

JF PACKAGING LIMITED

PROSPECTUS INITIAL PUBLIC OFFERING



**INNOVATING
FLEXIBLE
PACKAGING
FOR A
SUSTAINABLE**

FUTURE



With 35+ years of innovation and global certifications (FSC 22000, ISO 22000, ISO 45001), JF Packaging is one of Sri Lanka's leading flexible packaging manufacturers—trusted by recognized multinationals and top FMCG brands for quality, safety, and sustainability.





OUR BRAND PROMISE

To deliver packaging excellence that is sustainably engineered and globally certified. Defined by green innovation and circular economy principles, we empower clients to meet sustainability goals without compromising on performance or aesthetics.



OUR PORTFOLIO AT A GLANCE

- **A Comprehensive Range of Materials:**

Co-extruded films, high-barrier laminates, shrink sleeves, pouches, alu-lids, PET bottles, adhesive tapes, plastic accessories and paper packaging

- **Sustainably Engineered:**

Solvent-less laminators, bio-based heat generators, compostable plastics, post consumer recycle (PCR) packaging

- **End-to-End Operations:**

R&D, advanced QA labs, certified food grade packaging partnerships



UNPACKING OUR STRENGTHS

WHAT SETS US APART FROM THE REST

- **Integrated & Diversified Portfolio:**

End-to-end packaging solutions including flexible packaging, injection & blow moulding, tapes, and paper-based products

- **Advanced Manufacturing & R&D:**

State-of-the-art facilities, in-house QA labs, and qualified R&D teams

- **Sustainability & Innovation:**

Eco-friendly, recyclable, biodegradable, and PCR packaging backed by strong CSR and environmental initiatives

- **Recognition & Leadership:**

Highly awarded packaging company in Sri Lanka, with accolades from World Packaging Organization (WPO), Asian Packaging Federation (APF), and Sri Lanka Institute of Packaging

JF PACKAGING LIMITED

PROSPECTUS

INITIAL PUBLIC OFFERING



Initial Public Offer through an Offer for Subscription
for 51,724,144 New Ordinary Voting Shares of JF Packaging Limited
at an Issue Price of LKR 11.60 per share

To be listed on the Main Board of the Colombo Stock Exchange

ISSUE OPENS ON OCTOBER 30, 2025

Financial Advisor and Manager to the Issue



HNB Investment Bank (Pvt) Ltd
53, Dharmapala Mawatha, Colombo 3



INITIAL PUBLIC OFFER THROUGH AN OFFER FOR SUBSCRIPTION OF 51,724,144 NEW ORDINARY VOTING SHARES AT LKR 11.60 PER SHARE

All Applicants (both resident and foreign) should indicate in the Application for Shares, their National Identity Card (NIC) number or the company registration number or passport number as the case may be. Individual Resident Applicants should indicate their passport number only if the Applicant does not have an NIC number.

As per the Directive of the Securities and Exchange Commission (SEC) made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System (Private) Limited (CDS) dated November 30, 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the allotment of Shares under this Offer, the allotted Shares would be credited to the Applicant's CDS account so indicated. Please note that **SHARE CERTIFICATES WILL NOT BE ISSUED**. Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of the Issue Closing date or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment will be made.

You can open a CDS account through any Trading Participant of the Colombo Stock Exchange (CSE) as set out in Annexure B or through any Custodian Banks as set out in Annexure C of this Prospectus. You can also open a CDS account through the 'CSE Mobile APP'. The CSE Mobile Application can be downloaded from the Apple Store (for Apple IOS users) or the Google Play Store (for google Android Users).

THIS PROSPECTUS IS DATED SEPTEMBER 20, 2025

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. However, if there are any material changes in the affairs of the Company from the date of this Prospectus, till the Company's Shares are listed, such material changes will be duly disclosed via a market announcement to the Colombo Stock Exchange ("CSE").

If you are in doubt regarding the contents of this document or if you require any advice in this regard, you should consult your Stockbroker, Bank Manager, Lawyer or any other professional advisor.

The Colombo Stock Exchange has taken reasonable care to ensure full and fair disclosure of the information in this Prospectus. However, the CSE assumes no responsibility for any omission of information or for the accuracy of the statements made, opinions expressed, or reports included in the Prospectus. Moreover, the CSE does not regulate the pricing of the shares, which is decided solely by the Company/Issuer. In the unlikely instance of any inconsistencies between content herein and the relevant provisions in the CSE Listing Rules, the CSE Listing Rules shall prevail.

This Prospectus has been prepared from information provided by JF Packaging Limited (hereinafter referred to as "JFP" or "the Company") and its Directors and/or from publicly available sources. The Company and its Directors having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of the Company have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions, in their best judgement, that are considered to be reasonable at the present point in time.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of information, prospective applicants are advised to carefully read this Prospectus and rely on their own examination and assessment of the Company including the risks involved prior to making any investment decision.

No person is authorized to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

REGISTRATION OF THE PROSPECTUS

A copy of this Prospectus has been delivered to the Registrar General of Companies in Sri Lanka for registration in accordance with the provisions contained in the Companies Act No. 07 of 2007. The following documents were also attached to the copy of the Prospectus delivered to the Registrar General of Companies.

○ **The written consent of the Financial Advisor and Manager to the Issue**

The Financial Advisor and Manager to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Financial Advisor and Manager to the Issue and for the inclusion of the Research Report in the form in which it is included in the Prospectus.

○ **The written consent of the Registrars to the Issue**

The Registrars to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Registrars to the Issue in the Prospectus.

○ **The written consent of the Company Secretary**

The Company Secretary has given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Company Secretary in the Prospectus.

○ **The written consent of the Auditors and Reporting Accountants to the Company**

The Auditors and Reporting Accountants to the Company have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Auditors and Reporting Accountants to the Company and for the inclusion of their report/statements in the form and context in which it is included in the Prospectus.

○ **The written consent of the Lawyers to the Issue**

The Lawyers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Lawyers to the Issue in the Prospectus.

○ **The written consent of the Bankers to the Issue**

The Bankers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their names as Bankers to the Issue in the Prospectus.

○ **The declaration by the Directors**

A declaration made by each of the Directors of the Company in terms of the Companies Act No. 07 of 2007 confirming that each of them have read the provisions of the Companies Act and the CSE Listing Rules relating to the issue of the Prospectus and that those provisions have been complied with.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-resident applicants may be affected by the laws of the jurisdictions of their residence. Such applicants are responsible for complying with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

Representation

No person is authorized to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

Forward Looking Statements

Any statements included in this Prospectus that are not statements of historical fact constitute “Forward Looking Statements”. These can be identified by the use of forward-looking terms such as “expect”, “anticipate”, “intend”, “may”, “plan to”, “believe”, “could” and other similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward-Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company’s ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry; and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results; and changes to performance or achievements expressed or implied by Forward Looking Statements contained herein. Forward Looking Statements are also based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking Statements in this Prospectus, applicants are advised not to place sole reliance on such statements.

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective applicants, see “Investment Considerations and Associated Risks” in Section 5.12 of this Prospectus.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to “LKR”, “Rupees”, and “Rs.” are references to the lawful currency of Sri Lanka. Reference to “USD” is with reference to United States Dollars, the official currency of the United States of America.

Certain numerical figures in the Prospectus have been subject to rounding adjustments; accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Presentation of Macroeconomic and Industry Data

Economic and industry data used throughout this Prospectus are derived from the Central Bank of Sri Lanka and various other industry data sources, which the Company believes to be reliable, but the accuracy and completeness of that information is not guaranteed. Similarly, industry surveys and other publications, while believed to be reliable, have not been independently verified and neither the Company nor the Financial Advisor and Manager to the Issue make any representation as to the accuracy of such information.

TABLE OF CONTENTS

	ISSUE AT A GLANCE	
1.0	CORPORATE INFORMATION	14
2.0	RELEVANT PARTIES TO THE ISSUE	16
3.0	DETAILS OF THE OFFERING	17
3.1	The Offering.....	17
3.2	Nature of the new Ordinary Voting Shares.....	17
3.3	Size of the Issue	17
3.4	Share Issue Price.....	17
3.4.1	Quantitative Factors.....	18
3.4.2	Qualitative Factors	20
3.5	Purpose of Listing & Objectives of the Issue.....	20
3.6	Listing and Compliance with the SEC Act and Listing Rules	23
3.7	Cost of the Offering	24
3.8	Brokerage	24
3.9	Minimum Subscription and Underwriting	24
3.10	Opening of the Subscription List and Closure Date	25
3.11	Inspection of Documents	25
4.0	PROCEDURE FOR APPLICATION	26
4.1	Eligible Applicants.....	26
4.2	The Procedure for Application.....	26
4.2.1	How to Apply	26
4.2.2	Number of Shares Applied.....	30
4.2.3	Identification information.....	30
4.2.4	Key Responsibility of a Non-Resident Applicant	31
4.2.5	Margin Trading.....	31
4.2.6	Applications made under Power of Attorney.....	31
4.2.7	Joint Applications.....	31
4.2.8	Submission of Applications.....	32
4.3	Payment of Application Monies.....	32
4.3.1	Mode of Remittance.....	32
4.3.2	Cheques or Bank Drafts – Resident Sri Lankan Applicants	33
4.3.3	Bank Guarantees – Resident Sri Lankan Applicants	33
4.3.4	CEFT / SLIPS Transfers – Resident Sri Lankan Investors.....	34
4.3.5	RTGS Transfers – Resident Sri Lankan Investors.....	34
4.3.6	Payment Options for CSE Mobile APP or CDS Web Portal Applicants	34
4.3.7	Amount Payable and Other Payment Conditions.....	35
4.3.8	Foreign Currency Remittances.....	35
4.3.9	Restrictions Applicable to Foreign Citizens Resident in Sri Lanka	37
4.4	Rejection of Applications	37
4.5	Banking of Payments	38
4.6	Returning of Monies on Rejected Applications.....	38
4.7	Basis of Allotment.....	38

4.8	Refunds on Applications.....	39
4.9	Successful Applicants and CDS Lodgement.....	40
4.10	Declaration to the CSE and Secondary Market Trading.....	40
5.0	BUSINESS OPERATIONS OF JF PACKAGING LIMITED	41
5.1	Overview of JF Packaging limited (Group).....	41
5.2	Evolution of JF Packaging Limited (Group).....	42
5.3	About JF Packaging Limited.....	42
5.3.1	Design, Testing and Quality Assurance	43
5.3.2	Sustainability and Innovation.....	43
5.4	Subsidiaries.....	44
5.4.1	JF Ventures Limited.....	44
5.4.2	Kiffs (Pvt) Limited.....	44
5.4.3	Ceylon Tapes (Pvt) Limited.....	44
5.4.4	Alliance Five (Pvt) Limited.....	45
5.5	Key Financial Highlights of the Group.....	46
5.6	Human Resources	46
5.7	Future Business Plans	48
5.8	Key Milestones.....	50
5.9	Details of Key Equipment and Machinery.....	52
5.10	Awards and Accolades.....	54
5.11	Certifications.....	56
5.12	Investment Considerations and Associated Risks.....	58
5.12.1	Risks related to Macro-economic Factors.....	58
5.12.2	Risks related to the Industry.....	58
5.12.3	Risks related to Operations.....	59
5.12.4	Risks related to the IPO.....	59
6.0	CAPITAL STRUCTURE.....	60
6.1	An overview of the Capital Structure.....	60
6.2	Shareholding Structure Pre and Post IPO	60
6.3	Details of Transfer of Shares.....	60
6.4	Details of Repurchase and Redemption of Shares by the Company.....	60
6.5	Free Transferability of Shares.....	61
6.6	Details Pertaining to the Locked -in-Shares – Pre and Post IPO.....	62
7.0	CORPORATE STRUCTURE.....	63
7.1	Board of Directors	63
7.2	Profiles of the Board of Directors.....	63
7.3	Other Directorships Held by the Board of Directors.....	66
7.4	Directors' Interest in Shares.....	69
7.5	Sale or Purchase of Shares by the Directors.....	69
7.6	Directors' Emoluments	70
7.7	Directors' Interest in Assets.....	70
7.8	Directors' Interest in Material Contracts	70
7.9	Statement – Board of Directors.....	70

7.10	Corporate Governance Practices	70
7.10.1	Audit Committee.....	71
7.10.2	Related Party Transactions Review Committee.....	71
7.10.3	Remuneration Committee.....	72
7.10.4	Nominations and Governance Committee.....	72
7.11	Corporate Management	73
7.11.1	Corporate Management Emoluments	74
7.11.2	Statement – Chief Executive Officer.....	74
8.0	OTHER INFORMATION	75
8.1	Degree of Dependence on Customers or Suppliers.....	75
8.2	Dividends.....	75
8.2.1	Dividend Policy	75
8.2.2	Dividend History.....	75
8.3	Details of Convertible Debt Securities.....	75
8.4	Working Capital.....	75
8.5	Management Agreements.....	75
8.6	Material Contracts.....	75
8.7	Litigation, Disputes and Contingent Liabilities.....	76
8.8	Takeover Offers.....	76
8.9	Details of Employees and Labour Unions.....	76
8.10	Details of Commissions Paid	76
8.11	Details of Benefits Paid to Promoters	76
8.12	Details of Transactions Relating to Property.....	76
8.13	Corporate Taxation.....	76
8.14	Other Financial Information.....	77
9.0	STATUTORY DECLARATIONS	78
9.1	Declaration by the Directors	78
9.2	Declaration by the Company	79
9.3	Declaration by the Financial Advisors and Managers to the Issue.....	79
10.0	ABBREVIATIONS	80
11.0	GLOSSARY	81
ANNEXURE A – RESEARCH REPORT PUBLISHED TO ASCERTAIN THE VALUE OF ORDINARY VOTING SHARES OF JF PACKAGING LIMITED		83
ANNEXURE B – COLLECTION POINTS.....		127
ANNEXURE C – CUSTODIAN BANKS		133
ANNEXURE D – ACCOUNTANT’S REPORT AND FIVE-YEAR SUMMARY		135
ANNEXURE E – AUDITED FINANCIAL STATEMENTS		148
ANNEXURE F – INTERIM FINANCIAL STATEMENTS		200

LIST OF TABLES

3.1	Details of the Offer for Subscription.....	17
3.2	Valuation Summary for JF Packaging Limited.....	18
3.3	Earnings Per Share (EPS) and Return on Equity (ROE).....	18
3.4	Peer Multiples.....	19
3.5	Peer Accounting Ratios.....	19
3.6	Details of Selected Term Loans.....	20
3.7	Details of Selected Import Loans.....	21
3.8	Summary of Objectives of the Issue.....	21
3.9	Estimated Financial Impact from Settlement of Outstanding Debt for JFP (Company).....	22
4.1	Information to be Provided by a Prospective Applicant.....	30
4.2	Basis of Allotment.....	38
5.1	Shareholding Structure of JF Packaging Limited.....	41
5.2	Key Financial Highlights of the Group.....	46
5.3	Employee Headcount of the Group.....	46
5.4	List of Key Equipment And Machinery.....	52
6.1	Stated Capital of JF Packaging Limited.....	60
6.2	Shareholding Structure- Pre and Post IPO.....	60
6.3	Transfer of Shares in the Company within the Last 12 Months.....	60
6.4	Shares Locked in – Pre IPO.....	62
6.5	Shares Locked in – Post IPO.....	62
6.6	Shareholders – Ordinary Voting Shares – Pre IPO.....	62
7.1	Details of the Board of Directors of JF Packaging Limited.....	63
7.2	Other Directorships.....	66
7.3	Transfer of Shares in the Company within the Last 12 months.....	70
7.4	Audit Committee.....	71
7.5	Related Party Transactions Review Committee.....	71
7.6	Remuneration Committee.....	72
7.7	Nominations and Governance Committee.....	72
8.1	Dividend History.....	75
8.2	Tax Rates Applicable for the Company and its Subsidiaries.....	76
8.3	Reasons for Variances in Audited Financial Results – JFP (Group).....	77

