs</li> </ul>	<ul style="list-style-type: none"> <li>Frequent event-driven shutdowns</li> <li>Rising repair, insurance, and business interruption costs</li> </ul>

### PHYSICAL RISKS: EXTREME WEATHER EVENTS

Time Horizon	Business Model & Value Chain Impact	Financial Impact	C3 / SSP1-2.6 (Low Emissions – 2°C)	C6 / SSP2-4.5 (Intermediate – 3°C)	C7 / SSP3-7.0 (High Emissions – 4°C)
Medium Term (3–7 years)	Need for climate-resilient facilities, energy/water resource planning, and flexible supply chains.  More frequent weather-driven bottlenecks.	<ul style="list-style-type: none"> <li>♦ Moderate to high CAPEX for resilience (e.g. storm drains, reinforced structures)</li> <li>♦ Cost pressure from supply chain delays</li> <li>♦ Growing insurance premiums</li> </ul>	<ul style="list-style-type: none"> <li>♦ Capital investments phased gradually</li> <li>♦ Moderate ROI protection from early adaptation</li> </ul>	<ul style="list-style-type: none"> <li>♦ Increased OPEX + CAPEX burden</li> <li>♦ Possible strain on working capital from unplanned disruptions</li> </ul>	<ul style="list-style-type: none"> <li>♦ Major climate-proofing investments</li> <li>♦ Frequent asset downtime impacts EBITDA</li> <li>♦ Potential margin compression</li> </ul>
Long Term (8–30 years)	May necessitate strategic relocation, digitalisation, and investments in off-grid resource security.	<ul style="list-style-type: none"> <li>♦ High CAPEX for plant relocation or retrofitting</li> <li>♦ Asset impairment or write-downs</li> <li>♦ Declining ROCE and investor confidence in high-risk zones</li> </ul>	<ul style="list-style-type: none"> <li>♦ Early adaptation ensures competitiveness</li> <li>♦ Sustained earnings with resilience premium</li> </ul>	<ul style="list-style-type: none"> <li>♦ Compressed margins over time</li> <li>♦ Higher risk-adjusted cost of capital</li> <li>♦ Potential revaluation of physical assets</li> </ul>	<ul style="list-style-type: none"> <li>♦ Possible stranded assets</li> <li>♦ Severe profitability erosion</li> <li>♦ Increased risk of credit rating downgrades and financial distress</li> </ul>

### TRANSITION RISK 01: POLICY AND LEGAL

Time Horizon	Business Model & Value Chain Impact	Financial Impact	C3 / SSP1-2.6 (Low Emissions – 2°C)	C6 / SSP2-4.5 (Intermediate – 3°C)	C7 / SSP3-7.0 (High Emissions – 4°C)
Short Term (0–2 years)	Increased compliance with emerging ESG disclosure frameworks (e.g., SLFRS S1/S2, ISSB).  Preparation for carbon pricing or extended producer responsibility (EPR) laws.	<ul style="list-style-type: none"> <li>♦ Legal advisory and compliance cost rise</li> <li>♦ Minor admin cost increases</li> <li>♦ Risk of fines for non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>♦ Predictable policy landscape</li> <li>♦ Manageable compliance costs</li> </ul>	<ul style="list-style-type: none"> <li>♦ Policy uncertainty creates planning inefficiencies</li> <li>♦ Rising advisory and audit costs</li> </ul>	<ul style="list-style-type: none"> <li>♦ Legal exposure from lagging adaptation</li> <li>♦ Increased fines and penalties risk</li> </ul>
Medium Term (3–7 years)	Carbon pricing, mandatory climate disclosures, and low-carbon sourcing rules reshape procurement and pricing strategies.  Trade exposure from CBAMs (Carbon Border Adjustment Mechanisms).	<p>Medium to high cost from carbon pricing and offsets</p> <p>Procurement costs rise from green material mandates</p> <p>Potential trade restrictions impact export margins</p>	<ul style="list-style-type: none"> <li>♦ Gradual policy tightening allows structured responses</li> <li>♦ Access to green financing offsets some cost pressure</li> </ul>	<ul style="list-style-type: none"> <li>♦ Carbon costs eat into margins</li> <li>♦ Complex trade risks reduce export competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>♦ High regulatory burden</li> <li>♦ Material cost inflation + trade loss</li> <li>♦ Strained profitability</li> </ul>

## SLFRS S1 & S2 ADOPTION

### TRANSITION RISK 01: POLICY AND LEGAL

Time Horizon	Business Model & Value Chain Impact	Financial Impact	C3 / SSP1-2.6 (Low Emissions – 2°C)	C6 / SSP2-4.5 (Intermediate – 3°C)	C7 / SSP3-7.0 (High Emissions – 4°C)
Long Term (8–30 years)	<p>Fundamental shifts in policy require transformation of production methods, supply chain and end-product specs</p> <p>Legal risk from historical emissions, product liability and greenwashing claims</p>	<ul style="list-style-type: none"> <li>High legal contingency reserves</li> <li>Costly restructuring of production lines</li> <li>Stranded assets or market exclusion without decarbonisation</li> </ul>	<ul style="list-style-type: none"> <li>Legal risks remain low due to early adaptation</li> <li>First-mover advantage in green markets</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory burden steadily grows</li> <li>Litigation risk increases</li> <li>Material long-term cost burden</li> </ul>	<ul style="list-style-type: none"> <li>Legal risk and brand liability high</li> <li>Forced market exit possible</li> <li>Substantial write-downs and investor exits</li> </ul>

### TRANSITION RISK 02: MARKET CHANGES

Time Horizon	Business Model & Value Chain Impact	Financial Impact	C3 / SSP1-2.6 (Low Emissions – 2°C)	C6 / SSP2-4.5 (Intermediate – 3°C)	C7 / SSP3-7.0 (High Emissions – 4°C)
Short Term (0–2 years)	<p>Rising demand for green-certified Aluminium and recycled content</p> <p>Early market preference for low-emission supplies</p> <p>Shift in procurement criteria by downstream industries (e.g., construction, auto)</p>	<ul style="list-style-type: none"> <li>Marginal premium pricing opportunities for green products</li> <li>Initial marketing &amp; certification costs</li> <li>Revenue shift towards eco-conscious buyers</li> </ul>	<ul style="list-style-type: none"> <li>Early-mover market advantage</li> <li>Access to ESG-conscious clients</li> </ul>	<ul style="list-style-type: none"> <li>Market fragmented with mixed demand signals</li> <li>Higher marketing spend needed</li> </ul>	<ul style="list-style-type: none"> <li>Market largely price-driven</li> <li>Green product investments yield low ROI initially</li> </ul>
Medium Term (3–7 years)	<p>Mainstreaming of sustainability-linked supply chain criteria.</p> <p>Shift in market expectations, requiring lifecycle carbon disclosures and circularity in design.</p> <p>Emergence of green competitor brands</p>	<ul style="list-style-type: none"> <li>Loss of market share if not compliant with buyer expectations</li> <li>Moderate product redesign and R&amp;D investment</li> <li>Margin pressure from increased operational costs</li> </ul>	<ul style="list-style-type: none"> <li>Strong competitive positioning</li> <li>Green market share expands</li> </ul>	<ul style="list-style-type: none"> <li>Mixed returns on green investment</li> <li>Intense regional competition</li> </ul>	<ul style="list-style-type: none"> <li>Market bifurcates: green vs low-cost</li> <li>Pressure on high-emission products to exit key markets</li> </ul>
Long Term (8–30 years)	<p>Structural transformation of demand: Preference for net-zero construction inputs and mobility components.</p> <p>Buyers favour verified carbon-negative or circular Aluminium.</p> <p>Markets penalise high-carbon products</p>	<ul style="list-style-type: none"> <li>Need for deep capex in green production tech</li> <li>Potential demand erosion for traditional lines</li> <li>Repositioning costs and supply chain shifts</li> </ul>	<ul style="list-style-type: none"> <li>Market leader status in sustainable Aluminium</li> <li>Long-term price premium potential</li> </ul>	<ul style="list-style-type: none"> <li>Market disruption requires ongoing investment</li> <li>Risk of declining competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Shrinking market share</li> <li>High carbon low demand</li> <li>Brand value and revenue decline unless transitioned</li> </ul>



The findings from the above were further disseminated sustainability related risks and opportunities and climate related risks and opportunities for the purpose of integration to the Company's risk management framework. See Risk Report on page 53 for more details

#### 4. METRICS AND TARGETS

Alumex discloses ESG and climate performance through key performance indicators (KPIs), verified by internal and external assurance systems. Below are highlights from the Elevate ESG Roadmap:




CSE Rule Reference	Focus Area	2030 Target
1. Elevating the Health of Our Planet	GHG Emissions	25% reduction in GHG emission intensity
		16% reduction in Scope 1 emissions
		40% reduction in Scope 2 emissions
	Energy Efficiency	15% improvement in energy efficiency
	Renewable Energy	10% of total energy to come from renewable sources
	Water Stewardship	30% reduction in water intensity
		25% of total water sourced sustainability
2. Elevating Our Product Proposition	Biodiversity	Reforest 0.5x area relative to operational footprint
		Plant 100 trees annually (Hayleys Kirulu Program)
	Waste Management	Reduce ash generation by 7%
		Reduce ETP sludge generation by 35%
	Resource Efficiency	28% improvement in powder coating efficiency
	Circularity	Scrap collection increased to 300 MT/month
		Maintain at least 20% local billet use at full capacity
3. Elevating Our Human Capital	Zero Landfilling	Divert 100% of waste from landfill
	Employee Retention	Achieve 90% retention rate
	Employee Satisfaction	Reach 75% employee satisfaction
	Health & Safety	Zero significant injuries or occupational diseases
		100% compliance with defined safety guidelines
		3 hours of safety training per employee annually
	Training & Development	20 hours of training per employee annually
4. Elevating Partnerships & Collaborations	Diversity & Inclusion	10% increase in female representation in leadership roles
	Anti-discrimination	1 hour of annual anti-discrimination training per employee
	Customer Engagement	Achieve 85% customer satisfaction
	Responsible Sourcing	90% of suppliers screened for ESG compliance
	Supplier Development	Implement long-term development plans for local suppliers
	Community Engagement	Double the number of CSR beneficiaries
	Vocational Training	Expand training and NAITA certification for fabricators

# SUSTAINABILITY DEVELOPMENT GOALS




Considering the significant environmental impacts associated with the Aluminium industry from raw material use and energy consumption to water dependency and waste generation, Alumex has embraced an integrated approach that embeds sustainability as part of the Company's long-term operational framework.

At the heart of this approach is a strong alignment with the United Nations Sustainable Development Goals (UN SDGs), which offer a clear roadmap for responsible industrial conduct, while building resilience, reducing operational risks, and creating long-term value for all stakeholders.

SDG	Target	How Alumex Contributes
<b>SDG 3 Good Health and Well-being</b> 	3.9: Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination	<ul style="list-style-type: none"> <li>♦ 100% of Alumex products undergo rigorous quality and safety checks</li> <li>♦ No reported product safety violations or customer complaints, ensuring consumer well-being.</li> </ul>
<b>SDG 4: Quality Education</b> 	4.4: By 2030, substantially increase the number of youth and adults with relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.	<ul style="list-style-type: none"> <li>♦ Targeted technical and vocational training aligned with market needs and industry changes.</li> </ul>
	4.3: Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education.	<ul style="list-style-type: none"> <li>♦ Structured sponsorship scheme to ensure equitable access to professional courses and higher education for eligible employees.</li> </ul>
<b>SDG 5: Gender Equality</b> 	5.1: End all forms of discrimination against all women and girls everywhere.	<ul style="list-style-type: none"> <li>♦ Zero-tolerance policy on all forms of discrimination and maintains strict non-discriminatory recruitment and performance practices.</li> </ul>
	5.5: Ensure women's full and effective participation and equal opportunities for leadership.	<ul style="list-style-type: none"> <li>♦ Commitment to promote equal opportunities for career advancement, enforces pay equity at entry levels, and fosters inclusive leadership practices.</li> </ul>
<b>SDG 6: Clean Water and Sanitation</b> 	6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals	<ul style="list-style-type: none"> <li>♦ 5% annual reduction target in water consumption</li> <li>♦ Continuous water monitoring and optimisation</li> <li>♦ Use of rainwater harvesting and water recycling systems</li> </ul>
	6.3: Improve water quality by reducing pollution, minimising release of hazardous chemicals	<ul style="list-style-type: none"> <li>♦ Responsible sourcing of water from non-depleting wells and regulated supply systems</li> <li>♦ No impact on shared/common water bodies</li> </ul>
<b>SDG 7: Affordable and Clean Energy</b> 	7.3: By 2030, double the global rate of improvement in energy efficiency	<ul style="list-style-type: none"> <li>♦ Structured energy management framework across production sites</li> <li>♦ Investments in energy-efficient machinery</li> <li>♦ Investment in LED lighting</li> <li>♦ Optimised production scheduling to reduce peak demand</li> </ul>
	7.2: Increase the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> <li>♦ Increasing renewable energy integration across manufacturing operations</li> <li>♦ Employee training to promote a culture of energy conservation</li> </ul>

SDG	Target	How Alumex Contributes
<b>SDG 8: Decent Work and Economic Growth</b> 	8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	<ul style="list-style-type: none"> <li>Deployment of advanced manufacturing systems (e.g., MES), process digitisation, and infrastructure upgrades drive productivity and operational excellence across operations.</li> </ul>
	8.5: By 2030, achieve full and productive employment and decent work for all, including for young people and persons with disabilities, and equal pay for work of equal value	<ul style="list-style-type: none"> <li>Commitment to decent wages above the national minimum, merit-based recruitment, non-discrimination, and pay equity.</li> </ul>
	8.6: Substantially reduce the proportion of youth not in employment, education or training.	<ul style="list-style-type: none"> <li>Training and development programmes geared towards upskilling and engaging young workers in meaningful employment.</li> </ul>
	8.7: Take immediate measures to eradicate forced labour, end modern slavery and human trafficking, and prohibit child labour.	<ul style="list-style-type: none"> <li>Commitment to verify the minimum legal employment age and rigorously ensures operations and suppliers are free from child, forced or compulsory labour.</li> </ul>
	8.8: Protect labour rights and promote safe and secure working environments for all workers	<ul style="list-style-type: none"> <li>Commitment to uphold ILO and UN Global Compact labour principles, supports freedom of association and collective bargaining, and maintains strong grievance mechanisms and safety standards.</li> </ul>
<b>SDG 9: Industry, Innovation and Infrastructure</b> 	9.1: Develop quality, reliable, sustainable and resilient infrastructure	<ul style="list-style-type: none"> <li>Fully integrated physical infrastructure including high-capacity production plants (22,000 MT)</li> <li>Extensive warehousing, and state-of-the-art value-adding capabilities to ensure scale, resilience, and agility to meet both local and global market demand</li> </ul>
	9.4: Upgrade industries to be sustainable with increased resource-use efficiency	<ul style="list-style-type: none"> <li>CAPEX investments aligned with Board-approved plans ensure upgrades to energy-efficient, low-emission machinery, including modern extrusion presses, anodizing/powder coating systems, and in-house recycling facilities.</li> </ul>
	9.5: Enhance scientific research and upgrade technological capabilities	<ul style="list-style-type: none"> <li>Incorporation of high-pressure die-casting machines, in-house die manufacturing, and precision engineering tools boost R&amp;D potential and support innovation in product development and industrial processes</li> </ul>
<b>SDG 10: Reduced Inequalities</b> 	10.2: Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	<ul style="list-style-type: none"> <li>HR policies promote diversity, equity, and inclusion across all employee levels and ensure unbiased recruitment, promotion, and remuneration practices.</li> </ul>

# SUSTAINABILITY DEVELOPMENT GOALS

SDG	Target	How Alumex Contributes
 <b>SDG 12: Responsible Consumption and Production</b>	12.2: By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> <li>◆ Increased use of reclaimed Aluminium (46% of total consumption)</li> <li>◆ Structured reduction of non-renewable material use</li> </ul>
	12.4: Achieve environmentally sound management of chemicals and wastes throughout their life cycle	<ul style="list-style-type: none"> <li>◆ Avoidance of harmful chemicals in production</li> <li>◆ Segregated hazardous, recyclable, and general waste management systems</li> <li>◆ Certified disposal partners used for final waste handling</li> </ul>
	12.5: Substantially reduce waste generation	<ul style="list-style-type: none"> <li>◆ Eliminated styrofoam and tape in packing</li> <li>◆ 3R (Reduce, Reuse, Recycle) practices actively implemented</li> <li>◆ Digitisation to reduce paper waste</li> <li>◆ Repurposing of materials to avoid landfill disposal</li> </ul>
	12.6: Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle	<ul style="list-style-type: none"> <li>◆ Use of premium-grade, responsibly sourced raw materials; adheres to best-in-class packaging and labelling practices</li> <li>◆ Commitment to comply with global environmental and quality standards</li> <li>◆ Supplier assessments include ESG performance screening aligned with ASI guidelines.</li> </ul>
 <b>SDG 13: Climate Action</b>	13.1: Strengthen resilience and adaptive capacity to climate-related hazards	<ul style="list-style-type: none"> <li>◆ Monitoring of Scope 1, 2 and 3 emissions</li> <li>◆ Transition towards a low-carbon operation through energy and material efficiency</li> </ul>
 <b>SDG 15: Life on Land</b>	15.1: Ensure conservation, restoration and sustainable use of terrestrial ecosystems	<ul style="list-style-type: none"> <li>◆ Reforestation project at Meerigama Highway with Forest Conservation Department and RDA</li> <li>◆ Environmental cleaning project at Dunumala Ells</li> </ul>
 <b>SDG 16: Peace, Justice and Strong Institutions</b>	16.10: Ensure public access to information and protect fundamental freedoms.	<ul style="list-style-type: none"> <li>◆ Promotes freedom of association and provides safe, confidential mechanisms for grievance handling, ensuring protection of worker rights and transparency in HR practices.</li> </ul>
 <b>SDG 17: Partnerships for the Goals</b>	17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge	<ul style="list-style-type: none"> <li>◆ Supplier development workshops and maintains a digital collaboration portal to share sustainability best practices across its global supply network</li> </ul>

## MANAGEMENT COMMENTARY



## DEDICATE. DELIBERATE. EXECUTE.

As architects of the future, our focus is on enabling growth - both within and external to our core organisation. In pursuance of this goal, we ensure that our stakeholders and segments across the board are protected with our every move.

# ALUMINIUM INDUSTRY REVIEW

The demand for Aluminium has witnessed rapid growth over the past decade. Recent market projections reflect this upward trend. According to Fortune Business Insights, the global Aluminium market, valued at USD 229.85 billion in 2023, is expected to grow to USD 403.29 billion by 2032, reflecting a strong compound annual growth rate of 6.2% driven by the increased use of Aluminium in the automotive industry, particularly in electric vehicles, where manufacturers are replacing steel to reduce vehicle weight and enhance battery performance.

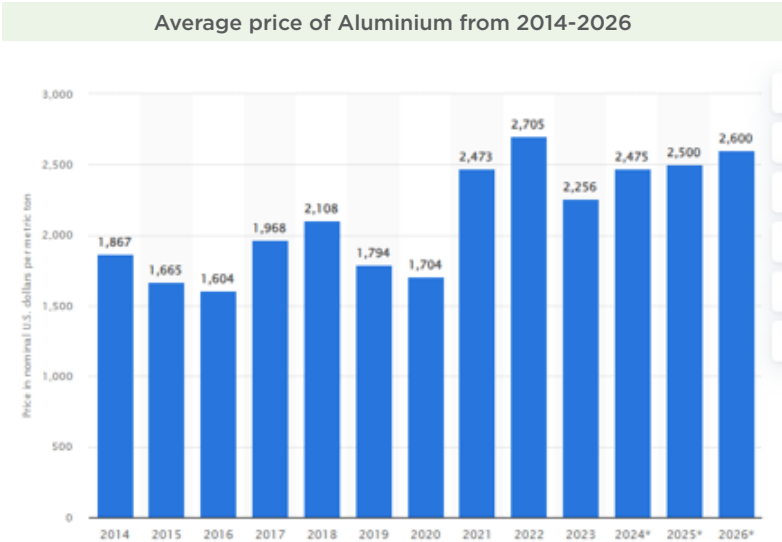
In terms of sectoral contribution, the transportation sector remains the single largest consumer of Aluminium to-date, a trend that is expected to continue through 2030. Lightweight vehicles and aircraft, designed for fuel efficiency and lower emissions, rely heavily on Aluminium components.

The construction and packaging industries also remain strong contributors, with Aluminium being preferred for its strength, durability, and resistance to corrosion. In packaging, particularly in food and beverage applications, the material's non-toxic and recyclable nature has made it increasingly popular.

Meanwhile, the material's use in renewable energy infrastructure such as solar panels and wind turbines, is expanding rapidly. The construction industry, particularly in Asia-Pacific, is also fuelling demand due to urbanisation and the push for smart and sustainable buildings.

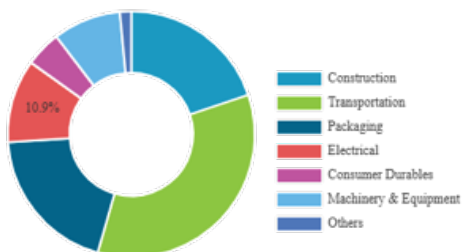
Asia-Pacific, led by China and India, remains the global powerhouse of Aluminium production and consumption. In 2023, the region accounted for USD 147.63 billion of the global Aluminium market, and it is projected to maintain its lead through 2032. China alone

produces nearly 60 percent of the world's Aluminium, although its output is approaching a national cap of 45 million tons annually due to energy constraints and environmental regulations. As China stabilises its production, there could be notable shifts in global supply chains and pricing structures, offering new opportunities for other regional produceLKR





**Global Aluminium Market Share, By End-use, 2023**



### DEMAND FOR ALUMINIUM AS A SUSTAINABLE MATERIAL

Aluminium's unique attributes, lightweight, corrosion resistance, and recyclability have positioned it as a predominantly sustainable material. As countries pursue decarbonisation and build resilient economies, Aluminium's strategic importance continues to grow across industries. Although Aluminium is fully recyclable, primary Aluminium production is responsible for nearly 2% of global greenhouse gas emissions. However, producing Aluminium from recycled sources consumes just 5% of the energy needed for primary production, making it a critical lever in the transition to a circular economy. As a result, the global demand for recycled Aluminium is expected to triple by 2050, driven by regulatory mandates and environmental targets. Leading Aluminium producers are investing in closed-loop recycling systems and green manufacturing processes to meet these expectations and differentiate themselves in an increasingly climate-conscious market.

### SUPPLY CHAIN DYNAMICS

Despite strong demand, the Aluminium industry is grappling with notable supply-side constraints. China's production cap, imposed in light of its carbon reduction commitments, has already tightened the market. Additionally, Aluminium smelting remains highly energy-intensive, and rising global electricity costs

are impacting production viability in several regions. According to Goldman Sachs, Aluminium prices are expected to average USD 2,000 per ton in the third quarter of 2025 and increase to USD 2,300 per ton by the end of the year. Statistics reported that the 2023 average price stood at USD 2,256 per ton, though market fluctuations remain likely due to ongoing geopolitical and climate-related disruptions.

Geopolitical developments are also shaping the Aluminium value chain. In March 2025, the United States reinstated a 25% tariff on all Aluminium imports to protect domestic manufacturers and encourage local smelting investment. Simultaneously, efforts to reduce dependency on Chinese Aluminium have intensified in Western markets, prompting a shift toward supply chain diversification. These measures are likely to lead to regional realignments and provide growth opportunities for emerging markets with untapped production potential.

### THE SRI LANKAN ALUMINIUM MARKET

In Sri Lanka, the Aluminium market experienced a noticeable uptick in 2024, buoyed by an economic rebound and recovery in the construction and manufacturing sectors. The demand for Aluminium profiles, extrusions, and panels has surged with market value reaching an estimated USD 16 million in 2024, denoting a 26% year-on-year growth led by strong demand from the construction, transportation, and packaging industries.

The construction sector in particular has played a vital role in this recovery. A resurgence of both public and private infrastructure projects, along with increased investment in commercial real estate and housing, has created strong demand for Aluminium in building applications. Additionally,

the rise of green building initiatives and energy-efficient architecture has further increased Aluminium's relevance. However, the sector still faces challenges due to fiscal tightening and the rise in VAT, which could potentially hinder long-term affordability and slow new project starts.

### TRADE DYNAMICS

Sri Lanka's Aluminium trade data in 2024 illustrates the dual nature of its role in the industry. The Country exported Aluminium worth USD 64.76 million, with the United States emerging as the leading destination, importing USD 10.85 million worth of Aluminium products. This reflects Sri Lanka's growing competitiveness in producing high-quality Aluminium components for the international market. On the other hand, Aluminium imports totalled USD 148.96 million, underscoring the country's continued reliance on imported raw materials, especially primary Aluminium. This trade imbalance highlights the opportunity to promote import substitution through local value addition and manufacturing capability enhancement.

### OUTLOOK AND PROSPECTS

Looking ahead, Sri Lanka's Aluminium sector is well-positioned to scale up and align with global trends if the right investments and policy support are put in place. There is considerable potential in supporting electric vehicle infrastructure, solar energy systems, and green construction, all of which rely on Aluminium inputs. At the same time, the adoption of circular economy principles, with a focus on recycling and closed-loop production, can help reduce costs and improve sustainability. Strengthening value-added manufacturing, upskilling the workforce, and introducing incentives for green Aluminium production could unlock significant economic and environmental gains.



# OPERATING ENVIRONMENT

## GLOBAL ECONOMIC ACTIVITY CONTINUED TO MODERATE

In 2024, global economic growth moderated to 2.4%, reflecting the cumulative impact of multiple geopolitical and structural challenges. Prolonged conflicts, such as the Russia-Ukraine war, continued to disrupt global energy and food supply chains, driving price volatility and softening demand within the Euro Area. Meanwhile, escalating tensions in the Middle East triggered oil price fluctuations and logistical bottlenecks, compounding uncertainty in global markets. Advanced economies experienced a sharper slowdown, with growth easing to 1.2% from 1.5% in 2023, while emerging market and developing economies (EMDEs) grew at a comparatively stronger pace of 3.9%, supported by resilient domestic demand in select markets.

## GLOBAL TRADE REMAINED SLUGGISH

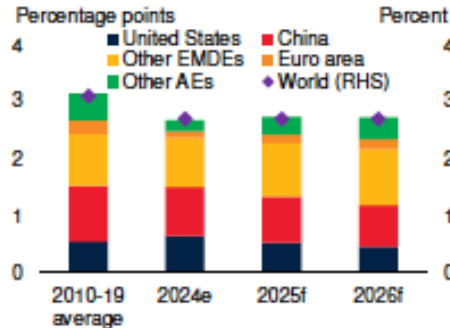
Global trade growth remained largely subdued in 2024, reflecting a confluence of structural and geopolitical challenges. Global trade expanded by 3.4%, partly due to low base effects from the previous year's weak performance. However, this growth was tempered by persistent trade tensions, supply chain disruptions, and a shift towards protectionist policies in some. The ongoing strategic rivalry between the United States and China, particularly concerning trade restrictions and technology controls, further dampened investor sentiment and contributed to fragmentation across global supply chains.

## GLOBAL INFLATIONARY PRESSURES CONTINUED TO EASE

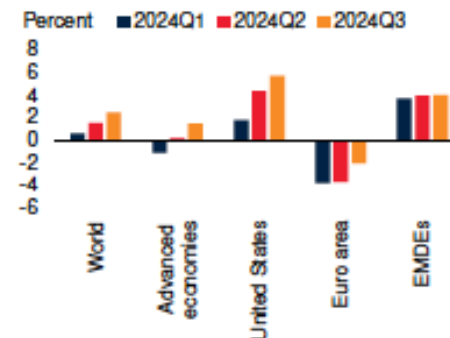
Global inflationary pressures eased considerably from the peaks recorded in 2022 and 2023, reflecting tighter monetary policies, improving supply chain dynamics, and the moderation of global commodity prices. In advanced economies, headline inflation declined more noticeably, supported by declining energy prices and a gradual normalisation in goods and services demand. Likewise emerging market and developing economies (EMDEs) also experienced a decline in inflation, though the pace varied across regions. Countries with stronger macroeconomic frameworks and policy credibility saw faster disinflation, while others continued to face currency depreciation and domestic supply-side constraints, which kept food and fuel prices elevated.

While the global disinflation trend marked a positive shift, geopolitical tensions, including the prolonged conflict in Ukraine and instability in the Middle East, contributed to intermittent volatility in energy and food markets. Additionally, the growing fragmentation of global trade and supply chains posed new challenges, potentially raising production costs and contributing to long-term inflationary pressures.

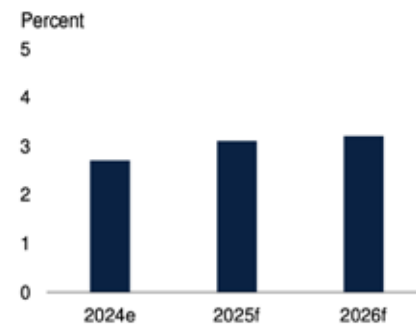
### A. Contributions to global growth



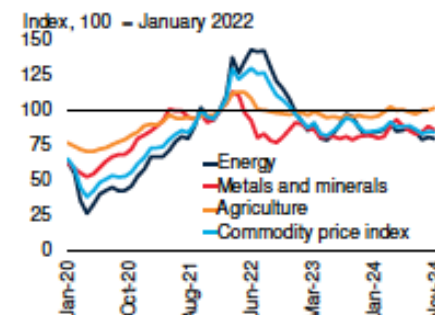
### A. Goods trade growth



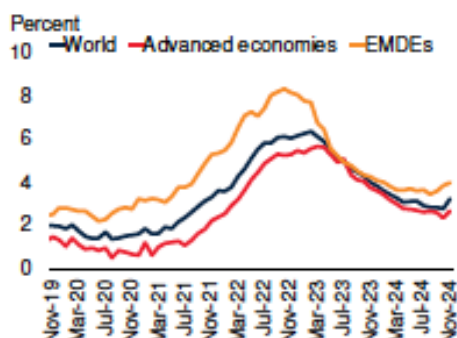
### D. Global trade growth



### A. Commodity price indexes, monthly



### C. Core consumer price inflation



### GLOBAL COMMODITY PRICES RECORD MIXED PERFORMANCE

Global commodity markets experienced mixed results largely as a consequence of economic moderation, shifting demand patterns, and geopolitical developments. Oil prices averaged around USD 75 per barrel, influenced by ample supply and subdued demand, though intermittent geopolitical tensions added volatility. Gold reached record highs in October, driven by strong safe-haven demand amid global uncertainty and central bank purchases, before moderating later in the year as geopolitical risks eased and U.S. bond yields rose. Meanwhile, copper prices declined steadily, ending the year below USD 9,000 per tonne, reflecting a global supply surplus and weak demand, particularly from China.

### MODEST GROWTH PROJECTED FOR THE GLOBAL ECONOMY IN 2025

The global economy in 2025 is projected to experience modest growth, with the World Bank forecasting a steady expansion of 2.7% for both 2025 and 2026. This growth rate reflects a stabilisation following recent economic shocks but remains insufficient to significantly reduce global poverty or achieve substantial income convergence between developing and advanced economies. Emerging market and developing economies are expected to grow at approximately 4%, marking their weakest long-term outlook since 2000.

Global trade is anticipated to recover modestly, with trade volumes projected to increase by 3.1% in 2025, up from 2.7% in 2024. However, this recovery is tempered by ongoing challenges, including persistent trade tensions, supply chain disruptions, and a shift towards protectionist policies in some regions. These factors continue to dampen investor sentiment and contribute to fragmentation across global supply chains.

Inflationary pressures are expected to ease in 2025, with global inflation projected to decline to approximately 4.5%, down from 5.9% in 2024. This moderation is attributed to tighter monetary policies, improving supply chain dynamics, and the stabilisation of global commodity prices.

Commodity prices are projected to ease further over the forecast horizon, driven mainly by falling energy prices. The price of Brent crude oil declined about 3% in 2024, to an average of \$80 per barrel, as ample global oil supply amid modest consumption growth offset the impact of geopolitical tensions. Brent crude oil prices are expected to decline further, to an average of \$72 per barrel in 2025 and \$71 per barrel in 2026, as production expands while oil demand growth remains subdued. While this trend may help moderate near-term inflation, it poses challenges for developing economies reliant on commodity exports.

### SRI LANKA'S ECONOMY GAINS MOMENTUM

Sri Lanka experienced a remarkable economic turnaround in 2024, marking a decisive departure from the extended period of contraction in preceding years. During the first nine months, the economy expanded by 5.2%, significantly surpassing the Central Bank's forecast of 3%. By year-end, real GDP growth stood at 5%, the highest annual growth rate recorded in seven years signalling a strong and broad-based recovery.

# OPERATING ENVIRONMENT

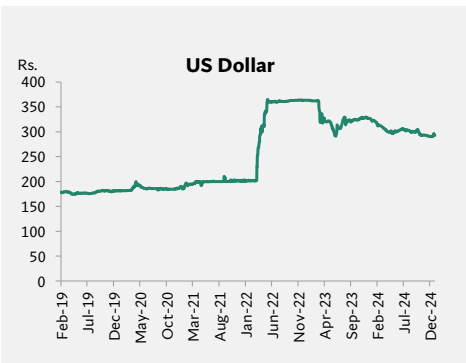
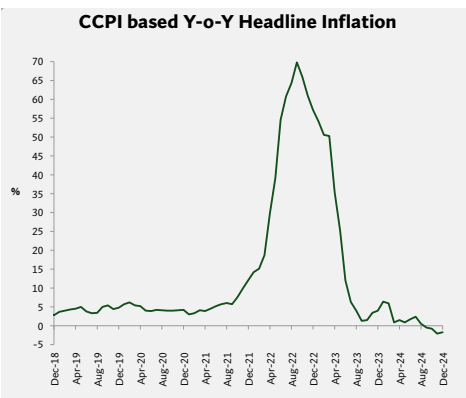
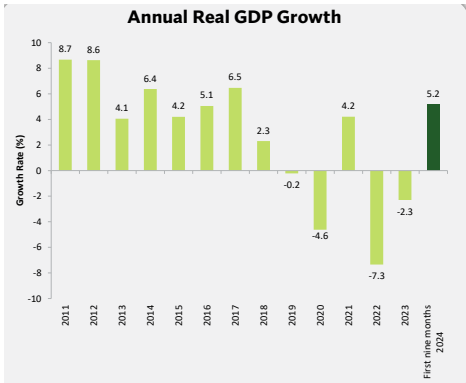
This resurgence was driven by robust performance across key sectors. The industrial sector rebounded sharply, fuelled by improved energy availability, a revival in investor confidence, and strengthening domestic demand. The tourism sector experienced a substantial uplift, supported by greater political stability, infrastructure development, and strategic global marketing efforts that successfully repositioned Sri Lanka as a safe and attractive destination. Meanwhile, the services sector, particularly IT and BPO, recorded impressive gains on the back of favourable exchange rate dynamics and continued global demand for digital and remote services.

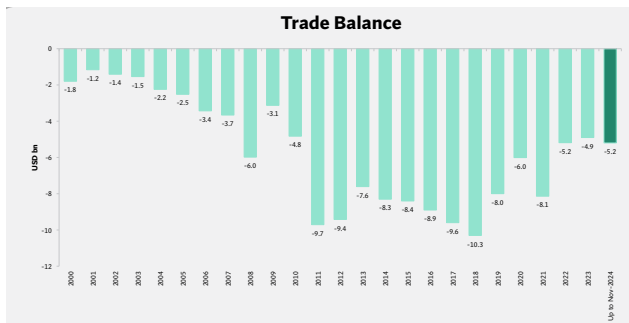
Recovery was reinforced by sound policy interventions, including the successful rollout of the USD 2.9 billion Extended Fund Facility programme by the International Monetary Fund (IMF) in March 2023 aimed at enhancing fiscal discipline, improving public financial management, and stabilising the financial sector. Moreover, long running discussions culminated in the finalisation of the external debt restructuring agreement in December 2024 which further strengthened market confidence.

## INFLATION STABILISES

In 2024, Sri Lanka experienced a sharp and sustained decline in inflationary pressures, marking a significant shift from the severe inflation that had plagued the economy in previous years. After reaching a peak of 64% in 2022, inflation steadily decelerated throughout 2023, falling to just 0.5% by August 2024. By December, the country recorded a mild deflation of -1.7%, reflecting a notable easing of consumer price pressures.

This dramatic reduction in inflation was driven by several reinforcing factors: a stabilised exchange rate, improved supply chain dynamics, tight monetary policy implemented by the Central Bank, and the global decline in commodity prices. The easing of inflation restored purchasing power among consumers, lowered input costs for businesses, and created a more stable and favourable environment for investment and broader economic growth.





### INTEREST RATES DECLINE

In a landmark move to enhance the effectiveness and transparency of its monetary policy, the Central Bank of Sri Lanka CBSL reformed its policy framework in 2024 by transitioning from a dual policy rate system to a single policy rate mechanism. Effective 27 November 2024, the CBSL introduced the Overnight Policy Rate (OPR), set at 8.00%, replacing the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR).

This strategic shift was implemented under the Flexible Inflation Targeting (FIT) framework, aiming to improve the clarity and transmission of monetary policy signals. By adopting the OPR, the CBSL established a more streamlined and effective approach to communicating its monetary stance, which in turn bolstered market predictability and investor confidence.

### EXCHANGE RATE STRENGTHENS

The Sri Lankan rupee recorded a steady appreciation in 2024, strengthening from an average of LKR 333.91 per USD in 2023 to LKR 300.89 per USD in 2024, and reaching its peak at LKR 289.87 per USD in December. This upward momentum was largely driven by a strong rebound in key external inflows, particularly the sharp recovery in tourism earnings and a surge in worker remittances, which collectively supported a healthier balance of payments and alleviated pressure on the currency.

### TRADE DEFICIT NARROWS

Sri Lanka's trade deficit narrowed significantly in 2024, signalling a positive shift in the Country's external sector dynamics. Export earnings rose, supported by strong global demand for several of Sri Lanka's key exports such as tea, spices, and IT-enabled services. At the same time, ongoing restrictions on vehicle imports and a decline in global prices of essential commodities like oil and food helped to ensure import expenditure remained under control.

### OUTLOOK FOR THE SRI LANKAN ECONOMY MARKED BY CAUTIOUS OPTIMISM IN 2025

Sri Lanka's economic outlook for 2025 is marked by cautious optimism. The Central Bank projects GDP growth to exceed 3%, reflecting a steady, albeit moderate, expansion that builds on the strong recovery achieved in 2024. This growth trajectory is expected to be supported by continued fiscal consolidation, progress in public infrastructure development, and sustained implementation of structural reforms under the IMF programme. The Government's renewed emphasis on enhancing the ease of doing business and attracting foreign direct investment (FDI) is also expected to contribute to economic momentum.

However, several external risks could influence this outlook. Escalating geopolitical tensions, volatile commodity prices, and a growing trend of global protectionism, particularly recent tariff hikes announced by the US pose challenges to Sri Lanka's export competitiveness, particularly in manufacturing-oriented sectors.

To navigate these risks, Sri Lanka must remain committed to reform, diversify its export markets, and deepen regional and bilateral trade partnerships. Continued collaboration with multilateral institutions, alongside sound macroeconomic management and disciplined debt restructuring, will also be essential to strengthening economic resilience and advancing inclusive, sustainable growth in 2025.

Sources:

*Global Economic Prospects - Jan 2025 (World Bank)*

*World Economic Outlook - April 2025 (IMF)*

*Annual Economic Review 2024 (Central Bank of Sri Lanka)*

*The State of Fashion 2025 (McKinsey & Company)*

## OPERATING ENVIRONMENT

	Impact to Alumex PLC	
	Risks	Opportunities
<b>Global Economic Growth</b>	<ul style="list-style-type: none"> <li>Growth remains below pre-pandemic levels, limiting global demand expansion, especially in developed markets.</li> </ul>	<ul style="list-style-type: none"> <li>Modest recovery may support demand for construction and infrastructure globally.</li> </ul>
<b>Emerging Market Growth</b>	<ul style="list-style-type: none"> <li>EMDEs face long-term challenges including policy instability and limited investment capacity</li> </ul>	<ul style="list-style-type: none"> <li>Expanding construction and manufacturing sectors in EMDEs could offer new export markets for Alumex</li> </ul>
<b>Global Trade Slowdown</b>	<ul style="list-style-type: none"> <li>Persistent trade tensions and protectionism (e.g., US-China tech rivalry) may disrupt export flow and sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Focus on nearshoring to position as a reliable regional supplier</li> </ul>
<b>Global Inflation Easing</b>	<ul style="list-style-type: none"> <li>Long-term inflation risks from supply chain fragmentation may raise production costs</li> </ul>	<ul style="list-style-type: none"> <li>Reduced cost pressures on imported raw materials like alumina and fuel</li> </ul>
<b>Commodity Price Instability</b>	<ul style="list-style-type: none"> <li>Volatile commodity prices can raise Alumex's raw material costs unexpectedly, squeezing profit margins</li> </ul>	<ul style="list-style-type: none"> <li>Alumex can gain a competitive edge by enhancing efficiency and reliability, attracting customers during price volatility</li> </ul>
<b>Sri Lanka Economic Growth</b>	<ul style="list-style-type: none"> <li>If growth is not sustained; domestic political or fiscal instability may return</li> </ul>	<ul style="list-style-type: none"> <li>Local market recovery could boost demand for housing, infrastructure, and Alumex's domestic product lines</li> </ul>
<b>Interest Rate Decline</b>	<ul style="list-style-type: none"> <li>Any unexpected reversal or inflation shock could drive rates up again, tightening financial conditions</li> </ul>	<ul style="list-style-type: none"> <li>Lower interest rates reduce borrowing costs, enabling Alumex to finance expansion or innovation initiatives</li> </ul>

Impact to Alumex PLC		
	Risks	Opportunities
LKR Appreciation	<ul style="list-style-type: none"> <li>Makes Sri Lankan exports less competitive in price-sensitive global markets</li> </ul>	<ul style="list-style-type: none"> <li>A stronger LKR reduces cost of imported inputs and stabilises working capital planning</li> </ul>

## CONSTRUCTION INDUSTRY IN SRI LANKA

In 2024, Sri Lanka's construction industry experienced a significant rebound, marking a 7.3% real-term growth following a sharp 21.8% contraction in 2023. This recovery was driven by increased investments in infrastructure, energy, and utilities, alongside a 16% year-on-year rise in gross fixed capital formation during the first half of the year.

### Key Developments in 2024:

#### Major Infrastructure Projects:

The Uma Oya Hydropower Complex, a 120 MW facility aimed at enhancing irrigation and power supply, was inaugurated in April .

The Sobadhanavi Power Station commenced its first phase, adding 220 MW of LNG-based power to the grid .

The ITC Ratnadipa, a luxury hotel in Colombo, officially opened in April, featuring 352 rooms and marking ITC Hotels' first overseas investment.

#### Urban Development:

The City of Dreams Sri Lanka, formerly known as Cinnamon Life, was launched in October. This \$850 million integrated resort includes a hotel, residences,

retail spaces, and a gaming facility operated by Melco Resorts & Entertainment .

#### Renewable Energy Initiatives:

India and the UAE agreed to develop an energy hub in Trincomalee, encompassing pipelines, bunkering facilities, and a potential refinery .

China's Sinopec committed to investing \$3.2 billion in an oil refinery in Hambantota, further bolstering the nation's energy infrastructure.

#### Technological Advancements:

The adoption of Building Information Modelling (BIM) and Lean construction practices gained momentum, aiming to enhance efficiency and reduce waste in construction processes .

#### Economic Indicators:

The Purchasing Managers' Index (PMI) for construction reached 59.5 in June, the highest in 30 months, indicating robust industry activity .

These developments signify a positive trajectory for Sri Lanka's construction sector, reflecting renewed investor confidence and a commitment to sustainable growth.

## PMI Construction

Summary of the PMI - Construction Survey				
Variable	Jan.	Feb.	+/-	Direction
PMI - Construction (Total Activity Index)	52.9	55.6	+	Rising, Higher Rate
New Orders	52.9	56.9	+	Rising, Higher Rate
Employment	48.5	44.4	-	Falling, Higher Rate
Quantity of Purchases	54.4	52.8	-	Rising, Slower Rate
Suppliers' Delivery Time	52.9	54.3	+	Lengthening, Higher Rate

Source: Central Bank of Sri Lanka



# MANAGING RISKS AND OPPORTUNITIES

The Alumex Company adopts an enterprise-wide risk management (ERM) approach, integrating risk management into all levels of strategic planning and operational execution. This approach is built on three key elements: a structured risk management process, strong risk governance, and a deeply embedded risk-aware culture. Together, these components enable the Company to identify, assess, and address risks across its value chain, ensuring resilience, agility, and sustained value creation in an ever-evolving business environment.

## RISK MANAGEMENT PROCESS

**Risk Identification** - Risk identification is the foundational step in Alumex's risk management process. The Company conducts comprehensive scans of both internal operations and the external environment to identify potential threats that could impede the achievement of strategic goals. Tools such as PESTEL analysis, stakeholder engagement, and industry benchmarking are used to generate a broad view of risk.

**Risk Assessment** - Following identification, each risk is assessed to determine its likelihood and potential impact, using structured methodologies, including risk matrices and scoring systems, supported by data-driven insights and expert judgement. Assessment criteria include financial consequences, operational disruptions, legal exposure, and reputational damage. This detailed assessment allows the Company to allocate resources effectively and focus mitigation efforts on the most critical areas.

**Risk Monitoring** - Alumex adopts a dynamic and continuous approach to risk monitoring, ensuring that risks are assessed in real time. The Company makes use of

dashboards, key risk indicators (KRIs), and structured reporting mechanisms to track developments and identify early warning signs. The risk management function works in close collaboration with business units and senior management to enable timely escalation and response. In addition, periodic risk reviews and internal audits are conducted to evaluate the effectiveness of existing controls and adjust mitigation strategies as required.

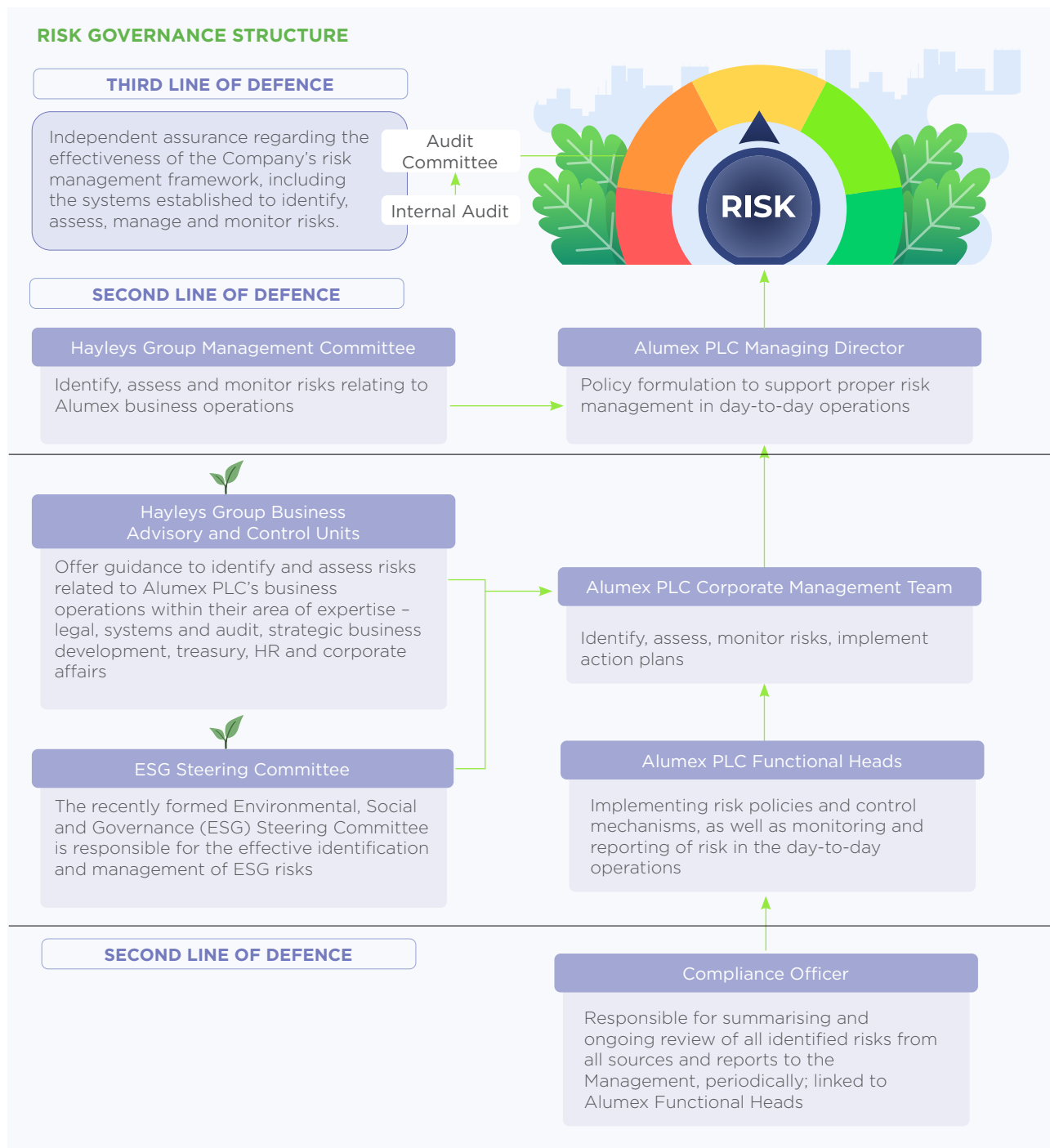
**Risk Control** - Risk control is the final component of the process, focused on managing identified risks through both preventive and corrective measures. Preventive actions include the implementation of internal controls, process optimisation, investment in technology, and quality assurance measures. Corrective strategies, such as crisis management protocols, business continuity planning, and insurance coverage, are also employed to address risks that materialise.

## RISK GOVERNANCE GRI 3-3

The Alumex Company Board of Directors assumes the ultimate responsibility for risk governance across the organisation. The Board defines the Company's risk objectives and establishes the control framework for risk management. Operating under the delegated authority of the Board, the Board Audit Committee in collaboration with senior management establish and maintain robust risk frameworks tailored to the distinct needs of each business unit.

A three-lines-of-defence model has been adopted to ensure clear accountability and effective risk control:

## RISK GOVERNANCE STRUCTURE

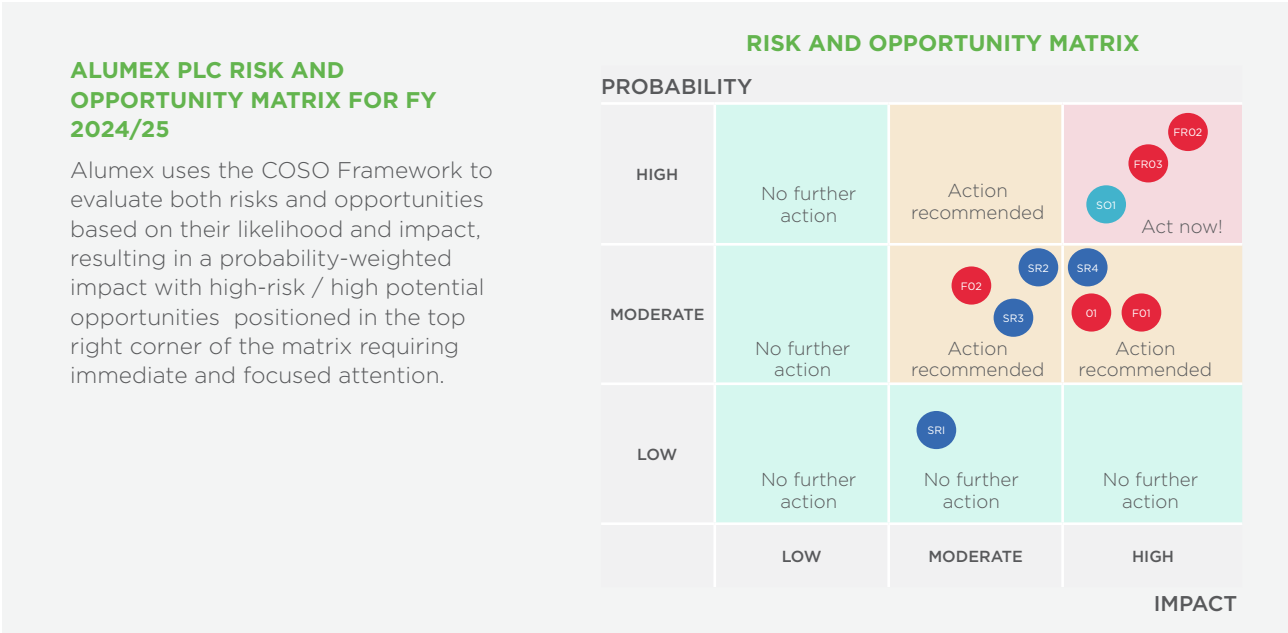


## RISK AWARENESS CULTURE

A strong risk awareness culture is a fundamental pillar of the ERM framework. It promotes accountability and vigilance at all levels of the organisation, ensuring that risk considerations are embedded in daily decision-making. Regular training and awareness programmes are conducted to help employees develop the skills and confidence to identify, assess, and report risks effectively.

