

ANNUAL REPORT

2025



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BOGALA GRAPHITE LANKA PLC
Annual Report 2025

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

Year Ended 31st December

Earnings Highlights and Ratios		2025	2024
Revenue	Rs.'000	1,649,136	1,765,701
Gross profit	Rs.'000	728,901	746,865
Profit from operations	Rs.'000	396,127	209,470
Profit before tax	Rs.'000	419,608	232,337
Profit after tax	Rs.'000	276,040	161,121
EBITDA	Rs.'000	449,747	256,353
Cash from operating activities	Rs.'000	414,148	277,946
Gross profit to turnover	%	44.2	42.3
Net income to turnover	%	16.7	9.1
Interest Cover	Number of Times	1,650.2	681.2
Dividend per share	Rs	8.00	-
Dividend Payout Ratio	%	274.3	-
Return on equity (ROE)	%	20.3	8.7

Balance Sheet Highlights & Ratios

Total assets	Rs.'000	1,693,291	2,137,019
Total debt	Rs.'000	330,666	294,431
Total shareholders' funds	Rs.'000	1,362,625	1,842,588
No of shares in issue	Number	94,632,904	94,632,904
Net assets	Rs.'000	1,362,625	1,842,588
Net assets per share	Rs.	14.4	19.5
Quick Asset Ratio	Times	3.19:1	7.13:1
Debt/equity (book value)	%	24.3	16.0

Operational Highlights

Lost time accident rate	%	0.60	zero
Accident severity rate	%	0.05	zero
Earning per share	Rs.	2.92	1.70

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion & Analysis (MD&A) should be read together with the audited Financial Statements for the year ended 31 December 2025. It explains the context behind the results, key drivers of performance, risks, governance and the outlook in line with the disclosure expectation on Sri Lanka best practice.

Operating Environment

Sri Lanka's macroeconomic stabilisation continued through 2025, with inflation moderating and monetary conditions broadly accommodative. In core export markets, demand for industrial applications remained steady though pricing stayed competitive. High-purity vein graphite continues to find strong use in friction materials, forging/foundry and refractory applications, lubricants and specialty dispersions.

Operational Review

Mining & Processing: Safe and stable underground operations were sustained. Reliability and process improvements contributed to better yields and energy efficiency. Product mix continued to tilt toward processed/purified grades and dispersions in response to customer qualification cycles.

Sales & Markets: External sales held steady across core Asian and Middle-Eastern industrial customers, with emphasis on repeat qualifications and consistency of delivered quality underpinning durable relationships.

Our Value-Adding Process (Order-Driven)

We operate a made-to-order model where mining and processing are aligned to customer specifications. The sequence below summarises how we create value from ore to shipment:

1. **Order-driven vein selection:** Different veins naturally exhibit different fixed-carbon (FC) levels and vein selection ensures optimal feed for the required grades. Stopping is planned in selected veins based on firm orders and specifications, matching geological characteristics with end-use requirements.

2. **Primary mechanical sorting:** Run-of-mine output is mechanically sorted into particle-size classes to stabilise downstream processing.
3. **Manual carbon grading:** Trained sorters manually classify material by indicative carbon content to refine the feed blend and minimise processing variability.
4. **Flotation purification:** The blended feed undergoes flotation to increase fixed-carbon up to 99.2% consistent with customer requirements for purity and performance.
5. **Milling & sieving:** Purified product is milled and sieved to achieve target particle-size distribution and consistency.
6. **Quality assurance & packing:** Each lot is tested against specification, then packed and readied for shipment with appropriate documentation.

Financial Performance and Highlights

Stable output in production and volume was maintained to meet the customer requirements. Financial performance showed resilience relative to the prior year, with effective cost management efforts and realised forex gain supported better results despite the revenue drop compared to the previous year.

Performance at a glance: Revenue decreased 6.6% to Rs. 1,649 million (2024: Rs. 1,766 million); Gross margin expanded by 1.9% percentage points to 44.2%; Operating profit rose by 89.5% to Rs. 396 million; Profit before tax (PBT) increased by 81.0% to Rs. 420 million; Profit after tax (PAT) grew by 71.3% to Rs. 276 million; Operating cash flow strengthened to Rs. 414 million with cash conversion of 104.5% (2024: 133.0%).

MANAGEMENT DISCUSSION AND ANALYSIS

Key Performance Indicators are tabled below with the discussion of performance drivers.

Key Performance Indicators	2025	2024	YoY change
Revenue	1,649	1,766	-6.6%
Gross Margin (%)	44.2%	42.3%	+1.9
Operating Profit	396	209	+89.5%
Operating Margin (%)	24.0%	11.8%	+12.2
Profit Before Tax	420	232	+81.0%
PBT Margin (%)	25.5%	13.1%	+12.3
Profit After Tax	276	161	+71.3%
PAT Margin (%)	16.7%	9.1%	+7.6
Dividend Payout Rs. 8.00 per share	757	-	
Net Cash from Operating activities (NCFO)	414	278	+49.0%
Cash Conversion	104.5%	133.0%	-28.5

Notes: All figures in Rupees million unless stated. Margins are a percentage of revenue. Cash conversion ratio is an expression of net cash from operating activities on operating profit.

Discussion of performance drivers:

- Top line: softened year-on-year on a high base and selective pricing in competitive export markets. Mix continued to shift toward higher-value processed and purified grades, partially offsetting volume pressure.
- Gross margin: expanded to 44.2%, supported by disciplined product-mix management, improved ore-to-concentrate yields, energy-efficiency measures at underground and plant, and freight optimisations. The Company avoided opportunistic low-margin business to preserve quality and pricing integrity.

- Operating expenses: overheads were contained through tight cost stewardship while protecting essential capabilities in safety, quality and compliance. Selling and distribution costs tracked shipment cadence and benefited from better route planning.
- Other Income/Foreign Exchange (FX): A positive net exchange impact contributed to operating profitability with the FX conversions to meet the dividend payments during the year. No speculative FX positions were taken.
- Finance costs/income: There were no new borrowings during the year; cash generated funded operations and the interim dividend. Interest income on short-term deposits contributed modestly to PBT.
- Cash flow & working capital: Operating cash flow strengthened to Rs. 414 million, supported by profit growth and working capital discipline. Inventory turns improved on better demand planning aligned to order pipelines and vein selection. Receivables remained sound with continued emphasis on customer credit vetting and collections.

Capital Expenditure

Capital expenditure during the year focused primarily on maintenance and upgrading of mining and processing infrastructure, productivity enhancement initiatives, and sustaining operational efficiency and safety standards. These investments served to support stable production levels and cost efficiency.

Health, Safety & Environment (HSE)

The Company maintained a strong focus on safety training, preventative maintenance and compliance. In 2025 there was one Lost Time Accident (LTA); in 2024 there were zero LTAs. We continue to reinforce controls around underground operations and critical risk management, and to monitor leading indicators such as safety observations and near-miss reporting.

MANAGEMENT DISCUSSION AND ANALYSIS

Human Resources and Training

The Company continues to engage and uphold the value of Human Capital with great emphasis as an integral part of our long-term strategy for sustainable business growth. The Company ensures the implementation of effective HR strategies, policies, processes, and systems in line with the overall objectives. Company collaboration with National Apprentice and Industrial Training Authority (NAITA) continues to strengthen with the National Vocational Qualification (NVQ) Level 4 Mining Technician Program. The Company continues its appreciation for employees who have completed 25 years of service by awarding Gold Coins.

Corporate Social Responsibility

The Company reinforced its commitment by contributing Rs. 2.5 million towards community development projects focused on education, scholarships, and public sector engagements. Beneficiaries of these projects were students from local community schools and government institutions.

Capital Allocation and Dividend

In August 2025, the Board declared and paid an interim dividend of Rs. 8.00 per share (aggregate payout Rs. 757 million). The solvency test under Sections 56–57 of the Companies Act was satisfied, supported by interim financials and liquidity headroom at the time of declaration and payment.

Risk Management

Key risks include end-market demand and price competition; foreign exchange volatility; regulatory/licensing and ESG-related compliance; operational and safety risks in underground mining; logistics and geopolitical disruptions. Mitigations include strengthened internal controls, FX monitoring, preventative maintenance, continuous safety training, continuous supplier/customer review and diversification, and compliance programs including Personal Data Protection Act (PDPA) and export facilitation updates.

Governance and Compliance

The Board maintained oversight over strategy, risk, and compliance. The Company advanced enhancements to data protection and trade-facilitation processes and continued to prioritise health, safety and environmental standards. The Board continues to assess the Company compliance to developments in relation to corporate governance requirements as amended and published by Colombo Stock Exchange time to time.

Looking Ahead

Considering the prospects for the year ahead, global economic uncertainty and commodity market volatility is expected to persist in 2026. However, the Management remains optimistic and confident of the support of its strong resource base, operational expertise, and established export relationships. In 2026, the Company expects to maintain stable production levels, enhance operational efficiencies, and explore opportunities for product diversification and value addition. It also hopes to strengthen cash flow generation and preserve a strong balance sheet to explore strategic opportunities and support long-term growth.

Towards this, we expect steady demand in our industrial end-markets, with continued pricing discipline and a focus on value-added grades. Priorities for 2026 are: (i) deepen penetration in core industrial applications; (ii) progress R&D collaborations in graphene-based materials; (iii) sustain our safety and productivity trajectory; and (iv) preserve a strong liquidity position to fund disciplined growth.

Responsibility Statement

This MD&A has been prepared based on information available in this report and the management system of the Company and is consistent with the audited Financial Statements for the year ended 31 December 2025.

CHAIRPERSON'S REVIEW

It is my pleasure to welcome you all, once again, on behalf of the Board to the 35th Annual General Meeting of our Company.

As a year, 2025 is best described as one of contrasts, where transformation was met with turmoil and development challenged by disaster. The nation, which was rising slowly from the many adversities faced in recent years and seemed to be finally enjoying a period of recovery and stability, was hurled into chaos as Cyclone Ditwah passed over the island in late November, leaving immense devastation in its wake, testing Sri Lanka's resilience to the core, yet again.

It was indeed a year of changes and challenges, but your Company made steady progress during 2025, recording a turnover of Rs. 1,649.1 million and Rs. 396.1 million profit from operations compared to a turnover of Rs. 1,765.7 million and Rs. 209.5 million profit from operations in 2024.

With most of 2025 being relatively stable, Sri Lanka's economy showed strong recovery by the latter part of the year. GDP Growth showed sustained positive momentum contributing to an estimated 5% growth for the full year, a significant rebound. This was driven by industry, services, and agriculture, under an IMF program, achieving a budget surplus and stable reserves, recovering after the 2022 crisis. Key indicators included a robust Q3 growth of 5.4%, low inflation, easing interest rates, and increased government revenue, indicating improved fiscal discipline and rebuilding of buffers.

All sectors saw positive contributions to GDP growth in Q3 with the three major economic activities performing well. Industry recorded a growth of 8.1% with services and agriculture recording year on year growth of 3.5% and 3.6%, respectively. A record increase in government revenue, sharp decline in budget deficit, and increased primary surplus signalled better debt management and overall improvements in fiscal health and monetary stability. Consequently, the support towards credit growth with low inflation (deflationary at times) and easing interest rates, with average weighted prime lending rate remaining around 8-9%, was well noted. Sri Lanka also achieved a balance of payments surplus strengthening foreign reserves to around US Dollars 6.3 billion.

It was also a year of recovery and positive momentum for the construction and mining industries recording robust performance with both sectors serving as key drivers of the nation's overall economic expansion. This was due to increased project availability, growing investor confidence, and a general upswing in the broader economy. The mining and quarrying industry performed strongly growing by 16.6% in the second quarter of 2025, boosting overall industrial growth.

Despite continuing geopolitical tensions and policy uncertainty throughout 2025, the global economy showed resilient but subdued growth of around 2.7-3.2%, defying early pessimism. The US and India recorded strong performances, but Europe was weaker, driven by uneven recovery, cooling inflation, and increased trade headwinds from tariffs. Growth was hampered by the need to navigate significant geopolitical tensions and climate risks. Although the global economy demonstrated more resilience than expected following post-pandemic recovery, this also masked a significant difference in performance between advanced and developing economies. While growth was better than anticipated, underlying fragilities and downside risks remained, even increased.

The global economy is expected to grow 2.7% in 2026, slightly below the 2.8% estimated for 2025 and well under the pre-pandemic average of 3.2%. Global trade performed better than expected in 2025, driven by early shipments ahead of higher tariffs and robust services exports. Growth is projected to slow in 2026 as a result of geopolitical tensions and power-play, as temporary drivers fade and trade barriers and policy uncertainty persist with investment remaining subdued in most regions. Growth in emerging markets and developing economies is expected to slow to 4.0% in 2026 from 4.2% in 2025.

The year under review proved once again, the remarkable resilience of Sri Lanka as a nation. The ability to weather storms - literally and metaphorically and rise above adversity seems inherent in our people. This characteristic also defines our Company, we have hitherto faced every trial, disruption, and challenge head-on, and overcome each one through unity, vigilance, and perseverance. Confident of this inner strength we possess, we look

CHAIRPERSON'S REVIEW

forward to another year of progress as we continue steadily on our journey of success.

Acknowledgement

In conclusion, on behalf of the Board of Directors and the employees of the Company, I extend my gratitude to our valued shareholders, including our major shareholder and Parent Company, Graphit Kropfmühl GmbH for their unstinted support. I also express my appreciation to our stakeholders for the confidence and trust they always place on the management of the Company.

I thank my colleagues on the Board for their continuing support and guidance, and the Management team and our employees for their immense dedication. The Company recorded another year of progress in the face of challenges. It is my strong belief that our Company will undoubtedly achieve our expectations for 2026 and look forward to progress in the year to come.



Coralie Pietersz
Chairperson
6th March 2026

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

In 2025, Bogala Graphite Lanka PLC continued to execute with discipline and resilience, delivering improved profitability despite softer topline and a competitive pricing environment in our industrial markets.

Financial Performance

Revenue for the year is Rs. 1,649 million (2024: Rs. 1,766 million). Gross margin improved to 44.2% (2024: 42.3%) on the back of mix and cost actions. Profit from operations rose to Rs. 396 million (2024: Rs. 209 million). Profit before tax increased to Rs. 420 million (2024: Rs. 232 million) and profit after tax to Rs. 276 million (2024: Rs. 161 million). Operating cash flow improved to Rs. 414 million (2024: Rs. 278 million).

Dividend and Capital Allocation

In August 2025, the Board declared and the Company paid an interim dividend of Rs. 8.00 per share (total payout Rs. 757 million). Payments were executed on 27 August 2025 with 94.7% of transfers completed the same day via SLIPS/RTGS. The Board satisfied the solvency test under Sections 56–57 of the Companies Act, supported by Q2-2025 interim financials and cash & cash equivalents exceeding Rs. 1.0 billion at the time. Withholding tax was deducted as applicable.

Operating Environment and Market Positioning

Our markets in 2025 were characterised by steady demand across industrial applications where Sri Lankan vein graphite is valued: friction materials, forging and foundry/refractory uses, lubricants and specialty dispersions. We continued to focus on processed and purified grades and customer qualification cycles that support repeat orders.

Operational Highlights and Safety

We maintained safe, stable operations and continued to invest in reliability, productivity and quality. Process improvements and disciplined maintenance supported yields and energy efficiency; safety KPIs remained within target levels.

Outlook

We enter 2026 focused on deepening value-added product penetration in our established industrial segments, advancing R&D collaborations in graphene-based applications, and sustaining our safety and productivity trajectory. We will preserve a strong liquidity position while investing selectively for disciplined growth.

Acknowledgement

I wish to sincerely thank our employees for their unwavering commitment and dedication throughout the year. I also extend my gratitude to the Board of Directors for their strategic guidance and steadfast support, and to our Parent Company for their continued encouragement and partnership. Their collective hard work and insight have been instrumental in navigating the challenges and achieving the successes of the year under review.



Amila Jayasinghe
Chief Executive Officer
6th March 2026

DIRECTORS' PROFILES

Ms. M. C. Pietersz (Non-Executive Director)

Ms. M. C. Pietersz was appointed a director on 14th May 2013. She is an Associate member of the Institute of Chartered Accountants in England and Wales, a fellow member of the Institute of Chartered Accountants of Sri Lanka, and a fellow member of the Institute of Certified Management Accountants of Sri Lanka. She holds a B.Sc. (Honours) degree in Physics from the University of Sussex and an MBA from Heriot-Watt University, Edinburgh.

She is an Independent Non-Executive Director at Nations Trust Bank PLC, RIL Properties PLC, United Motors Lanka PLC and Panasian Power PLC. She has also served as the Senior Director of Seylan Bank PLC and as an independent non-executive director of People's Leasing and Finance PLC, CT CLSA Asset Management (Pvt) Ltd, CT CLSA Capital (Pvt) Ltd and Hemas Pharmaceuticals (Private) Limited.

Coralie has over 30 years of experience at senior levels, across several industries, in both the public and private sectors. Her experience includes the role of Chief Financial Officer (CFO) at Nations Trust Bank, Group CFO at Richard Pieris and Co PLC and as Finance Director of Finlays Colombo Ltd, Hapugastenne Plantations PLC, and Udapussellawa Plantations PLC.

Thomas A. Junker (Non-Executive Director)

Mr. Junker is a graduate in Civil Engineering from the University of Applied Science in Aalen, Germany. He served the Board as a Director of Bogala Graphite Lanka PLC from 26th March 2010 to 29th April 2016. He was re-appointed to the Board on 2nd January 2017. He has been with Graphit Kropfmühl since April 2008 and currently serves as the Managing Director/CEO of AMG Graphite Group. He is also the Managing Director of Qingdao Kropfmühl Graphite Co., Ltd and a Board Director since 2011. He also serves as the Chairman of the Board at GK Ancuabe Graphite Mine, S.A.

Amila P. Jayasinghe (Executive Director)

B.Bus (Monash), CPA

Mr. Jayasinghe was appointed to the Board of Bogala Graphite Lanka PLC in April 2004. He worked in the capacity of Executive Director of the Company from April 2000 to August 2005. Mr. Jayasinghe was appointed CEO in January 2008.

Sugath Amarasinghe (Executive Director) ACA, ASCMA

Mr. Amarasinghe was appointed a director on 4th April 2014. He is a member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka. He is a Non-Executive Director at Ultimium Financial Consultants (Private) Limited. He has over 33 years of experience in the mercantile sector at senior level and possesses experience in the Manufacturing FMCG (Foods & Beverages), Automobile, Services (Corporate and Management Consultancy), Information Technology, Garment Manufacturing, and Garment Processing industries.

Ulla Neunzert (Non-Executive Director)

Ms. Neunzert was appointed a Director of Bogala Graphite Lanka PLC on 15th August 2019. She joined Graphit Kropfmühl GmbH in May 2019 as CFO for the AMG Graphite Group and currently serves the Company as Managing Director/CFO. Ms. Neunzert holds a Master of Arts degree from Freie University of Berlin, Germany.

Shivan Joseph Dinesh Coorey (Non-Executive Independent Director) Attorney-at-Law, LLB LLM

Mr. Shivan Coorey was appointed to the Board with effect from 16th November 2023. He is an Attorney-at-Law by profession and holds a Bachelors in Law (LL. B) and Masters in Law (LL.M).

Mr. Coorey is a Senior Legal Counsel operating his own legal Chambers primarily based in the field of Commercial Law and he specialises in Banking Law, Company Law, Intellectual Property, Labour Law and Public Law. He is also the legal consultant to several corporates including listed companies and multinationals. Mr. Coorey is

DIRECTORS' PROFILES

currently the Honorary Secretary of the Colombo Law Library (established 1855) headed by His Lordship the Chief Justice of Sri Lanka. He has been in the Executive Committee and the Bar Council of the Bar Association of Sri Lanka and have served many Committees in the Bar Association of Sri Lanka.

He served as an Independent Director of Fintrex Finance Ltd., a licensed Finance Company regulated by the Central Bank of Sri Lanka.

Ms. Averil Ludowyke (Non-Executive Independent Director)

Ms. Averil Ludowyke was appointed a Director on 16th November 2023. She is a Fellow of the Institute of Chartered Accountants of Sri Lanka, and a Fellow of the Chartered Institute of Management Accountants, UK. She is an Independent Non-Executive Director at Seylan Bank PLC, Tokyo Cement Company (Lanka) PLC, Chevron Lubricants Lanka PLC, and Ceylinco Life Insurance Limited.

Ms. Ludowyke has over 40 years of experience in the field of Finance, Accounting, Auditing, Forensic Accounting, and Consulting. She served as a Partner at Ernst & Young for 12 years and was a lead Audit Partner for several groups of companies and she launched and led forensics and integrity services of the firm. Her clients included Banks and Finance companies, and corporations engaged in Retail, Manufacturing, Telecommunications, Construction, Real Estate, Shipping and Logistics, Insurance, leisure, Plantations, and Development.

She also has 13 years of senior level experience in the Finance and Accounting, Manufacturing sector, and in a Relief and Development Organisation.

CORPORATE GOVERNANCE

Corporate Governance continues to evolve as changes in the environment and social systems increase their impact over business enterprises. The Board of Directors bear ultimate responsibility for providing the strategic direction and guidance, establishing and overseeing systems of internal control and risk management to ensure that the Company has effective risk management systems in place to identify, assess and mitigate risks, financial reporting, and operations of the Company.

The Company's sound and comprehensive corporate governance framework, provides strategic direction in creating an enabling environment for growth in a structured, sustainable, and transparent manner whilst following mandatory requirements set out in Section 9 of the Listing Rules of the Colombo Stock Exchange and the voluntary requirements of the Code of Best Practices on Corporate Governance jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

The Board provides guidance in formulating and implementing corporate strategy, monitors implemented strategies, offers clear directions on the decision-making process and promotes a culture of openness, productive dialogue, constructive dissent, employee empowerment and engagement, thus creating value to all stakeholders. The Board also oversees Company financial performance, adopting appropriate accounting policies to ensure that financial reporting is in accordance with the Sri Lanka Accounting Standards together with the Sri Lanka Financial Reporting Standard-Sustainability Disclosure Standards.

Board Composition and Skills

The Board of Directors consists of seven members, of whom five are Non-Executive Directors. Two of them are Independent Non-Executive Directors. Company policy is to maintain a sufficient balance of power that minimises the tendency for one or a few members of the Board to dominate its decision-making process whilst meeting the guidelines issued to listed companies. The Directors' profiles are given on page 11.

The Board brings in a wealth of diverse exposure in the fields of management, business administration, economics, and human resources, contributing varied perspectives to boardroom deliberations and bringing independent judgement to bear on matters set before them.

As required by the Listing Rules of the Colombo Stock Exchange, each Independent Director submitted a declaration of their independence or non-independence for the year under review. Non-Executive Directors do not have any business interest except what is stated under note 27, Related Party Disclosure on page 93 and Director's interest in Annual Report of the Board of Directors on page 50 of the Annual Report.