LIST OF FIGURES

5.1	Group Structure of JFP.....	41
5.2	Products Manufactured by JF Packaging Limited.....	42
5.3	Products Manufactured by Kiffs (Pvt) Limited	44
5.4	Products Manufactured by Ceylon Tapes (Pvt) Limited.....	45
5.5	Products Manufactured by Alliance Five (Pvt) Limited.....	45
5.6	Products Manufactured by Iceman Paper Products and Iceman Paper Tubes.....	48
5.7	Key Milestones of the Company.....	50
5.8	8 Colour Roto Gravure Printing Machine	53
5.9	Huafeng Roto Gravure Printing Machine.....	53
5.10	Solvent Based Laminating Machine	54
5.11	Center Seal and Four Side Seal Bag Making Machine.....	54
5.12	3 Nos of Slitter Machines are Used for Slitting Jumbo Reels	54
5.13	Combi Plaster Film Laminating Machine.....	54
5.14	Awards and Accolades Received by JFP.....	55
5.15	Certifications Received by JFP Group.....	56

ISSUE AT A GLANCE

Company	JF Packaging Limited
Number and Type of Securities to be Offered	51,724,144 new Ordinary Voting Shares of the Company via an Offer for Subscription.
Share Issue Price	LKR 11.60 per Ordinary Voting Share
Amount to be Raised	LKR 600,000,070.40
Minimum Subscription per Application	Minimum subscription per Application is 1,000 Shares (LKR 11,600/-). Applications exceeding the minimum subscription should be in multiples of 100 Shares. Each successful Application shall receive the minimum subscription.
Issue Opening Date	October 30, 2025
Issue Closing Date	November 19, 2025 or the day on which the Issue becomes oversubscribed, whichever is earlier. Refer Section 3.10 of this Prospectus for further details.
Earliest Closing Date	October 30, 2025 (Issue Opening Date)
Basis of Allotment	The basis of allotment is detailed in Section 4.7 of this Prospectus
CSE Listing	To be listed on the Main Board of the CSE subject to compliance with the CSE Listing Rules, SEC Act and Companies Act (as applicable). In the event the Company is unable to meet the requirements to be listed on the Main Board, the shares will be listed on the Diri Savi Board.

1.0 CORPORATE INFORMATION

Company	JF Packaging Limited (registered as J.F. Packaging Limited)	
Registered Office	98, Sri Sangaraja Mawatha Colombo 10, Sri Lanka Tel: +94 11 2233214 Email: info@jfpackaging.lk Web: https://jfpackaging.lk/	
Legal Form	A Limited Liability Company Incorporated in Sri Lanka on June 18, 2004 under the Companies Act No. 17 of 1982 and re-registered on September 15, 2008 under the Companies Act No. 07 of 2007. The Company was converted to a Public Company on March 29, 2019.	
Company Registration Number (as a Public Company)	PV252PB	
Company Secretary	Corporate Managers & Secretaries (Private) Limited 8-5/2, Leyden Bastian Road, York Arcade Building Colombo 01, Sri Lanka Tel: +94 11 2344485	
Auditors and Reporting Accountants to the Company	KPMG Sri Lanka (Chartered Accountants) 32, Sir Mohamed Macan Markar Mawatha Colombo 03, Sri Lanka Tel: +94 11 5426426	
Board of Directors	Mr. S.D.R. Arudpragasam	Chairman Non-Executive Director
	Mr. K.P. David	Managing Director Executive Director
	Mr. A. Rajaratnam	Director Non-Executive Director
	Mr. A. Hettiarachchy	Director Non-Executive Director
	Mr. P.S. Goonewardene	Director Non-Executive Director
	Mr. K.G. Punchihewa	Director Independent / Non-Executive Director
	Mr. S.B. Perera	Director Independent / Non-Executive Director

Bankers to the Company	<p>Bank of Ceylon BOC Square 01, Bank of Ceylon Mawatha Colombo 01</p>
	<p>Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha Colombo 10</p>
	<p>Commercial Bank of Ceylon PLC 21, Sir Razik Fareed Mawatha Colombo 01</p>
	<p>DFCC Bank PLC 73/5, Galle Road Colombo 03</p>
	<p>Nations Trust Bank PLC Millennium House 46/58, Nawam Mawatha Colombo 02</p>
	<p>Seylan Bank PLC Seylan Towers, 90, Galle Road Colombo 03</p>
	<p>Sampath Bank PLC 110, Sir James Peiris Mawatha Colombo 02</p>
	<p>Amana Bank PLC 486, Galle Road Colombo 03</p>

2.0 RELEVANT PARTIES TO THE ISSUE

Financial Advisor and Manager to the Issue	HNB Investment Bank (Pvt) Ltd 53, Dharmapala Mawatha Colombo 03, Sri Lanka Tel: +94 11 2206206
Lawyers to the Issue	Julius & Creasy Julius & Creasy Building 371, R.A de Mel Mawatha Colombo 3, Sri Lanka Telephone: +94 11 2422601
Auditors and Reporting Accountants to the Issue	KPMG Sri Lanka (Chartered Accountants) 32, Sir Mohamed Macan Markar Mawatha Colombo 03, Sri Lanka Tel: +94 11 5426426
Registrars to the Issue	SSP Corporate Services (Private) Limited 101, Inner Flower Road Colombo 03, Sri Lanka Tel: +94 11 2573894
Bankers to the Issue	Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha Colombo 10 Tel: +94 11 2462462

3.0 DETAILS OF THE OFFERING

3.1 The Offering

The Issue contemplated herein shall constitute an invitation made to the general public to purchase Fifty One million Seven hundred and Twenty Four thousand One hundred and Forty Four (51,724,144) New Ordinary Voting Shares of the Company at the Share Issue Price of Sri Lankan Rupees Eleven and Cents Sixty (LKR 11.60) per share. The said shares shall be issued for Cash Only.

Table 3.1 – Details of the Offer for Subscription

Number of Shares	51,724,144
Percentage on offer ¹	30.05%
Issue Size	LKR 600,000,070.40
Price per Share	LKR 11.60

3.2 Nature of the New Ordinary Voting Shares

The Offered Shares shall, upon allotment, rank equal and *pari passu* in all respects with the existing Ordinary Shares of the Company and each New Share shall confer on the holder thereof the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in any dividend that may be paid by the Company after the allotment of the Offered Shares and the right to an equal share in the distribution of the surplus assets of the Company in a liquidation.

3.3 Size of the Issue

If fully subscribed, the Issue would raise Rupees Six Hundred million and Seventy and Cents Forty (LKR 600,000,070.40)

3.4 Share Issue Price

The Share Issue Price for Ordinary Voting Shares will be Sri Lankan Rupees Eleven and Cents Sixty (LKR 11.60) per share. The Board of Directors of JF Packaging Limited is of the opinion that the Share Issue Price is fair and reasonable to the Company and to all existing shareholders of the Company in terms of the Companies Act.

The Share Issue Price was determined by the Company in consultation with the Managers and Financial Advisors to the Issue, HNB Investment Bank (Pvt) Ltd, in accordance with the Research Report prepared by the Managers and Financial Advisors to the Issue, in line with Rule 3.1.4 (c) of the CSE Listing Rules. A copy of the Research Report is enclosed as Annexure A of this Prospectus.

The Net Asset Value (“NAV”) per share as per audited financial statements as at March, 31, 2025 is LKR 9.27.

Given below is the summary of the valuation based on the methods used for the purposes of arriving at the value of the Shares as detailed in the Research Report enclosed as Annexure A of this Prospectus;

¹ Percentage on offer = No of new shares to be issued (51,724,144) / Total no of shares post IPO (172,130,944)

Table 3.2 – Valuation Summary for JF Packaging Limited

Valuation Method	Value per Share based on pre-IPO shares in issue (LKR)	Value per Share based on post-IPO shares in issue (LKR)	Discount compared to Issue Price*
Discounted Cash Flow Method	26.35	18.43	37.1%
Forward P/E Method	20.62	14.42	19.6%
EV/ EBITDA Method	20.99	14.68	21.0%
Average	22.65	15.84	26.8%

* Compared to value per share based on post-IPO number of shares in issue

The IPO price is at a 26.8% discount to the average fair value per share (based on the post-IPO number of shares in issue) determined based on the valuation methodologies described above. This discount has been provided for the IPO investors to be given a potential upside on their investment.

The NAV per share was LKR 9.27 as at March 31, 2025 based on the audited financial statements of the Company and the Ordinary Voting Share Issue Price is 1.25 times the net asset value.

Applicants should read the following summary with the risk factors included under Section 5.12 of this Prospectus and the details of the Company and its financial statements included in this Prospectus.

3.4.1 Quantitative Factors

The following quantitative aspects were also taken into consideration;

Table 3.3 – Earnings Per Share (EPS) and Return on Equity (ROE)

For the Period Ended		Basic EPS* adjusted for the Subdivision of Shares (LKR) **	Return on Equity***	P/E adjusted for the Subdivision of Shares (x)
March 31, 2023		7.56	126.19%	1.53
March 31, 2024		0.60	8.64%	19.46
March 31, 2025		1.08	11.70%	10.69
3 Year Average		3.08	48.84%	3.76
3 months ended, June 30, 2025	- As per Unaudited Financial Statements, Not Annualised	0.02	0.19%	650.54
	- As per Unaudited Financial Statements, Annualised	0.07	0.77%	162.64

* Earnings Per Share = Net profit attributable to equity shareholders/Weighted average number of equity shares outstanding during the year or period

** A sub division of shares was carried out on February 10, 2025 in the ratio of 1:100, and the EPS has been adjusted for the same

*** Return on Equity = Net profit after tax/ Net profit attributable to equity shareholders as at the end of the year or period

**** Annualized ROE has been calculated by using the net asset value as at June 30, 2025 and the annualised profit after tax for the 3 months to June 30, 2025

***** Diluted Earnings per Share is not applicable

Price Earnings Ratio (P/E)

The P/E in relation to the Ordinary Voting Share Issue Price of LKR 11.60;

- Based on the basic EPS of LKR 1.08 for the FY ended March 31, 2025, the P/E is 10.69(X).
- Based on the average basic EPS of LKR 3.08 (adjusted for sub-division of shares) for the last three (03) financial years, the P/E is 3.76(X).
- Based on the annualised basic EPS of LKR 0.07 for the three (3) months ended June 30, the P/E is 162.64(X).

The P/E range of the industry peers listed on the CSE is as given below;

Table 3.4 – Peer Multiples

As at June 12, 2025	Name of the Peer Company	P/E (X) *
Highest	EX-Pack Corrugated Cartons PLC	10.81
Lowest**	Printcare PLC	n.m
	ACME Printing & Packaging PLC	n.m
Industry Composite***		10.81

Source – Colombo Stock Exchange

Sector Classification – Materials

n.m - not meaningful

* P/E ratios have been calculated by using closing share prices as at June 13, 2025 and Earnings Per Share for the FY ended March 31, 2025

** Printcare PLC's and ACME Printing & Packaging PLC's P/E ratios have been considered not meaningful due to losses incurred during the period

*** Industry Composite P/E ratio has been calculated by averaging out the P/E ratios of selected peers listed in the table under the below heading of "Peer Entity Accounting Ratios". Negative P/E ratios have been excluded from the industry composite as Outliers

Net Asset Value (NAV)

The Net Asset Value per share was;

- LKR 9.27, based on the audited financial statements as at March 31, 2025.
- LKR 9.30, based on the interim financial statements for the three (3) months ended June 30, 2025.
- LKR 9.97 post IPO.
- The Issue Price is LKR 11.60 per Share.

Net Asset Value per Share = Net Asset Value as at specified date / no. of shares outstanding

Peer Entity Accounting Ratios

A peer company comparison of the quantitative factors discussed above using market data as at June 13, 2025 and the audited financial statements for the 12 months period ended March 31, 2025 is provided below;

Table 3.5 – Peer Accounting Ratios

Peer Company	Net Asset Value per Share (LKR)	Earnings per Share (EPS)	P/E	Return on Equity
ACME Printing & Packaging PLC	(5.46)	(4.27)	n.m	n.m
Ex-Pack Corrugated Cartons PLC	10.30	1.36	10.81	13.2%
Printcare PLC	81.23	(5.54)	n.m	(6.8%)

Source – Colombo Stock Exchange

Sector Classification – Materials

n.m - not meaningful

Among the companies listed on the CSE, ACME Printing & Packaging PLC ("ACME") can be considered the closest comparable peer for JFP in terms of its business operations, product offerings and market space. However, as ACME has been facing financial losses over the past two years, and cannot be relied on solely for the purpose of benchmarking JFP, the above three companies which operate in the packaging space in Sri Lanka have been selected as the closest comparable peers listed on the CSE for JFP.

3.4.2 Qualitative Factors

The following qualitative factors were also considered by the Company when arriving at the Share Issue Price;

- Strong customer base and long-lasting relationships** – Since its inception the Company has strived to cultivate robust long term customer relationships by delivering superior solutions in a timely manner without compromising on quality. Their commitment to deliver financially viable solutions to both the Company and its customers have garnered them some of the largest clients in the food industry including Nestle, Unilever and Prima.
- Focus on sustainability and innovation** – The Company continuously strives to develop new and innovative packaging solutions to keep pace with modern trends and market requirements, as well as consumer safety and wellbeing. The Company has responded to the growing demand for sustainable packaging solutions through a variety of measures including bio-based plastics and post-consumer recycled (PCR) polythene and laminates.
- Multi award winning packaging company in Sri Lanka** – The Company won 14 awards at the 2022 Lanka Star Awards organized by the Sri Lanka Institute of Packaging. In the global stage, JFP has won three World Star Awards in 2019 including the President’s Award, and World Star Awards for Food Packaging in 2021 and 2025 organized by the World Packaging Organization, and the Asia Star Award for the Consumer Package in 2024 organized by the Asian Packaging Federation.