# MANAGING RISKS AND OPPORTUNITIES

PESTEL ANALYSIS	
Category	Key Developments in Sri Lanka for 2024
Political	<p>Sri Lanka witnessed a gradual return to political stability following recent economic and political crises, aided by structural reforms and international support.</p> <p>The government is working on improving transparency, addressing corruption, and rebuilding public trust in democratic processes.</p> <p>Sri Lanka began collaborating with international organisations like the IMF to secure financial aid and implement necessary economic reforms, fostering a more stable political environment.</p>
Economic	<p>Sri Lanka's economy grew by 5.0% in 2024, recovering from a contraction of -2.3% in the previous year, as the country bounced back from its worst financial crisis in decades.</p> <p>Inflation rate stabilised at 8.7% by the end of 2024, a significant decrease from the previous year's 28.5%</p> <p>The Central Bank of Sri Lanka progressively reduced interest rates to stimulate economic recovery, culminating in the introduction of a single policy rate of 8% in November</p> <p>The Sri Lankan Rupee appreciated by approximately 10.7% against the US Dollar, reflecting improved economic stability and increased foreign exchange inflows</p> <p>Foreign exchange reserves recovered, but remained below pre-crisis levels.</p>
Social	<p>The poverty rate remained high reflecting the broader socioeconomic strain due to the prolonged impact of economic challenges</p> <p>Disposable incomes showed a modest recovery, but economic challenges led to cautious consumer spending and increased savings</p> <p>The literacy rate has remained strong, with gradual increases, indicating continued educational progress</p>
Technology	<p>Automation technologies gained momentum across various industries, enhancing productivity and efficiency.</p> <p>Increase adoption of AI technologies to optimise production lines, predict equipment failures etc.</p> <p>Implementation of IIoT enabled real-time monitoring to support data-driven decision-making to enhance manufacturing outcomes.</p>
Environmental	<p>Sri Lanka has committed to generating 70% of its electricity from renewable sources by 2030, with a long-term goal of transitioning to 100% renewable electricity by 2050.</p> <p>Sri Lanka continues to integrate the 17 SDGs into national policies, focusing on inclusive development, environmental sustainability, and social equity.</p> <p>Sri Lanka has reaffirmed its commitment to achieving carbon neutrality by 2050, aligning with international climate agreements and emphasising the need for sustainable energy and industrial practices.</p>
Legal / Regulatory	<p>Strengthening of laws around corporate governance, anti-corruption, and transparency for listed entities</p> <p>Revisions to the minimum wage regulations.</p>



# RISK CATEGORY-FINANCIAL RISKS (FR) & OPPORTUNITIES (FO) IDENTIFIED IN FY 2024/25

				Risk Level					
				Previous Assessments		Forecast 2025/26			
				2023/24	2024/25	Short Term	Medium Term	Long Term	Risk Trend
Risk Element	Implications	Mitigating Measures/ Strategic Responses							
FR01	LKR Appreciation resulting in reduced competitiveness in export markets and lower export revenue owing to the conversion loss	<ul style="list-style-type: none"><li>◆ Decline in export demand due to higher pricing</li><li>◆ Revenue loss on currency conversion</li><li>◆ Reduced foreign exchange inflow</li><li>◆ Pressure on profit margins of exporters</li></ul>	<ul style="list-style-type: none"><li>◆ Focus on cost efficiencies and productivity improvements to absorb part of the forex impact</li><li>◆ Implement forward exchange contracts to protect export earnings against adverse currency movements</li><li>◆ Explore value-added product segments to justify premium pricing</li><li>◆ Pursued market diversification to reduce over dependence on any single currency or region</li><li>◆ Forecasting foreign exchange rate movements and adjusting pricing models.</li></ul>	High	Low	Low	Medium	Medium	Upward
FR02	Commodity price risk fluctuations in Aluminium prices in the world market	<ul style="list-style-type: none"><li>◆ Short-term and long-term increase in Aluminium raw material prices (LME Price) will create losses due to fixed selling prices out in foreign currency</li></ul>	<ul style="list-style-type: none"><li>◆ Quote variable prices to customers, based on the LME prices</li><li>◆ Monitor LME price trends and book forward</li></ul>	Medium	Medium	Low	Medium	Medium	Stable
FR03	Global Economic Uncertainty Due to Geopolitical Conflicts and Tariff Change	<ul style="list-style-type: none"><li>◆ Ongoing global conflicts and unexpected changes in trade tariffs can disrupt supply chains, reduce export demand, raise freight and insurance costs, and impact Alumex’s competitiveness in foreign markets.</li></ul>	<ul style="list-style-type: none"><li>◆ * Expand market reach to geopolitically stable and tariff-friendly regions</li><li>◆ Engage in dialogue with trade bodies and local partners to adapt to new tariff regime</li><li>◆ Strengthen domestic market presence to cushion against global slowdown</li></ul>	Low	Low	Medium	High	Medium	Increasing
FO1	Volatility interest rates	<ul style="list-style-type: none"><li>◆ Leverage the low interest rate environment to refinance existing debt or accelerate repayment to strengthen liquidity and reducing financial risk</li><li>◆ Mobilise low cost fund to support capital investment and business expansion</li></ul>	<ul style="list-style-type: none"><li>◆ Maintain a proper loan portfolio combination of fixed and floating rates</li><li>◆ Optimise capital structure to take advantage of lower borrowing costs</li><li>◆ Engage in strategic negotiations with banks to secure the most competitive interest rates available to the Company</li><li>◆ Funding sources diversified through engagement with multiple financial institutions</li></ul>	Medium	Medium	Medium	Medium	Low	Stable
FO2	Low inflation	<ul style="list-style-type: none"><li>◆ Low inflation may improve purchasing power and consumer confidence, potentially stimulating demand in housing and construction sectors. LKR It also helps stabilise input costs, allowing better margin planning.</li></ul>	<ul style="list-style-type: none"><li>◆ Leverage stable pricing environment to boost sales volumes</li><li>◆ Strengthen partnerships construction firms</li><li>◆ Introduce affordable, value-driven product lines to attract a broader customer base</li><li>◆ Optimise procurement under stable cost conditions</li></ul>	Medium	Medium	Low	Low	Low	Improving

## MANAGING RISKS AND OPPORTUNITIES

RISK CATEGORY-FINANCIAL RISKS (FR) &			
	Risk Element	Implications	Mitigating Measures/ Strategic Responses
SRI	Stricter environmental regulations & carbon reporting (e.g., CBAM Tax)	New regulations and carbon taxes can increase operational costs and require significant adjustments to manufacturing processes.	Monitor and comply with evolving environmental regulations - Invest in cleaner technologies and energy efficient processes
SR2	Low availability of scrap for recycled billet production	Scarcity of scrap materials can hinder the production of recycled billets, which are in high demand internationally, affecting competitiveness.	<ul style="list-style-type: none"> <li>◆ Establish partnerships for reliable scrap supply</li> <li>◆ Invest in efficient scrap collection and processing systems</li> <li>◆ Explore alternative sources of recyclable materials</li> </ul>
SR3	Skilled worker migration and high turnover	Loss of skilled workers can lead to operational inefficiencies, increased training costs, and potential quality issues.	<ul style="list-style-type: none"> <li>◆ Implement employee retention programs</li> <li>◆ Offer competitive compensation and career development opportunities</li> <li>◆ Foster a positive work environment to enhance employee satisfaction</li> </ul>
SR4	Sustainability compliance in the supply chain	Non-compliance by suppliers with environmental and social standards can lead to reputational damage, regulatory sanctions, and disruption in operations	<ul style="list-style-type: none"> <li>◆ Strengthen the supplier code of conduct with clear ESG criteria</li> <li>◆ Conduct formal ESG screening and risk assessments for all suppliers</li> <li>◆ Develop and implement a structured supplier development program to build awareness and capacity</li> <li>◆ Conduct regular sustainability audits and reviews to ensure ongoing compliance</li> <li>◆ Prioritise long-term partnerships with responsible vendors</li> </ul>
SO1	Increasing customer demand for sustainability	Customers are increasingly preferring sustainable products, and failure to meet these expectations can lead to loss of market share.	<ul style="list-style-type: none"> <li>◆ Develop and market sustainable product lines</li> <li>◆ Obtain relevant sustainability certifications</li> <li>◆ Engage with customers to understand and meet their sustainability expectations</li> </ul>

OPPORTUNITIES (FO) IDENTIFIED IN FY 2024/25						
	Risk Level					
	2023/24	2024/25	Short Term	Medium Term	Long Term	Risk Trend
	High	High	High	High	Medium	Stable
	High	High	High	Medium	Medium	Stable
	Medium	High	High	Medium	Low	Increasing
	Medium	High	High	High	Low	Increasing
	Medium	High	High	High	Medium	Increasing





## FINANCIAL CAPITAL

### MANAGEMENT APPROACH

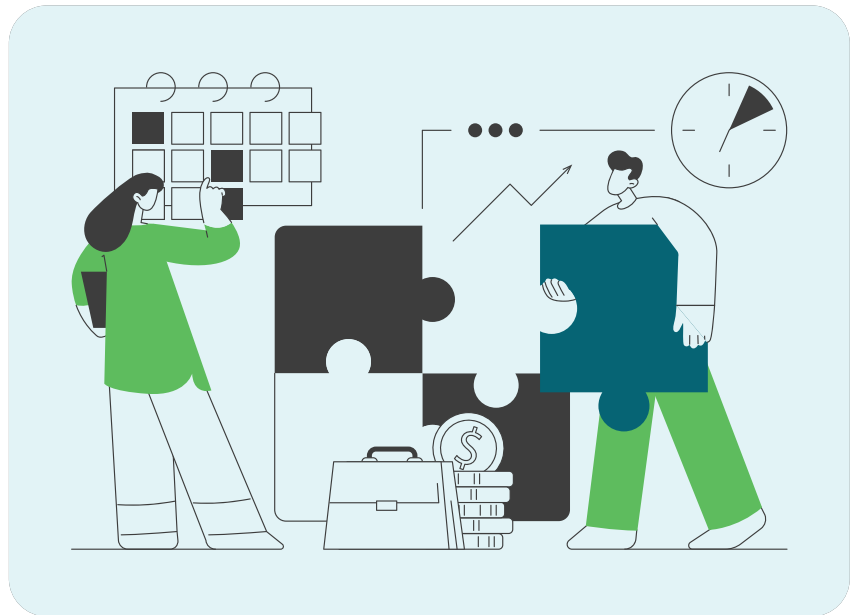
Alumex adopts a holistic and disciplined approach to managing financial capital, with a focus on driving revenue growth by improving captive market share in the domestic market, alongside the global expansion strategy aimed at making inroads into high-potential export markets, particularly through delivery of value-added offerings that strengthen the Company's competitive position. At the same time, rigorous cost control measures aim to derive operational efficiencies, better margins and overall profitability. These efforts are complemented by robust cash flow management practices that ensure liquidity to support ongoing investments in capacity and infrastructure. Alumex also maintains a balanced capital structure, keeping gearing at prudent levels to safeguard financial stability while enabling future growth. In parallel, the Company remains fully compliant with tax obligations, reinforcing its role as a responsible corporate citizen and contributing meaningfully to national development.

### STAKEHOLDER OUTCOMES

- ♦ LKR 0.40 Dividend per Share
- ♦ LKR 239 Mn Dividend Payout
- ♦ LKR 4,646 Mn Equity
- ♦ 21% ROE
- ♦ LKR 820 Mn paid to government on taxes



### SDG'S



### KEY HIGHLIGHTS

Revenue climbed 30.4 % to LKR 14.34 billion

Profit after tax increased to LKR 867 million (up 3.6 on YoY), driving basic EPS to Rs 1.45

Operating profit reached LKR 1.91 billion

EBIT margin strengthened to 13.3 % (2023/24-9.7 %).

Channelled LKR 1.73 billion into capacity expansion

### MATERIAL MATTERS

- ♦ Economic Performance
- ♦ Regulations and Compliance
- ♦ Tax
- ♦ Foreign Exchange Impacts
- ♦ Operational Efficiency & Productivity
- ♦ Government Policy

### OUTPUTS FOR ALUMEX

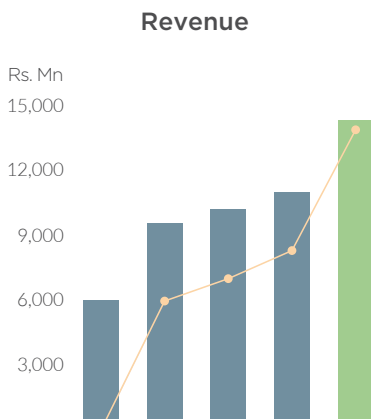
- ♦ LKR 14.3 Bn Revenue (LKR 10.9 Bn - 2023/24)
- ♦ LKR 1,141 Mn NPBT (LKR 232 Mn - 2023/24)
- ♦ LKR 16.5 Bn Total Assets (LKR 12.8 Mn - 2023/24)

**FINANCIAL STABILITY TABLE  
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Financial capital refers to the funds available to Alumex PLC through equity, earnings, and borrowings. In 2024/25, we focused on strengthening our financial position, supporting business growth, and enhancing shareholder value through prudent capital allocation

**REVENUE**

The Company recorded revenue of LKR 14.3 billion in FY 2024/25, marking a 30% increase compared to LKR 11.0 billion in FY 2023/24. This growth was driven by both volume expansion and favourable market recovery in key segments.



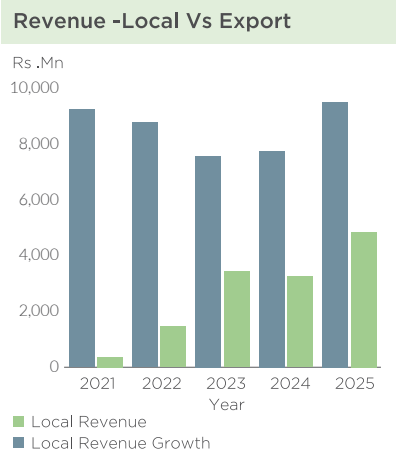
**THE LOCAL MARKET**

Local revenue reached 9.5 billion in the 2024/25 financial year and 7.7 billion in the last year, representing a 23% growth compared to the previous year. This is mainly due to the recovery of the local market segment from its recession period and increased demand for the renewable energy sector. Improved economic conditions and lower interest rates supported volume growth

**EXPORT MARKET**

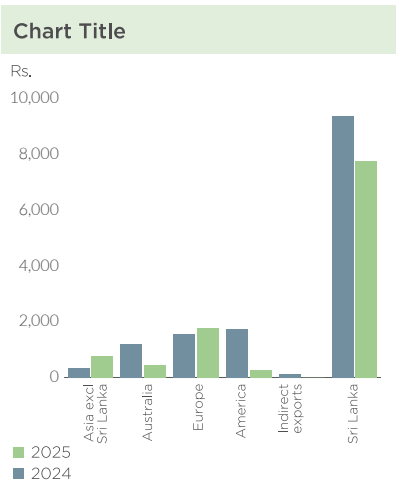
Export market volumes grew by 56% compared to the previous year supported by the strong emphasis on value-added solutions and expanding into high-potential

markets, resulting in the highest recorded export volume in the Company's history. Total export revenue reached LKR 4.8 Bn in the current financial year, an increase of 48% compared to the previous year's LKR 3.3 Bn. The total export earnings in USD terms was \$16.2 Mn in the current year compared to \$10.3 Mn reported in the previous year



**GEOGRAPHICAL SEGMENTATION**

Local sales accounted for the largest share of the revenue for FY 2024/25, followed by America and Australia is second and third places in 2024/25 and shows the highest growth rate compared to the previous year.



**GROSS PROFIT**

The Company's gross profit increased by 622 million, a 27%

growth compared to the last financial year driven largely by the substantial increase in both local and export volumes. At 20% the Gross Profit margin for the current year reflected a marginal decline from the 21% GP margin recorded in the previous year.

**OTHER INCOME & OTHER EXPENSE**

Other Income for the year ended 31 March 2025 amounted to LKR 1.50 billion, a significant increase compared to LKR 56 million in the previous year. The sharp rise is primarily attributed to the insurance claim recognised following the fire incident at the Ekala facility, which resulted in a one-time income of LKR 1.45 billion. While this non-recurring gain does not reflect core operating performance, it contributed positively to the Company's overall profitability for the current year.

Meanwhile other expenses for the year ended 31 March 2025 totalled LKR 947 million, primarily reflecting the write-off of damaged assets following the fire incident at the Ekala facility and other incident-related expenses.

**OPERATING COST MANAGEMENT**

Administrative and distribution expenses increased during FY 2024/25. Administrative expenses rose by 22%, primarily due to inflation-driven increases in staff and operational costs, as well as higher Social Security Contribution Levy (SSCL) charges resulting from strong revenue growth in the local market. Distribution expenses grew by 18%, largely driven by higher promotional spending to support the Company's local and global market expansion strategy. However, despite the increase in absolute terms, Administrative and distribution expenses taken as a percentage of revenue, declined from 11.55% in FY 2023/24 to 10.66% in the current year, reflecting effective cost

# FINANCIAL CAPITAL

management and slower growth in operating expenses relative to revenue.

## FINANCE COST

Net finance costs decreased to LKR 770 million in FY 2024/25 from LKR 821 million in the previous year, despite increased borrowings. Finance costs decreased from 7.5% to 5.4% as a percentage of revenue driven by the sharp decline in market interest rates. which helped offset the impact of higher borrowings to facilitate business scalability.

During the financial year 2024/25, the Sri Lankan Rupee exhibited greater stability against the US Dollar, starting at around LKR 299 and ending at approximately LKR 296, while reaching its strongest point of LKR 291.81 in November 2024 . The rupee's mid-year appreciation helped reduce import costs, while the slight depreciation towards year-end helped to bolster export earnings.

## OPERATING PROFITABILITY

The Company recorded an EBIT of LKR 1.91 billion in FY 2024/25, a significant increase from LKR 1.06 billion in the previous year. As a

percentage of revenue, EBIT improved from 9.7% to 13.3% in 2024/25, a testament to strong revenue growth, better absorption of fixed costs, and disciplined operational expense management.

## PBT GRI 207-1,2,3,4

Profit Before Tax (PBT) increased to LKR 1.14 billion in FY 2024/25, a massive 392% expansion from LKR 231.7 million in the previous year. This improvement was driven by strong revenue growth, better operating margins, reduced finance costs, and a substantial increase in other income. PBT improved from 2.1% to 8.0% as a percentage of revenue.

## TAX GRI 207-1,2

Tax expense for FY 2024/25 amounted to LKR 273.5 million, compared to LKR 45.6 million in the previous year, largely as a result of improved in profit before tax, which rose from LKR 231.7 million to LKR 1.14 billion during the year. As a percentage of revenue, tax expense increased from 0.4% to 1.9%, aligning with the Company's return to normalised tax liability levels following prior year deferred tax adjustments. The effective tax rate for the year is 24% due to the

exempt profit from a recycling plant.

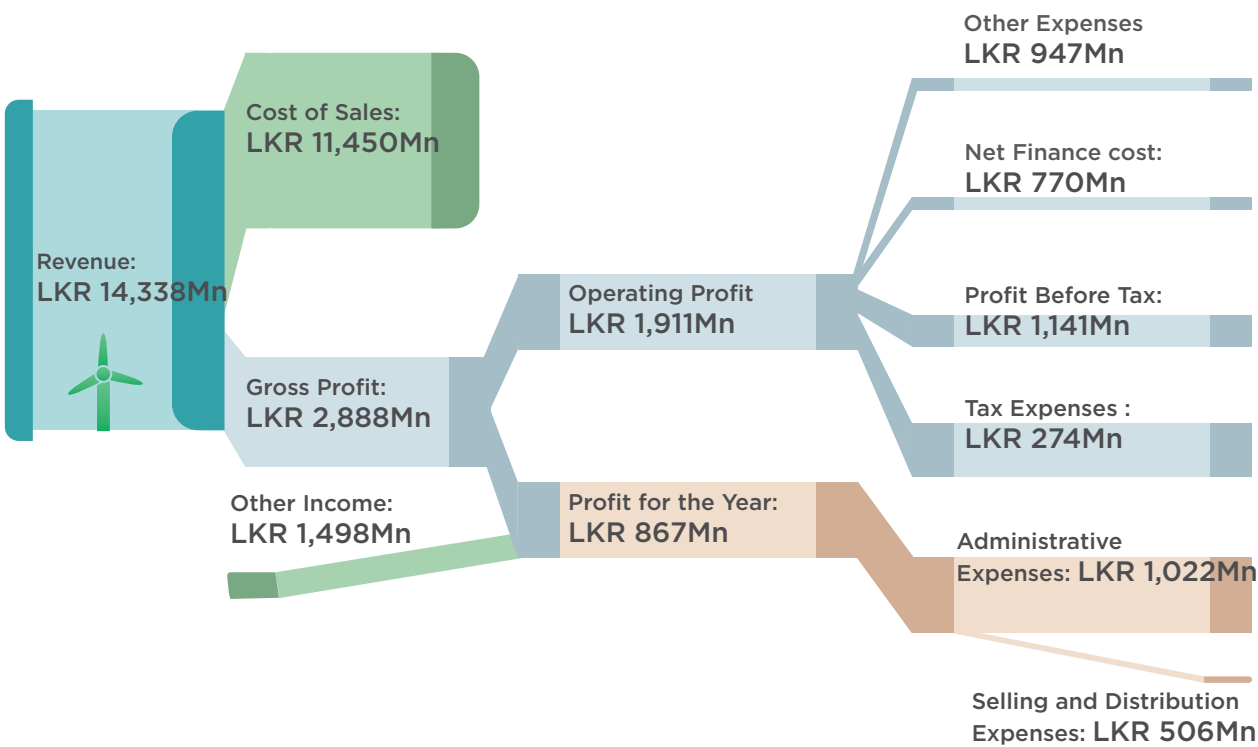
Alumex adheres to all applicable tax regulations and maintains a compliant, transparent approach to tax reporting. The Company's tax contributions also includes taxes such as VAT, SSCL, WHT, PAL, CESS, Custom Duty, etc.

## PAT

Profit After Tax (PAT) rose sharply to LKR 867.2 million in FY 2024/25, compared to LKR 186.1 million in the previous year, marking a 366% increase. The significant growth was supported by higher operating profits and lower finance costs, alongside a strong improvement in other income. As a percentage of revenue, PAT improved from 1.7% to 6.1%.

## OTHER COMPREHENSIVE INCOME

Other Comprehensive Income (OCI) for FY 2024/25 amounted to LKR 209 million, compared to LKR 14.7 million in the previous year. The significant increase was mainly due to the revaluation of freehold land, which contributed LKR 300 million, partially offset by the recognition of a deferred tax liability of LKR 90 million.



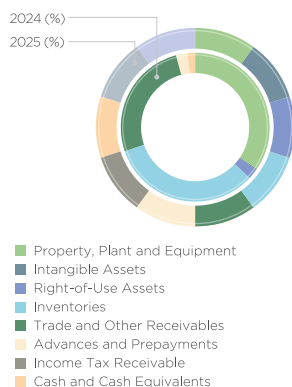
## ASSET

As at 31 March 2025, the Company's total assets increased to LKR 16.55 billion, compared to LKR 12.88 billion in the previous year, indicating a 29% year on year growth, driven by non-current and current asset expansion attributed to the Company's growth strategy and operational scaling.

Non-current assets rose from LKR 5.01 billion to LKR 6.15 billion due to the 300 million gain from the land revaluation. The Company also replaced the fixed assets at the Ekala manufacturing location, resulting in higher fixed asset additions during the year in addition to the regular capacity expansions.

Current assets increased to LKR 10.40 billion from LKR 7.87 billion, representing a 32% growth compared to last year. This is mainly due to the increase in working capital, such as Trade and other receivables and inventories.

### Asset Composition



## EQUITY

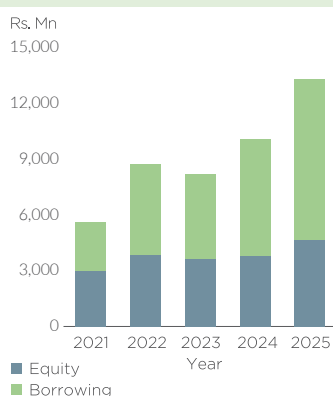
Total equity increased to LKR 4.60 billion as at 31 March 2025, from LKR 3.84 billion in the previous year, signalling net growth of 19.7%. The increase was primarily driven by the strong profit after tax of LKR 867 million and revaluation gain of LKR 300 million,

recognised under Other Comprehensive Income. This was partially offset by a deferred tax charge of LKR 90 million on the revaluation and a dividend payment of LKR 239.4 million made during the year.

## DEBT PROFILE

Total borrowings increased from LKR 6.25 billion in FY 2023/24 to LKR 8.61 billion in FY 2024/25, marking a 38% year-on-year increase the result of higher in short-term borrowings driven by higher working capital requirements linked to increased sales volumes, export expansion, and receivable build-up.

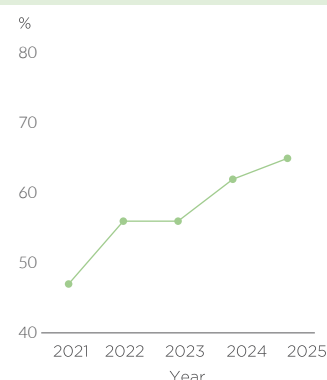
### Capital Structure



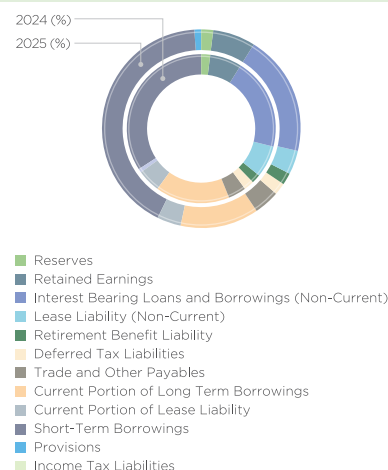
## GEARING

The gearing ratio increased from 62% in FY 2023/24 to 65% in FY 2024/25, reflecting a higher reliance on debt financing. This increase was primarily driven by elevated borrowings to support working capital and strategic investments amid a challenging operating environment.

### Gearing



### Funding Profile



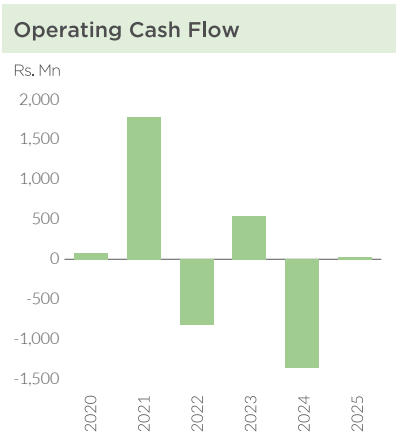
## CASHFLOW AND LIQUIDITY

Operating cash flow improved to LKR 28 million in FY 2024/25, a notable turnaround to the net outflow of LKR 1,365.6 million reported in the previous year, bolstered by the strong improvement in operational profitability by LKR 1,393.6 million.

In FY 2024/25, net cash outflows from investing activities rose sharply to LKR 1.72 billion owing to major capital expenditure linked to the Ekala facility replacement as well as other capacity expansions. Meanwhile, net financing outflows

# FINANCIAL CAPITAL

amounted to LKR 655.6 million, compared to an inflow of LKR 280.5 million in the prior year, driven by reduced long term borrowings, a LKR 239 million dividend payment.



## SHAREHOLDER RETURNS

### EPS

Supported by strong operational profits, EPS rose to LKR 1.45 in FY 2024/25 from LKR 0.31 in the previous year, a substantial 368% year-on-year increase in value created for shareholders.

### Net Asset Value

The Net Asset Value per share increased to LKR 7.76 in FY 2024/25, compared to LKR 6.36 in the previous year, a robust 22% year-on-year increase. This growth reflects improved profitability, retained earnings, and the impact of the land revaluation surplus added to reserves.

### Dividend Per Share

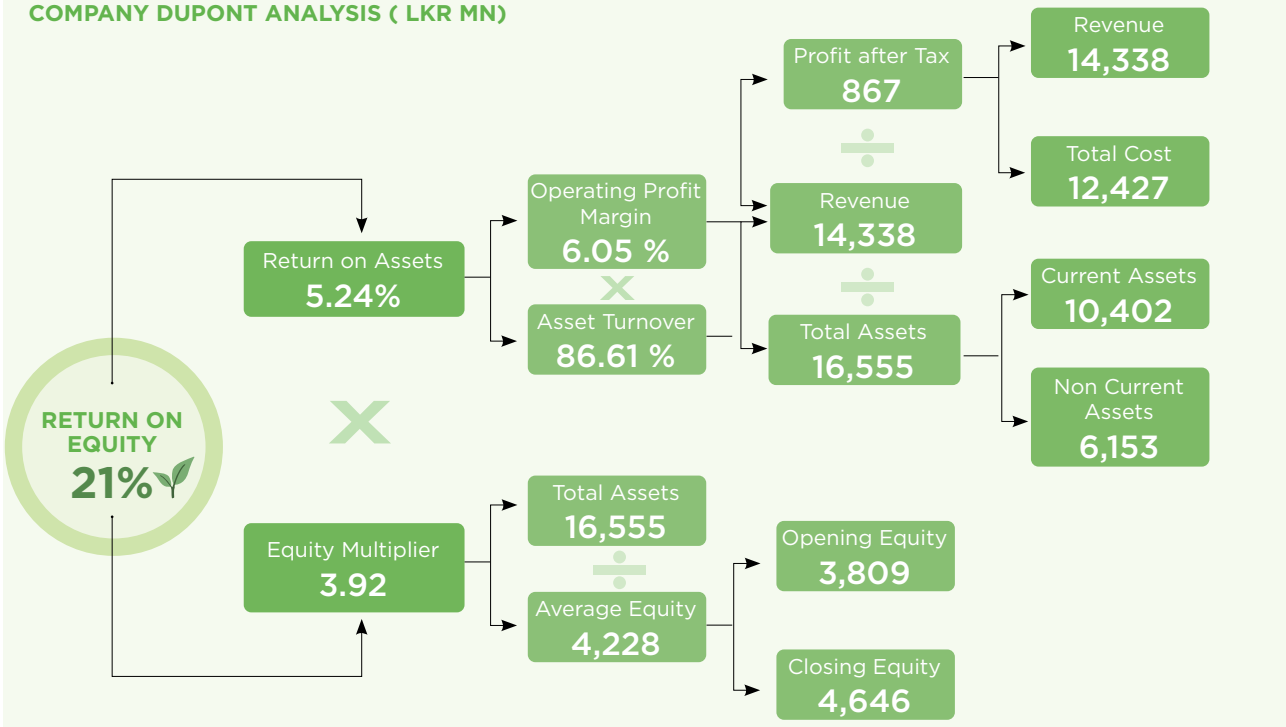
The Company resumed dividend payments in FY 2024/25, declaring

a DPS of LKR 0.40, following a suspension of dividends in the previous year. The return to dividend distribution reflects the Company's improved profitability and stronger financial position. The current payout demonstrates the Company's commitment to delivering value to shareholders while supporting reinvestment needs.

### Performance of Alumex Share

During the fiscal year 2024/25, Alumex PLC's share price increased substantially by approximately 58.3%, rising from LKR 9.60 to LKR 15.20. The Alumex share traded between a low of LKR 9.50 and a high of LKR 16.90 during the year with a total of 30,316 transactions amounting to a cumulative total value of LKR 4,090 million in the 2024/25 financial year.

## COMPANY DUPONT ANALYSIS ( LKR MN)



## FUTURE PLANS

### Short Term (1 -2 years)

Reduce the inventory holding period to 130 days  
Improve the Debtor collection period to 45 days and extend the creditor settlement period up to 60 days  
Increase the EBIT to 20%

### Medium Term (2 -4 years)

Increase the EBIT to 22%  
Improve the working capital cycle by 3%  
Reduce the gearing ratio by 5%

### Long Term (4 - 5 years)

Further investment in the capacity expansion  
Achieve the optimum working capital cycle  
Improve the DPS and the EPS









# MANUFACTURED CAPITAL

## MANAGEMENT APPROACH

Alumex adopts a strategic and disciplined approach to managing its Manufactured Capital, underpinned by a clear focus on long-term sustainability and growth. The Company prioritises the strategic allocation of resources to build an integrated physical infrastructure ecosystem, ensuring that its manufacturing facilities, machinery, and production lines are not only capable of meeting current demands but are also adaptable for future expansion. Moreover, in line with Alumex's broader sustainability ambitions, the Company remains dedicated to decarbonisation of its asset base through investments in renewable energy and energy-efficient technologies to systematically reduce its environmental footprint. This approach is further reinforced by the emphasis on robust and scalable IT infrastructure.

## STAKEHOLDER OUTCOMES

- ♦ 22,000 MT extrusion capacity, the Largest Manufacturer in Sri Lanka
- ♦ Access to the best in-class Aluminium products manufactured in line with global standards



## KEY HIGHLIGHTS

**Rs.1,729 Mn**

Invested in Property, Plant, and Equipment

**Rs.36 Mn**

Invested in Energy Efficient Infrastructure

**Rs.4 Mn**

Invested in IT Infrastructure

## MATERIAL MATTERS

- ♦ Technology and Product Innovation
- ♦ Energy Consumption
- ♦ Operational Efficiency & Productivity
- ♦ Product Quality
- ♦ Manufacturing Capability
- ♦ Procurement Practices



## OUTPUTS FOR ALUMEX

- ♦ 24% Year-on-year Increase in Manufacturing Finishing Capacity
- ♦ 34% Overall Capacity Utilisation
- ♦ 2.23% Asset Downtime
- ♦ 64.44% - Overall Equipment Efficiency (OEE)
- ♦ 0.97 times - Asset Turnover Ratio



## SDG'S



## IMPACT ON OTHER CAPITALS

Improved financial performance and profitability due to operational efficiencies, resulting in higher return on investment FC +

Strengthened manufacturing capability enhances Alumex's reputation and industry standing, in turn building trust among customers and other stakeholders IC +  
S & RC +

### INTEGRATED PHYSICAL INFRASTRUCTURE

Alumex's fully integrated physical infrastructure stands as the bedrock of the Company's operations. Multiple production facilities with a collective annual production capacity of 22,000 metric tons, warehousing capacity in excess of 154,000 square feet, and a state-of-the-art value-adding plant form an integrated ecosystem that positions Alumex as the undisputed leader in Sri Lanka's Aluminium extrusion industry,

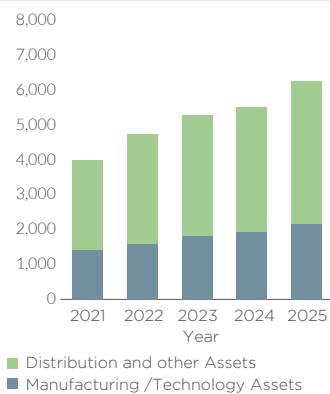
offering unmatched scale, capability, and agility to meet both domestic and international demand.

A key component of the Company's infrastructure is a robust portfolio of state-of-the-art machinery comprising the latest high-precision extrusion presses, advanced anodising and powder coating plants, high-pressure die-casting machines, die manufacturing equipment, assembly and cutting-edge

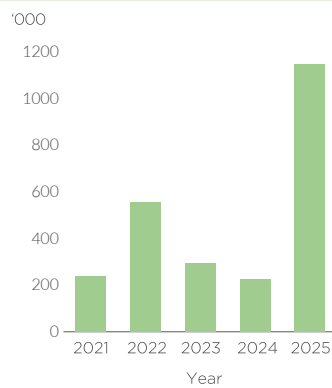
recycling facilities that place Alumex at the forefront of the local Aluminium industry.

Strategic investments in capacity expansion and continuous technological upgrades have been instrumental in building Alumex's industry leading physical infrastructure. All capital expenditure (CAPEX) is undertaken in a structured manner in accordance with the annual CAPEX plan which is pre-approved by the Board.

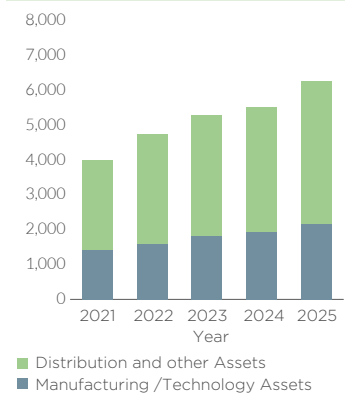
#### Asset Mix



#### Investment in new Technology

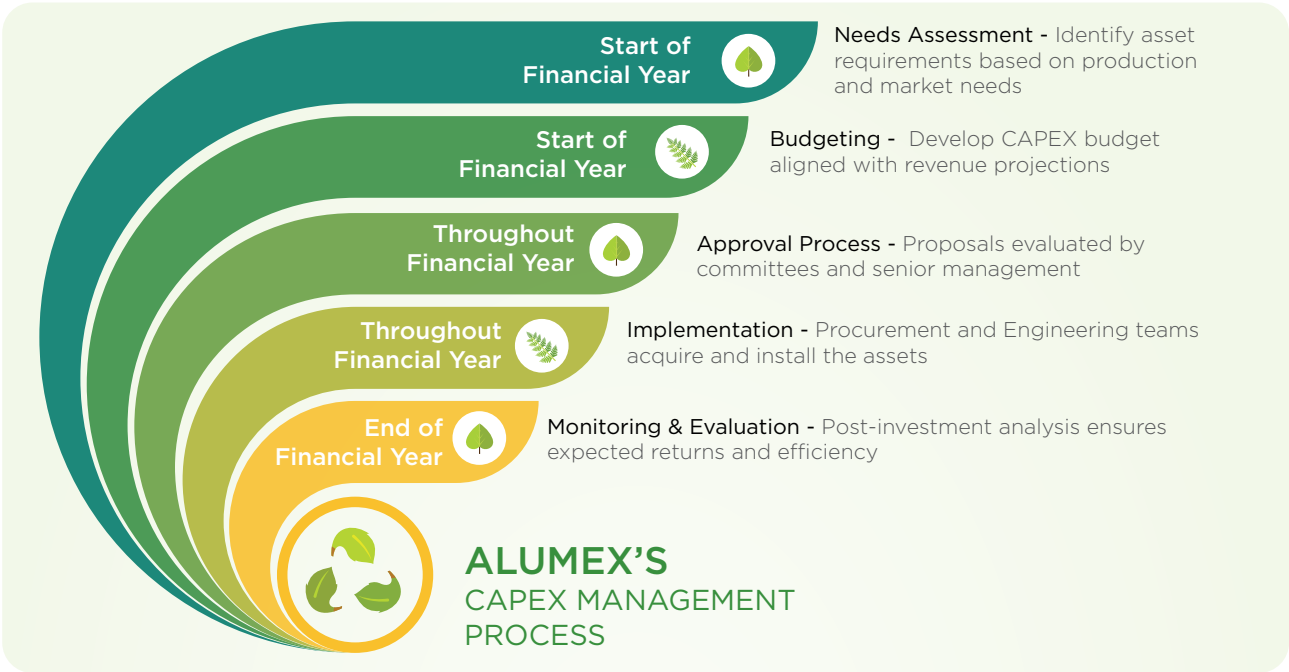


#### Total Capital Expenditure



Description	Plant Capacity 2024/25	Utilisation 2024/25	Plant Capacity 2023/24	Utilisation 2023/24
	(MT p.a)			
Extrusions	22,200	8,119	22,200	6,136
Anodizing	5,400	1,497	5,400	1,196
Power Coating	17,200	4,621	16,600	3,774
Wood effect finishing	1,200	548	1,200	388
High-pressure Die Casting	200	5	-	-
Component	2,700	2,227	2,700	1,011
Melting	12,000	4,742	12,000	4,266

# MANUFACTURED CAPITAL



PHYSICAL INFRASTRUCTURE INVESTMENT HIGHLIGHTS - FY 2024/25		
 LKR <b>537</b> Mn Expansion/Refurbishment of Ekala production building	 LKR <b>462</b> Mn Vertical powder coating (VPC) line and powder on powder (POP) to improve finishing quality on par with international standards	 LKR <b>91</b> Mn High-pressure die casting machine

## PROCUREMENT BEST PRACTICES

Alumex follows a structured and comprehensive procurement process for the acquisition of machinery and equipment. Guided by the Company Procurement Policy, all large procurements are undertaken through a competitive bidding process followed by stringent selection based on the applicants alignment with key criteria including quality, pricing, and regulatory compliance. A dedicated procurement and technical committee evaluates all proposals, ensuring that technical specifications and business needs are met. Supplier evaluation also

extends to reviewing International Trade Compliance to ensure machinery suppliers adhere to the laws, regulations, and requirements of both exporting and importing countries when trading goods or services internationally. The process is completed with contract negotiations, and supervised delivery and installation to ensure smooth integration into production operations.

## MAINTENANCE AND UPKEEP OF PHYSICAL INFRASTRUCTURE

Maintenance and upkeep of physical infrastructure is vital for ensuring assets continue to

function optimally in order to ensure smooth and uninterrupted operations. To that end, Alumex has implemented a comprehensive preventive maintenance programme. The programme which is carried out under the oversight of the Group's engineering teams perform routine inspections and servicing to avoid unexpected breakdowns. Process optimisation is also another key priority, where fine-tuning of production lines to enhance both speed and efficiency aims to ensure infrastructure stays at peak performance with minimal downtime.

RENAISSANCE OF ALUMEX

The Renaissance of Alumex project is a major transformation initiative aimed at enhancing operational efficiency, process standardisation, and cross-functional collaboration. Key achievements include value stream mapping, advanced scheduling tools, and visual production tracking. Standardised technical documentation, lean

manufacturing practices, and digital systems like CMMS are being rolled out, while collaborative efforts focus on safety, quality, HR, and engineering improvements.

IT INFRASTRUCTURE AND BACK-END SUPPORT SYSTEMS

Alumex is building a robust and scalable IT to support the optimal functioning of plant and machinery

across all production facilities. The Group's IT suite includes IoT (Internet of Things) in the first phase with the focus on AI driven solutions and advanced Manufacturing Execution Systems (MES), which facilitate seamless data flow, inventory tracking, and real-time monitoring and control of production processes for enhanced decision-making across departments.

AUTOMATION AND BACK-END SUPPORT INITIATIVES FOR FY 2024/25

- Installation of a Bar Coding system to improve inventory management.
- Integration of automated production planning software.
- Digital transformation initiatives, including the use of data analytics for predictive maintenance.

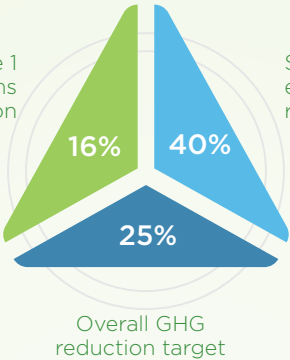
Building a Carbon-Neutral Infrastructure Base

Alumex PLC has set clear GHG reduction targets to be achieved by 2030. These targets are embedded in the Group's operational planning and performance monitoring systems, with action plans implemented across production lines.

Investment in Renewable Energy

A key component of Alumex's carbon-neutral strategy is the integration of renewable energy into the manufacturing asset base. To-date the Company has commissioned Rooftop solar PV systems at the Sapugaskanda facility. Solar energy output from these investments contributes to meeting 22% of the Company's operational energy requirements

Scope 1 emissions reduction



Scope 2 emissions reduction

Sustainable Manufacturing Practices

As part of the overall approach to building a Carbon-Neutral Infrastructure base Alumex prioritises investments base, in energy-efficient machinery upgrades to reduce fuel and electricity consumption

Investment in Energy Efficient Infrastructure FY 2024/25

**LKR 10 million** - Replacement of the anodizing plant rectifier to enhance energy efficiency and support our carbon reduction goals.

**LKR 20 million** - Centralising the compressed air system to improve operational efficiency, reduce energy consumption, and contribute to our carbon reduction targets.

FUTURE PLANS

Short Term (1 -2 years)	Medium Term (2 -4 years)	Long Term (4 - 5 years)
<b>Capacity Expansion:</b> Expansion of high pressure die casting plant (Approx LKR 60Mn) with new die casting machine to cater new products for international demand, particularly in the US and New Zealand markets	<b>SAP Analytics:</b> Introduce SAP analytics (Approx LKR 25Mn) for decision making process of management and update real time information through KPI dashboards  <b>AI Automation:</b> Expansion of AI and machine learning applications in production and logistics	<b>Investment in Green Technology:</b> Integrate more sustainable manufacturing practices and increase the investment in renewable energy









# INTELLECTUAL CAPITAL

## MANAGEMENT APPROACH

### Management Approach

The Alumex brand reputation as the leading Aluminium extruder in Sri Lanka rests on the strength of the Company's intellectual capital. Preserving and safeguarding the integrity of its intellectual capital is therefore central to maintaining the Alumex brand's reputation in both local and global markets. The Company takes a holistic approach by prioritising R&D-led innovation, pursuing value adding partnerships and leveraging synergies derived as a member of Hayleys PLC, all further reinforced by strong business ethics that bolster its reputation as a trusted and reliable manufacturer in the global Aluminium value chain.

## STAKEHOLDER OUTCOMES

- ♦ Launch of Capral Urban Range - Premium product line, in collaboration with Capral Australia
- ♦ Developed 46 new products (44 for export), including prefabricated balconies to Canada
- ♦ Forged a new partnership to make inroads into new markets in the UK and Canada
- ♦ Development of an affordable neonatal transfer trolley and incubator system for hospitals through a R&D tie up with CINEC campus



## KEY HIGHLIGHTS

- ♦ LKR. 188mn invested in brand building, including enhancing and expanding of Lumin Concept Centers
- ♦ LKR 38.08mn invested in R & D
- ♦ Formed a strategic partnership to grow Alumex's presence in the north American market
- ♦ Launched Capral by Alumex in Sri Lanka under collaboration with Capral Aluminium Sri Lanka

## MATERIAL MATTERS

- ♦ Technology and Product Innovation
- ♦ Regulations and Compliance
- ♦ Government Policy

## OUTPUTS FOR ALUMEX

- ♦ Awards
- ♦ ZERO ethics violations
- ♦ Improved brand recognition
- ♦ Material innovation feedback

## SDG'S



# INTELLECTUAL CAPITAL

## IMPACT ON OTHER CAPITALS

Revenue expansion and diversification driven by product innovation and partnerships	FC	+
Access to proprietary technology through partnerships enhances asset resilience, enhances learning opportunities for employees and strengthens customer confidence	MC	+
	HC	
	S & RC	

### BRAND REPUTATION

Alumex is widely regarded among the pioneers responsible for transforming Sri Lanka's aluminium industry to what it is today. Over the past 39 years, the Company has cultivated a reputation for excellence, continuous innovation, and an unwavering commitment to superior quality. Today, backed by a strong portfolio of primary brands and trademarks, including Alumex, Lumin, Alumex Building Systems, Dwelling, AluSys, and

Alco, the Alumex brand is synonymous with the widest range of aluminium extrusion products and solutions, tailored to serve the varying needs of industries, businesses, and customer segments across domestic and export markets.

Central to Alumex's market leadership is the knowledge, expertise, and strategic foresight of its management team. With extensive experience across key functions such as sales, marketing,

engineering, and operations, the collective knowledge of the management team plays a key role in understanding the evolving dynamics of the aluminium industry and strengthening Alumex's leadership position in the market. Enhancing this knowledge base is seen as a top priority, with Alumex continuing to invest actively in knowledge enhancement through training, skill development, and industry exposure to ensure its teams remain ahead of industry trends and innovations.

## ALUMEX CORE BRAND VALUES REFLECT THE CORE PRINCIPLES OF HAYLEYS GROUP

- ♦ **Honesty and integrity** - Ethical and transparent in all our dealings Accountability - Holding ourselves responsible to deliver what we promise.
- ♦ **Yes, WE can** - (Team work) - Working with each other and with our partners across boundaries, to make things happen.
- ♦ **Love for humanity** - Treating everyone with respect and dignity, providing for the development of our people and rewarding them for good performance.
- ♦ **Enduring Customer Value** - Enhancing experiences for every customer, from the rural farmer to the global consumer.
- ♦ **Yes, we WILL WIN - (A will to win)** - Exhibiting the will to win that which is important to Hayleys and its shareholdersLKR
- ♦ **Social Responsibility as a Good Corporate Citizen** - Caring for the communities in which we work, actively supporting their growth and being environmentally responsible in all we do.
- ♦ **Innovation** - Transforming ideas into products and services to create economic, social and environmental value in the pioneering spirit of Hayleys

## CHALLENGES AND OPPORTUNITIES IMPACTING THE ALUMEX BRAND IN FY 2024/25

CHALLENGES	ALUMEX RESPONSE
Intensifying Local Competition - The aluminium extrusion market in Sri Lanka has become increasingly competitive in recent years with a growing number of local players vying for market share	Focus on product innovation and market expansion through the introduction of high-end products such as the Capral Urban range has positioned Alumex as a preferred choice for architects and fabricators  Investing in online platforms and enhancing customer service to strengthen brand loyalty and tap into new and emerging market segments
Threat of Duty-Free Imports - Government policies allowing duty-free imports for certain projects pose a challenge to the competitiveness of locally manufactured aluminium products.	Alumex actively engaged with the government authorities to address the impact of duty-free imports and advocate for fair competition for local manufactureLKR
Supply Chain Disruptions - Global trade constraints and logistical challenges have impacted material procurement and production timelines.	Strengthening partnerships with local suppliers to ensure business continuity and minimise disruptions in the supply chain.



## BRAND-BUILDING INITIATIVES FOR FY 2024/25

Integrated marketing through a multi-channel approach covering electronic, digital platforms, and below-the-line (BTL) activations to raise top-of-mind- brand awareness.

Enhancement and expansion of Lumin Concept Centers to improve visibility of the Alumex product range and provide an immersive experience for fabricators, architects, and interior designers .

Launch of Capral Urban Range – Premium product line, in collaboration with Capral Australia, to gain an early advantage in the high-end market segment.

Roll out of dealer loyalty programmes to strengthen relationships with fabricatoLKR

Participation in industry events, including exhibitions and industry forums to demonstrate Alumex's

expertise, innovation, and commitment to quality.

Brand health assessment through surveys targeting key customer segments and close interactions with dealers along with competitive benchmarking based on the analysis of market data to evaluate Alumex's standing against both local competitors and imported alternatives.

## BRAND SUCCESS

- May 2024** – Certified for Ethical Trade by NCE
- June 2024** – National Gold Award for Manufacturing Engineering Sector at the National Business Excellence Awards
- August 2024** – ISO 45001:2018 certification for Occupational Health & Safety Management by SLSI
- August 2024** – ISO 14064-3:2019 verification for greenhouse gas emissions reporting by the Sri Lanka Climate Fund
- October 2024** – CNCI Top 10 Award and National Silver Award for Industrial Excellence
- November 2024** – Emerging Exporter of the Year at the Presidential Export Awards
- December 2024** – Silver Award at the CMA Excellence in Integrated Reporting Awards
- February 2025** – National Industry Brand Excellence Award for Die, Metal & Light Engineering sector
- March 2025** – Silver Award at the Asia Integrated Reporting Awards (AIRA)

## RESEARCH AND DEVELOPMENT (R&D)

Operating in a highly competitive space, R & D is vitally important for Alumex as it drives innovation that provides a crucial edge in meeting evolving customer demands across both local and international markets. Alumex maintains a highly disciplined three-tier approach to R&D covering new product development alongside enhancements to existing products as well as ongoing process improvements.

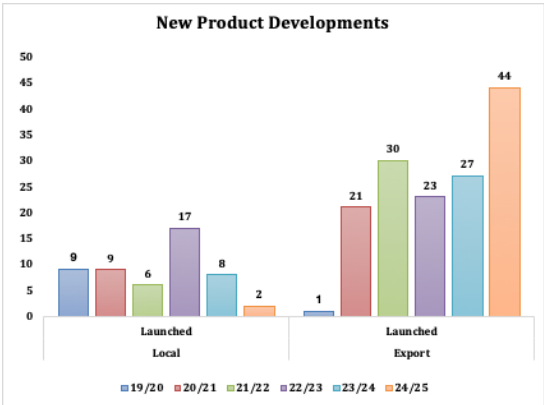
## R & D OUTCOMES - FY 2024/25

### New Product Developments

- ♦ Developed 46 new products (44 for export), including prefabricated balconies for the UK and Canada market, denoting the first large-scale Aluminium sheet-based assembled product exported by Alumex. These products were made out of Aluminium extrusions, castings and sheets, which marks the first time in Sri Lanka, single entity offering total product solutions for main Aluminium material forms used in the industries. The number of products developed over the year denotes, highest over the yeas for the entity.
- ♦ Furthermore, in the design front we were able to carry out new 268 new profile designs up to manufacturing level (261 for external client requirements, 7 for Alumex own product requirements). Also, team was able to introduce new 18 systems, additions to existing ranges to market using new dies and existing ones.



# INTELLECTUAL CAPITAL



### Enhancements to Existing Products

- ◆ Improved fencing product range for Canadian and US markets, standardising labelling, packing, and surface finishes.
- ◆ Introduced real-time customer quality tracking for balcony products.
- ◆ Developed fully sustainable wooden packing for balconies, eliminating the use of tape and styrofoam used previously.

### Process Improvements

- ◆ Introduced High Pressure Die Casting and added a balustrade fabrication line for balcony products.
- ◆ Developed swaging process for export pipe products.
- ◆ Introduced gold anodizing process for export products.
- ◆ Balcony/ balustrade manufacturing process development.
- ◆ Added CNC bending capability to serve local market arch designs.

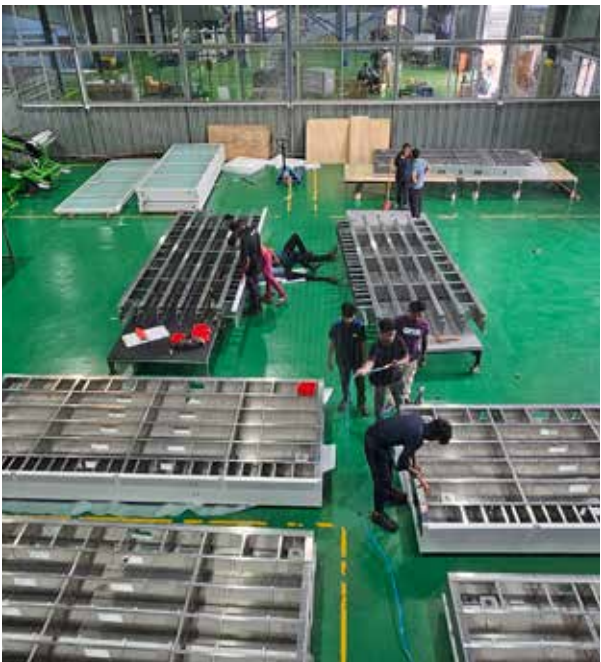
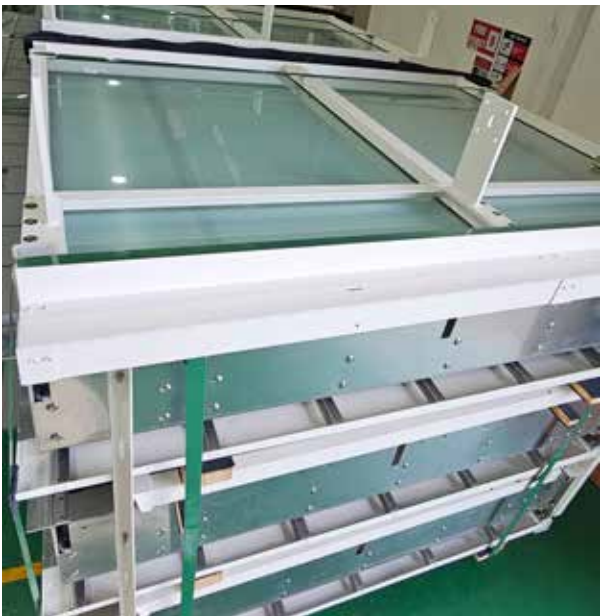
### R & D SUCCESS STORIES

The pilot project to produce a cost effective neonatal transfer trolley proved to be a massive success and was showcased at the 2024 Karapitiya Medical Exhibition, with the project receiving the green light to proceed to phase II involving commercial production.



### FLAT PACK BALCONIES FOR UK AND CANADA MARKETS.

As a new industry ground breaking initiative, we were able to develop a ready made balcony for Canada markets with the UK customer. The design was done by the UK customer and manufacturability aspects were fine tuned by the Alumex R&D team, hence shipping first commercial orders during the financial year for 80 units of flat pack balconies. The production set up and initial commercial order production was also carried out by R&D team, since complexity of the product needs precise fabrication and technical skills.





## AWARDS

The National Innovation Agency Annual Report conferred the Best Contribution – Overall Award to Hayleys PLC in recognition of innovations carried out by several Group companies, including Alumex PLC.

GRI 2-25,26,27, 205-2, 206-1

## BUSINESS ETHICS

The Alumex operations are founded on clear business ethics that guide every aspect of day-to-day operations, essentially setting

the tone for how decisions are made, how people are treated, and how business is conducted across all functions. In this regard, the Company embraces the Hayleys values and business principles. These principles are documented in policies and procedures and made accessible to all employees via a central policy repository. Additionally, all new recruits are provided extensive training on ethics, including anti corruption practices. At the same time, the Company remains committed to

promptly addressing any ethics violations reported through whistleblower mechanisms in line with best practices.

In 2024, a formal Anti-Corruption & Anti-Bribery Policy and Corporate Disclosure Policy was approved by the Board, institutionalising the Alumex' s commitment to these aspects.

The training about anti-corruption policies and procedures are conducted during the year.

## ALUMEX COMMITMENT TO BUSINESS ETHICS



## Competitors GRI 206-1

Alumex supports fair competition, adheres to all relevant laws, and refrains from engaging in anti-competitive behaviour. Alumex was not subject to any legal action due anti-competitive behaviour, in the current financial year.

## Employees

Alumex ensures equal opportunity, respect, and dignity for all employees, upholds labour rights including freedom of association, provides a safe workplace, and strictly prohibits child or forced labour.

# INTELLECTUAL CAPITAL

### Business Integrity GRI 205-1

Alumex prohibits bribery, fraud, and corruption and fully cooperates with authorities to uphold ethical standards.

### Customers

Alumex strives to deliver safe, high-quality products and services that meet national and international standards, ensuring accurate labelling, advertising, and communication.

### Public Activities

Alumex engages with governments and associations on relevant legislation but maintains strict neutrality, avoiding political party support or funding. The Alumex has a strict policy against making political contributions and refrains from making facilitation payments, kick backs etc.

### Regulatory Compliance GRI 205-3

Alumex's directors and employees comply with all applicable laws and regulations, upholding the higher standard between legal requirements and the Hayleys Way - Code of Conduct. The Alumex was not subject to any monetary fines or legal action due to non-compliance of regulatory requirements, in the current financial year. No incidents of bribery or corruption, or any other ethics violations were reported in the current financial year.

### Environment

Alumex is dedicated to minimising its environmental impact, conserving resources, reducing greenhouse gas emissions, and actively contributing to climate change mitigation.

### Shareholders

Alumex is committed to enhancing shareholder value, ensuring transparent, timely disclosure of its activities, structure, financials, and performance in line with legal requirements.

### Corporate Responsibility

Alumex acts as a responsible corporate citizen, going beyond compliance to improve community well-being and uphold human rights, ensuring positive stakeholder impact.

## STANDARDS AND CERTIFICATIONS

Standards and certifications that validate the Alumex process architecture significantly bolster the Company's credentials, underscoring the commitment to continuous and ongoing system improvements. Likewise, permits and licenses that provide access to proprietary systems reinforce the Company's tacit knowledge, thereby enhancing customer trust and opening up access to global markets.

### Standards / Certifications / Licenses / Permits

#### Product Related



- ♦ Qualicoat Certification - Permit to use the quality label in conformity with the QUALICOAT Specifications for our powder coated products
- ♦ Qualanod Certification - Permit to use the quality label for ARCHITECTURAL ANODIZING as described in the Specifications for the QUALANOD quality label for sulfuric acid-based anodizing of Aluminium
- ♦ SLS 1410:2011 - Extrusion Aluminium alloy profiles for Architectural Application

#### System Related

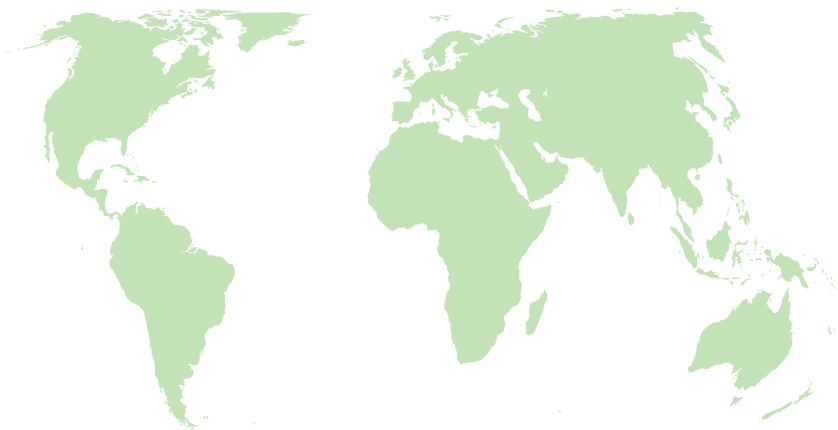


- ♦ ISO 9001: 2015 - Quality Management System
- ♦ ISO 14001: 2015 - Environmental Management System
- ♦ ISO 45001: 2018 - Occupational Health & Safety Management System
- ♦ ISO 14064 - 1: 2018 - Quantification and Reporting of Organisation level GHG Emission & Removal
- ♦ Member of the ASI - Aluminium Stewardship Initiative



## STRATEGIC PARTNERSHIPS

Strategic partnerships have been instrumental in solidifying Alumex's industry position. Since the inception, Alumex has been collaborating with leading global customers and partners to develop tailored solutions, gain access to advanced proprietary technologies, digital platforms and best practices to further enhance efficiency, product quality, and scalability to diversify into new markets and product categories.