Whilst the Board is responsible for guiding the overall direction, strategies, and financial objectives, and for overseeing systems of internal control, risk management, and strategic plans, it is the responsibility of the management to ensure their implementation.

CORPORATE GOVERNANCE

Composition of the Board with brief profile set out below.

Name of the Director	Year of Appointment to the Board	Nature of Directorship	Gender Representation	Skill Profile
Coralie Pietersz - Chairperson	2013	Non-Independent Non-Executive Director	Female	Finance and Accounting
Thomas Junker	2010	Non-Independent Non-Executive Director	Male	Science and Engineering
Averil Ludowyke	2023	Independent Non-Executive Director	Female	Finance, Auditing and Accounting
Shivan Coorey	2023	Independent Non-Executive Director	Male	Legal
Ulla Neunzert	2019	Non-Independent Non-Executive Director	Female	Finance and Accounting
Amila Jayasinghe	2004	Non-Independent Executive Director	Male	Finance and Business Management
Sugath Amarasinghe	2014	Non-Independent Executive Director	Male	Finance and Accounting

Board Appointment

The Nominations and Governance Committee assists the Board with appointments that meet business needs, independence, skills, competencies and diversity following a formal and transparent system. The Board recommends the appointments of directors to shareholders at the Annual General Meeting with separate resolutions for each nomination.

Details of new appointments are disclosed to the Colombo Stock Exchange (CSE) at the time of their appointment through a public announcement complying with Section 9.10.2 of the Listing Rules of the CSE.

Fitness of Directors and CEO

The Company assesses the fitness of Directors and CEO of the Company with reference to the fit and proper assessment criteria set out in Section 9.7.3 of the Listing Rules of the Colombo Stock Exchange, and obtains a declaration of fitness and propriety confirming that all Directors and the CEO have satisfied the criteria.

Directors Remunerations

The Board as a whole determines the remuneration of the Non-Executive Directors (NEDs). Remuneration for NEDs reflects the time commitment and responsibilities of

their role, taking into consideration the market practices. They do not receive any performance-related incentive payments. Professional advice is sought by the Board and Remuneration Committee in discharging their responsibilities.

The Remuneration Committee is responsible for making recommendations to the Board regarding the remuneration of the Executive Directors and Key Management Personnel (KMPs). The compensation for Directors and KMPs is aligned with objectives for sustainable value creation that are consistent with the Company strategy. It is determined based on well-defined performance goals that are appropriately challenging and realistic.

Board Evaluation

The Board evaluates its performance and that of its sub-committees on an annual basis. Areas of assessment include areas within their core competencies, industry-specific skills, and awareness of emerging trends to meet the strategic needs of the Company. The Chairperson and Nominations and Governance Committee are responsible for evaluating the performance of the Executive Directors and Committees through an annual performance evaluation mechanism in place.

CORPORATE GOVERNANCE

Role of the Company Secretary

Corporate Services (Private) Limited provides company secretarial services, which include scheduling Board and Sub-Committee meetings, conducting Board and General meetings in accordance with the Articles of Association, maintaining statutory registers and the minutes of Board meetings, General Meetings and Sub-Committee meetings, circulating Board papers and submission of financial information and disclosures to the CSE, promptly communicating with regulators and shareholders, and filing statutory returns in a timely manner and facilitating access to legal advice in consultation with the Board where necessary.

They advise Directors on Board procedures and legal requirements relating to their duties and responsibilities. Additionally, they arrange Annual General Meetings, shareholder communications, and disclosures to the CSE through the Registrars, Central Depository System (Pvt) Ltd. The Board as a whole is responsible for their appointment and removal.

Board Meetings

The Board held four meetings during the year, minimally one per quarter, which were scheduled well in advance to ensure full attendance. The Directors were provided with necessary information and background material as per the agenda, prior to every meeting by way of electronic Board papers as relevant for all Board meetings held during the year to facilitate effective prior preparation for informed deliberations and effective decision-making. Board papers submitted in advance included Company operational performance, new investments, capital projects, and other issues requiring specific Board approval.

The Chairperson ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Board Secretary. The typical Board agenda for 2025 included discussion on matters arising from the previous meeting minutes, submission of Board Sub-Committee reports, review of operational performance, approval of quarterly and annual financial statements, review of risks, ratification of capital expenditure, and ratification of circular resolutions.

Attendance at the Board meetings is summarised below

Name of the Director	06/03/2025	07/05/2025	11/08/2025	12/11/2025	Total Meetings Attended
Independent Non-Executive Directors					
Averil Ludowyke	✓	✓	✓	✓	4/4
Shivan Coorey	✓	✓	✓	✓	4/4
Non-Executive Directors					
Coralie Pietersz	✓	✓	✓	✓	4/4
Thomas Junker	✓	Excused	✓	Excused	2/4
Ulla Neunzert	✓	✓	✓	✓	4/4
Executive Directors					
Amila Jayasinghe	✓	✓	✓	✓	4/4
Sugath Amarasinghe	✓	✓	✓	✓	4/4

CORPORATE GOVERNANCE

Board Sub-Committees

The Board has delegated some of its specific responsibilities that require focused attention to four Sub-Committees, which recommend decisions for approval by the Board. Sub-Committees mainly comprise Independent Non-Executive Directors. Members of these Sub-Committees are able to focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise. The Committee Chairperson reports to the Board on the activities of the respective Committees at each Board meeting, highlighting matters for the Board's attention..

The Board Sub-Committees were reconstituted effective from 01st December 2023 in line with the amended rules on corporate governance by the CSE. The Committees are provided with all resources to empower them to undertake their duties in an efficient and effective manner.

The Company Secretary serves as Secretary to these committees. The minutes of each committee meeting are circulated to all Directors upon completion.

The composition of the Board Sub-Committees is set out below.

Name of the Director	Nature of Directorship	Audit Committee	Related Party Transaction Review Committee	Remuneration Committee	Nominations and Governance Committee
Coralie Pietersz - Chairperson	NED	-	-	Member	Member
Averil Ludowyke	INED	Chairperson	Member	Member	Chairperson
Shivan Coorey	INED	Member	Chairperson	Chairperson	Member
Thomas Junker	NED	Member	Member	Member	Member
Amila Jayasinghe	ED	BI	Member	BI	BI
Ulla Neunzert	NED	BI	BI	BI	BI
Sugath Amarasinghe	ED	BI	BI	BI	BI
NED - Non Executive Director ED - Executive Director INED - Independent NED BI - By Invitation					

When determining Committee composition, the Board considers relevant regulations, the skills and experience of its members, and responsibilities of the Committee. Each Board Sub-Committee has a formal Terms of Reference

that are reviewed annually. The table below provides details of focus areas, skill mix and the composition of the Sub-Committees.

Board Sub-Committee	Areas of Oversight	Committee skills and composition
Audit Committee (Report of the Audit Committee is given on page 36-39)	Evaluating the integrity of the financial statements and adequacy of internal controls	Accounting, Corporate finance, Law and Commercial Arbitration, Corporate Leadership
	Review of key risk exposures and measures in place to mitigate risks	
	External Audit including assessing the independence of the external auditors	Independent Non-Executive Directors-2, Non-Executive Directors-1
	Internal Audit	
	Compliance with Legal and regulatory requirements	

CORPORATE GOVERNANCE

Board Sub-Committee	Areas of Oversight	Committee skills and composition
Related Party Transaction Review Committee (Report of the RPTRC Committee is given on pages 42-44)	Review all proposed Related Party Transactions and the post-quarter confirmations in accordance with the requirement of the Listing Rules	Law and commercial arbitration, Finance and Business management, Engineering Accounting and Finance
	Monitor that all Related Party Transactions are transacted on normal commercial terms	
	Recommend appropriate action for compliance in respect of proposed Related Party Transactions or post-quarter confirmations as applicable.	
	Annual review of threshold of transactions falling under the Section 9.14.8 of the Listing Rules based on the Audited Financial Statements	Independent Non-Executive Directors - 2, Non-Executive Directors - 1, Executive Directors -1
	Set out criteria to determine Key Management Personnel	
	Oversight of disclosure of Related Party Transactions	
Remuneration Committee (Report of the Remuneration Committee is given on page 40-41)	Remuneration policy and practices particular reference to Key Management Personnel	Law and commercial arbitration, Finance and Accounting, Business Management, Engineering
	Evaluate the performance of the Chief Executive Officer, and Executive Directors as well as the individual and collective performance of Directors	
	Determine the overall individual remuneration packages for the Senior Management Team which includes compensation on termination of employment	Independent Non-Executive Directors - 2, Non-Executive Directors - 2,
	HR Policy, goals, and targets for Key Management Personnel	
Nominations and Governance Committee (Report of the Governance Committee is given on page 45-46)	Appointment of Key Management Personnel	Accounting and Finance, Corporate Leadership, Engineering, Law and commercial arbitration
	Establish and maintain a formal procedure for the appointment of new directors	
	Succession planning	
	Code of Ethics	Independent Non-Executive Directors - 2, Non-Executive Directors - 2,
	Recommending improvements to the Governance Framework	
	Effectiveness of the Board and its Sub-Committees	

CORPORATE GOVERNANCE

Attendance at Board Sub-Committee meetings is summarised below and the detailed attendance is given in their respective reports within this Annual Report.

Name of the Director	Audit Committee	Related Party Transaction Review Committee	Remuneration Committee	Nominations and Governance Committee
Independent Non-Executive				
Averil Ludowyke	5/5	4/4	3/3	4/4
Shivan Coorey	5/5	4/4	3/3	4/4
Non-Executive				
Coralie Pietersz	3/5	-	3/3	4/4
Thomas Junker	3/5	2/4	3/3	2/4
Ulla Neunzert	5/5	4/4	-	-
Executive				
Amila Jayasinghe	5/5	4/4	-	-
Sugath Amarasinghe	5/5	4/4	-	-

The Role of the Chairman

The Chairman is responsible for the efficient conduct of Board meetings and ensures effective participation of both Executive and Non-Executive Directors. It is the responsibility of the Chairman to ensure that views of all Board members on issues under consideration are ascertained and that the Board is in complete control of the Company's affairs. The Chairman maintains close contact with all Directors and, where necessary, holds meetings with Non-Executive Directors without Executive Directors being present, to ensure an appropriate balance of power.

The Chairman, whilst providing leadership to the Board, also sets the tone for the governance and ethical framework of the Company, facilitates and solicits the views of all Directors by keeping in touch with local and global industry developments, and ensures that the Board is sensitive to its obligations to the Company's shareholders and stakeholders.

CORPORATE GOVERNANCE

Disclosure in terms of Section 9.10.4 (e) of the Listing Rules on Corporate Governance of the Colombo Stock Exchange – Companies in which the Directors of Bogala Graphite Lanka PLC serve as Directors

Name of the Director	Other companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel	Listed / Unlisted Status	Position Held	Total
Coralie Pietersz	RIL Property PLC	Listed	Independent Non-Executive Director	06
	Panasian Power PLC	Listed	Independent Non-Executive Director	
	United Motors Lanka PLC	Listed	Independent Non-Executive Director	
	Nations Trust Bank PLC	Listed	Independent Non-Executive Director	
	Compass Advisory Services (Private) Limited	Unlisted	Director	
	Tambapanni Academic Publishers (Private) Limited	Unlisted	Director	
Shivan Coorey	N/A	N/A	N/A	N/A
Averil Ludowyke	Seylan Bank PLC	Listed	Independent Non-Executive Director	05
	Tokyo Cement Co. (Lanka) PLC	Listed	Independent Non-Executive Director	
	Incorporated Trustees of the Church of Ceylon	Unlisted	Trustee	
	Chevron Lubricants Lanka PLC	Listed	Independent Non-Executive Director	
	Ceylinco Life Insurance Limited	Unlisted	Independent Non-Executive Director	
Ulla Neunzert	N/A	N/A	N/A	N/A
Thomas Junker	N/A	N/A	N/A	N/A
Amila Jayasinghe	Right Apps (Private) Limited	Unlisted	Director	01
Sugath Amarasinghe	Ultimum Financial Consultants (Private) Limited	Unlisted	Non-Executive Director	01

CORPORATE GOVERNANCE

Delegation of Authority

The Board is accountable and responsible for the strategic direction and management of the Company; it appropriately delegates the authority to the CEO and the Senior Management to carry out day-to-day operations. With the delegation of authority, the Board's primary responsibility is to oversee the performance of the management and ensure compliance with the Board policies and governance requirements mandated through the Section 9 of the Listing Rules of the Colombo Stock Exchange, relevant laws/regulations of the country, other regulatory authorities, professional institutes, and trade associations in order to achieve the Company objectives.

The Board continues to exercise oversight through Directors inquiring whether the authority delegated to the management is reasonable, and whether the management provides sufficient and accurate information to make that determination. Typical areas of oversight include strategic initiatives, financial performance and integrity of financial statements, accounting and financial reporting process, Environmental, Social and Governance (ESG), risk management, and governance and compliance.

In exercising its business judgement, the Board acts as an advisor and counsellor to the CEO/Managing Director who defines and enforces standards of accountability, with a view to enable senior management to execute their responsibilities fully in the interests of the Company and its shareholders.

Audit Committee

The Board has appointed an Audit Committee which has oversight responsibility in the selection and application of how the Company should select and apply accounting policies, financial reporting, and internal control principles whilst maintaining an appropriate relationship with the external auditors. Further details of the Audit Committee are given in their Report on pages 36 to 39.

Remuneration Committee

The Remuneration Committee is responsible for setting the remuneration policy by establishing broad parameters of the Company. The remuneration policy and its roles are

discussed in the report of the Remuneration Committee given on pages 40 to 41.

Related Party Transaction Review Committee

The Board has appointed the Related Party Transaction Review Committee to exercise oversight on behalf of the Board to ensure compliance with regulations. The Report of the Related Party Transaction Review Committee stating its role, procedures, and duties is given on pages 42 to 44.

Nomination and Governance Committee

The Board has appointed the Nomination and Governance Committee to exercise oversight with respect to the governance of the Board of Directors and to ensure overall compliance to regulatory requirements related to the Company governance framework. The Committee also evaluates the diversity, structure, size, and composition of the Board and Board Committees to effectively discharge their duties and responsibilities. The report of the Nomination and Governance Committee is given on pages 45 to 46.

Accountability and Audit

The Board has taken necessary steps to recognise its responsibility to present a balanced and understandable assessment of the Company's financial position in accordance with the Requirements of the Companies Act No. 7 of 2007. The Financial Statements are prepared and presented in accordance with the Sri Lanka Accounting Standards. Further, the Company has complied with the reporting requirements prescribed by the Colombo Stock Exchange.

The Board has taken necessary steps to ensure the integrity of accounting and financial reporting systems and that internal control systems remain robust and effective by reviewing and monitoring such systems on a periodic basis.

The Board has taken steps to obtain reasonable assurance that the systems designed to safeguard Company assets, maintain proper accounting records, and provide management information, are in place and functioning as planned.

CORPORATE GOVERNANCE

Internal and External Audit

The internal audit function is outsourced to Messrs. B. R. De Silva & Company, Chartered Accountants. The Audit and Risk Committee (ARC) reviews the audit observations arising from the internal audits and monitors corrective action. The ARC evaluates the appropriateness of the internal audit function and reviews the annual internal audit plan to ensure it adequately covers the significant risks of the Company.

The External Auditor is a qualified independent external firm of Chartered Accountants whose objective is to determine whether the Financial Statements of the Company represent a true and fair view of its financial performance, position, and cash flow status. Messrs. KPMG, Chartered Accountants, were re-appointed at the AGM in 2024 as external auditors of the Company for the financial year 2025.

Risk Management and Internal Control

Risk management is an essential element of our corporate governance structure and strategic development process. Appropriate systems, policies, and procedures are in place in all areas of operations and are periodically reviewed to ensure adequacy and adherence. The Company has established an integrated risk management process as part of its management system to identify the types of risks specific to the industry in which it operates and to measure those potential risks in order to develop mitigation strategies. This process facilitates informed decision-making and a conscious evaluation of opportunities and risks.

The Board is responsible for the Company's internal control and its effectiveness. Internal controls are established with emphasis on safeguarding assets, making available accurate and timely information, and imposing greater discipline on decision-making. However, any system can only provide reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period.

The Company conducts regular reviews of the major risks such as regulatory, political, and environmental changes that could affect business and financial performance. The Company also evaluates the potential threats posed by possible competitors. The Company analyses exposure to business risks by identifying vulnerability and probability of occurrence in order to determine how to mitigate the effect of such risks.

However, the Company recognises that risk management is a shared responsibility of all employees of the Company in an integrated management system, rather than being a separate and stand-alone process. Hence, it is integrated into overall business and decision-making processes including strategy formulation, business planning, business development, investment decisions, capital allocation, internal control, and day-to-day functions.

Having the right people to execute strategies is imperative for success in the emerging diverse growth markets. The Board recognises the crucial role of human capital since talent, culture, and work attitude are arguably the biggest drivers of competitive advantage. The Board plays an important role in ensuring that the leadership stays focused on building the talent strategy.

The Company also engages consistently in new exploration techniques and processing methods, focusing on overall efficiency improvement and on becoming more attractive in terms of pricing and improved product quality, for the Company's strategic advantage.

The Company manages its working capital at a healthy level of liquidity and monitors its net operating cash flow, maintaining cash and cash equivalents at an appropriate level to support operational and capital expenditure requirements.

Investment risks are hedged through close monitoring and compliance with agreed production and quality parameters. Periodic review and implementation of customer feedback ensure sustainable product quality.

CORPORATE GOVERNANCE

Statement of Compliance under Section 168 of the Companies Act No. 07 of 2007 (Mandatory Provisions – Fully Compliant)

Company Act Section	Companies Act Requirement	Compliance Status	Reference to Annual Report 2025
168.(1) (a)	The nature of the business of the Company together with any change thereof during the accounting period	Compliant	Annual Report of the Board of Directors, pages 47-54
168.(1) (b)	Signed Financial Statements of the Company for the accounting period completed - section 151	Compliant	Financial Statements, page 64
168.(1) (c)	Auditors' Report on Financial Statements of the Company	Compliant	Independent Auditors' Report, pages 58-62
168.(1) (d)	Accounting policies and any changes therein	Compliant	Notes to the Financial Statements, pages 67-79
168.(1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Compliant	Annual Report of the Board of Directors, pages 47-54
168.(1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Compliant	Notes to the Financial Statements, page 94
168.(1) (g)	Total amount of corporate donations made by the Company during the accounting period	Compliant	Notes to the Financial Statements, page 80
168.(1) (h)	Information on the Directorate of the Company at the end of the accounting period along with any changes during the accounting period	Compliant	Annual Report of the Board of Directors, pages 47-54
168.(1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services provided during the accounting period	Compliant	Notes to the Financial Statements, page 80
168.(1) (j)	Relationship or interest of the Auditors' with the Company	Compliant	Audit Committee Report, pages 36-39
168.(1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Compliant	Annual Report of the Board of Directors, pages 47-54

CORPORATE GOVERNANCE

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure (Mandatory Provisions – Fully Compliant)

CSE Rule Reference	Disclosure Requirement	Compliance Status	Reference to Annual Report 2025
7.6 (i)	Names of Directors of the Entity	Compliant	Directors' Profiles, pages 11-12
7.6 (ii)	Principal activities of the Entity and its subsidiaries during the year, and any changes therein	Compliant	Annual Report of the Board of Directors, pages 47-54
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Compliant	Investor Information, pages 104-105
7.6 (iv)	The float-adjusted market capitalisation, public holding percentage (%), number of public shareholders, and which option the Listed Entity complies with regarding the Public Holding requirement	Compliant	
7.6 (v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Compliant	Annual Report of the Board of Directors, pages 47-54
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity	Compliant	
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	
7.6 (viii)	Extents, locations, valuations and number of buildings of the Entity's land holdings and investment properties	Compliant	Notes of the Financial Statements, page 84
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Investor Information, pages 104-105
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Compliant	
7.6 (xi)	Financial ratios and market price information	Compliant	
7.6 (xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Compliant	Company has no subsidiaries. Notes to the Financial Statements, page 84

CORPORATE GOVERNANCE

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure (Mandatory Provisions – Fully Compliant) Cont.

CSE Rule Reference	Disclosure Requirement	Compliance Status	Reference to Annual Report 2025
7.6 (xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	Compliant	Company had no public issue, rights issue or private placement during the year under review
7.6 (xiv)	Information in respect of Employee Share Option Scheme or Employee Share Purchase Scheme	Compliant	As at date, the Company has no share option/purchase scheme made available to its Directors or employees
7.6 (xv)	Disclosures pertaining to Corporate Governance	Compliant	Refer to pages 13-35 of this Annual Report
7.6 (xvi)	Related Party transactions exceeding ten per cent of the equity or five per cent of the total assets of the Entity as per audited Financial Statements, whichever is lower	Compliant	Note 27 to the Financial Statements, page 95

New Corporate Governance Rules

The Company is fully compliant with the revised Corporate Governance Rules applicable to listed entities under Section 9 of the Listing Rules of the Colombo Stock Exchange.

CORPORATE GOVERNANCE

Statement of Compliance with CSE Corporate Governance Principles – Revised Section 9 of the Listing Rules of the Colombo Stock Exchange (Mandatory Provisions – Fully Compliant)

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
9.1	Corporate Governance Rules		
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	Compliant	Annual Report of the Board of Directors, pages 47-54
9.2	Policies		
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the existence of such policies together with details relating to the implementation of such policies by the Entity on its website. (a) Policy on matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk Management and Internal Controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	Compliant	The Company has established the policies referred to in (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), and (l) and the said policies are periodically reviewed by the Board.
9.2.2	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted	NA	NA
9.2.3	(i) List of Policies in place as per Rule 9.2.1 with reference to website	Compliant	The Company has published the information on the corporate website.
	(ii) Any changes to Policies adopted		Available to investors upon written request.
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy	Compliant	Available to investors upon written request.