3.5 Purpose of Listing & Objectives of the Issue

The proceeds from the IPO will be utilised for the purposes mentioned below;

- (i) Settlement of debt relating to specific term loans** – LKR 439,464,493 will be utilised to settle selected term loans obtained from Bank of Ceylon, Nations Trust Bank PLC and Siyapatha Finance PLC. These loans will be repaid as indicated below. The details of the loans are;

Table 3.6 – Details of Selected Term Loans

Loan Ref.	Period Granted	Purpose of obtaining loan	Capital Outstanding (LKR)*	Interest Rate	Amount to be settled via IPO funds (LKR)	Expected settlement Period
Bank of Ceylon 83080582	Aug 2018	To settle hypothecation loans	34,747,314	AWPLR+2.0%	34,747,314	Immediately Post- IPO
Bank of Ceylon 87323197	Mar 2021	To reschedule term loans	112,484,197	AWPLR+2.0%	112,484,197	Immediately Post- IPO
Bank of Ceylon 80204645	Dec 2016	To purchase machinery	20,971,442	AWPLR+1.5%	20,971,442	Immediately Post- IPO
Bank of Ceylon 79608472	Dec 2016	To settle short term loans	38,894,000	AWPLR+1.5%	38,894,000	Immediately Post- IPO
Bank of Ceylon 89468508	Aug 2022	To reschedule term loans	128,126,850	AWPLR+1.0%	128,126,850	Immediately Post- IPO
Nations Trust Bank PLC 700060044883	Jan 2024	To settle import loans	83,243,256	AWPLR+1.25%	83,243,256	Immediately Post- IPO
Siyapatha Finance PLC 400109000002	Sep 2023	Converted a cheque discounting facility to a term loan	20,997,434	AWPLR+2.0%	20,997,434	Immediately Post- IPO
Total			439,464,493		439,464,493	

* Capital outstanding as at August 31, 2025

(ii) **Partial settlement of revolving import loans** – LKR 160,535,577 will be utilised to partially settle outstanding import loans obtained from the Bank of Ceylon. These loans will be repaid as indicated below. The details of the loans are;

Table 3.7 – Details of Selected Import Loans

Loan Ref.	Period Granted	Purpose of obtaining loan	Capital Outstanding (LKR)*	Interest Rate	Amount to be settled via IPO funds (LKR)	Expected settlement Period
Bank of Ceylon – Import Loans	n/a ²	For working capital	602,336,019	AWPLR+1% to AWPLR+2%	160,535,577	Immediately Post- IPO
Total			602,336,019		160,535,577	

* Capital outstanding as at August 31, 2025

Bank of Ceylon – Import Loans (hypothecation loans) are short-term revolving credit facilities used to finance working capital requirements. The proceeds from the IPO will be used to partially settle the outstanding balance of the Bank of Ceylon – Hypothecation loans as of the settlement date ranking from the overdue settlement to the closest of the falling due dates². The balance remaining from the import loans will be settled through operational cashflows.

Summary of Objectives of the Issue

Table 3.8 – Summary of Objectives of the Issue

Objective	Amount to be utilised (LKR)	Expected Settlement
Settlement of Term Loans	439,464,493	Immediately Post- IPO
Settlement of Import Loans	160,535,577	Immediately Post- IPO
Total	600,000,070	

It is anticipated that the funds will be utilised immediately upon receipt of IPO proceeds. In the event there is a delay in utilisation, the funds will not be invested but held in the Current Accounts opened for the purpose of the IPO transaction, until utilisation.

Until the IPO proceeds are received, the Company will continue to service, its monthly loan instalments, using internally generated funds. As a result, the term loan balance of LKR 439,464,493 outstanding as at August 31, 2025 may gradually decrease until IPO proceeds are received. Accordingly, the allocation of IPO proceeds towards settling import loans will increase by an equivalent amount to the reduction in term loans.

² Capital outstanding as at August 31, 2025 includes over 100 short term revolving credit facilities. Some of these facilities will be settled prior to the IPO, and further facilities maybe obtained between the Prospectus Date and IPO. Due to the dynamic nature of these arrangements a definitive date of issue and date of settlement cannot be disclosed with herein

The above loans were identified for repayment based on the size, maturity period and the high interest rates attached to the loans. Utilizing the IPO proceeds to settle these loans is expected to significantly strengthen the Company's balance sheet by reducing its overall debt burden. Settling the above loans is anticipated to reduce the Company's annual finance costs substantially. These reductions are expected to enhance shareholder returns in the short to medium term.

Table 3.9 – Estimated Financial Impact from Settlement of Outstanding Debt for JFP (Company)

	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Debt/Equity (x)	0.3	0.2	0.2	0.2
Interest Coverage Ratio (x)	2.5	4.2	5.1	6.2
Current Ratio (x)	1.4	1.8	2.2	2.7
Finance Cost (LKR Mn)	129.9	100.5	100.5	100.5
Net Profit after Tax (LKR Mn)	134.3	223.6	291.0	368.3

The deleveraging will enhance financial stability, and bolster the Company's cashflows enabling its ability to service other long-term borrowings more efficiently. It will ultimately support the Company's long-term expansion plans by providing a stronger financial foundation for capital investments, operational enhancements, and market expansion opportunities.

There is no minimum level of subscription to be raised with regard to meeting any of the objectives mentioned above. In the event the required proceeds are not raised, the Company will meet the funding requirements through internally generated funds.

JFP does not require to obtain approval from any other regulator other than CSE for the Issue and no other approvals are required with regard to the objectives of the Issue. The funds raised through the IPO will not be utilised for any related party transactions and the objectives mentioned above will not amount to a major transaction according to Section 185 of the Companies Act No.07 of 2007.

In addition, the listing will enable JFP to expand its shareholder base while meeting the CSE's Public Holding requirements. This will enhance the Company's corporate standing, strengthen governance and transparency, and support long-term sustainability.

Benefits to the IPO Investors from the Objectives of the Issue

With the implementation of the objectives of the Issue mentioned above, the IPO investors as well as the existing shareholders would benefit through the anticipated savings in finance expenses, overall enhancement in net profit after tax, stronger balance sheet position and stronger financial foundation for capital investments and long-term expansion.

Risks associated with Objectives of the Issue

Not being able to settle the loans on the due dates will result in non-performing loans by the Company which can cause limitations on further borrowing and cash flow management. It can cause further repercussions in terms of reputational damage and access to future funding for the Company.

However, in the event the offer is not fully subscribed, the Company will meet the obligations through internally generated funds. In the event that the Company is unable to meet the said obligations through internal cashflows, the Company will arrange alternative funding methods to bridge the shortfalls, and disclose such alternate arrangements through adequate market disclosures.

Continuous Disclosure regarding status of utilisation of funds raised via IPO

IPO Proceeds Utilisation as at dd-mm-yyyy

Objective as per Prospectus	Amount Allocated as per Prospectus in LKR	Proposed Date of Utilisation as per Prospectus	Amount Allocated from Proceeds in LKR (A)	% of Total Proceeds	Amounts Utilised in Rs. (B)	% of Utilisation Against Allocation (B/A)	Clarification if not fully utilised including where the funds are invested (eg: whether lent to related party/s etc)

In the event the funds raised through the Initial Public Offering have been fully utilized by the Listed Entity as disclosed in the Prospectus and/or Circular to shareholders between two financial periods, the Entity shall disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first.

3.6 Listing and Compliance with the SEC Act and Listing Rules

The Issue herein contemplated comprises of an issue of up to Fifty One million Seven hundred and Twenty Four thousand One hundred and Forty Four (51,724,144) new Ordinary Shares of the Company at a Share Issue Price of Rupees Eleven and Cents Sixty (LKR 11.60) per share to raise a total sum of Rupees Six Hundred million and Seventy and Cents Forty (LKR 600,000,070.40).

If the Total Issue is fully subscribed, the New Shares will amount to approximately 30.05% of the Ordinary Shares of the Company subsequent to the IPO.

An Application has been made to and approved in principle by the CSE for permission to deal in and for a listing of up to One Hundred and Seventy Two Million One Hundred and Thirty Thousand Nine Hundred and Forty Four (172,130,944) Ordinary Voting Shares being the entirety of the Shares constituting the Stated Capital of the Company resulting after the Offer for Subscription. However, the CSE reserves the right to withdraw such approval granted for the listing of the Shares mentioned above, in the circumstances set out in Rule 2.3(b) of the Listing Rules of the CSE.

Furthermore, JF Packaging Limited has obtained the requisite approval from CSE for the IPO. The Company has lodged a copy of the Prospectus with the CSE in terms of the CSE Listing rules and Section 82 of the SEC Act.

It is expected that the Company will meet the minimum Stated Capital requirement as set out in Rule 2.1.2 (A) (i) (a) and the minimum Public Holding requirement set out in Rule 2.1.2 (A) (i) (c) of the CSE Listing Rules on the completion of the Offer upon which the listing of the entire Ordinary Shares of the Company will take place on the Main Board of the CSE. However, in the event JFP is unable to meet the requirements of Rule 2.1.2 (A) (i) (a) and (c) of the CSE Listing Rules as mentioned above, upon closure of the Issue, the Company would alternatively opt for a listing on the Diri Savi Board of the CSE, subject to meeting the minimum public holding requirement set out in Rule 2.1.2 (A) (ii) (c) of the CSE Listing Rules.

The minimum public holding requirement for the Main Board stipulates that, if the Float Adjusted Market Capitalization of the Company is less than LKR 2.5 Bn, 20% of the total number of shares for which a listing is sought should be in the hands of a minimum number of 500 public shareholders, while the public holding percentage should be 10%, 7.5% or 5% if the Float Adjusted Market Capitalization of the Company is LKR 2.5 Bn, LKR 5 Bn or LKR 7.5 Bn, respectively. If the Float Adjusted Market Capitalization of the Company is LKR 10 Bn or more, there is no minimum public holding percentage. With regard to the above requirements the total number of shares for which a listing is sought should be in the hands of a minimum number of 500 public shareholders.

The minimum public holding requirement for the Diri Savi Board stipulates that, if the Float Adjusted Market Capitalization of the Company is less than LKR 1 Bn, 10% of the total number of shares for which a listing is sought should be in the hands of a minimum number of 200 public shareholders, while the minimum public holding percentage should be 7.5% if the Float Adjusted Market Capitalization of the Company is a minimum of LKR 1 Bn. With regard to the above requirements the total number of shares for which a listing is sought should be in the hands of a minimum number of 200 public shareholders.

In the event JFP is unable to meet the requirement of Rule 2.1.2 (A) (ii)(c), the Ordinary Voting Shares of the Company will not be listed on the CSE. In such an event the subscription amounts will be returned to the Applicants.

It should be noted that the aforesaid public holding requirements would be calculated by considering all Shares that are freely tradable, on the Date of Listing. The shares mentioned in Section 6.6 will be locked in to be in compliance with CSE Listing Rules 2.1.1(d) and will not be available for trading.

3.7 Cost of the Offering

The total costs associated with the Offering are estimated to be approximately LKR 30 Mn translating to approx. 5.0% of the total Issue Value. These include all direct costs and expenses associated with the Issue, inclusive of but not limited to, the initial listing fees to the CSE; management/advisory fees payable to the Financial Advisor and Manager to the Issue; brokerage commission; fees for the registrar function; legal, consultancy and accountancy fees; advertising, promotional and printing costs. The costs will be met utilizing internal funds of the Company.

3.8 Brokerage

Brokerage at the rate of zero decimal five per centum (0.5%) of the value of the Shares will be paid in respect of the number of New Shares allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a Trading Participant of the CSE or HNB Investment Bank or any other intermediary appointed by the Company involved in the placement of the Issue.

3.9 Minimum Subscription and Underwriting

There is no minimum amount required to be raised in this Issue and the Company has not entered into any underwriting arrangements in respect of this Issue.

In the event the Total Issue is undersubscribed, the subscribers shall be allotted the New Shares they have applied for in full (subject to JFP meeting the necessary criteria for listing on the Main Board or Diri Savi Board subsequent to the IPO), and the Company will evaluate alternative financing options including internally generated funds together with funds raised via the IPO to meet the objective of the Issue set out in Section 3.5 herein.

3.10 Opening of the Subscription List and Closure Date

The Subscription List for the Shares will open at 9.00 a.m. on October 30, 2025 and shall, subject to the occurrence of the events in the following paragraph, remain open for fourteen (14) Market Days (including the date of opening) until closure at 4.30 p.m. on November 19, 2025 ("Issue Period").

However, in the event of an oversubscription, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE. Accordingly, the Earliest Issue Closing Date shall be the Issue Opening Date (i.e. October 30, 2025).

The Board of JFP reserves the right to close the subscription list on any Market Day within the period of fourteen (14) Market Days, irrespective of whether the Issue is oversubscribed or not, by providing one (01) Market Day's prior notice to the CSE.

Applications may be made forthwith in the manner set out in Section 4 of this Prospectus.

3.11 Inspection of Documents

The Articles of Association, Auditor's Reports and Audited Financial Statements for the five (05) financial years ended March 31, 2025 (i.e the five (05) financial years immediately preceding the date of this Prospectus), Interim Financial Statements for the three (3) months ended June 30, 2025 Accountants Report and Summary Financial Statements for the five (05) years immediately preceding the date of the Prospectus (i.e five (05) financial years to March 31, 2025), the Research Report by the Managers to the Issue, material contracts and management agreements (if any), will be made available for inspection by the public during normal working hours at the Registered Office of the Company, 98, Sri Sangaraja Mawatha, Colombo 10, Sri Lanka for a period not less than fourteen (14) Market Days as per Rule 3.1.19(a) of the CSE Listing Rules.

The Prospectus, Application Form, Articles of Association of the Company and Audited Financial Statements of the Company will be available on the website of the CSE (www.cse.lk), on the website of the Company (<https://www.jfpackaging.lk>), and on the websites of the Managers to the Issue (www.hnbib.lk) for a period of not less than fourteen (14) Market Days as stipulated in Rule 3.1.19(b) of the CSE Listing Rules.

The Research Report prepared by HNB Investment Bank (Pvt) Ltd, the Financial Advisors and Managers to the Issue, justifying the share issue price, will be available on the website of the CSE (www.cse.lk), on the Company website (www.jfpackaging.lk), and on the websites of the Managers to the Issue (www.hnbib.lk) from the date hereof, for a period not less than two (02) months as stipulated in Rule 3.1.19(c) of the CSE Listing Rules.

4.0 PROCEDURE FOR APPLICATION

4.1 Eligible Applicants

Applications are invited from the following categories of persons, **having a Valid Account in the Central Depository System (Private) Limited (CDS Account)**:

- i. Citizens of Sri Lanka who are Resident in Sri Lanka and above 18 years of age; or
- ii. Citizens of Sri Lanka who are Resident outside Sri Lanka and above 18 years of age; or
- iii. Companies, corporations or institutions incorporated or established within Sri Lanka; or
- iv. Corporate bodies incorporated or established outside Sri Lanka; or
- v. Approved unit trusts licensed by the SEC; or
- vi. Approved provident funds and contributory pension schemes registered/incorporated/ established in Sri Lanka (in this case, Applications should be in the name of the Trustee/Board of Management); or
- vii. Foreign citizens above 18 years of age (irrespective of whether they are Resident in Sri Lanka or overseas); or
- viii. Global, regional and country funds approved by the SEC.

Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies** will be rejected.

Applications submitted by investors mentioned in (ii), (iv), (vii) and (viii) should be in accordance with the provisions of Foreign Exchange Act No.12 of 2017 and any regulations and/or directions issued thereunder.

Applications submitted under the Unit Trust Applicant Category should conform to the criteria defined by the SEC Directive dated June 06, 2011 (Ref: SEC/LEG/11/06/01).

Eligible Applicants may fall into one of the following categories.

- Retail Individual Applicant Category
- Unit Trust Applicant Category
- Non-Retail Applicant Category

Please refer Section 4.2.1 for the definitions of the aforementioned categories.

4.2 The Procedure for Application

Applicants applying for the Shares should submit their applications in the manner set out in this Prospectus.

4.2.1 How to Apply

Availability of Prospectus and Application Form

Applicants applying for New Shares should submit their Applications in the manner set out below as applicable to you.

i. Via Physical Delivery

The Prospectus and Application Form will be made available free of charge from the collection points listed in Annexure B. The Prospectus and the Application Form can also be downloaded from **www.cse.lk**, **www.jfpackaging.lk**, and the website of the Managers to the Issue **www.hnbib.lk**. Please refer Section 4.2.8 for submission of Application Forms. Applicants must download the Application Form, print and submit same together with relevant supporting documents via physical delivery.