## GROUP SYNERGIES

As a subsidiary of Hayleys PLC, Sri Lanka's largest listed Company and a highly diversified conglomerate, Alumex derives considerable Group synergies that contribute in multiple ways. Hayleys PLC's strong global credibility, international reputation and worldwide reach, help to enhance customer trust and bolster Alumex's brand acceptance. The association also provides significant operational and financial strength through shared services, preferential funding, cost efficiencies and supply chain economies of scale. Further, Alumex gains access to advanced talent development, innovation resources, as well as the opportunity to adopt global best practices for ESG, all contributing towards bolstering Alumex' intellectual capital.

### Expanding Strategic Partnerships

In FY 2024/25, Alumex reached a major milestone by partnering with its largest UK customer to commence manufacturing aluminium balconies for the Canadian market — marking a significant step in the strategy to diversify beyond the core extrusion business in line with the long term objective of covering a broader spectrum of the aluminium solutions value chain. Equally importantly, the partnership represents a key platform for Alumex to gain a stronger foothold in the North America. To support this initiative, Alumex expanded its manufacturing capacity, focusing in particular on enhancing the value-added product portfolio with the launch of prefabricated balconies.

## MEMBERSHIPS AND AFFILIATIONS GRI 2-28

Memberships and affiliations contribute to effective risk management and safeguarding Alumex's status as an industry leader. By being part of respected industry associations, chambers, and standard-setting bodies, Alumex gains early access to regulatory updates, market trends, and best practices, that help to proactively address emerging risks. These affiliations also provide valuable platforms for knowledge sharing, peer collaboration, and policy influence, helping Alumex stay ahead of compliance requirements and industry shifts.

## INTELLECTUAL CAPITAL

MEMBERSHIPS AND AFFILIATIONS	SUPPORT FOR MANAGING RISKS
Institutional Membership – ISMM (Institute of Supply and materials Management)	Enhancing Supply Chain Capabilities Industry Field Visits for ISMM Students Concessions for Staff Development Access to ISMM Job Portal Professional Development Opportunities Networking and Leadership Opportunities
The Ceylon Chamber of Commerce	Policy advocacy, market insights, and industry networking
The Employers' Federation of Ceylon	Gaining support in labour law compliance, HR policy development, and industrial relations management
Chamber of construction Industry	Staying aligned with industry standards, accessing project opportunities
National Chamber of Exporters of Sri Lanka	Export development support, international market insights
Foundry Development & Services Institute – Light Engineering Sector	Gaining technical knowledge, industry training, and development support
International Chamber of Commerce	Accessing global trade facilitation tools, regulatory frameworks, and international business best practices.
Chartered Institute of Personnel Management – CIPM	Human Resources Management Activities
Chartered Institute of Management Accountants – CIMA	Finance & Management Accountancy Activities
Chartered Institute of Logistics and Transport Management – CILTM	Logistics & Transport Operations
Chartered Institute of Marketing – CIM	Sales & Marketing Activities

FUTURE PLANS		
Short Term (1 -2 years)	Medium Term (2 -4 years)	Long Term (4 - 5 years)
Develop new products and new processes focusing on mechanised door/window systems, technology upgrades to enhance products and services, improved packing methods, and digital initiatives to secure product-related tacit knowledge	Conduct a comprehensive Brand Health Study to gain deeper insights into evolving market trends and customer expectations, further strengthening its strategic direction	Our aim to strengthen its local supply chain by enhancing supplier capabilities through long-term development programs. This supports quality, sustainability, and resilience while building shared technical and operational know-how across partneLKR







# HUMAN CAPITAL

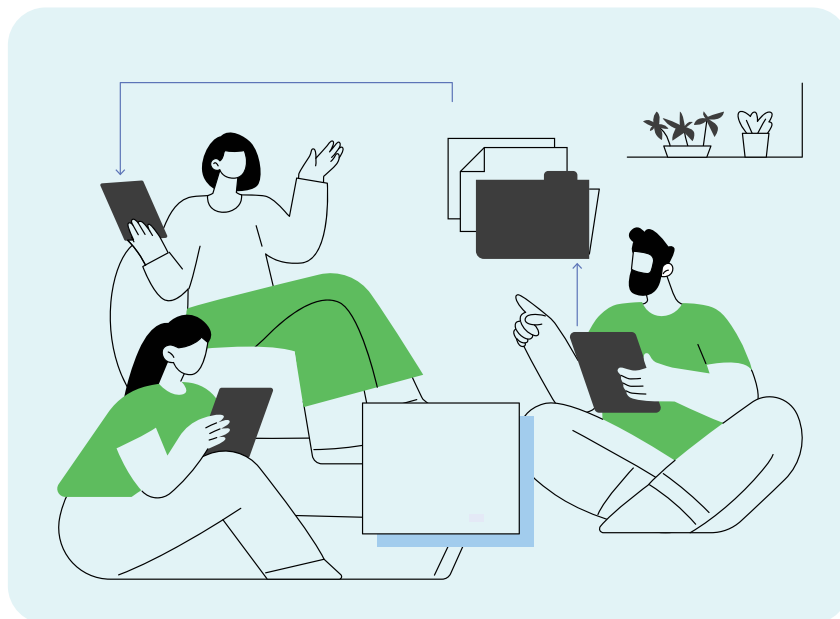
## MANAGEMENT APPROACH

Alumex's approach to human capital development is closely aligned with the Company's evolving business goals. Recognising that a skilled, motivated, and future-ready workforce is essential to achieving sustainable growth, we have adopted a strategic, forward-thinking approach that focuses on building internal human capital capabilities that directly support current operational needs while also preparing our teams for overcoming emerging challenges and capitalising future opportunities.

To achieve this, we offer a robust Employee Value Proposition (EVP), which empowers individuals to learn, grow, and lead with purpose. Simply put, we offer the opportunity to build fulfilling careers through meaningful work, access to continuous learning, a supportive and inclusive culture, and clear pathways for advancement.

## STAKEHOLDER OUTCOMES

- ♦ 274 New recruits
- ♦ 66 Employees granted promotions
- ♦ 85.62% Employees receiving performance evaluations
- ♦ 16:01 - Overall gender ratio (Male 94% - Female 06%)
- ♦ 19:02 - Gender ratio at a leadership level (Male:Female)
- ♦ There are 03 partial disability incidents



## KEY HIGHLIGHTS

**Rs. 1,866Mn**

Distributed as monetary benefits to employees

**11,657**

Total training hours

**Rs. 1.2Mn**

Incurred on workmen's insurance cover

**Rs. 8.4Mn**

Incurred on safety system improvements

## MATERIAL MATTERS

- ♦ Employee Wellbeing
- ♦ Operational Efficiency & Productivity
- ♦ Operational Safety and Emergency Preparedness
- ♦ Market Presence

## OUTPUTS FOR ALUMEX

- ♦ 84.08% Employee Retention ratio
- ♦ 1% year on year increase in revenue per employee
- ♦ Zero incidents of non-compliance of regulations
- ♦ Zero incidents of discrimination
- ♦ Zero incidents of Child Labour
- ♦ Zero incidents of forced / Compulsory labour
- ♦ Two matters under discussion at the department of labour
  - Salary increment 2023
  - Cost of living allowance

## SDG'S



### IMPACT ON OTHER CAPITALS

Enhanced employee productivity drives higher revenue growth and greater operational cost efficiency	FC	+
Ability to attract and retain a competent team enhances Alumex's reputation as an employer of choice	IC	+
Long standing employees build trust among customers and business partners	S & RC	+

### EMPLOYEE STATISTICS - FY 2024/25 GRI 2-7,8, 405-1

Employees by Type	Status	Male		Female		Total	
		Nos.	%	Nos.	%	Nos.	%
	Permanent	195	21%	45	76%	240	24%
	Contract	746	79%	14	24%	761	76%
	Total	941		59		1,001	

Employees by Age and Gender	Age Group	Male	Female	Total
	18 - 30 Years	455	43	498
	31 - 55 years	460	17	477
	56 and above	26	-	26

Employees by Region and Gender	Region	Male	Female	Total
	Western Province	718	51	769
	Southern Province	03	47	50
	Central Province	37	02	39
	Eastern Province	11	-	11
	North Central Province	12	-	12
	Uva Province	31	01	32
	Sabaragamuwa Province	53	02	55
	Northern Province	03	-	03
	North Western Province	29	01	30

Employees by Category and Gender	Category	Male	Female	Total
	Casual	191	14	205
	Wages	407	02	409
	Staff	192	20	212
	Executive	151	24	175

### TOTAL NO. OF EMPLOYEES BY EMPLOYMENT CONTRACT BY REGION

Province	Executive	Staff	Wages	Casual
Central Province	7	9	16	7
Eastern Province	4	1	3	3
North Central Province	1	3	5	3
North Western Province	7	8	12	3
Northern Province	2	-	1	-
Sabaragamuwa Province	9	6	19	21
Southern Province	6	8	27	9
Uva Province	2	6	18	6
Western Province	137	171	308	153
Grand Total	175	212	409	205

### HR GOVERNANCE GRI 2-23,24,27

A two-tier governance structure underpins human capital governance at Alumex.

The Corporate HR Policy of the Hayleys Group serves as the overarching mandate from which stems the internal policy framework of the Company.

The Alumex Human Resources (HR) department which operates under the direct supervision of the

Company's Managing Director is tasked with the ensuring all operational HR related matters are managed in line with Group policies and procedures, while ensuring compliance with all applicable labour regulations as well as global best practices as set out under the ILO Convention and the ILO and the UN Global Compact principles for labour and human rights.

Driven by our commitment to ethical sourcing, we ensure that our

### GRI 408-1

supply chain remains free from child labour and any form of forced or compulsory labour. Throughout the year under review, no such incidents were reported, affirming our dedication to human dignity and responsible business practices.

The HR department at Alumex is also responsible for the maintenance of up-to-date HR systems.

HR Policies and Guidelines

Compliance

- ♦ The Shop and Offices Act
- ♦ The Wages Boards Ordinance
- ♦ The Factories Ordinance
- ♦ Maternity Benefit Act
- ♦ Minimum Wages Act
- ♦ EPF Act
- ♦ ETF Act
- ♦ Gratuity Act
- ♦ The Industrial Disputes Act
- ♦ Trade Union Ordinance
- ♦ Workmen Compensation Act
- ♦ Retirement Age Act

Best Practices

- ♦ Equal Opportunity, non-discriminatory employment
- ♦ No Child Labour
- ♦ No forced / Compulsory labour
- ♦ Freedom of Association and Collective Bargaining

Policies and Guidelines

- ♦ Recruitment Policy
- ♦ Human Right Policy
- ♦ Industrial Relations Policy
- ♦ Grievances Handling Policy
- ♦ Performance Management
- ♦ Learning & Development
- ♦ Internal

GRI 202-2, 401-1, 408-1

RECRUITMENT AND SELECTION

Our Recruitment Policy sets out a structured, fair, and inclusive recruitment process to ensure all hiring decisions contribute to our efforts to build a diverse, capable, and future-ready workforce.

Reflecting our commitment to inclusive recruitment, we start with advertising every vacancy by building the opportunity provided to all eligible candidates to apply. We believe this approach helps us in attracting a wide pool of talents while giving current employees the chance to grow within the organisation.

Our merit-based selection process is aimed at identifying the best candidates for each role by evaluating their qualifications,

experience, and alignment with Alumex's core values and long-term growth aspirations. Further, our selection process is strictly non-discriminatory. Accordingly, we do not discriminate based on age, gender, ethnicity, religious beliefs, or any other characteristic unrelated to their ability to perform the job.

GRI 2-7,8

We are committed to building a dependable and empowered workforce. As such, we do not engage staff on a part-time or non-guaranteed basis, ensuring every team member benefits from stability, consistency, and long-term opportunity.

Selection of managerial and clerical roles, is based on comprehensive competency-based assessments and multiple rounds of structured

interviews with final selections are subject to a mandatory pre-employment medical examination (Pre - Medical Test, Only for Executive & above recruitments). Recruitment for manual grade employees follows a streamlined process that includes skills assessments and interviews.

Our selection process for all candidates also includes a special verification procedure to verify that all candidates meet the minimum legal age of employment of 18 years. As such, Alumex's operations are entirely not at risk for deployment of Child Labour.

Alumex's Senior Management Team is all hired locally from Sri Lanka.

### EMPLOYEE MOVEMENT IN FY 2024/25

New Recruits by Gender	Nos.	%
FEMALE	26	9.49%
MALE	248	90.51%
Grand Total	274	

New Hires by Age	Nos.	%
18 - 30 Years	220	80.29%
31 - 55 years	52	18.98%
56 and above	2	0.73%
	274	

New Hires by Region	Nos.	%
Central Province	14	5.11%
Eastern Province	2	0.73%
North Central Province	5	1.82%
North Western Province	8	2.92%
Sabaragamuwa Province	25	9.12%
Southern Province	20	7.30%
Uva Province	14	5.11%
Western Province	186	67.88%
Grand Total	274	

Employee Turnover by Gender	Male	Female	Total
	109	11	120

Employee Turnover by Age and Gender	Employees		
	Male	Female	Total
18 - 30 Years	73	9	82
31 - 55 years	33	2	35
56 and above	3	0	3
Total	109	11	120

Employee Turnover by Region and Gender	Employees		
	Male	Female	Total
Central Province	3	-	3
North Central Province	2	-	2
Sabaragamuwa Province	6	-	6
North western Province	2	-	2
Southern Province	8	1	9
Western Province	88	10	98
Western Province	109	11	120

All new hires are required to participate in a comprehensive onboarding programme designed to help them understand and align with the Company's strategic goals, values, and facilitate the smooth transition to their job roles.

New recruits are also placed on 6 months of probation period, during which time their performance is tracked. At the middle and at end of this probation period, a formal performance review is conducted to assess their suitability for confirmation into the Company's permanent cadre.

### DIVERSITY, EQUITY AND INCLUSION (DEI) GRI 202-1

At Alumex, we firmly believe that a diverse workforce brings together a rich mix of perspectives, ideas, and experiences that fuel innovation and drive excellence. Hence, we strongly advocate for an inclusive workplace where every individual is valued and respected,

## HUMAN CAPITAL

regardless of age, gender, ethnicity, religious beliefs, or any other personal characteristic.

This commitment is embedded across all our policies and practices that promote equal opportunities at every stage of the employment lifecycle. Moreover, managers at all

levels of the organisation are expected to emulate these values in their daily interactions and decision-making processes, thereby ensuring every employee has the opportunity to thrive while contributing meaningfully to the Company's success.

As part of our overall approach to DEI, we also strive to achieve pay equity targeting a 1:1 ratio between the salaries offered to men and women at entry level as well as those performing comparable roles across all employee categories and operational levels.

### EMPLOYEES BY CATEGORY AND GENDER GRI 405-2

Category	Male		Female		Total	
Casual	191	19.08%	14	1.40%	205	20.48%
Wages	407	40.66%	2	0.20%	409	40.86%
Staff	192	19.18%	20	2.00%	212	21.18%
Executive	151	15.08%	24	2.40%	175	17.48%
Total	941	94%	60	6%	1001	

### ALUMEX GENDER PARITY TRACKER

Indicator	Alumex's commitment	2024/25	2023/24
Diversity and Inclusion Recruitment	Gender parity-policies to promote diversity and inclusion	16:01	19:01
Recruitment	No. Females recruited at a leadership level	01	-
	No. of female executives recruited	06	08
	No. of female non-executives recruited	25	11
Benefits	Additional benefits	Provided door step transport to female workers who worked after 7.30 p.m.	Provided door step transport to female workers who worked after 7.30 p.m.
Sexual Harassment	Gender parity-policies to prevent sexual harassment at the workplace	Zero Incidents reported	Zero Incidents reported
Training Opportunities	Training and Development Policy	01:01 Training hours per person (M:F)	01:01 Training hours per person (M:F)

### COMMITMENT TO UPHOLD HUMAN RIGHTS GRI 406-1, 407-1, 409-1

Alumex strives to lead by example in demonstrating a firm commitment to human rights in line with global best practices. Our Human Rights Policy serves as a guiding framework that shapes our internal conduct and external

engagements, underscoring our unwavering commitment to protecting individuals from severe political, legal, and social injustices.

Accordingly, we strongly oppose all forms of forced or compulsory labour and work closely with our subcontractors and suppliers to

ensure such illegal practices are identified and eradicated. Due to these rigorous due diligence and partnership standards, Alumex's operations are not at risk of engaging in forced or compulsory labour.

Our commitment extends to maintaining respectful and productive industrial relations. Alumex upholds the right to freedom of association and collective bargaining. We recognise and support employee representation through trade unions and provide clear guidance to all employees involved in industrial relations to foster a culture of cordiality, social dialogue, and collaboration. With over 67% of our workforce currently represented by a recognised union, our operations are not at risk in relation to freedom of association or collective bargaining.

As part of its holistic approach to human rights, Alumex maintains a zero-tolerance policy discrimination and all forms of workplace harassment, including physical, verbal, sexual, and psychological abuse or threats. To uphold these

standards, we conduct regular awareness training and maintain accessible complaint mechanisms that allow employees to report incidents without fear of retaliation. All reports are investigated thoroughly and handled with the utmost confidentiality and care. Furthermore, our "Policy on Disciplinary Management" outlines procedures for taking appropriate disciplinary action against any employee directly or indirectly found to be involved in discriminatory conduct.

No incidents of discrimination were reported during the current year.

GRI 401-2

### COMPENSATION AND BENEFITS

At Alumex, we take great pride in offering fair and competitive compensation and benefits that reflects our commitment to being an employer of choice. Our compensation structures are

designed to attract, motivate, and retain talent, while remaining aligned with industry standards and evolving market conditions.

In line with the Company's Compensation Policy, salary structures and benefit packages for executives and clerical grades are reviewed and updated regularly to ensure they remain both equitable competitive and comparative both internally and externally.

For non executive grade employees, minimum salaries are determined in accordance with the guidelines set out by the national minimum wage act in Sri Lanka and applicable minimum wages for 2024/ 2025 was at LKR 21,000 per month. All Alumex employees are paid par above this threshold. In fact, the Company's minimum wage currently stands at LKR 28,000, significantly higher than the legally required minimum.

Benefits offered to permanent employees of Alumex	Executives	Clerical	Manual
Unlimited OPD facility including family members	Y	N	N
Hospitalisation Coverage including family members	Y	N	N
Vehicle Allowance	Y	N	N
Fuel Quota	Y	N	N
Sponsorship for Higher Studies	Y	Y	N
Meals	Y	Y	Y
School supplies for children	Y	Y	Y
Mobile Phone / Mobile Sim )	Y	Y	N
Death Donation Facility including family members	Y	Y	Y
Sales commission (S&M Team)	Y	N	N
Attendance Incentive	N	Y	Y
Production Incentive	N	Y	Y
Uniform	Y	Y	Y
Accommodation	Y	Y	Y
Transportation	Y	Y	Y

### SPONSORSHIP SCHEME FOR HIGHER EDUCATION

A structured scheme to support the professional development of Executive and staff-grade employees. Under this scheme, the Company provides financial assistance for selected degree programs, diplomas, and other professional courses recommended

by management. To be eligible, employees must be permanent and confirmed Executive / staff members with at least two years of service at Alumex, be under the age of 50 Employee can only reapply after a five-year interval from any previous sponsorship received under the scheme

Under this scholarship scheme there are maximum thresholds for different categories of employment and subject to the category limits employees can claim up to 60% of the total course fee. Also upon completion of the 2 years of the course completion applicants can claim the balance 40% of the course fee subject to the category limits. So in longer run employees

## HUMAN CAPITAL

can claim full course fee from the Company if the full course fee falls within the threshold limits applicable to different categories of employment. So far 07 (FY2024/25 & 2023/24) employees have got the benefit from this scheme.

### Prioritising Performance-driven Rewards

#### Salary increases for Executives



The annual salary increases and bonus payments for executive employees are directly tied to their individual performance. The rate of salary increase of executives are depend on the calibrated appraisal scores / ratings received through the balanced scorecard system, which places everyone on a bell curve, under each department and finally in the Company as a whole.

Top performers on the bell curve receive additional merits in the calculation of increments and bonuses. This standardised calculation method ensures that the performance rewards are fair and equitable across all employee levels.

#### Salary increases for Clerical and Manual grades



As part Alumex's commitment to maintaining competitive and fair remuneration for all its employees, standard salary increases for clerical, supervisory, and manual grades are negotiated during the review of the wage agreement. This ensures that the increments are fair and in line with the Company's financial capabilities and market trends.

#### Production / Attendance incentive scheme for clerical and manual grade employees



Incentive schemes for floor-level employees are structured in such a way that monetary rewards are tied to productivity ratios monitored periodically. Incentives related to production are based on actual production volumes, with greater rewards offered for surpassing set targets. Team performance incentives for production and productivity are determined by performance indicators such as efficiency, productivity yield, and reject rates.

Supervisors are granted the production incentives at the rate of 1.15 as they are taking much burden and effort in the achievement of the targets

Additionally, we have implemented attendance incentives that are based on monthly attendance records to encourage higher attendance among non-executive employees.



Parental Leave <small>GRI 401-3</small>	2025	2024
In compliance with the Shop and Office Employees Act of 1954, female employees are entitled to 84 days paid maternity leave, post-delivery as well as two hours nursing time for a period of one year after recurring to work.		
Total number of employees that were entitled to parental leave	-	04
Total number of employees that took parental leave	-	04
Total number of employees that returned to work in the reporting period after parental leave ended	-	03
Total number of employees that returned to work after parental leave ended and were still employed 12 months after their return to work	-	03
Return to work and retention rates of employees that took parental leave	Return - Retention -	Return - 75% Retention - 100%

## PERFORMANCE MANAGEMENT

Performance management is a key tool in aligning individual contributions with broader organisational goals. The process begins with an annual goal-setting exercise, where departmental objectives are cascaded into individual targets, underlining the importance of embedding performance-driven culture across all levels of the organisation. Performance Goals of the executives are set using the Oracle HR system, while supervisory and clerical employees follow a manual process.

Throughout the year, employees receive regular feedback and guidance to stay on track with their goals. At the end of the performance cycle, a formal and confidential evaluation is conducted using the Balanced Scorecard methodology, which evaluates performance across four

key dimensions: Financial, Internal Business Processes, Customer, and Learning & Growth. Performance of the executive level employees are assessed through a combination of Goal achievement (80%) and achievement of behavioural competencies (20%). This balanced scorecard methodology is used for evaluating the performance of executives as well as clerical and supervisory roles. The Performance of Staff grade employees assessed through a combination of Goal achievement (60%) and achievement of behavioural competencies (40%). The behavioural competencies include key attributes such as customer orientation, effective communication, teamwork, innovation, and sound business judgment etc. Both these performance appraisal schemes are subjected to 10% marks for the securing of Hayleys values, which is a mandatory part of the job and

generates a negative 10% at the instance of breaching of Hayleys Values.

The performance of floor-level manual employees is also assessed annually based on behaviour and performance criteria, with predefined weightage assigned to aspects such as job knowledge, work quality, dependability, positive attitude, teamwork, safety, and housekeeping etc.

These annual performance evaluations provide an opportunity for immediate superiors to engage in one-on-one discussions with employees to review outcomes and provide feedback. The process helps to identify development opportunities and support systems for employees who may need to enhance their performance and also creates the structure for rewarding high performers through increments, bonuses, and promotions.

## EMPLOYEES RECEIVING PERFORMANCE EVALUATIONS IN FY 2024/25 GRI 404-3

Employee Category	MALE	FEMALE
Executive & Above	87.16%	12.84%
Clerical	90.32%	9.68%
Manual	99.71%	0.29%

# HUMAN CAPITAL

In addition to the formal annual performance appraisal, ad-hoc / periodic performance evaluations are also conducted for various purposes, including service extensions, at the conclusion of the probationary period, in relation to disciplinary issues, determining interim increments / promotions, and during exit interviews.

GRI 404-2

## TRAINING AND DEVELOPMENT

Targeted training is essential for an organisation like Alumex, which operates in the dynamic and fast-paced construction and engineering industry. As customer demands, technology, and global standards continue to evolve, targeted training aims to bridge skill gaps, adapt to changing market conditions, and ensure that

our team remains equipped to deliver high-quality, innovative solutions.

Training needs are primarily identified through the annual performance evaluation process, which assesses both technical competencies and behavioural capabilities of employees. These evaluations provide valuable insights into individual and departmental skill gaps, forming the foundation for the comprehensive annual training plan that aims to provide focused learning interventions that align employee development with business priorities and future growth objectives.

Based on our training plan for the year under review, training efforts

were focused on upskilling employees in line with the requirements of our order book. With many of the new orders demanding higher technical competencies and the ability to work with advanced manufacturing and engineering processes, we invested in enhancing in-house capabilities, particularly in areas such as product quality, operational efficiency, and technical precision.

Additionally, given Alumex's growing emphasis on exports, our teams were trained to meet faster cycle times and improve product quality to better align with the expectations of international buyers.

Employee Category	GRI 404-1	Training Category	No. of Participants
Executive		Awareness	17
Executive		Refresher	1
Executive		Soft Skill	5
Executive		Technical	24
Manager		Awareness	14
Manager		Refresher	1
Manager		Soft Skill	8
Manager		Technical	27
Non Executive		Awareness	26
Non Executive		Refresher	3
Non Executive		Soft Skill	2
Non Executive		Technical	29

## CAREER MOBILITY

Alumex adopts a multi-faceted approach to career mobility. One of the key enablers of career mobility is the annual performance evaluation process, which helps to identify and reward high-performing and high-potential employees with opportunities to advance their career within the organisation.

Further promoting internal mobility and advancement, we offer internal job postings to provide employees with opportunities to explore new roles that align with their skills and career goals. Our Sponsorship Scheme for Higher Education is designed to encourage employees to pursue further education or professional qualifications to prepare themselves for future career advancement opportunities in alignment with the organisation's evolving needs.

PROMOTIONS GRANTED						
Employee Category	FY 2024/25		FY 2023/24		FY 2022/23	
	Men	Women	Men	Women	Men	Women
Manual to Clerical	2	-	2	-	4	-
Clerical Promotions	19	3	22	1	18	5
Clerical to Executive/Jn Ex	6	3	6	2	5	1
Jn Ex to Executive	1	1	4	-	9	2
Jn Ex / Ex to Sn Executive	10	1	8	-	-	-
Sn Ex to AM	9	2	4	1	4	1
AM to Manager or above	6	-	8	-	4	-

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GRI 2-25,26,30, 402-1

## EMPLOYEE RELATIONS AND GRIEVANCE HANDLING

At Alumex, we adopt a holistic approach to employee relations, built on openness, engagement, and mutual respect. Managers are expected to use routine meetings and team briefings as opportunities to engage meaningfully with their teams and nurture stronger, more collaborative relationships, while our open-door policy is meant to encourage employees to approach their superiors freely.

Moreover, given that a significant portion of our clerical and manual workforce is represented by a recognised trade union, Alumex has a formal collective bargaining agreement based on the annual wage negotiations discussions. In the interim, our Head of HR meets regularly with union representatives to ensure consistent, open dialogue and the timely resolution of concerns.

To ensure transparency and inclusiveness in decision-making, we maintain clear communication channels regarding operational changes. Executives are informed via email, while clerical and manual teams are updated through notice

boards. In addition, union representatives are briefed during meetings, ensuring that all parties are informed three days in advance of any change taking effect.

Grievance handling remains a critical element of our employee relations framework. Our primary platform for grievance handling is the 'We Care' programme, where the HR team conducts regular visits to all divisions to conduct one-on-one conversations with employees to help identify individual concerns as well as recurring workplace issues.

In line with the collective agreement, the Company also adheres to the provisions of the Industrial Disputes Act in resolving any disputes.

In addition, our formal grievance process clearly outlines the steps for receiving, investigating, and resolving grievances, including the specific responsibilities assigned to each stage of the process.

## OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1,2,3,4,5,6,7,8,9,10

As a construction Company, Occupational Health and Safety (OHS) is of paramount importance to Alumex. The Company complies

in full with all national safety regulations applicable to the core business including the Factories Ordinance of 1942, which mandates the health, safety, and welfare of individuals in the workplace and the Workmen's Compensation Ordinance of 1935, and the amendments to those initial ordinances ensuring compensation for workers injured during the course of their employment due to workplace accidents. LKR 1,233,333 was incurred in FY 2024/25 in relation to Workmen Compensation Insurance cover for all supervisory, clerical and manual employees.

GRI 403-1,2

## OHS MANAGEMENT SYSTEM

Aside from regulatory compliance, Alumex demonstrates its commitment to the highest standards of safety excellence through a comprehensive OHS Management System certified under the ISO 45001:2018 standard. The OHS Management system provides a robust organisation-wide framework for improving employee health and safety. The comprehensive and robust OHSMS provides the framework to systematically reduce the risk of injury and illness in all workplace operations through continuous and ongoing detection, assessment, and control of hazards.

# HUMAN CAPITAL

The system covers 100% of Company employees, including executives, clerical and manual employees as well as all third parties present at any Alumex location at a given time.



The integrity and operational efficiency of the OHS Management System is verified through a combination of internal and external audits. The health and safety framework is audited year-round by the respective Plant-level Health and Safety Teams under the oversight of the Central Health and Safety Committee. Additionally, the ISO 45001:2018

compliance audit is carried out annually by April for the purpose of facilitating the ISO re-certification.

The effective functioning of the OHS Management System is supported by a robust Safety Governance structure under the stewardship of the Central Health and Safety Committee and further supported by Plant-level Health

and Safety Teams led by a dedicated Plant Safety Manager.

GRI 2-27

The year concluded with a clean record as no incidents of non-compliance or legal action were reported, underscoring a strong commitment to integrity and regulatory excellence.

## Central Health and Safety Committee GRI 403-3,4

### Central Health and Safety Committee

- ◆ Develops Health & Safety (H&S) standards aligned with local regulations and international best practices.
- ◆ Leads initiatives to embed a strong safety culture across the organisation.
- ◆ Proposes and drives new measures to continuously improve employee health and safety.
- ◆ Reviews accident investigation reports and recommends corrective measures.
- ◆ Monitors trends in workplace injuries and enforces necessary interventions.
- ◆ Collaborates with the H&S Manager to formulate the annual H&S plan.

### Plant-Level Health and Safety Teams

- ◆ Oversees the implementation of all health and safety protocols within their respective plants or work sites.
- ◆ Ensures the physical work environment is safe for employees and visitors.
- ◆ Conducts regular walk-through inspections to detect and rectify potential hazards.
- ◆ Organises safety training sessions and awareness campaigns for employees.

### Department-Level Safety Champions

- ◆ Act as the first line of safety responsibility within their respective departments.
- ◆ Reinforce daily compliance with H&S protocols among team members.
- ◆ Support departmental risk assessments and safe work procedures.
- ◆ Report unsafe conditions or behaviours to the Plant H&S Team for immediate action.
- ◆ Assist in safety training initiatives and emergency drills.

### Fire Team

- ◆ Act as trained first responders during emergencies, particularly fire incidents.
- ◆ Administer first aid as needed and assist in safe evacuation of personnel.
- ◆ Ensure fire extinguishers, alarms, and other emergency equipment are functional.
- ◆ Participate in regular fire drills and emergency preparedness exercises.

## SAFETY TRAINING HOURS FOR FY 2024/25 GRI 403-5

Employee Category	MALE	FEMALE
Executives	285	42
Clerical	923	65
Manual	1,585	8
Casual	352	4

## HUMAN CAPITAL

### ALUMEX INJURY / ILL HEALTH RECORD GRI 403-9,10

	2024/25	2023/24	2022/23	2021/22	2020/21
No. of minor injuries	120	75	45	103	130
No. of major injuries	22	3	8	20	6
No. of fatalities	-	-	-	-	-
No. of lost work days due to injury	235	77	63	393	46
No. of cases of ill health	-	-	-	-	-
No. of fatalities due to ill health	-	-	-	-	-
No. of lost work days due to ill health	-	-	-	-	-

In response to the significant escalation in workplace accidents recorded in FY 2024/25 compared to the previous year, Alumex's Central Health and Safety Committee undertook comprehensive investigations to identify the root causes behind the increase in injuries. Based on these findings, targeted process improvements were implemented to reduce the risk of future incidents. Key actions included strengthening safety vigilance through daily monitoring at all sites to detect violations and unsafe conditions. Steps were also taken to redesign workstations to improve ergonomics with a view to creating a safer and more

comfortable working environment for employees

Meanwhile, the employee onboarding procedure process was enhanced with the integration of a special session on safety to help newcomers adapt to the Company's safety-first work culture right from the outset. Additionally to support regular refresher courses for all employees, safety training was incorporated as mandatory component in the annual training plan.

#### EMPLOYEE ENGAGEMENT

At Alumex, we are committed to nurturing a strong sense of

organisational spirit by creating meaningful opportunities for our people to connect and collaborate. Our team-building programmes, cultural and festive celebrations, wellness initiatives, and fitness activities are all designed to encourage cross-functional interaction, strengthen workplace relationships, and promote a positive, inclusive work culture. Through these diverse range of employee engagement activities, we aim to foster camaraderie, celebrate achievements, and enhance overall job satisfaction.

### FUTURE PLANS

Short Term (1 -2 years)	Medium Term (2 -4 years)	Long Term (4 - 5 years)
<ul style="list-style-type: none"> <li>♦ Achieve overall employee retention rate 84%</li> <li>♦ Achieve overall employee satisfaction rate 69%</li> <li>♦ Reduce work place injuries and occupational diseases up to 58</li> <li>♦ Increase average training hours to 2.3 hLKR per employee by annum related to occupational health &amp; safety</li> <li>♦ Achieve overall 83% safety compliance</li> <li>♦ Increase average training hours to 11.5 hLKR per employee by annum (Year)</li> <li>♦ Increase female employment up to 06%</li> <li>♦ Increase CSR beneficiaries by 08%</li> </ul>	<ul style="list-style-type: none"> <li>♦ Achieve overall employee retention rate 86%</li> <li>♦ Achieve overall employee satisfaction rate 72%</li> <li>♦ Reduce work place injuries and occupational diseases up to 31</li> <li>♦ Increase average training hours to 2.6 hLKR per employee by annum related to occupational health &amp; safety</li> <li>♦ Achieve overall 90% safety compliance</li> <li>♦ Increase average training hours to 15 hLKR per employee by annum (Year)</li> <li>♦ Increase female employment up to 08%</li> <li>♦ Increase average training hours to 1 hLKR per employee by annum related to anti-discrimination</li> <li>♦ Increase CSR beneficiaries by 25%</li> </ul>	<ul style="list-style-type: none"> <li>♦ Increase average training hours to 1 hLKR per employee by annum related to anti-discrimination</li> <li>♦ Achieve overall employee satisfaction rate 75%</li> <li>♦ Zero work place injuries and occupational diseases</li> <li>♦ Increase average training hours to 3 hLKR per employee by annum related to occupational health &amp; safety</li> <li>♦ Achieve overall 100% safety compliance</li> <li>♦ Increase average training hours to 20 hLKR per employee by annum (Year)</li> <li>♦ Increase female employment up to 10%</li> <li>♦ Increase average training hours to 1 hLKR per employee by annum related to anti-discrimination</li> <li>♦ Increase CSR beneficiaries by 50%</li> </ul>









# SOCIAL AND RELATIONSHIP CAPITAL

## MANAGEMENT APPROACH

Alumex seeks to build strong relationships with key stakeholders (customers, suppliers and the community) supported by ongoing efforts to understand stakeholder expectations and deliver precise solutions that foster trust and reinforce collaboration culminating in business growth and sustained value creation.

## STAKEHOLDER OUTCOMES

- ♦ Superior service and technical support for customers
- ♦ New opportunities for suppliers for capacity building and sustainability alignment
- ♦ Contribution to national development goals through responsible business practices and community support

## MATERIAL MATTERS

- ♦ Technology and Product Innovation
- ♦ Regulations and Compliance
- ♦ Customer Satisfaction
- ♦ Operational Efficiency & Productivity
- ♦ Government Policy
- ♦ Market Presence
- ♦ Product Quality
- ♦ Manufacturing Capability



## KEY HIGHLIGHTS

- ♦ 46 New developed products as Product Innovations
- ♦ 99 Awareness and capacity building sessions for fabricators
- ♦ Enhanced supplier screening process aligned with ESG principles and ASI (Aluminium Stewardship Initiative) certification criteria.
- ♦ Introduced an automated tool to assess suppliers' sustainability credentials, including carbon footprint and ethical labour compliance.
- ♦ Rolled out a digital supplier management system to simplify import supplier onboarding and track performance metrics in real time.
- ♦ LKR 4.0 Mn Incurred on CSR activities

## OUTPUTS FOR ALUMEX

- ♦ 22% Growth in domestic sales volumes
- ♦ 56% Expansion in export sales volumes
- ♦ Readiness-to-Delivery (RTD) of the orders - 65%
- ♦ Delivery in Full - On-Time (DIFOT) - 52 %
- ♦ Overall Customer Satisfaction - 77%
- ♦ No of customer complaints 3.35 for 100 MT of sales
- ♦ ESG compliant supplier network
- ♦ Community goodwill

## SDG'S



## IMPACT ON OTHER CAPITALS

The support of loyal customers, suppliers and distributors help to enhance revenue generation and improve market share	FC	+
Strong relationships with key stakeholders enhanced brand reputation	IC	+

### CUSTOMERS GRI 2-6, 416-1,2

#### Product Stewardship

Alumex's reputation as Sri Lanka's leading Aluminium extrusion manufacturer, is built on an unwavering commitment to excellence. For the past 39 years, the Company has remained true to this promise by delivering products that meet the highest standards of quality, durability and safety.

Accordingly, only premium-grade AA6063 Aluminium alloy is used in the manufacturing processes, with

all raw materials, including Aluminium billets, chemicals, and powders, sourced exclusively from globally renowned suppliers.

Aluminium extrusions are produced in strict compliance with SLS 1410:2011 and SLS 1411:2011 regulatory requirements, while also adhering to global certifications such as the QUALICOAT specification for powder-coated products and the QUALANOD quality label for sulfuric acid-based anodizing. Additionally, Alumex proactively adopts British and

European Standard Specifications where required, to customise products for specific export markets.

Moreover, all Alumex manufacturing facilities are certified under the ISO 9001:2015 Quality Management standards, embedding rigorous quality controls at every stage of production.

Rigorous due diligence under the ISO 9001:2015 standard as well as by governing bodies and licensing agencies ensures ongoing compliance and continuous improvement.

## ALUMEX 360 DEGREE

### DIVERSE PRODUCT RANGE

#### Customer Segmentation

Alumex's reputation as Sri Lanka's leading supplier of Aluminium extrusions, is closely linked to the Company's diverse product portfolio tailored to a wide range of customer segments. In the domestic market the Company caters to both B2B and B2C customers through a wide range of products for industrial and retail requirements respectively. Alumex's export operations are strategically focused on B2B clients across diverse international markets

#### Sri Lanka

##### B2B Customers:

- ◆ Consultants / Architects / Engineers in charge of projects
- ◆ Dealers - Distributors of Aluminium and related materials
- ◆ Fabricators - Manufacturers of doors, windows, etc

##### B2B Customers:

- ◆ Retail customers

#### Global

##### B2B Customers:

- ◆ Industrial projects
- ◆ Large-scale distributors
- ◆ Building Contractors
- ◆ Contract Manufacturing Clients
- ◆ Contractors & Project Developers
- ◆ Distributors & Importers
- ◆ Fabricators & Assemblers
- ◆ Manufacturers
- ◆ Solar & Renewable Energy Companies

# SOCIAL AND RELATIONSHIP CAPITAL

## Quality and Safety Assurance

100% of Alumex products are subject to stringent quality and safety, testing at every stage of production and finishing.

There were no reported incidents of non-compliance with product safety regulations or violations of voluntary codes during the current financial year, and no fines or penalties were incurred.

## Product Innovation

During the year, Alumex introduced 46 new products, 44 of which were specifically developed for export markets. In design and development, the team created 268 new profile designs, comprising 261 based on external client requirements and 7 for Alumex's proprietary products. Furthermore, the company introduced 18 new systems and enhancements to existing product ranges, utilising both new and existing dies.

## Accessibility and Reach

Ensuring easy access and wide reach is a top priority in Alumex's overall customer value proposition. The Company's extensive distribution network, built around trusted Alumex-branded distributors, is designed to maintain direct connections with end useLKR Strategically located warehouses in every province guarantee swift product availability and smooth service, delivering meaningful advantages to both customers and dealeLKR

Likewise, the Company's flagship Lumin Concept Centres offer targeting solutions for the premium residential segment.

Additionally, the Alumex online portal is accessible for B2B and B2C customers for Alumex enable island-wide delivery for B2B.

On the global front, Alumex continues to aggressively expand its international reach, securing direct contracts with overseas B2B clients. This deliberate expansion strategy not only broadens market access but also solidifies Alumex's standing as a trusted and reliable global Aluminium solutions provider.

## Packaging and Labelling Best Practices

All products are labelled in line with internal best practices, and include barcodes containing relevant information to facilitate traceability.

There were no reported incidents of non-compliance regarding product and service information and labelling in the current financial year.

GRI 417-1,2

## RESPONSIBLE PACKAGING AND LABELLING

Given the absence of any industry-specific packaging or labelling standards for Aluminium products in Sri Lanka, Alumex adheres to global best practices. Anodized and mill finish extrusions are securely packed in polythene, while bronze anodized products are further protected with an additional layer of tape. Finished powder-coated and wood finish Aluminium profiles are foam-wrapped before being packed in polythene.

## Technical Advisory Services

- ◆ Pre-purchase technical consultations
- ◆ Design advice tailored to customer needs
- ◆ Product recommendations
- ◆ Installation guidance
- ◆ After-sales assistance and support

GRI 417-3

## CUSTOMER COMMUNICATION AND MARKETING

Alumex adopts a tactical approach to marketing and communications in order to maximise customer impact. Typically delivered through a blend of above-the-line (ATL) and below-the-line (BTL) strategies, marketing and communication activities are carefully aligned to the needs and preferences of the target audience.

In the domestic market, Alumex, Lumin, and Alco brands are aggressively promoted across diverse media channels to reach both B2B and B2C customers. All communication adheres to clear, fair, and unbiased messaging in line with applicable regulatory requirements and best practices.

Meanwhile, for certain customer segments such as fabricators, targeted marketing initiatives such as the long-running 'Divikauluwa' loyalty programme aim to drive customer engagement and enhance customer loyalty and trust in the Alumex brand.

In international markets, Alumex relies on one-on-one engagement with customers, and frequently participates in roadshows, trade exhibitions, and dedicated client forums to strengthen relationships, build trust, and expand its global customer base.

There were no reported incidents of non-compliance regarding marketing communication in the current financial year.

## CUSTOMER SUPPORT

Customer support is an integral part of Alumex's overall customer value proposition. Providing customers with best-in-class pre-sales and after-sales service is inherently embedded in the Company DNA. From offering pre-purchase technical consultations, design advice, and product recommendations, to ensuring timely delivery, installation guidance, and responsive after-sales assistance, Alumex ensures that every customer interaction builds trust and satisfaction.

For instance, regular awareness and capacity building sessions conducted by Alumex's technical team specifically for fabricators to enhance their knowledge on manufacturer-recommended installation techniques and safe handling of products. In the year

under review, 99 such awareness sessions were conducted which saw the participation of 673 fabricators from across Sri Lanka.

Similarly, the Company's network of Lumin Concept Centres are equipped with sophisticated software to provide an immersive experience for walk-in retail customers, while dedicated technical teams at each center are trained to advise customers on the options best suited to their precise requirement.

Alumex places strong emphasis on delivering exceptional customer support to its global clients, ensuring a seamless experience from initial inquiry to post-delivery engagement.

A dedicated international support team provides 24/7 assistance for priority customers, enabling fast response times, real-time updates, and clear communication across time zones. This ensures that international partners stay on track with project deadlines.

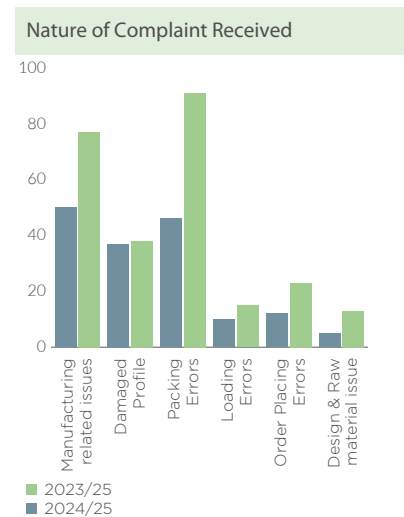
Beyond sales, we offer comprehensive after-sales support, including installation guidance, troubleshooting assistance, and tailored training programs for overseas customers. This hands-on, proactive approach strengthens Alumex's reputation as a responsive and trusted Aluminium solutions partner worldwide.

## HANDLING COMPLAINTS

Alumex considers customer complaints as an important source of learning to continually improve products and service offerings. A dedicated Customer Support Team manages the entire process, ensuring all complaints received are formally documented, promptly escalated, and tracked to ensure effective resolution within set timelines. Beyond resolution, complaint data is analysed to identify opportunities for internal

process improvements and policy enhancements.

In the year under review, the Company recorded a significant reduction in complaints, indicative of the success of ongoing customer fulfilment initiatives.



Customer complaints is an opportunity to strengthen our offerings and exceed expectations. Every comment, concern, or suggestion shared by a customer is treated as a strategic input that helps us refine processes, improve product quality, and elevate the overall service experience.

A specialised export support team oversees the end-to-end feedback process, ensuring that all concerns are promptly acknowledged, clearly.

## DATA PRIVACY GRI 418-1

In today's rapidly evolving digital era, protecting that data is essential for preserving Alumex's reputation as a reliable and ethical business partner.

To uphold this commitment, the Company has established stringent data protection protocols, secure IT systems, and robust internal controls designed to safeguard all customer-related information. Moreover, non-disclosure agreements (NDAs) with B2B

# SOCIAL AND RELATIONSHIP CAPITAL

customers ensure proprietary data is protected at every stage. Employees are provided regular training to educate them of their obligations regarding preserving the confidentiality of customer data.

There were no reported complaints concerning breaches of customer privacy and losses of customer data, reported in the current financial year.

### SUPPLIERS GRI 2-6, 204-1

#### Supply Chain Dynamics

Alumex PLC's supply chain plays a critical role in ensuring uninterrupted operations and maintaining the high-quality standards the Company is known for. Given the complexity and scale of Alumex's operations, the supply chain spans across a broad spectrum of suppliers both

international and local providing a variety of raw materials, consumables, and support services essential to the production process.

To mitigate risks and enhance responsiveness, the Company maintains a dual-source strategy for critical materials, while continuously evaluating suppliers based on performance metrics such as on-time delivery, compliance, and cost effectiveness. Alumex also works closely with suppliers to promote sustainable sourcing practices, ethical standards, and continuous improvement in supply chain resilience.

As part of its broader strategic focus, the Supply Chain Management function has been closely aligned with the Company's ESG objectives, ensuring that procurement decisions also reflect environmental responsibility, social

compliance, and sound governance practices.

In the year under review, Alumex further strengthened and diversified its supply chain by onboarding 209 new overseas suppliers and 366 new local suppliers to its supplier network. This expansion was aimed at enhancing supply security, increasing sourcing flexibility, and reducing dependency on a limited number of vendors. By widening the supplier base, the Company has improved its ability to manage supply disruptions, negotiate better terms, and access innovative materials and technologies that support production efficiency and quality standards. The addition of new suppliers also aligns with Alumex's strategic approach to building a more agile and resilient supply chain capable of adapting to evolving market conditions and operational demands.

New overseas suppliers onboarded to last FY

(2024-2025) - **47**

New local suppliers onboarded to last FY

(2024-2025) - **366**

### Supplier Value Creation GRI 308-2

A significant portion of the Company's annual procurement expenditure over 51.73% is directed towards international suppliers. These suppliers form a strategically diversified network that provides key raw materials such as Aluminium billets, chemicals, and specialised powders, which are fundamental to the core manufacturing processes. The global supplier base not only enables access to high-quality raw materials but also supports Alumex's goals in maintaining supply continuity, cost competitiveness, and technical consistency across its product range.

The remaining 48.27% of procurement is attributed to local suppliers, who play a vital role in sustaining the operational efficiency of the Company. These suppliers ensure the timely delivery of supporting materials, maintenance consumables, packaging items, and other essential goods and services required for daily operations. Alumex values its long-standing relationships with local vendors, and actively engages in supplier development and performance monitoring initiatives to uphold quality, cost, and delivery standards.

Total payments to suppliers (24/25FY)

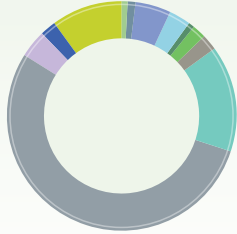
**18.5 Bn**

Total Payments to local suppliers (24/25FY)

**8.9 Bn**



## SUPPLIERS - CATEGORY



- Advertising And Promotion
- Aluminum Billet And Ingot
- Aluminum Scraps
- Chemical
- Contractors
- Die Steel And Materials
- Fuel, Lubricant Oil And Electricity
- Machinery And Parts
- Other
- Outsourced Labor
- Packing Materials
- Powder
- Support Service



### 1 PRELIMINARY ASSESSMENT

Submission of supplier details including certifications, product specifications, and compliance documents.

Initial screening checks for financial stability, ethical sourcing practices, and regulatory compliance.

#### ESG & ASI Compliance Check

Suppliers are evaluated against Environmental, Social, and Governance (ESG) standards.

Suppliers are required to complete the Sustainability & Ethical Sourcing Questionnaire to ensure alignment with ASI certification.

#### Technical & Quality Evaluation

Suppliers are required to provide sample materials for Incoming Quality Inspection

If materials do not meet specifications, a Non-Conformance Report (NCR) is issued, and suppliers must resolve issues before approval.

#### Supplier Audits & Risk Assessment

Site audits may be conducted for high-risk suppliers to evaluate their manufacturing capabilities, quality control

### 2 SIGNING OF SUPPLIER AGREEMENT (UPDATED IN 2024/25)

Formal signing of the Supplier Agreement, covering ESG criteria, ASI compliance requirements, and commitments to ethical sourcing.

#### Integration into Procurement & Compliance Systems

Approved suppliers are registered in Alumex's supplier management system.

Suppliers receive training on Alumex's quality standards, sustainability requirements, and reporting processes.

#### Trial Order & Performance Monitoring

A trial order is placed to assess real-time delivery, quality, and service levels.

Performance is monitored, and any issues are flagged through the NCR process for immediate correction

### 3 QUARTERLY REVIEWS

Measuring supplier performance using a scorecard to assess order fulfilment criteria such as on-time delivery, product quality and overall reliability as well as the commitment to ESG compliance

Any failure to meet performance standards will trigger the issuance of non-conformities report along with corrective action and preventive action (CAPA) plans

Close monitoring to ensure resolution and improvement

# SOCIAL AND RELATIONSHIP CAPITAL

## Creating a Fully Integrated Supply Chain Management and Governance Ecosystem

In the year under review, Alumex made significant progress in streamlining internal process architecture to achieve a fully integrated management and governance ecosystem. Major enhancements were made to the supplier screening process with an emphasis on embedding ESG (Environmental, Social, and Governance) principles in alignment with criteria set out under the ASI (Aluminium Stewardship Initiative) certification.

This was complemented by the introduction of an automated tool to evaluate suppliers' sustainability credentials against global databases to assess factors such as carbon footprint, waste management practices, and ethical labour compliance, ensuring only responsible partners are engaged.

To further streamline operations, a new digital supplier management system was rolled out to simplify the onboarding of import supplieLKR This platform enables faster document verification, real-time tracking of compliance and performance metrics, and accelerates onboarding for critical international supplieLKR The adoption of digital documentation and e-certificates has also smoothed international transactions, improving speed and transparency.

Simultaneously the customs clearance audit records were archived to a cloud-based system to store certificates of origin for every incoming shipment. This ensures complete traceability of all raw materials sourced internationally, reinforcing both supply chain integrity and compliance with quality and sustainability standards.

Meanwhile due diligence processes were further strengthened supported by the introduction of a new vendor risk management tool to monitor supplier performance against key compliance benchmarks, including on-time delivery, product quality, and adherence to environmental standards, enabling proactive issue resolution.

Following these improvements, a series of supplier development workshops were carried out to educate import suppliers on best practices in supply chain management, sustainability enhancements, and compliance with international standards. In parallel, a dedicated digital portal was also launched to promote knowledge sharing and collaboration among its global supplier network.

### SUPPLIER ENVIRONMENTAL ASSESSMENT GRI 308-1,2

Total number of existing suppliers assessed for environmental impacts	30 existing suppliers were assessed for environmental impacts and 30 suppliers have now entered into agreements that include specific ESG conditions
Number of suppliers identified as having significant actual and potential negative environmental impacts	0
Significant actual and potential negative environmental impacts identified	0
Percentage of suppliers with whom improvements were agreed upon as a result of negative environmental impacts identified	0
Percentage of suppliers with whom relationships were terminated as a result of then negative environmental assessment, and why.	0

### SUPPLIER SOCIAL ASSESSMENT GRI 414-1,2

Percentage of new suppliers that were screened using social criteria	3.3%
Total number of existing suppliers assessed for social impacts	30 existing suppliers were assessed for social impacts and 30 suppliers have now entered into agreements that include specific ESG conditions
Number of suppliers identified as having significant actual and potential negative social impacts	0

## COMMUNITY GRI 203-1,2, 413-1

### Community Development

As outlined in its Community Relationship Management Policy, Alumex is committed to fostering ethical, transparent, and mutually beneficial relationships with the communities where it operates. This commitment is brought to life through a robust community relations strategy that aligns the Company's social objectives with community expectations with efforts to-date broadly focused on four key pillars Education, Health and Well-being, Livelihood Development, Religion & Culture.

Supporting this approach is a credible and effective community grievance mechanism that ensures complaints and concerns are identified and addressed in a timely manner. Community stakeholders are made aware of this process through clear signposting, the corporate website, and various community dialogue channels, reinforcing Alumex's commitment to accountability and responsiveness.

Approximately LKR 4.1Mn was incurred on CSR activities in the current financial year.

#### Education

- ◆ Distribution of School materials to 149 students of Meegassegama Anandyodaya Primary School, Thalawa
- ◆ OHS Awareness session for 210 students of Faculty of Medicine, University of Colombo
- ◆ Donation of a full set of musical instruments to the Meegassegama Anandyodaya Primary School, Thalawa
- ◆ Part sponsorship for the Prefects Day of Sapugaskanda Madya Maha Vidyalaya
- ◆ Internship for undergraduates and technical students pursuing their academic or technical courses at the universities / vocational training institutes

#### Health & wellbeing

- ◆ Provides lunch packets to Bollegala Maha Vidyalaya & Makola Sobitha Kanishta Vidyalaya in daily basis
- ◆ Ongoing support for the continuity of the drinking water project established at Billewa, Thanthirimale & Meegassegama, Thalawa
- ◆ Provided 2000 white canes under the White cane project

#### Religion & culture

- ◆ Financial support to Katina Pinkama at Thambiligasmulla Temple
- ◆ Donated aluminium construction material to Sri Sudarshanarama Maha Viharaya, Mawaramandiya

### FUTURE PLANS

Short Term (1 -2 years)	Medium Term (2 -4 years)	Long Term (4 - 5 years)
<ol style="list-style-type: none"><li>1) Cost Optimization Initiatives - Renegotiating contracts, consolidating purchasing volumes, and identifying 5% -10% cost-saving opportunities without compromising on quality or service.</li><li>2) Feedback-Driven Improvements - Gathering and acting on customer feedback through surveys, reviews, and direct engagement to refine products, services, and user experience by annually.</li></ol>	<ol style="list-style-type: none"><li>1) Supplier Diversification - Reduce dependency on single or high-risk suppliers and onboard 2-3 new regional or international suppliers to enhance resilience.</li><li>2) Enhanced Digital Platforms - Upgrading digital platforms (e.g., mobile apps, websites, CRM systems) to improve accessibility, usability, and personalization.</li></ol>	<ol style="list-style-type: none"><li>1) Strategic Supplier Partnerships - Move from transactional to collaborative supplier relationships in next 5 years.</li><li>2) Brand Loyalty &amp; Advocacy Building - Establishing deeper emotional connections with customers to turn them into long-term brand advocates by 2030.</li></ol>









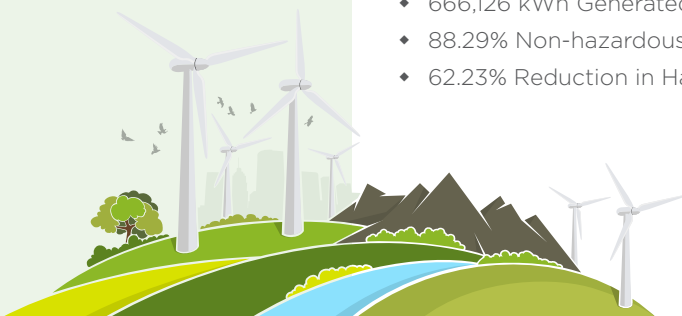
# NATURAL CAPITAL

## MANAGEMENT APPROACH

The responsible use of natural capital is a fundamental principle of Alumex's operational philosophy. Working with a clear understanding of the natural resource depletion that occurs in the process of manufacturing Aluminium extrusions, Alumex embraces a structured approach to embed sustainable practices across every stage of its operational cycle with a view to minimising the adverse environmental impact as much as possible.