CORPORATE GOVERNANCE

Statement of Compliance with CSE Corporate Governance Principles – Revised Section 9 of the Listing Rules of the Colombo Stock Exchange (Mandatory Provisions – Fully Compliant) - Cont.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
9.3	Board Committees		
9.3.1	(a) Nominations and Governance Committee	Compliant	The Company has established the Board Committees mentioned under Section 9.3 and the said committees are functioning effectively.
	(b) Remuneration Committee		
	(c) Audit Committee		
	(d) Related Party Transaction Review Committee.		
9.3.2	Listed Entities shall comply with the composition, responsibilities, and disclosures required in respect of the above-Board committees as set out in these Rules.	Compliant	Governance requirements are disclosed in the respective reports in the AR
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1	Compliant	Chairperson of the Board does not chair any Sub-Committee
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Compliant	The Company Secretary maintains records of all resolutions of General Meetings and related information as in Section 9.4.1 (a) to (d) whilst Section 9.4.2 is dealt with in the policy (g) under Section 9.2.1 above Refer page 35
9.5	Policy on matters relating to the Board of Directors		
9.5.1 (a, c to j)	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors	Compliant	The Company adopted a formal Policy on matters relating to the Board of Directors and published the same on the Company website. The Company is in compliance with the requirements of the Policy referred to in Rule 9.5.1 of CSE
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule		
9.6	Chairperson and CEO		
9.6.1	The Chairperson shall be a Non-Executive Director. The position of Chairperson and CEO shall not be held by the same individual.	Compliant	The Chairperson is a Non-Executive Director and the positions of Chairperson and CEO are not held by the same person

CORPORATE GOVERNANCE

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual	NA	
9.6.3	The requirement for a Senior Independent Director	NA	
9.6.4	Rationale for appointing Senior Independent Director	NA	
9.7	Fitness of Directors and CEO		
9.7.1	Listed entity to take necessary steps to ensure that the Directors and the CEO are, at all times, fit and proper persons	Compliant	The Company Secretary obtains annual declarations from the Directors to ensure that they are at all times fit and proper persons as specified in the criteria given in Section 9.7.3 of the Listing Rules of the CSE. The Secretary has obtained annual declarations from the Directors as at 31 st December 2025.
9.7.2	Directors recommended by the Nominations and Governance Committee are fit and proper as required in terms these Rules	Compliant	
9.7.3 (a to c)	Criteria defining the Fit and Proper Assessment	Compliant	
9.7.4	Obtain a declaration from Directors and CEO confirming they satisfy Fit and Proper Assessment Criteria	Compliant	
9.7.5 (a)	Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria	Compliant	Disclosed in the Corporate Governance Report, page 14 and Annual Report of the Board of Directors, page 49
9.7.5 (b)	Any Non-compliance and remedial action taken	NA	
9.8	Board Composition		
9.8.1	Board of Directors shall, at a minimum, consist of five (05) Directors	Compliant	The Board of Directors comprises seven (07) Directors of whom two (02) are independent. All Directors have submitted declarations against the criteria specified under Section 9.8.3 of the Listing Rules
9.8.2	Minimum Number of Independent Directors	Compliant	
9.8.3	Director shall not be considered independent if he/she does not meet the criteria for determining independence	Compliant	
9.8.5 (a)	Submit a signed and a dated declaration annually against independence criteria	Compliant	
9.8.5 (b)	Make a determination as to the independence based on declaration	Compliant	

CORPORATE GOVERNANCE

Statement of Compliance with CSE Corporate Governance Principles – Revised Section 9 of the Listing Rules of the Colombo Stock Exchange (Mandatory Provisions – Fully Compliant) - Cont.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
9.9	Alternate Directors		
9.9 (a to e)	If a listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirement of Rule 9.9	Compliant	The Articles of Association of the Company were amended at the AGM held in April 2024 facilitating the appointment of alternate Director
9.10	Disclosures relating to Directors		
9.10.1	The Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold	Compliant	As per the Company Board Policy maximum number of directorships is 20
9.10.2	The Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement	Compliant	Immediate market announcement is made through the CSE upon appointment of a new director to the board with a brief resume and the capacity of the directorship. Company has made timely
9.10.3	The Company shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees	Compliant	
9.10.4	Disclosures relating to the Directors in the Annual Report	Compliant	(a), (b), and (d) refer to the "Director's Profile" of this Annual Report. (c) Based on the individual declarations obtained from the Directors, it is evident that there is no business relationship with other Directors of the Company. A statement to this effect is included in the Annual Report of the Board of Directors. (e), (f), and (g) refer to the "Corporate Governance Report" of this Annual Report. (h) refer to the Sub-Committee Report of this Annual Report, (i) NA

CORPORATE GOVERNANCE

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
9.11	Nominations and Governance Committee		
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Compliant	The Company has a Nomination and Governance Committee that conforms to the requirements. Refer to the Nomination and Governance Report, Pages 45-46.
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board	Compliant	
9.11.3	The Nominations and Governance Committee shall have a written Terms of Reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Compliant	
9.11.4	Composition of the Committee - a minimum of 3 Directors, of whom a minimum of two members are Independent; shall not include Executive Directors; and an Independent Director is to be the Chairperson.	Compliant	Refer "Nominations and Governance Report "Composition of the Committee" of this Annual Report, page 45
9.11.5	Functions of the Committee - evaluate the appointment of Directors to the Board and Board Committees, consider and recommend the re-appointment/re-election of current Directors, establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors, establish and maintain set of criteria for selection of Directors, establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO, develop a succession plan for Board of Directors and Key Management Personnel, review the structure, size and composition of the Board and Board Committees, review and recommend the overall corporate governance framework, periodically review and update the corporate Governance Policies, receive reports from the Management on compliance with the corporate governance framework and its compliance	Compliant	Refer "Nominations and Governance Report" of this Annual Report, page 45
9.11.6	Disclosure in the Annual Report to include points 9.11.6 (a) to (c),(e),(f), and (h) to (m)	Compliant	Refer "Nominations and Governance Report" of this Annual Report, pages 45-46

CORPORATE GOVERNANCE

Statement of Compliance with CSE Corporate Governance Principles – Revised Section 9 of the Listing Rules of the Colombo Stock Exchange (Mandatory Provisions – Fully Compliant) - Cont.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
9.12	Remuneration Committee (RC)		
9.12.2	Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12	Compliant	The Company has a Remuneration Committee that conforms to the requirements. Refer to the Remuneration Committee Report, pages 40-41
9.12.3	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors	Compliant	Refer to "Directors Remuneration Compliance with Corporate Governance Rules"
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure their independence	Compliant	
9.12.5	RC shall have written Terms of Reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Compliant	
9.12.6	Composition of the RC - a minimum of 3 Directors, of whom a minimum of two members are Independent; shall not include Executive Directors; and an Independent Director is to be the Chairperson.	Compliant	Refer "Remuneration Committee Report" page 40
9.12.7	Functions of the RC- recommend the remuneration payable to the Executive Directors and CEO to the Board who will make the final determination upon consideration of such recommendations, may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO	Compliant	
9.12.8	Disclosure in Annual Report		
9.12.8 (a)	Name of Chairperson and members with the nature of Directorship	Compliant	Refer "Remuneration Committee Report" page 40
9.12.8 (b)	A statement regarding the Remuneration Policy	Compliant	Refer "Remuneration Committee Report" page 40

CORPORATE GOVERNANCE

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
9.12.8 (c)	The aggregate remuneration of the Executive and Non-Executive Directors	Compliant	Refer Annual Report of the Board of Directors, page 51 and Financial Statement, page 94 of this Annual Report
9.13	Audit Committee		
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules	Compliant	The Audit Committee of the Company also performs the risk functions and accordingly was renamed as the Audit and Risk Committee
9.13.2	The Audit Committee shall have a written terms of reference (TOR) clearly defining its scope, authority and duties.	Compliant	The Audit and Risk Committee have a written TOR defining its scope, authority and duties
9.13.3	Composition		
	(1) The members of the Audit Committee shall		
	(a) comprise a minimum of three directors out of which a minimum of two or a majority of the members, whichever is higher, shall be independent	Compliant	Refer the Audit and Risk Committee Report of this Annual Report, pages 36-39
	(b) not comprise Executive Directors of the Company	Compliant	
	(2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	Compliant	
	(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.	Compliant	
	(4) if both, the Parent and the subsidiary Company are Listed Entities, the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary	NA	

CORPORATE GOVERNANCE

Statement of Compliance with CSE Corporate Governance Principles – Revised Section 9 of the Listing Rules of the Colombo Stock Exchange (Mandatory Provisions – Fully Compliant) - Cont.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
	(5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Compliant	Refer the Audit and Risk Committee Report of this Annual Report, pages 36-39
	(6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.	Compliant	
	(7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body.	Compliant	
9.13.4	The Functions of the Audit Committee	Compliant	Refer the Audit and Risk Committee Report of this Annual Report, pages 36-39
9.13.5	Disclosure in the Annual Report		
	(1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report	Compliant	Refer the Audit and Risk Committee Report of this Annual Report, pages 36-39
	(2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2) (a) to (i)	Compliant	
9.14	Related Party Transaction Review Committee		
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	Compliant	Refer 'Related Party Transactions Review Committee Report' of this Annual Report, pages 42-44
9.14.2	Related Party Transactions Review Committee shall comprise a minimum of three members, majority of whom should be IDs and an ID shall be appointed as the Chairperson	Compliant	
9.14.3	The functions of the Related Party Transactions Review Committee	Compliant	
9.14.4	General Requirements (1) to (4)	Compliant	Refer 'Related Party Transactions Review Committee Report' of this Annual Report, pages 42-44
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Compliant	

CORPORATE GOVERNANCE

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Bogala extent of adoption
9.14.6	The Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	Compliant	There were no Related Party Transactions during the year which required shareholder approval or immediate market announcement. The Company would comply with this Rule should a need arise
9.14.7	The Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	Compliant	
9.14.8	Disclosure in the Annual Report		
9.14.8 (1) to (3)	Non-Recurrent RPTs, Recurrent RPTs, and contents of RPT Committee Report	Compliant	Refer Related Party Transaction Review Committee Report, pages 42-44 and the Annual Report of the Board of Directors of this Report, pages 47-54
9.14.9	Acquisition and disposal of assets from/to Related Parties	NA	The Company has not acquired or disposed of any assets from/to Related Parties during the year under review. The Company would comply with this Rule should a need arise
9.16	Additional Disclosures		
	Declarations by the Board of Directors to be included in the Annual Report (i) to (iv)	Compliant	Refer Annual Report of the Board of Directors of this Annual Report, pages 47-54

CORPORATE GOVERNANCE

Anti-Fraud, Anti-Bribery and Anti-Corruption

The Company has prioritised ethical practices across all operations and enforces a strict zero-tolerance policy against bribery and corruption. It encourages a culture of transparency and honesty in interactions with internal and external stakeholders. Through its Code of Conduct and policies on anti-fraud, anti-corruption, and anti-bribery, the Company is dedicated to preventing, managing and reporting unethical practices. All forms of fraud and corruption, including, but not limited to, theft, embezzlement, overriding controls, giving or receiving kickbacks, facilitation payments, bribery, allowing oneself to be placed in a situation of conflict of interest and dishonesty is financial and non-financial statements is prohibited across the Company.

Emphasis on Environmental, Social and Governance (ESG)

ESG-focused investing is gaining momentum globally as funding agencies, investors and governments seek to minimise irresponsible corporate practices that harm the environment, infringe on human rights, and encourage corruption. To ensure sustainable growth effective ESG policies are becoming vital to attract talent and retain employee loyalty. The Company believes that prioritising ESG supports comprehensive analysis of performance, enables a sustainable business approach that benefits all stakeholders. With the support from the parent Company, we participate in detailed studies to identify relevant ESG topics, to prepare for implementation of IFRS S1 and S2 Sustainability Standards released by CA Sri Lanka.

Whistleblower Policy

The whistle-blower policy of the Company provides an effective mechanism for employees to raise concerns where the interest of the Company is at risk. The policy ensures the confidentiality and anonymity whilst encouraging the reporting of concerns such as fraud, improper conduct and breach of Company business conduct. Two-way communication is facilitated by providing the whistle-blower feedback on the actions taken when they so request.

Conflict of Interest and Independence

Each Director has a continuing responsibility to determine whether he or she has a potential or actual conflict of interest arising from external associations, interests in material matters, and personal relationships which may influence their judgement. In accordance with the corporate governance principles of the CSE Listing Rules, all independent Directors submit signed annual declaration confirming their independence or non-independence in line with Section 9.8.3 of the Listing Rules.

Quarterly declarations are obtained from Executive Directors and Key Management Personnel to identify and confirm Related Party Transactions, to ensure compliance with the Listing Rules disclosure requirements. Related Party Disclosure Note 27 of the Annual Report on page 93 and the Directors' interest in Annual Report of the Board of Directors provide information regarding the exception. Each Non-Executive Director has submitted a declaration of his or her independence or non-independence for the year under review.

Independent Professional Advice to the Board during the Financial Year

To strengthen decision-making and to preserve the independence of the Board, the Board seeks independent professional advice when deemed necessary and relevant in furtherance of their duties, at the Company's expense. During the year under review, professional advice was taken on the following matters:

- Legal, tax, and accounting aspects, particularly where independent external advice was deemed necessary to ensure the integrity of the subject decision.
- Actuarial valuation of retirement benefits and valuation of property.
- Information technology consultancy services pertaining to existing ERP system software support and human resource management software upgrade.
- Specific technical knowledge and domain knowledge required for new developments.

CORPORATE GOVERNANCE

Investor Relations and Communication with Shareholders

The Company encourages communication with shareholders through Annual General Meeting (AGM) serving as the primary platform. Shareholder communications are handled by the Company Secretary and any significant issues or concerns raised by the shareholders are forwarded to the Board, along with the Management views. The Company Secretary respond to shareholder inquiries on behalf of the Management. Further, the shareholders have the opportunity to address the Board directly during the AGMs. Shareholders are encouraged to be present, participate, and vote at the Annual General Meeting.

In compliance with Section 9.2.1.(g) of Corporate Governance Principles, the Company has in place a Policy on Relations with Shareholders and Investors to ensure shareholder communications are effectively managed by the Company through the Company Secretary.

The Board approves the interim Financial Statements for dissemination to shareholders in a timely manner through the CSE and includes prompt notification to the CSE of any price-sensitive information such as major acquisitions or share transactions.

Annual General Meeting

Information is provided to the shareholders prior to the AGM to give them an opportunity to raise any issues relating to the business of the Company. Shareholders are provided with the details through a circular to download the Company Annual Report from the CSE website. Shareholders may at any time elect to receive an Annual Report in printed form by submitting the request form circulated along with the notice of the AGM.

The Chairman, Board members, Key Management Personnel and External Auditors are present at the Annual General Meeting and available to answer questions posed by shareholders.

Release of Information to the Public and CSE

The Board of Directors is responsible for ensuring the accuracy and timeliness of published information and for presenting a true and fair view of financial results in the interim and annual Financial Statements.

Employee Participation and Industrial Relations

The Company had no industrial disputes during the year under review, which was a direct result of the effective and supportive management approach it had followed in dealing with the employees and their industrial relations.

The Company considers its employees to be its greatest asset and includes them at various levels within its internal governance structure. Policies, processes, and systems are in place to ensure effective recruitment, development, and retention as the Company is committed to hiring, developing, and promoting individuals who possess the required competencies. The Company maintains constant dialogue pertaining to work-related issues and matters of general interest that could affect employees and their families. Further, the Company promotes an open-door policy for its employees and key stakeholders, at all levels.

The Company provides a safe secure environment for its employees that is conducive to freedom of association and collective bargaining, prohibiting child labour, forced or compulsory labour, and any discrimination based on gender, race, or religion, while promoting a workplace that is free from physical, verbal or sexual harassment, all of which complement effective Corporate Governance.

AUDIT AND RISK COMMITTEE REPORT

Role of the Committee

The role of the Audit and Risk Committee is to monitor and review:

- the integrity of Financial Statements in accordance with Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka.
- compliance with legal and regulatory requirements of the Companies Act and other relevant financial reporting regulations and requirements.
- appointment or re-appointment of external auditors, and assessing their independence and performance.
- the adequacy and effectiveness of the Company's Internal Control and Risk Management systems.

In discharging its duties, the Audit and Risk Committee seeks to balance independent oversight of the matters within its remit by providing support and guidance to the management. The Committee, supported by the members of senior management and the external and internal auditors, has carried out its duties effectively in the year under review. The Company Secretary functioned as the Secretary to the Committee during the year.

Terms of Reference (TOR) of the Audit and Risk Committee define the role and responsibilities of the Audit Committee and are reviewed annually to ensure new developments and requirements are properly addressed. The TOR of the Committee was last reviewed and approved by the Board in November 2025.

Audit Committee Meeting Attendance

Name of the Director	19/02/2025	06/03/2025	07/05/2025	11/08/2025	12/11/2025	Eligible to Attend	Attended	As a %
Averil Ludowyke (Chairperson)	✓	✓	✓	✓	✓	5	5/5	100
Shivan Coorey	✓	✓	✓	✓	✓	5	5/5	100
Thomas Junker	✓	✓	Excused	✓	Excused	5	3/5	60

Composition of the Committee and Meetings

The Committee consists of two Independent Non-Executive Directors and one Non-Executive Director in compliance with section 9.13.3 of the Listing Rules of the Colombo Stock Exchange. The Committee is chaired by Ms. Averil Ludowyke, a fellow of The Institute of Chartered Accountants of Sri Lanka, and The Chartered Institute of Management Accountants, UK, and is an Independent Non- Executive Director.

Name of the Director	Independent Non-Executive/ Non-Executive
Averil Ludowyke (Chairperson)	Independent Non-Executive Director
Shivan Coorey	Independent Non-Executive Director
Thomas Junker	Non-Executive Director
Secretary to the Committee	Corporate Services (Private) Limited

The Audit and Risk Committee held five meetings during the year under review. The Chief Executive Officer and Finance Director attended the meetings by invitation. Additionally, other members of the Board, Partner of Messrs. KPMG, Chartered Accountants responsible for the external audit, and Partner of Messrs. B. R. De Silva, Chartered Accountants responsible for the internal audit, attended the meetings when necessary.

AUDIT AND RISK COMMITTEE REPORT

Financial Reporting System

The Audit and Risk Committee reviewed and discussed the quarterly Financial Statements and the annual statements with the Management prior to recommendation to the Board for approval for publication. The scope of the review included:

- Ascertaining the consistency and appropriateness of the accounting policies adopted, changes in accounting policies, and material judgemental matters.
- Ensuring adequacy of disclosures and compliance in line with the Sri Lanka Accounting Standards, the Companies Act No. 7 of 2007, and Listing Rules of the Colombo Stock Exchange.
- Satisfying requirements of other regulatory bodies as applicable and relevant to the Company.

The Committee also discussed with the External Auditors and with Management, any matters communicated to the Committee by External Auditors in their reports on the audit for the year and monitored the progress made by the Management in resolving the issues raised by the Auditors.

The Committee discussed with the management any future accounting developments likely to affect the financial statements and their readiness to comply with the requirements.

The Committee received an assurance and compliance statement from the CFO and CEO of the Company about its operations and financial records, and that reporting is in compliance with the applicable rules and regulations relevant to the Company and the industry.

Internal Audit

The Committee reviewed the adequacy of the Internal Audit coverage in line with the Internal Audit Charter, which sets out the scope, functions, authority, and responsibility of the Internal Audit function. The Internal Audit Charter is reviewed annually and was last reviewed in November 2025.

During the year, the Audit Committee reviewed and approved the Internal Audit Plan having considered the depth and coverage. The Internal Audit function is outsourced to an independent and leading professional services firm, Messrs. B. R. De Silva & Company, Chartered Accountants.

The Committee reviewed the Internal Auditors' reports issued quarterly, along with the Management responses. The Committee ensures, through the quarterly review mechanism, that the Management takes ownership for effective implementation of the recommendations made by the Internal Auditors.

The Audit and Risk Committee evaluated the independence, and effectiveness, of the Internal Audit function and their resource requirements and made recommendations for any required changes.

External Audit

The Audit and Risk Committee held meetings with the External Auditors during the year to discuss the planned scope of the audit, audit approach, and procedures to be adopted during the audit. The Committee also reviewed their appointment, remuneration, tenure, rotation of the engagement partner and engagement in non-audit services.

The Committee met with the External Auditors and management to discuss audit issues highlighted in the management letter and management response thereto. The Committee also met the External Auditors, without the presence of the management, and obtained a statement confirming their independence was not impaired throughout the audit engagement. The Committee also held discussions to review and assess the conformity with the Sri Lanka Accounting Standards, other regulatory requirements in preparing the Financial Statements of the Company for the year ended 31st December 2025 and impact of current developments.

AUDIT AND RISK COMMITTEE REPORT

The Committee, having evaluated the performance of the External Auditors, was satisfied that the independence of the External Auditors had not been impaired by any event or service that gave rise to a conflict of interest. The Committee checked and noted the completion of ten years for the external audit engagement of which the Audit Engagement Lead Partner completed six years. The Committee also checked and noted that no partner of Messrs. KPMG holds shares of the Company.

Appointment of External Auditors

The Committee further confirms that Messrs. KPMG are independent chartered accountants in terms of the Sri Lanka Accounting Standards and the Code of Ethics issued by the Institute of Chartered Accountants of Sri Lanka.

The Audit Committee recommended to the Board of Directors that Messrs. KPMG, Chartered Accountants be re-appointed as the External Auditors for the financial year 2026, subject to the approval of the shareholders at the Annual General Meeting and the required resolution will be put to the shareholders at the AGM.

Risk Management and Internal Control

The Internal Audit regularly reports to the Committee on the adequacy and effectiveness of internal control procedures of the Company. The Committee ensures that the principal risks are monitored and controlled by the Management effectively and takes mitigating actions in line with the risk management policy. The Committee reviewed internal controls to ensure they are adequate, to prevent the leakage of material information to unauthorised persons, to pay attention to areas of significant risks through the risk matrix, and to assess any impact to business continuity plans.

The Committee obtained formal confirmations and assurance from the CEO and key Management of the Company on a quarterly basis regarding the adequacy and effectiveness of the internal control and risk management systems.

The Company functions in an environment where not all risks can be completely eliminated and in this context the Committee reviews remedial measures taken to manage and mitigate the impact of risks that do materialise.

Conducts, Ethics and Good Governance

The Audit Committee remains steadfast in its commitment to ensuring that the Company adheres to the highest ethical standards in business dealings. In this regard, the Company has a Code of Ethics and Professional Conduct, and robust policies such as the Whistleblowing Policy and an Anti-Bribery and Anti-Corruption Policy which compel all staff members to be ethical, transparent, and accountable and resort to whistleblowing if they suspect any wrongdoings or other improprieties. Adequate training is provided to all members of the staff to ensure that they understand these policies.

The above measures were taken to ensure the highest standards of corporate governance and adherence to the Company's Code of Ethics and Professional Conduct. All appropriate procedures are in place to conduct independent investigations into incidents reported through whistleblowing or identified through other means. The Whistleblowing Policy guarantees the maintenance of strict confidentiality of the identity of the whistleblowers.

Regulatory Compliance

The Committee obtained representations on the adequacy of provisions made for possible liabilities and reviewed reports tabled by the Finance Director certifying compliance with relevant statutory requirements. The Committee obtains quarterly updates from the Finance Director regarding compliance with laws and regulations.

Other Matters

The Committee also reviewed and noted the Environmental, Social, and Governance (ESG) reporting requirements for listed entities and their compliance timeline as per CSE guidelines. The Company is in the process of developing a framework and adopting a reporting structure to comply with the requirement starting from 1st January 2027.