Applicants must apply for the New Shares through the Application Form, which constitutes part of this Prospectus. The Application Form should be legibly completed and be received by the Registrars to the Issue.

ii. Via CSE Mobile App

Applicants who register with the CSE Mobile App should follow the instructions set out in the said Mobile App and submit their Applications as per the instructions. Submission of digital Application Forms through such CSE Mobile App is limited to both citizens of Sri Lanka who are Resident in or outside Sri Lanka and are above 18 years of age and, foreign citizens above 18 years of age (irrespective of whether they are Resident in Sri Lanka or overseas) only.

The Mobile App, currently, does not facilitate Applications made through Powers of Attorney ("POA"), Margin Trading, Joint Applicants and the categories referred to in Section 4.1 sub-sections iii, iv, v, vi and viii to apply. Therefore, such Applicants may send their Applications physically as disclosed above.

Please note that the Applicants who wish to use the integrated Helakurusuper Payment App platform through the CSE Mobile App should have the 'Helakurusuper' Mobile App installed in their mobile devices. Please refer Section 4.3.6 for more details on Helakurusuper Mobile App.

iii. CDS Web Portal

The Applicant can use the online Application Web Portal accessible via <https://ipo.cse.lk/> or www.cds.lk or <https://www.linkedin.com/company/cds-srilanka>. Only Resident and non-Resident individual Applicants who have a valid CDS Account at the time of Application can apply via the CDS Web Portal.

This option is not permitted for Applicants applying via POA, Margin Trading, Joint Applicants, Corporate Bodies and Unit Trusts.

The Applicant must comply with the instructions given on the Web Portal when submitting the online Application.

Users must first register for the Web Portal and read the instructions given on the Web Portal carefully and click on "Apply Now" option. Users will be directed to a page to self-register and create a login by validating their mobile number and email address. Once the user logs-in to the Web Portal the Application can be completed and submitted via the CDS Web Portal. **Any Application submitted without a valid CDS account will be rejected.**

iv. CDS eConnect

Institutional users (CDS Account types of Local Customer and Foreign Customer) who are registered to the CDS eConnect facility are allowed to apply for the IPO through their registered CDS eConnect.

Registered eConnect Institutional users (Applicant categories iii, iv, v, vi, viii mentioned in Section 4.1 Eligible Applicants), have an option for "eIPOs" within their eConnect facility, through which they are enabled to select the relevant IPO and apply.

APPLICANTS SHOULD APPLY ONLY THROUGH ONE APPLICANT CATEGORY (INCLUDING JOINT APPLICANTS AND MARGIN APPLICANTS) AND WOULD BE PERMITTED TO SUBMIT ONLY ONE APPLICATION FORM. TWO OR MORE APPLICATIONS SUBMITTED BY THE SAME APPLICANT, EITHER UNDER THE SAME CATEGORY OR DIFFERENT CATEGORY WILL BE CONSTRUED AS MULTIPLE APPLICATIONS AND WILL BE REJECTED.

Retail Individual and Non-Retail Applicant Category

'Retail Individual Applicant' as defined by the CSE Listing Rules, shall mean, an individual Applicant who subscribes for a maximum of 8,600 shares amounting to a value of not more than LKR 100,000 in a particular share class, whichever is higher.

Applicants falling under the **Retail Individual and Non-Retail Applicant Categories** should apply for the Shares on the **WHITE coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available from the collection points listed in Annex B and can also be downloaded from www.cse.lk, www.jfpackaging.lk and www.hnbib.lk.

Exact size copies of the Application form printed on **WHITE coloured** paper as specified herein will also be permissible under the Retail Individual and Non-Retail Applicant Categories. The completed Application Forms should be submitted to the Registrars to the Issue in terms of Section 4.2.8 of this Prospectus.

Local and Foreign Investor/s who apply for value of not more than LKR 100,000/- (i.e. upto 8,600 Shares) will be categorised as Retail Individual Investors for share allotment purposes.

All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration number (as applicable) is stated in the relevant cages of the Application Form.

Unit Trust Applicant Category

'Unit Trust Applicant' as defined by the CSE Listing Rules, shall mean, growth or balanced unit trusts operated by managing companies licensed by the SEC, where such unit trusts comprise of not less than 500 unit holders resident in Sri Lanka who together hold at least 50% of that fund as per the Direction issued by the SEC (Ref: SEC/LEG/11/03/36 of 10 March 2011).

Applicants applying under the **Unit Trust Applicant Category** must apply for the Shares using the separate **YELLOW coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available through the Managers to the Issue, HNB Investment Bank (Pvt) Ltd, 53, Dharmapala Mawatha, Colombo 3. Exact size copies of the Application form printed on **YELLOW coloured** paper as specified herein will also be permissible under the Unit Trust Applicant Category. The completed Application Forms should be submitted directly to the Managers to the Issue who will forward the same to the Registrars to the Issue.

Only one Application should be made by an Applicant under the **Unit Trust Category**.

Applications submitted under the Unit Trust Applicant Category should submit a confirmation by the trustee confirming that such unit trust is in conformity with the criteria defined by the SEC Directive dated June 06, 2011 (Ref: SEC/Leg/11/06/01).

Applications under the Unit Trust Applicant category should submit their Application Forms to the Managers to the Issue in terms of Section 4.2.8.

Joint Applications

An Applicant of a Joint Application, applying through another Application Form is deemed to have made multiple Applications and will be rejected.

An Applicant who has made an Application under a margin trading account should not apply individually or jointly on a separate Application Form. Such Applications will also be construed as multiple Applications and will be rejected.

Subject to the above, the Company/Managers/Registrars to the Issue reserve the right to reject multiple Applications and suspected multiple Applications which are not allowed or to accept only one Application Form at their discretion.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, for whatsoever reason.

Please note that Applicant information such as full name, address, NIC number/passport number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information shall take precedence over information provided in the Application Form.

The CDS account number stated on the application you submit should be registered under your name. Kindly contact your stockbroker if you are in doubt about the CDS account number. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts will be rejected.

Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

All Applicants (both resident and foreign) should indicate their respective NIC number or Company Registration number or Passport Number, as the case may be, in the Application Form. Individual Resident Applicants should indicate their Passport number in the Application Form only if they do not have an NIC Number.

As per the Directive of the SEC made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the CDS dated November 30, 2010, all Shares allotted must be directly uploaded to the CDS Accounts. As such, all Applicants should indicate their CDS Account number in the Application Form. Applicants who do not have a CDS Account are advised to open a valid CDS Account prior to submitting the Application, to facilitate the uploading of allotted Shares to their CDS Account.

Please note that upon the allotment of New Shares under this Issue, the allotted New Shares will be credited to the Applicant's CDS Account so indicated. Please note that **SHARE CERTIFICATES SHALL NOT BE ISSUED.**

Any Application which does not carry a valid CDS Account number or indicates a CDS Account number which is not opened at the time of Issue Closing Date or which indicates an inaccurate/incorrect CDS Account number, shall be rejected and no allotment will be made.

You can open a CDS Account through any Trading Participants of the CSE as set out in Annexure B or through any Custodian Bank as set out in Annexure C of this Prospectus. You can also open a CDS Account through the CSE Mobile App. The CSE Mobile App can be downloaded from the Apple App Store (for Apple IOS users) or the Google Play Store (for Google Android users).

PLEASE NOTE THAT AN ALLOTMENT OF SHARES WILL ONLY BE MADE IF YOU HAVE A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Applicants have the option of having their Shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participant. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

Operation of a 'locked' balance in the CDS

In order to preserve the confidentiality of shareholder information and to ensure that securities are not made available for trading for those shareholders who do not want to trade the securities, the CDS provides a mechanism where securities can be 'locked' in the CDS account.

The CDS maintains two balances for each CDS account, namely a 'trading' balance and a 'locked' balance. The trading balance would be visible to the CDS participant and all dealings and trading would be permitted on the said trading balance, as done normally.

As opposed to the trading balance, the locked balance will not be visible to the CDS participant and all dealings on such locked balance would be suspended thereby maintaining the confidentiality of the information and also safeguarding the account holder from any unauthorised sale by a broker.

At the option and request of an account holder, the CDS would transfer a named quantity of securities from the locked balance to the trading balance of a CDS account and/or from the trading balance to the locked balance.

4.2.2 Number of Shares Applied

Application should be made for a minimum of One Thousand (1,000) Shares, for a value of Sri Lankan Rupees Eleven Thousand Six Hundred (LKR 11,600/-) and in multiples of One Hundred (100) Shares thereof.

The maximum number of Shares that can be applied through one Application under the IPO would be limited to Fifty One million Seven hundred and Twenty Four thousand One hundred and Forty Four (51,724,144) Shares, i.e. the total number of Shares issued under the IPO. Any Applications for over and above 51,724,144 Shares would be either be capped at the maximum of 51,724,144 Shares or rejected at the outset at the discretion of the Board of Directors.

Applications made for less than One Thousand (1,000) Shares or for a number which is not in multiples of One Hundred (100) Shares will be rejected and the accompanying cheques, bank drafts or bank guarantees will not be sent for clearing but be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, the first named Applicant. **The cheque or bank draft or bank guarantee or RTGS/CEFT/SLIPS transfer or payment via the payment gateway provided through the CDS Web Portal/CSE Mobile App should be issued/carried out to the exact value of the number of Shares applied for, multiplied by the Share Issue Price.** Any applications not conforming to the above requirement will be rejected at the outset.

Please refer Section 4.3.1 for details with respect to the mode of remittance.

4.2.3 Identification Information

All Applicants should disclose their identification/registration information by filling in the space provided in the Application Form for this purpose. Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form. The NIC, passport, or company registration number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.

Resident Applicants may use the passport for purposes of identification only if they do not have an NIC number.

Tabulated below is the relevant identification information that a prospective Applicant should provide depending on the legal status:

Table 4.1 – Information to be Provided by a Prospective Applicant

Citizenship/Legal Form	Identification Information			
	NIC Number	Passport Number	Company Registration Number	Common Seal or Rubber Stamp
Sri Lanka Citizens	✓			
Sri Lanka Citizens with no NIC Number*		✓		
Foreign Citizens**		✓		
Corporate Entities***			✓	✓

* In the case of Sri Lankan citizens, the passport number will be accepted only when the NIC number is not available. The CDS account must be for the same passport number

** Foreign citizens must state the passport number in the space provided

*** The company registration number must be provided. The common seal or rubber stamp should be affixed and the Application Form duly signed as stipulated in the constitutional documents of such Applicants

A valid CDS account number must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected. All non-resident Applicants and Corporate Applicants should ensure that the passport number/company registration number and the CDS Identification Number (CDS ID) are stated in the relevant cages of the Application Form. All information about the Applicant (i.e. name, address, nationality and NIC or passport number) will be downloaded from the database of the CDS, based on the number given in the Application Form. In the event of any discrepancy between the information in the CDS and in the Application Form, the information in the CDS shall take precedence.

If the CDS account number is not indicated in the Application Form, or the number indicated in the form is found to be inaccurate/incorrect, or the account number indicated is not opened at the time of closing the Offering, such Applications will be rejected and no allotment of Shares will be made.

4.2.4 Key Responsibility of a Non-Resident Applicant

Non-resident Applicants may be affected by the laws of the jurisdiction of their residence. If non-resident Applicants wish to apply for the Shares, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

4.2.5 Margin Trading

Applicants who wish to apply through their margin trading account should submit the Applications in the name of the "margin provider/applicant's name" signed by the margin provider.

The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in the Application Form. The Shares shall be uploaded to the CDS account indicated in the Application Form.

The NIC, passport, or company registration number of the Applicant as the case may be, must be stated in the Application Form. Resident Applicants may use the passport for purposes of identification, only if they do not have an NIC number.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Details of multiple Applications are available under Section 4.2.1.

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by Applicants through a Margin Trading facility.

4.2.6 Applications made under Power of Attorney

In the case of Applications made under Power of Attorney (POA), a copy of the said POA, **certified by a Notary Public** to be a true copy of the original, should be lodged with the Registrars to the Issue along with the Application Form. **The original POA should not be attached.** If the said POA is not valid or in conformity with the law, the Application will be rejected.

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by a POA.

4.2.7 Joint Applications

If the ownership of the Shares is desired in the name of one Applicant, full details should be given only under the heading, SOLE/FIRST APPLICANT in the Application Forms. In the case of joint Applicants, the signatures and particulars in respects of all Applicants must be given under the relevant headings in the Application Form.

Joint Application Forms are permitted only for natural persons not exceeding three (3) Applicants. Joint Applicants should note that there should not be a combination of residents of Sri Lanka and non-residents. An Applicant of a joint Application shall not apply through a separate Application Form either individually or jointly.

Please note that the CSE Mobile App and CDS Web Portal and CDS eConnect do not facilitate an Application by Joint Applicants.

4.2.8 Submission of Applications

i. Applicants Applying via CSE Mobile App or CDS Web Portal

Application Forms properly and legibly filled in accordance with the instructions thereon, along with the applicable remittance/proof of remittance as applicable (Payment Gateway or CEFT or SLIPS or RTGS) for the full amount payable on Application Form shall be forwarded online as referred to Section 4.2.1.

ii. Applicants applying via Physical Delivery

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance / proof of remittance as applicable (cheque or bank draft or bank guarantee or RTGS transfer only for application valued above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000) for the full amount payable on Application Form may be forwarded by way of delivery (by hand or post) should be enclosed in a sealed envelope marked “**JF Packaging Limited – IPO**” on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the following address **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

SSP Corporate Services (Private) Limited

101, Inner Flower Road,
Colombo 3, Sri Lanka

Applications may also be handed over to the Financial Advisors and Managers to the Issue, Bankers to the Issue and its designated branches, and Trading Participants of the CSE as set out in Annex B **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

In the case of Applications dispatched by courier or post, such Applications should reach the Registrars to the Issue **no later than 4.30 p.m. Local Time on the Market Day immediately following the Issue Closing Date.** Any Applications received after the above deadline shall be rejected even though the courier or post mark is dated prior to the Issue Closing Date.

Applicants applying under the Unit Trust Applicant category should submit their Application Forms directly to the Managers to the Issue.

4.3 Payment of Application Monies

4.3.1 Mode of Remittance

- (a) Payment in full for the total value of Shares applied for should be made separately in respect of each Application either by cheque or bank draft or bank guarantee drawn upon a Licensed Commercial Bank operating in Sri Lanka or RTGS transfer directed through any Licensed Commercial Bank operating in Sri Lanka, as the case may be subject to (b) below. The remittances on Applications will be deposited in a separate bank account in the name of “**JF Packaging Limited – IPO**”.
- (b) The amount payable should be calculated by multiplying the number of Shares applied for under a particular category by the Share Issue Price of LKR 11.60. If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee, the Application will be rejected.
- (c) **Payments for Applications for Shares of a value below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) may be supported by a cheque or bank draft on the Issue Opening Date.** In such instances, Application Forms should be accompanied by only one cheque or bank draft and should be issued for the **full amount** indicated in the Application Form. **Any Application for Shares of a value below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) accompanied by two or more cheques or bank drafts will be rejected at the outset.**

- (d) **Applicants making Applications for Shares of a value above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) will be permitted to submit multiple bank drafts (not cheques) or bank guarantee or single RTGS transfer on the Issue Opening Date.** Such Applicants are required to attach a list to the Application Form giving details of payment, such as the amount of bank draft/bank guarantee, name of bank, name of branch and bank draft number/bank guarantee number.