## STAKEHOLDER OUTCOMES

- ◆ 14.44% reduction in Scope 2 indirect greenhouse gas emissions (GHG) from grid electricity
- ◆ Reduction in emissions over time
- ◆ Reduction in waste sent to landfills owing to use of recycling / reclaimed materials
- ◆ No contamination of water bodies owing to Zero spills



## KEY HIGHLIGHTS

### 46%

Reclaimed Aluminium in the production processes

Strengthened circularity efforts in partnership with Goldstar Alloys India to export Aluminium ash, for reuse in casting Aluminium

## MATERIAL MATTERS

- ◆ Technology and Product Innovation
- ◆ Regulations and Compliance
- ◆ Energy Consumption
- ◆ Emissions and Air Quality
- ◆ Waste
- ◆ Biodiversity
- ◆ Water and Effluents
- ◆ Material
- ◆ Energy Cost
- ◆ Operational Efficiency & Productivity
- ◆ Government Policy



## OUTPUTS FOR ALUMEX

- ◆ 12,659.64 tCO<sub>2</sub>e - Carbon Footprint
- ◆ 666,126 kWh Generated from Renewable Energy
- ◆ 88.29% Non-hazardous Waste Recycled
- ◆ 62.23% Reduction in Hazardous Waste

## SDG'S



# NATURAL CAPITAL

IMPACT ON OTHER CAPITALS		
Improved financial performance and profitability due to operational efficiencies, resulting in higher return on investment	FC	+
Strengthened manufacturing capabilities enhance Alumex’s reputation and industry standing, thereby building trust among customers and other stakeholders	IC S & RC	+ +

## ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Alumex’s Environmental Management System (EMS), aligned with ISO 14001:2015, serves as a fully integrated framework for managing key environmental aspects across Company operations. The EMS clearly defines environmental risks and opportunities, enabling the Company to pursue measurable objectives and targets that reduce significant environmental impacts. Robust operational controls such as policies and standard operating procedures ensure that environmental risks are proactively identified and managed, while full compliance with legal and regulatory requirements is consistently maintained. The system also facilitates the continuous monitoring and evaluation of environmental performance through regular tracking and assessments, allowing for the prompt

identification of compliance gaps and implementation of corrective actions.

At the heart of Alumex’s EMS is a strong commitment to continuous improvement. Through regular management reviews and scheduled audits, the system is systematically evaluated and refined to remain responsive to evolving environmental regulations and the Company’s changing priorities. Ongoing training is also a key component of this continuous improvement process, ensuring that employees remain informed and engaged in upholding high environmental standards, continuous improvement process, ensuring that employees remain informed and engaged in upholding high environmental standards.

## MATERIALS GRI 301-1,2,3

As a manufacturer of Aluminium extrusions, Alumex relies heavily on non-renewable materials, particularly raw Aluminium billets, for its production processes. Recognising the significant environmental impact associated with the use of such materials, the Company has, over the past several years, undertaken deliberate efforts to reduce its dependence on non-renewable inputs. As a result, reclaimed Aluminium now constitutes an impressive 46% of the Company’s total annual material consumption. This shift has also led to substantial foreign exchange savings, amounting to approximately USD 16.3 million annually. Based year for comparison is previous year.

MATERIAL CONSUMPTION (MT)				RECYCLED AND RECLAIMED PRODUCTS (MT)			
Product Category	2024/25	2023/24	Variance	Product Category	2024/25	2023/24	Variance
Non-recycled Aluminium logs	5,286	3,352	58%	Recycled Aluminium billets/ logs - onsite	4,742	4,266	11%
Recycled Aluminium logs	4,570	4,061	13%	Aluminium extrusions sold	7,736	5,803	33%
Recycled Aluminium as % of Total Aluminium consumed	46	55	-16%	Reclaimed products	881	403	119%



## Material Management Initiatives

### Use of recycled input materials

Alumex procures scrap aluminium from a network of island-wide collectors, which is then processed at the Sapugaskanda facility using state of the art technology to produce aluminium billets for the extrusion process. This closed-loop approach ensures that waste aluminium re-enters the production cycle, reducing the need for virgin raw.

### Reclaiming products and packaging materials

The Group works directly with local B2B customers to reclaim end of life products, and reintroduce them into the recycling stream to minimise waste and extend material life.

### Circularity initiatives

ETP sludge is supplied to INSEE Eco Cycle for incineration for cement manufacturing, while waste polythene from wood finish processes is sent to the Western Power plant to be converted into heat energy for electricity generation.

### Partnerships to accelerate circularity efforts

In 2024/25, Alumex strengthened its circularity efforts through a formal agreement with Goldstar Alloys India to export Aluminium ash, a by-product of the melting process, for reuse in casting aluminium.

## ENERGY MANAGEMENT ▶ GRI 3-3

With the Company's manufacturing operations built around energy-intensive processes such as melting, casting, extrusion, anodizing, and powder coating, energy management remains a core operational and strategic priority. To that end, the Company has implemented a structured energy management framework involving continuous monitoring of

energy consumption across all key production sites, identifying inefficiencies, and initiating targeted process improvements coupled with investments in energy-efficient machinery and equipment. Additionally strong emphasis is placed on optimising production schedules to reduce peak demand, along with the replacement of conventional lighting systems with LED solutions to lower electricity use.

The Company is also actively advancing renewable energy integration to diversify its energy mix and reduce reliance on fossil fuel-based grid electricity. Complementing these efforts, regular employee training is conducted to embed a strong culture of energy conservation at every level.

## ENERGY CONSUMPTION (MJ) ▶ GRI 302-1,2,3,4,5

	2024/25	2023/24
<b>Direct</b>		
Petrol for Vehicles	2,615,004	757,668
Diesel for Vehicles	1,506,183	516,297
Diesel for Plants and Generator	60,641,978	28,101,190
Furnace Oil	9,060,253	25,638,280
LP Gas	4,140,932	7,489,435
Total	77,964,350	62,502,870

## NATURAL CAPITAL

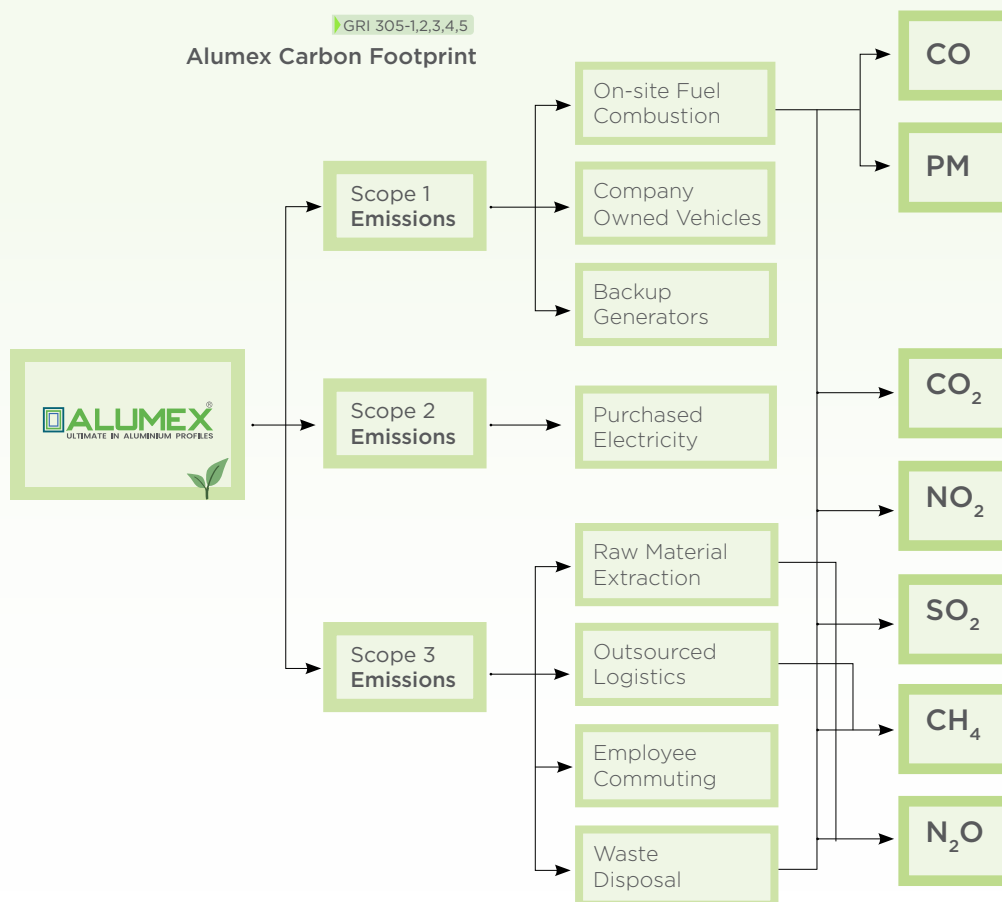
### ENERGY CONSUMPTION (MJ)

	2024/25	2023/24
<b>Indirect</b>		
Electricity for Plants	28,149,804	19,364,182
Electricity of Administration Area	4,551,912	3,987,398
Total	32,701,716	23,351,580
Total energy	110,666,066	85,854,450
<b>Direct</b>		
Petrol	452,483	581,720
Diesel	2,949,423	2,636,193
Total Outside	3,401,906	3,217,913

### MATERIAL CONSUMPTION (MJ/MT)

	2024/25	2023/24
Total Energy Consumed	105,539	83,718
Total Material Consumed	10,764	5,419
Total Production Output	8,065	5,926
Average Energy- material	9.80	15.45
Average Energy- Output	13.09	14.13

### Alumex Carbon Footprint



EMISSION INTENSITY (tCO2e)						
Scope	Descriptions	2024/25	Share %	2023/24	Share %	Variance
Scope 1	Emission	5,896	24	4,083	21	45%
Scope 2	Emission	3,886	15	4,542	23	-14%
Scope 3	Emission	2,878	11	1,244	6	124%
Total	Emission	12,660	50	9,869	50	27%

### WATER STEWARDSHIP

Alumex relies heavily on water across its day-to-day manufacturing operations, with over 70% of the Company's production processes, including anodizing, powder coating, and cooling towers. Beyond production, water is also essential for meeting the utility and sanitation needs of employees across the Company's facilities.

Water requirements are met through a combination of established water systems and

onsite extraction. At the main Sapugaskanda factory located within the Lindel Industrial Zone, water is supplied by the zone's system, which draws from the Kelani River. The Alumex Prime plant in Ekala relies on onsite deep tube wells, while small quantities of water for the Aluminium recycling foundry and fire hydrant systems is extracted from shallow onsite wells. It should be noted that water drawn from onsite wells does not impact or deplete any shared or common water bodies in these areas.

Alumex has set a clear strategic goal of reducing water consumption across its manufacturing processes by at least 5% annually, a goal that is supported by continuous monitoring, and targeted efforts to promote water recycling and reuse wherever feasible. In parallel, the Company is making deliberate investments in rainwater harvesting solutions, further reinforcing its commitment to long-term water stewardship.

WATER RESOURCES STATEMENT (L)			
	2024/25	2023/24	Variance
Total water withdrawal (third party withdrawal, surface water)	111,166	84,458	32%
Water consumed in manufacturing plants	77,816	62,499	25%
Water consumed by employees	33,350	21,960	52%
Water recycled / reused	13,200	9,900	33%
Total water recycled as % of water consumed	12%	12%	1%
Purified water discharged	77,816	62,499	25%
Purified water discharged as % of water withdrawn	70%	74%	

We have set our objectives for the Water Use Intensity (WUI) which will be applied in the new financial year to calculate the water usage across our business.

### WASTE GENERATED (MT) GRI 306-1,2,3,4,5

Hazardous	2024/25	2023/24	Non-Hazardous	2024/25	2023/24
	1,795	714		310	234
VARIANCE - 151%			VARIANCE - 32%		

## NATURAL CAPITAL

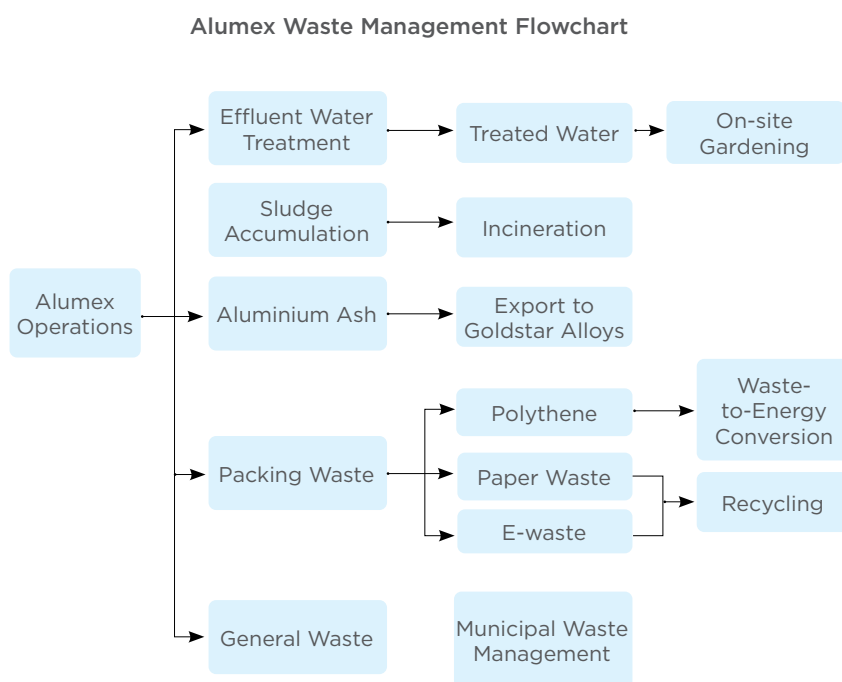
Category	Type of Waste	Type	Waste	Share
Hazardous	ETP Sludge	Incineration	1,420	79%
	Ash	Recycle	358	20%
	Empty Hazardous Containers	Reuse	5	0%
	Plant Waste	Reuse	10	1%
	Powder	Reuse	1	0%
<b>Total</b>			1,795	
Non-Hazardous	Plant Waste	Recycling	74	24%
	Metal	Recycling	156	50%
	Polythene Waste	Recycling	23	7%
	Biomass Waste	Energy Recovery	18	6%
	Cardboard Waste	Reuse	9	3%
	Other	Reuse	8	3%
	Plastic Waste	Reuse	0	0%
	Food Waste	Piggery	22	7%
<b>Total</b>			310	

### WASTE AND EFFLUENTS

Given the multiple waste streams and effluents generated in the day to day operations, Alumex's fundamental approach to waste management prioritises the reduction of hazardous waste through the use of safer, environmentally friendly alternatives wherever possible. By actively avoiding harmful chemicals and materials in its production processes, the Company strives to reduce hazardous waste generation at the source.

Waste segregation is also critical to Alumex's waste management system. Designated storage areas have been established at all facilities to separate hazardous, recyclable, and general waste streams, enabling safe handling, processing, and final disposal.

In addition, in line with efforts to promote reduction, reuse, and recycling (3R) across all waste streams, Alumex repurposed materials wherever possible to minimise the volume of waste sent to landfills. As part of the 3R commitment, Alumex has made a



firm commitment to reduce paper through strategic investments in digitising and automating internal administrative processes.

Furthermore, to ensure responsible waste handling, the Company

carefully selects only certified disposal partners with strong environmental performance records, upholding its commitment to sustainable and compliant waste management.







# FUTURE DIRECTION

Alumex PLC is charting a bold and future-ready course built on the foundation of a transformative year, where strategic foresight was seamlessly aligned with operational discipline. Looking ahead, the Company is focused on reinforcing its leadership in the Aluminium industry driven by a strong commitment to operational excellence, product innovation, digital transformation, and responsible growth through Environmental, Social, and Governance (ESG) principles.

## DEVELOP EXISTING AND NEW MARKETS TO REACH EXPORT SALES VOLUMES

The priority will be to strengthen Alumex's presence in established export markets by enhancing value addition and shortening delivery lead times. Simultaneously, the Company will aim to explore new opportunities in untapped regions, supported by on-ground partnerships in high-potential geographies. These initiatives will be reinforced through digital marketing and targeted branding campaigns, with a special emphasis on promoting Alumex's green Aluminium and recycling capabilities to align with global sustainability preferences.

## CAPACITY EXPANSION IN THE LOCAL MARKET

To retain local market industry leadership, Alumex plans to expand capacity across both premier and mid-tier brands, ensuring broad market reach. Distribution networks will also be widened through new dealer appointments, and a pipeline of innovative, value-added products, especially to support sustainable energy and construction. These actions will be complemented by targeted branding to improve top-of-mind-awareness.

## STRENGTHEN RESEARCH & DEVELOPMENT AND PRODUCT DESIGN

A greater focus will be placed on innovation through upgraded R&D and testing infrastructure. Sustainable product design, particularly with recyclable Aluminium solutions, will be a key priority. Another key focus would be investment in emerging technologies that will accelerate the development cycle and support more environmentally conscious engineering practices.

## ADOPTING NEW TECHNOLOGY, AI, AND PROCESS IMPROVEMENTS

A digital-first mindset will drive automation in manufacturing and the adoption of AI-based predictive models and machine learning. These technologies will enable quicker product iterations and enhanced operational efficiency. Simultaneously, improvements in data governance and cybersecurity will ensure a secure and resilient digital infrastructure.

## ACCELERATING THE ESG JOURNEY

Alumex will work towards deepening ESG integration across all business functions, guided by international frameworks such as the Science-Based Targets initiative (SBTi). Key focus areas include climate action, workplace health and safety, fair labour, human rights, and community engagement. Embedding ESG into strategic planning and risk management will help create long-term stakeholder value and business sustainability.

## COMPLIANCE EXCELLENCE AND DIGITAL INTEGRATION

Compliance will be strengthened through the rollout of an Integrated Management System aligned with ISO standards (9001, 14001, 45001, and 50001). Audits and inspections will be digitalised to boost transparency and real-time oversight, reinforcing a culture of continuous improvement and operational excellence.

### FOCAL AREAS IN 2024/25



## GOVERNANCE AND STEWARDSHIP



### LEAD. LEVERAGE. DEVELOP.

Our leadership endeavours to create the perfect environment for our operation to thrive with excellence - and as we continue to set trends within our industry, we move with precision and prudence to ensure enduring progression.

# CORPORATE GOVERNANCE

## INTRODUCTION

We pleased to present Alumex's Corporate Governance Report for the year, which details how the Board has diligently fulfilled its duties to uphold the highest standards of integrity, accountability, and transparency across the organisation. At Alumex, we acknowledge that a strong governance framework is essential to building trust with our stakeholders, mitigating risks, and fostering sustainable business growth. Hence, we consider good governance not merely as a regulatory requirement, but a foundational principle that guides every decision we make.

Throughout 2024, the Board reaffirmed its commitment to continuous improvement by proactively aligning our governance practices with the latest regulatory developments. A key priority during this period was ensuring full compliance with the enhanced provisions set forth under Section 9 of the Listing Rules of the Colombo Stock Exchange ("CSE") on Corporate Governance. To meet these requirements, the Board undertook a comprehensive review and restructuring of the Board and reconstituted the Board subcommittees to enhance oversight and effectiveness.

In closing, we affirm that the Board, Corporate Management, and all employees of Alumex have executed their responsibilities in strict adherence to applicable laws, regulations, and our internal governance framework. This shared commitment underpins our ongoing efforts to maintain the highest standards of Corporate Governance and drive long-term success for all our stakeholders.

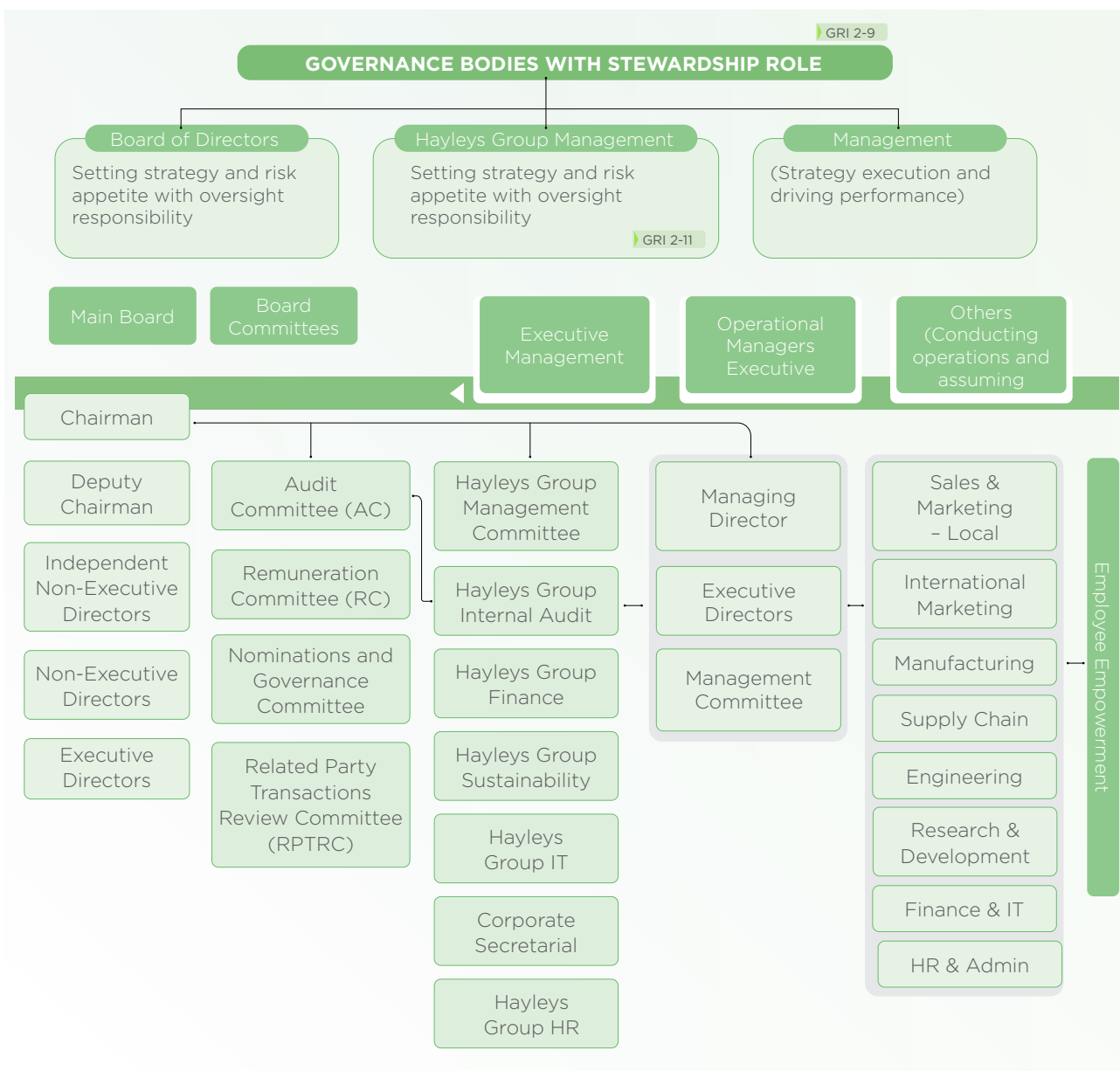
## CORPORATE GOVERNANCE PHILOSOPHY GRI 2-23,24

Alumex's Corporate Governance philosophy embodies the Company's unwavering commitment to safeguarding stakeholder interests while driving strategic growth and ensuring long-term sustainability. Recognising that strong governance is a catalyst for value creation, Alumex has adopted a forward-thinking approach that goes beyond traditional governance norms.

The Company has established a comprehensive governance framework that integrates regulatory requirements and globally recognised best practices to create an ecosystem that embeds governance principles into its decision-making processes, corporate culture, and operational conduct in order to;

- ♦ Uphold transparency and integrity across all business activities;
- ♦ Ensure full compliance with applicable laws, regulations, and industry standards;
- ♦ Strengthen accountability at every level of the organisation;
- ♦ Promote ethical behaviour and responsible corporate citizenship;
- ♦ Enhance risk identification and mitigation, supporting business resilience;
- ♦ Support effective oversight and strategic decision-making by the Board and management;
- ♦ Foster a culture of continuous improvement and performance excellence;
- ♦ Build stakeholder trust and confidence, both internally and externally; and
- ♦ Drive long-term, sustainable value creation for shareholders and broader stakeholders.

The Corporate Governance framework is continuously refined to take cognisance of new regulatory changes, evolving stakeholder expectations, and the dynamic risk landscape.



## THE BOARD

The Board of Directors of Alumex functions as the apex governing body of the Company, entrusted with providing strategic leadership and oversight. Operating in accordance with the Board Charter, which sets out its Terms of Reference (TOR), the Board is responsible for defining Alumex's mission, vision, and long-term

strategic direction, while ensuring that execution remains aligned with the best interests of all stakeholders.

As the key custodian of Corporate Governance, the Board is responsible for establishing and overseeing the Company's governance frameworks and policies, ensuring full compliance

with all relevant legal, regulatory, and ethical standards. In its role as the highest decision-making authority within the organisation, certain matters are expressly reserved for the Board's deliberation and approval, reinforcing its commitment to transparency, accountability, and responsible stewardship.

# CORPORATE GOVERNANCE

SCHEDULE OF MATTERS RESERVED EXPRESSLY FOR THE ATTENTION OF THE BOARD		UPDATE FOR FY 2024/2025
Strategy	<ul style="list-style-type: none"> <li>Approval of the Company's strategy, medium-term and short-term plans</li> <li>Approval of the Company's annual budget, setting out KPI's for all business segments</li> <li>Reviewing actual performance against budget</li> <li>Approving major capital projects, investments, acquisitions, mergers, or disposals</li> </ul>	The Board reviewed and approved the updated corporate strategy, segmental KPIs and annual budget, ensuring alignment with evolving market dynamics. Strategic investments and major CAPEX proposals were evaluated and cleared with a focus on value creation.
Risk, Capital and Liquidity Planning	<ul style="list-style-type: none"> <li>Approving changes relating to the Company's capital structure</li> <li>Approval of the annual capital plan</li> <li>Approval of risk appetite and liquidity risk appetite</li> </ul>	The Board considered and endorsed revisions to the capital structure and the annual capital plan. Updates to the risk appetite, including ESG and financial risks, were reviewed through the Audit Committee and adopted by the Board.
Financial Results and Dividends	<ul style="list-style-type: none"> <li>Approval of interim and final financial statements, dividends, and any significant change in accounting policies or practices</li> </ul>	The Board reviewed interim and annual financials, ensuring accuracy and compliance with accounting standards. Dividend proposals were assessed based on profitability, solvency and cash flow and approved accordingly.
Remuneration Structures	<ul style="list-style-type: none"> <li>Approval of the framework for determining the policy and specific remuneration of the Chair and executive directors</li> <li>Approval of non-executive director remuneration</li> <li>Approving employee share schemes</li> <li>Reviewed the Remuneration Policy</li> </ul>	Based on recommendations from the Remuneration Committee, the Board reviewed and approved updates to the remuneration framework. The alignment of executive rewards with performance and shareholder expectations was reinforced.
Corporate Governance	<ul style="list-style-type: none"> <li>Approval of principal regulatory filings</li> <li>Approval of the Terms of Reference (TOR) and membership of Board Sub Committees</li> <li>Approval of Board and Board Sub Committees performance evaluation process</li> <li>Reviewing and updating the Corporate Governance framework in line with regulatory developments and best practices</li> </ul>	The Board endorsed updates to the Corporate Governance Framework in line with the 2023 Code. Committee TORs were revised, the Board evaluation process was completed, and all statutory filings were reviewed and approved.

## KEY BOARD RESPONSIBILITIES

### Regulatory Compliance GRI 2-27

The Board of Directors holds ultimate responsibility for ensuring the Company's full adherence to all applicable regulatory requirements. In fulfilling this mandate, the Board works in close collaboration with its Subcommittees and the executive management team to establish and uphold robust compliance frameworks, guided by a strict

zero-tolerance stance on non-compliance.

To foster a culture of transparency and accountability, the Board has implemented secure and confidential communication channels that enable employees to report any compliance-related concerns or violations without fear of reprisal. These mechanisms facilitate the early identification and prompt resolution of potential

issues, thereby reinforcing Alumex's strong ethical foundation and commitment to responsible corporate conduct.

During the current financial year, the Board and its Committees worked to ensure full compliance with the revised Section 9 of the CSE Listing Rules on Corporate Governance, meeting all mandated requirements.



## COMPLIANCE HIGHLIGHTS FOR FY 2024/25

### Appointment of the Nomination and Governance Committee

The Alumex Board formally appointed its own Nomination and Governance Committee on 7th May 2024. Until such time, the Nomination and Governance Committee of the parent entity - Hayleys PLC, functioned as the Committee for Alumex

### Appointment of the Related Party Transactions Review Committee

The Alumex Board formally appointed its own Related Party Transactions Review Committee on 7th May 2024. Until such time the Related Party Transactions Review Committee of the parent entity - Hayleys PLC, functioned as the Committee for Alumex

In compliance with Section 9.2.1 of the Listing Rules of the Colombo Stock Exchange, the Company has implemented the following Board-approved policies, disclosed same on the Company's website with effect from 1st October 2024

Policy on matters relating to the Board of Directors  
 Policy on Board Committees.  
 Policy on Corporate Governance.  
 Policy on Shareholder and Investor Communication.  
 Policy on Risk Management and Internal Controls.  
 Policy on Rewards and Remuneration.  
 Policy on Whistleblowing.  
 Policy on Anti-Bribery and Corruption.  
 Policy on Corporate Disclosures.  
 Policy on Control and Management of Company Assets and Shareholder Investments.  
 Policy on Internal Code of Ethics and Business Conducts.  
 Policy on Environmental Social and Governance Sustainability (Social Policies and Environmental Policies)  
 "The Alumex Way" – Code of Business Principles

There were no incidents regarding non-compliance of laws and regulations reported in the current financial year

## FINANCIAL CONTROL AND REPORTING

The Board of Directors of Alumex upholds its fiduciary duty by ensuring robust financial stewardship based on strict financial discipline, accountability, and transparency throughout the organisation.

The Board retains sole authority over all critical financial matters, including the approval of the annual budget, financial statements, dividend policies, capital expenditure plans, investment decisions, funding structures, and other material financial commitments. Each decision is carefully aligned with Alumex's strategic priorities and overarching goal of sustainable, long-term value creation.

Working in close collaboration with the Board Audit Committee, the Board ensures the integrity, accuracy, and reliability of financial reporting. Regular performance reviews are undertaken to track progress against financial targets,

assess risk exposures, and ensure full compliance with applicable accounting standards, regulatory obligations, and internationally recognised financial reporting frameworks.

In addition, the Board is responsible for reviewing and approving all statutory and regulatory financial disclosures, including the annual financial statements, interim financial reports, and the Integrated Annual Report. These disclosures are prepared to reflect a true, fair, and comprehensive view of Alumex's financial position, performance, and future outlook.

For more information, please refer

- ♦ The Annual Report of the Board of Directors on the affairs of the Company on page 168 to 173
- ♦ Directors' Responsibility for Financial Reporting on page 191 to 193
- ♦ Report of the Auditors on page 191

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Alumex holds ultimate responsibility for ensuring that the Company's risk management and internal control frameworks are robust, effective, and strategically aligned with its long-term objectives. In discharging this duty, the Board defines the overall risk appetite and works in close collaboration with the Board Audit Committee (BAC) to oversee the formulation and implementation of policies and procedures aimed at proactively identifying, assessing, and mitigating risks that could affect operations, reputation, or financial performance.

Operating under delegated authority of the Board, the BAC reviews risk assessments, monitors key risk indicators, and ensures that timely and appropriate mitigation measures are implemented. The Committee also secures independent assurance from both internal and external auditors regarding the adequacy and

# CORPORATE GOVERNANCE

effectiveness of the Company's risk management and internal control systems.

Where gaps or weaknesses are identified, the recommendations for corrective action are implemented promptly subject to Board approval.

For more information, please refer

- ♦ The Risk Management Report on page 76 to 81

## CONDUCTS AND ETHICS

The Alumex Board leads by example to set the tone from the

top for ethical conduct. To embed a culture of integrity and responsible behaviour throughout the organisation, the Board has established a comprehensive conduct framework encompassing a wide range of policies and procedures.

The Anti-Bribery and Anti-Corruption Policy applies to all Company Directors and employees without exception, setting out the Company's approach to preventing bribery, kickbacks and facilitation payments. The Policy also includes clauses relating to giving and accepting gifts by employees in their normal course of work. Regular training is conducted to reinforce these principles among employees and Directors. Business partners and third parties who act on behalf of Alumex are also encouraged to follow the key principles encapsulated in the Anti-Bribery and Anti-Corruption policy.

### Anti-Bribery and Anti-Corruption Policy



### Whistleblowing Policy

Creates a channel to anonymously report on possible financial irregularities, inappropriate financial reporting, internal controls, or other issues. Employees are encouraged to raise issues directly with the Managing Director. All reported concerns are thoroughly investigated through a formal process and subsequently reported to the Board Audit Committee for resolution. Alumex employees are made aware of the Whistleblowing process through special awareness sessions conducted regularly. Full details regarding the Whistleblower policy and the modalities of its operation is also made available on the intranet.

## INFORMATION TECHNOLOGY (IT) AND CYBERSECURITY GOVERNANCE GRI 418-1

The Alumex Board works closely with the Hayleys Group IT Department to develop the Company's IT strategy. The Hayleys Group IT Department holds primary responsibility for implementing IT policies and robust measures to safeguard against cyber threats. The Group Head of IT also serves as the Chief Information Security Officer (CISO),

ensuring a cohesive approach to information security across the entire Group.

Within Alumex, the Chief Financial Officer oversees the deployment and adherence to Group IT policies, working closely with the Alumex IT team to ensure alignment with broader corporate objectives and risk management standards.

Cybersecurity remains a standing agenda item at the monthly

Hayleys Group Management Committee meetings, where emerging threats, incidents, and strategic initiatives are reviewed. Matters requiring heightened attention or risk mitigation are escalated appropriately to the Alumex Board.

Furthermore, the Hayleys Group and Alumex IT departments convene regularly to exchange insights, collaborate on policy development, and ensure IT and

cybersecurity policies remain rigorous, adaptive, and capable of addressing the evolving challenges inherent to this critical business function. The Alumex Board is kept apprised through regular updates provided by both the Hayleys Group and Alumex IT departments.

## STEWARDSHIP OF HUMAN CAPITAL

The Board of Directors of Alumex assumes ultimate responsibility for the stewardship of human capital. In fulfilling this mandate, the Board provides strategic oversight and direction to ensure that human resource management is aligned with the Company's long-term objectives, ethical standards, and stakeholder expectations.

The Corporate HR Policy of the Hayleys Group serves as the overarching framework that sets out the guiding principles and expectations for HR management at Alumex. This policy informs the internal HR governance framework at Alumex, ensuring consistency, compliance, and alignment with broader corporate values.

Operational responsibility for human resources rests with the Alumex HR Department, which functions under the direct supervision of the Company's Managing Director. The department is responsible for ensuring that all HR operations are conducted in accordance with the Group's policies and procedures, while also maintaining full compliance with applicable labour laws and regulations. Moreover, the HR function is guided by internationally recognised standards, including the ILO Conventions and the principles of the UN Global Compact, which promote fairness, dignity, and respect for human rights in the workplace.

In addition to policy compliance and operational oversight, the HR Department is charged with maintaining up-to-date and

efficient HR systems. These systems enable effective workforce planning, performance management, talent development, and employee engagement, thereby supporting the Company's broader human capital development agenda.

For more information, please refer

- ♦ The Human Capital Report on page 102 to 115

## STAKEHOLDER ENGAGEMENT

Recognising that transparent communication and timely responsiveness are essential for building and maintaining stakeholder trust, the Alumex Board places strong emphasis on effective stakeholder engagement. In line with its commitment to fostering long-term, value-driven relationships, the Board has delegated specific responsibilities for stakeholder engagement to the Managing Director.

Under the leadership of the Managing Director, the Corporate Management team is mandated to develop and implement tailored engagement strategies for the Company's key stakeholder groups. At the operational level, executive management is responsible for managing day-to-day interactions with stakeholders, ensuring that all engagements reflect the Company's values and are aligned with the strategic direction and governance principles set by the Board.

For more information, please refer

- ♦ Stakeholder Engagement on page 46 to 48

## ESG GOVERNANCE GRI 2-12,14,23

Alumex PLC has adopted a robust and integrated ESG governance model that embeds sustainability into its corporate strategy and

day-to-day operations. Oversight begins at the Board level, which holds ultimate accountability for the Company's ESG roadmap. This mandate is operationalised through an ESG Steering Committee chaired by the Managing Director and comprising senior leadership of the Company.

The ESG Steering Committee is supported by three specialised subcommittees on Environmental, Social, and Governance, each led by functional experts to ensure focused execution. ESG responsibilities are cascaded across all business units, with designated roles embedded to ensure ownership and accountability.

At the operational level, the System Certification and Sustainability Division drives implementation, tracking KPIs, ensuring compliance, and reporting progress. Alumex also reports ESG performance to Hayleys PLC through a structured reporting mechanism, with strategic oversight provided by the Group ESG Steering Committee.

A strong policy framework underpins this structure, addressing key areas such as environmental management, social responsibility, ethics, human rights, and governance. Through this multi-tiered governance approach, ESG is positioned as a central business driver, enhancing resilience, stakeholder trust, and long-term value creation.

## SHAREHOLDER RELATIONS AND COMMUNICATION

The Board has adopted a proactive and transparent approach to shareholder relations and communication. To ensure shareholders are kept informed and engaged, the Board prioritises open and timely communication through CSE disclosures and press releases informing them of the Company's financial performance, strategic initiatives, and material developments.

# CORPORATE GOVERNANCE

As stated in Alumex's Corporate Disclosure Policy, all material information is disclosed in compliance with the Companies Act No. 7 of 2007, the CSE Listing Rules, and any relevant SEC regulations. All material disclosures must be approved by the Disclosure Committee and, where required, by the Board of Directors before being made public. Once approved, disclosures will be disseminated through appropriate channels, including the Colombo Stock Exchange, the Company's website, and other relevant media.

Further the Board strives to address shareholder inquiries promptly and encourages shareholders to raise any issues at the Annual General Meeting or in writing to the Company Secretary.

## ANNUAL GENERAL MEETING (AGM)

The Annual General Meeting (AGM) serves as the principal platform for shareholders to engage directly with the Board of Directors, raise concerns, and provide feedback or suggestions. The AGM is attended by the full Board and members of the Executive Management Team, ensuring robust representation and open dialogue between shareholders and the Company's leadership.

To enable informed and meaningful participation, key documents—including the Annual Report, notice of the AGM, proposed resolutions, and voting instructions, are distributed to shareholders no less than 15 working days prior to the meeting. This advance notice ensures that shareholders have adequate time to review the materials and prepare for the discussions.

Alumex PLC's next AGM is scheduled to be held on 23rd June 2025.

GRI 2-9,17, 405-1

## BOARD COMPOSITION

Alumex is governed by a strong and well-balanced Board. The composition of the Board is determined by the Company's Articles of Association and aligned with the latest regulatory frameworks.

The ten-member Alumex Board as at 31st March 2025 comprised six Non-Executive Directors and four Executive Directors.

This composition is consistent with the Board balance requirements set out under section 9.8.2 of the new CSE rules on Corporate Governance stipulating that at least two (02) Board Members or 1/3rd of the Board (whichever is higher) consists of Non-Executive Directors.

Non-Executive Directors provide impartial oversight to strengthen governance practices, drive accountability, and facilitate informed decision-making at Board level, thereby significantly enhancing the quality and integrity of the Board.

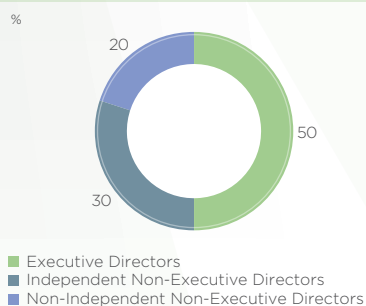
## BOARD DIVERSITY

Alumex is firmly committed to fostering diversity at the Board level, recognising that a broad spectrum of perspectives, skills, experiences, and backgrounds enhances governance effectiveness and supports balanced decision-making.

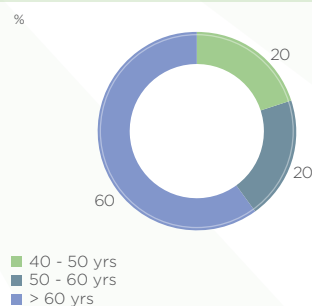
The current Alumex Board demonstrates a healthy balance of diversity across age, and professional expertise. This composition creates a dynamic environment that encourages constructive dialogue and comprehensive decision-making. Among the **ten** Board members, **six** possess extensive qualifications and experience in finance-related disciplines, further reinforcing the Board's capacity to provide strong financial stewardship and strategic guidance.



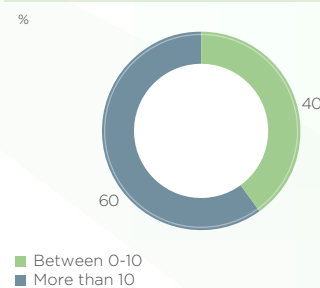
### Board Balance



### Age Diversity



### Board Balance



## PROCEDURES FOR ASSURING DIRECTORS INDEPENDENCE

Assurance regarding the Independence of Non-Executive Directors is obtained based on the following guidelines

### DEFINITION

Independence is determined against criteria as set out in the Section 9 of the Listing Rules of the Colombo Stock Exchange and in compliance with Schedule A of the Code of Best Practice on Corporate Governance 2023.

### ASSESSMENT

Independent assessment of Directors is conducted annually by the Board, based on annual declaration and other information submitted by Non Executive DirectoLKR

### OUTCOME

The Board is satisfied there are no relationships or circumstances likely to affect or appear the affect, director's independence during the period under review.



## APPOINTMENT / RE-ELECTION / RESIGNATION / RETIREMENT OF DIRECTORS GRI 2-10

At Alumex, the appointment of Directors is guided by a structured and transparent process overseen by the Board Nominations and Governance Committee (NGC). The Committee evaluates all

prospective candidates based on their professional qualifications, industry experience, and leadership capabilities, with the goal of enhancing the overall effectiveness and diversity of the Board. As part of this evaluation, the NGC also considers the number and nature of external directorships held by

each candidate to ensure they can dedicate sufficient time and attention to their responsibilities at Alumex, and fulfil their duties with integrity, care, and diligence.

In line with the Company's Articles of Association, one-third of the Directors except those who have



# CORPORATE GOVERNANCE

been appointed to the Board since the last Annual General Meeting are required to retire by rotation at each Annual General Meeting (AGM), and may offer themselves for re-election. The NGC assesses the eligibility of each retiring Director for reappointment, taking into account their contributions to

Board discussions, attendance, and level of engagement during their tenure. Any Director appointed by the Board to fill a casual vacancy is subject to shareholder approval at the subsequent AGM.

All appointments, re-elections, resignations, and retirements of

Directors are disclosed to the Colombo Stock Exchange (CSE) in a timely manner and communicated transparently to shareholders, upholding Alumex's commitment to regulatory compliance and strong governance.

BOARD CHANGES FOR FY 2024/25			
Appointments	Re-elections	Re-classifications	Resignations
<p>Mr. Jonathan Alles was appointed to the Board on 26th December 2024 as an Independent Non-Executive Director.</p> <p>Mr. Dushan Waduawala was appointed to the Board w.e.f 3rd May 2025 as an Executive Director.</p> <p>On the recommendation of the Nomination and Governance Committee and in compliance with section 9.6.3 of the CSE Listing rules, the Board appointed Mr. Ranil De Silva as the Senior Independent Director w.e.f. 26th December 2024. Previously, Dr. Harsha Cabral, PC, served as the Senior Independent Director.</p>	<p>In line with the rule requiring 1/3 of the Directors to retire by rotation, Mr. Pramuk Dediwela, Mr. Prageeth Rajapaksha and Mr. Sarath Ganegoda retire and offer themselves for reelection at the AGM.</p>	<p>Dr. Harsha Cabral, PC was reclassified as a Non-Executive Director of the Company w.e.f. 26th December 2024. He previously served as an Independent Non-Executive Director.</p> <p>Mr. Munaweera was re-classified as a Non-Executive Director of the Company w.e.f. 26th December 2024. He previously served as an Independent Non-Executive Director.</p>	<p>Mr. Munaweera, a Non-Executive Director resigned from the Company w.e.f. 3rd May 2025.</p>

## MANAGING CONFLICTS OF INTEREST GRI 2-15

At Alumex, all Directors are expected to act with integrity and in good faith, upholding their fiduciary responsibilities to shareholders and other stakeholders by proactively avoiding situations that could result in a conflict of interest or create the perception of one. Directors are required to exercise sound

judgment, transparency, and due diligence in identifying potential conflicts and must promptly disclose any such circumstances to the Board.

The oversight of conflict of interest disclosures falls under the purview of the Related Party Transactions Review Committee (RPTRC). The RPTRC is responsible for evaluating all declarations made by Directors,

assessing the nature, materiality, and implications of each case. Based on its assessment, the RPTRC recommends appropriate mitigation measures to the Board to ensure that decision-making processes remain transparent, objective, and aligned with the highest standards of Corporate Governance.

## Name and Number of Directorships Held in Sri Lanka (Excluding Alumex PLC).

Name of the Director	Classification of the Directorship	Listed Companies		Unlisted Companies	
		Executive	Non-Executive	Executive	Non-Executive
Mr. Mohan Pandithage - Chairman	Executive Director	Hayleys PLC Dipped Products PLC Haycarb PLC Singer (Sri Lanka) PLC Hayleys Fabric PLC The Kingsbury PLC Horana Plantations PLC Kelani Valley Plantations PLC Hayleys Leisure PLC Talawakelle Tea Estates PLC Hayleys Fibre PLC	Diesel & Motor Engineering PLC	Hayleys Group - 120 Companies	Beata Power (Pvt) Ltd Joule Power (Pvt) Ltd Ocean Network Express Lanka (Private) Limited The Beach Resorts Ltd Delmege Forsyth & Co. Exports (Pvt) Ltd Delmege Coir (Pvt) Ltd Delmege Forsyth & Co. (Shipping) Ltd Delmege Freight Services (Pvt) Ltd Lewis Shipping (Pvt) Ltd Lewis Brown Air Services (Pvt) Ltd
Listed Companies; Executive - 11 and Non-Executive - 01  Unlisted Companies; Executive - 120 and Non-Executive - 10					
Mr. Sarath Ganegoda - Deputy Chairman	Executive Director	Hayleys PLC	Dipped Products PLC Haycarb PLC Hayleys Fabric PLC Singer (Sri Lanka) PLC Hayleys Leisure PLC Horana Plantations PLC Kelani Valley Plantations PLC Hayleys Fibre PLC The Kingsbury PLC	-	Hayleys Group - 52 Companies Sri Lankan Airlines Ltd Sri Lankan Catering Limited
Listed Companies; Executive - 01 and Non-Executive - 09  Unlisted Companies; Executive - Nil and Non-Executive - 54					
Mr. Pramuk Dediwela - Managing Director	Executive Director	-	-	-	-
Listed Companies; Executive - Nil and Non-Executive - Nil  Unlisted Companies; Executive - Nil and Non-Executive - Nil					
Mr. Ranil De Silva - Senior Independent Director	Independent Non-Executive Director	-	Singer Finance (Lanka) PLC Hayleys Leisure PLC The Kingsbury PLC Central Industries PLC	-	Lanka Shipping & Logistics (Pvt) Ltd
Listed Companies; Executive - Nil and Non-Executive - 04  Unlisted Companies; Executive - Nil and Non-Executive - 01					
Mr. Asghar Akbarally	Non-Executive Director	-	Amana Bank PLC Windforce PLC	Akbar Brothers (Pvt) Ltd Akbar Brothers Exports (Pvt) Ltd Falcon Trading (Pvt) Ltd Falcon Development (Pvt) Ltd Chadstone Holdings (Pvt) Ltd Flexi Print (Pvt) Ltd Quick Tea (Pvt) Ltd Land & Building (Pvt) Ltd Renewgen (Pvt) Ltd	Stella Plastic (India) Pvt Ltd Laviyani Holdings (Pvt) Ltd Hermitage Resorts (Pvt) Ltd AB Lagoon (Pvt) Limited Kassanfaru one (Pvt) Ltd Joy Resorts (Pvt) Ltd
Listed Companies; Executive - Nil and Non-Executive - 02  Unlisted Companies; Executive - 09 and Non-Executive - 06					

# CORPORATE GOVERNANCE

Name of the Director	Classification of the Directorship	Listed Companies		Unlisted Companies	
		Executive	Non-Executive	Executive	Non-Executive
Dr. Harsha Cabral	Non-Executive Director	-	Diesel & Motor Engineering PLC Hayleys PLC		Ceylinco Life Insurance Limited
<b>Listed Companies;</b> Executive - Nil and Non-Executive - 05 <b>Unlisted Companies;</b> Executive - Nil and Non-Executive - 13			Ceylinco Insurance PLC Chevron Lubricants Lanka PLC Tokyo Cement Company (Lanka) PLC		Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT) SLIIT International (Private) Limited Nanadiriya (Guarantee) Limited  National Savings Bank  Tokyo Super Cement Company Lanka (Private) Limited Tokyo Cement Power Lanka (Private) Limited Tokyo Eastern Cement Company (Private) Limited Tokyo Super Aggregate (Private) Limited Tokyo Supermix (Private) Limited Sri Lankan Catering Limited Sri Lankan Airlines Limited Airlanka (Private) Limited
Mr. Manoha Rahakariar	Independent Non-Executive Director		Hayleys Fiber PLC Access Engineering PLC Elpitiya Plantations PLC Digital Mobility Solutions Lanka PLC (Pick-Me)	-	Asset Line Finance Limited
<b>Listed Companies;</b> Executive - Nil and Non-Executive - 04 <b>Unlisted Companies;</b> Executive - Nil and Non-Executive - 01					
Mr. Jonathan Alles	Independent Non-Executive Director	-	Hayleys PLC Singer (Sri Lanka) PLC The Kingsbury PLC United Motors Lanka PLC Ceylon Beverage Holdings PLC Lion Brewery Ceylon PLC Vallibel One PLC	-	DHT Cement (Private) Limited
<b>Listed Companies;</b> Executive - Nil and Non-Executive - 07 <b>Unlisted Companies;</b> Executive - Nil and Non-Executive - 01					
Mr. Prageeth Rajapaksha	Executive Director	-	-	-	-
<b>Listed Companies;</b> Executive - Nil and Non-Executive - Nil <b>Unlisted Companies;</b> Executive - Nil and Non-Executive - Nil					
Mr. Dushan Waduavala (Appointed w.e.f. 3rd May 2025)	Executive Director				
<b>Listed Companies;</b> Executive - Nil and Non-Executive - Nil <b>Unlisted Companies;</b> Executive - Nil and Non-Executive - Nil					
Mr. Somasiri Munaweera (Resigned w.e.f. 3rd May 2025)	Non-Executive Director	-	-	S. Munaweera & Company, Chartered Accountants Southern Management and Corporate Services (Private) Limited SM Bentley Corporate Services (Private) Limited	New Anthony's Farm (Private) Limited  New Anthony's Feeds Limited
<b>Listed Companies;</b> Executive - Nil and Non-Executive - Nil <b>Unlisted Companies;</b> Executive - 03 and Non-Executive - 02					

**DIRECTORS' REMUNERATION**

Alumex has established a structured and transparent compensation framework that ensures fair, competitive, and performance-linked remuneration for the Directors, executive, and employees across all levels of the organisation. This framework is designed to attract, retain, and motivate talent while reinforcing the Company's commitment to long-term value creation and sustainable business growth.

Remuneration structures for Executive Directors comprises both fixed and variable components. The fixed component is benchmarked against industry standards and reflects the individual's expertise,

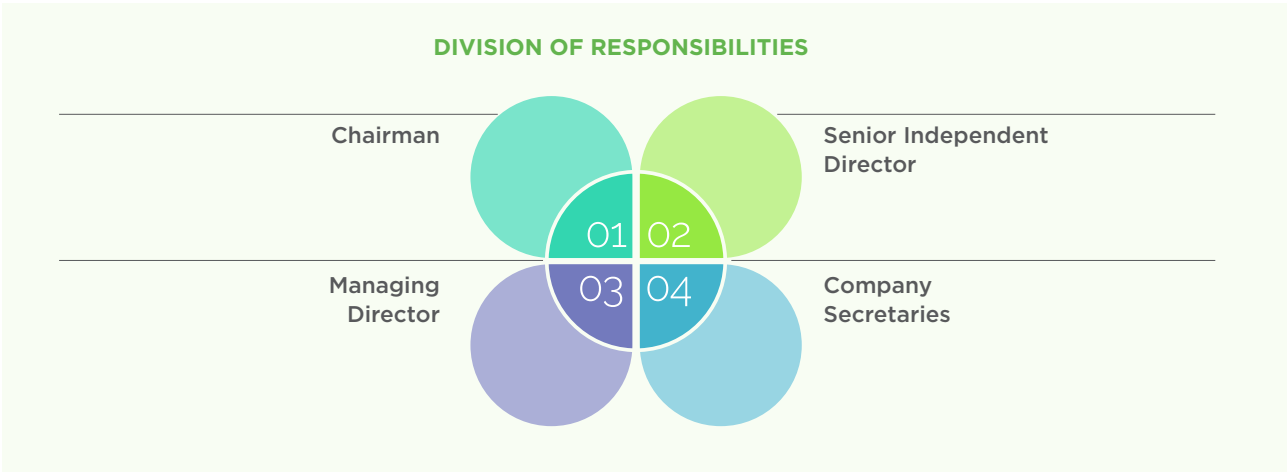
experience, and responsibilities, while the variable component consists of performance-based incentives that are closely tied to the achievement of the Company's strategic objectives and long-term business success. A similar performance-driven philosophy applies to Senior Management, whose remuneration is structured to reward leadership, innovation, and sustained contributions to the Company's growth. For confidentiality reasons, the total compensation ratio of the highest-paid executive is not disclosed.

Non-Executive Directors are remunerated through a fixed fee for their service on the Board and its Subcommittees. These fees are determined with reference to

prevailing market benchmarks and practices at comparable institutions. The Board reviews these fees annually to ensure they remain competitive and reflective of the scope and responsibilities of their roles.

**DIVISION OF RESPONSIBILITIES**

In line with global best practices in corporate governance, Alumex PLC has instituted a clear and structured division of responsibilities at the highest levels of leadership designed to prevent the concentration of power in any single individual. This division reinforces checks and balances while supporting effective oversight and strategic execution.



# CORPORATE GOVERNANCE

GRI 2-11

## Chairman

- ◆ Ensure that the Board is in control of the affairs of the Company.
- ◆ Efficient conduct of the Board Meetings.
- ◆ Ensure a balance of power between Executive and Non-Executive Directors
- ◆ Ascertain views of all Directors

## Senior Independent Director

- ◆ Uphold high standards of ethics, integrity and probity.
- ◆ Support executive leadership whilst monitoring their conduct.
- ◆ Promote high standards of corporate governance and compliance.
- ◆ Meet with Non-Executive Directors at least twice a year and Executive Directors at least once a year to facilitate discussion and communication of critical concerns and communicate same to Chairman.
- ◆ Be available to shareholders in case they have concerns which cannot, or should not, be addressed by the Chairman or Executive Directors
- ◆ Act on the results of any performance evaluation of the Chairman.
- ◆ Maintain sufficient contact with major, significant and minority shareholders assisting the Board to develop a balanced understanding of their issues.

## Managing Director

- ◆ Execute the strategic direction set by the Board of Directors
- ◆ Drive the development and implementation of the Company's business plans and long-term growth strategies.
- ◆ Ensure alignment of operations with Alumex's vision, mission, and core values.
- ◆ Oversee day-to-day business operations across all functions.
- ◆ Lead the senior management team to achieve performance objectives.
- ◆ Ensure operational efficiency, cost-effectiveness, and quality standards.
- ◆ Deliver the Company's financial targets and safeguard financial health.
- ◆ Monitor and manage financial performance, budgeting, and resource allocation.
- ◆ Ensure timely and accurate financial reporting in compliance with regulatory requirements.
- ◆ Identify, assess, and manage key business risks.
- ◆ Ensure compliance with all legal, regulatory, and corporate governance obligations.
- ◆ Uphold ethical business conduct and implement internal control mechanisms.
- ◆ Act as the key spokesperson and representative of Alumex to shareholders, regulators, business partners, and other stakeholders
- ◆ Foster positive relationships with key stakeholders including investors, customers, suppliers, and the community.
- ◆ Support the Board's stakeholder engagement strategy.
- ◆ Build and maintain a high-performance culture driven by strong values, accountability, and continuous learning.
- ◆ Ensure effective human capital development through leadership development, talent management, and succession planning.
- ◆ Promote diversity, equity, and inclusion across the organisation.
- ◆ Lead the implementation of the Company's ESG strategy and policies.
- ◆ Champion sustainability initiatives in line with Alumex's ESG roadmap and regulatory frameworks.
- ◆ Ensure integration of ESG goals into business operations and decision-making.
- ◆ Report regularly to the Board on business performance, risks, and strategic initiatives.
- ◆ Provide the Board with accurate, timely, and relevant information to support decision-making.
- ◆ Implement Board decisions and keep the Board informed of key developments.