AUDIT AND RISK COMMITTEE REPORT

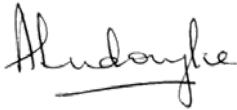
The Committee also reviewed the revised risk assessment matrix and revised risk heat map to ensure that relevant factors and categories have been properly identified and assessed with the current economic conditions of the country and contemporary changes in the business world.

Evaluation of the Committee

The Committee undertook a self-evaluation and were satisfied that the Committee has carried out its responsibilities effectively during the year.

Conclusion

The Audit Committee is satisfied that the Company's accounting policies, operational controls, and risk management processes provide reasonable assurance that the affairs of the Company are managed in accordance with Company policies and that Company assets are properly accounted for and adequately safeguarded.



Averil Ludowyke
Chairperson-Audit Committee
6th March 2026

HUMAN RESOURCES AND REMUNERATION COMMITTEE REPORT

Role of the Committee

The Remuneration Committee of the Company was formed by the Board in compliance with the Listing Rules. The Committee operates under well-defined Terms of Reference outlining the Committee's scope, authority, duties and matters pertaining to the meetings quorum. The Remuneration Committee is responsible for setting the remuneration policy by establishing broad parameters of remuneration across the Company and recommending the remuneration of the Executive Directors.

Composition of the Committee, Independence and Meetings

The Remuneration Committee comprises four Non-Executive Directors of whom two are independent. The Committee is chaired by the Non-Executive Director, Mr. Shivan Coorey. They are independent from management and free from any business, personal or other relationship that may interfere with the exercise of their independence and unbiased judgement.

The Committee composition complies with the requirements of Rule 9.12.6 of the Listing Rules of the Colombo Stock Exchange.

Composition of the Committee and Meetings

Name of the Director	Nature of Directorship
Shivan Coorey (Chairperson)	Independent Non-Executive Director
Averile Lodowyke	Independent Non-Executive Director
Coralie Pietersz	Non-Executive Director
Thomas Junker	Non-Executive Director
Secretary to the Committee	Corporate Services (Private) Limited

The Remuneration Committee held three meetings during the year under review. The Chief Executive Officer, responsible for the overall management of the Company, attends all meetings by invitation and participates in all deliberations except when their own performance and compensation package is discussed. The Chief Financial Officer attend the meetings by invitation when required.

Attendance at Remuneration Committee Meetings

Name of the Director	Eligible to attend	Attended	As a %
Shivan Coorey (Chairperson)	3	3	100
Averil Ludowyke	3	3	100
Coralie Pietersz	3	3	100
Thomas Junker	3	3	100

Functions of the Committee

The Committee is responsible for determining, reviewing and evaluating the performance of the Chief Executive Officer and Chief Financial Officer and makes recommendations to the Board on their remuneration.

The Committee also provides guidelines and parameters to Management for developing succession plans for Key Management Personnel.

Remuneration Policy

The Committee recognises the importance of formulating remuneration packages that effectively motivate, attract, and retain qualified and experienced workforce and key Senior Management in a competitive environment to achieve the objectives of the Company and to reward their performance accordingly. The Committee is responsible for developing the Company's remuneration policy that ensures total compensation is competitive to attract the best talent for the benefit of the Company.

The Company remuneration policy which was reviewed by the Committee during the year under review remained unchanged

HUMAN RESOURCES AND REMUNERATION COMMITTEE REPORT

Directors Remuneration

The Committee is not responsible for determining the remuneration of Independent Non-Executive Directors and Non- Executive Directors; and this responsibility lies with the Board.

All Independent Non-Executive Directors and Non-Executive Directors receive a fee for serving on the Board and Sub- Committees. They do not receive any performance or incentive payments. The aggregate remuneration paid to Executive and Independent Non-Executive Directors is given in note 27.1.1 to the Financial Statements on page 94.

The Committee wishes to report that the Company has complied with the Companies Act in relation to remuneration of Directors.

Activities of the Committee in 2025

The Committee reviews all significant changes in the corporate sector in determining salary structures, terms, and conditions. During the year under review, the Committee reviewed the remuneration of the senior management taking into consideration job roles and responsibilities, the market, and macro-economic factors.

The Committee reviewed the remuneration policy and the Terms of Reference during the year. The Committee has the authority to seek external professional advice on matters within its purview when necessary.

The Committee reviewed and evaluated the performance of the Chief Executive Officer and Chief Financial Officer based on the set performance targets and recommended a performance-based bonus on their achievement for the year.



Shivan Coorey

Chairperson – Remuneration Committee

6th March 2026

RELATED PARTY TRANSACTION REVIEW COMMITTEE REPORT

Role of the Committee

The Related Party Transaction Review Committee (RPTRC) of the Company was formed by the Board of Directors in accordance with the Code of Best Practices on Related Party Transaction issued by the Securities Exchange Commission of Sri Lanka (SEC), Section 9 of the Listing Rules of the Colombo Stock Exchange and Sri Lanka Accounting Standard LKAS 24, to:

- exercise oversight on behalf of the Board, to ensure compliance to said regulations.
- facilitate an independent review, approval, and oversight in relation to transactions with related parties.
- ensure that the interests of the shareholders are preserved when entering into related party transactions.
- prevent Directors, Key Management Personnel or substantial shareholders from taking advantage of their positions..

To achieve the above, the Committee has adopted the Related Party Transaction Code, which stipulates the Company's policy governing the related party transaction review, approval, and oversight.

Composition of the Committee

The Committee comprises three Non-Executive Directors of whom two are independent, in conformity with the Section 9.14.2 of the Listing Rules. The following Directors served as members of the Committee during the financial year.

Name of the Director	Nature of Directorship
Shivan Coorey - (Chairperson)	Independent Non-Executive Director
Averil Ludowyke	Independent Non-Executive Director
Thomas Junker	Non-Executive Director
Amila Jayasinghe	Executive Director

Procedure for Reporting Related Party Transactions

The Chief Executive Officer and the Chief Financial Officer are responsible for reporting to the Committee, for its review and approval, the information in respect of each category of related party transactions, classifying them into recurrent and non-recurrent related party transactions.

Moreover, on a quarterly basis, the CEO and CFO are required to report and submit a responsibility/compliance statement to the Committee on the approved related party transactions entered by the Company.

The Committee has approved the Related Party Transaction Declaration Form required to be filled out by the Directors and Key Management Personnel of the Company. The Company uses this form to capture the related party transactions at the end of every quarter.

The Committee held four meetings for the year under review, with one meeting for each calendar quarter in compliance with Section 9.14.4 of the Listing Rules of the Colombo Stock Exchange.

Related Party Transaction Review Committee meeting attendance

Name of the Director	Eligible to attend	Attended
Shivan Coorey (Chairperson)	4	4/4
Averil Ludowyke	4	4/4
Thomas Junker	4	2/4
Amila Jayasinghe	4	4/4

RELATED PARTY TRANSACTION REVIEW COMMITTEE REPORT

Responsibilities of the Related Party Transactions Committee

The Committee's focus is to review all proposed related party transactions prior to entering into or on completion of the transaction according to the procedures laid down by Section 9.14 of the Listing Rules of the Colombo Stock Exchange. The responsibilities of the Committee are as follows:

- Review the related party transactions of the Company presented to the Committee in a specified format and to recommend where necessary, to the Board and obtain their approval prior to the execution and decide upon same.
 - Seek any information the Committee requires from management, employees, or external parties, internal and external auditors with regard to any transactions entered with 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.
 - Ensure that all related party transactions of the Company are transacted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.
 - Recommend where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
 - Review the threshold for Related Party Transactions which require either shareholders' approval or immediate market disclosure.
 - Review the transfer of resources, services, or obligations between related parties and ascertain the reasonableness regardless of whether a price/fee is charged.
 - Review the criteria of Key Management Personnel, and the Terms of Reference annually and recommend amendments to the Charter and Policy to the Board as and when determined to be appropriate by the Committee.
- Review the economic and commercial substance of both recurrent and 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 regarding the value of the substantial assets of the related party transaction..

Activities during the Year 2025

- The Committee reviewed all related party transactions for the financial year ended 31st December 2025 on a quarterly basis to ensure the terms of these transactions were not more favourable to the related parties than those generally available to the public.
- The Committee, in its review process, recognised the adequacy of the content and quality of the information forwarded to its members by the Management in compliance with Section 9.14. of the CSE Listing Rules of Colombo Stock Exchange.
- The Committee communicated its activities to the Board quarterly through tabling the minutes of the Committee meetings at the Board meetings.
- The Committee reviewed thresholds for Related Party Transactions which require either shareholders' approval or immediate market disclosure based on the Financial Statements for the year ended 31st December 2025.
- The Committee reviewed the quarterly disclosures from the Key Management Personnel in relation to post quarter and proposed Related Party Transactions,

Key Management Personnel

The Board of Directors of the Company is considered as the Key Management Personnel (KMPs) of the Company. Further, CEO, CFO, and all Assistant General Managers are considered KMPs of the Company to establish greater transparency and governance.

RELATED PARTY TRANSACTION REVIEW COMMITTEE REPORT

Declarations are obtained from each KMP of the Company for the purpose of identifying Related Party Transactions on a quarterly and annual basis and to determine Related Party Transactions which ensures the compliance with the disclosure requirements of the Listing Rules.

Declaration by the Board

The Annual Report of the Board of Directors on page 51 includes a declaration confirming the compliance with the requirements stipulated in Section 9.14.8 (4) of the Listing Rules of the Colombo Stock Exchange.



Shivan Coorey

Chairman-Related Party Transaction Review Committee
6th March 2026

NOMINATION AND GOVERNANCE COMMITTEE REPORT

Nominations and Governance Committee Report

The Board has formed a Nomination and Governance Committee (NGC) in line with the Section 9.11 of the Listing Rules of Colombo Stock Exchange. The Committee is responsible for ensuring that the Board is well balanced in terms of effectiveness and composition. The Committee evaluates the Board composition, reviews performance, and promotes continuous improvement to uphold the highest standard of Corporate Governance.

Composition of the Committee and Meetings

The Nomination and Governance Committee comprises four Non-Executive Directors of whom two are independent. The Committee is chaired by independent Non-Executive Director Ms. Averil Ludowyke.

Name of the Director	Nature of Directorship	Date of Appointment to the Committee
Averil Ludowyke - (Chairperson)	INED	01/12/2023
Shivan Coorey	INED	01/12/2023
Thomas Junker	NED	01/12/2023
Coralie Pietersz	NED	01/12/2023
NED - Non Executive Director ED - Executive Director INED - Independent NED		

The Committee held four meetings during the year under review, and the attendance of the members at these meetings is set out in the table below.

Name of the Director	Eligible to Attend	Attended	As a %
Averil Ludowyke - (Chairperson)	4	4	100
Shivan Coorey	4	4	100
Thomas Junker	4	4	100
Coralie Pietersz	4	2	50

Functions and Duties of the Committee

- a) Evaluate the appointment of Directors to the Board and Board Committees. A member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.
- b) Establish and maintain a formal and transparent procedure to recommend the re-appointment/re-election of Directors and maintain a set of criteria for such selection taking into consideration the skills required at board level in the mining industry and number of Directorships held by the Director in other listed/unlisted companies.
- c) Establish and maintain a formal and transparent process for the periodic evaluation of the performance of Board of Directors and the CEO of the Company to ensure that their responsibilities are satisfactorily discharged.
- d) Develop succession plan for the Board of Directors and Key Management Personnel
- e) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- f) Review and recommend the overall corporate governance framework of the Company in compliance with Listing Rules of the Colombo Stock Exchange, other applicable regulatory requirements, industry/international best practices and periodically review and update corporate governance policies, principles and legal developments.

NOMINATION AND GOVERNANCE COMMITTEE REPORT

- g) Receive reports from the Management on compliance with the corporate governance framework, including compliance with SEC regulations, Listing Rules of the Colombo Stock Exchange and other applicable laws, together with reasons for any deviations or non-compliances.
- h) Oversee induction and orientation programs for newly appointed directors of the Company.
- i) Ensure annual updates are provided to the Board of Directors on Corporate Governance, Listing Rules, securities market regulations and other relevant regulations.
- j) Determine the independence of the directors of the Company, annually based on the independence criteria declarations.

Policies and Procedures

The Nomination Committee operates within the terms of reference approved by the Board which sets out inter alia its scope, authority, duties and matters relating to quorum of meetings of the Committee.

As per the Articles of Association the Directors are not required to submit themselves for re-election. The Committee reports its activities at the Board meeting tabling the meeting minutes and Chairperson brief wherever necessary.

Activities during the year

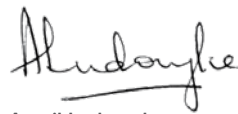
There was no appointment or re-appointment of Directors during the year under review. In compliance with the Section 9.11.5 of the Corporate Governance of Colombo Stock Exchange, Committee carried out an evaluation of the performance of the Board of Directors and the CEO during the year.

The Committee reviewed policies of the Company during the year and where necessary amendments were incorporated. The Committee ensured that the Policies were uploaded on the Company website. Sub Committee Charters and Terms of Reference were reviewed and amended where necessary.

The Committee also checked the Independence of the Directors against the criteria for Independence as set out in the Listing Rules. The Committee ensured that the declaration of independence is received from the Independent Directors and concluded that all Independent Directors of the Company meet the criteria for determining independence. The Committee also evaluated all the Directors against the Fit and Proper assessment criteria.

The Committee kept the Board of Directors informed on Corporate Governance rules stipulated by the Colombo Stock Exchange and ensured compliance to them throughout the year. The Committee further established Board diversity by bringing a wide range of experience and skills, age and gender diversity to the Board to make certain that the Board effectively performs its duties.

The Committee confirms that the Company has fully complied with the Corporate Governance Requirements stipulated in the Listing Rules of the Colombo Stock Exchange. Further details are given in the Corporate Governance Report in pages 13 to 35.



Averil Ludowyke

Chairperson-Nominations and Governance Committee
6th March 2026

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors takes great pleasure in presenting their 35th Annual Report of your Company together with the Audited Financial Statements for the year ended 31st December 2025. The details set out herein provide the pertinent information required under Section 168 of the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and the recommended best Practices on Corporate Governance.

The Annual Report was approved by the Board of Directors on 6th March 2026.

Principal Activity

The principal activity of the Company is mining, processing and preparation of graphite, producing Lubricant, and the sale of Graphite and Lubricants. There were no significant changes in the activities of the Company during the year under review.

Review of Operations

A review of the Company's financial performance is described in the Chairperson's Review on pages 8-9, CEO's Review on page 10, and the Management Discussion and Analysis of this Annual Report. These reports, together with the audited Financial Statements, reflect the state of affairs of the Company.

Financial Statements

The Financial Statements of the Company for the year ended 31st December 2025 have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka, and the requirements of Section 151 and 168 of the Companies Act No. 7 of 2007. The Financial Statements duly signed by the Directors are provided on pages 63 to 102 of the Annual Report.

Auditors' Report

The Report of the Independent Auditors on the Financial Statements of the Company is given on pages 58 to 62.

Financial Results and Appropriations

Accounting Policies and Changes during the year

The Company prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS). The material accounting policies adopted in the preparation of the Financial Statements of the Company are given on pages 67 to 79. The Board of Directors wishes to confirm that there were no significant changes to the accounting policies used by the Company during the year under review.

Having completed the drilling project, it was classified as Capital Work-in- Progress. Once the development work is completed, the project will be capitalised in line with SLFRS. The Company continues to recognise and disclose the exploration, evaluation, and development expenditure, consistent with SLFRS and the accounting policies of its ultimate Parent Company.

Revenue, Profit and Appropriations

Revenue generated by the Company amounted to Rs. 1,649.1 million (2024 – Rs. 1,765.7 million).

The Company's profit before tax was Rs. 419.6 million (2024 – profit before tax Rs. 232.3 million). The Company's total comprehensive income net of tax was Rs. 277.1 million (2024 – Rs. 158.5 million). Details of financial results of the Company are given in the Statement of Profit or Loss and Other Comprehensive Income on page 63.

A synopsis of the Income Statement of the Company and appropriations are given below:

ANNUAL REPORT OF THE BOARD OF DIRECTORS

For the year ended 31 st December in Rs. '000s	2025	2024
Profit from operations after providing for all expenses, known liabilities, depreciation on property, plant and equipment and slow moving stock	396,127	209,470
Finance Cost	(254)	(342)
Finance Income	23,735	23,209
Profit before tax	419,608	232,337
Provision for taxation including deferred tax	(143,568)	(71,217)
Net profit after tax	276,040	161,121
Other Comprehensive Income net of tax	1,061	(2,596)
Total Comprehensive Income attributable to shareholders	277,101	158,525
Balance brought forward from the previous year	1,728,625	1,570,100
Amount available for appropriation	2,005,725	1,728,625
Interim Dividend Paid	(757,063)	-
Balance to be carried forward to next year	1,248,662	1,728,625

Corporate Donations

During the year, donations amounting to Rs. 2.5 million were made by the Company, which is given in note 7 to the Financial Statements on page 80 of the Annual Report.

Taxation

A detailed statement of the income tax reconciliation of the accounting profits with the taxable profits is given in note 9 of the Financial Statements. It is the policy of the Company to provide for deferred taxation on all known material timing differences between the carrying amounts of assets and liabilities for financial reporting purposes. The deferred tax balances of the Company are given in note 24 of the Financial Statements. The deferred tax of

the Company is calculated based on the tax rates that are specified in the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

Dividend

The Board declared and paid an interim dividend of payment of Rs.8.00 per share for the year ended 31st December 2025. As required by Section 56(2) of the Companies Act No 7 of 2007, the Board of Directors have confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No 7 of 2007, and has obtained certificates from the auditors, prior to declaring the dividend.

Financial Position of the Company

Stated Capital and Reserves

The stated capital of the Company as at 31st December 2025 was Rs. 102.1 million (2024 – Rs. 102.1 million) consisting of 94,632,904 Ordinary Shares as given in note 18 of the Financial Statements on page 88.

Total reserves of the Company as at 31st December 2025 amount to Rs. 1,260.6 million (2024 – Rs. 1,740.5 million) and the movement and composition are given in the Statement of Changes in Equity on page 65 of the Financial Statements.

Property, Plant and Equipment

The carrying value of property, plant, and equipment as at the reporting date amounted to Rs. 709.3 million compared to Rs. 613.8 million for 2024. Freehold land recognised as property, plant, and equipment in the Financial Statements is recorded at revalued amounts. The land was reassessed by a professionally qualified independent valuer during the financial year 2025.

The total expenditure incurred during 2025 on acquisition of property, plant, and equipment for the Company amounted to Rs. 148.5 million (2024 – Rs. 112.7 million).

Details of property, plant, and equipment and their movements are given in note 11 of the Financial Statements on page 83. Information in respect of extent, location, and valuation of land held by the Company is detailed in note 11.1 of the Financial Statements on page 84.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Contingent Liabilities

There have been no material Contingent liabilities outstanding as at the reporting date except what is disclosed in Note 31 of the Financial Statements on page 102.

Shareholder Information

There were 11,500 registered shareholders as at 31st December 2025. The distribution and composition of shareholders and the information relating to earnings, net assets per share, market value per share, and share trading is given in the Investor Information section on pages 104 and 105 of the Annual Report. Additional disclosures, market capitalisation, public holding percentage, and the number of public shareholders is given in the Investor Information section of the Annual Report.

Major Shareholders

Details of the twenty largest shareholders of the Company and the percentage held by each of them are disclosed in the Investor information on page 104 of the Annual Report.

The Board of Directors

The names of the Directors who held office during the financial year 2025 is given below:

Name of the Director	Directors Status		
Coralie Pietersz		NED	
Thomas Junker		NED	
Shivan Coorey	INED		
Averil Ludowyke	INED		
Ulla Neunzert		NED	
Amila Jayasinghe			ED
Sugath Amarasinghe			ED
NED - Non Executive Director ED - Executive Director INED - Independent NED			

In accordance with the section 9.8.5 (a) of the Listing Rules of the Colombo Stock Exchange (CSE) Independent Directors have submitted a signed and dated declaration as per the specimen given in Appendix 9A of Continuing Listing Rules of CSE declaring their independence.

Fit and Proper Assessment of Directors

In terms of Rule 9.7.3 and 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the year under review and as at the date of such confirmation.

Directors' Responsibilities for Financial Statements

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the status of its affairs. The Directors are of the view that the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Material Accounting Policies, and notes thereto appearing on pages 63 to 102 have been prepared in conformity with Sri Lanka Accounting Reporting Standards (SLFRS/LKAS) and provide the information required by the Companies Act No. 7 of 2007, and the Listing Requirements of the Colombo Stock Exchange.

The Statement of Directors' Responsibilities is given on pages 55-56 of the Annual Report.

Changes to the Directorate

There were no any new appointments or resignation to the Board during the year.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Board Sub Committees

The following Directors served as members of the Audit Committee, Related Party Transaction Review Committee, Remuneration Committee and Nominations and Governance Committee.

The Directors have made a general disclosure relating to share dealings and interest in transactions as permitted by Section 192 (2) of the Companies Act No. 7 of 2007 together with the indemnities and remuneration to the Board of Directors; no additional interests have been disclosed by any Director except as stated in note 27.1.1 of the Financial Statements on page 94. The Directors further confirm that none of the Directors or their close family members have any material business relationship with other Directors of the Company.

Name of the Director	Nature of Directorship	Audit and Risk Committee	Related party Transaction Review Committee	Remuneration Committee	Nominations and Governance Committee
Coralie Pietersz	NED	-	-	Member	Member
Averil Ludowyke	INED	Chairperson	Member	Member	Chairperson
Shivan Coorey	INED	Member	Chairperson	Chairperson	Member
Thomas Junker	INED	Member	Member	Member	Member
Amila Jayasinghe	ED	-	Member	-	-
Ulla Neunzert	NED	by Invitation	by Invitation	by Invitation	by Invitation
Sugath Amarasinghe	ED	by Invitation	by Invitation	by Invitation	by Invitation

NED - Non Executive Director ED - Executive Director INED - Independent NED

The report of the Audit and Risk Committee, Related Party Transaction Review Committee, Remuneration Committee, and Nominations and Governance Committee is given on pages 36, 42, 40 and 45 sets out the manner of compliance by the Company in accordance with the Section 9 Corporate Governance Listing Rules of the Colombo Stock Exchange.

Directors Interest and Interest Register

The Company maintains an Interests Register as required by the Companies Act No. 7 of 2007. Any interest in transaction disclosed to the Board by a Director in accordance with Section 192 of the Companies Act No. 7 of 2007 is duly recorded in the Interests Register. The Interest Register is available for inspection in keeping with the requirements of section 119 (1) (d) of the Companies Act No. 7 of 2007.