Applications for Shares of a value above Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) accompanied by multiple bank drafts or multiple bank guarantees will not be rejected.

Please refer Section 4.3.5 with regard to RTGS transfers relating to **CSE Mobile App or CDS Web Portal**.

Cash will not be accepted. Anyone wishing to pay cash should obtain a bank draft from a Licensed Commercial Bank in Sri Lanka.

4.3.2 Cheques or Bank Drafts – Resident Sri Lankan Applicants

Cheques or bank drafts should be drawn on any Licensed Commercial Bank in Sri Lanka and crossed **“Account Payee Only”** and made payable to **“JF Packaging Limited – IPO”**.

Cheques or bank drafts accompanying Application Forms made for less than One Thousand (1,000) Shares, i.e. for a value of less than Sri Lankan Rupees Eleven Thousand Six Hundred (LKR 11,600/-) or for a number which is not in multiples of One Hundred (100) Shares (as mentioned in Section 4.2.2) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, to the first named Applicant.

In the event that cheques are not realized within two (02) Market Days from the date of presenting the same to the bank for clearing, the Directors reserve the right to reject the Applications and return the Application monies. No allocation of Shares will be made to such Applicants.

Applicants residing in outstation areas from which cheque clearance may take over two (02) Market Days are advised to make payment via bank drafts to avoid any delays.

Cheques must be honoured on the first presentation to the bank for the Application to be valid. Applications supported by cheques which are not honoured on first presentation will be rejected.

4.3.3 Bank Guarantees – Resident Sri Lankan Applicants

Applications made by resident Sri Lankan applicants backed by bank guarantees presented in line with the requirements set out in Section 4.3.1 will be accepted. Bank guarantees will be presented to the respective banks only after the New Shares have been allotted.

Bank guarantees as a mode of payment are only applicable for applicants applying via **Physical Delivery**. Bank guarantees should be issued by any Licensed Commercial Bank in Sri Lanka and in favour of **“JF Packaging Limited – IPO”** in a manner acceptable to the Company and payable on demand.

Bank guarantees should be valid for a minimum of one (01) month from the date of opening of the Offering (i.e. October 30, 2025).

Applicants are advised to ensure that sufficient funds/facilities are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

Payments for Applications through bank guarantee would be accepted only for Applications over the value of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-).

4.3.4 CEFT/SLIPS Transfers – Resident Sri Lankan Investors

In case of CEFT/SLIPS transfers (only for Application made via the CSE Mobile App and CDS Web portal) such transfers should be made to the credit of **“JF Packaging Limited – IPO”**, bearing the account number **003010557223 at Hatton National Bank PLC (Bank Code – 7083, Branch Code – 003)** on or before the Issue Closing Date (i.e. the funds to be made available to the above account).

Applicants are required to indicate their CDS Account number or NIC number as payment reference for CEFT/SLIPS transfers. Any Applications accompanying fund transfers confirmations without the payment reference as aforementioned will be rejected.

The Applicants should obtain a confirmation from the Applicant’s bank to the effect that arrangements have been made to transfer payment in full for the total value of New Shares applied for to the credit **“JF Packaging Limited – IPO”**, and the fund transfer confirmation should be submitted with the Application Form.

IMPORTANT: When CEFT, SLIPS transfers are made, ensure to enter the CDS Account number or the NIC number of the Applicant in the ‘Beneficiary Narration/Beneficiary Remark/ Reference/Remark/Comment’ field to identify the payments. If such identification details are not provided, Application will be rejected.

4.3.5 RTGS Transfers – Resident Sri Lankan Investors

In case of RTGS transfers, such transfers should be made to the credit of the following accounts for Applications submitted via;

Physical Delivery – In case of RTGS transfers (only for Applications valued above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), such transfers should be made to the credit of **“JF Packaging Limited – IPO”** bearing the account number **003010557214 at Hatton National Bank PLC (Bank Code – 7083, Branch Code – 003)** with value on the Issue Opening Date (i.e. the funds to be made available to the above account).

CSE Mobile App or CDS Web Portal – Only for Applications valued above and inclusive of Sri Lanka Rupees Five million (LKR 5,000,000/-), such transfers should be made to the credit of **“JF Packaging Limited – IPO”** bearing the account number **003010557223 at Hatton National Bank PLC (Bank Code – 7083, Branch Code – 003)** with value on the Issue Opening Date (i.e. the funds to be made available to the above account).

The Applicants should obtain a confirmation from the Applicant’s bank, to the effect that arrangements have been made to transfer payment in full for the total value of Shares applied for to the credit of **“JF Packaging Limited – IPO”** for physical applications and/or applications submitted via the CSE Mobile App or CDS Web Portal (i.e. the funds to be made available on the Issue Opening Date and fund transfer confirmation should be attached to the Application Form).

IMPORTANT – When RTGS transfers are made, ensure to enter the CDS Account number or the NIC number of the Applicant in the ‘Beneficiary Narration/Beneficiary Remark/ Reference/Remark/Comment’ field to identify the payments. If such identification details are not provided, the Application will get rejected.

4.3.6 Payment Options for CSE Mobile APP or CDS Web Portal Applicants

CSE Mobile App and CDS Web Portal are now integrated with the Helakurusuper Payment App. Only the **LOCAL INDIVIDUAL** Applicants, with applied share values less or equal to LKR 49,900/- will be able to use the Helakurusuper app after completing the Applications on the said eIPO platform.

If the Applicant has already made a payment to the IPO account prior to starting the Application process, such applicants should not select the ‘Helakurusuper’ option. Customer charges of LKR 100/- charged by ‘Helakurusuper’ will apply for such payment and to be borne by the Applicants.

Please note that the Applicants who wish to use the integrated ‘Helakurusuper’ Payment App platform through the CSE Mobile App or CDS Web portal should have the ‘Helakuru’ Mobile App installed in their mobile devices.

Alternatively, Individual applicants who wish to use the payment modes of SLIPS, CEFTS, RTGS transfers must ensure to initiate such transfers prior to making the Application using the CSE Mobile App, in order to attach the proof of payment which is a mandatory requirement in submitting their applications via CSE Mobile App.

IMPORTANT – When CEFT, RTGS or SLIPS transfers are made, please ensure to enter the CDS Account number or the NIC number of the Applicant in the ‘Beneficiary Narration/Beneficiary Remark/ Reference/Remark/ Comment’ field to identify the payments. If such identification details are not provided, the Application will get rejected.

4.3.7 Amount Payable and Other Payment Conditions

The amount payable should be calculated by multiplying the number of New Shares applied for under a particular category by the Share Issue Price of Sri Lanka Rupees Eleven and Sixty Cents (LKR 11.60). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or amount deposited to IPO account via RTGS/CEFT/SLIPS transfer such Applications will be rejected.

CEFT/SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (5,000,000/-) per transfer, as imposed by the CBSL (available only for Applications made via the CSE Mobile App and CDS Web portal).

Payments for Applications via the payment gateway Helakurusuper Payment App available on CSE Mobile App and CDS Web Portal is subject to a maximum value limit of Sri Lanka Rupees Fifty Thousand (LKR 50,000/-). i.e. Maximum Application value of LKR 49,900/- and convenience fee of LKR 100/-.

In the case of cheques, bank drafts, RTGS/CEFT/SLIPS transfer and bank guarantees, Application Forms should be accompanied by only one cheque or bank draft or RTGS/CEFT/SLIPS transfer (single transfer) or bank guarantee and should be issued for the full amount indicated in the Application Form. Any Application for New Shares, accompanied by two or more cheques or bank drafts or RTGS/CEFT/SLIPS transfers or bank guarantees will be rejected at the outset.

Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) will be permitted to submit multiple Bank guarantees issued by Licensed Commercial Banks in Sri Lanka, multiple bank drafts/cheques drawn upon any Licensed Commercial Bank operating in Sri Lanka, or a single RTGS transfer directed through any Licensed Commercial Bank operating in Sri Lanka, each of which should be for values on or before Issue Closing Date.

Cash will not be accepted. Anyone wishing to pay cash should obtain a bank draft from a Licensed Commercial Bank in Sri Lanka

4.3.8 Foreign Currency Remittances

This section is applicable to;

- Citizens of Sri Lanka who are above 18 years of age and resident overseas;
- Corporate bodies incorporated or established outside Sri Lanka;
- Regional or country funds approved by the SEC; and
- Foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age.

The abovementioned Applicants should make their payments using one of the following methods as the case may be.

- (a) A foreign Applicant may invest through a Inward Investment Account (“IIA”) maintained with any Licensed Commercial Bank in Sri Lanka. The procedure for arranging payments through an IIA is presented below;
 - A Foreign Applicant may use the services of a custodian bank as an intermediary when investing in the Sri Lankan securities market;

- The intermediary may open an IIA, on an Applicant's behalf;
- In conjunction with the IIA, an account with the CDS must be opened in case the Applicant does not already have a valid CDS account;
- In respect of regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC;

Applicants Applying via CSE Mobile App, CDS Web Portal or CDS eConnect

Payment for New Shares should be made through a RTGS/CEFT/SLIPS transfer against the funds arranged through the IIA and made payable to **"JF Packaging Limited – IPO"** bearing the account number **003010557223 at Hatton National Bank PLC, Head Office (Bank Code – 7083, Branch Code – 003)** prior to 4.30 p.m. local time on or before the Issue Closing Date. Kindly note that the foreign individual Applicants are NOT eligible to use the payment gateway option. Therefore, they must ensure to initiate the transfers prior to making the Application using an accepted mode of payment.

IMPORTANT – When CEFT, RTGS or SLIPS transfers are made, please ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration /Beneficiary Remark /Reference /Remark /Comment' field to identify the payments. If the payment cannot be identified Application may get rejected.

Applicants Applying via Physical Delivery

- Payment for Shares should be made through a bank draft or bank guarantee issued by a Licensed Commercial Bank in Sri Lanka or through a RTGS (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-) against the funds arranged through the IIA and made payable to **"JF Packaging Limited – IPO"** bearing the account number **003010557214 at Hatton National Bank PLC (Bank Code – 7083, Branch Code – 003)** prior to 4.30 p.m. local time on or before the Issue Closing Date.
- (b) A foreign Applicant may invest through inward remittances of foreign currency held in a Foreign Currency Banking Unit (FCBU) account of the Applicant maintained with any Licenced Commercial Bank in Sri Lanka. The procedure for arranging payments through an FCBU account is presented below;
 - The Applicant should forward the Application Form supported by an unconditional bank guarantee drawn on the Applicant's FCBU account pending allotment of the Offered Shares with confirmation from the LCB that upon notification of the allotment of Shares, the transfer value would be remitted through the Applicant's IIA.
 - Upon allotment of Offered Shares, foreign currency to the extent of the Sri Lanka Rupee equivalent value of Offered Shares allotted would be called on the bank guarantee drawn on the Applicant's FCBU account.
 - The requisite funds would then be credited to an IIA opened in favour of the Applicant via the aforementioned FCBU account. This procedure would protect a prospective Applicant from any losses accruing due to fluctuating exchange rates.

Cheques or bank drafts or bank guarantees or RTGS transfers should be endorsed by the issuing custodian bank, to the effect that, arrangements have been made to facilitate such payment to be made against funds available in the individual's IIA account. The endorsement must be clearly indicated on the cheque or bank draft or the bank guarantee. Alternatively, a document detailing the endorsement could be submitted along with the payment and Application.

Any refund payments to Foreign Applicants are made in terms of Section 4.8 of this Prospectus.

Applications supported by foreign currency remittances should be made in conformity with requisite declarations accompanied by the documentation stipulated by the Controller of Exchange of the Central Bank of Sri Lanka.

4.3.9 Restrictions Applicable to Foreign Citizens Resident in Sri Lanka

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee Accounts, only if they possess dual citizenship where one such citizenship is Sri Lankan. **Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form. In case of an online Application, the certified copy of the citizenship certificate should be uploaded under the relevant field.**

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts or bank guarantees or RTGS transfers drawn upon Sri Lanka Rupee accounts maintained with any Licensed Commercial Bank in Sri Lanka but may do so via an IIA account as detailed in Section 4.3.8 above. **Applications made by foreign citizens not in accordance to the foregoing shall be rejected.**

4.4 Rejection of Applications

- Application Forms which are incomplete in any way and/or are not in accordance with the terms and conditions set out in this Prospectus will be rejected at the absolute discretion of the Company/ Managers/ Registrars to the Issue.
- Any Application Form which does not provide the NIC, passport (where NIC is not available) or company registration number as the case may be, will be rejected.
- Any Application Forms accompanying fund transfers confirmations without the requisite payment references will be rejected.
- Applications delivered by hand or by courier after 4.30 p.m. Local Time on the Issue Closing Date will be rejected. Applications received by courier/post through the collection points after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Issue Closing Date, will also be rejected even if they carry a courier acceptance date/postmark date earlier than the Closing Date.
- Applications made for less than One Thousand (1,000) Shares or for a number which is not in multiple of One Hundred (100) Shares will be rejected.
- An Application which does not carry a CDS account number, or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list (either at the time fixed for closing or on the date on which the Offering is subscribed), or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment of Shares will be made.
- Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.
- Applicants should apply only through one Applicant category and would be permitted to submit only one Application Form. Two or more Applications submitted by the same Applicant either under the same category or different categories will be construed as multiple Applications and will be rejected.
- Application Forms submitted under a respective Applicant category, using the incorrectly coloured Application Forms will be rejected.
- The company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, as mentioned in Section 4.2.1.
- Payment for Applications New Shares of a value below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) accompanying two or more cheques, bank drafts or bank guarantees as mentioned in Section 4.3.1, will be rejected at the outset.
- Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.
- Physical applications accompanying payments made via RTGS in the event the value of such Application is below Sri Lankan Rupees One Hundred million (LKR 100,000,000/-) or by way of CEFT or SLIPS will be rejected.
- Applications signed on behalf of the Applicant by an attorney under a POA that is not valid or in conformity with the applicable law will be rejected.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part for any reason.

4.5 Banking of Payments

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Market Day after the Closure Date of the Subscription List.

4.6 Returning of Monies on Rejected Applications

Where an Application Form is rejected, the cheque or bank draft or bank guarantee received in respect of the Application will be returned via ordinary post at the risk of the Applicant. In the case of Joint Applicants, the cheque or bank draft or bank guarantee received in respect of the Application will be returned to the first named Applicant.

Where the Application Form is accepted and the cheque or bank draft or bank guarantee is not honoured by the bank at the first presentation, the Application will also be rejected and the dishonoured cheque or bank draft or bank guarantee will be returned via ordinary post at the risk of the Applicant. In the case of Joint Applicants, the dishonoured cheque or bank draft or bank guarantee will be returned to the first named Applicant.