## Company Secretaries

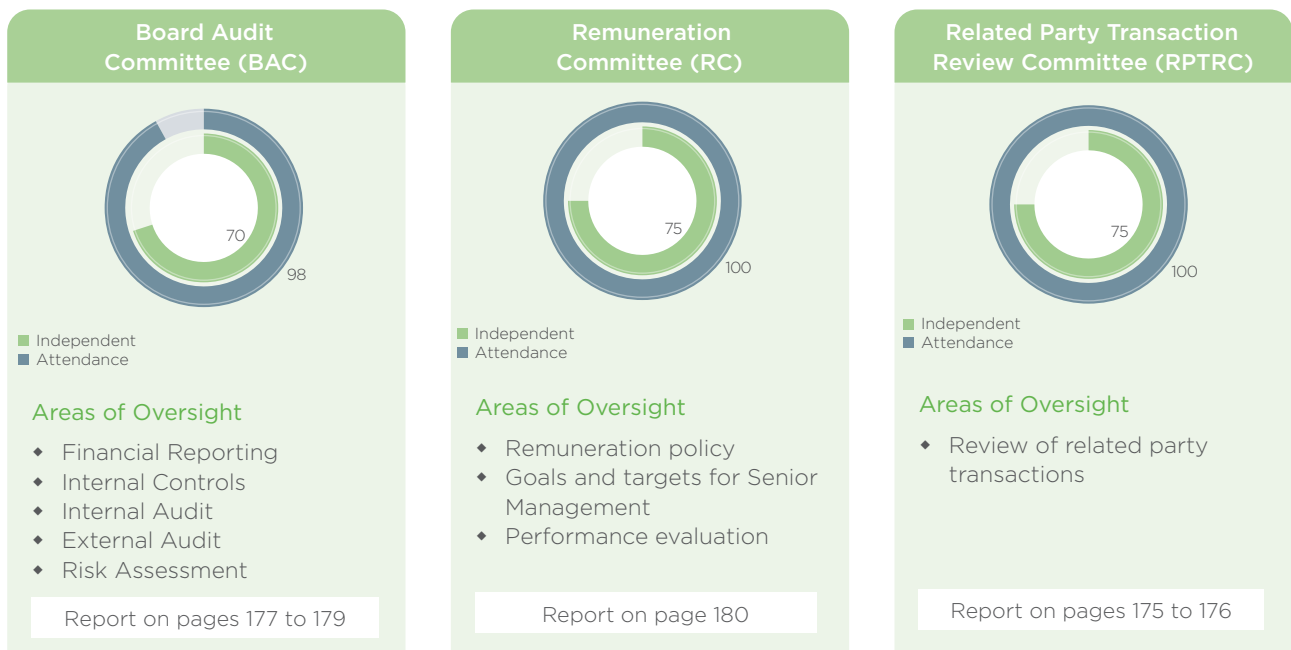
- ♦ Facilitating the efficient conduct of Board meetings and ensuring that all proceedings of meetings are properly minuted.
- ♦ Ensuring that all Board Committees are properly constituted and provided with clear terms of reference.
- ♦ Ensuring that an Annual General Meeting is held in line with regulatory requirements and that all notices, forms and reports necessary for the meeting are disseminated with approval of the Board.
- ♦ Maintaining minutes of the Annual General Meeting, maintaining the registers required by regulations.
- ♦ Filing of all statutory returns and documents with the Registrar of Companies.
- ♦ Advising the Directors with respect to their duties and responsibilities in compliance with regulatory requirements.
- ♦ Ensuring good relationships with shareholders.
- ♦ Making necessary disclosures on related parties and related party transactions.

BOARD COMMITTEES GRI 2-13,18

To assist in performing its oversight role, the Board has appointed several Subcommittees to provide oversight in specific key areas. Subcommittees operate in line with Board approved Terms of Reference (TOR's)

In compliance with the provisions of the CSE's new Listing Rules on Corporate Governance issued in 2023, the Alumex Board formally appointed its own Nomination and Governance Committee and Related Party Transactions Review Committee on 7th May 2024. Until such time the Nomination and Governance Committee and the Related Party Transactions Review Committee of the parent entity - Hayleys PLC, functioned as the Committees for Alumex.

New TOR's were drafted for both newly appointed committees and approved by the Board.



# CORPORATE GOVERNANCE



## DIRECTORS TRAINING

All newly appointed Directors to the Alumex Board benefit from a comprehensive induction programme. This orientation includes visits to the Company's manufacturing facilities to provide firsthand insight into operational processes. New Directors are also briefed on key regulatory requirements, including the Listing

Rules and other applicable laws, ensuring they understand their governance responsibilities from the outset.

The annual Board evaluation process helps identify ongoing training needs, which are then arranged by the Company Secretaries in collaboration with the Nomination and Governance Committee. Training typically

focuses on emerging regulatory changes, prudential standards, cybersecurity, ESG priorities, and shifting market dynamics is delivered through a combination in-house briefings, expert-led workshops, and accredited external courses that ensure Directors remain well informed and up to date.

The illustration shows a row of green wind turbines of varying heights against a light green background with geometric patterns.

### ACCESS TO INFORMATION

Directors are granted unrestricted access to all relevant information necessary to fulfil their duties effectively. This includes access to financial records, Board papers, management reports, and other operational data, enabling informed decision-making and effective oversight. Directors may also seek independent professional advice at the Company's expense, where necessary, to support their responsibilities. This right of access ensures transparency, accountability, and reinforces the Board's ability to act in the best interest of the Company and its stakeholders.

## Process for scheduling Board Meeting

### Before the Meeting

The Corporate Secretarial Division, in consultation with the Chairman and the MD, are responsible for setting the agenda for Board meetings. The agenda is carefully structured to ensure adequate time is allocated to address all key matters, including strategy, financial performance, industry developments, risk management, and regulatory compliance in order to facilitate meaningful discussions and informed decision-making.

A Board-approved procedure allows any Director to formally request, in writing, the inclusion of additional matters or proposals in the agenda. Once the agenda is finalised, a comprehensive information pack containing the meeting agenda and relevant Board papers is circulated to all Directors at least seven working days before the scheduled meeting.

### At the Meeting

All Board members are expected to come well prepared and actively participate in all matters outlined under the agenda. The Chairman / Chairperson of each Board committee will be called upon to provide an update on significant matters discussed at their respective Board sub-committee meetings, which are typically scheduled before the Board meeting.

The MD/CEO will be invited to provide a comprehensive update on the Group's business and operations to date as well as an overview of the context in which these outcomes were achieved, while selected members of the Corporate Management are also invited to make presentations on the items set out under the agenda.

The Company Secretaries maintains minutes of every Board meeting.

### After the Meeting

The Company Secretaries are required to submit the minutes of the meeting to the Chairman for approval prior to being circulated among the Directors and other members of Corporate Management who were present at the particular meeting. Minutes of the meetings are typically circulated within two weeks after the meeting date.

## BOARD MEETINGS

The regular Board meeting provides a structured form for Directors to review performance and assess risks and make informed decisions aligned with Alumex's long-term objectives. In addition to these planned sessions, the Board may also convene more frequently to address urgent matters, respond to emerging opportunities or challenges, and ensure timely decision-making.

## BOARD ATTENDANCE

The Board met quarterly. The attendance at these meetings are given below:

Name of the Director	Classification of the Directorship	No. of Meetings Eligible to Attend	No. of Meetings Attended
Mr. Mohan Pandithage - <i>Chairman</i>	Executive Director	4	4
Sarath Ganegoda - <i>Deputy Chairman</i>	Executive Director	4	3
Mr. Pramuk Dediwela - <i>Managing Director</i>	Executive Director	4	4
Mr. Rani De Silva - <i>Senior Independent Director</i>	Independent Non-Executive Director	4	4
Mr. Asghar Akbarally	Non-Executive Director	4	3
Dr. Harsha Cabral, PC	Non-Executive Director	4	3
Mr. Manoha Rajakariar	Independent Non-Executive Director	4	4
Mr. Jonathan Alles (Appointed to the Board w.e.f. 26th December 2024)	Independent Non-Executive Director	2	2
Mr. Prageeth Rajapaksha	Executive Director	4	4
Mr. Somasiri Munaweera (Resigned w.e.f. 3rd May 2025)"	Non-Executive Director	4	4

## BOARD AND BOARD SUBCOMMITTEE EVALUATION

The effectiveness of the Board and its Subcommittees undergoes an annual evaluation. As part of this process, all Directors are required to complete a self-assessment, providing their insights on the Board's balance and overall effectiveness.

## EVALUATING THE PERFORMANCE OF THE CEO

Alumex conducts an annual performance evaluation of its Managing Director at the close of each financial year. This comprehensive review assesses the Company's achievements against the strategic goals, targets, and objectives established at the beginning of the year.

# CORPORATE GOVERNANCE

## SECTION 1

Compliance with the Code of Best Practices on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

Alumex's commitment to adopt the Code of Best Practices on Corporate Governance and extent of adherence to the Listing Rules of Colombo Stock Exchange are summarised into four sections, purely for the convenience of our stakeholders.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
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## DIRECTORS

### A.1 The Board

The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of accounting, management, law, economics, engineering, marketing and business leadership. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on pages 28 to 33.

Board Meetings	A.1.1	Complied	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met four times during the year under review. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 149.
Board Responsibilities	A.1.2	Complied	<p>The Board is responsible to the shareholders for creating and delivering long-term sustainable shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy.</p> <ul style="list-style-type: none"> <li>• The Board has put in place a Corporate Management team led by the Managing Director with the required skills, experience and knowledge necessary to implement the business strategy of the Company.</li> <li>• The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management.</li> <li>• The Board ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.</li> </ul>
Compliance with Laws and Access to Independent Professional Advice	A.1.3	Complied	The Board, collectively, and Directors, individually, must act in accordance with the laws as applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense. This will be coordinated through the Company or the Company Secretaries when requested.
Board Secretary/ Company Secretary	A.1.4	Complied	The Company Secretaries, Hayleys Group Services (Private Limited) acts as the Board Secretary as well. All Directors have access to the advice and services of the Company Secretary as required. The Company Secretary keeps the Board informed of new laws and revisions, and regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.
Independent Judgement	A.1.5	Complied	All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Dedication of adequate time and effort by the Board and Board Committees	A.1.6	Complied	All Directors of the Company dedicate adequate time and effort to fulfilling their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.
Call for a Resolution to be Presented to the Board	A.1.7	Complied	Any Director can call for a resolution to be presented to the Board if deemed necessary.
Training for new and existing Directors	A.1.8	Complied	Both new and existing Directors of the Company are provided guidelines on general aspects of directorships and industry specific matters. In this regard, the Directors have recognised the need for continuous training, expansion of knowledge and to take part in such professional development as and when they consider it necessary and which would assist them to carry out their duties as Directors.

## A.2 Chairman and Chief Executive Officer (CEO)

There should be a clear division of responsibilities between the Chairman and Chief Executive Officer in order to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decision-making.

The roles of the Chairman and Chief Executive Officer function separately in the Company. The Chairman's main responsibility is to lead, direct and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director, who performs the role of the Chief Executive Officer, is responsible for the day-to-day operations of the Company.

Division of Responsibilities of the Chairman and Chief Executive Officer (CEO)	A.2	Complied	<p>The positions and functions of the Chairman and the Managing Director have been separated; the role of the Managing Director is to manage the day-to-day running of the Company.</p> <p>The Board has delegated this responsibility to the Managing Director and he then leads the Corporate Management team in making and executing operational decisions. The Managing Director is also responsible for recommending strategy to the Board.</p>
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## A.3 Chairman's Role

The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions.

Role of the Chairman	A.3.1	Complied	<p>The Chairman is as an outstanding business leader, provides leadership to the Board, controls and preserves order at Board meetings and provides the Board with strategic direction and guidance in managing the affairs of the Company.</p> <ul style="list-style-type: none"> <li>• The Chairman is also responsible for:</li> <li>• Ensuring the new Board Members are given an appropriate induction, covering terms of appointment.</li> <li>• The effective participation of both Executive and Non-Executive Directors.</li> <li>• All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company.</li> <li>• A balance of power between Executive and Non-Executive Directors is maintained.</li> <li>• The views of Directors on issues under consideration are ascertained.</li> </ul>
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# CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
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## A.4 Financial Acumen

The Code requires that the Board comprises Members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as some of the Board Members are qualified accountants having professional qualifications and are equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.

Financial Acumen and Knowledge	A.4	Complied	The Board comprises five Chartered Accountants (CA Sri Lanka) and two Management Accountant (CIMA-UK). One of them serves as Chairman of the Audit Committee. These Directors add substantial value and independent judgment to the decision-making of the Board on matters concerning finance and investment.
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## A.5 Board Balance

The Code requires that a balance is maintained between the Executive and Non- Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making.

During the period under review, the Board consists of four (04) Executive Directors and six (6) Non-Executive Directors. Mr. Dushan Waduwaala appointed to the Board w.e.f. 3rd May 2025 as an Executive Director and Mr. Somasiri Munaweera who served as a Non-Executive Director resigned from the Board w.e.f. 3rd May 2025. Each of them brings to the Board wide experience and the ability to exercise independence and judgment when taking informed decisions.

Presence of Non-Executive Directors	A.5.1	Complied	During the period under review, six (06) out of the ten (10) Directors are Non-Executive Directors, which is well above the minimum number prescribed by this Code.
Independent Non-Executive Directors	A.5.2	Complied	Three (03) out of Six (06) Non-Executive Directors are independent as defined by the Code. The Board has determined that the Independent Non-Executive Directors satisfy the criteria for "Independence" set out in the Listing Rules.
Criteria to Evaluate Independence of Non-Executive Directors	A.5.3	Complied	Please refer Section A.5.5 below. The Board considers Non-Executive Director's independence on an annual basis. For a Director to be deemed 'independent', such a Director should be independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
Annual Declaration of Independence - Non-Executive Directors	A.5.4	Complied	Each Non-Executive Director has submitted declaration stating the independence or non-independence in a prescribed format. This information is made available to the Board.
Determination of Independence of the Board	A.5.5	Complied	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually.
Alternate Directors	A.5.6	Complied	None of the Directors have appointed alternate Directors.
Senior Independent Director	A.5.7	Complied	The Chairperson is not the CEO of the Company, however, he is not an Independent Director. In order to comply with the Listing Rules of the Colombo Stock Exchange and the Code, the Company has appointed a Senior Independent Director (SID).  Please refer page 184 to the statement by Senior Independent Director (SID) given in this report.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Confidential Discussions with Senior Independent Director	A.5.8	Complied	A Senior Independent Director is available for confidential discussions with other Directors who may have concerns which pertain to significant issues that are detrimental to the Company.
Chairman's meeting of Non-Executive Directors	A.5.9	Complied	The Chairman meets with the Non-Executive Directors without the presence of Executive Directors, whenever necessary.
Recording of Concerns in Board Minutes	A.5.10	Complied	Concerns raised by the Directors which cannot be unanimously resolved during the year, if any, are recorded in the Board Minutes with adequate details.

### A.6 Supply of Information

Management should provide time-bound information in a format that is appropriate and enables the Board to discharge its duties. Financial and non-financial information is analysed and presented to the Board to make informed and accurate decisions.

Obligation of the Management to Provide Appropriate and Timely Information to the Board	A.6.1	Complied	The Board was provided with timely and appropriate information by the Management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
Adequate time for Effective Board Meetings	A.6.2	Complied	The minutes, agenda and papers required for Board meetings are provided in advance to facilitate its effective conduct.

### A.7 Appointments to the Board

The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.

Nominations and Governance Committee	A.7.1	Complied	The Nomination and Governance Committee was established on 7th May 2024. The Committee comprises three Independent Non-Executive Directors and one Non-Executive Director LKR Mr. Jonathan Alles was appointed to the Committee w.e.f. 2nd May 2025. Please refer Committee Report on pages 181 to 183.
Assessment of Board Composition by the Nominations and Governance Committee	A.7.2	Complied	The Nominations and Governance Committee annually assesses Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessment are taken into account when new Board appointments are considered.  Please refer Committee Report on pages 181 to 183.
Succession plan for Chief Executive Officer (CEO)	A.7.3	Complied	The Committee ensure that there is a succession plan for the CEO and for all Key Management Personnel and determine the training and development requirements for those identified.
Disclosure of required details to shareholders on new appointments to the Board	A.7.4	Complied	When new Directors are appointed, a brief resume of each such Director, including the nature of his expertise, the names of companies in which the Director holds directorships, memberships in Board Subcommittees etc., are reported to the Colombo Stock Exchange (CSE) in addition to disclosing this information in the Annual Report. Further, any changes in the details provided by the Directors are disseminated to the CSE without delay.  The profiles of the above Directors are given on pages 28 to 33.
The Nominations and Governance Committee disclosure in Annual Report	A.7.5	Complied	The Nominations and Governance committee report given on pages 181 to 183.

# CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Terms of reference for Nominations and Governance Committee	A.7.6	Complied	Terms of reference for the Nominations and Governance Committee are in compliance to the schedule "E" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.

## A.8 Re-Election

The Code requires all Directors to submit themselves for re-election at regular intervals and at least once every three years.

Appointment of Non-Executive Directors, Chief Executive Officer and Directors	A.8.1	Complied	<p>The provisions of the Company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting and seek reappointment by the shareholders at that meeting.</p> <p>The Articles call for one-third of the Directors in office to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment / reappointment. Retiring Directors are generally eligible for re-election.</p> <p>Accordingly, Mr. Pramuk Dediwela, Prageeth Rajapaksha and Mr. Sarath Ganegoda, retire by rotation and being eligible to offer themselves for re-election.</p>
Election of Directors by Shareholders	A.8.2	Complied	The names of the Directors submitted for election or re-election are accompanied by a resume to enable shareholders to make an informed decision on their election at the AGM.
Prior Communication of Resignation of a Director	A.8.3	Complied	In the event of a Director resigning prior to the completion of his appointed term, written communication should be provided to the Board of his reasons for resignation.

## A.9 Appraisal of Board Performance

The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.

Annual Performance Evaluation of the Board and its Committees	A.9.1 & 9.2	Complied	The Chairman and Remuneration Committee evaluate the performance of the Executive Directors periodically. The Board undertakes an annual self-evaluation of its own performance and of its Committees. The Board evaluated its performance and effectiveness in the year under review.
Evaluation at Re-Election	A.9.3	Complied	Board reviews the participation, contribution and engagement of each Director at the re-election.
Disclosure on Performance Evaluation Criteria	A.9.4	Complied	<p>Evaluation criteria with regard to Executive Directors are financial and non-financial targets set at the beginning of the year through the annual corporate plan.</p> <p>Criteria relating to evaluation of Board Committees are the performance against their duties referred in respective committee reports. Refer pages 175 to 183.</p>

## A.10 Disclosure of Information in Respect of Directors

Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Details in Respect of Directors	A.10.1	Complied	The following details pertaining to each Director are disclosed as follows: a) Brief profile with expertise and experience – pages 28 to 33. b) Directors' Interest in transactions and shareholding page 169. c) Attendance at the Board Meetings held during the year page 149.

#### A.11 Appraisal of Chief Executive Officer GRI 2-18

The Board of Directors should annually assess the performance of the Managing Director who performs the role of the Chief Executive Officer.

Targets for Managing Director	A.11.1	Complied	Prior to the commencement of each financial year, the Board sets reasonable financial and non-financial targets which are in line with short, medium and long-term objectives of the Company, achievement of which should be ensured by the Managing Director.
Evaluation of the Performance of the Managing Director	A.11.2	Complied	The performance is evaluated by the Board at each Board Meeting and the overall evaluation at the end of each fiscal year in order to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.

### DIRECTORS' REMUNERATION GRI 2-19,20,21

#### B.1 Remuneration Procedure

This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective Remuneration Policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.

Establish process for developing policy on executive and director remuneration.	B.1	Complied	Please refer page 180 for the Remuneration Committee report.
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#### B.2 The Level and Make-Up of Remuneration

The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.

Level and Make-Up of the Remuneration Packages of Executive Directors	B.2.1	Complied	The Board is mindful of the fact that the remuneration of Executive Directors should reflect the market expectations and is sufficient enough to attract, retain and motivate Executive Directors of required competence in order to run the Company.
Executive Directors' remuneration	B.2.2	Complied	Executive Directors' remuneration has been designed to promote the long-term success of the Company.
Competitiveness in Levels of Remuneration	B.2.3	Complied	The Remuneration Committee ensures that the remuneration of Executives of each level of Management including Executive Directors is competitive and in line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is competitive and in line with those of comparative companies.
Comparisons of Remuneration with Other Companies in the Group	B.2.4	Complied	The Remuneration Committee reviews data concerning Executive pay among the Group Companies.

# CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Performance-related elements of Remuneration for Executive Directors	B.2.5	Complied	Performance-based incentives have been determined by the Remuneration Committee to ensure that the total earnings of the Executive Directors are aligned with the achievement of objectives and budgets of the Group companies.
Executive Share Options	B.2.6	N/a	Presently the Company does not have an Executive Share Option Scheme.
Designing Schemes of Related Remuneration	B.2.7	Complied	The Remuneration Committee follows the provisions set out in Schedule E of the Code as required.
Early termination of Executive Directors	B.2.8	Complied	Termination of Executive Directors are governed by their contracts of service/employment.
Share Option Scheme	B.2.9	Complied	Presently the Company does not have an Executive Share Option Scheme.
Levels of Remuneration of Non-Executive Directors	B.2.10	Complied	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices.
Compensation, Commitments in the event of early termination and dealing with early termination	B.2.11 B.2.12	Complied	There are no provisions for compensation for early termination in the letter of contract. However, the Directors would determine this on a case by case basis.
Levels of Remuneration for Non-Executive Directors	B.2.13 B.2.14	Complied	The Remuneration Committee determines the level of remuneration for Non-Executive Directors considering the time commitment and responsibilities of their role and market practices. Remuneration for Non-Executive Directors does not include share options.
Listing of Chairman and Remuneration Committee members in the annual report	B.2.15	Complied	The Chairman and Members of the Remuneration Committee should be listed in the annual report each year.  Please refer the remuneration committee report in page 180.
Terms of Reference	B.2.16	Complied	The Committee has well defined Terms of Reference.

## B.3 Disclosure of Remuneration

The Code requires the Company to disclose in its Annual Report the details of the remuneration paid and the Remuneration Policy.

Disclosure of Remuneration	B.3.1 B.3.2	Complied	Please refer page 213 for the total Directors' remuneration. Remuneration is reported in note 8.1 to the financial statements.
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## C. RELATIONS WITH SHAREHOLDERS

### C.1 Constructive Use of the Annual General Meeting (AGM) and Conduct of General Meetings

The Code requires the Board to use the AGM, which is a major event in the Company's calendar, to communicate with shareholders and encourage their active participation. In this regard, all shareholders of the Company receive the Notice of Meeting within the statutory due dates.

Adequate Notice of the AGM to Shareholders	C.1.1	Complied	A copy of the Annual Report including Financial Statements, Notice of the Meeting and the Form of Proxy are sent to shareholders 15 working days prior to the date of the AGM, as required by the statute, in order to provide the opportunity to all the shareholders to attend the AGM.
Separate resolution for substantially separate issues and adoption of Annual Report and Accounts	C.1.2	Complied	The Board remains mindful of being accountable to shareholders and the need for transparency at all levels, striving to maintain its value framework in all shareholder dealings and communications.



Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Use of Proxy Votes	C.1.3	Complied	The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.
Availability of all Board Sub Committee Chairmen at the AGM	C.1.4	Complied	The Chairman of the Company ensures the Chairman of the Committees are available to answer questions at the AGM, if so requested by the Chairman.

## C.2 Communication with Shareholders GRI 2-12

The Code requires the Board to implement effective communication with shareholdeLKR

Channel to reach all Shareholders	C.2.1	Complied	<p>The main mode of communication between the Company and the shareholders is the Annual General Meeting. Shareholders are provided with the information prior to the AGM.</p> <p>Further, financial and other announcements are promptly submitted to CSE to publish on the CSE website.</p> <p>Comments and suggestions can be sent through <a href="mailto:info.sec@hayleys.com">info.sec@hayleys.com</a>, Company Secretaries answers queries which are being made by the shareholders where necessary.</p>
Policy Methodology for communication with shareholders	C.2.2	Complied	<p>An Open Door Policy is in place, which enables shareholders to keep in constant touch, visit and obtain information from the Company Secretary and Investor Relations Department and engage in dialogue.</p> <p>Contact details are published in all annual and quarterly financial reporting.</p> <p>A policy on Shareholder and Investor Communication has been also established and available on the Company's website</p>
Implementation of the Policy and Methodology for Communication with Shareholders	C.2.3	Complied	Please refer C.2.4 and C.2.5 for the implementation of the policy and methodology.
Contact person for communication	C.2.4 & C.2.6	Complied	Shareholder communication is with the Company Secretaries, Hayleys Group Services (Private) Limited (Ms. C. Gunawardena - Tel +94 112627653).
Process to make directors aware of major issues and concerns of shareholders	C.2.5	Complied	The Company Secretary maintains a record of all correspondence received. All major issues and concerns of the shareholders are referred to the Board of Directors with the views of the Management.
Response to the shareholders' matters	C.2.7	Complied	The process for responding to shareholder matters has been formulated by the Board and disclosed. Such matters are responded to the shareholder meetings, publications at the Colombo Stock Exchange or through communication by the Company Secretary to the shareholdeLKR

## C.3 Major Transactions

Directors should disclose to shareholders all proposed corporate transactions which, if entered into, would materially alter/vary the Company's net asset base or the consolidated Group's net asset base.

## CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Disclosure on proposed major transactions	C.3.1	Complied	During the year, there were no major transactions as defined by Section 185 of the Companies Act which materially affect the net asset base of the Company or the Group's consolidated net asset base.
Shareholders' approval by special resolution	C.3.2	Complied	During the year, there were no transactions/events which require approval by way of a special resolution. Complied the disclosure requirements and approval by special resolution as required by the rules and regulations by SEC and the CSE.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
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### 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.

Board's responsibility for statutory and regulatory reporting that is true and fair, balance and understandable	D.1.1 and D.1.2	Complied	The Board has recognised the responsibility to present regulatory and statutory reporting in a balanced and understandable manner. When preparing quarterly and annual financial statements, the Company complied with the requirements of the Companies Act and prepared and presented them in accordance with Sri Lanka Accounting Standards and Sri Lanka Financial Reporting Standards. The Company has complied with the reporting requirements prescribed by the Colombo Stock Exchange.
Declaration by Chief Executive Officer and Chief Financial Officer on the Financial Reporting	D.1.3	Complied	Chief Executive Officer and Chief Financial Officer have made all required declarations in the 'Responsibility Statement of Chairman, Managing Director and Chief Financial Officer' which appears on page 173.  The 'Statement of Directors' Responsibility' is given on page 174 See the 'Auditors' Report' on page 191 to 193 for the reporting responsibility of AuditorLKR
Declarations by Board	D.1.4	Complied	Directors have made all necessary declarations.  Refer the Directors' Report in Annual report pages 168 to 172.
Statement of Boards and Auditors Responsibility and Statement of Internal Control	D.1.5	Complied	This is given in the 'Annual Report of the Board of Directors' on Pages 168 to 172 and the 'Statement of Directors' Responsibility' on page 174 and pertains to required declarations.
Management Discussion and Analysis	D.1.6	Complied	See 'Management Discussion and Analysis' on pages 23 to 81.
Summon an EGM to Notify Serious Loss of Capital	D.1.7	Complied	Reason for such an EGM has not risen as yet but would be complied with if such a situation arises.
Disclosure of Related Party Transactions	D.1.8	Complied	The Directors have instituted an effective and comprehensive system of internal control for identifying, recording and disclosing related party transactions.  All related party transactions, as defined in Sri Lanka Accounting Standard - (LKAS 24) on 'Related Party Transactions, are disclosed in Note 28 to Financial Statements.

#### D.2 Risk Management and Internal Control

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
The Board should have a sound system of internal controls to safeguard shareholders' investments and the Company's assets.			
Annual evaluation of the Internal Controls System	D.2.1	Complied	The Board is responsible for the Company's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time. The Hayleys Management Audit & System Review Department (MA & SRD) plays a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. The MA & SRD's reports are made available to the Chairman and Managing Director and the Chairman of the Audit Committee. The Board has reviewed the effectiveness of the system of financial controls for the period up to the date of signing the accounts. There is a direct channel of communication between the Head of MA & SRD and the Chairman of the Audit Committee without the interference of any Directors or Executives.
Assessment of Principle Risks Facing the Company	D.2.2	Complied	A robust assessment and risks involved in the Company has been carried out and the status is renewal at every meeting. Mitigating actions have been identified and progress is continuously reviewed. Refer pages 76 to 81 for Risk Management.
Need for Internal Audit Function	D.2.3	Complied	This is not applicable as the Hayleys Management Audit & System Review Department (MA & SRD) is responsible for the internal audit function of the Company.
Review of the Process and Effectiveness of Risk Management and Internal Control	D.2.4	Complied	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.
Directors' Responsibility of Maintaining a Sound Internal Control System	D.2.5	Complied	Please refer Statement of Directors' Responsibilities on page 174.
<b>D.3. Audit Committee</b>			
The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor.			
Composition of the Audit Committee	D.3.1	Complied	<p>The Committee Comprises of three Independent Non-Executive Directors and one Non-Executive Director. Mr. Somasiri Munaweera, a Non-Executive Director resigned from the Company w.e.f. 3rd May 2025.</p> <p>Hayleys Group Services (Private) limited, the Company Secretaries serves as its Secretary.</p> <p>The Chairman, Managing Director and the Finance Director and the Hayleys Group CFO are invited to attend meetings as required. The input of the statutory auditors will be obtained where necessary.</p> <p>The Audit Committee is required to help the Company to achieve a balance between conformance and performance.</p>

# CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Duties of the Audit Committee	D.3.2	Complied	<p>The Audit Committee keeps under review the scope and results of the audit and its effectiveness, and the independence and objectivity of the audit. LKR Review of nature and extent of non-audit services provided by the auditors to seek balance objectivity and independence.</p> <p>Refer Audit Committee report on pages 177 to 179 for the duties.</p>
Terms of Reference of the Audit Committee	D.3.3	Complied	<p>Terms of Reference of the Audit Committee is clearly defined in the Charter of the Audit Committee approved by the Board of Directors. LKR This clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee. The Committee is required mainly to deal with the matters pertaining to statutory and regulatory compliance in financial reporting, matters with regard to the External Auditors, Internal Audit and Risk Management procedures of the Company.</p> <p>Please refer Audit Committee report on pages 177 to 179.</p>
<b>D.4 Risk Committee</b>			
Risk Committee	D.4	Complied	<p>The Board of Directors reserve the primary responsibility on Business Risk Management. The scope of the Audit Committee has been widened to include risk management duties.</p> <p>Refer to the Audit Committee Report on pages 177 to 179 of this Annual Report for further information.</p>
<b>D.5 Related Party Transactions Review Committee</b>			
The Company should establish a procedure that it will not engage in "Related Party Transactions" which is more favourable treatment than with third parties in the normal course of business.			
Adhere to LKAS 24	D.5.1	Complied	Related party transactions are defined as in LKAS 24.
Related Party Transactions Review Committee	D.5.2	Complied	<p>The Committee is appointed by and is responsible to the Board of Directors and comprises three Independent Non-Executive Directors and one Non- Executive Director. Mr. Jonathan Alles was appointed to the Committee with effect from 2nd May 2025.</p> <p>Refer Report of the Related Party Transactions Review Committee on pages 175 to 176 of this Annual Report.</p>
Terms of References of Related Party Transactions Review Committee	D.5.3	Complied	Written terms of reference of the Committee are available. Please refer Related Party Transactions Review Committee Report on pages 175 to 176.
<b>D.6 Code of Business Conducts and Ethics</b>			
The Company should develop a Code of Business Conduct and Ethics for Directors and Members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or other LKR			
Code of Business Conduct and Ethics	D.6.1	Complied	<p>The Company has developed a Code of Conduct for its employees. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behaviour, among a range of other criteria.</p>

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
Material and Price Sensitive Information	D.6.2	Complied	Material and price sensitive information is promptly identified and reported to the shareholders via Colombo Stock Exchange notices.
Policy and Disclosures on Share Purchases by Directors	D.6.3	Complied	The Company has a policy and process for monitoring and disclosure of shares purchased by any Director, key management personnel or any other employee involved in financial reporting. All disclosures are duly made in the Colombo Stock Exchange.
Affirmative Statement by the Chairman	D.6.4	Complied	See the 'The Chairman's Statement' on pages 14 to 17 for required details.

#### D.7 Corporate Governance Disclosures

Directors of the Company disclose annually the Company's adherence to the Code of Best Practices on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

Disclosure of Corporate Governance	D.7.1	Complied	The extent to which the Company adheres to established principles and practices of good Corporate Governance is disclosed in this report.
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## SECTION 2

### E. INSTITUTIONAL INVESTORS

#### E.1 Shareholders' Voting

Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.

Communication with Shareholders	E.1.1	Complied	In order to avoid conflicts of interest by nurturing mutual understanding, the Board carries out dialogues with its shareholders at General Meetings. In this regard, the AGM of the Company plays a critical role. Voting by the shareholders are crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the shareholders to the Board and the Senior Management, in order to ensure that the views are properly communicated to the Company.
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#### E.2 Evaluation of Governance Disclosures

The Code requires the Company to encourage institutional investors to give due weightage to all relevant factors drawn to their attention.

Due weightage by Institutional Investors	E.2.1	Complied	The institutional investors are encouraged to give due weightage to all relevant matters relating to Board structure and composition.
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### F. OTHER INVESTORS

#### F.1 Investing/Divesting Decisions

Seek Independent Advice	F.1	Complied	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. The Company's website serves to provide a wide range of information on the Group.
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#### F.2 Shareholder Voting

Encourage Voting by Individual Investors	F.2	Complied	Individual shareholders are encouraged to participate in General Meetings of the Company and exercise their voting rights.
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# CORPORATE GOVERNANCE

## SECTION 03

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
<b>G. Internet of Things and Cybersecurity</b>			
Internal and External IT Devices Connected to the Business Model	G.1	Complied	Connection of internal and external IT devices to the organisation network has been allowed with necessary access controls and firewalls to safeguard the integrity of information.
Cyber Information Security Officer and Cyber Security Risk Management Policy	G.2	Complied	The Hayleys Group Chief Information Security Officer (CISO) continuously monitors and reviews the security requirements of the Company's information system and has introduced and implemented a Cyber Security Risk Management Policy.
Discussions on Cyber Risk Management	G.3	Complied	This is a regular agenda item of the risk management discussion of the Board and has been given due attention.
Independent Periodic Reviews and Assurance	G.4	Complied	Periodic reviews are carried out by the external auditors and consultants and observations are submitted to the Board for review and actions.
Disclosure on Cyber Security Risk Management	G.5	Complied	A detailed disclosure has been made on the cyber security process in this Annual Report. Please refer Information Technology & Cyber Security on page 162.
<b>H. Sustainability, ESG Risk and Opportunities</b> <span>GRI 2-16</span>			
Provision of Information on ESG	H.1.1	Complied	The Company has included the environmental, social and governance factors in its business models and provided sufficient information on all aspects in the Annual Report. Refer pages 58 to 59.
Process to recognise significant stakeholders and material matters	H.2.1	Complied	The Company has a process to recognise significant shareholders and material matters relating to significant stakeholders. A method of engagement relevant to their level of interest and influence is adopted.
The Environment	H.3.1.1	Complied	The Company adopts an integrated approach which mitigates the environmental threats and improves best practices in Company's engagements to fulfill the obligation towards the environment. Such best practices are pollution prevention, sustainable resource use, protection of environment and restoration of natural resources. Refer pages 125 to 131.
Social Factors	H.3.1.2	Complied	The Company adopts an integrated approach to build strong relationships with the community and strives towards sustainable development. Refer pages 116 to 124.
Governance	H.4	Complied	The Company has established a governance structure to support its ability to create value and manage risks on all pertinent aspects of ESG. Refer Corporate Governance on pages 134 to 167 and Risk Management on pages 76 to 81 in this Annual Report.
Disclosure relating to ESG in Annual Report	H.5.1 H.5.3	Complied	This report contains sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognised, managed, measured and reported. Please refer page 58
Board's role on ESG Factors	H.5.4	Complied	The Annual Report complies with the integrated framework and the GRI Standards for sustainability reporting.



Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance 2024/25
<b>I. Special Consideration for Listed Companies</b>			
Policies	I.1	Complied	The Company has adopted and published on its website policies relating to the Board of Directors, Corporate Governance, Nominations and Re-Election, Rewards and Remuneration, Board Committees, Risk Management and Internal controls, Relations with Shareholders, Environment, Social and Governance Sustainability, Corporate Disclosures, Internal Code of Ethics and Business Conducts for all Directors and Employees, Control and Management of Company Assets and Shareholder Investments, Whistleblowing and Anti Bribery and Corruption.  The Company will provide any of the above policies to its shareholders upon a written Request.
Policy on Matters Relating to the Board of Directors	I.2.1	Complied	The Company has established and maintained a formal policy governing the matters relating to the Board of Directors, which is available on its Corporate Website.
Confirmation of Compliance	I.2.2	Complied	The Company confirms its compliance with the policy on matters relating to Board of Directors

## SECTION 04

### COLOMBO STOCK EXCHANGE LISTING RULED SECTION 7

#### Statement of Compliance

This section covers Alumex PLC's extent of adherence to the requirements of the Continuing Listing Requirements under the Section 7 issued by the Colombo Stock Exchange.

Rule No.	Corporate Governance Principles	Compliance Status	Reference in this report
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Complied	Report of the Board of Directors Pages 168 to 172.
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	Complied	Share Information pages 238 to 239.
7.6 (v)	Directors' and CEO's (MD's) holding in shares	Complied	Report of the Board of Directors Pages 168 to 172. Risks and Opportunities on pages 76 to 81.
7.6.(vi)	Material foreseeable risk factors of the entity	Complied	Risks and Opportunities on page 53.
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Complied	Human Capital on pages 102 to 115.
7.6 (viii)	Extents, locations, valuations, number of buildings	Complied	Statement of Value of Real Estate Page 219.
7.6 (ix)	Number of shares representing the Entity's stated capital	Complied	Notes to the Financial statements - Stated Capital page 225.

## CORPORATE GOVERNANCE

Rule No.	Corporate Governance Principles	Compliance Status	Reference in this report
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Complied	Share Information pages 238 to 239.
7.6 (xi)	Ratios and Market Price Information	Complied	Refer pages 238 to 249.
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Complied	Notes to the Financial statements Please refer pages 218 to 219.
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	N/A
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules.	Complied	Corporate Governance Report Pages 134 to 167.
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	Complied	Refer Related party transactions on pages 175 to 176.

### COLOMBO STOCK EXCHANGE LISTING RULED SECTION 9

#### Statement of Compliance

This section covers Alumex PLC's extent of adherence to the requirements of the Corporate Governance Rules under the Section 9 issued by the Colombo Stock Exchange.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	The Company's' Extent of Adoption
9.2.1	Policies	Compliant	<p>The Company has adopted the following policies, and has uploaded them to the Company's website (<a href="http://www.alumexgroup.com">www.alumexgroup.com</a>) in accordance with the Corporate Governance Rules of the Colombo Stock Exchange;</p> <p>Policy on matters relating to the Board of Directors</p> <p>Policy on Board Committees.</p> <p>Policy on Corporate Governance.</p> <p>Policy on Shareholder and Investor Communication.</p> <p>Policy on Risk Management and Internal Controls.</p> <p>Policy on Rewards and Remuneration.</p> <p>Policy on Whistleblowing.</p> <p>Policy on Anti-Bribery and Corruption.</p> <p>Policy on Corporate Disclosures.</p> <p>Policy on Control and Management of Company Assets and Shareholder Investments.</p> <p>Policy on Internal Code of Ethics and Business Conducts.</p> <p>Policy on Environmental Social and Governance Sustainability (Social Policy and Environmental Policy).</p> <p>The Alumex Way – Code of Business Principles.</p> <p>The Company will provide any of the above policies to its shareholders upon a written Request.</p>
9.3	Board Committees	Compliant	<p>The Company has established Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee</p>

CSE Rule Reference	Corporate Governance Principles	Compliance Status	The Company's' Extent of Adoption
9.3.2	Composition and Disclosures	Compliant	All the Committees comply with the required rules. Please refer the respective Committee Reports.
9.3.3	Chairperson of Board Committees	Compliant	Chairperson of Board Committees is not the Chairperson of the Board
9.4.1	Meeting Procedures	Complaint	Company maintains records of all resolutions passed at General Meetings.
9.4.2	Communication and Relations with shareholders	Complaint	<p>The Company has a Shareholder Communication and Relations policy and it is published on the corporate website.</p> <p>Shareholder communication is with the Company Secretary Hayleys Group Services (Private) Limited (Ms. C. Gunawardena - Tel +94 11 2627653).</p> <p>The policy includes a process whereby Directors are informed of major issues and concerns of shareholdeLKR</p>
9.5.	Policy on matters relating to the Board of Directors	Complaint	<p>The Company maintains a Policy on Matters relating to the Board of DirectoLKR</p> <p>The policy specifies the minimum number of meetings which a Director is required to attend, which is fifty percentage of the meetings.</p>
9.6.2	Chairperson and CEO	Complaint	The position of Chairperson and CEO are held by separate individuals.
9.6.3	Senior Independent Director	Complaint	The Company has a Senior Independent Director (SID) since the Chairperson is an Executive Director.
9.6.3. (b)	Senior Independent Director	Complaint	The SID holds a meeting once a year with the Independent Directors without the presence of other Directors to discuss matters and concerns relating to the Company.
9.6.3. (c)	Senior Independent Director	Complaint	The SID holds a meeting once a year with the Non-Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.
9.6.3. (e)	Senior Independent Director	Complaint	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in page 184.
9.6.4	Rationale for appointing Senior Independent Director	Compliant	The rationale is given in the Statement of the Senior Independent Director.
9.7.1	Fitness of Directors and CEO	Complaint	The Company ensures that the persons recommended by the Nominations and Governance Committee fulfill the assessment criteria set out in the Listing Rules
9.7.4	Fitness of Directors and CEO	Complaint	The Directors and the CEO has provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.
9.7.5	Disclosures in the Annual Report	Compliant	Pages 168 to 172 of the Annual Report provides the relevant disclosure.
9.8.1	Minimum number of Directors	Compliant	The Board consisted of 10 Directors up to 31st March 2025.
9.8.2	Independent Directors	Compliant	Three Directors are Independent

## CORPORATE GOVERNANCE

CSE Rule Reference	Corporate Governance Principles	Compliance Status	The Company's' Extent of Adoption
9.8.3	Independent Directors	Compliant	All NEDs have submitted their confirmations on Independence as per the criteria set by the Company, which is in line with the regulatory requirements.
9.8.5	Disclosure relating to Directors	Compliant	Each ID signed and submitted a declaration regarding his/her independence. The Board assessed the independence declared by the Director.
9.9	Alternate Directors	N/a	The Board does not have any Alternate Directors.
9.10.(1)	Disclosure relating to Directors	Compliant	Company Policy on maximum number of Directorships which a Director can hold in listed companies is 20.
9.10.2	Disclosure relating to Directors	Compliant	Disclosed the appointments of new Directors to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Listed Entity. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board.  Please refer pages 28 to 33 for the brief resume of each Director.
9.10.3	Disclosure relating to Directors	Compliant	All changes to Board of Directors and Board Committees were immediately informed to the Colombo Stock Exchange.
9.10.4	Disclosure relating to Directors	Compliant	Pages 28 to 33 of the Annual Report contains the relevant information
9.11.1-3	Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 181 to 182.
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises three Independent Non-Executive Directors and one Non-Executive Director.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on pages 181 to 182.
9.11.6	Disclosure in the Annual Report	Compliant	Refer the Nominations and Governance Committee Report on pages 181 to 182.
9.12.1	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 180 and Principles B1 to B3 on page 155 to 156 of this Corporate Governance Report.
9.12.5	Terms of Reference of Remuneration Committee	Compliant	The Remuneration Committee has written Terms of Reference.
9.12.6	Composition of the Remuneration Committee	Compliant	The Remuneration Committee of the Company comprises two Independent Non-Executive Directors and One Non-Executive Director.  The Chairperson is an Independent Director.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	The Company's' Extent of Adoption
9.12.7	Functions of Remuneration Committee	Compliant	The remuneration Committee recommends the remuneration payable to the Executive Directors and the CEO. The remuneration paid to Directors is given in note 8.1 to the financial statements on page 180. Refer Remuneration Committee Report on page 180.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	
9.13.1	Composition of Audit Committee	Compliant	The Audit Committee comprises three Independent Non-Executive Directors and one Non-Executive Director. Mr. Somasiri Munaweera, a Non-Executive Director, who also served as a member of the Audit Committee, resigned from the Company w.e.f. 3rd May 2025.
9.13.4	Audit Committee Functions	Compliant	The Committee has well defined Terms of Reference defining its scope, authority and duties.
9.13.5	Disclosure in the Annual Report relating to Audit Committee	Compliant	Refer Audit Committee Report on pages 177 to 179.
9.14. 1 9.14.2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	RPTRC comprises four Directors out of which three Directors are Independent. Please see the Report of the Related Party Transactions Review Committee in pages 175 to 176.
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the Related Party Transaction Review Committee in pages 175 to 176.
9.14.4	RPTRC Meetings	Compliant	The committee meets on a quarterly basis. During the financial year 2024/25, the Committee met four times to review the related party transactions.
9.14.7	Immediate Disclosures	Compliant	Please refer Note 27 of the Notes to the Accounts on pages 228 to 232.
9.14.7	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Compliant	Please refer Note 27 of the Notes to the Accounts on pages 229 to 232.
9.14.8	The Report by the Related Party Transaction Review Committee	Compliant	Please refer the Report of the Related Party Transaction Review Committee on pages 175 to 176.
9.14.8 (4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on pages 168 to 172.
9.16	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 168 to 172.

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

## GENERAL

The Board of Directors of Alumex PLC (“the Company”) have pleasure in presenting the Annual Report of the Board of Directors on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March 2025.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007 (“the Companies Act”), the Listing Rules of the Colombo Stock Exchange (CSE), the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka and are guided by recommended best accounting practices.

The Financial Statements were reviewed and approved by the Board of Directors on 2nd May 2025.

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW OF THE YEAR

The principal activities of the Company are manufacturing and selling dies and Aluminium extrusions. There were no significant changes in the activities of the Company in the year under review. A review of Company performance during the year with brief comments on the financial results and prospects is contained in the Chairman’s Review of this Annual Report. These reports together with the Financial Statements reflect the state of affairs of the Company.

There has been no non-compliance with laws or regulations and the Directors to the best of their knowledge and belief, confirm that the Company has not engaged in any activity that contravenes

applicable laws and regulations. There have been no material fines imposed on the Company by the Government or any regulatory authority in any jurisdiction where the Company operates.

The Company was listed on the Colombo Stock Exchange on 31st March 2014 subsequent to an Initial Public Offering.

## FINANCIAL STATEMENTS

The Financial Statements of the Company are given on pages 194 to 198.

## AUDITOR’S REPORT

Auditor’s Report on the Financial Statements is given on pages 191 to 193.

## ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of the Financial Statements are given on pages 199 to 236.

The Financial Statements and Notes thereto give a true and fair view of the Company’s financial position as of 31st March 2025 and of their performance for the year-ended on that date.

There were no material changes in the Accounting Policies adopted with those of the last year other than disclosed in Note 04 to the financial statements.

## DIRECTORS’ INTERESTS IN TRANSACTIONS

The Directors of the Company have made the general disclosures provided for in Section 192(2) of the Companies Act. Note 27 to the Financial Statements dealing with related party disclosures includes details of their interests in

transactions.

## DIRECTORS INTERESTS IN SHARES

Directors of the Company who have relevant interests in the shares of the Company have disclosed their shareholding and any acquisitions/disposals to their Boards, in compliance with Section 200 of the Companies Act.

## INTERESTS REGISTER

The Company, in compliance with the Companies Act, maintains an Interests Register. Particulars of entries in the Interests Register are detailed below;

Hayleys PLC holds 314,826,064 shares (52.59%) in Alumex PLC in which Mr. Mohan Pandithage, Mr. Sarath Ganegoda, Dr. Harsha Cabral, PC and Mr. Jonathan Alles are DirectoLKR

Dean Foster (Private) Limited holds 28,427,800 shares (4.75%) in Alumex PLC in which Mr. Mohan Pandithage and Mr. Sarath Ganegoda are DirectoLKR

Akbar Brothers (Pvt) Ltd holds 80,169,400 shares (13.39%) in Alumex PLC in which Mr. Asghar Akbarally is a Director.

S.M. Bentley Corporate Services (Private) Limited holds 40,000 shares in Alumex PLC in which Mr. Somasiri Munaweera is a Director.

During the financial year, 39,900 shares were disposed by Mr. Somasiri Munaweera, a Non-Executive Director of Alumex PLC.



## DIRECTORS' SHAREHOLDINGS

Details of Directors' shareholdings in the Company are given below;

Name of the Director	As at 31/03/2025	As at 31/03/2024
Mr. Mohan Pandithage (Chairman)	20,000	20,000
Mr. Sarath Ganegoda (Deputy Chairman)	460,000	460,000
Mr. Pramuk Dediwela (Managing Director)	21,338,400	21,338,400
Mr. Ranil De Silva (Senior Independent Director)	-	-
Mr. Asghar Akbarally	-	-
Dr. Harsha Cabral, PC	-	-
Mr. Manoha Rajakariar	-	-
Mr. Jonathan Alles (appointed w.e.f. 26th December 2024)	-	-
Mr. Prageeth Rajapaksha	39,814	39,814
Mr. Dushan Waduavala (appointed w.e.f. 3rd May 2025)	1,422	-
Mr. Somasiri Munaweera (resigned w.e.f. 3rd May 2025)	100	40,000

## DIRECTORS' REMUNERATION

Executive Directors' Remuneration is determined within an established framework. The total remuneration of Executive Directors for the year ended 31st March 2025 was LKR 70.4 Mn (2023/2024 - LKR 58.5 Mn), which includes the value of perquisites granted to them as part of their term of service. The total remuneration of Non-Executive Directors for the year ended 31st March 2025 was LKR 3.8 Mn (2023/2024 - LKR 2.3 Mn), determined according to scales of payment decided upon by the Board. The Board is satisfied that the payment of this remuneration is fair to the Company.

## DIRECTORS' INDEMNITY AND INSURANCE

The ultimate parent of the Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed insurance Company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Company.

## DONATIONS

The donations made during this year by the Company amounted to LKR 4.1 Mn (2023/24 - LKR 3.9 Mn)

The donations made by the Company are disclosed in Note 08 on page 213.

No donations were made for political purpose.

## DIRECTORATE

The names of the Directors who served during the year are given below and their brief profiles appear on pages 28 and 33 of this report.

## Executive Directors

Mr. Mohan Pandithage (Chairman)

Mr. Sarath Ganegoda (Deputy Chairman)

Mr. Pramuk Dediwela (Managing Director)

Mr. Prageeth Rajapaksha

Mr. Dushan Waduavala  
(appointed w.e.f. 3rd May 2025)

## Non-Executive Directors

Mr. Asghar Akbarally

Dr. Harsha Cabral, PC

Mr. Somasiri Munaweera (resigned  
w.e.f. 3rd May 2025)

## Independent Non-Executive Directors

Mr. Ranil De Silva (Senior Independent Director)

Mr. Manoha Rajakariar

Mr. Jonathan Alles (appointed w.e.f. 26th December 2024)

With a view to improving the collective effectiveness and performance of the Board, Board and subcommittee evaluations were carried out during the year, including an assessment of the systems and processes which are in place.

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

Mr. Jonathan Alles and Mr. Dushan Waduavala were appointed to the Board on 26th December 2024 and 3rd May 2025 respectively. In terms of Article 27(2) of the Articles of Association of the Company, Shareholders will be requested to re-elect them at the Annual General Meeting.

In terms of Article 28(6) of the Articles of Association of the Company, Mr. Pramuk Dediwela, Mr. Prageeth Rajapaksha and Mr. Sarath Ganegoda retire by rotation and being eligible offer themselves for re-election.

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

Notice has been given of the intention to propose ordinary resolutions in terms of Section 211 of the Companies Act for the re-appointment of Mr. Mohan Pandithage who is over Seventy years of age, resolving that the age limit of Seventy years stipulated in Section 210 of the Companies Act shall not apply to the aforesaid director.

In accordance with Rule 9.8.5 of the Listing Rules of CSE Independent Directors have submitted a signed and dated declaration as per the specimen given in Appendix 9A of continuing Listing Rules of CSE.

## DIRECTORS' MEETING

The number of Directors' meetings comprises Board meetings, subcommittees meetings and the attendance of Directors at these meetings are given on page 149 Furthermore, the Directors contributed towards policy advocacy and direction by participating in the deliberations of the Board appointed Subcommittees on strategic review, procurement and disposal of assets.

## BOARD SUBCOMMITTEES

The Board has established and maintains the following subcommittees;

Audit Committee

Related Party Transactions Review Committee

Nominations and Governance Committee

Remuneration Committee

Please refer page 180 for the Board subcommittee reports.

## RELATED PARTY TRANSACTIONS

The related party transactions of the Company during the year have been reviewed by the Related Party Transactions Review Committee and are in compliance with the Section 09 of the CSE Listing

Rules. Please refer Related Party Transactions Review Committee Report on page 175.

The Board of Directors hereby confirm that the Company has complied with the rules pertaining to related party transactions stipulated in Section 9.14 of the Listing Rules of CSE.

## DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company to present a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, The Companies Act and the Listing Rules of the Colombo Stock Exchange. The Statement of Directors' Responsibility for Financial Reporting is given on page 174 which forms an integral part of the Annual Report of the Board of Directors.

## AUDITORS

The Financial Statements for the year have been audited by MessLKR Ernst & Young, Chartered Accountants.

The Auditors, Messrs Ernst & Young, Chartered Accountants, were paid LKR 2.1 Mn (2023/24 - LKR 1.7 Mn) as audit fees by the Company. In addition, they were paid LKR 1.4 Mn (2023/24 - LKR 1.8 Mn) by the Company, for non-audit related work, which consisted mainly of tax advisory services.

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

MessLKR Ernst & Young, Chartered Accountants have expressed their

willingness to continue in office and in accordance with the Companies Act, a resolution proposing the re-appointment of MessLKR Ernst & Young, Chartered Accountants, as Auditors and to authorise the directors to determine their remuneration is being proposed at the Annual General Meeting.

## FUTURE DEVELOPMENTS

Information on future developments are contained in the Chairman's report on pages 14 to 17.

## TURNOVER

The turnover of the Company was LKR 14,338 Mn (2023/24 - LKR 10,993 Mn) in the year under review. A detailed analysis of the Company's turnover is given in Note 05 to the Financial Statements.

## RESULTS

The Company's profit before tax amounted to LKR 1,141 Mn (2023/24 - LKR 232 Mn). After a charge of LKR 276 Mn (2023/24 - LKR 46 Mn) for taxation, net profit/(loss) for the year was LKR 867 Mn (2023/24 - LKR 186 Mn). In addition, the Company's total comprehensive income net of tax was LKR 1,076 Mn (2023/24 - LKR 201 Mn).

## STATED CAPITAL AND RESERVES

The issued and paid up stated capital of the Company is LKR 283,735,400/- (598,605,680 shares). Total Company reserves as at 31st March 2025 amounted to 4,362 Mn (2023/24 - LKR 3,526 Mn) comprising capital reserve of 1,133 Mn (2023/24 - LKR 928 Mn) and revenue reserve of LKR 3,229 Mn (2023/24 - LKR 2,597 Mn). Movements are shown in the Statement of Changes in Equity on page 197.

## EMPLOYMENT

The Company has a structure and a culture that recognises the aspirations, competencies and commitment of its employees.

Career growth and advancement within the Company is promoted. The number of persons employed by the Company at the year-end was 1001. The Company does not operate any share option scheme.

#### **DIVIDEND**

The first interim dividend of Cents 40 per share was paid to the shareholders on 23rd April 2025.

The Directors have confirmed that the Company satisfied the solvency test requirement under Section 56 of the Companies Act for the interim dividend paid. Solvency certificates was obtained from the Auditors as required.

#### **RATIOS AND MARKET PRICE INFORMATION**

Ratios relating to equity and debt and market price information are given on pages 238 and 241.

#### **PROPERTY, PLANT AND EQUIPMENT**

The capital expenditure during the year, on property, plant and equipment by the Company amounted to 1,729 Mn (2023/24 - LKR 366 Mn). Information Relating to movement in property, plant and equipment is given in Note 12 to the Financial Statements.

#### **MARKET VALUES OF THE PROPERTIES**

The freehold land in the Company has in general been subject to routine revaluation by independent qualified valueLKR The most recent valuation was conducted in the financial year 2021/22 and results have been incorporated in the Financial Statements.

#### **SHAREHOLDERS**

It is the Company's policy to endeavour to ensure equitable treatment to its shareholders. Details of the major shareholders are given on page 238.

#### **EVENTS AFTER THE REPORTING**

#### **PERIOD**

No circumstances have arisen since the Reporting date that would require adjustments, other than those disclosed in Note 26 to the Financial Statements.

#### **STATUTORY PAYMENTS**

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

The declaration relating to statutory payments is made in the Statement of Directors Responsibilities on page 174.

#### **ESG RISK AND OPPORTUNITIES**

The Company's business activities can have direct and indirect effects on the environment. It is the policy of the Company to conduct its activities in an environmentally responsible manner in order to keep adverse effects to a minimum and to ensure compliance with the relevant regulations.

#### **POLICIES**

The Company has adopted the following policies, effective from 1st October 2024 and has uploaded them to the Company's website;

- ♦ Policy on matters relating to the Board of Directors
- ♦ Policy on Board Committees.
- ♦ Policy on Corporate Governance.
- ♦ Policy on Shareholder and Investor Communication.
- ♦ Policy on Risk Management and Internal Controls.
- ♦ Policy on Rewards and Remuneration.
- ♦ Policy on Whistleblowing.
- ♦ Policy on Anti-Bribery and Corruption.
- ♦ Policy on Corporate Disclosures.
- ♦ Policy on Control and Management of Company

Assets and Shareholder Investments.