The following entries have been made in the Interests Register maintained by the Company:

Mr. Thomas A. Junker, in addition to being the Managing Director/CEO AMG Graphite of Graphit Kropfmuhl GmbH, which owns 86.46 percent of the shareholding of Bogala Graphite Lanka PLC, is also the Managing Director and a Board Director of Qingdao Kropfmuhl Graphite Ltd. He also serves as the Chairman of GK Ancuabe Graphite Mine, S.A.

Related party disclosures in terms of section 192 of the Companies Act No. 7 of 2007 are given below and disclosed in note 27 of the Financial Statements on page 93.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Name Of Related Party	Director	Relationship	Nature of Transaction	Value Rs.
Graphite Kropfmuhl GmbH	Thomas Junker	Managing Director/ CEO Graphite	Sale of goods	202,256,382
			Purchase of goods	193,743,330
			Technical service fees	82,456,822
	Ulla Neunzert	Managing Director/ CFO	Expenses reimbursable	2,091,103
Qingdao Kropfmuehl Graphite (Co.) Ltd	Thomas Junker	Managing Director	Sale of goods	9,884,384
		Board Director	Purchase of goods	725,744

The relevant interest of Directors in the shares of the Company as at 31st December 2025 and 31st December 2024 are as follows:

Director	31 st December 2025	31 st December 2024
Ms. Coralie Pietersz	Nil	Nil
Mr. Thomas Junker	Nil	Nil
Mr. Amila Jayasinghe	Nil	Nil
Ms. Ulla Neunzert	Nil	Nil
Mr. Sugath Amarasinghe	Nil	Nil
Ms. Averil Ludowyke	Nil	Nil
Mr. Shivan Coorey	Nil	Nil

Directors Remuneration

Details of the Directors' remuneration and other benefits for the financial year ended 31st December 2025 are given in note 27.1.1 of the Financial Statements on page 94 and a summary is given below.

Directors' Emoluments

Executive Directors	LKR 65,169,621
Non-Executive Directors	LKR 5,766,235

Related Party Transactions (RPTs)

The Company's recurrent and non-recurrent transactions with related parties, disclosed in note 27.2 of the Financial Statements in the Annual Report, have complied with the Listing Rule 9.14 of Colombo Stock Exchange and the Sri Lanka Accounting Standard No. 24 – Related Party Disclosures.

During the financial year, Related Party Transactions were reviewed by the Related Party Transaction Review Committee (RPTRC) and are in compliance with Section 9.14 of the CSE Listing Rules. The RPTRC communicated its affairs to the Board by tabling the minutes of the Committee meetings quarterly. The Related Party Transaction Review Committee Report is given on pages 42-44 of the Annual Report whilst the related party transactions are given in note 27 of the Financial Statements on pages 93-96.

Employment, Equity and Inclusion Policy

The Company has equal opportunity policy, and these principles are adhered in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Company practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability.

The Company also recognises the importance of diversity, equity and inclusion and the role it plays in ensuring workplace respect, organizational success and sustainability for all stakeholders. In this regard, the Company is committed to provide a working environment where all employees are included, their diversity is embraced and their contributions are valued.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Corporate Governance and Sustainability

The Board of Directors confirms that the Company is compliant with Continuing Listing Rules under section 7.6 and Corporate Governance Principles under section 9 of the Listing Rules of the Colombo Stock Exchange. The Directors declare, having considered all information and explanations made available to them, that:

- a) the Company complied with all applicable Laws and Regulations in conducting its business,
- b) the Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.
- c) the Company made all endeavours to ensure the equitable treatment of all shareholders,
- d) the business is a going concern with supporting assumptions or qualifications as necessary; and
- e) they conducted a review of internal controls covering financial, operational, compliance, and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence herewith.

The table from pages 23 to 33 shows the way the Company has complied with Sections 7.6 and 9 of the Listing Rules of the Colombo Stock Exchange (CSE) on Corporate Governance. The Corporate Governance Report is given on pages 13 to 35 of the Annual Report.

As a subsidiary of the AMG Group of companies, and member of AMG Critical Mineral supply team, the company continues its commitment to sustainable practices including ethical behaviour and contributing to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large.

Environment Protection and Corporate Social Responsibility

The company adheres to the relevant environmental laws, regulations and endeavours to comply with the best practices applicable in operating in the area, province and the country.

The company contributes and engages in CSR initiatives to support the society at large and its stakeholders by providing education and community support program, public sector engagement programs, and delivering financial assistance via scholarship programs through the Company Human Resource and Administration Team.

Statutory Payments

The Directors confirm that, to the best of their knowledge, all taxes, duties, and levies payable by the Company and all contributions, levies, and taxes payable on behalf of, and in respect of, the employees of the Company as well as all other known statutory dues as were due and payable by the Company, as at the reporting date, have been either duly paid or adequately provided for in the Financial Statements. A confirmation of same is included in the Statement of Directors' Responsibilities on pages 55-56.

Compliance with Laws and Regulations

To the best of the Directors' knowledge and belief, the Company has not engaged in any activity which contravenes the laws and regulations of the country.

Ratios and Market price information

The ratios relating to equity and market price information as required by the listing requirements of the Colombo Stock Exchange are given under the Investor Information section of this Report.

Employees and Industrial Relations

The number of persons employed by the Company as at 31st December 2025 was 140 (2024 – 153). The Company is committed to pursuing various HR initiatives that provide a culture that recognises the competencies and commitment of its employees. Career growth and advancement opportunities facilitate the creation of value for themselves, the Company, and other stakeholders.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

There have been no material issues pertaining to employees and industrial relations of the Company.

Policy in terms of Section 9.2 of the Listing Rules

In terms of Section 9.2 of the Listing Rules, the Company established, adopted and published on the Company website (www.gk-graphite.lk) the policies as listed under the Section 9.2.1 of the Listing Rules ensuring adherence to best practices in corporate governance, ethical conduct, and regulatory compliance.

There were no significant changes to the above policies adopted by the Company during the year under review.

Risk Management and Internal Control

The Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Company. Risk Assessment and evaluation is an integral part of the Company's planning cycle and the principal risks and mitigatory actions in place are reviewed regularly by the Board and the Audit Committee.

The Board, through the involvement of risk review and controls, takes steps to gain assurance of the effectiveness of the Company's system of internal controls that are in place. The control system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting, and the reliability of financial information generated.

The Audit and Risk Committee receive regular reports on the adequacy and effectiveness of the internal controls of the Company, the compliance with laws and regulations, and the established policies and procedures. The Audit and Risk Committee reviews the reports of the outsourced internal audit function regularly to ensure effective implementation of the systems and procedures.

However, any system can only provide reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable period.

Events after the Reporting Period

There have been no events subsequent to the reporting period which would have material effect on the Company, requiring an adjustment to or a disclosure in the Financial Statements other than those disclosed above and in note 32 of the Financial Statements on page 102.

Going Concern

The Board of Directors, after considering the financial position, operating in full compliance with all mining license stipulations and Environmental Protection License (EPL) conditions, and regulatory and other factors including matters addressed in the Corporate Governance Report on page 13, has 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.

Appointment and Remuneration of Independent Auditors

The Audit and Risk Committee review the appointment of the Auditors, in addition to their effectiveness, independence, and relationship with the Company including the audit and non-audit fees paid to the Auditor.

Based on the declaration made by Messrs. KPMG, Chartered Accountants and as far as the Directors are aware, the auditors do not have any relationship or interest in the Company other than those disclosed in the financial statements. Details of the Auditors' remuneration are set out in note 7 to the Financial Statements on page 80.

The independent Auditors Report on the Financial Statements is given on pages 58 to 62 of the Annual Report. The retiring Auditors Messrs. KPMG, Chartered Accountants have expressed their willingness to continue in office and a resolution to re-appoint them as Auditors and to authorise the Board to determine their remuneration will be proposed at the Annual General Meeting of the Company.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Annual Report

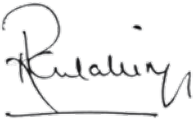
The Board of Directors approved the Company Financial Statements on 06th March 2026. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and Sri Lanka Accounting and Auditing Standards Monitoring Board.

Annual General Meeting

The Annual General Meeting will be held at the Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02 on Thursday, 2nd April 2026 at 2.30 p.m. The Notice of the Annual General Meeting is on page 106 of the Annual Report.

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

By order of the Board



Corporate Services (Private) Limited
Secretaries



Coralie Pietersz
Chairperson



Amila Jayasinghe
CEO/Managing Director

6th March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act No. 7 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the Financial Statements and other statutory reports. The responsibility of the Directors in relation to the Financial Statements is set out in this report.

The responsibility of the independent Auditors in relation to the Financial Statements prepared in accordance with the provisions of the Companies Act No. 7 of 2007, is set out in the Report of the Auditors given on pages 58 to 62.

The Directors are also responsible for ensuring that the Company maintains proper accounting records to enable the determination of financial position with reasonable accuracy and preparation of Financial Statements in accordance with the Companies Act No. 7 of 2007, the Sri Lankan Accounting and Auditing Standards Act No. 15 of 1995, and the Listing Rules of the Colombo Stock Exchange, and audit of such Statements.

The Financial Statements comprise:

- Statement of Profit or Loss and Other Comprehensive Income, which presents a true and fair view of the financial performance of the Company for the financial year;
- Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of the financial year;
- Statement of Changes in Equity, Statement of Cash Flow and Material Accounting Policies, and other explanatory notes.

The Directors are required to confirm that the Financial Statements have been prepared:

- using appropriate accounting policies which have been selected and applied on a consistent basis and material departures, if any, are disclosed and explained, and
- in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and that reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected, and

- providing the information required by, and otherwise complying with, the Companies Act No. 7 of 2007, and the Listing Rules of the Colombo Stock Exchange,
- using a financial reporting system that is directly reviewed by them at their quarterly meetings and also through the Audit Committee. The Board of Directors approves the Financial Statements following a review and recommendation by the Audit Committee, and
- accepting the responsibility for the integrity and objectivity of the Financial Statements presented in the 2025 Annual Report.

The Directors are of the opinion, based on their knowledge of the Company and review of its current affairs and business plans, that adequate resources are available to support the Company on a going concern basis. These Financial Statements have been prepared on that basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors have established appropriate internal control systems with a view to prevent and detect fraud and other irregularities.

The Directors have confirmed that the Company satisfied the solvency test requirement as per the Section 56(2) of the Companies Act No 7 of 2007 for dividends paid. The Company has obtained the Auditors' solvency certificate prior to declaring the dividend.

The Directors have provided the Auditors with every opportunity to carry out any review and tests that they consider appropriate and necessary for the performance of their duties and to form their audit opinion.

As required by Sections 166 (1) and 167 (1) of the Companies Act No. 7 of 2007, the Directors have prepared this Annual Report in time and ensured that the soft copy is published in the websites of the Company and the Colombo Stock Exchange. The Directors have taken the necessary steps to deliver a hard copy to shareholders who express a desire to receive such within the stipulated period as required by the Companies Act and Rule No. 7.5 (a) and (b) on Continuing Listing Requirements of the Listing Rules of the Colombo Stock Exchange.

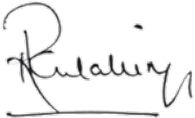
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

Compliance Report

The Directors confirm that, to the best of their knowledge, all payments to employees, regulatory and statutory authorities as were due and payable by the Company as at the balance sheet date have either been duly paid, or where relevant adequately provided for in the Financial Statements.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Rulalini', written over a horizontal line.

Corporate Services (Private) Limited

Secretaries

6th March 2026

FINANCIAL INFORMATION

FINANCIAL CALENDAR 2025

Interim Financial Statements

Interim financial statements for the three months ended on 31 st March 2025	Approved on 7 th May 2025
Interim financial statements for the six months ended on 30 th June 2025	Approved on 11 th August 2025
Interim financial statements for the nine months ended on 30 th September 2025	Approved on 12 th November 2025
Interim financial statements for the year ended on 31 st December 2025	Approved on 18 th February 2026

Audited Financial Statements

Audited Financial Statements for the year ended on 31 st December 2025	Approved on 6 th March 2026
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Dividends

interim dividend for the year ended on 31 st December 2025	Recommended on 12 th August 2025
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Annual General Meeting

35 th Annual General Meeting	2 nd April 2026
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FINANCIAL HIGHLIGHTS

Q1 -2025(Rs.'000)

Revenue	400,850
Profit from operations	85,860
Profit for the period	64,725
Profit Attributable to Equity holders	64,725
Earnings per share (Rs.)	0.68
Net assets per share (Rs.)	20.15

Q2 -2025(Rs.'000)

Revenue	443,940
Profit from operations	102,338
Profit for the period	76,640
Profit Attributable to Equity holders	76,640
Earnings per share (Rs.)	0.81
Net assets per share (Rs.)	20.97

Q3 -2025(Rs.'000)

Revenue	372,439
Profit from operations	63,755
Profit for the period	33,136
Profit Attributable to Equity holders	33,136
Earnings per share (Rs.)	0.35
Net assets per share (Rs.)	13.32

Q4 -2025(Rs.'000)

Revenue	431,908
Profit from operations	144,175
Profit for the period	101,539
Profit Attributable to Equity holders	101,539
Earnings per share (Rs.)	1.07
Net assets per share (Rs.)	14.40

Year 2025 (Rs. '000)

Revenue	1,649,136	Profit from Operations	396,127
Profit for the year	276,040	Profit Attributable to Equity holders	276,040
Earnings per share (Rs.)	2.92	Net assets per share (Rs.)	14.40

INDEPENDENT AUDITORS' REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
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Internet www.kpmg.com/lk

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BOGALA GRAPHITE LANKA PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bogala Graphite Lanka PLC ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies as set out on pages 63 to 102 of this Annual Report.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements

section of our report. We are independent of the 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 judgement were of most significance in our audit of the Company's financial statements of the current period. These matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition - Refer to Note 3.12 (accounting policy) and Note 5 (financial statement disclosures) of the financial statements.

The revenue of the Company for the year ended 31st December 2025 was Rs. 1,649.1 million.

Risk Description	Our Audit Responses
The timing of revenue recognition depends on the terms of individual sales transactions and export revenue is generally recognised for graphite	Our audit procedures included, <ul style="list-style-type: none"> Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key controls in respect of the Company's revenue recognition process.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J.S. Rajakarier FCA
W. K.D.C. Abeyaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.G.H. Raddella ACA

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alshakoon ACA

Principals: S.R.I. Perera FCMA(UK), LL.B. Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT K. Somasundaram ACMA (UK), Ms. D. Corea Dharmaratne

INDEPENDENT AUDITORS' REPORT



Risk Description	Our Audit Responses
<p>and lubricant sales based on the shipping terms. Accordingly, there is a risk that revenue is recognised for sales of individual products before the control of the goods sold have been transferred to the customers and recognised during incorrect reporting period.</p>	<ul style="list-style-type: none"> • Inspecting invoices raised to customers on a sample basis, to ensure revenue is measured and recognised in accordance with the contractual terms of the contracts and the Company's accounting policies. • Comparing on a sample basis, specific revenue transactions recorded before and after the financial year end date within underlying bill of lading and/or invoices to assess whether the related revenue had been recorded in the correct accounting period. • Assessing the adequacy of financial statements disclosures.

Carrying Value of Inventories - Refer to Note 3.6 (accounting policy) and Note 15 (financial disclosures) of the financial statements. The Company carried inventories of Rs. 322.6 million as at 31 December 2025 at the lower of cost or net realisable value.

Risk Description	Our Audit Responses
<p>Assessing net realisable value is an area which involves significant judgement particularly with regards to the estimation of provisions for slow-moving and obsolete inventory. Therefore, there is a risk that slow-moving inventories have not been adequately provided for.</p>	<p>Our audit procedures included,</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key controls management has established to manage inventories including purchases, issuing inventories and holding of inventories. • Assessing the valuation of inventories as at the reporting date, inventory levels, including assessing the reasonability of judgement estimate made regarding obsolescence. • Evaluating the adequacy and consistency of provisioning for inventories at the reporting date and comparing with the Company's inventory provision policy and accordance with the requirement of relevant accounting standards. • On a sample basis, comparing the carrying amounts of the Company's inventories with net realization value of those inventories subsequent to the end of reporting period. • On a sample basis, assessing the existence of inventories through physical verification as at year end. • On a sample basis, assessing whether items in the inventory ageing report were classified within the appropriate ageing buckets with the support of IT Audit Specialist.

INDEPENDENT AUDITORS' REPORT



Accounting for capitalisation of exploration, evaluation and development cost - Refer to Note 3.3 (accounting policy) and Note 11 and 12 (financial statement disclosures) of the financial statements.

As at reporting date, exploration, evaluation and development cost, capitalised under Property, Plant and Equipment and Intangible Assets amounted to Rs. 210.5 million and Rs. 9.8 million respectively.

Risk Description	Our Audit Responses
<p>Capitalisation of costs incurred on exploration and evaluation of potential mineral resources under Intangible Assets, transfer of such costs to Construction in Progress under Property, Plant and Equipment when commercially recoverable reserves are determined and finally transfer to Mining Assets under Property, Plant and Equipment on completion of development and commencement of production involves judgement and estimates.</p> <p>This area is a key audit matter due to the significant judgement involved in capitalisation of cost incurred on exploration and evaluation of potential mineral resources and transfer of such cost to construction in progress under property, plant and equipment.</p>	<p>Our audit procedures included,</p> <ul style="list-style-type: none"> • Understanding the cost allocation methodology applied by the Company (Mining cost capitalised and those expensed) and assessing whether the classification of such costs are in compliance with the requirements of Sri Lanka Accounting Standards. • Testing a sample of cost capitalised by tracing to the underlying supporting documents in order to ensure the completeness, existence and accuracy, with specific focus on major projects during the year. • Confirming whether the right to explore in the area of interest remained current as at reporting date with the renewal option to cover the proposed period of the projects. • Obtaining a status report from internal geologist specialist to understand the status of the ongoing exploration projects and assess the projects are based on reasonable assessment of the existence of economically recoverable reserves. • Assessing whether any facts or circumstances indicate the need for impairment testing. • Assessing the appropriateness of the related financial statement disclosures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statement and our auditor's report there on.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon

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

INDEPENDENT AUDITORS' REPORT



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

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

In preparing the financial statements, management is responsible for assessing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

INDEPENDENT AUDITORS' REPORT



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

The CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2618.

A handwritten signature in black ink, appearing to be 'Kumara', written over a faint, illegible printed name.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

6th March 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31st December

	Note	2025 Rs.	2024 Rs.
Revenue	5	1,649,136,443	1,765,701,126
Cost of sales		(920,235,535)	(1,018,836,448)
Gross profit		728,900,908	746,864,678
Other income	6	25,445,381	2,639,531
Net exchange gain/ (loss)		57,157,810	(113,469,563)
Administrative expenses		(194,190,499)	(167,755,527)
Selling and distribution expenses		(221,186,609)	(258,808,851)
Profit from operations	7	396,126,991	209,470,268
Finance income	8.1	23,735,316	23,208,553
Finance expense	8.2	(254,429)	(341,555)
Net finance income	8	23,480,887	22,866,998
Profit before tax		419,607,878	232,337,266
Income tax expense	9	(143,567,900)	(71,216,542)
Profit for the year		276,039,978	161,120,724
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit liability	23.2.2	1,515,065	(3,708,667)
- Related tax	9.2	(454,520)	1,112,600
Other comprehensive income/ (expense) for the year, net of tax		1,060,545	(2,596,067)
Total comprehensive income for the year		277,100,523	158,524,657
Basic earnings per share/ Diluted earnings per share (Rs.)	10	2.92	1.70

The notes to the Financial Statements on pages 67 to 102 form an integral part of these Financial Statements..

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2025 Rs.	2024 Rs.
Assets			
Property, plant and equipment	11	709,398,512	613,819,915
Intangible assets	12	13,206,275	6,771,109
Consumable biological assets	13	6,639,483	6,639,483
Other financial assets	14	21,672,677	14,265,735
Deferred tax assets	24	-	14,647,958
Non-current assets		750,916,947	656,144,200
Inventories	15	322,647,965	268,149,716
Trade and other receivables	16	234,596,292	266,671,535
Advance and prepayments		30,325,790	21,074,243
Other financial assets	14	11,570,797	6,749,333
Cash and cash equivalents	17	343,233,646	918,229,885
Current assets		942,374,490	1,480,874,712
Total assets		1,693,291,437	2,137,018,912
Equity			
Stated capital	18	102,074,201	102,074,201
Reserves	20	11,889,009	11,889,009
Retained earnings		1,248,662,212	1,728,624,921
Total equity		1,362,625,422	1,842,588,131
Liabilities			
Provision for restoration	22	2,677,555	2,423,126
Employee benefits	23	123,538,766	121,867,518
Deferred tax liabilities	24	9,999,358	-
Non-current liabilities		136,215,679	124,290,644
Trade and other payables	25	125,049,747	107,287,996
Current Tax Liabilities	26	69,400,589	62,852,141
Current liabilities		194,450,336	170,140,137
Total liabilities		330,666,015	294,430,781
Total equity and liabilities		1,693,291,437	2,137,018,912

The notes to the Financial Statements on pages 67 to 102 form an integral part of these Financial Statements.

These Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved for and on behalf of the Board of Directors:



Director

6th March 2026
Colombo



Director

STATEMENT OF CHANGES IN EQUITY

Year ended 31st December

	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total Rs.
Balance as at 1 st January 2024	102,074,201	11,889,009	1,570,100,264	1,684,063,474
Profit for the year	-	-	161,120,724	161,120,724
<u>Other comprehensive income, net of tax</u>				
- Remeasurement of defined benefit liability, net of tax	-	-	(2,596,067)	(2,596,067)
Total comprehensive income for the year	-	-	158,524,657	158,524,657
Balance as at 31 st December 2024	102,074,201	11,889,009	1,728,624,921	1,842,588,131
Balance as at 1 st January 2025	102,074,201	11,889,009	1,728,624,921	1,842,588,131
Profit for the year	-	-	276,039,978	276,039,978
<u>Other comprehensive income, net of tax</u>				
- Remeasurement of defined benefit liability, net of tax	-	-	1,060,545	1,060,545
Total comprehensive income for the year	-	-	277,100,523	277,100,523
Transactions with owners of the Company				
Interim dividend	-	-	(757,063,232)	(757,063,232)
Balance as at 31st December 2025	102,074,201	11,889,009	1,248,662,212	1,362,625,422

The notes to the Financial Statements on pages 67 to 102 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Year ended 31st December

	Note	2025 Rs.	2024 Rs.
Cash flows from operating activities			
Profit before taxation		419,607,878	232,337,266
Adjustments for:			
Depreciation of property, plant and equipment	11	52,469,599	45,156,948
Amortization of intangible assets	12	1,150,581	1,725,878
Gain on sale of property, plant and equipment	6	(21,354,768)	(111,290)
Interest expense	8.2	254,429	341,555
Interest income	8.1	(23,735,316)	(23,208,553)
Provision for slow moving inventories	15.1	788,149	619,213
Inventory write-off during the year	7	1,455,047	5,083,555
Provision for employee benefits	23.2.1	18,758,881	18,413,447
Changes in working capital			
Inventories		(56,741,445)	98,226,005
Trade and other receivables		25,213,029	(77,626,126)
Advance and prepayments		(9,251,547)	4,862,278
Other financial assets		(12,228,406)	(18,772,512)
Trade and other payables		17,761,751	(9,101,851)
Cash generated from operating activities		414,147,862	277,945,813
Current taxes paid	26	(104,275,303)	(88,498,707)
Interest paid		-	(111,303)
Gratuity paid	23.2	(15,572,568)	(1,403,424)
Net cash generated from operating activities		294,299,991	187,932,379
Cash flows from investing activities			
Interest received		22,046,177	22,125,334
Proceeds from sale of property, plant and equipment		21,837,005	111,290
Acquisition of property, plant and equipment	11	(148,530,433)	(112,656,154)
Acquisition of intangible assets	12	(7,585,747)	(5,620,523)
Net cash used in investing activities		(112,232,998)	(96,040,053)
Cash flows from financing activities			
Capital repayment of lease liabilities	21.1.2	-	(2,008,882)
Dividend paid		(757,063,232)	-
Net cash used in financing activities		(757,063,232)	(2,008,882)
Net (decrease)/increase in cash and cash equivalents		(574,996,239)	89,883,444
Cash and cash equivalents at 01st January		918,229,885	828,346,441
Cash and cash equivalents at 31 December	17	343,233,646	918,229,885

The notes to the Financial Statements on pages 67 to 102 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Corporate information

The Bogala Graphite Lanka PLC is a limited liability Company incorporated and domiciled in Sri Lanka and whose shares are publicly traded in the Colombo Stock Exchange. The registered office and the principal place of business are located at Bogala Mines, Aruggammana.