4.7 Basis of Allotment

The basis of allotment of shares will be as per the manner prescribed in the CSE Listing Rule 2.1.1 (g) (i) (ii), since the size of the offering is less than LKR 3 billion. The allotment of the Issued Shares will be made to the various categories of Applicants, as set out below:

Table 4.2 – Basis of Allotment

Applicant Category	Percentage of Offer (%)
Unit Trusts *	10%
Retail Individual	40%
Employees and Directors	10%
Non-Retail	40%
	100%

* *Unit Trust Applicants should be growth or balanced unit trusts operated by managing companies licensed by the SEC, where such unit trusts comprise of not less than 500 unit holders resident in Sri Lanka who together hold at least 50% of that fund as per the Direction issued by the SEC (Ref: SEC/LEG/11/03/36 of 10 March 2011). Only one Application should be made under each category*

Applications submitted under the Unit Trust Applicant Category should accompany a confirmation by the trustee confirming that such unit trust is in conformity with the criteria defined by the SEC Directive dated June 06, 2011 (Ref: SEC/Leg/11/06/01) and CSE Listing Rules, 2.1.1(g)(i)(ii)(b).

Local and foreign individual Applicant/s who apply for shares of value not more than LKR 100,000 will be deemed as Retail Individual Applicants for share allotment purposes.

‘Employees and Directors’ shall mean Employees and Directors (both executive and non-executive) of JF Packaging Limited. The basis of allotment for the Employees and Directors Category will be at the discretion of the Board of Directors of the Company.

Applicants who do not fall under the Unit Trust Applicant, Retail Individual Applicant and Employees and Directors Category definition stated above will be deemed as Non-Retail applicants for Share allotment purposes. (All corporate bodies incorporated or established in Sri Lanka or outside Sri Lanka, global, regional or country funds approved by the SEC, shall fall under the Non-Retail category irrespective of the quantum of Shares applied for).

The Applicant categories have been selected to ensure the broadest possible spread of shareholders while treating all Applicants in a fair and equitable manner as may be decided by the Board at its discretion.

In the event of an under-subscription in the Unit Trust Applicant category, the Retail Individual Applicant category will be given first priority followed by Employees and Directors category, in allotment of the undersubscribed shares.

In the event of an under-subscription in the Retail Individual Applicant category, the Unit Trust Investor category shall be given first priority followed by Employees and Directors category, in allotment of the undersubscribed Shares.

In the event of an under-subscription in the Non-Retail Applicant category, Retail Individual Applicant category will be given first priority followed by Unit Trust Applicant category, in the allotment of the undersubscribed Shares.

Redistribution will not apply in the event of an oversubscription or undersubscription in all four categories stated above.

The Board shall reserve the right to allocate up to 80% of the Shares allotted to the Non-Retail Investor Category to identified investors, i.e. institutional, strategic investor/s on a preferential basis, who apply through this category under the IPO.

In the event of an oversubscription, the Board will endeavour to decide the basis of allotment in a fair and equitable manner as soon as practicable so as to ensure compliance with the CSE Listing Rules.

Subject to the above, the Board of Directors of the Company will endeavour to decide and announce to the CSE the basis of allotment as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotment being decided, an announcement will be made to the CSE.

In the event of an over subscription of any one or all four categories mentioned above, the basis of allotment will be decided by the Board of Directors of the Company in a fair and equitable manner.

The successful Applicants will be informed of their allotment within 10 Market Days from the Issue Closing Date.

4.8 Refunds on Applications

Where an Application is accepted only in part or rejected in its entirety subsequent to cheques being realized, the balance/entirety of the monies received on Application as the case may be, will be refunded, such refunds will be made on or before the expiry of eight (08) Market Days from the Closure Date (excluding the Closure Date) as required by the CSE Listing Rules. As required by Section 2.4(l) of the CSE Listing Rules, Applicants would be entitled to receive interest at the rate of last quoted Average Weighted Prime Lending Rate (AWPLR) published during the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event Central Bank of Sri Lanka ceases to publish the AWPLR) plus five per centum (5.00%) for the delayed period on any refunds not made by the expiry of the aforementioned period.

It is the responsibility of Foreign Investors to ensure that their IIA details are accurately provided under 'Refund Payment Instructions' on the Application Form to forward the refund to the IIA through which the Application was made. With regard to applications which have been fully rejected due to any of the reasons specified in this Section 4, neither the Company nor the Registrars to the Issue nor CDS shall be liable for any delay on the refund of monies to the Applicant if the Applicant has paid the Application monies through a direct deposit or a RTGS/CEFT/SLIPS and has not indicated his NIC number or the CDS Account number as the payment reference.

Refund via Sri Lanka Inter-bank Payment Systems (SLIPS)

- The refund payment will be made to the bank account specified by the Applicant through the SLIPS on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules and a payment advice shall be issued to the Applicant provided that the Applicant has submitted accurate and complete details of Applicant's bank account in the Application Form. However, SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (LKR 5,000,000/-) imposed by the CBSL with effect from 29 October 2010, as per Operating Instruction Circular No. 11/2010 dated 25 October 2010.

- In the event of refunds over Rupees Five million (LKR 5,000,000/-), if the Applicant has provided accurate and complete details of his bank account in the Application, refunds will be made via RTGS.
- In the event the refund payment is effected via SLIPS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such refund payments would be made via a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the bank together with the Registrars to the Issue or CDS will send the refund cheques to such Applicants at the earliest possible time and the Applicant should not hold the bank or the Registrars to the Issue or CDS accountable for such delays.

Refunds via Crossed Cheque

- If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a Joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Applicant Forms.

4.9 Successful Applicants and CDS Lodgement

The Shares allotted will be directly uploaded to the respective CDS accounts given in the Application Form before the expiry of twelve (12) Market Days from the Issue Closure Date as requested by the CSE Listing Rules.

A written confirmation, upon the completion of crediting the respective CDS accounts will be sent to the shareholder within Two (02) Market Days of crediting the CDS accounts by ordinary post to the address provided by each shareholder in their respective Applications.

Applicants have the option of having their Shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participant. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

Refer Section 6.6 for the definition of 'locked'.

New Shares shall not be transferable by the shareholders during the period between the date of allotment of the New Shares and up to the date of listing (excluding the date of listing) of the Ordinary Shares on the CSE. Further, the Company shall not allot any Shares of the Company (other than the allotment of the New Shares) or allotment existing Ordinary Voting Shares during the interim period between the date of the Initial Listing Application and the date of Listing of the Shares of the Company.

Upon the Ordinary Shares being listed on the CSE, such Shares shall be freely transferable except for those Shares mentioned in Section 6.6 of this Prospectus, which will be locked-in to be in compliance with CSE Listing Rules 2.1.1(d).

4.10 Declaration to the CSE and Secondary Market Trading

The Company will submit to the CSE a "Declaration" on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the New Shares. Trading of the Ordinary Shares on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

5.0 BUSINESS OPERATIONS OF JF PACKAGING LIMITED

5.1 Overview of JF Packaging Limited (Group)

JF Packaging Limited is a wholly owned subsidiary of Lankem Ceylon PLC (“Lankem”) (CSE:LCEY.N0000). Founded in 1987, the Company traces its roots to a family-owned business established in a small town near Kandy. The Lankem Group acquired 72.5% of JFP in 2015 and acquired the remaining interest in the Company in 2017 making JFP a fully owned subsidiary of Lankem. The shareholding structure of JF Packaging Limited as at March 31, 2025 was as follows:

Table 5.1 – Shareholding Structure of JF Packaging Limited

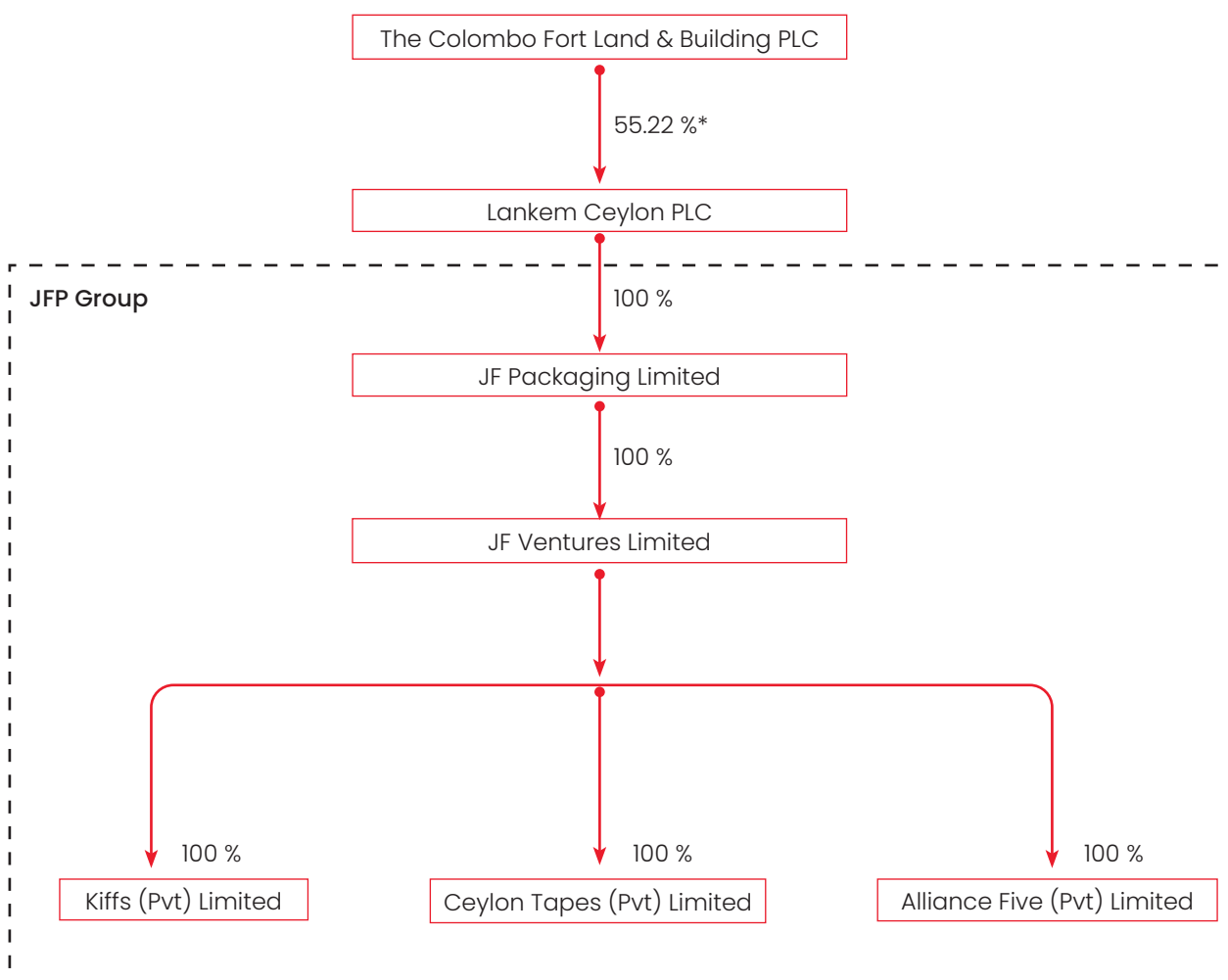
Shareholder	No. of shares*	Percentage of Holding (%)
Lankem Ceylon PLC	120,406,800	100%

* Post share-split

While JFP’s immediate parent company is Lankem Ceylon PLC, its ultimate parent is The Colombo Fort Land and Building PLC (“CFLB”) (CSE: CFLB.N0000), which is the major shareholder of Lankem. Lankem is a listed company with diversified interests in Agri-Inputs, Paints, Chemicals, Packaging, Plantation, Consumer, and Leisure. CFLB is a listed company engaged in real estate, property development, and investment management.

JF Packaging Limited is the parent company to four fully owned subsidiaries; JF Ventures Limited, Kiffs (Pvt) Limited, Ceylon Tapes (Pvt) Limited, and Alliance Five (Pvt) Limited which comprise the JF Packaging Limited Group (“JFP Group”). The group structure of JFP as at March 31, 2025 was as follows:

Figure 5.1 – Group Structure of JFP as at March 31, 2025



* With reference to the audited financial statement of Lankem Ceylon PLC as at March 31, 2025

5.2 Evolution of JF Packaging Limited (Group)

Established as a family business in 1987, the company experienced steady growth before being acquired by Lankem Ceylon PLC in 2015. In 2017 a new management team was appointed to steer the company towards further expansion, by focusing on integrated financial planning, sustainability, and a more structured approach to business growth. Under the new leadership, the company acquired Alliance Five (Pvt) Limited, Kiffs (Pvt) Limited, and Ceylon Tapes (Pvt) Limited. These strategic investments in subsidiaries bolstered the company's financial performance while providing a natural hedge against foreign currency risks, and providing greater financial flexibility to the Group.

Despite encountering challenges such as the Easter Sunday attack, the COVID-19 pandemic, economic instability, and currency depreciation, the company adapted swiftly to these challenges by restructuring its operations, improving efficiencies, and enhancing workforce productivity. The management's focus on innovation, operational excellence, and maintaining high-quality standards led to its widespread industry recognition, with the company being consistently honoured for its packaging achievements. Notably, it has secured a number of prestigious awards from the World Star Packaging Competition in 2019, 2021 and 2025³.

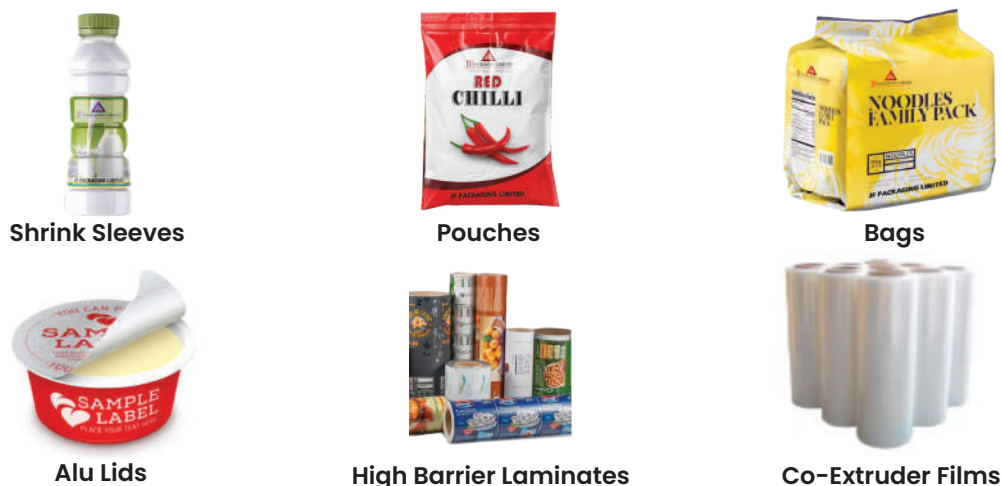
5.3 About JF Packaging Limited

JF Packaging Limited is a leading flexible packaging solutions provider in Sri Lanka. The Company produces three layer co-extruded polymer films with high barrier properties to be used in mainly laminated packaging for both food and non-food segments.

JFP's product portfolio includes:

- 1) **High barrier laminates** – three layer coextruded polymer films with high barrier properties to be used in mainly laminated packaging for both food and non-food segments.
- 2) **Pouches / Bags** – produces a variety of pouches and bags for the food and non food segments with center seal, three side seal, four side seal features and stand up pouches with zipper.
- 3) **Shrink Sleeves** – labels and packaging made from flexible polymer materials that conform perfectly (or shrink) to the contours of the container.
- 4) **Co-extruder films** – high quality polythene films for all in-house requirements of barrier films for flexible packaging.
- 5) **Alu Lids** – Aluminium lids or foil lids used for sealing of various types of containers including food, dairy and confectionary.