- ♦ Policy on Internal Code of Ethics and Business Conducts.
- ♦ Policies on Environmental, Social and Governance Sustainability
- ♦ "The Alumex Way"- Code of Business Principles.

'The Hayleys Way' serves as the Internal Code of Business conduct and Ethics for all Directors, Key Management Personnel and other employees. The 'Hayleys Lifecode' includes a suite of environmental, social and governance related policies which are applicable across the Company.

The Company has adopted own policies including Sustainability policies its ESG roadmap - Elevate in line with the ESG framework of Hayleys PLC.

#### **INTERNAL CONTROLS**

The Directors acknowledge their responsibility for the Company's system of internal control. The system is designed to give assurance, inter alia, regarding the safeguarding of assets, the maintenance of proper accounting records, reliability of financial information generated and cyber security.

All internal controls which include financial controls, operational and compliance controls and risk management have been reviewed by the Board of Directors and they have obtained reasonable assurance of the effectiveness of the existing controls. The successful adherence to existing controls has been ascertained and improvements have been carried out where necessary. The Board is satisfied with the Company's adherence to and the effectiveness of these controls.

#### **CORPORATE GOVERNANCE**

The Company has complied with the revised Corporate Governance

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

rules laid down under the Listing Rules of the Colombo Stock Exchange and the recommendations provided in the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The Corporate Governance Report on pages from 134 to 167 discusses this further.

Mr. Ranil De Silva was appointed as the Senior Independent Director, in accordance with the Corporate Governance requirements. The Board was of the opinion that Mr. Mohan Pandithage should remain as the Executive Chairman of the Company due to his extensive experience, deep insights and domain knowledge evidenced through the leadership provided to the Company. Please refer the Senior Independent Director's Report on page 184.

The Directors and Managing Director satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. There were no non-compliances by any Director or Managing Director during the financial year.

The Directors have declared all material interests in contracts involving the Company and they refrain from voting on matters in which they have a material interest.

The Board has updated themselves with the applicable laws, rules and regulations and are aware of the changes to the Listing Rules of the Colombo Stock Exchange and other regulatory requirements.

## MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS

Details relating to material issues pertaining to employees and industrial relations are given in Human Capital on page 102.

## EXPOSURE TO RISK

The Company has a structured risk management process in place support its operations. The Audit Committee plays a major role in this process. The risk management section referred in pages 76 to 81 elaborates these practices and the risk factors.

## GOING CONCERN

The Directors, after making necessary inquiries and reviews including reviews of the Company's budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on, Monday, 23rd June 2025 at 9.00 a.m. at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10. The Notice of the Annual General Meeting appears on page 265.

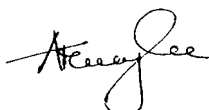
For and on behalf of the Board,



Mohan Pandithage  
Chairman



Pramuk Dediwela  
Managing Director



Hayleys Group Services (Private) Limited  
Secretaries

No. 400, Deans Road  
Colombo 10

2nd May 2025

# RESPONSIBILITY STATEMENT OF CHAIRMAN, MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

The Financial Statements of Alumex PLC as at 31st March 2025, are prepared and presented in conformity with the requirements of the following:

1. Sri Lanka Accounting Standards, issued by the Institute of Chartered Accountants of Sri Lanka
2. The Companies Act No. 07 of 2007 and amendments thereto;
3. The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and amendments thereto;
4. Listing Rules of the Colombo Stock Exchange.
5. The Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accounts of Sri Lanka in 2023

We confirm that the significant accounting policies used in the preparation of the financial statements are appropriate, and are consistently applied, unless otherwise stated in the Notes to the Financial Statements. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and our external auditor LKR

We have also taken proper and sufficient care in installing systems of internal control and accounting records to safeguard assets and to prevent and detect fraud as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by the Group's internal auditor LKR. However, there are inherent limitations that should be recognised in weighing the

assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company meets periodically with the internal auditors and the independent auditors to review the effectiveness of audits, and to discuss auditing, internal control and financial reporting issues. The independent auditors and the internal auditors have full and free access to the Audit Committee to discuss any matter of substance.

The Financial Statements were audited by the independent external auditors, Messrs Ernst & Young, Chartered Accountants.

The Audit Committee approves the audit and non-audit services provided by the external auditor, in order to ensure that the provision of such services do not impair their independence.

We confirm that

- ♦ the Company has complied with all applicable laws, regulations and prudential requirements;
- ♦ there are no material non compliances; and
- ♦ there are no material litigations that are pending against the Company



Mohan Pandithage  
Chairman



Pramuk Dediwela  
Managing Director



Prageeth Rajapaksha  
Director / Chief Financial Officer

2nd May 2025

# STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible under Sections 150 (1) and 151 of the Companies Act No. 07 of 2007 ("the Companies Act"), to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for the financial year.

The Directors are also responsible, under Section 148 of the Companies Act to ensure that proper accounting records are kept to enable, determination of the financial position with reasonable accuracy, preparation of Financial Statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected. They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are of the opinion, based on their knowledge of the Company, key operations and specific inquiries, that adequate resources exist to support the Company on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken proper and sufficient measures to safeguard the assets of the Company and, in that context, have instituted appropriate systems of internal control and accounting records to prevent and detect frauds and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

The Directors have confirmed that the Company satisfied the solvency test requirement under Section 56 of the Companies Act for the interim dividend paid. Auditors' solvency certificate has been obtained as required.

The External Auditors, MessLKR Ernst & Young, Chartered Accountants who were re-appointed in terms of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 191 to 193 sets out their responsibilities in relation to the Financial Statements.

## COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the Balance Sheet date have been paid or provided where relevant.

By Order of the Board,



Hayleys Group Services (Private) Limited

Secretaries  
2nd May 2025



# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

## COMPOSITION

The Related Party Transactions Review Committee (“the Committee”) of the Company was established in May 2024 in compliance with the Governance Rules stipulated in Section 9 of the Listing Rules of Colombo Stock Exchange. The Committee is appointed by and is responsible to the Board of Directors and comprises three Independent Non-Executive Directors and one Non- Executive Director. Mr. Jonathan Alles was appointed to the Committee with effect from 2nd May 2025.

## ATTENDANCE

The Committee meets on a quarterly basis or as often as may be deemed necessary. During the financial year 2024/25, The Committee met four times to review the related party transactions

Name of the Member	No. of Meetings Eligible to Attend	No. of Meetings Attended
Mr. Ranil De Silva - Chairman***	4	4
Dr. Harsha Cabral, PC - Member**	4	4
Mr. Manoha Rajakariar - Member***	4	4
Mr. Jonathan Alles - Member*** (appointed to the Committee w.e.f. 2nd May 2025)	1	1

\*\* Non-Executive Director

\*\*\* Independent Non-Executive Director

The Chairman of the Committee is an Independent Non- Executive Director. Profiles of the Committee members are given in Pages 30 to 32.

The Chairman of the Company, Managing Director, Executive Director/ Chief Financial Officer and any other officers as may be required by the Committee attend the meetings by invitation.

The Company Secretaries act as the Secretaries to the Committee and Minutes of the Committee meetings are tabled at the Board meetings, thereby providing the Directors access to the deliberations of the Committee.

## THE DUTIES OF THE COMMITTEE

- ♦ To review in advance all proposed related party transactions of the Company either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- ♦ Seek any information the Committee requires from the Management, employees or external parties with regard to any transaction entered into with a related party.
- ♦ Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.
- ♦ To recommend where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.

- ♦ To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- ♦ Meet with the Management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- ♦ To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- ♦ To review the economic and commercial substance of both recurrent/ non-recurrent-related party transactions
- ♦ To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining “competent independent advice” from independent professional experts with regard to the value of the substantial asset of the related party transaction.
- ♦ To ensure that there is an adequate and effective process in place to capture information which is relevant to its review function.

## TASK OF THE COMMITTEE

The Committee reviewed the related party transactions and their compliances of Alumex PLC and communicated the same to the Board.

The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management.

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

## POLICY AND TERMS OF REFERENCE

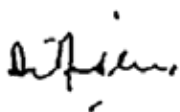
The Committee has established a clear Policy and Terms of Reference approved by the Board, setting forth the procedure to identify the related parties and the process of reporting the transactions with related parties to the Committee on a quarterly basis. The Policy outlines the composition of the Committee, meeting procedures and the responsibilities of the Committee. It also specifies the approval processes and disclosure requirements, including market announcements and Annual Report disclosures. The Policy guides the Committee and makes them responsible for ensuring that no director or major shareholder takes advantage of their position to the detriment of the interest of minority shareholders.

## DISCLOSURES

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in Note 27 to the financial statements given in page 229 to 232 of this report.

## DECLARATION

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 page 168 of this Annual Report.



Ranil De Silva  
Chairman - Related Party Transactions Review Committee

2nd May 2025

# AUDIT COMMITTEE REPORT

The Audit Committee ('the Committee') is appointed by and is responsible to the Board of Directors of the Company in fulfilling its oversight responsibilities on financial reporting. It will review the financial reporting process, the integrity of the financial statements, the systems of internal control, the audit process and the Company's process for monitoring compliance with laws and regulations.

## COMPOSITION

The Members who served on the Committee during the Financial Year 2024/25 are as follows:

Mr. Ranil De Silva\*\*\* - Chairman

Mr. Manoha Rajakariar\*\*\*

Mr. Jonathan Alles\*\*\* (appointed as a member w.e.f. 24th January 2025)

Mr. Somasiri Munaweera\*\* (resigned w.e.f. 3rd May 2025)

\*\* Non-Executive Director

\*\*\* Independent Non-Executive Director

The Chairman of the Committee is a Member of the Institute of Chartered Accountants of Sri Lanka. The other members possess relevant knowledge, qualifications and experiences in financial reporting, control, legal and regulatory requirements.

Brief profiles of each Member are provided on pages 30 to 32 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

## MEETINGS OF THE AUDIT COMMITTEE

The Committee meets as often as may be deemed necessary. It met four times to discuss the quarterly and annual Financial Statements for the financial year under review.

The attendance of the Members at these meetings is as follows:

Name of the Member	No. of Meetings Eligible to Attend	No. of Meetings Attended
Mr. Ranil De Silva (Chairman)***	4	4
Mr. Manoha Rajakariar***	4	4
Mr. Jonathan Alles*** (appointed as a member w.e.f. 24th January 2025)	2	2
Mr. Somasiri Munaweera** (resigned w.e.f. 3rd May 2025)	4	4

\*\* Non-Executive Director

\*\*\* Independent Non-Executive Director

The Chairman of the Board, Managing Director, Executive Director/Chief Financial Officer of the Company, Hayleys Group Chief Financial Officer and Head of Group Management Audit and System Review Department (MA&SRD) attend the meetings of the Committee by invitation. The

External Auditors are also invited to be present where relevant.

The proceedings of the Committee are reported quarterly to the Board of Directors by tabling the minutes of the Committee Meetings and update by the Chair of the

Hayley Group Services (Private) Limited, the Secretary of the Company, act as the Secretary to the Committee.

## CHARTER OF THE AUDIT COMMITTEE

The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to make sure that new developments relating to the functions of the Committee are updated. The Terms of Reference of the Committee are clearly defined in the Charter of the Committee.

The 'Rules on Corporate Governance' under the Listing Rules of the Colombo Stock Exchange and 'Code of Best Practice on Corporate Governance' issued by the Institute of Chartered Accountants of Sri Lanka in 2023, further regulate the composition, roles and functions of the Committee.

Committee on matters that require the attention of the Board.

Audit Committee meeting papers, including the agenda, minutes and related reports and documents, are circulated to the Committee Members in advance.

# AUDIT COMMITTEE REPORT

## THE AUTHORITY OF THE AUDIT COMMITTEE

- ♦ Recommend the appointment, reappointment, dismissal, service period and fees of the External Auditor.
- ♦ Establish and maintain a direct communication channel with the External Auditor.
- ♦ Resolve any issues regarding financial reporting between the Management and the External Auditor.
- ♦ Pre-approve all audit and non-audit services performed by the External Auditor and internal audit service provideLKR
- ♦ Seek any information it requires from employees or external parties relating to investigations.
- ♦ Meet with the Management and External Auditor as necessary to carry out the assigned duties.

## ACTIVITIES IN 2024/25

The Committee, inter alia, engaged in the following activities during the financial year under review:

## FINANCIAL REPORTING SYSTEM

The Committee reviewed the quality and integrity of the financial reporting system adopted by the Company in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Heads of Finance and Officer in Charge of operating units and the Executive Director/Chief Financial Officer. The Committee recommended the Financial Statements to the Board for its deliberations and approval. The Committee, in its evaluation of the financial reporting system, also recognised the adequacy of the content and quality of routine management information reports

forwarded to the management, regulatory authorities and shareholderLKR

Further, the Committee reviewed the procedures established by the Management to comply with regulatory requirements and is satisfied that financial reporting requirements under the Listing Rules of the Colombo Stock Exchange, Companies Act No. 07 of 2007, Securities and Exchange Commission Act and other relevant financial reporting related regulations and requirement are met.

## INTERNAL CONTROL SYSTEMS

The Committee reviewed the process to assess the adequacy and effectiveness of the Internal Financial Controls that have been designed to provide reasonable assurance to the Directors that Company assets are safeguarded and the financial reporting system can be relied upon in the preparation and presentation of Financial Statements.

Group MA&SRD regularly reports on key control elements and procedures in the Company that are selected according to an annual Internal Audit Plan. Internal Audits are outsourced wherever necessary, to leading audit firms in line with the annual audit plan. The Committee obtained significant findings and recommendations together with the Management's responses on the review of the internal controls carried out by the internal auditors and provided recommendations for improvement. Follow up reviews were scheduled to ascertain that audit recommendations are being acted upon.

The Committee also evaluated the Internal Audit Function covering key areas such as scope, quality of internal audits, independence and resources. The Committee appraised the independence of the

Hayleys Group MA&SRD, in the conduct of their assignments.

The Annual Internal Audit Plan is approved by the Audit Committee and its progress is reviewed on a quarterly basis in order to reflect the changing business needs and to ensure new and emerging risks are considered. During the financial year 2024/25, 06 internal audits were performed.

## RISK MANAGEMENT

The Committee obtained and reviewed statements from the Heads of Business Sectors identifying their respective major business risks, and mitigation action taken or contemplated for the management of these risks. The COSO Enterprise Risk Reporting Process is presently being implemented within the Company.

The Committee also conducted ESG risk assessments during the year, thereby identifying, prioritising and monitoring sustainability-related-risks and opportunities.

The Committee reviewed the risk management, internal controls, business continuity planning, information security system and potential cyber risks in the Company and appropriate remedial actions were recommended to the Management and the Board.

A review of the insurance policies and their adequacy was also carried out.

## EXTERNAL AUDIT

During the year under review, the Committee held meetings with the External Auditor to review the nature, approach, scope of the audit, Audit Plan and any areas of concern noted during the Audit. Actions taken by the Management in response to the issues raised, as well as the effectiveness of the internal controls in place, were discussed with the heads of

business units. Remedial action was recommended wherever necessary.

The Committee has reviewed the other services provided by the External Auditor to the Company to ensure that their objectivity and independence as External Auditor has not been impaired. The Committee provides the opportunity to External Auditor to meet the Audit Committee Members independently, if necessary.

The Committee annually reviews the appointment of the External Auditor and makes recommendations to the Board accordingly. During the year under review, the Committee assessed the independence and effectiveness of the External Audit function and is satisfied that the independence of the External Auditor had not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the External Auditor and the level of audit and non-audit fees received by the Auditor, in order to ensure that it did not compromise their independence.

The Committee obtained written assurance from the External Auditors that they are and have been independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements and has made a determination of the independence of auditors based on the same.

The current External Auditor, MessLKR Ernst & Young, Chartered Accountants was initially appointed as External Auditor in 2010 and continues to hold that position at present. A partner rotation of the Auditors takes place periodically. A rotation of partner took place in financial year 2018/19.

### **APPOINTMENT OF EXTERNAL AUDITORS**

The Audit Committee has recommended to the Board of Directors that MessLKR Ernst & Young, Chartered Accountants, continue as External Auditors for the financial year ending 31st March 2026 after evaluating the scope, delivery of the audit, resources and the quality of the assurance initiatives taken during the financial year 2024/25.

### **COMPLIANCE**

The Committee obtained written assurances from the Managing Director and Executive Director/ Chief Financial Officer of the Company on the status of the Company's operations and finances. The Committee also received representations on the adequacy of provisions made for possible liabilities and reviewed reports tabled by the Company certifying their compliance with relevant statutory requirements. Further, the Committee obtained regular updates from the Head of HR and Legal regarding compliance matters.

### **ETHICS AND GOOD GOVERNANCE**

The Committee continuously emphasised on upholding ethical values of the staff members. In this regard, the Internal Code of Business Conduct and Ethics, the policies on Whistleblowing and Anti-Bribery and Corruption were put in place. The Policies were followed by educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistleblowing or identified through other means. The Whistleblower Policy guarantees strict confidentiality of the identity of the Whistleblower.

### **SRI LANKA ACCOUNTING STANDARDS**

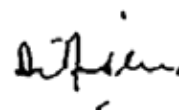
The Committee reviewed the revised policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Company and made recommendation to the Board of Directors. The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board of Directors informed at regular intervals. The Committee has pursued the assistance of MessLKR Ernst & Young to assess and review the existing SLFRS policies and procedures adopted by the Company and continuously monitors the progress of implementation of SLFRS as per the requirements of Sri Lanka Accounting Standards.

### **SUPPORT TO THE COMMITTEE**

The Committee received information and support from the Management during the year to enable it to carry out its duties and responsibilities effectively.

### **EVALUATION OF THE COMMITTEE**

An independent evaluation of the effectiveness of the Committee was carried out by the other members of the Board during the year, and considering the overall conduct of the Committee and its contribution on the overall performance of the Company, the Committee has been rated as highly effective.



Ranil De Silva  
Chairman- Audit Committee

2nd May 2025

# REMUNERATION COMMITTEE REPORT

## COMPOSITION

The Remuneration Committee ("the Committee") of the Company is appointed by and is responsible to the Board of Directors and comprises three Independent Non Executive Directors and one Non-Executive Director. Mr. Jonathan Alles was appointed to the Committee with effect from 2nd May 2025.

## ATTENDANCE

The Committee meets as often as may be deemed necessary. The Committee met once during the year.

Name of the Member	No. of Meetings Eligible to Attend	No. of Meetings Attended
Mr. Ranil De Silva - Chairman***	1	1
Dr. Harsha Cabral, PC - Member**	1	1
Mr. Manoha Rajakariar - Member***	1	1
Mr. Jonathan Alles - Member*** (Appointed to the Committee w.e.f. 2nd May 2025)	-	-

\*\* Non-Executive Director

\*\*\* Independent Non-Executive Director

The Remuneration Committee has well defined Terms of Reference.

The members of the Committee are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgement.

## RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

- ♦ To make recommendations to the Board of Directors regarding the framework of remuneration to the Executive Directors and Senior Management.
- ♦ To evaluate the compensation of the Managing Director, Executive Directors and the Senior Management.
- ♦ To review the guidelines and parameters for the compensation structures of Management within the Group taking into consideration industry norms.
- ♦ To review from time to time information related to Executive and Non-Executive Directors payments, to ensure that they are on par with the market/ industry rates.

- ♦ To evaluate the performance of the Managing Director, Executive Directors and the Senior Management, against predetermined targets and goals set by the Board.
- ♦ To assess and recommend to the Board of Directors, promotions of the Management and to address succession planning.
- ♦ To recommend annual salary increments and bonuses.

The Committee in performing its duties obtains the assistance of the Managing Director of the Company to provide relevant information to the Committee, and to assist in their analysis and deliberations, except when his own compensation package is reviewed. The Managing Director and the Board Chairman participate by invitation in the meetings of the Remuneration Committee as and when necessary.

## REMUNERATION POLICY

The remuneration policy of the Company is to attract, motivate and retain a highly qualified and experienced executive team, and reward performance accordingly in the backdrop of industry norms.

These compensation packages provide compensation appropriate for each business within the Company and commensurate with each employee's level of expertise and contributions, bearing in mind the business' performance and shareholder returns.

The remuneration packages which are linked to individual performances are aligned with the Company's short term and long-term strategy.

All Non-Executive Directors (other than Directors who are employed by Hayleys PLC) receive a fee for serving on the Board and serving on subcommittees. They do not receive any performance related incentive payments.

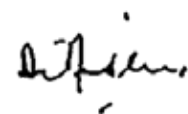
## ACTIVITIES IN 2024/2025

During the year the Committee reviewed the performance of the Managing Director, Executive Directors and Management Committee based on the targets set in the previous year and determined the bonus payable and the annual increments.

Reviewed the compensation parameters of the Senior Management and implemented market corrections where necessary. The Committee is also recommended that compensation packages to be in line with the market median.

Recommended the bonus payable and annual increments to be paid based on the ratings of the Performance Management System.

The aggregate remuneration of the Executive and Non-Executive Directors for the financial year amounted to LKR 74.2 Mn.



Ranil De Silva  
Chairman - Remuneration Committee

2nd May 2025



# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

## COMPOSITION

The Nominations and Governance Committee (“the Committee”) of the Company was established in May 2024. The Committee is appointed by and is responsible to the Board of Directors and comprises three Independent Non-Executive Directors and one Non-Executive Director. Mr. Jonathan Alles was appointed to the Committee with effect from 2nd May 2025.

## ATTENDANCE

The Committee meets as often as may be deemed necessary. The Committee met two times during the year.

	Date of Appointment to the Committee	No. of Meetings Eligible to Attend	No. of Meetings Attended
Mr. Ranil De Silva - Chairman***	7th May 2024	2	2
Dr. Harsha Cabral, PC - Member**	7th May 2024	2	2
Mr. Manoha Rajakariar - Member***	7th May 2024	2	2
Mr. Jonathan Alles - Member***	2nd May 2025	1	1

\*\* Non-Executive Director

\*\*\* Independent Non-Executive Director

The Chairman of the Committee is an Independent Non-Executive Director.

The Committee has well-defined terms of reference approved by the Board outlining the Committee’s purpose, composition, quorum, authority, responsibilities, and meeting related matters.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, acts as the secretary to the Committee.

## DUTIES OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

- The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.
- Consider and recommend (or not recommend) the 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 Company 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.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re-appoint Directors of the Company.
- Establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- Establish and maintain a suitable process for the periodic evaluation of the performance of the Board Directors and the Managing Director of the Company to ensure their responsibilities are satisfactorily

discharged.

- ♦ Consider if a Director is able to and has been adequately carrying out his or her duties as a Director, taking into consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.
- ♦ Ensure succession plans are in place for Key Management Personnel.
- ♦ Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules and other applicable regulatory requirements and industry best practices. Review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- ♦ Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company’s compliance with provisions of the Securities and Exchange Commission Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

## DISCLOSURE OF ACTIVITIES

The Board performance evaluation has been carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises to discuss any important or critical matter with the Board. No such special meetings were held during the financial year.

Newly appointed Directors were given an induction to the Company prior to their first Board meeting. The orientation programme includes inviting the Directors to

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

the manufacturing facilities to gain an understanding of the operations of the Company. Requirements as per the Listing Rules and applicable rules and regulations are informed to the new Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.

Non Executive Directors have submitted declarations regarding their independence / non independence. The fitness and propriety of the Directors were examined. All Independent Directors of the Company meet the criteria set out in the Listing Rules of the Colombo Stock Exchange for determining independence.

The Company has adopted the following policies, with effect from 1st October 2024, and has uploaded them to the Company's website in accordance with the Corporate Governance Rules of the Colombo Stock Exchange;

- Policy on matters relating to the Board of Directors
- Policy on Board Committees.
- Policy on Corporate Governance.
- Policy on Shareholder and Investor Communication.
- Policy on Risk Management and Internal Controls.
- Policy on Rewards and Remuneration.
- Policy on Whistleblowing.
- Policy on Anti-Bribery and Corruption.
- Policy on Corporate Disclosures.
- Policy on Control and Management of Company Assets and Shareholder Investments.
- Policy on Internal Code of Ethics and Business Conducts.
- Policies on Environmental, Social and Governance Sustainability.
- "The Alumex Way" – Code of Business Principles.

## RE-APPOINTMENTS/RE- ELECTIONS

One Third (1/3) of all directors, except who have been appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the Annual General Meeting.

Accordingly, the Committee has recommended to re-elect Mr. Pramuk Dediwela, Mr. Prageeth Rajapaksha and Mr. Sarath Ganegoda, to the Board at the Annual General Meeting to be held on 23rd June, 2025, based on their performance and the contribution made to achieve the objectives of the Board.

Mr. Pramuk Dediwela, the Managing Director (Executive Director) was appointed to the Board in December, 2010, and was last re-appointed as a Director in June, 2022. His directorships and other principal commitments are given in the profile on page 29 He does not serve on any Board Committees.

Mr. Prageeth Rajapaksha, an Executive Director was appointed to the Board in November, 2017, and was last re-appointed as a Director in June, 2022. His directorships and other principal commitments are given in the profile on page 33 He does not serve on any Board Committees.

Mr. Sarath Ganegoda, the Deputy Chairman (Executive Director) was appointed to the Board in November, 2010 and last re-appointed as a Director in June 2023. His directorships and other principal commitments are given in the profile on page 28 to 29 He does not serve on any Board Committees.

An Independent Non-Executive Director, Mr. Jonathan Alles who was appointed to the Board on 26th December, 2024 will come up for re-election by the shareholders at the Annual General Meeting. His profile in page 32 set out his other principal commitments and directorships. He serves as a member of the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committee of the Company.

An Executive Director, Mr. Dushan Waduavala who was appointed to the Board with effect from 3rd May, 2025 will come up for re-election by the shareholders at the Annual General Meeting. On the recommendation of the Nominations and Governance Committee Meeting, the Board resolved his appointment on 2nd May 2025. His profile in page 33 set out his other principal commitments and directorships. He does not serve on any Board Committees.

Due to the invaluable contribution made to the Board as a result of their many years of experience,

industry knowledge and business acumen, the Committee has recommended to reappoint Mr. Mohan Pandithage who is over seventy years and who retire in terms of Section 210 of the Companies Act No. 7 of 2007.

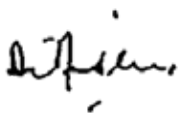
Dr. Harsha Cabral, PC and Mr. Munaweera were re-classified as Non-Executive Directors effective 26 December 2024, having served over nine years on the Board.

Mr. Munaweera who was served as a Non-Executive Director resigned from the Company w.e.f. 3rd May 2025.

None of the Directors who are being proposed for re-election or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

The Committee has ensured Board diversity by bringing a wide range of experience and skills to the Board.

The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange are met by the Company and details are given in page 164 to 167.



Ranil De Silva  
Chairman - Nominations and  
Governance Committee

2nd May 2025

# STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

[Profile of Mr. Ranil De Silva is given on page 30 of this report.]

In order to comply with Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 26th December 2024. Dr. Harsha Cabral, PC served as the Senior Independent Director until 26th December 2024.

Section 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka provide that in situations where the Chairman and Chief Executive Officer ("CEO") are the same person or where the Chairman is not an Independent Director, a Senior Independent Director shall be appointed. At Alumex PLC although the Chairman is not the CEO, he is not an Independent Director.

## ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director provides guidance to the Chairman on matters of governance of the Company.

The role of the Senior Independent Director also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board.

The Senior Independent Director makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company, should the need arise.

## ACTIVITIES DURING THE YEAR

In line with the regulatory requirements, I presided over the following meetings and exercised my voting rights where necessary.

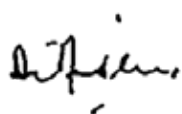
Meetings were held with the Non-Executive Directors without the presence of the Executive Directors. At these meetings the performance of the Chairman and the Executive Directors were appraised.

A meeting was held with only the Independent Directors. Discussions were held on matters relating to the Company and the operation of the Board.

The outcome of these meetings together with recommendations was duly informed to the Chairman and the Board.

The Company follows a policy of strict compliance with mandatory requirements while embracing voluntary adherence, in order to enhance stakeholder acceptance and making a positive impact on value creation.

I believe that I have fulfilled the obligations entrusted to the Senior Independent Director in accordance with the Corporate Governance guidelines.



Ranil De Silva  
Senior Independent Director

2nd May 2025

# INDEPENDENT ASSURANCE REPORT FOR THE GRI STANDARD



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**Independent practitioner's  
assurance report to the Board of  
Directors of Alumex PLC**

**on the Sustainability reporting  
criteria presented in the Integrated  
Annual Report FY 2024/25**

## SCOPE

We have been engaged by Alumex PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Alumex PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Alumex PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

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

## CRITERIA APPLIED BY ALUMEX PLC

In preparing the Subject Matter, Alumex PLC applied the following criteria ("Criteria"):

- ♦ The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at <https://www.globalreporting.org>

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and

Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

## ALUMEX PLC'S RESPONSIBILITIES

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

## ERNST & YOUNG'S RESPONSIBILITIES

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

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Alumex PLC on 28 May 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature,

timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

## OUR INDEPENDENCE AND QUALITY MANAGEMENT

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

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

## DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the

# INDEPENDENT ASSURANCE REPORT FOR THE GRI STANDARD

assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

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

Our procedures included:

- ♦ Validated the information presented and checked the calculations performed by the organisation through recalculation.
- ♦ Performed a comparison of the

content given in the Report against the criteria given in the selected sustainability standards/frameworks.

- ♦ Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- ♦ Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- ♦ Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

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

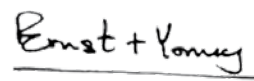
## EMPHASIS OF MATTER

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

## CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Alumex PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.



29th May 2025  
Colombo

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

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# INDEPENDENT ASSURANCE REPORT FOR THE INTEGRATED ANNUAL REPORT



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## Independent practitioner's assurance report to the Board of Directors of Alumex PLC on the Integrated Annual Report 2024/25

### SCOPE

We have been engaged by Alumex PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Alumex PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Alumex PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

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

### CRITERIA APPLIED BY ALUMEX PLC

In preparing the Subject Matter, Alumex PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organisational overview & external environment

outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

### ALUMEX PLC'S RESPONSIBILITIES

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

### ERNST & YOUNG'S RESPONSIBILITIES

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

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Alumex PLC on 28 May 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our

judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

### OUR INDEPENDENCE AND QUALITY MANAGEMENT

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

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

### DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of

# INDEPENDENT ASSURANCE REPORT FOR THE INTEGRATED ANNUAL REPORT

assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

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

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and

obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.

- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organisation creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organisation's strategy and how the organisation creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

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

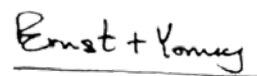
## EMPHASIS OF MATTER

Economic, Environment, Social and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

## CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Alumex PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.



29th May 2025  
Colombo

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

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## FINANCIAL INFORMATION



## BUILD. BALANCE. PROSPER.

Financial strength underpins our ability to grow with confidence. By balancing innovation with responsibility, Alumex lays the groundwork for lasting value- building today, sustaining tomorrow and prospering well into the future.

# FINANCIAL CALENDAR 2024/25

1st Quarter Report	15th August 2024
2nd Quarter Report	1st November 2024
3rd Quarter Report	24th January 2025
4th Quarter Report	5th May 2025
Annual Report 2024/2025	26th May 2025
18th Annual General Meeting	23rd June 2025
1st Interim Dividend declared	27th March 2025
1st Interim Dividend paid	23rd April 2025

# INDEPENDENT AUDITOR'S REPORT



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## TO THE SHAREHOLDERS OF ALUMEX PLC

### Report on the audit of the Financial Statements

#### OPINION

We have audited the Financial Statements of Alumex PLC ("the Company"), which comprise the statement of financial position as at 31st March 2025, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and Notes to the Financial Statements, including material accounting policy information.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company as at 31st March 2025, and of its financial performance and its 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 Company 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 the audit of the Financial Statements of the current period. These matters were

addressed in the context of our audit of the Financial Statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Key audit matter	How our audit addressed the key audit matter
<b>Revenue</b>	
<p>The Company's revenue for the year ended 31st March 2025 amounted to Rs. 14.338 Bn and was derived from the manufacture and sale of aluminum products, as disclosed in Notes 3.4 and 5 to the Financial Statements.</p> <p>Revenue was a key audit matter due to the materiality of revenue reported for the year coupled with an increase of 30.43% over the previous year.</p>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"><li>♦ tested the relevant key controls relating to the sale of goods. Our procedures included testing general IT control environment and the key IT application controls relating to the most significant IT systems relevant to revenue</li><li>♦ performed analytical procedures to understand and assess the reasonableness of reported revenues</li><li>♦ tested revenue transactions to sales orders, sales invoices, delivery Notes and other supporting documents. Our procedures included testing revenue transactions at the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts.</li></ul> <p>We also assessed the adequacy of the disclosures made in Notes 3.4 and 5 the Financial Statements.</p>

# INDEPENDENT AUDITOR'S REPORT

## OTHER INFORMATION INCLUDED IN THE 2025 ANNUAL REPORT

Other information consists of the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. Management is responsible for the other information.

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

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

## RESPONSIBILITIES OF THE 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 internal controls of the Company'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 Company'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 Company 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.

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 2965.



2nd May 2025  
Colombo

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

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# STATEMENT OF PROFIT OR LOSS

For the Year ended 31st March	Notes	2025 Rs. '000	2024 Rs. '000
<b>Revenue</b>	5	14,338,260	10,992,977
Cost of Sales		(11,450,046)	(8,727,344)
<b>Gross Profit</b>		2,888,214	2,265,633
Other Income	6.1	1,498,123	53,775
Selling and Distribution Expenses		(506,357)	(430,942)
Administrative Expenses		(1,021,738)	(835,831)
Other Expenses	6.2	(947,308)	-
<b>Result from Operating Activities</b>		1,910,934	1,052,635
Finance Income	7.1	290,744	648,257
Finance Cost	7.2	(1,060,985)	(1,469,171)
<b>Net Finance Cost</b>	7	(770,241)	(820,914)
<b>Profit Before Tax</b>	8	1,140,693	231,721
Tax Expenses	9	(273,539)	(45,649)
<b>Profit for the Year</b>		867,154	186,072
Profit Attributable to Shareholders		867,154	186,072
Diluted and Basic Earnings Per Share (Rs.)	10	1.45	0.31
Dividend Per Share (Rs.)	11	0.40	-

Notes from pages 199 to 236 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

# STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31st March	Notes	2025 Rs. '000	2024 Rs. '000
<b>Profit for the Year</b>		867,154	186,072
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to the Statement of Profit or Loss</b>			
Revaluation Surplus on Land and Buildings	12.3	299,996	-
Income Tax Effect on Revaluation Surplus	9	(89,999)	-
Actuarial Gains/(Losses) on Defined Benefit Obligation	23.1	(1,377)	21,105
Income Tax Effect on Actuarial (Losses)/Gains	9	413	(6,332)
<b>Total Other Comprehensive Income for the Year, Net of Tax</b>		209,033	14,773
<b>Total Comprehensive Income for the Year, Net of Tax</b>		1,076,187	200,845
<b>Total Comprehensive Income Attributable to Shareholders</b>		1,076,187	200,845

Notes from pages 199 to 236 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

# STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	2025 Rs. '000	2024 Rs. '000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	12	5,704,626	4,702,939
Intangible Assets	13	58,186	73,369
Right-of-Use Assets	14.1	390,079	238,025
<b>Total Non-Current Assets</b>		<b>6,152,891</b>	<b>5,014,333</b>
<b>Current Assets</b>			
Inventories	16	5,399,754	5,139,699
Trade and Other Receivables	17	4,327,907	2,055,758
Advances and Prepayments	18	438,830	580,038
Income Tax Receivable		-	16,487
Cash and Cash Equivalents	19	235,754	74,945
<b>Total Current Assets</b>		<b>10,402,245</b>	<b>7,866,927</b>
<b>Total Assets</b>		<b>16,555,136</b>	<b>12,881,260</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated Capital	20	283,735	283,735
Reserves	21	1,133,072	928,360
Retained Earnings		3,229,380	2,597,347
<b>Total Equity</b>		<b>4,646,187</b>	<b>3,809,442</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Borrowings	15.1	664,591	931,990
Non-Current Portion of Lease Liability	14.2	388,222	211,524
Retirement Benefit Liability	23	261,903	222,397
Deferred Tax Liabilities	9	744,192	496,199
<b>Total Non-Current Liabilities</b>		<b>2,058,908</b>	<b>1,862,110</b>
<b>Current Liabilities</b>			
Trade and Other Payables	24	2,167,656	2,082,149
Current Portion of Long Term Interest Bearing Borrowings	15.1	600,512	655,630
Current Portion of Lease Liability	14.2	62,050	67,941
Short-Term Interest Bearing Borrowings	15.1	6,891,833	4,378,527
Provisions	22	29,393	25,461
Income Tax Liabilities		98,597	-
<b>Total Current Liabilities</b>		<b>9,850,041</b>	<b>7,209,708</b>
<b>Total Liabilities</b>		<b>11,908,949</b>	<b>9,071,818</b>
<b>Total Equity and Liabilities</b>		<b>16,555,136</b>	<b>12,881,260</b>

Notes from pages 199 to 236 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



Prageeth Rajapaksha  
Director/Chief Financial Officer

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board,



Mohan Pandithage  
Chairman

02nd May 2025  
Colombo



Pramuk Dediwela  
Managing Director

# STATEMENT OF CHANGES IN EQUITY

For the Year ended 31st March	Notes	Stated Capital Rs. '000	Revaluation Reserve Rs. '000	Capital Reserve Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000
<b>Balance as at 1st April 2023</b>		283,735	705,589	228,056	2,391,217	3,608,597
Profit for the Year		-	-	-	186,072	186,072
<b>Other Comprehensive Income</b>						
Revaluation of Land		-	-	-	-	-
Actuarial Gains/(Losses) on Defined Benefit Obligation		-	-	-	21,105	21,105
Income Tax Effect on Actuarial (Losses)/Gains		-	-	-	(6,332)	(6,332)
Total Other Comprehensive Income		-	-	-	14,773	14,773
<b>Total Comprehensive Income</b>		-	-	-	200,845	200,845
<b>Transactions with Owners, Recorded Directly in Equity</b>						
Depreciation Transfer for Building		-	(5,285)	-	5,285	-
Dividends to Equity Holders	11	-	-	-	-	-
<b>Total Contributions by and Distributions to Owners</b>		-	(5,285)	-	5,285	-
<b>Balance as at 31st March 2024</b>		283,735	700,304	228,056	2,597,347	3,809,442
Profit for the Year		-	-	-	867,154	867,154
<b>Other Comprehensive Income</b>						
Revaluation of Land		-	299,996	-	-	299,996
Deferred Tax on Revaluation Surplus		-	(89,999)	-	-	(89,999)
Actuarial Gains/(Losses) on Defined Benefit Obligation		-	-	-	(1,377)	(1,377)
Income Tax Effect on Actuarial (Losses)/Gains		-	-	-	413	413
Total Other Comprehensive Income		-	209,997	-	(964)	209,033
<b>Total Comprehensive Income</b>		-	209,997	-	866,190	1,076,187
<b>Transactions with Owners, Recorded Directly in Equity</b>						
Depreciation Transfer for Building		-	(5,285)	-	5,285	-
Dividends to Equity Holders	11	-	-	-	(239,442)	(239,442)
<b>Total Contributions by and Distributions to Owners</b>		-	(5,285)	-	(234,157)	(239,442)
<b>Balance as at 31st March 2025</b>		283,735	905,016	228,056	3,229,380	4,646,187

Notes from pages 199 to 236 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

# STATEMENT OF CASH FLOWS

For the Year ended 31st March	Notes	2025 Rs. '000	2024 Rs. '000
<b>Cash Flows from Operating Activities</b>			
Profit Before Taxation		1,140,693	231,721
<b>Adjustments for,</b>			
Finance Cost	7.2	759,147	830,231
Finance Income	7.1	(4,287)	(5,419)
Provision for Defined Benefit Obligation	23	49,438	55,401
(Profit)/Loss on Disposal of Property, Plant and Equipment	8	673,822	2,608
Provision/(Reversal) for Bad Debts	8	(6,534)	(2,279)
Provision/(Reversal) for Impairment of Property, Plant & Equipment	8	-	(5,238)
Depreciation and Amortisation	8	435,477	379,340
<b>Operating Profit Before Working Capital Changes</b>		3,047,756	1,486,365
(Increase)/Decrease in Inventories		(260,055)	(1,483,093)
(Increase)/Decrease in Trade and Other Receivables		(2,265,663)	(770,488)
(Increase)/Decrease in Advances and Prepayments		141,208	(177,371)
Increase/(Decrease) in Trade and Other Payables		89,439	391,702
<b>Cash Generated/(Used In) From Operating Activities</b>		752,685	(552,885)
Finance Cost Paid	7.2	(713,597)	(793,853)
Retirement Benefit Liability Paid	23	(11,309)	(18,875)
<b>Net Cash Generated/(Used In) From Operating Activities</b>		27,779	(1,365,613)
<b>Cash Flows from Investing Activities</b>			
Acquisition of Property, Plant and Equipment/Intangible asset		(1,729,162)	(365,578)
Proceeds from Sale of Property, Plant and Equipment		232	2,595
Finance Income Received	7.1	4,287	5,419
<b>Net Cash Used In Investing Activities</b>		(1,724,643)	(357,564)
<b>Cash Flows from Financing Activities</b>			
Repayment of Interest Bearing Borrowings	15.1.2	(738,966)	(641,569)
Proceeds from Interest Bearing Borrowings	15.1.2	416,449	1,000,000
Lease Rental Paid	14.2	(93,674)	(77,897)
Dividend Paid	11	(239,442)	-
<b>Net Cash Used In Financing Activities</b>		(655,633)	280,534
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		(2,352,497)	(1,442,643)
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	19	(4,303,582)	(2,860,939)
<b>Cash and Cash Equivalents at end of the Year</b>	19	(6,656,079)	(4,303,582)

Notes from pages 199 to 236 form an integral part of these Financial Statements. Figures in brackets indicate deductions.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

### 1.1 Reporting Entity

Alumex PLC is a public limited liability Company incorporated and domiciled in Sri Lanka. The Ordinary Shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka on 31st March 2014.

The registered office of the Company and the principal place of business are situated at Sapugaskanda, Makola.

### 1.2 Principal Activities and Nature of Operations of the Company

During the financial year, principal activities of the Company is manufacturing and selling dies and aluminum extrusions.

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

### 1.3 Immediate and Ultimate Parent Entity

In the opinion of the Directors, the Company's immediate and ultimate Parent undertaking and controlling party is Hayleys PLC which is incorporated in Sri Lanka.

### 1.4 Approval of Financial Statements

The Financial Statements of the Company for the year ended 31st March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 02nd May 2025.

### 1.5 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report in the Annual Report.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and with the requirements of the Companies Act No. 7 of 2007.

### 2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position.

- ♦ Lands are measured at cost at the time of the acquisition and subsequently lands are carried at fair value.
- ♦ Financial instruments reflected as fair value through profit or loss are measured at fair value.
- ♦ Financial instruments designated as fair value through other comprehensive income (OCI) which are measured at fair value.
- ♦ Retirement benefit obligations which are determined based on actuarial valuations.

These Financial Statements have been prepared, except for cash flow information using the annual accrued basis of accounting.

Where appropriate, the specific policies are explained in the succeeding Notes.

No adjustments have been made for inflationary factors in the Financial Statements.

### 2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

All financial information presented in Sri Lankan Rupees has rounded to the nearest thousand (Rs'000), except when otherwise indicated.

### 2.4 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged wherever necessary to conform to current year presentation.

### 2.5 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.

### 2.6 Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs'000), except when otherwise indicated.

### 2.7 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

## 3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the Financial Statements.

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not foresee a need for liquidation or cessation of trading.

### 3.1 Foreign Currency Transactions

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. All

# NOTES TO THE FINANCIAL STATEMENTS

foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## 3.2 Current versus non-current classification

The Company presents assets and liabilities in Statement of Financial Position based on current/non-current classification. An asset as current when it is:

- ♦ Expected to be realised or intended to sold or consumed in normal operating cycle
- ♦ Held primarily for the purpose of trading
- ♦ Expected to be realised within twelve months after the reporting period
- Or
- ♦ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- ♦ It is expected to be settled in normal operating cycle
- ♦ It is held primarily for the purpose of trading
- ♦ It is due to be settled within twelve months after the reporting period
- Or
- ♦ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 3.3 Fair value measurement

The Company measures financial instruments such as investments which are designated as fair value through other comprehensive income (OCI) and designated as fair value through profit or loss and derivatives; non-financial assets such as owner occupied land and investment properties, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following Notes,

- ♦ Disclosures for valuation methods, significant estimates and assumptions  
Notes 12 & 13
- ♦ Property (land) under revaluation model  
Notes 12 & 13

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement

date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ♦ In the principal market for the asset or liability
- Or
- ♦ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- ♦ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- ♦ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ♦ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following Notes:

- ♦ Disclosures for valuation methods, significant estimates and assumptions - Notes 12.
- ♦ Quantitative disclosures of fair value measurement hierarchy - Notes 12.
- ♦ Property (land) under revaluation model - Notes 12.

### 3.4 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in

exchange for those goods or services.

#### Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

##### (i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

##### (ii) Significant financing component

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

pays for that good or service will be one year or less.

##### (iii) Warranty Obligations

The Company provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in the Notes 22 to the Financial Statements. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the equipment and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

#### Rendering of Services

The Company recognises revenue from services over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

#### Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate a shorter period) to the carrying amount of the financial asset or liability. When

# NOTES TO THE FINANCIAL STATEMENTS

calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instruments, but not future credit losses.

The calculation of effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental cost that are directly attributable to the acquisition or issue of a financial asset or liability. Interest income is presented in finance income in the Statement Profit or Loss.

## Other Income

Other income is recognised on an accrual basis.

## Gains and Losses

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in profit or loss.

## 3.5 Tax Expenses

Tax expenses comprises current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to item recognised directly in Equity or in Other Comprehensive Income

## Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Tax Exemption on Recycling Plant

As per the third schedule of Inland Revenue Act as Amendment Act No. 10 of 2021 and Act No. 45 Of 2022, gains and profits received or derived from business (other than any gains from the realization of capital assets and liabilities of the business as calculated under Chapter IV of this Act) by a person from an undertaking which is involved in the sale of construction materials recycled in a selected separate site established in Sri Lanka commenced on or after April 1st receives a tax holiday of 10 years. Accordingly, the Company has been entitled to receive a ten-year tax holiday effective from the financial year 2022/23 for the investment made in the recycling plant. The exemption will be ended by the 2031/32 financial year.

## Deferred Tax

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

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

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

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

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 3.6 Sales Tax

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- Receivables and payables that are stated with the amount of sales tax.

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

### 3.7 Property, Plant and Equipment

The Company applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

#### Recognition and measurement

Property, plant and equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Company and cost of the asset can be reliably measured.

Items of property, plant & equipment including construction in progress are measured at cost net of accumulated depreciation and accumulated impairment losses, if any, except for land which is measured at fair value.

#### Owned Assets

The cost of property, plant & equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and includes the costs of dismantling and removing the

items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Revaluation of land is done with sufficient frequency to ensure that the fair value of the land does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Any revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation reserve in equity.

However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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

#### Subsequent Costs

The cost of replacing a component of an item of property, plant & equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance

with the derecognition policy given below.

The costs of the repair and maintenance of property, plant & equipment are recognised in the Statement of Profit or Loss as incurred.

#### De-recognition

The carrying amount of an item of property, plant & equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Any gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in the Statement of Profit or Loss. Gains are not classified as revenue.

#### Depreciation

Depreciation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant & equipment, in reflecting the expected pattern of consumption of the future economic benefits embodied in the asset.

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

Class of Assets	Period
Building	20 years
Plant & machinery	05 – 20 years
Motor vehicles	04 – 05 years
Furniture, fittings and office equipment	02 – 13 years
Tools and Equipment	10 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised.

The asset's residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year



# NOTES TO THE FINANCIAL STATEMENTS

end and adjusted prospectively, if appropriate.

A reconciliation of the carrying amount at the beginning and end of the period is presented in Notes 12 & 13 to this Financial Statements.

## Capital Work in Progress

Capital work in progress represents the cost of civil construction work not completed and Property, Plant and Equipment that are not ready for their intended use.

## 3.8 Leases

### Company as a lessee

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

### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Description	Period
Buildings	03 to 15 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase

option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as more fully described in Notes 14 - Impairment of Assets.

### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings in Notes 14.2 to the Financial Statements.

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low value assets recognition exemption to leases that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 3.9 Intangible Assets

An Intangible asset is recognised if it is probable that future economic benefit associated with the assets will flow to the Company and cost of the asset can be reliably measured.

### Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

### Useful Economic Lives and Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.



Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

#### De-recognition of Intangible Assets

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

#### Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Statement of Profit or Loss as incurred

#### Research and Development Cost

Research Costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- ♦ The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- ♦ Its intention to complete and its ability to use or sell the asset
- ♦ How the asset will generate future economic benefit
- ♦ The availability of recourse to complete the asset
- ♦ The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to Company intangible assets are as follows.

	Development cost	Patents and licenses
Useful lives	Finite (10 years)	Finite (7 years)
Amortisation method used	Amortised on a straight line basis over the period of expected future sales from the related project.	Amortised on a straight line basis over the period of useful life.
Internally generated or acquired	Internally generated	Acquired

#### 3.10 Expenses

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. 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.

#### 3.11 Finance Income and Finance Costs

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in the Statement of Profit or Loss. Interest income is recognised as it accrues in the Statement of Profit or Loss.

# NOTES TO THE FINANCIAL STATEMENTS

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in the Statement of Profit or Loss.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## 3.12 Borrowing Costs

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

## 3.13 Inventories

Inventories are valued at the lower of cost or net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formula:-

### Raw Materials

At purchase cost on weighted average

### Finished Goods and Work-in-progress

At the cost of direct materials, direct labor and an appropriate proportion of manufacturing overheads based on normal

operating capacity, but excluding borrowing costs. standard cost take in to accounts normal levels of materials and supplies, labour, efficiency and capacity utilisation. They are regularly reviewed and, if necessary, revised in the light of current condition

### Consumables and Spares

At purchase cost on weighted average

### Goods in Transit

At purchase cost on weighted average

## 3.14. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and short term borrowings as they are considered an integral part of the Company's cash management.

## 3.15 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### Financial Assets

#### Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual

cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### Subsequent Measurement

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

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

### Financial Assets at Amortised cost (Debt Instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Company's financial assets at amortised cost includes trade receivables.

### De-recognition

A financial asset is de-recognised when:

- ♦ The rights to receive cash flows from the asset have expired
- ♦ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of The asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value

through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any

# NOTES TO THE FINANCIAL STATEMENTS

credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

### Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

### Financial liabilities at fair value through profit or loss

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

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

Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss so designated at the initial date of recognition, and only if criteria of SLFRS 9 are satisfied. The Company has not designated any financial liability at fair value through profit or loss.

### Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit or Loss.

### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

### De-recognition

A financial liability is derecognised when the obligation under the

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

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if,

- ♦ There is a currently enforceable legal right to offset the recognised amounts and
- ♦ There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

### Derivative financial instruments

#### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit or Loss.

### Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an

indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators

### 3.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

### 3.17 Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of possible outcomes against their associated probabilities.

### 3.18 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### 3.19 Capital commitments and contingencies

Capital commitments and contingent liabilities of the Company are disclosed in the respective Notes 25 to the Financial Statements.

### 3.20 Employee Benefits

#### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Company contributes to the following Schemes:

#### Employees' Provident Fund

The Company and employees contribute 12% and 8% respectively of the employee's monthly gross salary to the Provident Fund.

#### Employees' Trust Fund

The Company contributes 3% of the employee's monthly gross salary to the Employees' Trust Fund maintained by the Employees' Trust Fund Board.

### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Notes 23. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The valuation was carried out as at 31st March 2025 by Messer's Actuarial and Management consultant (Pvt) Ltd a qualified actuary. Further details are disclosed in Notes 23.

#### Recognition of Actuarial Losses / Gains

Actuarial gains and losses are recognised in full in the Other Comprehensive Income in line with the LKAS 19 – Employee Benefits (Revised 2013).



# NOTES TO THE FINANCIAL STATEMENTS

## Funding Arrangements

The Gratuity liability is not externally funded.

## Short Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

## 3.21 Statement of Cash Flows

The Statement of Cash Flows is prepared using the indirect method, as stipulated in LKAS 7- "Statement of Cash Flows".

## 3.22 Critical Accounting Estimates and Judgments

The preparation of Financial Statements in conformity with SLFRS/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following Notes.

## Going Concern

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

## Taxation

Uncertainties exist with respect to the interpretation of complex tax regulation, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the

amount of deferred tax assets that can be recognised, based on upon the likely timing and the level of future taxable profits together as with future tax planning strategies.

## Transfer Pricing regulation

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

## Measurement of the Defined Benefit Obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Notes 23. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

## Impairment of property, plant and equipment and intangible assets

The impairment analysis is principally based upon discounted estimated cash flows from the use and eventual disposal of the assets. Factors like lower than anticipated sales and resulting decreases of net cash flows and changes in the



discount rates could lead to impairment. Further details are disclosed in Notes 12 and 13 to the Financial Statements.

#### **Revaluation of Land**

The Company measures lands at revalued amount with change in value being recognised in the Statement of Other Comprehensive Income in Financial year 2024/2025. The valuer has used valuation techniques such as open market value. Refer Notes 12 to the Financial Statements.

#### **Inventories**

Company reviews the existence and usability of inventories based on a perpetual inventory count. Provisions are made when Management determines obsolete stock and/or assesses a reduction in recoverable value. Provision is made in full when the goods aged over three months with regard to the used in the production process based on Company policy. The valuation of finished and semi-finished goods requires use of management's judgments and estimates relating to the application of appropriate rates for overhead absorption.

#### **Allowance for Doubtful Debts**

Company reviews at each reporting date all receivables to assess whether an allowance should be recorded in the Statement of Profit or Loss. Management uses judgment in estimating such allowance considering the duration of outstanding and any other factors management is aware of that indicates uncertainty in recoverability. Refer Notes 17 for more details.

#### **Provision for Warranties**

The provision is based on historical data and Company reviews adequacy of provision at each reporting date.

#### **3.23 Events occurring after the Reporting date**

All material post occurred after the reporting date events have been considered and where appropriate adjustments or disclosures have been made in the Notes 26 to the Financial Statements.

#### **3.24 Earnings per Share**

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### **3.25 Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Refer Notes 29 to the Financial Statements.