1.2 Principal activities and nature of operations

The Company is primarily engaged in mining, separation, refining, treating, processing and preparation, and sale of graphite, and the production of lubricants

1.3 Parent enterprise and Ultimate parent enterprise

The Company's parent and ultimate parent is Graphit Kropfmuhl GmbH and AMG Critical Materials N.V respectively.

The Company's ultimate parent Company, AMG Critical Materials N.V. made an announcement on 10th October 2025, regarding the impending sale of its shares of Graphit Kropfmuhl GmbH (majority shareholder of the Company) to Asbury Carbons Inc. subject to regulatory approvals.

The number of persons employed by the Company as of 31 December 2025 was 140 (31 December 2024 – 153).

2. BASIS OF ACCOUNTING

2.1 Statement of compliance

The Financial Statements of the Company, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs), laid down by the Institute of Chartered Accountants of Sri Lanka. These Financial Statements, except for information on cash flows, have been prepared following accrual basis of accounting.

2.2 Statement of presentation

The Financial Statements of the Company have been presented in compliance with the requirements of the

Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

2.3. Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act No. 07 of 2007 and SLFRSs and LKASs.

The Board of Directors acknowledges their responsibility for Financial Statements as set out in the Annual Report of the Board of Directors, Statement of Directors' Responsibility and the certification on the Statement of Financial Position.

These Financial Statements include the following components:

- a Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Company for the year under review. Refer page 63;
- a Statement of Financial Position providing the information on the financial position of the Company as at the year-end. Refer page 64;
- a Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Company. Refer page 65;
- a Statement of Cash Flows providing the information to the users, on the ability of the Company to generate cash and cash equivalents and utilisation of those cash flows. Refer page 66;
- Notes to the Financial Statements comprising Material accounting policies and other explanatory information. Refer pages 67 to 102.

2.4 Approval of Financial Statements by the Board of Directors

The Financial Statements for year ended 31 December 2025 were authorised for issue by the Company's Board of Directors on 6th March 2026.

NOTES TO THE FINANCIAL STATEMENTS

2.5 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items stated in the Statement of Financial Position.

Items	Basis of Measurement	Notes No.
Freehold Land	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation.	11
Provision for Restoration	Measured at the present value of estimated cost.	22
Employee benefits	Measured at the present value of the defined benefit obligation.	23

2.6 Going concern basis of accounting

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the 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 of the Company continue to be prepared on a going concern basis.

2.7 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements' and amendments to the LKAS 1 on 'Disclosure Initiative'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understanding and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.8 Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). Accordingly, these Financial Statements are presented in Sri Lankan Rupees (LKR), the Company's functional and presentation currency.

There was no change in the Company's presentation and functional currency during the year under review.

2.9 Use of judgments and estimates

In preparing the Financial Statements of the Company in conformity with SLFRSs and LKASs, the management has made judgements, estimates, and assumptions which affect the application of Accounting Policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2025 is included in the following notes:

NOTES TO THE FINANCIAL STATEMENTS

Note 3.2.(d), (g)	revaluation of freehold land and useful lives of PPE
Note 3.11.(b)	measurement of defined benefit obligations: key actuarial assumptions
Note 3.13.(b)	recognition of deferred tax assets:
Note 3.10	estimation of provision for restoration
Note 3.14	recognition and measurement of provisions and contingencies

2.10 Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 — Quoted (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.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.11 Change in accounting policy

The Company did not have any changes to its accounting policies from those applied in the financial statements as at and for the year ended 31 December 2024.

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

3.1 Foreign currency

a) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of the functional currency prevailing at the reporting date.

Foreign exchange differences arising on translation of foreign exchange transactions are recognised in the Statement of Profit or Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss except for differences arising on the retranslation of equity instruments at FVOCI, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.2 Property, plant, and equipment

a) Basis of recognition

Property, plant, and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

b) Basis of measurement

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use, and the attributable borrowing costs if the recognition criteria are met. The cost of an item also includes an initial estimate of the cost of dismantling and removing the items and restoring the site on which it is located.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Purchased software, which is integral to the functionality of the related equipment, is capitalised as part of that equipment.

c) Cost model

Items of property, plant and equipment other than freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

d) Revaluation model

The Company recognises land owned by it in the Statement of Financial Position at the revalued amount. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair value of land does not change other than by an insignificant amount at each reporting period, the Company will revalue such land every five years.

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of profit or loss, in which case the increase is credited

to the statement of profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on a revaluation of land is recognised in the statement of profit or loss to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of the same land.

e) Subsequent costs

When significant parts of a property, plant, and equipment are required to be replaced at regular intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and depreciates accordingly. Ongoing repair and maintenance costs are expensed as incurred.

f) De-recognition

An item of property, plant, and equipment is derecognised upon disposal, replacement, or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in Profit or Loss in the period the asset is derecognised.

g) Depreciation

Depreciation is based on the straight-line method over the estimated useful lives of the assets. Freehold land is not depreciated.

Depreciation of an asset begins from the date it is available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

The estimated useful lives of the assets are as follows:

Class of asset	Years of useful life
Buildings on freehold land	25
Road development	10
Access tunnels/Mining assets	5 - 20
Plant and machinery	5 - 20
Other equipment	10
Office equipment	5
Furniture and fittings	5
Computer equipment	3-5
Motor vehicles	4 - 5
Restoration Cost	51

Residual values, useful lives, and method of depreciation are reviewed at each financial year end and adjusted if appropriate.

h) Capital work-in-progress

Capital work-in-progress is stated at cost, including borrowing costs, less any accumulated impairment losses. These would be transferred to the relevant asset category in property, plant, and equipment when the asset is completed and available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management

i) Mining assets

i) Recognition of mining assets

Costs associated with developing mine reserves are recognised in property, plant, and equipment when they are established for production. These costs can include amounts that were previously recognised as Exploration and Evaluation expenditure under Intangible Assets during the exploration and evaluation phase of the mine development.

ii) Exploration, evaluation and development expenditures

When commercially recoverable reserves are determined, and such development receives the appropriate approvals, exploration and evaluation expenditures are transferred to Construction in Progress under Property, Plant, and Equipment. Upon completion of development and commencement of production, development costs as well as exploration and evaluation expenditures are transferred to Mining Assets under Property, Plant, and Equipment and depreciated using the straight-line method over five to twenty years.

Further, the capitalisation of development expenditure is related only to the expenditure incurred on developing Access Tunnels. The costs incurred on Drives and Winzes are recognised in the Profit or Loss as and when they are incurred under Development activities.

3.3 Intangible assets

a) Recognition and measurement

i) Exploration and evaluation expenditure

Items which are included in intangible assets include exploration and evaluation expenditures incurred on finding potential graphite reserves. These costs are recorded as Intangible Assets while exploration is in progress. When commercially recoverable reserves are determined, and such development receives the appropriate approvals, exploration and evaluation expenditures are transferred to construction in progress under Property, Plant, and Equipment. Exploration and evaluation expenditure are measured at cost as and when it is incurred until the development commences.

ii) Software and license

Other intangible assets, software, and licenses, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

b) Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

c) Amortisation

Intangible assets with finite lives are amortised over the useful economic life of the asset and assessed for impairment. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting date and adjusted if appropriate. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

The estimated useful life for licenses is three years.

3.4 Biological assets

Biological assets are classified as Consumable biological assets. Consumable biological assets include managed timber trees that are to be sold as biological assets.

Biological assets are further classified into mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications.

a) Recognition and Measurement

The Company recognises the biological assets when, and only when, the entity controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter at fair value at the end of reporting date.

The managed timber trees are measured on initial recognition and at the end of each reporting period at cost in terms of LKAS 41 - Agriculture. The cost is treated as approximation to fair value of young plants (age below five years) as the impact on biological transformation of such plants to price during this period is immaterial.

3.5 Financial instruments

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost.

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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets - Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets,
- how the performance of the portfolio is evaluated and reported to the Company's management,
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed,
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected, and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales, and expectations about future sales activity.

Financial Assets-Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

c) Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised	<p>These assets are subsequently measured at amortised cost using the effective interest method.</p> <p>The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.</p>
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d) Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

e) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

f) Impairment policy

Non-derivative financial assets - Financial instruments and contract assets

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

NOTES TO THE FINANCIAL STATEMENTS

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Twelve-month ECLs are the portion of ECLs that result from default events that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- probability that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market or a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

g) Impairment Policy: Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of other assets, recognised in prior periods, is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of

NOTES TO THE FINANCIAL STATEMENTS

depreciation or amortisation, if no impairment loss had been recognised

For areas not yet in production, any mineral rights acquired, together with subsequent capitalised exploration and evaluation expenditure, are regularly reviewed to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Once the technical feasibility and commercial viability of the extraction of mineral in an area of interest are demonstrated, exploration and evaluation assets attributable to that area of interest are tested for impairment if an indication is available.

3.6 Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials – Purchased cost on a weighted average cost basis.
- Finished goods and work in progress – Direct cost incurred on excavation, cost of raw materials, processing, finishing and manufacturing overheads (excluding borrowing cost).

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion, and the estimated costs necessary to make the sale.

3.7 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and cash in hand.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.8 Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call-in arrears. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

3.9 Provisions

Provisions are recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of benefits will be required to settle the obligation and it can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.10 Provision for restoration

The amount presented in the financial statement is estimated using the expected cost that would be incurred after 51 years from the date of the Statement of Financial Position. The estimated cost expected to be incurred is derived from the current cost to restore the mining land inflated using the rates publicly available. The inflated cost is discounted using a suitable discount rate to arrive at the present value. The key assumption used in estimating the amount presented is mentioned in Note 22 of this financial statement.

The mining land is expected to be restored after 51 years as the resources (i.e graphite) can be extracted over the particular period. The cost is capitalised to the Mining asset because the cost incurred on developing the land for production purpose and cost related to the initial exploration activities on the land have been capitalised as mentioned in Note 3.2.

NOTES TO THE FINANCIAL STATEMENTS

3.11 Employee benefits

a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed determinable contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Employees are eligible for Employees' Provident Fund (EPF) contributions and Employees' Trust Fund (ETF) contributions as per the respective statutes. These obligations come within the scope of a defined contribution plan as per LKAS 19 on 'Employee Benefits'. Obligations for contributions to defined contribution plans are recognised in Profit or Loss as incurred.

b) Defined benefit obligation

In accordance with the Gratuity Act No. 12 of 1983, a liability arises for a defined benefit obligation to employees.

Such defined benefit obligation is a post-employment benefit obligation falling within the scope of Sri Lanka Accounting Standard LKAS 19 on 'Employee Benefits'.

The liability recognised in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date. The calculation is performed annually by a qualified actuary using the projected unit credit method (PUC). Any actuarial gains and losses arising are recognised immediately in Other Comprehensive Income. The discount rate has been derived considering the yield of government bonds.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of defined benefit plan when the settlement occurs.

The liability is not externally funded.

3.12 Revenue

a) Revenue recognition

Revenue from Contracts with Customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over goods or services to the customer.

SLFRS 15 establishes a comprehensive framework for determining how much and when revenue is recognised. Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer. In relation to local sales this occurs when goods are delivered to customers, and in export sales shipping terms with the bill of lading are considered as meeting the revenue recognition criteria.

3.13 Income tax expense

Income tax expense comprises both current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the Statement of Comprehensive Income or Statement of Changes in Equity in which case it is recognised directly in the respective statements.

The Company determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and are therefore accounted for under LKAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

NOTES TO THE FINANCIAL STATEMENTS

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted, at the reporting date.

Accordingly, provision for taxation is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto, at the rates specified in Note 09. This Note also includes the major components of tax expense, the effective tax rates, and a reconciliation between the profit before tax and tax expense, as required by the Sri Lanka Accounting Standard – LKAS 12 on 'Income Taxes'.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Deferred tax assets are recognised for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that they are no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Additional taxes that arise from the distribution of dividends by the Company are recognised at the same time as the liability to pay the related dividend is recognised. These amounts are generally recognised in profit or loss as they generally relate to income arising from transactions that were originally recognised in profit or loss.

3.14 Commitments and contingencies

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

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

3.15 Events after Reporting Period

The materiality of the events after the reporting date has been considered and, where appropriate, adjustments or disclosures have been made in the respective notes to the Financial Statements.

3.16 Earnings Per Share

The Company presents basic earnings per share 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.

NOTES TO THE FINANCIAL STATEMENTS

3.17 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged.

The relevant details are disclosed in the respective notes to the financial statements.

3.18 Statement of Cash Flows

The cash flow statement has been prepared using the indirect method in accordance with Sri Lanka Accounting Standard – LKAS 7 on ‘Statement of Cash Flows’. Interest received and dividends received are classified as investing cash flows, while dividends paid are classified as financing cash flows and interest paid is classified under the operating cash flows for the purpose of presentation of Cash flow statement.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. SLFRS 18 Presentation and Disclosure in Financial Statement

SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities’ net profit will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the financial statements.

- Classification and Measurement of Financial Instruments (Amendments to SLFRS 9 and SLFRS 7)

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

In June 2023, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 and IFRS S2. During the year, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Company from 1 January 2026. No financial impact is expected on the Company except for additional disclosures.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

	2025 Rs.	2024 Rs.
5. REVENUE		
The Company generates revenue primarily from the sale of graphite and lubricants.		
5.1 Revenue from Contracts with Customers		
Export sales	1,637,451,886	1,742,755,232
Local sales	11,684,557	22,945,894
	1,649,136,443	1,765,701,126
5.2 Timing of Revenue Recognition		
Revenue recognised at a point in time	1,649,136,443	1,765,701,126
	1,649,136,443	1,765,701,126
6. OTHER INCOME		
Income from sales of obsolete items	3,300,549	1,565,313
Gain from disposal of property, plant and equipment	21,354,768	111,290
Miscellaneous income (Note 6.1)	790,064	960,928
Estate income	-	2,000
	25,445,381	2,639,531

6.1 Miscellaneous income mainly consists of tower rental income (Mobitel & Dialog) and income received from sale of discarded stone.

7. PROFIT FROM OPERATIONS

Profit from operations are stated after charging all expenses including the following;

	2025 Rs.	2024 Rs.
Directors' remuneration	70,935,856	66,378,839
Auditor's remuneration		
- Statutory audit	1,376,000	1,274,000
- Non-audit services	400,000	-
Professional charges	2,528,519	2,201,664
Depreciation of property, plant and equipment (note 11)	52,469,599	45,156,948
Amortisation of intangible assets (note 12)	1,150,581	1,725,878
Impairment Provision for Inventories (note 15.1)	788,149	619,213
Inventory Write-off	1,455,047	5,083,555
Royalty charges (note 7.1)	111,586,186	121,993,796
Technical service fees (note 7.2)	82,456,822	88,285,056
Donations	2,471,365	3,333,548
Legal charges	814,900	1,511,780
Death compensation cost (note 7.3)	168,000	408,000
Staff costs (note 7.4)	351,038,704	331,012,033

7.1 Royalty charges are paid to GSMB (Geological Survey and Mines Bureau) on graphite sales at 9% and 7% for export and local sales respectively.

7.2 The technical service fee is paid to Graphite Kropfmuhl GmbH at 5% on total sales of the Company.

7.3 Death compensation cost relates to the provision made for compensation to be paid to the aggrieved family of the mine worker who died during working hours in the mine on 28th January 2017. Consequently, the Company decided to pay the salary of the deceased employee until his retirement age to the aggrieved

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

7. PROFIT FROM OPERATIONS (Cont.)

family on a monthly basis. Accordingly, a provision of Rs. 9.9 Mn was recognised in the Financial Statements for a period of 152 months from the year 2017. The

current year provision includes the increment for the employee.

7.4 Staff costs

Salaries and wages	
Defined contribution plan cost - EPF and ETF	
Defined benefit plan cost - retiring gratuity (note 23.2.1)	
Bonuses	
Overtime	
Other staff expenses	

2025 Rs.	2024 Rs.
213,501,580	206,768,885
35,273,313	34,846,609
18,758,881	18,413,447
34,255,135	19,440,521
9,929,278	9,157,592
39,320,517	42,384,979
351,038,704	331,012,033

8. NET FINANCE INCOME

8.1 Finance income

Interest income from staff loans	
Interest income from savings deposits	

Total finance income

8.2 Finance expense

Interest expense on mine restoration provision	
Interest expense on lease liabilities	

Total finance expense

Net finance income recognised in profit or loss

2025 Rs.	2024 Rs.
2,908,909	896,838
20,826,407	22,311,715
23,735,316	23,208,553
(254,429)	(230,252)
-	(111,303)
(254,429)	(341,555)
23,480,887	22,866,998

9 INCOME TAX EXPENSE

9.1 Amounts recognised in Profit or Loss

Current tax expense

Income tax on current year's profits (note 9.3)	
Changes in estimates related to prior years	

Deferred tax expense

(Origination) / reversal of temporary differences on deferred tax assets	
Origination / (reversal) of temporary differences on deferred tax liability	

Total tax expense recognised in Profit or Loss

2025 Rs.	2024 Rs.
119,384,981	94,197,383
(9,877)	(322,221)
119,375,104	93,875,162
14,318,449	(20,380,754)
9,874,347	(2,277,866)
24,192,796	(22,658,620)
143,567,900	71,216,542

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

9. INCOME TAX EXPENSE (Cont.)

9.2 Amounts recognised in OCI

Deferred tax on remeasurements of defined benefit liability

	2025 Rs.	2024 Rs.
	(454,520)	1,112,600
	(454,520)	1,112,600

9.3 Reconciliation of accounting profit to taxable income

Accounting profit before tax

Aggregated other source of exempt amount

Aggregated disallowable expenses

Aggregated allowable expenses

Total Taxable Income

	419,607,878	232,337,266
	(78,948,778)	(651,896)
	143,574,307	131,103,856
	(86,283,471)	(48,797,948)
	397,949,936	313,991,278

Income tax charged at;

- Standard rate 30%

	119,384,981	94,197,383
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Tax on current year profits

	119,384,981	94,197,383
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9.4 Reconciliation of effective tax rate

Profit before tax

Tax using the Company's domestic tax rate

Tax effect of:

- Aggregated other source of exempt amount

- Aggregated disallowable expenses

- Aggregated allowable expenses

Changes in estimates related to prior years

Deferred tax charge / (reversal)

	419,607,878	232,337,266
	30.00%	30.00%
	-5.64%	-0.08%
	10.26%	16.93%
	-6.17%	-6.30%
	0.00%	-0.14%
	5.77%	-9.75%
	34.21%	30.65%

9.5 Applicable income tax rates as per the Department of Inland Revenue

In accordance with the provisions of the Inland Revenue Act No 24 of 2017 and its amendments

thereto the Company is liable for income tax at the standard rate of 30% on its taxable income.

10 EARNINGS PER SHARE

10.1 Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders

and weighted average number of shares outstanding during the year.

Profit attributable to ordinary shareholders (Rs.)

Weighted average number of ordinary shares

Basic earnings per share (Rs.)

	2025	2024
	276,039,978	161,120,724
	94,632,904	94,632,904
	2.92	1.70

10.2 Diluted earnings per share

There were no potentially dilutive ordinary shares as at 31st December 2025 and there have been no transactions involving ordinary shares or potential ordinary shares at the reporting date which would

require restatement of EPS. Therefore, diluted Earnings Per Share is the same as Basic Earnings Per Share shown above.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

11. PROPERTY, PLANT, AND EQUIPMENT Reconciliation of carrying amount

	Freehold land	Buildings	Road development	Access tunnels/ Mining assets	Plant and machinery	Other equipment	Office equipment	Furniture and fittings	Computer equipment	Motor vehicles	Capital WIP		Total 2025	Total 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Mining costs	Others	Rs.	Rs.
Balance as at 01 st January	22,688,000	126,076,542	18,724,864	253,731,087	344,933,449	80,772,572	12,418,622	1,986,223	17,805,448	51,375,071	198,169,382	54,805,640	1,183,486,900	960,439,261
Additions during the year	-	-	-	-	22,696,728	4,055,277	-	-	-	39,747,364	12,294,457	69,736,607	148,530,433	112,656,154
Disposals during the year	-	-	-	-	(2,376,082)	(560,489)	-	-	-	(16,500,000)	-	-	(19,436,571)	(2,210,847)
Transfers from CWIP	-	41,922,141	2,916,000	3,336,696	42,030,793	2,356,020	1,860,104	-	-	-	(94,421,754)	-	-	-
Transfer E&E expenditure to CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-	164,501,067
Write-off/retirement during the year	-	(3,162,919)	(5,779,589)	(74,983,460)	(34,254,739)	(4,589,661)	(789,669)	(461,607)	(594,660)	-	-	-	(124,616,304)	(51,898,735)
Balance as at 31st December	22,688,000	164,835,764	15,861,275	182,084,323	373,030,149	82,033,719	13,489,057	1,524,616	17,210,788	74,622,435	210,463,839	30,120,493	1,187,964,458	1,183,486,900
Accumulated depreciation and impairment losses														
Balance as at 01 st January	-	38,866,326	12,211,811	144,150,288	258,251,021	53,191,896	7,093,213	1,072,840	6,740,769	48,088,821	-	-	569,666,985	578,619,619
Depreciation charged to profit or loss	-	5,221,816	1,113,198	13,985,914	17,297,602	5,216,096	992,114	192,240	4,354,091	4,196,528	-	-	52,469,599	45,156,948
Disposals during the year	-	-	-	-	(2,376,082)	(251,739)	-	-	-	(16,500,000)	-	-	(19,127,821)	(2,210,847)
Write-off/retirement during the year	-	(2,989,431)	(5,779,589)	(74,983,460)	(34,254,739)	(4,589,662)	(789,669)	(461,607)	(594,660)	-	-	-	(124,442,817)	(51,898,735)
Balance as at 31st December	-	41,098,711	7,545,420	83,052,742	238,917,802	53,566,591	7,295,658	803,473	10,500,200	35,785,349	-	-	478,565,946	569,666,985
Carrying amount														
Balance as at 31 st December 2025	22,688,000	123,737,053	8,315,855	99,031,581	134,112,347	28,467,128	6,193,399	721,143	6,710,588	38,837,086	210,463,839	30,120,493	709,398,512	613,819,915
Balance as at 31 st December 2024	22,688,000	87,210,216	6,515,053	109,580,799	86,682,428	27,580,676	5,325,409	913,383	11,064,679	3,286,250	198,169,382	54,805,640	613,819,915	

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

11. PROPERTY, PLANT, AND EQUIPMENT (CONT.)

11.1 Revaluation of freehold land

Freehold land was revalued by Mr. N.M Jayatilake, (F.I.V) who is a professionally qualified independent valuer as at 31 December 2023. The valuation method adopted was open market value on an alternative

use basis without considering mineral deposits and underground works. There is no change in fair value especially as confirmed by the independent valuer on 31 December 2025.