Figure 5.2 –Products Manufactured by JF Packaging Limited



³ Winners of World Star Global Packaging Awards 2019 <<https://worldstar.org/winners/worldstar/2019/>> Winners of World Star Global Packaging Awards 2021 <https://worldstar.org/Uploads/2021-06/WinnerGuidePDF5_1623735242.pdf> Winners of World Star Global Packaging Awards 2025 <https://worldstar.org/Uploads/2025-06/WinnerGuidePDF9_1749471562.pdf> Date accessed 16 June 2025

5.3.1 Design, Testing and Quality Assurance

The Company offers a comprehensive range of designing services from concept design to product packaging and marketing to its clients and maintains strict quality assurance and control procedures through its in-house laboratory testing facilities. The in-house laboratory consists of specialized equipment and a specialist R&D team who work independently and very closely with the clients to develop new solutions in keeping with a changing economic environment and industrial trends.

The products are subjected to a thorough quality control program where each product undergoes stringent quality control tests at multiples levels of production. The Company is also subject to periodical quality audits by various independent testing services and external organisations as part of their quality assurance programmes.

JFP has a highly skilled workforce of over 180 employees. It operates a state-of-the-art factory located in Kotugoda (Ekala) Sri Lanka, and adheres to stringent certified standards such as ISO9001:2015, ISO 22000:2018 and HACCP certification, FSSC 22000. Their main customers include some of the largest food and beverage companies in Sri Lanka including Nestle, Unilever, Keells, Cargills, EB Creasy, CW.Makie, CBL Group, Ceylon Agro, Lanka Milk Foods, Laugfs and Perfetti.

5.3.2 Sustainability and Innovation

JFP places great emphasis on delivering world standard packaging solutions while preserving the environment. The company has adopted several eco-friendly processes to its manufacturing operations including:

- 1) A memorandum of understanding (MOU) signed with HOLCIM Lanka Limited (presently INSEE Cement) for the environmentally friendly disposal of waste.
- 2) Use of environmentally friendly solvent less laminators and other environmentally supportive functions to minimise process material waste.
- 3) All the installed printing equipment function as environmental supportive.
- 4) Factory is equipped with Uninterrupted Power Supply (UPS) – protecting products against voltage fluctuations, gauge variations and uncontrolled emission of fumes and waste to the environment due to unexpected power failures and power drops.
- 5) Operators take extra precautionary measures to minimize process material waste, minimize startup time and plan longer production runs to minimize power consumption.

The Company continuously strives to develop and launch, new and innovative packaging solutions to keep pace with modern trends and market requirements, as well as consumer safety and wellbeing. The Company has responded to the growing demand for sustainable packaging solutions through a variety of measures:

- 1) JFP has successfully developed bio-based plastic technology from film blowing to the pouch making process under oxo-biodegradable and compostable biodegradable streams; the benefit of compostable plastic is resulting in a saving of over 30 percent of petrochemical resources and a reduction of carbon dioxide emissions by 40 percent.
- 2) In 2021, the company entered the circular economy with post-consumer recycled (PCR) polythene and laminates. JFP is capable of offering packaging with 70 percent recycled materials. The carbon footprint reduction from this initiative is estimated to be around 80 percent.

5.4 Subsidiaries

5.4.1 JF Ventures Limited

JF Ventures Limited (“JFV”), previously known as Sun Agro Foods Ltd⁴, is a fully owned subsidiary of JFP and functions as the investment holding company for the other subsidiaries; Kiffs (Pvt) Limited, Ceylon Tapes (Pvt) Limited⁵ and Alliance Five (Pvt) Limited.

Sun Agro Foods Ltd was incorporated in 2011. The principal activity of the company was in manufacturing and trading of cereal products. In 2021 it changed its business activities in order to facilitate diversification and commencement of investment holding activities. The Company has not conducted any manufacturing and trading of cereal products related business activities since 2017, and now functions primarily as an Investment Holding Company.

5.4.2 Kiffs (Pvt) Limited

Kiffs (Pvt) Limited (“Kiffs”) is an immediate fully owned subsidiary of JFV and an indirect subsidiary of JFP. Kiffs is a reputed manufacturer and supplier of a variety of polyethylene terephthalate (“PET”) products and plastic accessories such as bottles, preforms, bottle lids, and plastic spoons accessories. Kiffs was established in 1997 and was acquired by JFP in 2017.

Kiffs’ product portfolio includes:

- 1) PET bottles – for water, oil, and other beverages such as yoghurts and sauces
- 2) Bottle lids – for water, oil, and other beverages
- 3) Containers – jars and containers for cosmetics



The Company has over 80 employees and operates from its factory located in Kadawatha, Sri Lanka. Their key customers include large players in the food and beverage, pharmaceutical, and household chemicals sectors including Scan, Speed, Pearl, Stella, Candy Delight, Uswatta and BCC oil.

5.4.3 Ceylon Tapes (Pvt) Limited

Ceylon Tapes (Pvt) Limited (“CTapes”) is an immediate fully owned subsidiary of JFV and indirect subsidiary of JFP. CTapes is a leading manufacturer of various types of industrial tapes used for packaging particularly in the apparel and FMCG sectors. The Company was founded in 1990 and acquired by JFP in 2018.

⁴ Name changed to JF Ventures Limited in October 2022

⁵ Ceylon Tapes (Pvt) Limited incorporated a fully owned subsidiary Ceytape (Pvt) Ltd in 2015. However, as this subsidiary has been non-operational since the date of its incorporation it is not considered as an operational subsidiary for consolidation purposes

Its product portfolio includes Biaxially Oriented Polypropylene (BOPP) Clear Self-adhesive Tapes, Coloured Tapes & Printed Tapes, Masking Tapes, Paper Tube, Double sided Tissue Tapes, Paper Tape and Water Base Gum Tape.

Figure 5.4 – Products Manufactured by Ceylon Tapes (Pvt) Limited



BOPP Clear Tape



Coloured Tape



Printed Tape



Masking Tape



Paper Tube



Double Sided Tapes

CTapes has over 80 employees and operates through its production facility located in the Industrial Estate of Ekala. It's operations are certified by ISO9001:2015, ISO 22000:2018, HACCP certification, and GMP certification. Their Main customers include Unilever Sri Lanka, Nestle Lanka, ATG Handcare, Aitken Spence (Garments), MAS Holdings, Brandix, Omega Line, Star Garments, Dilmah, Akbar, CBL, Prima, and several international customers from countries such as Oman, Japan and Malaysia.

5.4.4 Alliance Five (Pvt) Limited

Alliance Five (Pvt) Limited ("Alliance5") is an immediate fully owned subsidiary of JFV and an indirect subsidiary of JFP. Alliance5 was initially founded in 1994 and was acquired by JFP in 2017. The company initially specialised in producing a variety of industrial brushes and brooms and expanded its operations to manufacture industrial plastic accessories. Alliance5 is a Board of Investments ("BOI") registered company and is a manufacturer and exporter of a range of eco friendly coir based products.

Alliance5's product portfolio includes:

- 1) Plastic injection moulding products – thread cones, brush handles, toy accessories
- 2) Natural coir based products – coir brushes and coir brooms

Figure 5.5 – Products Manufactured by Alliance Five (Pvt) Limited



Thread Cones



Plastic Accessories



Coir Brush



Coir Broom

The Company has over 70 employees and operates from its factory located in Kadawatha. Approximately 90% of Alliance5's revenue comes from the sale of thread cones. Their key customers include leading manufacturers of industrial threads such as A&E and Coats Threads, as well as export customers in Japan and Oman.

5.5 Key Financial Highlights of the Group

A summary of key financial highlights of the group companies as at March 31, 2025 is given below;

Table 5.2 – Key Financial Highlights of the Group as at March 31, 2025

	JFP (Group)	JFP (Company)	JFV	Kiffs	CTapes	Alliance5
Net Profit after Tax (LKR Mn)	131	60	143	70	70	103
Total Assets (LKR Mn)	3,723	3,453	1,429	320	1,077	339
Total Equity (LKR Mn)	1,117	1,777	1,401	107	325	150
Debt / Equity Ratio (x)	0.7	0.5	0.0	0.4	0.6	0.2
Interest Coverage (x)	1.9	1.4	-	8.1	2.6	17.5
Current Ratio (x)	1.1	0.9	0.0	1.3	1.0	1.8
Working Capital	1,344	805	-	127	218	177
Goodwill (LKR Mn)	211	-	-	-	-	-
Short-Term Interest-bearing ⁶ Borrowings (LKR Mn)	1,443	1,161	0.1	77	193	34
Long-Term Interest-bearing Borrowings (LKR Mn)	642	318	-	2	319	3

5.6 Human Resources

As at 31 March 2025, total staff employed by the group stood at 435. This workforce possesses all the required technical, product and operational expertise to undertake and effectively manage the overall business operations of the JFP Group. As at the date of this Prospectus, there were no labour unions, or significant agreements entered into between the labour unions and the Company or actions pending against the Company in the Labour Tribunal.

Table 5.3 – Employee Headcount of the Group as at March 31, 2025

Company	No. of employees
JF Packaging Limited	182
Kiffs (Pvt) Limited	85
Ceylon Tapes (Pvt) Limited	89
Alliance (Five) Pvt Limited	79
Total	435

Training & Development

The company recognizes that its human capital is its most powerful and valuable asset and continuously invests in enhancing the knowledge, skills & attitudes of its workforce through an annual structured training calendar. The annual training plan is developed after analysing the required training needs and key training development initiatives of each department, to facilitate the growth and development of its workforce.

⁶ Refer Annexure E – Audited Financial Statements for the year ended March 31, 2025 (Note 20) for further details on Interest Bearing Borrowings

Some of the key training initiatives introduced by the Company include;

- 1) A yearly training schedule that covers each employee's essential training requirements.
- 2) Ongoing delivery of training programs through the I Learn platform which enables employees to complete training at their convenience.
- 3) Re-evaluate and re-launch of the induction program for new recruits.
- 4) Introduction of a learning & development dashboard to monitor the process in a standard way.
- 5) Continuous training and development on technical, production related, productivity enhancement, new market trends, food labelling & hygiene, chemical handling and other related programs.

Occupational Health & Safety

Ensuring a safe work environment is a top priority in the goals & objectives of the company. The Key aspects of its Occupational Health & Safety Framework include the following initiatives;

- 1) A mandatory occupational health & safety awareness session carried out for each new recruit at the first week of their appointment.
- 2) Periodic and systematic reviews and audits of occupational health & safety, carried out for particular sectors to ensure an accident-free working environment.
- 3) External verification of occupational health and safety measures through an external audit carried out on an annual basis.
- 4) Maintenance of a medical center, first aid boxes, fire extinguishers and fire hydrants in all required places of the plant and regular safety checks being conducted.
- 5) Mandatory Fire training and First aid training for all employees.
- 6) Annual medical checkup for entire company.
- 7) Mandatory use of all personal protective equipment on production floor and other related tasks. This is closely monitored to ensure a hazard free working environment.

Corporate Social Responsibility ("CSR") Initiatives

JFP has consistently sought to achieve its business goals in parallel to its obligations towards the communities it operates in, by contributing towards CSR Projects in the areas of health, education, and social upliftment of communities. These were mostly conducted as CSR initiatives.

Some of JFP's recent CSR initiatives include;

- 1) Contributing 1000 numbers of white canes to "Sri Lanka welfare society of the blind" as a part of celebrating international women's day of their society.
- 2) School book distribution to employee's children.
- 3) Scholarship grants to employee's children.
- 4) Organizing annual art competition.
- 5) Providing employment opportunities to less privileged citizens in rural area of southern part of the island.
- 6) Death donations to employee's families.
- 7) Dry ration distribution during times of distress.

Alliance Five (Pvt) Limited – Fostering Financial Independence for Rural Women



Alliance5 is committed to empowering rural women through sustainable economic opportunities. The company operates two main centers in Weeraketiya and Puttalam, along with 20 sub-centers, specializing in coir brush production. Through comprehensive training and a home-based work model, women gain essential skills while maintaining work-life balance. This initiative directly employs 20 women and benefits an additional 50 individuals indirectly. By ensuring fair wages and financial stability, Alliance5 fosters long-term growth, by improving livelihoods and driving socio-economic progress in rural communities.

5.7 Future Business Plans

JFP is committed to its vision of becoming a leading one-stop packaging solution provider, catering to a diverse range of packaging needs. The company has pursued both organic and inorganic growth strategies, focusing on eliminating operational inefficiencies and improving overall effectiveness, through strategic business initiatives and key business acquisitions. These efforts have not only enhanced JFP's market presence but has also set the stage for sustained expansion and market leadership. The Company's commitment to its vision fuels its exploration of new business opportunities as given below:

Growth through New Business Acquisition

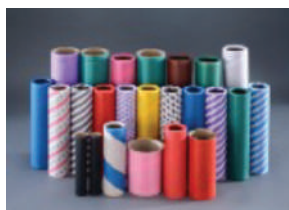
Having relied on strategic growth through acquisitions in the past, JFP is now actively exploring further business acquisition opportunities within the packaging industry. A significant new expansion strategy was the acquisition of a manufacturing and sales facility specializing in paper cones, textile tubes, canisters, and paper drums, which was successfully completed in February 2025.

Ceylon Tapes (Pvt) Limited successfully completed the business acquisition of Iceman Paper Products & Iceman Paper Tubes in February 2025 via an asset buy-out⁷. Iceman Products is one of Sri Lanka's leading manufacturers of paper canisters and tubes, supplying hygienic commodity and food packaging solutions to high-end exporters in the Country. These businesses have been operational since 2004.

Figure 5.6 – Products Manufactured by Iceman Paper Products And Iceman Paper Tubes



Paper Canisters



Textile Tubes



Paper Core



Paper Drum

⁷ The acquisition of Iceman Paper Products and Iceman Paper Tubes was purely an asset buy-out through which all fixed assets, employees and customers of the businesses were transferred to CTapes following the transaction. The legal ownership of the entities were not transferred to CTapes

New Market Expansion

Over the years, JFP has consistently explored venturing into new packaging markets. Recently, the Company has implemented the following initiatives and is currently in the process of scaling up its production;

- 1) In 2024, JFP launched the production of Stretch and Cling film lines, aiming to tap into the expanding logistics and export markets. The Cling film segment is specifically designed to cater to both local and international markets, with a focus on the hospitality and food & beverage industries. The project has already been commissioned and is currently in the process of establishing market access and expanding its reach. JFP also intends.
- 2) In 2024, Kiffs successfully commissioned its jar bottle manufacturing machine and is currently working towards increasing its production capacity and turnover. Furthermore, the company is expanding its product offerings by venturing into the production of PET bottles, specifically targeting the oil and carbonated soft drink (CSD) markets.
- 3) In 2025, CTapes expanded its existing paper tube market into a wider range of paper products such as paper canisters, bent core and paper drums through the recent acquisition of Iceman Products. The new paper range has brought many cross-selling and up-selling opportunities to the packaging cluster the company intends to expand.