### **4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

#### **4.1. New and amended standards and interpretations**

No significant impact resulted on the financial statements of the Company due to changes in Accounting Standards and disclosures during the year

#### **4.2 Standards Issued but not yet Effective**

##### **4.2.1 Lack of exchangeability - Amendments to LKAS 21**

The amendments specify how an entity should assess whether a

currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its Financial Statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the Company's Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 5. REVENUE

For the Year ended 31st March	Notes	2025	2024
		Rs. '000	Rs. '000
<b>Sale of Goods</b>			
Goods Transferred at the Point in Time (Note 5.1.1)		14,338,260	10,992,977
Total Revenue from Contract with Customers		14,338,260	10,992,977

### 5.1.1 Goods Transferred at the Point in Time

Revenue generated on each product category is shown below :

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
Local Sales - Extrusions & Value Added Products	9,274,303	7,639,417
Export Sales - Extrusions & Value Added Products	4,836,757	3,257,423
Indirect Exports Outside	128,031	-
Aluminium Accessories, Cladding & Corian	2,402	2,007
Other Material Sales and Service Charges	96,767	94,130
	14,338,260	10,992,977

### 5.2 Geographical Segment Revenue

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
Asia (excluding Sri Lanka)	353,744	759,414
Australia	1,211,801	442,892
Europe	1,540,644	1,789,543
United States of America	1,739,988	265,575
Indirect Exports	128,031	-
Sri Lanka	9,364,052	7,735,553
	14,338,260	10,992,977

## 6. OTHER INCOME & OTHER EXPENSES

### 6.1 Other Income

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
Lease Rental Income	953	688
Income from Sale of Discarded Items	50,158	53,087
Insurance Income (Note 6.1.1)	1,447,012	-
	1,498,123	53,775

#### 6.1.1 Insurance Income

During the year, a fire occurred at the Company's facility in Ekala, resulting in damage to Property, Plant and Equipment, and Inventory. The Company recognised an insurance claim amounting to Rs. 1,447 Mn for the replacement of the damaged assets. (2024 - Nil)

### 6.2 Other Expenses

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
Other Expenses	947,308	-
	947,308	-

Other expenses represent amounts charged off during the year in relation to the fire incident at the Ekala plant. This mainly includes the net carrying value of Property, Plant and Equipment amounting to Rs. 690 Mn, Inventory amounting to Rs. 228 Mn. (2024 - Nil)

## 7. NET FINANCE (INCOME)/COST

### 7.1 Finance Income

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
Interest Income on Deposits and Receivable	(4,287)	(5,419)
Exchange Gain	(286,457)	(642,838)
Total Finance Income	(290,744)	(648,257)

### 7.2 Finance Cost

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
Interest Expense on Loans and Borrowings	669,569	702,431
Interest Expense on Leases	45,550	36,378
Interest Expense on Bank Overdrafts	44,028	91,422
Exchange Loss	301,838	638,940
Total Finance Cost	1,060,985	1,469,171
Net Finance (Income)/Cost	770,241	820,914

## 8. PROFIT BEFORE TAX

### 8.1 Profit before tax is stated after charging all expense including following:

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
<b>Included in Cost of Sales</b>		
Employee Benefits Including the Following	1,241,995	897,308
- Defined Benefit Plan Costs	47,065	52,741
- Defined Contribution Plan Costs	76,407	60,825
Depreciation and Amortisation	367,396	274,581
Provision/(Reversal) for Inventory	58,802	23,411
Research & Development Expenses	38,082	19,823
<b>Included in Administrative, Selling and Distribution and Other Expenses</b>		
Employee Benefits Including the Following	623,987	509,838
- Defined Benefit Plan Costs	2,374	2,660
- Defined Contribution Plan Costs	39,835	33,210
Provision/(Reversal) for Bad Debts	(6,534)	(2,279)
Audit Fees	2,158	1,671
Non - Audit Fees	1,366	1,873
Depreciation and Amortisation	67,649	104,759
Impairment of Property, Plant and Equipment	-	(5,238)
Loss on Disposal/Write-offs of Property, Plant and Equipment	673,822	2,608
Donations	4,056	3,942
Advertising Costs	49,376	30,696
Directors Fees (NED)*	3,791	2,286
Directors Emoluments (ED)**	70,421	58,520

\* NED - Non Executive Directors

\*\* ED - Executive Directors

# NOTES TO THE FINANCIAL STATEMENTS

## 9. INCOME TAX

The major components of income tax expense for the years ended 31st March 2025 and 2024 are :

### Income Statement

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
<b>Current Income Tax :</b>		
Current Income Tax	115,132	-
Adjustments in Respect of Current Income Tax of Previous Year	-	-
<b>Deferred Tax :</b>		
Relating to Origination and Reversal of Temporary Differences	158,407	45,649
Income Tax Expense Reported in the Income Statement	273,539	45,649

A reconciliation between tax expense and the accounting profit multiplied by domestic tax rate for the years ended 31st March 2025 and 2024 is as follows:

### Financial Statement of OCI

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
<b>Deferred Tax Related to Items Recognised in OCI During the Year</b>		
Net Loss/(Gain) on Actuarial Gains and Losses	(413)	6,332
Revaluation Gain/(Reversal) of Land	89,999	-
Deferred Tax Charged to OCI	89,586	6,332

### 9.1 A Reconciliation Between Tax Expense and the Accounting Profit

For the Year ended 31st March	2025	2024
	Rs. '000	Rs. '000
Accounting Profit Before Income Tax	1,140,693	231,721
Aggregate Disallowable Items	1,453,247	603,648
Aggregate Allowable Expenses	(1,891,694)	(1,142,092)
Exempt Profit	(214,810)	(86,868)
Interest Income	4,287	5,419
Tax Loss Brought Forward	(107,955)	280,217
Tax Loss Carried Forward	-	107,955
Taxable Income	383,768	-
Income Tax @ 30%	115,132	-
Income Tax on Current Year Profit	115,132	-
Charge/(Reversal) of Temporary Differences	158,407	45,649
Income Tax Expenses Reported in the Income Statement	273,539	45,649
Effective Tax Rate	24%	20%

## 9.2 Deferred Tax

Deferred Tax Relates to the Following:

	Statement of Financial Position		Income Statement	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Accelerated Depreciation for the Tax Purposes	(1,116,276)	(837,306)	188,971	109,381
Right to Use Assets	(117,023)	(71,407)	45,616	(8,481)
Lease Liability	135,082	83,840	(51,242)	4,815
Retirement Benefit Obligations	78,571	66,719	(11,439)	(10,959)
Provision for Bad Debts	5,960	7,934	1,974	867
Tax Loss Carried Forward	-	34,456	34,456	49,609
Other Provisions	269,494	219,565	(49,929)	(99,583)
	(744,192)	(496,199)	158,407	45,649

	Statement of Financial Position		Statement of Comprehensive Income	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income Tax Effect on Actuarial Gains/(Loss)			(413)	6,332
Income Tax Effect on Revaluation Gain/(Reversal) of Land			89,999	-
			89,586	6,332
Deferred Tax Expense/(Income)			247,993	51,981
Net Deferred Tax Liabilities	(744,192)	(496,199)		

Reflected in the Statement of Financial Position as follows,

	2025	2024
	Rs. '000	Rs. '000
Deferred Tax Assets	489,107	412,514
Deferred Tax Liabilities	(1,233,299)	(908,713)
Deferred Tax Liabilities - Net as at 31st March	(744,192)	(496,199)

### Reconciliation of Deferred Tax Liabilities

	2025	2024
	Rs. '000	Rs. '000
Balance as at 1st April	(496,199)	(444,218)
Tax Income/(Expense) Recognised in Profit & Loss	(158,407)	(45,649)
Tax (Expense)/Income Recognised in Other Comprehensive Income	(89,586)	(6,332)
Balance as at 31st March	(744,192)	(496,199)

# NOTES TO THE FINANCIAL STATEMENTS

## Reconciliation of Deferred Tax (Charge)/Reversal

	2025	2024
	Rs. '000	Rs. '000
Deferred Tax (Charge)/Reversal on Other Temporary Differences Recognised Under Profit or Loss	(158,407)	(45,649)
Deferred Tax (Charge)/Reversal on Other Temporary Differences Recognised Under Other Comprehensive Income	(89,586)	(6,332)
	(247,993)	(51,981)

Deferred taxes of the Company is computed at the rate of 30% (2024 - 30%).

## 10. EARNINGS PER SHARE

### 10.1 Basic Earnings per Share

Basic Earnings per Share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

### 10.2 Diluted Earnings per Share

The calculation of Diluted Earnings per Share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effect of all diluted ordinary shares.

**10.3** The Following Reflects the Income and Share Data Used in the Basic & Diluted Earnings per Share computation.

	2025	2024
	Rs. '000	Rs. '000
<b>Amounts Used as Numerator:</b>		
Net Profit Attributable to the Equity Holders of the Company	867,154	186,072
	2025	2024
	Number	Number
Numbers of Ordinary Shares Used as Denominator:		
Weighted Average Number of Ordinary Shares in Issue	598,605,680	598,605,680
<b>Basic &amp; Diluted Earnings per Share</b>	1.45	0.31

## 11. DIVIDENDS PAID AND PROPOSED

	2025	2024
	Rs. '000	Rs. '000
<b>Declared and paid during the year:</b>		
Dividends on Ordinary Shares:		
1st Interim Dividend for 2024/25 - Rs.0.40 per Share	239,442	-
<b>Total Dividend</b>	239,442	-
<b>Dividend per Share (Rs.)</b>	0.40	-

All dividend proposed and declared before the Financial Statements were authorized for issue have been recognised as a distribution to owners.



## 12. PROPERTY, PLANT AND EQUIPMENT

### 12.1 Property, Plant and Equipment

	Land	Building	Plant and Machinery	Motor Vehicles	Office Equipment	Furniture and Fittings	Tool and Equipment	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cost or Valuation</b>								
At 1st April 2024	1,307,815	1,782,501	3,061,958	54,949	140,333	98,984	357,487	6,804,027
Revaluation Surplus	299,996	-	-	-	-	-	-	299,996
Additions	-	568,672	1,052,648	561	32,578	6,294	64,732	1,725,485
Disposals/Write-offs	-	(342,460)	(610,530)	-	(10,860)	(813)	(5,689)	(970,352)
At 31st March 2025	1,607,811	2,008,713	3,504,076	55,510	162,051	104,465	416,530	7,859,156
<b>Depreciation</b>								
At 1 April 2024	-	544,267	1,235,364	49,830	81,631	62,386	127,610	2,101,088
Charge for the Year	-	91,918	170,014	1,018	19,514	8,483	58,793	349,740
Disposals/Write-offs	-	(105,393)	(181,758)	-	(5,709)	(597)	(2,841)	(296,298)
At 31st March 2025	-	530,792	1,223,620	50,848	95,436	70,272	183,562	2,154,530
<b>Net Book Value</b>								
At 31st March 2025	1,607,811	1,477,921	2,280,456	4,662	66,615	34,193	232,968	5,704,626
At 31st March 2024	1,307,815	1,238,234	1,826,594	5,119	58,702	36,598	229,877	4,702,939

- (A) During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 1,725 Mn. (2024 - Rs.357 Mn) for cash.
- (B) Disposals and write-offs during the year include the derecognition of Property, Plant and Equipment with a gross carrying value of Rs. 952 Mn, corresponding to a net carrying amount of Rs. 671 Mn, resulting from damage caused by a fire incident at the Ekala plant (2024 - Nil). Further, this includes the disposal of Property, Plant and Equipment with a net carrying value of Rs.3 Mn (2024 - Rs. 5 Mn) arising from asset replacements and retirements during the year.
- (C) The gross carrying amount of fully depreciated Property, Plant and Equipment that are still in use as at 31st March 2025 was Rs 636 Mn. (2024 - Rs. 635 Mn)
- (D) The net carrying amount of temporarily idle Property, Plant and Equipment as at 31st March 2025 was Nil. (2024 - Nil)
- (E) There were no capitalised borrowing costs related to the acquisition of Property, Plant and Equipment during the year.(2024 - Nil)
- (F) There were no restrictions that existed on the title to the Property, Plant and Equipment of the Company as at the reporting date.(2024 - Nil)
- (G) There were no assets pledged by the Company as securities for facilities obtained from the Banks except the term loan obtained from Hatton National Bank. (Note 15.1)

### 12.2 Revaluation of Land & Building

Fair value of the properties was determined using the market comparable method. This means that valuation performed by the valuer are based on market based evidence, significantly adjusted for difference in the nature, location or condition of the specific property.

## NOTES TO THE FINANCIAL STATEMENTS

As at the date of revaluation on 31st March 2025, the fair value of land are based on valuation performed by Mr. P. B. Kalugalagedara, an independent chartered valuer who has valuation experience for similar lands since 1969. The fair value of Freehold Buildings were determined by means of a revaluation during the year 2010 by Messrs. SGS Lanka (Pvt) Ltd, an independent valuer in reference to market based evidence. The results of such revaluation were incorporated in these Financial Statements from its effective date which was 31st March 2011. The surplus arising from the revaluation net of deferred taxes was transferred to a revaluation reserve and it's transferred back to equity over the period of time.

The Company changed the accounting policy with respect of measurement of building during 2012, therefore the fair value of building was not measured thereafter.

The carrying amount of revalued assets that would have been included in the Financial Statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost	Cumulative Depreciation if Assets were Carried at Cost	Net Carrying Amount	Net Carrying Amount
			2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Freehold Land	473,722	-	473,722	473,722
Building	1,506,511	(551,634)	954,877	792,680
	1,980,233	(551,634)	1,428,599	1,266,402

### Fair Value of Land

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 asset or liability that are not based on observable market data (that is, un-observable inputs) (Level -3).

	Fair Value measurement using significant unobservable inputs (Level 3)	
	Date of Valuation	Rs. '000
<b>Revalued Property, Plant and Equipments</b>		
Land - Makola	31st March 2025	706,980
Land - Gonawala	31st March 2025	145,355
Land - Ekala	31st March 2025	755,476
		1,607,811

	2025 Range	2022 Range
	Rs. '000	Rs. '000
<b>Significant unobservable input :</b>		
Price per perch		
Land - Makola	600	550-575
Land - Gonawala	500	350
Land - Ekala	750	550

Significant increases/(decreases) in estimated price per perch in isolation would result in a significantly higher (lower) fair value.

## 12.4 Value of Real Estate

As at 31st March 2025

Ownership	Location	Extent (Acres)	No of buildings in each location	Buildings Sq.ft	Market Value of Land Rs. '000
Alumex PLC	Makola	7.37	16	228,000	706,980
Alumex PLC	Gonawala	1.82	3	59,042	145,355
Alumex PLC	Ekala	6.30	5	91,442	755,476

## 12.5 Depreciation Transfer for Building

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

## 13. INTANGIBLE ASSETS

	Patents and Licenses Rs. '000	Total Rs. '000
<b>Cost</b>		
Balance as at 1st April 2024	173,561	173,561
Additions	3,677	3,677
Disposals	-	-
Balance as at 31st March 2025	177,238	177,238
<b>Amortisation</b>		
Balance as at 1st April 2024	100,192	100,192
Amortisation Charge for the Year	18,860	18,860
Disposals	-	-
Balance as at 31st March 2025	119,052	119,052
<b>Net Book Value</b>		
As at 31st March 2025	58,186	58,186
As at 31st March 2024	73,369	73,369

(A) Intangible asset consist of patent , licence of ERP software (SAP S4 Hana), Business intelligence tool software and Solid CAM Software of Machines.

(B) The gross carrying amount of fully amortised intangible assets that are still in use as at 31st March 2025 was Rs. 2 Mn. (2024 - Nil)

(C) The net carrying amount of temporarily idle intangible assets as at 31st March 2025 was Rs. Nil Mn. (2024 - Nil)

# NOTES TO THE FINANCIAL STATEMENTS

## 14. RIGHT-OF-USE-ASSETS / LEASE LIABILITIES

### 14.1 Right of Use Assets

	2025	2024
	Rs. '000	Rs. '000
<b>Cost</b>		
Balance as at 1st April	392,462	366,997
Additions	218,931	25,465
De-recognition	-	-
Cost as at 31st March	611,393	392,462
<b>Accumulated Amortisation</b>		
Balance as at 1st April	154,437	100,703
Amotisation for the Year	66,877	53,734
De-recognition	-	-
Accumulated Amortisation as at 31st March	221,314	154,437
Net Book Value as at 31st March	390,079	238,025

### 14.2 Lease Liability

	2025	2024
	Rs. '000	Rs. '000
Balance as at 1st April	279,465	295,519
Additions/Reassessment	218,931	25,465
Accretion of Interest	45,550	36,378
Payments	(93,674)	(77,897)
Balance as at 31st March	450,272	279,465
<b>Non-Current - Lease Liability</b>	388,222	211,524
<b>Current - Lease Liability</b>	62,050	67,941
	450,272	279,465

The weighted average lessee's incremental borrowing rate of 12.47% applied to lease liabilities recognised in the Statement of Financial Position at the date of initial application.

Expenses related to short term lease and lease of low value assets amounting to Rs. 21.1 Mn (2024 - Rs. 2.6 Mn) has recognised in Profit or Loss.

### 14.3 Maturity analysis of lease liabilities

The table below summarises the maturity profile of the Company gross lease liabilities.

	Less than 3 months	3 to 12 months	1-2 years	2-5 years	>5 years	Total (Gross)
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
2024	17,827	51,116	63,819	109,781	226,947	469,491
<b>2025</b>	<b>30,772</b>	<b>82,907</b>	<b>89,110</b>	<b>266,796</b>	<b>288,449</b>	<b>758,034</b>

## 15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### 15.1 Financial Liabilities

	2025	2024
	Rs. '000	Rs. '000
<b>Current Portion of Long Term Interest Bearing Borrowings</b>		
Long Term Loans	600,512	655,630
<b>Short-Term Interest Bearing Borrowings</b>		
Short Term Loans	6,775,000	3,838,717
Bank Overdraft	116,833	539,810
<b>Total Short-Term Interest Bearing Borrowings</b>	<b>6,891,833</b>	<b>4,378,527</b>
<b>Non-Current Interest Bearing Borrowings</b>		
Long Term Loans	664,591	931,990
<b>Total Non-Current Interest Bearing Borrowings</b>	<b>664,591</b>	<b>931,990</b>

#### 15.1.2 Long-Term Borrowings

	2025	2024
	Rs. '000	Rs. '000
As at 1st April	1,587,620	1,229,189
New Loans Obtained	416,449	1,000,000
Repayments	(738,966)	(641,569)
As at 31st March	1,265,103	1,587,620
Transfer to Current Liability (Repayable Within One Year)	(600,512)	(655,630)
Repayable After One Year	664,591	931,990

#### 15.1.3 Analysis of Long-Term Borrowings by Year of Repayment

	2025	2024
	Rs. '000	Rs. '000
As at 31st March		
Long - Term Loans Repayable Between 1-2 Years from Year - end	394,012	475,508
Long - Term Loans Repayable Between 2-5 Years from Year - end	270,579	456,482
Total Non-Current Borrowings (Note 15.1)	664,591	931,990

## NOTES TO THE FINANCIAL STATEMENTS

### 15.1.4 Security and Repayment Terms of Loan term Bearing Borrowings

Lender	Lender Rate of interest (p.a.)	Repayment - Monthly	Security	2025 Rs. '000	2024 Rs. '000
Commercial Bank of Ceylon PLC	AWPLR%+0.5%	48 Installments	Clean Basis	218,741	343,745
Commercial Bank of Ceylon PLC	AWPLR%+0.5%	48 Installments	Clean Basis	218,741	343,745
Commercial Bank of Ceylon PLC	AWPLR%+1%	60 Installments	Clean Basis	-	81,500
Commercial Bank of Ceylon PLC	AWPLR%+0.5%	48 Installments	Clean Basis	208,109	333,113
Hatton National Bank	AWPLR%+0.25%	60 Installments	Negative pledge over Plant and fixed assets	19,000	163,000
				664,591	1,265,103

### 15.2 Short-Term Borrowings

	2025 Rs. '000	2024 Rs. '000
As at 1st April	3,838,717	2,673,738
New Loans Obtained	18,337,863	15,410,413
Repayments	(15,401,580)	(14,245,434)
As at 31st March	6,775,000	3,838,717

### 15.3 Fair Value of Financial Assets and Liabilities not Carried at Fair Value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the Financial Statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	Carrying Amount		Fair value	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
<b>Financial Assets</b>				
Trade and Other Receivables	4,327,907	2,055,758	4,327,907	2,055,758
<b>Total</b>	4,327,907	2,055,758	4,327,907	2,055,758
<b>Financial Liabilities</b>				
Trade and Other Payables	2,167,656	2,082,149	2,167,656	2,082,149
Loans and Borrowings- Current	600,512	5,034,157	600,512	5,034,157
Loans and Borrowings- Non Current	664,591	931,990	664,591	931,990
<b>Total</b>	3,432,759	8,048,296	3,432,759	8,048,296

The following describes the methodologies and assumptions used to determine the fair values for those financial instruments which are not already recorded at fair value in the Financial Statements.

#### Assets for which Fair Value Approximates Carrying Value

For financial assets and financial liabilities that have a short term maturity (original maturities less than a year), it is assumed that the carrying amounts approximate their fair values.

Loans and advances granted to customers with a variable rate are also considered to be carried at fair value in the books.



## 16. INVENTORIES

	2025	2024
	Rs. '000	Rs. '000
Raw Material	2,029,545	1,787,457
Work In Progress	2,086,703	1,717,425
Finished Goods	1,823,368	1,475,218
Other Materials	11,945	8,948
Goods In Transit	117,482	760,809
Less: Provision for Obsolete Inventory (Note 16.1)	(669,289)	(610,158)
	5,399,754	5,139,699

The reported Inventory balance is stated after deducting a write-off of Rs. 228 Mn recognised during the year, relating to fire-damaged Inventory at the Ekala plant.

### 16.1 Movement in the Provision for Obsolete Inventory

	2025	2024
	Rs. '000	Rs. '000
<b>As at 1st April</b>	610,158	586,747
Provision Made During the Year	59,131	23,411
<b>As at 31st March</b>	669,289	610,158

The provision/(reversal) of the group for obsolete inventory was amounting Rs. 59.1 Mn (2024 - Rs. 23.4 Mn - provision made) which was recognised in Cost of Sales.

## 17. TRADE AND OTHER RECEIVABLES

As at 31st March	2025	2024
	Rs. '000	Rs. '000
Trade Receivables	2,244,254	1,238,723
Less: Provision for Doubtful Debts (Note 17.1)	(19,865)	(26,447)
Net Trade Receivables	2,224,389	1,212,276
Amounts Due from Related Parties (Notes 17.2)	247,663	666,449
Other Receivables	1,855,855	177,033
	4,327,907	2,055,758

### 17.1 Movement in the Provision for Doubtful Debts

	2025	2024
	Rs. '000	Rs. '000
<b>As at 1st April</b>	26,447	29,335
Write-off Against the Provision	(48)	(609)
Provision Reversed during the Year	(6,534)	(2,279)
<b>As at 31st March</b>	19,865	26,447

## NOTES TO THE FINANCIAL STATEMENTS

### 17.2 Amounts Due from Related Parties

	2025	2024
	Rs. '000	Rs. '000
Advantis Projects & Engineering (Pvt) Ltd	1,490	504
Unisyst Engineering PLC	29,526	241,876
Energynet (Pvt) Ltd	-	101,656
Fentons Limited	216,647	322,413
	247,663	666,449

Trade receivables are non-interest bearing and are generally on 30-90 days terms.

### 17.3 As at 31st March , the ageing analysis of trade receivables is as follows:

	Neither Past Due nor Impaired	Past Due but not Impaired					Provision for Doubtful Debts	Total (Net)
	Rs. '000	< 60 days Rs. '000	61-120 days Rs. '000	121-180 days Rs. '000	> 180 days Rs. '000	Total (Gross) Rs. '000	Rs. '000	Rs. '000
2024	664,157	413,667	135,177	15,225	10,497	1,238,723	(26,447)	1,212,276
2025	1,505,464	678,916	33,568	7,261	19,045	2,244,254	(19,865)	2,224,389

### 18. ADVANCES AND PREPAYMENTS

	2025	2024
	Rs. '000	Rs. '000
Advances	366,749	535,325
Prepayments	72,081	44,713
	438,830	580,038

### 19. CASH AND SHORT TERM DEPOSITS

	2025	2024
	Rs. '000	Rs. '000
Cash at Banks and on Hand	235,754	74,945
	235,754	74,945

### 19.1 For the purpose of Statement of Cash Flows, cash and cash equivalents comprise the followings:

	2025	2024
	Rs. '000	Rs. '000
Cash at Banks and on Hand	235,754	74,945
Short Term Interest Bearing Borrowing	(6,891,833)	(4,378,527)
<b>Cash and Cash Equivalents for the Purpose of Cash Flow Statement</b>	<b>(6,656,079)</b>	<b>(4,303,582)</b>

## 20. STATED CAPITAL

	2025	2025	2024	2024
	Number	Rs. '000	Number	Rs. '000
Issued and Fully paid Ordinary Shares	598,605,680	283,735	598,605,680	283,735

## 21. RESERVES

	2025	2024
	Rs. '000	Rs. '000
Revaluation Reserve (Note 21.1)	905,016	700,304
Capital Reserve (Note 21.2)	228,056	228,056
	1,133,072	928,360

### 21.1 Revaluation Reserve

	2025	2024
	Rs. '000	Rs. '000
<b>As at 1st April</b>	700,304	705,589
Transfer on Revaluation Surplus	209,997	-
Excess Depreciation Transfer on Revaluation Surplus	(5,285)	(5,285)
<b>As at 31st March</b>	905,016	700,304

Revaluation Surplus consists of net surplus resulting from the valuation of Property , Plant and Equipment.

### 21.2 Capital Reserve

Capital reserve was made with funds transferred from retained earnings in previous years with the purpose of purchasing capital nature assets.

### 21.3 OCI items, Net of Tax

The disaggregation of charges of OCI by each type of reserve on equity is shown below:

### 21.3. STATED CAPITAL

	Revaluation Reserve	Retained Earnings	Total
	Rs. '000	Rs. '000	Rs. '000
<b>As at 31st March 2024</b>			
Remeasurement of Defined Benefit Plan Net of Tax	-	14,773	14,773
	-	14,773	14,773
<b>As at 31st March 2025</b>			
Remeasurement of Defined Benefit Plan Net of Tax	-	(964)	(964)
Revaluation of Land Net of Tax	209,997	-	209,997
	209,997	(964)	209,033

# NOTES TO THE FINANCIAL STATEMENTS

## 22. PROVISIONS

### Maintenance Warranty

	2025	2024
	Rs. '000	Rs. '000
<b>As at 1st April</b>	25,461	22,424
Provisions During the Year	3,932	3,037
<b>As at 31st March</b>	29,393	25,461

Maintenance warranty provision is recognised for expected warranty claims on Wood Finished products sold.

## 23. RETIREMENT BENEFIT OBLIGATION

The Company measures the present value of Defined Benefit Obligation (PVDBO) which is a defined benefit plan with the advice of an actuary using Project Unit Credit Method.

Changes in the present value of the Retirement Benefit Plan as follows:

	2025	2024
	Rs. '000	Rs. '000
<b>As at 1st April</b>	222,397	206,976
Interest Cost	26,009	35,644
Current Service Cost	23,429	19,757
Past Service Cost	-	-
Benefit Paid	(11,309)	(18,875)
Actuarial Loss/(Gain)	1,377	(21,105)
<b>As at 31st March</b>	261,903	222,397
<b>Legal Liability As at 31st March</b>	269,407	231,627

### 23.1 Expense Recognised during the year in Income Statement

	2025	2024
	Rs. '000	Rs. '000
Interest Cost	26,009	35,644
Current Service Cost	23,429	19,757
Past Service Cost	-	-
	49,438	55,401
Actuarial (Loss)/Gains Recognised in Other Comprehensive Income	(1,377)	21,105

Messrs. Actuarial and Management consultant (Pvt) Ltd , carried out an actuarial valuation of the defined benefit plan gratuity on 31st March 2025. The principal financial assumptions underling the valuation are as follows:

### 23.2 The key assumptions used in determining the cost of employee benefits were:

Discount Rate 11% (2024 - 12%)

Rate of Salary Increase 10% (2024 - 11%)

Retirement Age 60 Years as specified by the Company (2024 - 60 Years )

Staff Turnover 10% of mortality rates

MortalityBased on A 1967/70 Mortality Table ( Institute of Actuaries , London)

**23.3** In order to illustrate the significance of the salary escalation rates and discount rates assumed in this valuation a sensitivity analysis for all employees assuming the above is as follows:

**As at 31st March 2025**

Salary Increment Rate	Discount Rate	Present Value of Defined Benefit Obligation	Net Benefit (Expense)
11.00%	11%	277,253	(15,350)
11.00%	13%	248,034	13,870
10.00%	12%	247,343	14,560
12.00%	12%	277,780	(15,876)

**As at 31st March 2024**

Salary Increment Rate	Discount Rate	Present Value of Defined Benefit Obligation	Net Benefit (Expense)
11.00%	11%	235,656	(13,259)
11.00%	13%	210,415	11,982
10.00%	12%	209,906	12,491
12.00%	12%	236,020	(13,623)

**23.4** Average future working life time as per the assumptions made is 6 years as of 31st March 2025.

**23.5** Maturity Profile of the Defined Benefit Obligation as at 31st March 2025.

**Expected Future Working Life**

	Defined Benefit Obligation	
	2025	2024
	Rs. '000	Rs. '000
Within the Next Twelve Months	28,553	23,099
Between One to Five Years	120,776	103,295
Between Five to Ten Years	73,207	61,919
More than Ten Years	39,367	34,084
	261,903	222,397

**24. TRADE AND OTHER PAYABLES**

	2025	2024
	Rs. '000	Rs. '000
Trade Payables	889,927	1,261,181
Amounts Due to Related Parties (Notes 24.1)	379,992	159,273
Other Payables	589,221	417,867
Accruals and Sundry Creditors	308,516	243,828
	2,167,656	2,082,149

Other payables are non-interest bearing and hence on average term of six months. For explanation of Company credit risk management process, refer to Note No 28.

# NOTES TO THE FINANCIAL STATEMENTS

## 24.1 Amounts Due to Related Parties

	2025	2024
	Rs. '000	Rs. '000
Hayleys PLC	177,255	135,856
Advantis Freight (Private) Ltd	7,543	10,830
Hayleys Business Solutions International (Pvt) Ltd	1,498	532
Logiwiz Limited	-	638
Advantis Projects & Engineering (Private) Limited	64	-
Hayleys Advantis Ltd	-	94
Fentons Limited	155,034	3
Hayleys Aventura (Pvt) Ltd	920	-
Hayleys Travels (Pvt) Ltd	5,106	1,089
Kingsburry PLC	9	294
Puritas (Private) Limited	-	194
Colombo Cargo Express (Pvt) Ltd	5	-
Ceva Logistics Lanka (Pvt) Ltd	1,909	-
Energynet (Pvt) Limited	20,407	-
Dean Foster (Pvt) Ltd	9,665	-
Mabroc Teas (Pvt) Ltd	-	113
Singer (Sri Lanka PLC)	-	9,069
Hayleys Agro Fertilizers (Pvt) Ltd	-	37
Advantis Express (Pvt) Limited	577	524
	379,992	159,273

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-60 day terms
- Accrued expenses are non-interest bearing and are normally settled on 30 day terms

Other payables are non-interest bearing and hence on average term of six months. For explanation of Group credit risk management process, refer to Notes No 28.

## 25. COMMITMENTS AND CONTINGENCIES

### 25.1 Capital Expenditure Commitments

The Company has following major capital commitments as at 31st March 2025.

	Capital Commitment Rs. '000
<b>Class of Fixed Asset</b>	
Building	41,998
Plant & Machinery	106,230
Total	148,228



## 25.2 Litigation, Disputes and Contingent Liabilities

There are no material legal, arbitration or mediation proceedings pending against the Company that would materially affect the current financial position of future operations or profits of the Company. The Company was not involved in any legal, arbitration or mediation proceedings in the recent past which had any significant effects on the Company's financial position or profitability.

The contingent liabilities as at 31st March 2025 on guarantees given by Company to third parties amounted to Rs. 86.9 Mn (2024 - Rs 7.9 Mn).

The Company has received a tax assessment amounting to Rs. 85.1 Mn relating to Alco Industries (Pvt) Ltd, which was previously amalgamated with Alumex PLC. To avoid further interest accumulation on this liability, the Company decided to pay the assessment amount, which includes a penalty of Rs. 10.8 Mn and accumulated interest of Rs. 20.6 Mn. The Company has appealed to the Tax Appeal Commission, where the assessment is currently under review.

Company has received a claim from the Department of Labour for surcharge payments on the grounds of delayed EPF contributions made to the Central Bank of Sri Lanka 15 years before, for a value of Rs. 2 Mn and its still being discussed with Department of Labour and the Central Bank of Sri Lanka.

There are no material contingent liabilities, except the above mentioned items, that would affect current and future profits of the Company as at 31st March 2025.

## 26. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no events that has occurred as at 31st March 2025 which require adjustment in the Financial Statements.

## 27. RELATED PARTY DISCLOSURES

### 27.1 Parent and Ultimate Controlling Party

The Ultimate Parent of the Group is Hayleys PLC.

### 27.2 Transactions with the Key Management Personnel

#### (A) Loans to Directors

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

#### (B) Key Management Personnel Compensation

Key management personnel comprises the Directors of the Company and details of compensation are given in Notes 08 to the Financial Statements. There were no other transactions with key management personnel during the year.

## NOTES TO THE FINANCIAL STATEMENTS

### 27.3 Transactions with Related Companies

The following table provides the total amount of transactions that the Company have been entered into with related parties for the relevant financial year (for information regarding outstanding balances at 31st March 2025, 31st March 2024, refer to Notes 17 and 24):

		Sales to Related Parties	Purchases from Related Parties	Net Funds Transfer from / (to) Related Parties	Amounts Due from Related Parties	Amounts Due to Related Parties
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Parent:</b>						
Hayleys PLC	2025	-	481,689	(440,291)	-	177,255
	2024	-	373,185	(533,369)	-	135,856
<b>Affiliates</b>						
Hayleys Business Solutions International (Pvt) Ltd	2025	-	8,185	(7,219)	-	1,498
	2024	-	6,528	(7,786)	-	532
Haycarb PLC	2025	-	-	-	-	-
	2024	-	(11)	-	-	-
Hayleys Travels (Pvt) Ltd	2025	-	29,794	(25,776)	-	5,106
	2024	-	13,343	(11,670)	-	1,089
The Kingsbury PLC	2025	-	7,180	(7,465)	-	9
	2024	-	4,407	(4,113)	-	294
Puritas (Pvt) Ltd	2025	-	-	(194)	-	-
	2024	-	(211)	-	-	194
Advantis Projects & Engineering (Pvt) Ltd	2025	3,308	394	1,992	1,490	64
	2024	504	2,516	(2,818)	504	-
Advantis Freight (Pvt) Ltd	2025	-	111,605	(114,892)	-	7,543
	2024	-	78,033	(75,561)	-	10,830
Unisyst Engineering PLC	2025	355,361	8,398	559,313	29,526	-
	2024	554,940	-	372,291	241,876	-
Logiwiz Limited	2025	-	6,192	(6,830)	-	-
	2024	-	5,108	(4,570)	-	638
COSCO Lanka (Pvt) Ltd	2025	-	-	-	-	-
	2024	-	644	(644)	-	-
Talawakelle Tea Estates PLC	2025	-	-	-	-	-
	2024	-	343	(343)	-	-
Hayleys Agriculture Holdings Limited	2025	-	-	-	-	-
	2024	-	143	(155)	-	-
CEVA Logistics Lanka (Pvt) Ltd	2025	-	70,028	(68,119)	-	1,909
	2024	-	606	(606)	-	-
DPL Premier Gloves Limited	2025	-	-	-	-	-
	2024	-	800	(800)	-	-
Mabroc Teas (Pvt) Ltd	2025	-	770	(883)	-	-
	2024	-	385	(272)	-	113

		Sales to Related Parties	Purchases from Related Parties	Net Funds Transfer from / (to) Related Parties	Amounts Due from Related Parties	Amounts Due to Related Parties
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Hayleys Aventura (Pvt) Ltd	2025	-	7,770	(6,850)	-	920
	2024	-	10,073	(10,228)	-	-
Mountain Hawk Express (Pvt) Ltd	2025	-	-	-	-	-
	2024	-	-	(4,223)	-	-
Hayleys Electronics Ltd	2025	-	-	-	-	-
	2024	-	2,469	(2,469)	-	-
Hayleys Fabric PLC	2025	-	-	-	-	-
	2024	-	250	(250)	-	-
Fentons Limited	2025	853,680	168,242	946,234	216,647	155,034
	2024	639,852	34,770	455,806	322,413	3
Hayleys Advantis Limited	2025	-	-	(94)	-	-
	2024	-	94	-	-	94
Hayleys Agro Fertilizers (Pvt) Ltd	2025	-	127	(164)	-	-
	2024	-	37	-	-	37
CMA-CGM Lanka (Pvt) Ltd	2025	-	188	(188)	-	-
	2024	-	68	(88)	-	-
Advantis Express (Pvt) Ltd	2025	-	26,312	(26,259)	-	577
	2024	-	25,027	(24,502)	-	524
Energynet (Pvt) Ltd	2025	-	77,125	44,937	-	20,407
	2024	101,656	357	(357)	101,656	-
Singer PLC	2025	-	18,843	(27,912)	-	-
	2024	2,040	12,529	5,509	-	9,069
Colombo Cargo Express (Pvt) Ltd	2025	-	42	(36)	-	5
	2024	-	-	-	-	-
Ocean Network Express Lanka Pvt Ltd	2025	-	46	(46)	-	-
	2024	-	-	-	-	-
Sri Lanka Shipping Company Limited	2025	-	4,929	(4,929)	-	-
	2024	-	-	-	-	-
Dean Foster (Pvt) Ltd	2025	-	9,665	-	-	9,665
	2024	-	-	-	-	-

Hayleys Business Solutions International (Pvt) Ltd, Haycarb PLC, Hayleys Travels (Pvt) Ltd, The Kingsbury PLC, Puritas (Pvt) Ltd, Advantis Projects & Engineering (Pvt) Ltd, Advantis Freight (Pvt) Ltd, Unisyst Engineering PLC, Logiwiz Limited, COSCO Lanka (Pvt) Ltd, Talawakelle Tea Estates PLC, Hayleys Agriculture Holdings Limited, CEVA Logistics Lanka (Pvt) Ltd, DPL Premier Gloves Limited, Mabroc Teas (Pvt) Ltd, Hayleys Aventura (Pvt) Ltd, Mountain Hawk Express (Pvt) Ltd, Hayleys Electronics Limited, Hayleys Fabric PLC, Hayleys Fentons Limited, Hayleys Advantis Limited, Hayleys Agro Fertilizers (Pvt) Ltd, CMA-CGM Lanka (Pvt) Ltd, Advantis Express (Pvt) Ltd, Summer Season Limited, Energynet (Pvt) Ltd, Singer PLC, Colombo Cargo Express (Pvt) Ltd, Ocean Network Express Lanka Pvt Ltd, Sri Lanka Shipping Company Limited, Dean Foster (Pvt) Ltd are subsidiaries of Hayleys PLC.

# NOTES TO THE FINANCIAL STATEMENTS

## 27.4 Non-Recurrent Transactions with Related Parties

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets, whichever is lower of the Company as per financial statements ending March 31st, 2025, which require additional disclosures in the 2024/25 annual report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Securities and Exchange Commission Act.

## 27.5 Recurrent Transactions with Related Parties

There were no recurrent related party transactions which in aggregate value exceeds 10% of the total revenue Company as per financial statements ending March 31st, 2025, which require additional disclosures in the 2024/25 annual report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Securities and Exchange Commission Act.

## 27.6 Terms and Conditions of Transactions with Related Parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31st March 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2024 - Nil ). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

## 28. FINANCIAL MANAGEMENT OBJECTIVES AND POLICIES

### Financial Risk Management

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

1. Credit Risk
2. Liquidity Risk
3. Operational Risk
4. Market Risk

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

### Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has delegated this responsibility to the Audit Committee which is supported by the Senior Management of the of the Company in identifying, measuring and managing the risks of the Company.

### Credit Risk

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

### Trade and Other Receivables

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

The Company Senior Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the senior management; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. Outstanding customer receivables are regularly monitored.

More than 75% of the Company's customers have been transacting with the Company for over five years, and no impairment loss has been recognised against these customers. In monitoring customer credit risk, customers are Grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific provision that relates to individually significant exposures, and a collective loss component established for Groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The maximum exposure to credit risk for trade and other receivables at the reporting date is Rs. 4,328 Mn (2024 - Rs. 2,056 Mn) which is disclosed in Note 17. The Company evaluates the concentration of risk with respect to trade receivables as low.

### Cash and Cash Equivalents

The Company held cash and cash equivalents of Rs. 235 Mn as at 31st March 2025 (2024 - Rs.75 Mn) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which Company cash balances held are as follows:

- ♦ Commercial Bank of Ceylon PLC - AA-(Ika)
- ♦ Sampath Bank PLC - AA-(Ika)
- ♦ Bank of Ceylon - AA-(Ika)
- ♦ DFCC Bank - A(Ika)
- ♦ Hatton National Bank PLC - AA-(Ika)
- ♦ Standard Chartered Bank - A+
- ♦ Nation Trust Bank PLC - A(Ika)
- ♦ Deutsche Bank - A-
- ♦ People's Bank - AA-(Ika)

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

## NOTES TO THE FINANCIAL STATEMENTS

Company maintains a portfolio of short-term liquid assets, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Company as a whole. The liquidity requirements of business units and subsidiaries are met through short-term loans from interCompany fund transfers to cover any short-term fluctuations and longer term funding to address any structural liquidity requirements.

The monthly liquidity position is monitored. All liquidity policies and procedures are subject to review and approval by the Chief Financial Officer. Daily reports cover the liquidity position of both the Company. A summary report, including any exceptions and remedial action taken, is submitted regularly to Chief Financial Officer.

The table below summarizes the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 years	>5 years	Total
Year ended 31st March 2025	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Interest-Bearing Loans and Borrowings	116,833	7,012,256	561,993	1,131,977	288,449	9,111,508
Other Liabilities	29,393	-	-	-	-	29,393
Trade and Other Payables	316,151	1,737,362	113,727	416	-	2,167,656
	462,377	8,749,618	675,720	1,132,393	288,449	11,308,557

Gross loan commitments shown above differs from the amount included in the Statement of Financial Position as amount shown there is excluding loan interest commitments.

### Operational Risk

Operational Risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company'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 behaviour. Operational Risks arise from all of the Company's operations.

The Company's objective is to manage Operational Risk, so as to balance the avoidance of financial losses and damage to the Company'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 senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- ♦ Requirements for appropriate segregation of duties, including the independent authorization of transactions
- ♦ Requirements for the reconciliation and monitoring of transactions
- ♦ Compliance with regulatory and other legal requirements
- ♦ Documentation of controls and procedures
- ♦ Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- ♦ Requirements for the reporting of operational losses and proposed remedial action
- ♦ Development of contingency plans
- ♦ Training and professional development
- ♦ Ethical and business standards
- ♦ Risk mitigation, including insurance when this is effective



### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: Interest Rate Risk, Currency Risk, Commodity Price Risk and Other Price Risk, such as equity price risk. Financial instruments affected by market risk include loans and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### Interest Rate Risk

The Company adopts a policy of ensuring that 8.11 % percent floating interest rate on borrowings, taking into account assets with exposure to changes in interest rates. This is achieved by maintaining proper mix of interest rate on borrowings based on the market.

The following table demonstrate the sensitivity to a reasonably possible change in the interest rate on the portion of loan and borrowing affected with all other variables held constant. The Company's Profit before tax is affected through the impact on long term floating rate borrowings as follows;

	Increase/Decrease in Interest Rate	Effect on Profit Before Tax
		<b>2025</b>
		<b>Rs. '000</b>
Only Using	+0.5%	43,995
Interest-Bearing Loans and Borrowings	-0.5%	(43,995)

### Foreign Currency Risk

The following table demonstrate the sensitivity to a reasonably possible change in the US Dollar rate with all other variables held constant. The impact on the Company's Profit Before Tax due to the change in the change in exchange rate is as follows.

	<b>2025</b>
	<b>Rs. '000</b>
Liability - Creditor/Loan	(156,244)
Assets - Debtors/Deposits	1,150,708
Net Position	994,464
If Rupee Depreciated by 20%	1,193,357
Impact to the PBT	198,893
If Rupee Appreciated by 20%	795,571
Impact to the PBT	(198,893)

# NOTES TO THE FINANCIAL STATEMENTS

## Commodity Price Risk

The Company is affected by the volatility of certain commodities. Its operating activities require the ongoing purchase of Aluminium. Due to the significantly increased volatility of the price of the underlying, the Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Based on 03 months forecast of required Aluminium supply, the Group hedges the purchase price using forward commodity purchase controls. The forecast is deemed to be highly probable.

Forward contract with a physical delivery that qualify for normal purchase, sale or usage and that are therefore not recognised as derivatives.

The following table shows the effect of price changes in Raw Aluminium on the profit before tax.

	Change in Year-End Price	Effect on Profit Before Tax 2025 Rs. '000
Raw Aluminium	+5%	(393,117)
	-5%	393,117

## Capital Management

The Board'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. Capital consists of share capital, reserves and retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company's net debt to adjusted equity ratio at the reporting date was as follows:

	2025 Rs. '000	2024 Rs. '000
Interest Bearing Loans and Borrowings	8,607,208	6,245,612
Equity	4,646,187	3,809,442
Equity and Net Debts	12,803,123	9,775,589
Gearing Ratio	64.94%	62.11%

## 29. SEGMENT REPORTING

A segment is a distinguishable component engaged in selling of goods services and that is subject to risks and returns that are different to those of other segments. The Company does not have materially distinguishable components which exceeds quantitative threshold under an operating segment or meet the reportable criteria to be identified as a segment as all operations are treated as one segment.

## SUPPLEMENTARY INFORMATION



### INNOVATE. EXACT. IMPACT.

With our world-class, sustainable manufacturing processes driving us further ahead as South Asia's premier aluminium extrusion manufacturer, we reflect on a year of strategic decisions and pursued innovation that resulted in an impactful performance.

# INVESTOR INFORMATION

## TOP (20) TWENTY SHAREHOLDERS

	Name of the Shareholder	No.of Shares as at 31/03/2025	%	No.of Shares as at 31/03/2024	%
1	Hayleys PLC	314,826,064	52.59	314,826,064	52.59
2	Akbar Brothers Pvt Ltd A/C No.1	80,169,400	13.39	80,169,400	13.39
3	Dean Foster (Pvt) Limited A/C No.1	28,427,800	4.75	28,427,800	4.75
4	Mr. D W P N Dediwela	21,338,400	3.56	21,338,400	3.56
5	People's Leasing and Finance PLC/Nagoya Ceylon Trading (Pvt) Ltd	5,946,310	0.99	-	-
6	Thread Capital (Private) Limited	4,020,000	0.67	901,815	0.15
7	Mr. H Yusoof	4,000,000	0.67	363,248	0.06
8	Amaliya Private Limited	3,590,000	0.60	-	-
9	Rubber Investment Trust Ltd A/C No. 01	3,530,321	0.59	6,030,421	1.01
10	Deutsche Bank AG - National Equity Fund	3,458,389	0.58	3,766,949	0.63
11	Bank of Ceylon A/C Ceybank Unit Trust	3,428,299	0.57	344,413	0.06
12	Mr. K D H Perera	2,944,907	0.49	2,944,907	0.49
13	Rosewood (Pvt) Limited - A/C No. 01	2,500,000	0.42	-	-
14	Hatton National Bank PLC/Astrue Alpha Fund	2,300,061	0.38	1,745,764	0.29
15	Mr. A L F De Mel	2,270,616	0.38	1,600,000	0.27
16	Mr. A M Weerasinghe	2,000,000	0.33	2,000,000	0.33
17	Dr. C D Wickramatillake	2,000,000	0.33	2,000,000	0.33
18	Keystone (Private) Limited	1,600,000	0.27	1,600,000	0.27
19	Mr. A P Lekamge	1,594,778	0.27	1,560,216	0.26
20	Senkadagala Finance PLC/M. Fuad	1,553,266	0.26	-	-
	Sub Total	491,498,611	82.11	469,619,397	78.45
	Others	107,107,069	17.89	128,986,283	21.55
	<b>TOTAL</b>	<b>598,605,680</b>	<b>100.00</b>	<b>598,605,680</b>	<b>100.00</b>

There were no non-voting shares capital as at 31st March 2025. (Nil - 2024)

## DIRECTORS' SHAREHOLDINGS - (AS DEFINED IN COLOMBO STOCK EXCHANGE RULES)

Name of the Director	As at 31/03/2025	As at 31/03/2024
Mr. A M Pandithage	20,000	20,000
Mr. S C Ganegoda	460,000	460,000
Mr. D W D N Dediwela	21,338,400	21,338,400
Mr. A A Akbarally	-	-
Dr. L J S H Cabral, PC	-	-
Mr. S Munaweera (Resigned w.e.f. 03rd May 2025)	100	40,000
Mr. R P P K Rajapaksha	39,814	39,814
Mr. M J S Rajakariar	-	-
Mr. D T R De Silva	-	-
Mr. A J Alles (Appointed on 26th December 2024)	-	-
Mr. D Waduwaala (Appointed on 3rd May 2025)	1,422	-
Total	21,859,736	21,898,214

Public Holding	As at 31/03/2025	As at 31/03/2024
Market Capitalization as at 31st March (Rs.)	9,098,806,336	5,746,614,528
Public holding percentage of the Company (%)	25.61	25.60
No. of public shareholders	5,355	5,217
Float-adjusted market capitalization (Rs.)	2,329,918,350	1,471,133,319

\*The Company complies with option 1 of the Listing Rules 7.13.1 (i) (b) – Which requires Float Adjusted Market Capitalization of Rs. 1 Bn and minimum number of shareholders of 200.

#### ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2025

No. of shares held	Residents			Non-residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 _ 1,000	2,547	815,837	0.14	4	1,511	0.00	2,551	817,348	0.14
1,001 _ 10,000	1,776	7,560,145	1.26	6	36,305	0.01	1,782	7,596,450	1.27
10,001 _ 100,000	803	28,658,220	4.79	4	109,970	0.02	807	28,768,190	4.81
100,001 _ 1,000,000	191	56,865,938	9.50	4	1,598,100	0.27	195	58,464,038	9.77
OVER 1,000,000	29	501,425,774	83.76	1	1,533,880	0.25	30	502,959,654	84.01
TOTAL	5,346	595,325,914	99.45	19	3,279,766	0.55	5,365	598,605,680	100.00

No. of shares held	Residents			Non-residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
<b>Category</b>									
Individuals	5,077	113,214,657	18.91	18	1,745,886	0.29	5,095	114,960,543	19.20
Institutions	269	482,111,257	80.54	1	1,533,880	0.26	270	483,645,137	80.80
TOTAL	5,346	595,325,914	99.45	19	3,279,766	0.55	5,365	598,605,680	100.00

#### SHARE TRADING INFORMATION

For the (3) three months ended 31.03.2025

Public Holding	2024/25	Date	2023/24	Date
Highest price	Rs.16.90	03/02/2025	Rs. 10.00	27/03/2024
Lowest price	Rs.13.80	07/01/2025	Rs. 8.00	03/01/2024
Closing Price	Rs.15.20	28/03/2025	Rs. 9.60	28/03/2024
No. of transactions	12,556		3,354	
No. of shares traded	97,942,759		39,407,877	
Value of shares traded (Rs.)	1,493,219,678		352,058,993	

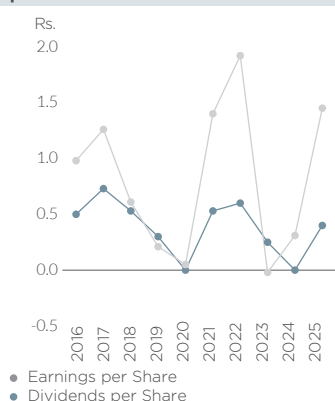
For the (12) twelve months ended 31.03.2025

Public Holding	2024/25	Date	2023/24	Date
Highest price	Rs. 16.90	03/02/2025	Rs. 10.60	07/07/2023
Lowest price	Rs. 9.50	01/04/2024	Rs. 7.70	30/05/2023
Closing price	Rs.15.20	28/03/2025	Rs. 9.60	28/03/2024
No. of transactions	30,316		13,584	
No. of shares traded	304,599,982		96,502,732	
Value of shares traded (Rs.)	4,089,651,313		878,431,757	

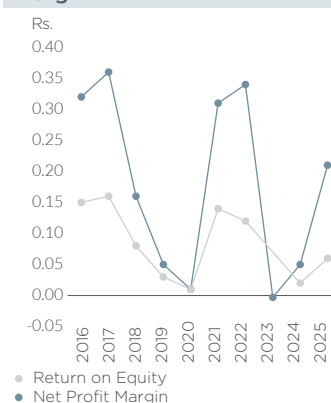
# TEN-YEAR SUMMARY

	Compound growth (%)	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000
<b>Trading Results</b>				
Turnover	14%	14,338,260	10,992,977	10,214,848
Profit Before Tax	4%	1,140,693	231,721	153,540
Taxation	3%	(273,539)	(45,649)	(163,750)
Profit After Tax	4%	867,154	186,072	(10,210)
Profit Attributable to the Group/Company	4%	867,154	186,072	(10,210)
<b>Funds Employed</b>				
Stated Capital	0%	283,735	283,735	283,735
Reserves	5%	1,133,072	928,360	933,645
Retained Earnings	13%	3,229,380	2,597,347	2,391,217
<b>Assets Employed</b>				
Non-Current Assets	17%	6,152,891	5,014,333	5,002,590
Current Assets	21%	10,402,245	7,866,927	5,515,437
Current Liability Net of Borrowings	11%	2,295,646	2,107,610	1,715,902
Capital Employed	21%	13,253,395	10,055,054	8,150,932
<b>Cash Flow</b>				
Net Cash Inflow/Outflow from Operating Activities		27,779	(1,365,613)	541,830
Net Cash Inflow/Outflow from Investing Activities		(1,724,643)	(357,564)	(534,972)
Net Cash Inflow/Outflow from Financing Activities		(655,633)	280,534	(894,390)
Net Increase/Decrease in Cash and Cash Equivalents		(2,352,497)	(1,442,643)	(887,531)
<b>Key Indicators</b>				
Current Ratio		1.06	1.09	1.02
Gearing Ratio		0.65	0.62	0.56
Asset Turnover Ratio		0.87	0.85	0.97
Earnings per Share		1.45	0.31	(0.02)
Dividends per Share		0.40	-	0.25
Net assets per Share		7.76	6.36	6.03
Return on Average Shareholders' Funds		0.21	0.05	(0.003)
Return on Capital Employed		0.16	0.12	0.14
Price Earnings Ratio		10	31	(481)
Interest Cover		2.52	1.27	1.03
Dividend Payout Ratio		0.28	-	-
Market Price Per Share		15.20	9.60	8.20

**Earnings Per share & Dividends per share**



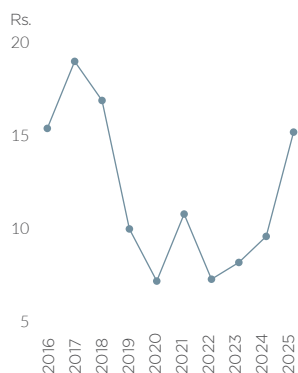
**Return on Equity & Net profit Margin**





	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000
	9,595,282	6,021,532	4,729,950	5,031,000	4,422,461	4,634,761	3,915,668
	1,381,755	1,022,298	66,887	176,835	514,726	1,016,400	801,260
	(229,849)	(181,287)	(36,038)	(50,355)	(150,368)	(262,904)	(212,137)
	1,151,906	841,011	30,849	126,480	364,358	753,496	589,123
	1,151,906	841,011	30,849	126,480	364,358	753,496	589,123
	283,735	283,735	283,735	283,735	283,735	283,735	283,735
	983,113	862,595	807,020	812,305	665,481	780,323	684,503
	2,615,154	1,827,320	1,291,090	1,257,256	1,303,415	1,251,876	930,218
	4,752,064	4,045,857	3,805,099	3,828,096	3,335,359	1,957,941	1,332,559
	7,317,236	3,628,542	2,992,572	3,148,422	3,067,145	2,305,879	1,547,307
	2,859,333	1,681,094	894,208	1,173,347	1,136,353	1,190,794	813,753
	8,805,380	5,608,756	5,536,202	5,440,646	4,936,370	2,875,637	1,901,540
	(838,744)	1,750,136	187,623	80,162	(300,316)	523,680	494,194
	(733,031)	(287,737)	(150,710)	(466,898)	(1,458,418)	(619,429)	(126,623)
	(58,642)	(862,266)	282,508	77,814	687,482	74,927	(439,601)
	(1,630,418)	600,133	319,421	(308,922)	(1,071,253)	(20,820)	(72,030)
	1.15	1.10	1.12	1.03	1.14	1.85	1.90
	0.56	0.47	0.57	0.57	0.54	0.19	0.16
	0.80	0.78	0.70	0.72	0.69	1.08	1.36
	1.92	1.40	0.05	0.21	0.61	1.26	0.98
	0.60	0.53	-	0.30	0.53	0.73	0.50
	6.49	4.97	3.98	3.93	3.77	3.87	3.17
	0.34	0.31	0.01	0.05	0.16	0.36	0.32
	0.21	0.23	0.08	0.11	0.13	0.37	0.42
	4	7.31	69.86	23.66	13.88	7.55	7.82
	5.55	5.62	1.29	2	5	166	948
	0.31	0.38	-	1.42	0.86	0.58	0.50
	7.30	10.80	7.20	10	16.90	19	15.40

#### Market Value Per Share (Rs.)



# QUARTERLY ANALYSIS

	Quarter 01		Quarter 02		Quarter 03		Quarter 04	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	2,652,734	1,783,820	3,272,476	2,420,044	3,789,543	3,221,409	4,623,507	3,627,336
Profit before tax	(866,991)	(391,494)	86,894	1,441	1,653,584	215,678	267,208	406,096
Tax expense	(1,977)	104,460	(23,025)	(383)	(371,626)	(64,946)	(108,623)	(84,477)
Profit after tax	(868,968)	(287,034)	63,868	1,057	1,281,958	150,732	158,585	321,619
Profit attributable to owners of the Company	(868,968)	(287,034)	63,868	1,057	1,281,958	150,732	158,585	321,619
Total comprehensive income for the period, net of tax	-	-	-	-	-	-	367,618	336,392
Non Current Assets	4,311,734	4,965,374	4,357,929	4,940,217	5,131,576	4,982,193	6,152,887	5,014,333
Current Assets	8,402,638	5,082,753	10,305,650	5,075,495	10,931,128	6,752,803	10,402,247	7,866,927
Non current liabilities	1,754,205	1,286,175	1,520,938	1,154,606	2,029,387	2,043,915	2,058,908	1,862,110
Current liabilities	8,019,693	5,440,390	9,906,586	5,538,793	9,515,303	6,218,037	9,850,039	7,209,708

	Quarter 01		Quarter 02		Quarter 03		Quarter 04	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Market Value of Shares</b>								
Closing share price	11.50	9.50	11.90	9.60	14.80	8.10	15.20	9.60
Basic earnings per share	(1.45)	(0.48)	0.11	0.00	2.14	0.25	0.26	0.54
Diluted earnings per share	(1.45)	(0.48)	0.11	0.00	2.14	0.25	0.26	0.54
Highest price recorded for the three months ending	12.70	9.60	12.00	10.60	15.60	9.70	16.90	10.00
Lowest price recorded for the three months ending	9.50	7.70	10.30	7.70	10.70	8.00	13.80	8.00
Market capitalisation (Rs. Mn.)	6,884	5,687	7,123	5,747	8,859	4,849	9,099	5,747
<b>Share Trading Information</b>								
No. of transactions	5,500	2,715	1,697	5,556	10,563	1,959	12,556	3,354
No. of shares traded	53,563,579	14,655,644	13,069,024	26,652,563	140,024,620	15,789,648	97,942,759	39,407,877
Value of shares traded (Rs)	594,700,625	127,570,318	147,197,664	263,312,588	1,854,533,347	135,489,859	1,493,219,678	352,058,993

# VALUE ADDITION AND DISTRIBUTION

Value Created	2025		2024	
	%	Rs. '000	%	Rs. '000
Revenue from contracts with customers		14,338,260,372		10,992,976,756
Other Income		1,498,123,061		53,774,817
Finance income		290,744,101		648,257,136
Cost of materials and services bought in		(11,623,989,550)		(8,212,867,833)
		4,503,137,984		3,482,140,876
Value Distributed				
To Employees as remuneration	41%	1,865,982,056	40%	1,407,146,232
To Government as tax	3%	115,131,500	-	-
To Shareholders as dividend	5%	239,442,272	-	-
To Lenders of capital	23%	1,060,985,253	43%	1,469,171,723
Value retained for expansion & growth				
Depreciation	10%	435,476,889	11%	374,102,032
Profit retained	14%	627,712,614	5%	186,071,528
Differed Tax	4%	158,407,400	1%	45,649,361
		4,503,137,984		3,482,140,876