The details of freehold land stated at its revalued amount are as follows:

Location	Extent	Cost Rs.	Freehold land revalued Rs.	Price per perch Rs.	Pledged	No of Buildings
Welathuduwa village, Kotiyakumbura	13.2268 Hectares	5,703,702	11,996,000	170,000 - 375,000	No	47
Welathuduwa village, Kotiyakumbura	9.7159 Hectares		6,192,000	220,000 - 800,000	No	
Kendawa village, Bulathkohupitiya	7.2361 Hectares		4,500,000	200,000 - 250,000	No	4
		5,703,702	22,688,000			

The description of the valuation technique used together with a narrative description on sensitivity of

the fair value measurement to changes in significant unobservable inputs is as follows:

Valuation technique	Significant unobservable inputs	Sensitivity of fair value measurement to inputs
This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for any differences in the nature, location or condition of the specific property.	Price per perch for land according to respective lots (As disclosed above)	Estimated fair value would increase/(decrease) if the price per perch were higher/(lower).

The fair value measurement for the freehold land of the Company has been categorised at Level 3 fair value measurement as the inputs to the valuation technique used were unobservable.

11.2 Capital WIP - Mining cost

The Company has capitalised Rs.198.2 Mn worth of exploration and evaluation expenditures related to major drilling programs conducted by the Company in

Bogala and Rangala under the Capital WIP - Mining cost. The results of the drilling program data were then used to calculate the estimated resources by an internal Geologist and development of commercial production was approved. Cost amounting to Rs. 12.3 Mn was incurred on development activities during the year which includes activities related to the preparation of the mine before commencement of extraction of graphite.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

11.2.1 Capital WIP -Other

Capital Work-in-Progresss - Other represents the amount of expenditure recognised under property, plant and equipment during the construction of Buildings on freehold land and Plant and machinery.

11.3 Fully depreciated but still in use

The cost of fully-depreciated property, plant and equipment of the Company which are still in use amounted to Rs. 228,274,656/- as at 31st December 2025. (2024 - Rs. 318,718,712/-).

11.4 Permanent fall in value of property, plant and equipment

There is no permanent fall in the value of property, plant and equipment which requires a provision for impairment as at the reporting date.

11.5 Title restriction on property, plant and equipment

There were no restrictions existed on the title to the property, plant and equipment of the Company as at the reporting date.

11.6 Assets pledged as collaterals

There were no assets pledged as collaterals as at the reporting date.

12. INTANGIBLE ASSETS

	Software and licenses Rs.	Exploration and Evaluation Expenditure Rs.	Total 2025 Rs.	Total 2024 Rs.
Cost				
Balance as at 01 st January	5,891,940	5,620,523	11,512,463	175,869,982
Additions during the year (note 12.1)	3,381,248	4,204,499	7,585,747	5,620,523
Transfer to CWIP - Mining costs	-	-	-	(164,501,067)
Write off during the year	-	-	-	(5,476,975)
Balance as at 31 st December	9,273,188	9,825,022	19,098,210	11,512,463
Accumulated Amortisation				
Balance as at 1 st January	4,741,354	-	4,741,354	8,492,451
Charge of the year	1,150,581	-	1,150,581	1,725,878
Write off during the year	-	-	-	(5,476,975)
Balance as at 31 st December	5,891,935	-	5,891,935	4,741,354
Carrying value as at 31st December	3,381,253	9,825,022	13,206,275	6,771,109

12.1 Exploration and evaluation expenditure recorded under intangible assets above refers to the expenditure associated with the exploration of potential graphite resources in the Bogala mine which are owned by the

Company. The exploration project continues further as the technical and commercial viabilities had not been demonstrable as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

13. CONSUMABLE BIOLOGICAL ASSETS

13.1 Immature plantations

Cost:

Balance as at 01st January

Balance as at 31st December

	2025 Rs.	2024 Rs.
Balance as at 01 st January	6,639,483	6,639,483
Balance as at 31 st December	6,639,483	6,639,483

13.1.1 The managed trees which are less than five (05) years old are considered to be immature consumable biological assets.

14. OTHER FINANCIAL ASSETS

Loans to Company officers

	2025 Rs.	2024 Rs.
Loans to Company officers	33,243,474	21,015,068

14.1 The movement of loans is as follows;

Balance as at 01st January

Loans granted during the year

Loan repayments during the year

Balance as at 31st December

Non-current

Current

Balance as at 01 st January	21,015,068	2,242,556
Loans granted during the year	28,235,592	27,502,662
Loan repayments during the year	(16,007,186)	(8,730,150)
Balance as at 31st December	33,243,474	21,015,068
Non-current	21,672,677	14,265,735
Current	11,570,797	6,749,333
	33,243,474	21,015,068

14.1.1 The Company charged interest at 10% on receivable balances from Loans to Company officers. These balances are payable in an instalment plan together with the interest.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

15. INVENTORIES

	2025 Rs.	2024 Rs.
Raw materials - Lubricants	59,665,141	24,736,459
Raw materials - Graphite	98,420,546	102,709,099
Work-In-Progress - Graphite	39,809,170	34,398,676
Finished goods - Graphite	18,539,242	14,346,869
Consumables and spares	97,409,247	80,853,765
	313,843,346	257,044,868
Impairment for slow moving stocks (note 15.1)	(6,479,512)	(5,691,363)
	307,363,834	251,353,505
Goods-in-transit	15,284,131	16,796,211
	322,647,965	268,149,716
15.1 Impairment for slow-moving stocks		
Balance as at 01 st January	5,691,363	5,072,150
Provision for the year	788,149	619,213
Balance as at 31st December	6,479,512	5,691,363

16. TRADE AND OTHER RECEIVABLES

	2025 Rs.	2024 Rs.
Trade receivables	173,438,435	198,795,832
Trade receivables due from related companies (note 27.2)	36,813,924	52,394,526
Total trade receivables (note 16.1)	210,252,359	251,190,358
VAT receivables	23,789,873	14,503,112
Other receivables	554,060	978,065
	234,596,292	266,671,535
16.1 Age analysis of total trade receivables		
Neither past due nor impaired	208,490,063	231,105,447
Past due but not impaired		
0-30 days	-	20,084,911
31-60 days	-	-
Over 60 days	1,762,296	-
	210,252,359	251,190,358

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

17. CASH AND CASH EQUIVALENTS

	2025 Rs.	2024 Rs.
Cash in hand	206,357	609,125
Cash at bank	343,027,289	917,620,760
Cash and cash equivalents as per statement of cash flows	343,233,646	918,229,885

18. STATED CAPITAL

	2025		2024	
	Number	Rs.	Number	Rs.
Fully paid ordinary shares	94,632,904	102,074,201	94,632,904	102,074,201
	94,632,904	102,074,201	94,632,904	102,074,201

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

19. DIVIDEND PER SHARE

	2025 Rs.	2024 Rs.
The following dividends were declared and paid by the Company for the year.		
Interim dividend declared - 2025	757,063,232	-
Gross dividend	757,063,232	-
Number of shares	94,632,904	-
Dividend per share (Rs.)	8.00	-

20. RESERVES

	2025 Rs.	2024 Rs.
Revaluation reserve	11,889,009	11,889,009
20.1 The movement is as follows;		
Balance as at 01st January	11,889,009	11,889,009
Balance as at 31st December	11,889,009	11,889,009

The revaluation reserve relates to the revaluation of freehold land which was revalued by the Company

based on its policy. It will be ultimately utilised when freehold land is sold.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

21. LOANS AND BORROWINGS

21.1 Lease liabilities

Balance as at 01 st January	-	2,008,882
Interest expense recognised in finance expense	-	111,303
Repayment during the year	-	(2,120,185)
Balance as at 31st December	-	-

	2025 Rs.	2024 Rs.
Balance as at 01 st January	-	2,008,882
Interest expense recognised in finance expense	-	111,303
Repayment during the year	-	(2,120,185)
Balance as at 31st December	-	-

21.1.1 Amounts recognised in statement of profit or loss

Interest expense recognised in finance expense	-	111,303
	-	111,303

Interest expense recognised in finance expense	-	111,303
	-	111,303

21.1.2 Amounts recognised in statement of cash flows

Interest repayment during the year	-	111,303
Capital repayment during the year	-	2,008,882
	-	2,120,185

Interest repayment during the year	-	111,303
Capital repayment during the year	-	2,008,882
	-	2,120,185

22. PROVISION FOR RESTORATION

Balance as at 01 st January	2,423,126	2,192,874
Interest expense charged during the year	254,429	230,252
Balance as at 31st December	2,677,555	2,423,126

	2025 Rs.	2024 Rs.
Balance as at 01 st January	2,423,126	2,192,874
Interest expense charged during the year	254,429	230,252
Balance as at 31st December	2,677,555	2,423,126

The provision reflects the present value of future estimated cost of restoration of the land once the Company extracts graphite through its activities over 51 years. The Company does not plan to close the mine after 51 years, but the number of years is estimated based on the period over which the estimated resources are expected to be extracted. The cost will be estimated annually to reflect the best estimate and

at each reporting date, a year will be rolled forward and included in the estimate to continue the plan for the next 51 years. The plan will be rolled forward until the earliest date of the resources being completely extracted in the particular property or the Company actually incurs costs on restoration and completes its restoration activities.

The following assumptions and data were used in estimating the provision for restoration as at 31st December 2025.

	2025	2024
Discount Rate	10.5%	9.5%
Average Inflation Rate (based on available public information)	2.40%	1.65%

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

22. PROVISION FOR RESTORATION (CONT.)

22.1 Sensitivity analysis

If there is a change in the assumptions by 1%, the following would be the impact on provision for estimation.

	2025		2024	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(324,837)	513,734	(927,508)	1,477,972
Inflation rate	574,189	(353,260)	1,609,459	(992,341)

23. EMPLOYEE BENEFITS

23.1 Defined contribution plans

The following contributions have been made to Employees' Provident Fund and Employees' Trust Fund during the year.

	2025 Rs.	2024 Rs.
Employees' Provident Fund		
Employers' contribution	29,067,361	29,414,026
Employees' contribution	24,222,800	24,462,553
Employees' Trust Fund	7,266,834	7,353,507

23.2 Defined benefit plan

Balance as at 01 st January	121,867,518	101,148,828
Provision recognised during the year (note 23.2.1)	18,758,881	18,413,447
Actuarial (gain)/loss during the year (note 23.2.2)	(1,515,065)	3,708,667
	139,111,334	123,270,942
Payments made during the year	(15,572,568)	(1,403,424)
Balance as at 31 st December	123,538,766	121,867,518

23.2.1 Amounts recognised in the profit or loss

Current service cost	6,572,129	6,275,588
Interest on obligation	12,186,752	12,137,859
	18,758,881	18,413,447

23.2.2 Amounts recognised in the other comprehensive income

Actuarial (gain)/loss for the year	(1,515,065)	3,708,667
	(1,515,065)	3,708,667

The provision for retirement benefit obligations as at 31 December 2025 is based on the actuarial valuation carried out by independent, professionally qualified actuaries, Mr. M. Poopalanathan, AIA of Messrs Actuarial and Management Consultants (Pvt) Ltd a

firm of professional actuaries, using the "Projected Unit Credit" (PUC) method, the method recommended by the Sri Lanka Accounting Standard – LKAS 19 on "Employee Benefits".

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

23. EMPLOYEE BENEFITS (CONT.)

23.2.3 Actuarial assumptions

The following assumptions and data were used in valuing the defined benefit obligation by the actuarial valuer.

	2025	2024
Discount rate	10%	10%
Salary increment rate	5% - 7%	7% - 8%
Staff turnover rate	6.5%	4%
Weighted average retirement age	6.4 years	7.3 years

The gratuity liability is not externally funded.

It is also assumed that the Company will continue in business as a going concern.

Assumptions regarding future mortality are based on the A67/70 mortality table, issued by the Institute of Actuaries, London

Normal retirement age of an individual is assumed to be 60 years.

According to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity to an employee arises only on completion of 5 years of continuous service.

A long-term treasury bond rate of 10% p.a. (2024 - 10%) was used to discount future liabilities taking into consideration the remaining working life of employees.

23.2.4 Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

	2025		2024	
	Increase by 1% Rs.	Decrease by 1% Rs.	Increase by 1% Rs.	Decrease by 1% Rs.
Discount rate	(6,888,364)	7,586,070	(7,696,083)	8,568,626
Salary increment rate	8,371,168	(7,702,990)	9,325,894	(8,484,772)

23.2.5 Maturity profile of the defined benefit obligation

	2025 Rs.	2024 Rs.
Within the next 12 months	13,765,249	9,165,562
Between 1-2 years	15,939,434	17,343,954
Between 2-5 years	44,305,526	19,020,993
Between 5-10 years	29,377,224	51,154,300
Beyond 10 years	20,151,333	25,182,709
	123,538,766	121,867,518

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

24. DEFERRED TAXATION

	2025 Rs.	2024 Rs.
Deferred tax liabilities (note 24.1)	51,179,107	41,304,760
Deferred tax assets (note 24.2)	(41,179,749)	(55,952,718)
Net deferred tax liabilities/(assets)	9,999,358	(14,647,958)

24.1 Deferred tax liabilities

Balance as at 01 st January	41,304,760	43,582,626
Provision / (Reversed) during the year - profit or loss	9,874,347	(2,277,866)
Balance as at 31st December	51,179,107	41,304,760

24.2 Deferred tax assets

Balance as at 01 st January	55,952,718	34,459,364
Provision / (Reversed) during the year - profit or loss	(14,318,449)	20,380,754
Provision / (Reversed) during the year - other comprehensive income	(454,520)	1,112,600
Balance as at 31st December	41,179,749	55,952,718

24.3 Reconciliation of Deferred tax effect on temporary differences

Deferred tax assets and liabilities are attributable to the following:

	2025		2024	
	Temporary difference Rs.	Tax effect Rs.	Temporary difference Rs.	Tax effect Rs.
Deferred tax liabilities				
Property, plant and equipment	129,971,315	38,991,395	119,547,649	35,864,295
Revaluation of freehold land	16,984,298	5,095,289	16,984,298	5,095,289
Intangible assets	1,127,076	338,123	1,150,585	345,176
Unrealised exchange gain	22,514,333	6,754,300	-	-
	170,597,022	51,179,107	137,682,532	41,304,760
Deferred tax assets				
Employee benefits	(123,538,766)	(37,061,630)	(121,867,518)	(36,560,255)
Provision for death compensation	(4,569,994)	(1,370,998)	(5,648,344)	(1,694,503)
Provision for restoration	(2,677,555)	(803,267)	(2,423,126)	(726,938)
Impairment provision for inventories	(6,479,512)	(1,943,854)	(5,691,363)	(1,707,409)
Unrealised exchange loss	-	-	(50,878,709)	(15,263,613)
	(137,265,827)	(41,179,749)	(186,509,060)	(55,952,718)
Net deferred tax liabilities/(assets)	33,331,195	9,999,358	(48,826,528)	(14,647,958)

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation

purposes based on the provisions of the Inland Revenue Act No. 24 of 2017 and its amendments thereto. The deferred tax liability is calculated at the rate of 30% (2024- 30%) for the Company as at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

25 TRADE AND OTHER PAYABLES

	2025 Rs.	2024 Rs.
Trade Payables - Others	26,763,653	5,455,315
Trade Payables - Related companies (note 27.2)	14,811,001	16,763,358
	41,574,654	22,218,673
Other Payables - Related companies (note 27.2)	8,830,094	9,020,521
Sundry creditors	4,478,540	7,941,595
Accrued expenses	68,187,881	66,436,843
WHT Payable	1,978,578	1,670,364
	125,049,747	107,287,996

26 CURRENT TAX LIABILITIES

	2025 Rs.	2024 Rs.
Balance as at 01 st January	62,852,141	61,406,715
Provision for the year	119,384,981	94,197,383
Income tax over provision for prior years	(9,877)	(322,221)
Tax paid during the year	(104,275,303)	(88,498,707)
WHT and VAT Refund set-off	(8,551,353)	(3,931,029)
Balance as at 31 st December	69,400,589	62,852,141

27. RELATED PARTY DISCLOSURES

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures'; the details of which are reported below:

27.1 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures', Key Management Personnel are those having authority and responsibility for planning, directing and controlling

the activities of the entity directly or indirectly. Accordingly, the Board of Directors of the Company have been classified as KMP.

Graphite Kropfmuhl GmbH and AMG Critical Materials N.V. are the Parent and Ultimate Undertaking, respectively, as noted in Note 1.3. The Board of Directors have the authority and responsibility for planning, directing, and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors of the parent company have also been classified as KMP.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

27. RELATED PARTY DISCLOSURES (CONT.)

27.1.1 Compensation to Key Management Personnel of the Company are as follows:

	2025 Rs.	2024 Rs.
<u>Short-term employee benefits</u>		
Executive directors - Emoluments	65,169,621	61,127,511
Non-executive directors - Fees and other benefits	5,766,235	5,251,328
	70,935,856	66,378,839
<u>Post-employment benefits</u>		
Executive directors	7,372,534	8,211,601
Total compensation applicable to KMP	78,308,390	74,590,440

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

27. RELATED PARTY DISCLOSURES (CONT.) 27.2 Transactions with related companies

Nature of transactions	Name of the Company and its relationship						Total	
	Parent		Affiliate		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.				
	Graphite Kropfmuhl GmbH		Gingdao Kropfmueht Graphite (Co.)					
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Nature of the Recurrent Transactions								
Balance receivable/(payable) as at 01 st January	26,610,647	(8,471,529)	-	-	-	-	26,610,647	(8,471,529)
Sale of goods/services	202,256,381	198,462,153	9,884,384	19,465,954	212,140,765	217,928,107	212,140,765	217,928,107
Purchase of goods/services	(193,743,329)	(157,561,442)	(725,744)	(487,796)	(194,469,073)	(158,049,238)	(194,469,073)	(158,049,238)
Technical service fee payments	(82,456,822)	(88,285,056)	-	-	(82,456,822)	(88,285,056)	(82,456,822)	(88,285,056)
Expenses reimbursable from related companies	2,091,103	1,041,206	-	-	2,091,103	1,041,206	2,091,103	1,041,206
Net settlements	52,653,450	81,425,315	(3,397,241)	(18,978,158)	49,256,209	62,447,157	49,256,209	62,447,157
Balance Receivable/ (Payable) for Recurrent Transactions as at 31st December	7,411,430	26,610,647	5,761,399	-	13,172,829	26,610,647	13,172,829	26,610,647
Nature of the Non- Recurrent Transactions								
There are no Non- Recurrent Transactions	-	-	-	-	-	-	-	-
Balance Receivable (Payable) for Non- Recurrent Transactions as at 31 st December	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Receivable/(Payable) for Recurrent & Non- Recurrent Transactions as at 31 st December	7,411,430	26,610,647	5,761,399	-	13,172,829	26,610,647	13,172,829	26,610,647
Above balance included in	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	Total - 2025 Rs.	Total - 2024 Rs.
Trade receivables	31,052,525	52,394,526	5,761,399	-	36,813,924	52,394,526	36,813,924	52,394,526
Trade payables	(14,811,001)	(16,763,358)	-	-	(14,811,001)	(16,763,358)	(14,811,001)	(16,763,358)
Other payables	(8,830,094)	(9,020,521)	-	-	(8,830,094)	(9,020,521)	(8,830,094)	(9,020,521)
	7,411,430	26,610,647	5,761,399	-	13,172,829	26,610,647	13,172,829	26,610,647

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December

27. RELATED PARTY DISCLOSURES (CONT.)

27.2.1 Recurrent related party transactions

There were recurrent related party transactions which in aggregate value exceed 10% of the gross revenue

of the Company as per audited Financial Statements. Details of significant related party transactions are as follows,

Company	Relationship	Nature of the Transactions	Aggregate value of Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as % of Revenue	Terms and Conditions of the Related Party Transactions
Graphite Kropfmuhl GmbH	Parent	Sale of goods/ services	202,256,381	12.26%	Ordinary course of business

Total aggregated value of the sales made to Qingdao Kropfmuehl Graphite is 0.6% of the total revenue of the Company.

27.2.2 Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceed 10% of the equity or 5% of the total assets, whichever is lower, of the Company as per audited Financial Statements.

Terms and conditions:

All related party transactions have been conducted on agreed commercial terms with the respective parties.

The Company has not had any special transactions with the Parent or Affiliate company which required a specific agreement or arrangement to made, prior to such transactions, other than what is listed above.

28. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value of assets and liabilities

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position are as follows;

	31 st December 2025		31 st December 2024	
	Carrying value Rs.	Fair value Rs.	Carrying value Rs.	Fair value Rs.
Assets carried at amortised cost				
Other financial assets	33,243,474	33,243,474	21,015,068	21,015,068
Trade receivables	210,252,359	210,252,359	251,190,358	251,190,358
	243,495,833	243,495,833	272,205,426	272,205,426
Cash and cash equivalents	343,233,646	343,233,646	918,229,885	918,229,885
	586,729,479	586,729,479	1,190,435,311	1,190,435,311
Liabilities carried at amortised cost				
Trade payables	41,574,654	41,574,654	22,218,673	22,218,673
Other Payable -Related companies	8,830,094	8,830,094	9,020,521	9,020,521
	50,404,748	50,404,748	31,239,194	31,239,194

The carrying amount of cash and cash equivalents approximates the fair value due to the relatively short maturity of the financial instruments. This includes cash in hand balances as well. For all other items the carrying value has been considered as the fair value due to the timing of the cash flows.

The Company does not have any financial assets or liabilities carried at fair value as at the reporting date.

29. FINANCIAL RISK MANAGEMENT

29.1 Overview

The Company has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

Introduction and overview

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.

29.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

As at 31st December,

Trade receivables
Other financial assets
Cash at bank

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances. However, geographically there is no concentration of credit risk.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

29.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

29.3.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

2025 Rs.	2024 Rs.
210,252,359	251,190,358
33,243,474	21,015,068
343,027,289	917,620,760
586,523,122	1,189,826,186

references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the Management Committee; 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.

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 loss component 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

29. FINANCIAL RISK MANAGEMENT (Cont.)

29.3 Credit risk (Contd.)

The maximum exposure to credit risk for trade receivables at the end of the reporting period by type

of counterparty was as follows:

As at 31 st December,	2025 Rs.	2024 Rs.
Trade debtors - Export sales	173,438,435	198,795,832
Trade debtors - Related companies	36,813,924	52,394,526
	210,252,359	251,190,358

The maximum exposure to credit risk for trade receivables at the reporting date by currency.

EUR	341,949	489,608
USD	276,541	348,571

Impairment losses

The ageing of trade receivables at the end of the reporting period was as follows.

	2025 Rs.	2024 Rs.
Neither past due nor impaired	208,490,063	231,105,447
Past due not impaired	1,762,296	20,084,911
Due and impaired	-	-
	210,252,359	251,190,358

Based on the past due date, the Company believes that no provisions are required as at 31st December 2025.

Cash at bank

The Company is also exposed to credit risk through its cash at bank balances. The creditworthiness of the financial instruments are assessed using the credit

ratings assigned to each bank. This rating provides the Company the indication of the financial stability of the investment. The ratings are based on Fitch Ratings.

As at 31 st December,	2025 Rs.	2024 Rs.
Cash at Bank having credit ratings		
AA(lka)	111,954,363	543,111,499
AAA(lka)	231,072,926	374,509,261
	343,027,289	917,620,760

The maximum exposure to credit risk for Cash at Bank balances at the reporting date by currency is as follows,

EUR	353,441	716,998
USD	322,915	558,994
LKR	114,211,877	535,564,587

The Company considers that its cash and cash equivalents have low risk based on the external credit ratings of the counterparties.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

29. FINANCIAL RISK MANAGEMENT (Cont.)

29.4 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 uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

29.4.1 Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

As at 31st December 2025

Non-derivative financial liabilities

Trade payables

Other Payable - Related companies

Total Carrying amount Rs.	Contractual cash flows			
	Total Rs.	Less than 3 months Rs.	3 - 12 months Rs.	> 1 year Rs.
41,574,654	41,574,654	41,574,654	-	-
8,830,094	8,830,094	8,830,094	-	-
50,404,748	50,404,748	50,404,748	-	-

As at 31st December 2024

Non-derivative financial liabilities

Trade payables

Other Payable - Related companies

Total Carrying amount Rs.	Contractual cash flows			
	Total Rs.	Less than 3 months Rs.	3 - 12 months Rs.	> 1 year Rs.
22,218,673	22,218,673	22,218,673	-	-
9,020,521	9,020,521	9,020,521	-	-
31,239,194	31,239,194	31,239,194	-	-

29.4.2 Management of liquidity risk

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 policy is to hold cash and undrawn overdraft facilities at a level sufficient to ensure that the Company has available funds to meet its liabilities.

29.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

29. FINANCIAL RISK MANAGEMENT (Cont.)

29.5.1 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company monitors the fluctuations in foreign currencies with appropriate strategies to minimise risk.

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

29.5.1.1 Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows;

	31 st December 2025		31 st December 2024	
	EUR	USD	EUR	USD
Cash and cash equivalents	353,441	322,915	716,998	558,994
Trade receivables	341,949	276,541	489,608	348,571
Trade payables	(40,677)	(4,103)	(55,020)	(2,882)
Net statement of financial position exposure	654,713	595,353	1,151,586	904,683

The following significant exchange rates have been applied.

	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
EUR	340.61	327.00	364.11	304.68
USD	300.96	302.06	310.06	292.67

29.5.1.2 Sensitivity to foreign exchange risk

A reasonably possible strengthening/ (weakening) of the Euro and US Dollar against all other currencies at 31st December would have affected the measurement of financial instruments denominated in a foreign

currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

31st December 2025

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
EUR (1% Movement)	2,382,893	(2,382,893)	1,668,025	(1,668,025)
USD (1% Movement)	1,845,535	(1,845,535)	1,291,874	(1,291,874)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

29. FINANCIAL RISK MANAGEMENT (Cont.)

29.5.1.2 Sensitivity to foreign exchange risk (Cont.)

31st December 2024

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
EUR (1% Movement)	3,508,652	(3,508,652)	2,456,056	(2,456,056)
USD (1% Movement)	2,647,736	(2,647,736)	1,853,415	(1,853,415)

29.5.1.3 The following is the breakdown of net exchange gain.

As at 31 st December,	2025 Rs.	2024 Rs.
Realised Gain/ (Loss)	34,643,477	(62,590,854)
Unrealised Gain/ (Loss)	22,514,333	(50,878,709)
Total	57,157,810	(113,469,563)

29.5.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations.

Variable rate instruments

The Company does not account for any variable rate financial liabilities. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

29.6 Capital Management

For the purpose of the Company's Capital Management, Capital includes the equity attributable to the equity holders. The primary objective of the Company's capital management is to maximise the share value.

The Company monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Equity comprises all components of equity. The Company's net debt to equity ratio is as follows,

	2025 Rs.	2024 Rs.
Total liabilities	330,666,015	294,430,781
Less: cash and cash equivalents	(343,233,646)	(918,229,885)
Net debt	(12,567,631)	(623,799,104)
Equity	1,362,625,422	1,842,588,131
Gearing ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st December 2025 and 31st December 2024.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December

30. CAPITAL COMMITMENTS

There were no contracts for capital expenditure of material amounts approved or contracted for as at the reporting date.

31. CONTINGENT LIABILITIES

There have been no material contingent liabilities outstanding as at the reporting date except for those described below:

31.1 Case No. 10180M

A supplier/constructor had filed a case against the Company on 21st February 2019 in relation to a road construction project undertaken by him and claimed that the Company has not paid the due amount as per the agreement. The Company has counter filed the

case stating that the work has not been completed as per the contract. Based on the confirmation received from the Company lawyer, the outcome of the case cannot be assessed as at reporting date.

32. EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require adjustments to or disclosure in the Financial Statements.

33. DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the preparation and presentation of the Financial Statements in accordance with Accounting Standards.

34. NET ASSETS PER SHARE

	2025	2024
Net Assets attributable to shareholders - Rs.	1,362,625,422	1,842,588,131
Number of shares	94,632,904	94,632,904
Net Assets per share - Rs.	14.40	19.47

TEN-YEAR FINANCIAL SUMMARY

TEN-YEAR FINANCIAL SUMMARY (In Rupees 000)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Trading Results										
Turnover	1,649,136	1,765,701	1,623,085	1,699,944	1,126,263	669,543	815,576	877,761	732,888	702,454
Gross Profit	728,901	746,865	695,503	904,971	536,329	212,818	322,972	389,472	255,039	270,374
Other Income	25,445	2,640	3,330	2,965	3,727	7,303	4,066	10,098	3,599	11,313
Profit from operations	396,127	209,470	224,703	789,299	276,116	57,490	115,573	178,391	(17,144)	85,435
Finance income	23,735	23,209	17,859	18,184	5,287	4,728	5,653	3,981	4,173	2,814
Finance expense	(254)	(342)	(617)	(809)	(1,596)	(3,644)	(4,807)	(6,836)	(8,015)	(8,931)
Profit/(Loss) before Tax	419,608	232,337	241,945	806,675	279,806	58,573	116,418	175,536	(20,986)	79,318
Taxation	(143,568)	(71,217)	(86,629)	(142,339)	(40,410)	(11,551)	(19,004)	(23,314)	1,332	(5,512)
Net Profit/(Loss)	276,040	161,121	155,316	664,335	239,396	47,022	97,414	152,222	(19,653)	73,806
Other comprehensive income/(loss), net of tax	1,061	(2,596)	11,240	(9,518)	(2,311)	202	332	4,641	(5,877)	610
Total Comprehensive Income for the Year	277,101	158,525	166,555	654,817	237,085	47,224	97,746	156,863	(25,531)	73,196
Balance Sheet										
Stated Capital	102,074	102,074	102,074	102,074	102,074	102,074	102,074	102,074	102,074	102,074
Reserves	1,260,551	1,740,514	1,581,988	1,415,434	760,616	523,532	476,307	378,561	221,698	247,229
Shareholders' Funds	1,362,625	1,842,588	1,684,062	1,517,508	862,691	625,606	578,382	480,635	323,772	349,303
Property, Plant & Equipment	709,399	613,820	381,820	315,161	280,022	306,311	312,772	304,570	265,539	259,841
Current & Non-Current Assets	1,693,291	2,137,019	1,976,334	1,853,582	1,072,864	816,695	822,276	724,883	608,726	579,686
Current Liabilities	194,450	170,140	179,806	228,042	122,665	96,420	121,588	105,473	138,871	69,395
Non Current Liabilities	136,216	124,291	112,467	108,033	87,509	94,669	122,307	138,775	146,083	160,987
Net Assets	1,362,625	1,842,588	1,684,062	1,517,508	862,691	625,606	578,382	480,635	323,772	349,303
Key Indicators										
Gross Profit to Turnover	%	44.2%	42.3%	42.9%	47.6%	31.8%	39.6%	44.4%	34.8%	38.5%
Net Income to Turnover	%	16.7%	9.1%	9.6%	21.3%	7.0%	11.9%	17.3%	-2.7%	10.5%
Earnings Per Share	Rupees	2.92	1.70	1.64	7.02	2.53	1.03	1.61	-0.21	0.78
Price Earnings Ratio	Times	54.3	36.4	30.5	6.52	40.2	55	16	8	18
Market Value per share as at 31st December	Rupees	158.50	62.00	50.00	45.80	101.75	27.40	16.00	13.30	14.40
Return on Equity	%	20.3%	8.7%	9.2%	43.8%	27.75%	7.52%	16.84%	-6.07%	21.13%
Net Assets per share	Rupees	14.4	19.5	17.8	16.04	9.12	6.61	5.08	3.42	3.69
No. of Shares in Issue	Nos	94,632,904	94,632,904	94,632,904	94,632,904	94,632,904	94,632,904	94,632,904	94,632,904	94,632,904

Notes:

- 1) In Year 2004, a Loan of Euro 1,000,000 obtained from GK was converted to 11,768,000 shares.
- 2) In year 2009, further 7,587,452 shares were issued by capitalising the Euro loan due to GK.
- 3) In year 2010, BGL reduced its stated capital to Rs.80,074,201 by setting off the accumulated losses as at 31/12/2009 of Rs.467,067,988 against the stated capital of Rs.547,142,189 without affecting the number of shares in issue.
- 4) In year 2016, the Company made a bonus issue to shareholders at the rate of 1:1 by way of capitalising a sum of Rs.22,000,000 of its retained earnings.

INVESTOR INFORMATION

TOP 20 SHAREHOLDERS LIST AS AT 31.12.2025

	NAME	NO. OF SHARES	%
01	GRAPHIT KROPF MUHL GMBH	81,820,805	86.46
02	SECRETARY TO THE TREASURY	509,000	0.54
03	ASSETLINE FINANCE LIMITED/C.DISSANAYAKE	179,000	0.19
04	SEYLAN BANK PLC/ANUJA CHAMILA JAYASINGHE	133,158	0.14
05	MR. ATTARAGAMA RAJAGURUWATTE WALAUWE SHARALA BANDARA RANAWANA	125,067	0.13
06	MR. MANAMPERIGE CHAMINDA PUSHPAKUMARA	120,415	0.13
07	HATTON NATIONAL BANK PLC/RAMARAJ KUHAN	120,063	0.13
08	MR. TOSHIYA UEDA	120,000	0.13
09	DR. ABEYSINGHE MUDIYANSELAGE ARUNA DHARMA SRI ABEYSINGHE	107,814	0.11
10	DIALOG FINANCE PLC/S.A.DE SILVA AND D.R.DE SILVA	103,261	0.11
11	MR. MOHOMMAD RIYAL MOHOMMAD SIMSAN	91,387	0.10
12	MRS. RAHEL JASMIN DE SILVA	90,900	0.10
13	MR. INTHIKAHB MOHAMMED WAZEER	89,000	0.09
14	HATTON NATIONAL BANK PLC/SENDANAYAKE ARACHCHIGE SURANGA PRASATH PERERA	85,750	0.09
15	MR. MOHAMED HISHAM HANIFFA	83,300	0.09
16	MR. DARANAKUMBURALAGE SHALIKA RANGAJITH DARANAKUMBURA	79,800	0.08
17	MR. LASANTHA PRADEEP WICKRAMASOORIYA	78,676	0.08
18	SENKADAGALA FINANCE PLC/R.M.S.P.R.BANDARA	78,332	0.08
19	HATTON NATIONAL BANK PLC/ANUJA CHAMILA JAYASINGHE	75,862	0.08
20	MR. VEMINDRA KUMARA SANGAKKARA	75,333	0.08

SHARES HELD BY DIRECTORS AS AT 31.12.2025

	NAME	NO. OF SHARES	%
01	AMILA PRASANNA JAYASINGHE	-	-
02	MIRIAM CORALIE PIETERSZ	-	-
03	ARACHCHIGE SUGATH ROHITHA AMARASINGHE	-	-
04	AVERIL LUDOWYKE	-	-
05	THOMAS ALOIS JUNKER	-	-
06	ULLA NEUNZERT	-	-
07	SHIVAN COOREY	-	-

SHARES NOT TAKEN INTO ACCOUNT TO COMPUTE PUBLIC HOLDING

	NAME	NO. OF SHARES	%
01	GRAPHIT KROPF MUHL GMBH	81,820,805	86.46
	TOTAL	81,820,805	86.46

Percentage of public holding as at 31.12.2025 was at 13.54%

13.54

Total no. of shareholders	11,500
Total no. of shareholders who hold the public holding %	11,499
Total no. of shares issued	94,632,904
Market capitalisation of LKR	14,999,315,284
Float adjusted market capitalisation of LKR	2,030,907,289

In terms of the rule 7.13.1(b) of the Listing Rules of the Colombo Stock Exchange, the Company qualifies under option Two of the minimum public holding requirement.

INVESTOR INFORMATION

As at 31st December 2025

Shareholders' Distribution Schedule

Range of Shareholdings	Residents			Non-Residents			Total		
	No. of Share holders	No. of Shares	%	No. of Share holders	No. of Shares	%	No. of Share holders	No. of Shares	%
1-1,000	9,969	3,137,727	3.32	20	6,327	0.01	9,989	3,144,054	3.32
1,001-5,000	1,153	2,717,608	2.87	4	10,200	0.01	1,157	2,727,808	2.88
5,001-10,000	191	1,457,884	1.54	5	32,256	0.03	196	1,490,140	1.57
10,001-50,000	130	2,676,175	2.83	2	45,000	0.05	132	2,721,175	2.88
50,001-100,000	15	1,120,244	1.18	1	90,900	0.10	16	1,211,144	1.28
100,001-500,000	7	888,778	0.94	1	120,000	0.13	8	1,008,778	1.07
500,001-1,000,000	1	509,000	0.54	-	-	0.00	1	509,000	0.54
Over 1,000,000	-	-	0.00	1	81,820,805	86.46	1	81,820,805	86.46
Total	11,466	12,507,416	13.22	34	82,125,488	86.78	11,500	94,632,904	100.00

Categories of Shareholders	No. of Share holders	No. of shares	%
Individuals	11,340	10,545,348	11.14
Institutions	160	84,087,556	88.86
Total	11,500	94,632,904	100.00

Share-trading details for the year 2025

Highest Market Price (11-11-2025)	LKR	197.00
Lowest Market Price (08-04-2025)	LKR	50.00
Market Price as at 31st December 2025	LKR	158.50
Traded Share Volume		34,790,029
Number of Trades		51,742
Trading Turnover		3,467,239,539

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting of the Company will be held at 2.30 p.m. on Thursday the 2nd April 2026 at the Ceylon Chamber of Commerce Auditorium at No. 50, Navam Mawatha, Colombo 02 and via audio-visual technology (hybrid meeting) for the following purposes:

AGENDA

1. To receive and consider the Annual Report of the Board together with the Financial Statements of the Company for the year ended 31st December 2025 together with the Auditors' Report thereon.
2. To re-appoint KPMG, Chartered Accountants, 32 A, Sir Mohamed Macan Markar Mawatha, Colombo 03 as the Auditors of the Company until the next Annual General Meeting at a remuneration to be agreed upon with them by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st December 2026.
3. To authorise the Directors to determine contributions to charities for the ensuing year.

Note:

Any member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his/her stead and a form of proxy is sent herewith for this purpose. A proxy need not be a member of the Company.

A completed form of proxy must be deposited at the Registered Office of the Company, Bogala Mines, 71041, Aruggammana not less than 48 hours before the time appointed for the holding of the meeting.

By Order of the Board

CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries

BOGALA GRAPHITE LANKA PLC

Colombo, on this 6th day of March 2026



FORM OF PROXY

*I/We
..... Of.....
.....

Being a shareholder/shareholder of Bogala Graphite Lanka PLC do hereby appoint

- 1. Ms. M.C. Pietersz or failing her,
- 2. Mr. T.A. Junker or failing him,
- 3. Mr. A.P. Jayasinghe or failing him,
- 4. Mr. M.S.J.D. Coorey or failing him,
- 5. Ms. A.A. Ludowyke or failing her
- 6. Ms. U. Neunzert or failing her,
- 7. Mr. A.S.R. Amarasinghe or failing him,

..... of
.....

as *my/our Proxy to attend and vote/speak at the Annual General Meeting of the Company to be held on 2nd April 2026 at 2.30 p.m held and at any adjournment thereof.

	For	Against	Abstain
1. To receive and consider the Annual Report of the Board and the Financial Statements of the Company For the financial year ended 31 st December 2025 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-appoint KPMG as the auditors of the Company and to audit the financial statements for the ensuing year and authorize the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To authorize the Directors to determine contributions to charities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2026

.....
Signature/s

Note: Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy after filling in legibly your full name, address and signing in the space provided. Please fill in the date of signature.
2. Please return the completed Form of Proxy to the Company after crossing out one or the other of the alternative words indicated by the asterisks on the body of the Form and by indicating with an 'X' in the space provided against each resolution, the manner in which you wish your vote to be cast.
3. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy, who need not be a member, to attend and vote instead of him.
4. In the case of a Corporate Member, the Form must be completed under its Common Seal, or signed by its attorney or by an officer on behalf of the corporation. The Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer.
5. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy, in the manner prescribed by the Articles of Association.
6. The completed Form of Proxy should be deposited at the Registered Office of the Company, Bogala Mines, 71041, Aruggammana not less than forty-eight (48) hours before the appointed time for meeting.
7. If there is any doubt as to the manner in which the proxy should vote by reason of the manner in which the instructions in 2 above have been carried out, the proxy holder will vote as she/he thinks fit.
8. A shareholder appointing a proxy (other than a director of the Company) to attend the meeting should indicate the proxy holder's National Identity Card (NIC) number on the Form of Proxy and should instruct the proxy holder to bring his/her National Identity Card to the Meeting.

CORPORATE INFORMATION

Name of the Company

Bogala Graphite Lanka PLC

Legal Form

A Public Quoted Company with Limited Liability
Incorporated in Sri Lanka 1991

Company Registration Number

PQ 218

Board of Directors

Ms. M. C. Pietersz (Chairperson) - NED
Mr. T. A. Junker (Deputy Chairperson) - NED
Mr. A. P. Jayasinghe (CEO/MD) - ED
Mr. A. S. R. Amarasinghe (CFO/FD) - ED
Ms. U. Neunzert - NED
Ms. A. A. Ludowyke - INED
Mr. M. S. J. D. Coorey - INED

Audit Committee

Ms. A. A. Ludowyke (Chairperson) - INED
Mr. M. S. J. D. Coorey - INED
Mr. T. A. Junker - NED

Related Party Transaction Review Committee

Mr. M. S. J. D. Coorey (Chairperson) - INED
Ms. A. A. Ludowyke - INED
Mr. T. A. Junker - NED
Mr. A. P. Jayasinghe - ED

Remuneration Committee

Mr. M. S. J. D. Coorey (Chairperson) - INED
Ms. A. A. Ludowyke - INED
Mr. T. A. Junker - NED
Ms. M. C. Pietersz - NED

Nomination & Governance Committee

Ms. A. A. Ludowyke (Chairperson) - INED
Mr. M. S. J. D. Coorey - INED
Mr. T. A. Junker - NED
Ms. M. C. Pietersz - NED

Banker

The Hongkong and Shanghai Banking Corporation
Peoples Bank

NED- Non-Executive Director

INED- Independent NED

ED- Executive Director

Auditors

Messrs KPMG, Chartered Accountants
32A, Sir Mohammed Macan Markar Mw. Colombo 3

Internal Auditors

B. R. De Silva & Company Chartered Accountants
22/4, Vijaya Kumaranathunga Mawatha, Colombo 5

Secretaries

Corporate Services (Private) Limited
216, De Saram Place, Colombo 10
Sri Lanka
Tel: +94112669771
Fax: +94114718220
Email: csl@fjgdesaram.com

Lawyers

F J & G De Saram
216 De Saram Place, Colombo 10
Sri Lanka
Tel: +94114605100
Fax: +94112669769
Email: fjgdesaram@fjgdesaram.com

Registered Office

Bogala Mines, 71041
Aruggammana, Sri Lanka
Email: info@gk-graphite.lk

Corporate Website

www.gk-graphite.lk

Parent Company

Graphit Kropfmuhl GmbH

Management Committee

Saliya Gunasekera	General Manager
Chaminda Ekanayake	AGM (Underground)
Anura Liyanage	AGM (Processing)
Ms. Devika Kumari	AGM (Finance)
Kithsiri Muhandiram	AGM (HR & Admin)/ Sales Manager
Ruwan Jayakody	Manager IT
Nalin Samantha	Manager Processing
Kithsiri Palandagama	Senior Mine Geologist/ Manager Mine Services
Hemantha Jayasinghe	Manager Stores Administration and Public Relations



Bogala Graphite Lanka PLC

Bogala Mines

71041 Aruggammana

Sri Lanka

Phone +94 774401295

info@gk-graphite.lk

www.gk-graphite.lk