# HORIZONTAL AND VERTICAL ANALYSIS

## STATEMENT OF PROFIT OR LOSS - VERTICAL ANALYSIS

	2025		2024	
	Rs 000'	%	Rs 000'	%
<b>Revenue</b>	14,338,260	100	10,992,977	100
Cost of Sales	(11,450,046)	-80	(8,727,344)	(79)
<b>Gross Profit</b>	2,888,214	20	2,265,633	21
Other Income	1,498,123	10	53,775	-
Selling and Distribution Expenses	(506,357)	-4	(430,942)	(4)
Administrative Expenses	(1,021,738)	-7	(835,831)	(8)
Other Expences	(947,308)	-7	-	-
<b>Operating Profit</b>	1,910,934	13	1,052,635	10
Finance Cost	(1,060,985)	-7	(1,469,171)	(13)
Finance Income	290,744	2	648,257	6
<b>Profit Before Tax</b>	1,140,693	8	231,721	2
Income Tax Expenses	(273,539)	-2	(45,649)	-
<b>Profit for the Year</b>	867,154	6	186,072	2
<b>Other Comprehensive Income</b>	209,033	1	14,773	-
<b>Total Comprehensive Income</b>	1,076,187	8	200,845	2

## STATEMENT OF PROFIT OR LOSS - HORIZONTAL ANALYSIS

	2025		2024	
	Rs 000'	%	Rs 000'	%
<b>Revenue</b>	14,338,260	30	10,992,977	8
Cost of Sales	(11,450,046)	31	(8,727,344)	7
<b>Gross Profit</b>	2,888,214	27	2,265,633	11
Other Income	1,498,123	2686	53,775	-36
Selling and Distribution Expenses	(506,357)	18	(430,942)	34
Administrative Expenses	(1,021,738)	22	(835,831)	42
Other Expences	(947,308)	-	-	-
<b>Operating Profit</b>	1,910,934	82	1,052,635	-14
Finance Cost	(1,060,985)	-28	(1,469,171)	-18
Finance Income	290,744	-55	648,257	-10
<b>Profit Before Tax</b>	1,140,693	392	231,721	51
Income Tax Expenses	(273,539)	499	(45,649)	-72
<b>Profit for the Year</b>	867,154	366	186,072	1922
<b>Other Comprehensive Income</b>	209,033	1315	14,773	129
<b>Total Comprehensive Income</b>	1,076,187	436	200,845	431

2023		2022		2021	
Rs 000'	%	Rs 000'	%	Rs 000'	%
10,214,848	100	9,595,282	100	6,021,532	100
(8,165,158)	-80	(7,316,667)	-76	(4,311,900)	-72
2,049,690	20	2,278,615	24	1,709,632	28
84,286	1	53,141	1	43,708	1
(321,925)	-3	(267,516)	-3	(191,273)	-3
(589,573)	-6	(576,512)	-6	(329,412)	-5
-	-	-	-	-	-
1,222,478	12	1,487,728	16	1,232,655	20
(1,790,268)	-18	(558,455)	-6	(255,158)	-4
721,330	7	452,482	5	44,801	1
153,540	2	1,381,755	14	1,022,298	17
(163,750)	-2	(229,849)	-2	(181,287)	-3
(10,210)	0	1,151,906	12	841,011	14
(50,435)	0	115,609	1	65,060	1
(60,645)	-1	1,267,515	13	906,071	15

2023		2022		2021	
Rs 000'	%	Rs 000'	%	Rs 000'	%
10,214,848	6	9,595,282	59	6,021,532	
(8,165,158)	12	(7,316,667)	70	(4,311,900)	
2,049,690	-10	2,278,615	33	1,709,632	
84,286	59	53,141	22	43,708	
(321,925)	20	(267,516)	40	(191,273)	
(589,573)	2	(576,512)	75	(329,412)	
-	-	-	-	-	
1,222,478	-18	1,487,728	21	1,232,655	
(1,790,268)	221	(558,455)	119	(255,158)	
721,330	59	452,482	910	44,801	
153,540	-89	1,381,755	35	1,022,298	
(163,750)	-29	(229,849)	27	(181,287)	
(10,210)	-101	1,151,906	37	841,011	
(50,435)	-144	115,609	78	65,060	
(60,645)	-105	1,267,515	40	906,071	

# HORIZONTAL AND VERTICAL ANALYSIS

## STATEMENT OF FINANCIAL POSITION - VERTICAL ANALYSIS

	2025		2024		2023		2022		2021	
	Rs 000'	%	Rs 000'	%	Rs 000'	%	Rs 000'	%	Rs 000'	%
<b>Non-Current Assets</b>										
Property, Plant and Equipment	5,704,626	34	4,702,939	37	4,650,642	44	4,390,421	36	3,746,042	49
Intangible Assets	58,186	0	73,369	1	85,657	1	88,868	1	101,490	1
Right-of-Use Assets	390,079	2	238,025	2	266,293	3	272,775	2	198,325	3
<b>Total Non-Current Assets</b>	<b>6,152,891</b>	<b>37</b>	<b>5,014,333</b>	<b>39</b>	<b>5,002,592</b>	<b>48</b>	<b>4,752,064</b>	<b>39</b>	<b>4,045,857</b>	<b>53</b>
<b>Current Assets</b>										
Inventories	5,399,754	33	5,139,699	40	3,656,606	35	3,602,127	30	1,898,202	25
Trade and Other Receivables	4,327,907	26	2,055,758	16	1,177,609	11	1,586,449	13	1,029,821	13
Advances and Prepayments	438,830	3	580,038	5	508,049	5	1,262,417	10	173,549	2
Income Tax Receivable	-	-	16,487	0.1	16,486	0.2	-	-	-	-
Cash and Cash Equivalents	235,754	1	74,945	1	156,688	1	866,243	7	526,970	7
<b>Total Current Assets</b>	<b>10,402,245</b>	<b>63</b>	<b>7,866,927</b>	<b>61</b>	<b>5,515,438</b>	<b>52</b>	<b>7,317,236</b>	<b>61</b>	<b>3,628,542</b>	<b>47</b>
<b>Total Assets</b>	<b>16,555,136</b>	<b>100</b>	<b>12,881,260</b>	<b>100</b>	<b>10,518,030</b>	<b>100</b>	<b>12,069,300</b>	<b>100</b>	<b>7,674,399</b>	<b>100</b>
<b>Equity and Liabilities</b>										
Stated Capital	283,735	2	283,735	2	283,735	3	283,735	2	283,735	4
Reserves	1,133,072	7	928,360	7	933,645	9	983,113	8	862,595	11
Retained Earnings	3,229,380	20	2,597,347	20	2,391,217	23	2,615,154	22	1,827,320	24
<b>Total Equity</b>	<b>4,646,187</b>	<b>28</b>	<b>3,809,442</b>	<b>30</b>	<b>3,608,597</b>	<b>34</b>	<b>3,882,002</b>	<b>32</b>	<b>2,973,650</b>	<b>39</b>
<b>Non-Current Liabilities</b>										
Interest Bearing Loans and Borrowings	664,591	4	931,990	7	656,122	6	1,128,989	9	823,025	11
Non Current Portion of Lease Liability	388,222	2	211,524	2	219,091	2	286,046	2	186,843	2
Retirement Benefit Liability	261,903	2	222,397	2	206,976	2	166,265	1	140,332	2
Deferred Tax Liabilities	744,192	4	496,199	4	444,218	4	238,321	2	244,214	3
<b>Total Non-Current Liabilities</b>	<b>2,058,908</b>	<b>12</b>	<b>1,862,110</b>	<b>14</b>	<b>1,526,407</b>	<b>15</b>	<b>1,819,621</b>	<b>15</b>	<b>1,394,414</b>	<b>18</b>
<b>Current Liabilities</b>										
Trade and Other Payables	2,167,656	13	2,082,149	16	1,693,480	16	2,614,366	22	1,619,538	21
Amount due to Related Parties	-	-	-	-	-	-	-	-	-	-
Current Portion of Long Term Interest Bearing Borrowings	600,512	4	655,630	5	573,067	5	651,392	5	736,650	10
Current Portion of Lease Liability	62,050	0.4	67,941	1	76,428	1	17,301	0.1	18,629	0.2
Short-Term Interest Bearing Borrowings	6,891,833	42	4,378,527	34	3,017,627	29	2,839,651	24	869,962	11
Provisions	29,393	0.2	25,461	0.2	22,424	0.2	19,687	0.2	15,074	0.2
Income Tax Liabilities	98,597	1	-	-	-	-	225,280	2	46,482	1
<b>Total Current Liabilities</b>	<b>9,850,041</b>	<b>59</b>	<b>7,209,708</b>	<b>56</b>	<b>5,383,026</b>	<b>51</b>	<b>6,367,677</b>	<b>53</b>	<b>3,306,335</b>	<b>43</b>
<b>Total Equity and Liabilities</b>	<b>16,555,136</b>	<b>100</b>	<b>12,881,260</b>	<b>100</b>	<b>10,518,030</b>	<b>100</b>	<b>12,069,300</b>	<b>100</b>	<b>7,674,399</b>	<b>100</b>



## STATEMENT OF FINANCIAL POSITION - HORIZONTAL ANALYSIS

	2025		2024		2023		2022		2021	
	Rs 000'	%	Rs 000'	%	Rs 000'	%	Rs 000'	%	Rs 000'	%
<b>Non-Current Assets</b>										
Property, Plant and Equipment	5,704,626	21	4,702,939	1	4,650,642	6	4,390,421	17	3,746,042	
Intangible Assets	58,186	-21	73,369	-14	85,657	-4	88,868	-12	101,490	
Right-of-Use Assets	390,079	64	238,025	-11	266,293	-2	272,775	38	198,325	
<b>Total Non-Current Assets</b>	<b>6,152,891</b>	<b>23</b>	<b>5,014,333</b>	<b>0.2</b>	<b>5,002,592</b>	<b>5</b>	<b>4,752,064</b>	<b>17</b>	<b>4,045,857</b>	
<b>Current Assets</b>										
Inventories	5,399,754	5	5,139,699	41	3,656,606	2	3,602,127	90	1,898,202	
Trade and Other Receivables	4,327,907	111	2,055,758	75	1,177,609	-26	1,586,449	54	1,029,821	
Advances and Prepayments	438,830	-24	580,038	14	508,049	-60	1,262,417	627	173,549	
Income Tax Receivable	-	-100	16,487	0.01	16,486	-	-	-	-	
Cash and Cash Equivalents	235,754	215	74,945	-52	156,688	-82	866,243	64	526,970	
<b>Total Current Assets</b>	<b>10,402,245</b>	<b>32</b>	<b>7,866,927</b>	<b>43</b>	<b>5,515,438</b>	<b>-25</b>	<b>7,317,236</b>	<b>102</b>	<b>3,628,542</b>	
<b>Total Assets</b>	<b>16,555,136</b>	<b>29</b>	<b>12,881,260</b>	<b>22</b>	<b>10,518,030</b>	<b>-13</b>	<b>12,069,300</b>	<b>57</b>	<b>7,674,399</b>	
<b>Equity and Liabilities</b>										
Stated Capital	283,735	-	283,735	-	283,735	-	283,735	-	283,735	
Reserves	1,133,072	22	928,360	-1	933,645	-5	983,113	14	862,595	
Retained Earnings	3,229,380	24	2,597,347	9	2,391,217	-9	2,615,154	43	1,827,320	
<b>Total Equity</b>	<b>4,646,187</b>	<b>22</b>	<b>3,809,442</b>	<b>6</b>	<b>3,608,597</b>	<b>-7</b>	<b>3,882,002</b>	<b>31</b>	<b>2,973,650</b>	
<b>Non-Current Liabilities</b>										
Interest Bearing Loans and Borrowings	664,591	-29	931,990	42	656,122	-42	1,128,989	37	823,025	
Non Current Portion of Lease Liability	388,222	84	211,524	-3	219,091	-23	286,046	53	186,843	
Retirement Benefit Liability	261,903	18	222,397	7	206,976	24	166,265	18	140,332	
Deferred Tax Liabilities	744,192	50	496,199	12	444,218	86	238,321	-2	244,214	
<b>Total Non-Current Liabilities</b>	<b>2,058,908</b>	<b>11</b>	<b>1,862,110</b>	<b>22</b>	<b>1,526,407</b>	<b>-16</b>	<b>1,819,621</b>	<b>30</b>	<b>1,394,414</b>	
<b>Current Liabilities</b>										
Trade and Other Payables	2,167,656	4	2,082,149	23	1,693,480	-35	2,614,366	61	1,619,538	
Current Portion of Long Term Interest Bearing Borrowings	600,512	-8	655,630	14	573,067	-12	651,392	-12	736,650	
Current Portion of Lease Liability	62,050	-9	67,941	-11	76,428	342	17,301	-7	18,629	
Short-Term Interest Bearing Borrowings	6,891,833	57	4,378,527	45	3,017,627	6	2,839,651	226	869,962	
Provisions	29,393	15	25,461	14	22,424	14	19,687	31	15,074	
Income Tax Liabilities	98,597	-	-	-	-	-100	225,280	385	46,482	
<b>Total Current Liabilities</b>	<b>9,850,041</b>	<b>37</b>	<b>7,209,708</b>	<b>34</b>	<b>5,383,026</b>	<b>-15</b>	<b>6,367,677</b>	<b>93</b>	<b>3,306,335</b>	
<b>Total Equity and Liabilities</b>	<b>16,555,136</b>	<b>29</b>	<b>12,881,260</b>	<b>22</b>	<b>10,518,030</b>	<b>-13</b>	<b>12,069,300</b>	<b>57</b>	<b>7,674,399</b>	

## HISTORY OF DIVIDENDS AND SCRIP ISSUES

Year ended 31st March	Issue / Action	Issue Basis	No. of Shares Issued (‘000)	Cumulative Shares (‘000)	Dividend per Share	Dividend Amount (Rs. ‘000)
2014	Initial Capital/Share Split	1:140	281,446	281,446	-	-
	Initial Public Offering	-	17,857	299,303	-	-
	Dividend	-	-	299,303	Rs. 0.53	157,164
2015	Dividend	-	-	299,303	Rs. 1.00	299,303
2016	Dividend	-	-	299,303	Rs. 1.00	299,303
2017	Dividend	-	-	299,303	Rs. 1.45	433,989
2018	Dividend	-	-	299,303	Rs. 1.05	314,268
2019	Dividend	-	-	299,303	Rs. 0.60	179,582
2020	Dividend	-	-	299,303	-	-
2021	Share Split	1:2	299,303	598,606	-	-
	Dividend	-	-	598,606	Rs. 0.53	314,268
2022	Dividend	-	-	598,606	Rs. 0.85	508,815
2023	Dividend	-	-	598,606	-	-
2024	Dividend	-	-	598,606	-	-
2025	Dividend	-	-	598,606	Rs. 0.40	239,442

# COUNTRY REPORT

## BACKGROUND

Sri Lanka's economic recovery continued gradually during the 2024/25 financial year, supported by improved macroeconomic stability under the International Monetary Fund's Extended Fund Facility (EFF). Inflation declined to single digits, policy interest rates were eased to stimulate growth, and the Sri Lankan Rupee appreciated steadily, helping to moderate import costs. Since then, the Government has taken concrete steps to strengthen macroeconomic fundamentals, rebuild foreign reserves, and advance structural reforms across public finance, state-owned enterprises, and governance frameworks. While initial conditions were challenging, signs of stabilization became visible over the course of 2024, laying the foundation for a measured economic recovery.

## ECONOMIC OVERVIEW

Investor sentiment improved modestly, aided by the implementation of structural reforms in public finance, state-owned enterprise (SOE) restructuring, and enhanced transparency. However, uncertainty ahead of the delays in sovereign debt restructuring posed risks to sustained momentum.

Structural reforms progressed under the IMF's Extended Fund Facility (EFF), with emphasis on fiscal consolidation, SOE restructuring, and anti-corruption measures. Despite these positive developments, investor sentiment remained cautious due to the slow pace of debt restructuring ahead of the 2025.

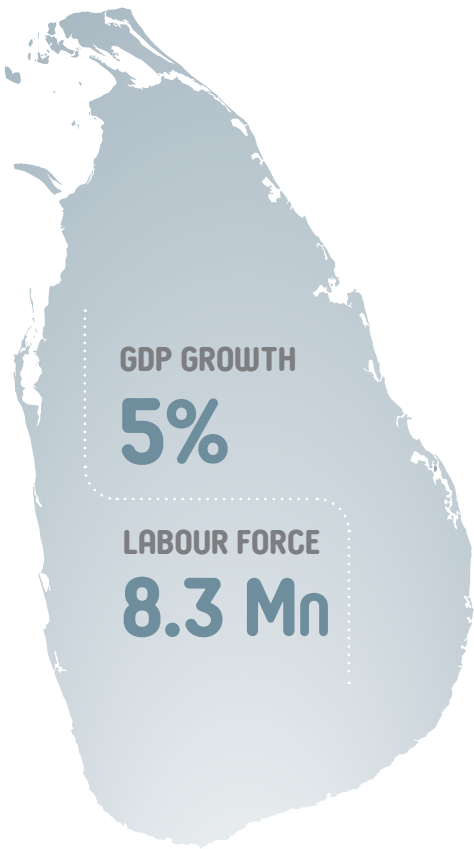
Sector performance remained mixed:

- ♦ Construction and Real Estate: Remained subdued due to limited access to credit, elevated input costs, and delayed government projects. Signs of recovery are emerging as rates ease and material import restrictions are lifted.
- ♦ Manufacturing and Exports: Industrial exporters benefitted from energy stability and cost efficiencies. Export volumes, however, were affected by reduced global demand and currency appreciation.
- ♦ Tourism and Services: Rebounded strongly, contributing to employment, foreign exchange, and broader economic recovery.

- ♦ Agriculture: Showed marginal improvement driven by favorable weather, fertilizer availability, and improved productivity measures.

## FUTURE ECONOMIC OUTLOOK

The outlook for 2025 remains cautiously optimistic. GDP is expected to grow between 2.5% and 3.5%, supported by tourism, services, and moderate manufacturing recovery. The Central Bank is expected to maintain a pro-growth monetary policy, while fiscal tightening may continue under the IMF program. Timely progress on debt restructuring, policy continuity post-elections, and improved access to external financing will be crucial in sustaining growth and investor confidence.



# GRI CONTENT INDEX

Statement of use	Alumex PLC has reported in accordance with the GRI Standards for the period 2024/2025
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Page Number	Omission			GRI Sector standard Ref No.
			Requirement (s) Omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	5				
	2-2 Entities included in the organization's sustainability reporting	5				
	2-3 Reporting period, frequency and contact point	4,5,7				
	2-4 Restatements of information	7				
	2-5 External assurance	6				
	2-6 Activities, value chain and other business relationships	10,104,117,120				
	2-7 Employees	103-104				
	2-8 Workers who are not employees	104			Region wise classification not presented	
	2-9 Governance structure and composition	135,140				
	2-10 Nomination and selection of the highest governance body	141				
	2-11 Chair of the highest governance body	28, 135, 146				
	2-12 Role of the highest governance body in overseeing the management of impacts	139,157				
	2-13 Delegation of responsibility for managing impacts	147				
	2-14 Role of the highest governance body in sustainability reporting	58,139				
	2-15 Conflicts of interest	142				
	2-16 Communication of critical concerns	162				
	2-18 Evaluation of the performance of the highest governance body					
	2-19 Remuneration policies	155				
	2-20 Process to determine remuneration	155				
	2-21 Annual total compensation ratio	N/A		Confidentiality Constraints	Compensation is not disclosed due to confidentiality	
	2-22 Statement on sustainable development strategy	14				
	2-23 Policy commitments	103,134				
	2-24 Embedding policy commitments	105,134				
	2-25 Processes to remediate negative impacts	97,111, 243				
	2-26 Mechanisms for seeking advice and raising concerns	97,111,243				
	2-27 Compliance with laws and regulations	97,103,112,136				
	2-28 Membership associations	99-100				
	2-29 Approach to stakeholder engagement	46-48				
	2-30 Collective bargaining agreements	52,111				

GRI STANDARD	DISCLOSURE	Page Number	Omission			
			Requirement (s) Omitted	Reason	Explanation	GRI Sector standard Ref No.
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	49				
	3-2 List of material topics	50-51				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	105				
	201-2 Financial implications and other risks and opportunities due to climate change	38				
	201-3 Defined benefit plan obligations and other retirement plans	225-229				
	201-4 Financial assistance received from government	N/A		Not applicable	The Company does not received any financial assistance from Government	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	105				
	202-2 Proportion of senior management hired from the local community	104				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	123				
	203-2 Significant indirect economic impacts	123				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	120				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	98				
	205-2 Communication and training about anti-corruption policies and procedures	97				
	205-3 Confirmed incidents of corruption and actions taken	98				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	97				

## GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	Page Number	Omission			GRI Sector standard Ref No.
			Requirement (s) Omitted	Reason	Explanation	
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	82				
GRI 207: Tax 2019	207-1 Approach to tax	85				
	207-2 Tax governance, control, and risk management	85				
	207-3 Stakeholder engagement and management of concerns related to tax	85				
	207-4 Country-by-country reporting	N/A		Not Applicable	Alumex did not meet criteria for country-by-country reporting	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	125-126				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	126-127				
	301-2 Recycled input materials used	126-127				
	301-3 Reclaimed products and their packaging materials	126-127				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	125-126				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	127-128				
	302-2 Energy consumption outside of the organization					
	302-3 Energy intensity	27				
	302-4 Reduction of energy consumption	27				
	302-5 Reductions in energy requirements of products and services	N/A		Not Applicable	No information available	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	125-126				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	129				
	303-2 Management of water discharge-related impacts	129				
	303-3 Water withdrawal	129				
	303-4 Water discharge	129				
	303-5 Water consumption	129				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	125-126				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	128-129				
	305-2 Energy indirect (Scope 2) GHG emissions	128-129				



GRI STANDARD	DISCLOSURE	Page Number	Omission			
			Requirement (s) Omitted	Reason	Explanation	GRI Sector standard Ref No.
	305-3 Other indirect (Scope 3) GHG emissions	128-129				
	305-4 GHG emissions intensity	128-129				
	305-5 Reduction of GHG emissions	128-129				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	125-126				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	125-126				
	306-2 Management of significant waste-related impacts	129-130				
	306-3 Waste generated	129-130				
	306-4 Waste diverted from disposal	129				
	306-5 Waste directed to disposal	129-130				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	120-122				
	308-2 Negative environmental impacts in the supply chain and actions taken	120-122				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	105				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	107				
	401-3 Parental leave	109				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	104				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	111				
	403-2 Hazard identification, risk assessment, and incident investigation	111				
	403-3 Occupational health services	111-113				
	403-4 Worker participation, consultation, and communication on occupational health and safety	111-113				
	403-5 Worker training on occupational health and safety	111-113				
	403-6 Promotion of worker health	114-115				

## GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	Page Number	Omission			GRI Sector standard Ref No.
			Requirement (s) Omitted	Reason	Explanation	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	114-115				
	403-8 Workers covered by an occupational health and safety management system	114-115				
	403-9 Work-related injuries	114				
	403-10 Work-related ill health	114				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	110			Percentage of staff turnover not presented	
	404-2 Programs for upgrading employee skills and transition assistance programs	110				
	404-3 Percentage of employees receiving regular performance and career development reviews	110				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	141-143			Percentage wise staff information not disclosed	
	405-2 Ratio of basic salary and remuneration of women to men	106				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	106				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
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	106				
Child labor						

GRI STANDARD	DISCLOSURE	Page Number	Omission			
			Requirement (s) Omitted	Reason	Explanation	GRI Sector standard Ref No.
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	103-104				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	106				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	123				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	123				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	122				
	414-2 Negative social impacts in the supply chain and actions taken	122				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	118				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	118				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	118-119				
	417-2 Incidents of non-compliance concerning product and service information and labeling	118-119				
	417-3 Incidents of non-compliance concerning marketing communications	119				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	119-138				

# DISTRIBUTION CHANNELS

## CENTRAL

### Alumex Distribution Center – Kandy

**Richard & Company**  
No. 23, Kings Street, Kandy  
Tele: 0812 224 181

**Sarasavi Enterprises (Pvt) Ltd.**  
No. 442/3, Gohagoda Road,  
Wegiriya,  
Katugasthota  
Tele: 0772 533 801

**Matale Glass Center**  
No. 27, Station Road, Matale  
Tele: 0662 222 624

**N C N Aluminium**  
No. 222/B, Nawalapitiya Road,  
Gampola  
Tele: 0777 573 318

**Reliance Enterprises**  
No. 111, Udupussellawa Road,  
Hawaeliya,  
Nuwara Eliya  
Tele: 0778 244 488

**City Glass and Aluminium**  
No. 80, Gamploa Road,  
Nawalapitiya  
Tele: 0542 050 590

**Gunasekara & Sons Technologies (vt) Ltd.**  
No. 12/D, Henwala, Kundasale  
Tele: 0773 258 588

**Central Picture Palace**  
No. 92, Galagedara Road,  
Katugasthota  
Tele: 0773 301 333

**Orbit Glass**  
No. 26, Kandy Road, Wattedagama

## SABARAGAMUWA

### Alumex Distribution Center -Rathnapura

**Alushan Aluminium**  
No. 291, Kelin Weediya,  
Kudugalwattha,  
Rathnapura  
Tele: 0772 211 135

**Arcade of Aluminium**  
No. 125 ,Batugedara Road,  
Angammana,  
Rathnapura  
Tele: 0777 861 260

**Kahawatta Glass & Electricals**  
No. 157, Main Street, Kahawatta  
Tele: 0773 519 132

**Sarathchandra and Company (Pvt) Ltd.**  
No. 133, Main Street,  
Embilipitiya

**Manamperi Glass Center**  
3rd Mile Road, Moreketiya,  
Embilipitiya  
Tele: 0472 280 290

**Kalawana Glass House**  
Manana, Kalawana

**Janaka Aluminium & Glass Centre**  
No. 381, Uda Ellepola,  
Balangoda  
Tele: 0452 289 630

**Diamod Glass**  
No. 312E, Main Street, Eheliyagoda  
Tele: 0771 751 232

**Uva Aluminium & construction (pvt) ltd**  
Prabuddhi'Belumgala, Badulla  
Tele: 0773 867 179

## UVA

### Alumex Distribution Center – Badulla

**Arcade of Aluminium - Badulla**  
No.276A, Passara Rd ,Badulla  
Tele: 0768 222 012, 0552 228 989

**Kadurata Timber Depot**  
No. 44 2/1, Padiyathalawa Road,  
Mahiyanganaya  
Tele: 0552 051 785, 0763 606 831

**Rajatha Aluminium**  
Monaragala Road, Wellawaya  
Tele: 0703 710 600

**Thisara Enterprises and Trading Company**  
No. 516 Thanthiriya, Badulla Road,  
Bandarawela

## S D R Hardware

Bandarawela Road, Divitotawela,  
Welimada  
Tele: 0776 484 387

## EASTERN

**Irfan Aluminium**  
No. 245, Central Road, Trincomalee  
Tele: 0262 220 707, 0773 206 900

**Pubudu Trade Center**  
No. 64, D.S. Senanayake Street,  
Ampara  
Tele: 0632 222 278

**C.M.S Glass & Fitting Centre**  
Ampara Road, Sammanthurai  
Tele: 0772 094 959

**K.M.S. Aluminium (Pvt) Ltd**  
Main Street, Eravur  
Tele: 0772 225 796

**Esstee Marketing**  
No. 128, Main Street,  
Batticola  
Tel: 0114 524 524

**PSP Aluminium**  
No. 165/2, Batticaloa Road,  
Kalmunei  
Tele: 0773 263 571

**Unimax Hardware-Alco Brand**  
No. 505 C, Main street,  
Sainthamarthu

## NORTHERN

### Alumex Distribution Center – Jaffna

**Aranila Picture Palace**  
No. 05, Kanaka Puram Road,  
Killinochchi  
Tele: 0772 232 284

**T. Kumaraswamy & Sons**  
No. 248/1, K.K.S. Road, Jaffna  
Tele: 0212 224 307

**A.J. Enterprises**  
Opposite Central Collage, A-9  
Road,  
Ananthapuram, Kilinochchi

**Marutham Iron Ware Store**

Karaveddy Centre, Karaveddy,  
Nelliary  
Tele: 0212 263 210

**K. T. S. Glass Centre**

Main Street, Puthukkudiyiruppu  
Tele: 0772 428 483

**Pillayar Picture Palace**

Mullaithevu Road, Mulliyawalai,  
Mulathevu  
Tele: 0772 466 405

**AS Group**

No. 207, Muthaliyarkulam,  
Cheddikulam

**Fine Aluminium (Pvt) Ltd**

No. 34/3B, Rohini Road,  
Colombo 06  
Tele: 0777 686 021

**Jazeemas**

No. 306, K S Road, Jaffna  
Tele: 0212 221 544

**Sarukaya Construction (Pvt) Ltd.**

No. 69 Crossete lane, Nallur,  
Jaffna  
Tele: 0773 880 590

**VR1 Aluminium**

No. 71 A, Kanttasamy Kovi Road,  
Vauniya  
Tele: 0773 392 475

**Sun Aluminium Fabricators**

Punnalaikadduvan South,  
Chunnakam,  
Jaffna

**SriKanna Aluminium Fittings**

Main street, Mullayadi,  
Palali

**N. S. Enterpises**

No. 199, K S Road, Chunnakkam  
Jaffna

**Glory Aluminium Fabricators**

No. 144,  
Royal Pearl Garden, Wattala

**Asia interior designers**

No. 330 pattanichoor  
Vauniya

**Tharany Builders**

Kakkadai Junction Kilinochchi

**VR1 Aluminium**

No. 71A, Kanttasamy Kovi Road,  
Vavuniya

**North Lanka**

No. 3/27,Varatharaja Lane,  
Innvilwest,  
Chunnakam

**NORTH CENTRAL****Alumex Distribution Center - Anuradhapura****New Rajarata Glass House**

No. 521/30, 4th Cross Lane,  
Maithripala Senanalaka Mw,  
New Bus Stand, Anuradhapura  
Tele: 0252 223 741

**Ananda Aluminium**

No.521/56, 5th Lane, Maithreepala  
Senanayaka Mw,  
New Town, Anuradhapura  
Tele: 0255 627 810

**G. B. Aluminium**

H.19, Kurunagala Road,  
Tabuttagama  
Tele: 0703 450 651

**N. R. Leather & Glass House**

No. 377 C, Main Street, Kaduruwela  
Polonnaruwa  
Tele: 0772 225 850

**Lakbima Rice Mills**

No. 796, Hathamuna Road,  
Ethumalpitiya,  
Polonnaruwa  
Tele: 0777 134 387

**Sisira Aluminium Fittings**

No. 37 Samudragama, Bandiwawa,  
Jayanthipura

**Menadi Ceramic**

No. 255, Main Street,  
Mahaweliyuna,  
Dehiaththakandiya  
North Western

**Almet Enterpises**

No. 25/A, Kurunegala Road,  
Dambulla  
Tele: 0718 254 658

**Alulux Aluminium (Pvt) Ltd**

Colombo Road, Koswadiya,  
Mahawewa  
Tele: 0322 252 016

**Thushara Aluminium**

No. 26, Rajapihilla Road,  
Kurunegala  
Tele: 0372 231 057

**Vimarsha Traders**

Dambulla Road, Udawela,  
Ibbagamuwa  
Tele: 0716 807 705

**City Picture Palace**

No.101, D.B.Welagedara Street,  
Kurunegala  
Tele: 0372 224 367

**Kumbukulawa Glass Center**

Kumbukulawa, Polpitigama  
Tele: 0727 737 187

**S.M.Glass House (Pvt) Ltd**

Colombo Rd. Rathmalyaya  
Puttalam  
Tele: 0322 269 202

**Grand Aluminium**

No.65,Kurunegala Road,  
Alawwa  
Tele: 0372 279 833

**Ranhiru Hardware Stores**

No.26, Nikawaratiya  
Tele: 0773 313 359

**Dilumex Aluminium**

No.1/27 Negombo Road,  
Dankotuwa  
Tele: 0777 565 457

**Koswatta Picture Palace**

Chilaw Rd, Bandarakoswatta,  
Wariyapola.  
Tele: 0779 120 963

**Damsith Hardware**

Mandalapola, Kubukgate  
Tele: 0727 737 187

**Alunet (Pvt) Ltd**

Kurunagala Road, Dambulla  
Tele: 0662 284 755

**Randima Builders**

Mahakeliya, Wariyapola  
Tele: 0776 428 014

## DISTRIBUTION CHANNELS

### **DL Kostha & Sons**

Anuradhapura RD, Wariyapola  
Tele: 0717 772 905

### **D N D Construction**

Dankotuwa Town, Dankotuwa  
Tele: 0777 565 457

### **WESTERN**

### **Alumex central Warehouse**

Maguruwila Road Sapugaskanda

### **Alumex Warehouse - Ekala**

Alumex Distribution Center -  
Makola

### **Highlevel Aluminium (Pvt) Ltd.**

No. 352, Highlevel Road,  
Pannipitiya  
Tele: 0112 896 305

### **Asia Trade Center-Kaluthara**

No. 612, Galle Road, Kaluthara  
South,  
Kaluthara  
Tele: 0779 574 935

### **Glass and Aluminium**

No. 32, Galle Road, Dehiwala North  
Tele: 0777 898 920

### **Alugrow Trading (Pvt) Ltd - Panadura**

No. 117, Horana Road,  
Mahawila, Panadura  
Tele: 0777 530 980

### **N.Rich (Pvt) Ltd-Nawala**

No. 335, Nawala Road, Nugegoda  
Tele: 0112 805 813

### **New Alutec Aluminium**

No.56/7 Batadolewatta Road,  
Nittambuwa  
Tele: 0334 678 376

### **Unifab Trading (Pvt) Ltd.**

No. 76D, Kandy Road, Dalugama,  
Kelaniya  
Tele: 0112 910 686

### **Alcon (Pvt) Ltd.**

No. 647, Galle Road,  
Rawatawaththa,  
Moratuwa  
Tele: 0112 649 714

### **Arcade of Aluminium**

No. 279/15/B, Godagama Road,  
Athurugiriya  
Tele: 0772 616 727

### **Alu Lanka (Pvt) Ltd.**

No.247 Bollatha Ganemulla,  
Welampitiya  
Tele: 0115 631 974

### **Gampaha Picture Palace**

No. 110, Ja-Ela Road,  
Gampaha  
Tele: 0332 222 561

### **Lucky Hardware**

No. 109, Sumanatissa Mawatha,  
Colombo 12  
Tele: 0112 387 515

### **R.C. Enterprises**

No. 390, Colombo Road, Galkanda  
Junction,  
Negombo  
Tele: 0314 872 367

### **Amona Xtreme**

Nelson Holding Kaluthara

### **Alugrow Trading (Pvt) Ltd**

No. 49, Udyana Road,  
Minuwangoda  
Tele: 0112 296 560

### **Alugreat Engineering Services**

No.13/2/F, Samurdi Mawatha,  
South Siyambalape  
Tele: 0714 537 662

### **Arcade of Aluminium - Awissawella**

No. 45C, Madola, Awissawella  
Tele: 0364 932 014

### **C.G. Alucare**

No. 620, Awissawella Road,  
Kaduwela  
Tele: 0771 949 547

### **Tritech Enterprises (Pvt) Limited**

No. 40/5, Thilak Mawatha,  
Gorakana, Moratuwa  
Tele: 0772 973 658

### **High Level Aluminium Trading Company (Pvt) Ltd**

No. 246/1, Kotte Road, Mirihana,  
Nugegoda, Sri Jayawardhanapura,  
Kotte  
Tele: 0112 854 614

### **Bravo Enterprises**

No.166/A, Nilwala  
Estate, Kibulapitiya Road,  
Akkara Panaha, Negambo  
Tele: 0773 320 471

### **Jayarathna Hardware (pvt) Ltd**

No. 275, Watareka, Padukka  
Tele: 0772 914 365

### **Alu Win Engineering Services**

No. 173/1, Millathe, Kiridiwela  
Tele: 0773 555 725

### **Jayathilaka Ceiling Showcase and Glass Center**

No. 49/1D, Makola South,  
Makola  
Tele: 0114 250 059

### **Wickrama Hardware & Trading (Pvt) Ltd**

No. 01, Walpola Rd, Aggona  
Tele: 0779 796 871

### **Highlevel Aluminium (Pvt) Ltd**

No. 118 Colombo Road, Piliyandala  
Tele: 0112 606 137

### **J.T Aluminium & Glass**

788, Pannipitiya Road, Palawatta

### **SOUTHERN**

### **Alumex Distribution Center - Galle**

### **Ruhunu Alucraft & Hardware**

Baddegama Road, Gonapinuwala  
Hikkaduwa  
Tele: 0773 061 848

### **Aluroma Enterprises (Pvt) Ltd**

No. 77B/C,  
W.D.S. Abaygunawardhana Mw,  
Pettigalawatta, Galle  
Tele: 0912 227 850

### **Wijesooriya Enterprises**

No. 158, Maha Veediya,  
Ambalangoda  
Tele: 0779 554 373

### **Dilmina Glass Centre (Pvt) Ltd**

No.429, New Street, Weligama  
Tele: 0412 254 504



**New Prasan Distributors**

Agathuduwa Road, Samagi  
Mawatha,  
Godagama, Matara  
Tele: 0776 917 874

**F.P.K Aluminium Center**

148 Deniyaya Road, Porambe,  
Akuressa  
Tele: 0776 917 874

**Union Healthcare (Pvt) Ltd**

No. 53/1, Main Street, Dickwella,  
Matara

**Dream Anchor**

No. 39, Urugasmanhandiya,  
Karandeniya  
Tele: 0772 116 194

**Almart Aluminium**

No. 403A, Pepiliyana,  
Borelasgamuwa

**Nelson Holding Kaluthara**

No. 169, Nagoda Road,  
Kaluthara

**AF trading**

No. 967, Maeliya, Ja-Ela,  
Gampaha  
Tele: 0769 299 431

# GLOSSARY OF FINANCIAL TERMS

## A

### ACTUARIAL GAINS AND LOSSES

Difference between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions.

### AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

### ACCOUNTING POLICIES

The accounting policies adopted in the preparation of Financial Statements are given on pages 199 to 211.

### AVAILABLE FOR SALE

Non derivative financial assets that are designated as available for sale or are not classified as loans and receivable, held to maturity investment or financial assets at fair value through profit and loss.

### ABSENTEE RATE

An employee absents from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity and compassionate leave are excluded.

### ASSET TURNOVER RATIO

Revenue divided by total assets. Reflects efficiency in asset use to generate revenue.

## B

### BORROWINGS

All interest bearing liabilities.

### BOOK VALUE PER SHARE

Shareholders' equity divided by the total number of outstanding shares. Indicates intrinsic value.

## C

### CAPITAL EMPLOYED

Total equity, minority interest and interest bearing Borrowings.

### CAPITAL RESERVES

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

### CASH EQUIVALENTS

Liquid investments with original maturity periods of three months or less.

### CONTINGENT LIABILITY

A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

### CURRENT RATIO

Current assets divided by current liabilities, a measure of liquidity.

### CURRENT SERVICE

Cost Increase in the present value of the defined benefit obligation resulting from employee's service in the current period.

### CHILD

This term applies to all persons under the age of 14 years of age.

### COMMUNITY DEVELOPMENT PROGRAM

Plan that details actions to mitigate, and compensate for adverse social and economic impacts, and to identify opportunities and actions to enhance positive impacts of the project on the community.

### CAPITAL EXPENDITURE (CAPEX)

Funds used by the company to acquire, upgrade, or maintain physical assets.

## D

### DEFERRED TAXATION

The tax effect of timing differences deferred to/ from other periods, which would only qualify for inclusion on a tax return at a future date.

### DIVIDEND COVER

Profit attributable to ordinary shareholders divided by dividend. Measures the number of times dividend is covered by attributable profit.

### DIVIDEND PAYOUT

Dividend per share as a percentage of the earnings per share.

### DIVIDEND YIELD

Dividend per share as a percentage of the market price a measure of return on investment.

### DEFINED BENEFIT PLANS

Post-employment benefit plans other than defined contribution plans.

### DIVIDEND YIELD

Dividend per share divided by market price per share, expressed as a percentage.

## E

### EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares

outstanding for the effects of all dilutive potential ordinary shares.

#### **EBIT**

Abbreviation for Earnings Before Interest and Tax.

#### **EFFECTIVE TAX RATE**

Income tax expense divided by profit from ordinary activities before tax.

#### **EQUITY**

Shareholders' funds.

#### **EMPLOYEE TURNOVER**

Employees who leave the organisation voluntarily or due to dismissal, retirement, or death in service.

#### **ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS**

Emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation.

#### **ENTRY LEVEL WAGE**

Entry level wage refers to the full-time wage offered to an employee in the lowest employment category. Intern or apprentice wages are not considered.

#### **EBITDA**

Earnings Before Interest, Taxes, Depreciation, and Amortisation. A key measure of operational profitability used before non-operational and non-cash items.

### **F**

#### **FAIR VALUE**

The amount for which an asset could be exchanged or liability settled between knowledgeable willing parties in an arm's length transaction.

#### **FAIR VALUE THROUGH PROFIT AND LOSS**

A financial asset/liability acquired/incurred principally for the purpose of selling or repurchasing it in the near term, part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or a derivative (except for a derivative that is a financial guarantee contract).

#### **FINANCIAL ASSET**

Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

#### **FINANCIAL INSTRUMENT**

Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

#### **FINANCIAL LIABILITIES**

Initial Recognition and Measurement Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings

#### **FREEDOM OF ASSOCIATION**

The right of workers and employers to establish and join organisations of their own choosing without the need for a prior authorisation.

#### **FORMAL GRIEVANCE MECHANISMS**

Systems consisting of specified procedures, roles and rules for methodically addressing complaints as well as resolving disputes. Formal grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, rights-compatible, clear and transparent, and based on dialogue and mediation.

#### **FREE CASH FLOW (FCF)**

Operating cash flow minus capital expenditure. Indicates the cash available for distribution or reinvestment.

### **G**

#### **GEARING**

Proportion of total interest bearing borrowings to capital employed.

#### **GROSS PROFIT RATIO**

Gross profit divided by revenue.

#### **GOVERNANCE BODIES**

The committees or boards responsible for the strategic guidance of the organisation, the effective monitoring of management, and the accountability of management to the broader organisation and its stakeholders.

#### **GROSS PROFIT MARGIN**

Gross profit divided by revenue. Reflects production or core activity efficiency before operating costs.

# GLOSSARY OF FINANCIAL TERMS

## I

### INTEREST COVER

Profit before tax plus net finance cost divided by net finance cost, a measure of an entity's debt service ability.

### IPO

The first sale of shares by a private Company to public.

### INJURY RATE

The number of work related injuries relative to the total time worked by the total workforce in the reporting period.

### INFRASTRUCTURE

Facilities (such as water supply facility, road, school, or hospital) built primarily to provide a public service or good rather than a commercial purpose, and from which the organisation does not seek to gain direct economic benefit.

## K

### KEY MANAGEMENT PERSONNEL

Compensation Key management personnel comprises the Directors of the Company and details of compensation are given in Notes 08 to the Financial Statements. There were no other transactions with key management personnel during the year.

## L

### LOST DAY RATE

Time ('days') that could not be worked (and is thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. A return to limited duty or alternative work for the same organisation does not count as lost days.

## M

### MARKET CAPITALISATION

Number of shares in issue multiplied by the market value of a share at the reported date.

## N

### NET ASSETS PER SHARE

Shareholders' funds divided by the weighted average number of ordinary shares in issue, a basis of share valuation.

### NON-CONTROLLING INTEREST

The interest of individual shareholders, in a Company more than 50% of which is owned by a holding Company.

### NET DEBT

Total interest-bearing liabilities minus cash and cash equivalents. Represents the actual debt burden.

### NET PROFIT MARGIN

Net profit as a percentage of revenue. Measures the overall profitability after all expenses.

## O

### OTHER COMPREHENSIVE INCOME

Items of income and expenses that are not recognised in profit or loss as required or permitted by other SLFRS's.

### OPERATING PROFIT MARGIN

Operating profit as a percentage of revenue. Indicates how efficiently operations generate profit before finance and tax

## P

### PRICE EARNINGS RATIO

Market price of a share divided by earnings per share as reported at that date.

## PRODUCT AND SERVICE INFORMATION AND LABELING

Information and labeling are used synonymously and describe communication delivered with the product or service describing its characteristics.

## R

### RELATED PARTIES

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

### RETIREMENT BENEFITS PRESENT VALUE OF A DEFINED BENEFIT OBLIGATION

Present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

### RETURN ON AVERAGE CAPITAL EMPLOYED

Profit before tax plus net finance cost divided by average capital employed.

### RETURN ON AVERAGE SHAREHOLDERS' FUNDS

Attributable profits to the shareholders divided by average shareholders' funds.

### REVENUE RESERVES

Reserves considered as being available for distributions and investments.

### REMUNERATION

Basic salary plus additional amounts such as those based on years of service, bonuses, benefit payments, overtime, time owed, and any additional allowances (such as transportation and living).

### RETURN ON ASSETS (ROA)

Net income divided by total assets. Measures how efficiently a company uses its assets to generate profit.

**S****SEGMENTS**

Constituent business units Grouped in terms of similarity of operations and location.

**SUPPLY CHAIN**

Sequence of activities or parties that provides products or services to the organisation.

**STAKEHOLDERS**

Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products, and services. Stakeholders can include those who are invested in the organisation.

**T****TOTAL WATER WITHDRAWAL**

The sum of all water drawn into the boundaries of the organisation from all sources (including surface water, ground water, rainwater, and municipal water supply) for any use over the course of the reporting period.

**TOTAL WORKFORCE**

The total number of persons working for the organisation at the end of the reporting period (that is, the sum of all employees and supervised workers).

**TYPE OF NON-COMPLIANCE**

Court judgment on failure to act in accordance with regulations or laws, categorised by the nature of the laws or regulations breached.

**TOTAL SHAREHOLDER RETURN (TSR)**

Measures the total return to shareholders, including share price appreciation and dividends

**V****VALUE ADDITION**

The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of materials and services bought in.

**W****WORKING CAPITAL**

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

**WASTE DISPOSAL METHOD**

The method by which waste is treated or disposed of, including composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage

## NOTES



# NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF ALUMEX PLC** will be held on Monday, 23rd June 2025 at 9.00 a.m. at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10 for the following purposes;

- 1.To consider and adopt the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2025, with the Report of the Auditors thereon.
- 2.To re-elect as a Director Mr. A.J. Alles, who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27(2) of the Articles of Association of the Company.
- 3.To re-elect as a Director Mr. D. Waduwayala who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27(2) of the Articles of Association of the Company.
- 4.To re-elect as a Director Mr. D.W.P.N. Dediwela, who retires by rotation at the Annual General Meeting in terms of Article 28(6) of the Articles of Association of the Company.
- 5.To re-elect as a Director Mr. R.P.P.K. Rajapaksha, who retires by rotation at the Annual General Meeting in terms of Article 28(6) of the Articles of Association of the Company.
- 6.To re-elect as a Director Mr. S.C. Ganegoda, who retires by rotation at the Annual General Meeting in terms of Article 28(6) of the Articles of Association of the Company.
- 7.To propose the following resolution for the re-appointment of Mr. A.M. Pandithage, in terms of Section 211 of the Companies Act No.07 of 2007.

## Ordinary Resolution

‘That, Mr. Abeyakumar Mohan Pandithage, who is over seventy years of age be and is hereby re-appointed as a Director for a further period of one year and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to him.’

- 8.To authorise the Directors to determine donations and contributions to charities for the ensuing year.
- 9.To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2025/26 and to authorise the Directors to determine their remuneration.
- 10.To consider and if thought fit, to pass the following Special Resolutions to amend the existing Articles in the Articles of Association of the Company;

## Special Resolution (1)

**IT IS HEREBY RESOLVED THAT** Article 27(1) of the Articles of Association of the Company be deleted in its entirety and be replaced by the following Article;

“27(1) Unless otherwise determined by ordinary resolution of the shareholders of the Company, the number of Directors shall not be less than five (5) and not more than ten (10).”

## Special Resolution (2)

**IT IS HEREBY RESOLVED THAT** Articles 27(4), 27(5), 27(6), 27(7) and 27 (8) of the Articles of Association of the Company be deleted in their entirety, and be replaced by the following Articles 27(4)(i) to 27(4)(vi);

### 27(4) Alternate Directors

- (i) An Alternate Director shall only be appointed under exceptional circumstances by any Director (‘appointor’), giving notice in writing left at the office of the Company and approved by the Board to be an Alternate Director of the Company to act in their place during their absence, subject to applicable laws, rules and regulations. Any such appointment shall not exceed a period of one (1) year from the date of appointment.
- (ii) If an Alternate Director is appointed for a Non-Executive Director such Alternate should not be an Executive of the Company. Similarly, if an Alternate Director is appointed for an Independent Director, the person so appointed shall meet the criteria for independence under applicable laws, rules and regulations. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate qualifies as an Independent Director before the appointment is made.

## NOTICE OF MEETING

- (iii) In the event a Director appoints another Director to be his Alternate Director he shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointor's rights at meetings of the Board. A person shall not act as an Alternate Director for more than one Director.
- (iv) An Alternate Director shall on his giving an address for such notice to be served upon him be entitled to receive notices of all meetings of Directors and to attend and vote as a Director, at any such meeting at which the Director appointing him is not personally present and generally at such meetings to perform all the functions of his appointor as a Director in the absence of such appointor.
- (v) The attendance of any Alternate Director at any meeting including Board Committee meetings shall be counted for the purpose of the quorum.
- (vi) An Alternate Director may be appointed for a specified period (not exceeding one (1) year) or until the happening of a specified event, but he shall ipso facto cease to be an Alternate Director if his appointor ceases for any reason to be a Director."

### Special Resolution (3)

**IT IS HEREBY RESOLVED THAT** the existing Article 27(9), 27(10) and Article 27(11) of the Articles of Association of the Company be renumbered as Article 27(5), 27(6) and Article 27(7) respectively.

By Order of the Board,  
**ALUMEX PLC**



HAYLEYS GROUP SERVICES (PRIVATE) LIMITED  
Secretaries

Colombo.  
26th May 2025

Notes to shareholders:

1.A Shareholder is entitled to appoint a proxy to attend and vote instead of him/her and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the office of the Company Secretaries at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the time fixed for the Meeting.

2.A shareholder who requires a hard copy of the Annual Report must post or handover the duly completed 'Request Form-Annexure A' to the office of the Secretaries.

The Annual Report of the Company for 2024/25 is available on the corporate website [www.alumexgroup.com](http://www.alumexgroup.com) and on the Colombo Stock Exchange website [www.cse.lk](http://www.cse.lk). If you wish to have a printed copy of the Annual Report, please forward the duly completed 'Request Form' to the office of the Secretaries.

Contact Person	: Ms. Chameera Gunawardena
Contact Number	: +94 11 2627653
Email Address	: <a href="mailto:chameera.gunawardena@secretarial.hayleys.com">chameera.gunawardena@secretarial.hayleys.com</a>
Mailing Address	: Hayleys Group Services (Private) Limited, Secretaries for Alumex PLC, No. 400, Deans Road Colombo 10.

# FORM OF PROXY

ALUMEX PLC  
Company Registration No. PV 539 PQ

I/We .....(full name of Shareholder)  
NIC No./Reg. No. of Shareholder .....  
of ..... being Shareholder/Shareholders  
of **ALUMEX PLC** hereby appoint:  
1.....(full name of proxyholder)  
NIC No. of proxyholder .....  
of ..... or, failing him/them.

2.ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our proxy to attend and vote as indicated hereunder for me/us and on my/our behalf of at the Eighteenth Annual General Meeting of the Company to be held on Monday, 23rd June 2025 and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

	For	Against
1. To adopt the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2025, with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director Mr. A.J. Alles, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director Mr. D. Waduwavala as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect as a Director Mr. D.W.P.N. Dediwela, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect as a Director Mr. R.P.P.K. Rajapaksha, as set out in the Notice	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect as a Director Mr. S.C. Ganegoda, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint Mr. A.M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
9. To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2025/26 and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
10. To pass the Special Resolutions to amend the Articles of Association of the Company as set out in the Notice.		
Special Resolution (1)	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution (2)		
Special Resolution (3)		

Signed on this ..... day of ..... 2025.

.....

Signature of Shareholder

(Instructions are given overleaf)

## FORM OF PROXY

### Instructions:

- 1.The completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Private) Limited, at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the start of the meeting. **Delayed Proxy Forms shall not be accepted.**
- 2.A Shareholder entitled to attend and vote at the Annual General Meeting of the Company, is entitled to appoint a Proxy to attend and vote instead of him/her and the Proxy need not be a Shareholder of the Company.
- 3.Full name of Shareholder/Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.
- 4.A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.
- 5.The duly completed Proxy Form must be dated and signed by the Shareholder.
- 6.Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy can vote as he/she thinks fit.
- 7.In the case of a company/corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.
- 8.Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
- 9.In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.

# CORPORATE INFORMATION

## NAME OF COMPANY

Alumex PLC  
(A limited Liability Company,  
incorporated in Sri Lanka in 2007)

## COMPANY NUMBER

PV 539 PQ

## STOCK EXCHANGE LISTING

The ordinary shares of the  
Company are listed with the  
Colombo Stock Exchange of Sri  
Lanka on  
31st March 2014

## REGISTERED OFFICE

Pattiwila Road,  
Sapugaskanda, Makola,  
Sri Lanka  
Telephone: +94 11 240 0332  
Facsimile: +94 11 240 0415  
Website: www.alumexGroup.com

## DIRECTORS

Mr. Mohan Pandithage - Chairman  
Mr. Sarath Ganegoda - Deputy  
Chairman  
Mr. Pramuk Dediwela -Managing  
Director  
Mr. Ranil De Silva  
Mr. Asghar Akbarally  
Dr. Harsha Cabral, PC  
Mr. Manoha Rajakariar  
Mr. Prageeth Rajapaksha  
Mr. Jonathan Alles (appointed w.e.f.  
26th December 2024)  
Mr. Dushan Waduwaala  
(appointed w.e.f. 3rd May 2025)  
Mr. Somasiri Munaweera (resigned  
w.e.f. 3rd May 2025)

## AUDIT COMMITTEE

Mr. Ranil De Silva - Chairman  
Mr. Manoha Rajakariar  
Mr. Jonathan Alles (appointed to  
the Committee 24th January 2025)  
Mr. Somasiri Munaweera (resigned  
w.e.f. 3rd May 2025)

## REMUNERATION COMMITTEE

Mr. Ranil De Silva - Chairman  
Dr. Harsha Cabral, PC  
Mr. Manoha Rajakariar  
Mr. Jonathan Alles (appointed to  
the Committee 2nd May 2025)

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. Ranil De Silva - Chairman  
Dr. Harsha Cabral, PC  
Mr. Manoha Rajakariar  
Mr. Jonathan Alles (appointed to  
the Committee 2nd May 2025)

## NOMINATIONS AND GOVERNANCE COMMITTEE

Mr. Ranil De Silva - Chairman  
Dr. Harsha Cabral, PC  
Mr. Manoha Rajakariar  
Mr. Jonathan Alles (appointed to  
the Committee 2nd May 2025)

## AUDITORS

Ernst & Young  
Chartered Accountants  
Rotunda Towers, 109, Galle Road  
Colombo 03, Sri Lanka

## INVESTOR RELATIONS

Please contact Corporate Affairs  
Unit  
Telephone: +94 11 262 7610  
E-mail: info@cau.hayleys.com  
SECRETARIES  
Hayleys Group Services (Private)  
Limited  
400, Deans Road, Colombo 10, Sri  
Lanka  
Telephone: +94 11 262 7650  
E-mail: info.sec@hayleys.com

Please direct any queries about the  
administration of shareholdings to  
the Company Secretaries

## BANKERS

### Commercial Bank of Ceylon PLC

Foreign Branch  
Commercial House, NO 21, Sir Razik  
Fareed Mawatha  
Colombo 01, Sri Lanka

### Sampath Bank PLC

Head Office,  
No. 110, Sir James Peiris Mawatha  
Colombo 02, Sri Lanka

### Bank Of Ceylon

Personal Branch  
2nd Floor, Head Office  
No. 04, Bank of Ceylon Mawatha  
Colombo 01, Sri Lanka

### Hatton National Bank PLC

Head office, No. 479, T. B. Jayah  
Mawatha  
Colombo 10, Sri Lanka

### DFCC Bank PLC

No. 73, W A D Ramanayake  
Mawatha  
Colombo 02, Sri Lanka

### Standard Chartered Bank

No. 37, York Street  
Colombo 1, Sri Lanka

### People's Bank

Head Office, No.75, Sir  
Chittampalam A Gardiner Mawatha  
Colombo 02, Sri Lanka

### Nation Trust Bank PLC

Millennium House, Nawam Mawatha  
Colombo 02, Sri Lanka

### National Development Bank

No.40, Nawam Mawatha  
Colombo 02, Sri Lanka

### Cargills Bank PLC

No. 696, Galle Road  
Colombo 03, Sri Lanka

### Citi Bank N.A. Colombo

No. 65C, Dharmapala Mawatha  
Colombo 07, Sri Lanka



Alumex PLC, Pattiwila Road, Sapugaskanda, Makola, Sri Lanka.