Expansion of business through Learning & Growth

JFP is committed to achieving long-term growth by leveraging technological advancements, enhancing employee skills, and embracing sustainability trends. The company recognizes that continuous learning, adaptability, and innovation are essential for staying competitive in an evolving market. To drive this commitment forward, several key initiatives have been actioned out as given below;

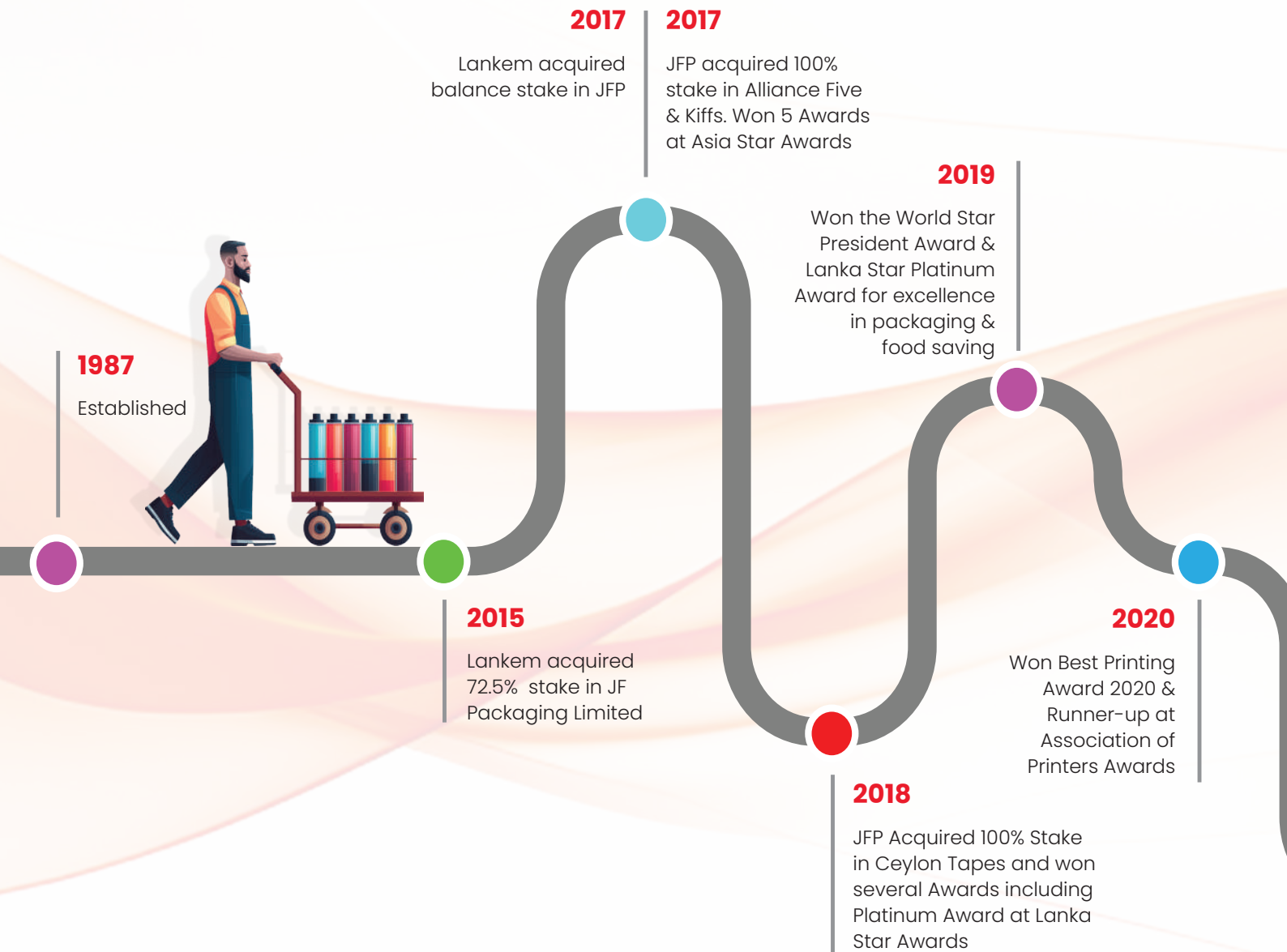
- 1) Providing employees with training programs on new manufacturing technologies, automation, and digital tools.
- 2) Conducting cross-functional training to improve adaptability and efficiency across departments.
- 3) Encouraging a culture of Continuous Improvement (Kaizen) and Lean Manufacturing principles.
- 4) Adopting Digital Transformation & Smart Manufacturing processes.
- 5) Strengthening Customer Relationships & Market Intelligence.
- 6) Promoting Sustainability & Regulatory Compliance.

Assumptions on which future strategies are based

- 1) Stable macro-economic conditions and socio-political environment.
Moderate macro-economic growth in the Country supported by stable a political environment, stable input costs in raw materials, energy, logistics and the availability of skilled labour and relatively stable labour costs.
- 2) No major changes in the competitive landscape.
No further intensification of the competitive landscape, potential consolidation in the industry leading to fewer but stronger players, and Innovation and R&D to remain key differentiators of the market.
- 3) No significant environmental and regulatory challenges.
No significant tightening of environmental or regulatory barriers in terms of sustainable manufacturing or carbon footprint targets etc.
- 4) Access to finance will remain adequate and at a reasonable cost.

5.8 Key Milestones

Figure 5.7 – Key Milestones Of The Company



2022

Worked every single day to ensure uninterrupted FMCG packaging supply during COVID restrictions & won several Awards at Lanka Star Awards

2024

Expanded capacity & upgraded machinery for stretch film, jar bottles, LDPE extruders & Laminators. Won one Asia Star Award at Asia Star Awards and several Awards including Gold Award at Lanka Star Awards

2023

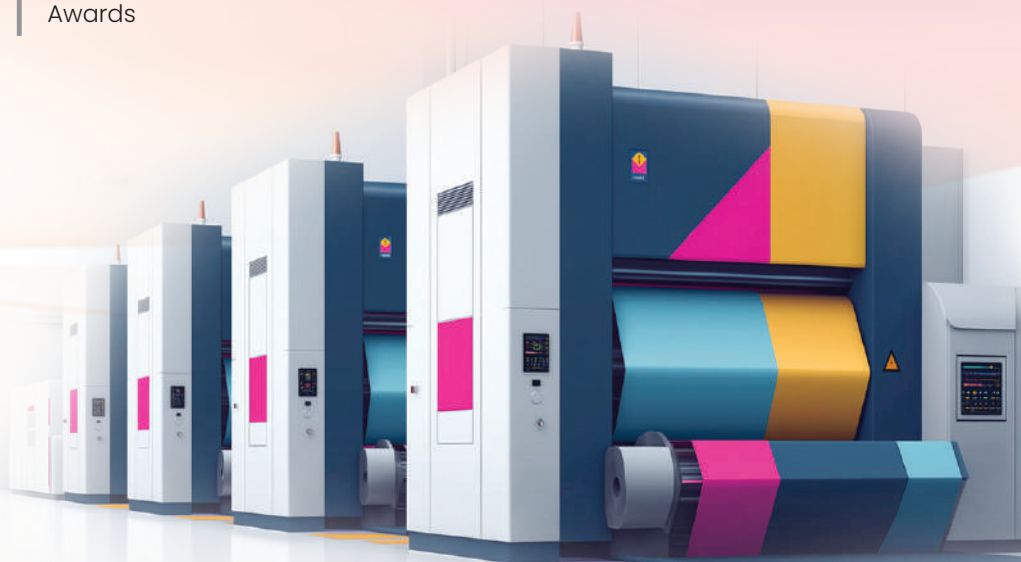
Achieved Rs. 1.2Bn PBT in FY23 & won several Awards including Platinum Award at Lanka Star Awards

2025

Acquisition of paper packaging business. Won Packaging Excellence Award at World Star Packaging Competition under food category

2021

Won Packaging Excellence Award of World Star Packaging Competition under food category



5.9 Details of Key Equipment and Machinery

Table 5.4 – List of Key Equipment & Machinery

Equipment/ Machinery	Monthly capacity	Description
Printers	Roto Gravure Machine (Wide web)	4500 km/month Reel Width: ~1300mm No. of colours: 08 Max speed recommended: 150 m/min Type: Reverse , Surface rotogravure printing
	Roto Gravure Printing Machine (Standard web)	6,600 km/month Reel Width: 1050 mm No. of colours: 08 Max speed recommended: 220 m/min Type: Reverse, Surface rotogravure printing
	Roto Gravure Printing Machine (Narrow web)	1,800 km/month Reel Width: 800 mm No. of colours: 07 Max speed recommended: 60 m/min Type: Reverse, Surface gravure printing
	Flexo Printer – Stack Press	2,100 km/month Reel Width: 800 mm No. of colours: 08 Max speed recommended: 70 m/min Type: Surface, Reverse Flexo printing
	Flexo Printer – Letter Press Printing Machine	1,800 km/month Reel Width: 260 mm Max speed recommended: 60 m/min Type: Surface printing
Laminators	Solvent-based dedicated laminator	5,400 km/month including 7 mic Alu foil Reel Width: 1300 mm Max speed recommended: 180m/min
	Combi Laminator – (Solvent-less/ Water-base/ Solvent-base)	12,000km/month Reel Width: 1300 mm Max speed recommended: 400 m/min
Extruders	Blown Film Extruder	170 tons/month Extrusion Width: 700–1400 mm Max speed recommended: 220–240 Kg/hour
	Cast Film Extruder	72 tons/month Extrusion Width: 1025 mm Max speed recommended: 100Kg/hour
Slitters	Slitting Machine 1	9,000 km/month Reel Width: 50 – 1300 mm Max speed recommended: 300m/min
	Slitting Machine 2	
	Slitting Machine 3	13,500 km/month Reel Width: 1300 mm Max speed recommended: 450m/min
Rewinders	Rewinding Machine 1	7,500 km/month Reel Width: 600 mm Max speed recommended: 250m/min
	Rewinding Machine 2	7,500 km/month Reel Width: 600 mm Max speed recommended: 250m/min
Defect Detection	Doctoring Machine	6,000 km/month Reel Width: 1300 mm Max speed recommended: 200m /min

Equipment/ Machinery	Monthly capacity	Description	
Pouch Making	Center seal & Side seal Pouch Making Machine	2,100,000 bags/month	Center and side seal pouches
	Three Side seal Bag Making Machines	4,200,000 bags/month	1. Side seal and stand-up machine 2. center seal machine 3. slit seal machine 4. Spout welding machines Max speed recommended by supplier: 120-160 Bags/min
	Three Side seal and Four Side seal Bag Making Machine	850,000 - 2,100,000 bags/month	Designed for Four side seal bulk bags with two webs
	Center seal Bag Making Machine	2,400,000 - 2,750,000 pcs/month	Designed for center sealed and four side seal bags
Tubing/ Sleeveing	Tubing Machines	Gluing Machine at 9,000,000 pcs/month Cutting machine at 6,000,000 pcs/month	Machine speed: bottom seal 300 pcs /min Centre gluing – 200 pcs/min
Lid Cutting	Aluminum Lid Cutting Machine I Aluminum Lid Cutting Machine II	5,400,000 pcs/month	Reel width: 500 mm Max punching speed recommended: 180 times/min Punching thickness: 0.025 - 0.5 mm Punching pcs: 3-7 pcs (per design of mould)



Figure 5.8 – 8 Colour Roto Gravure Printing Machine



Figure 5.9 – Huafeng Roto Gravure Printing Machine



Figure 5.10 – Solvent-Base Laminating Machine Design For Laminating of Plastic Films And Alu-Foil



Figure 5.11 – Center Seal and Four Side Seal Bag Making Machine

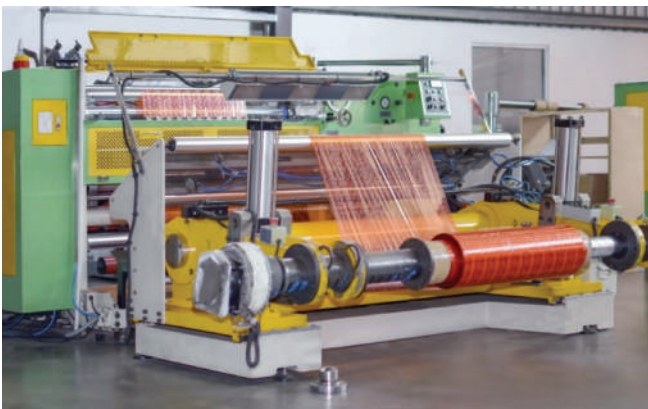


Figure 5.12 – 3 Nos Of Slitter Machines Are Used For Slitting Jumbo Reels Into Customer Required Film Sizes



Figure 5.13 – Combi Plaster Film Laminating Machine

5.10 Awards and Accolades

JFP is well known for its innovations and has been recognised as a highly awarded packaging company in Sri Lanka for several years⁸. They were the pioneers in researching and developing the ‘Covid Virus Protected Food Package,’ which won the most prestigious World Star Award 2021 from the World Packaging Organisation (WPO)⁹. The main feature of this packaging was that it was designed to protect consumers and their families from the COVID-19 virus.

At the recently held Lanka Star Awards organised by the Sri Lanka Institute of Packaging in 2022, JF Packaging Limited bagged 15 awards including the most prestigious World Star Award 2021 and 14 Lanka Star Awards for sustainability in the laminated food packaging Sector¹⁰. Other awards won by JFP include the following:

⁸ News Article <https://bizenglish.adaderana.lk/jf-packaging-most-awarded-flexible-packaging-company-at-lanka-starasian-star-awards/>, date accessed 16 June 2025

⁹ Winners of World Star Global Packaging Awards 2021 <https://worldstar.org/Uploads/2021-06/WinnerGuidePDF5_1623735242.pdf>, date accessed 16 June 2025

¹⁰ News Article <<https://www.pressreader.com/sri-lanka/daily-mirror-sri-lanka/20221123/282059101002798?srsItd=AfmBOoo-JXV3E8A8BczM0415ZjuhaHOVIR1c4aK8wYrfmtDVpomm1XXU>>, date accessed 16 June 2025

Figure 5.14 – Awards and Accolades Received by JFP






5.11 Certifications

The JFP Group is committed to delivering the highest quality of service to its clients. In line with this the Company has introduced procedures and systems for all applicable quality management and health and safety standards.

Figure 5.15– Certifications Received by JFP Group

Certificate	Certifications received by JF Packaging Limited
	<p>FSSC 22000 - Certification scheme for food safety management systems consisting of the following elements: ISO 22000:2018, ISO/TS22002-4:2013 and Additional FSSC 22000 requirements (version 6).</p> <p>Validity: April 2025 – March 2026, Control Body: SGS Lanka (Pvt) Ltd</p>
	<p>ISO 9001:2015 - Internationally recognized Quality Management System (QMS) standard designed to help organizations improve efficiency, meet customer expectations, and ensure continual improvement.</p> <p>Validity: May 2024 – May 2027, Control Body: SGS Lanka (Pvt) Ltd</p>
	<p>ISO 22000:2018 - Internationally recognized Food Safety Management System (FSMS) that helps organizations identify, prevent, and control food safety hazards throughout the supply chain.</p> <p>Validity: May 2024 – May 2027, Control Body: SGS Lanka (Pvt) Ltd</p>
	<p>HACCP (Hazard Analysis and Critical Control Points) - Certification that a food business follows the HACCP system to identify, evaluate, and control food safety hazards.</p> <p>Validity: June 2025 – June 2028, Control Body: SGS Lanka (Pvt) Ltd</p>
	<p>GMP (Good Manufacturing Practices) - Certification ensures that food, pharmaceutical, and cosmetic manufacturers follow strict hygiene, quality control, and safety standards in their production processes. It helps businesses comply with national and international food safety regulations and ensures consumer safety.</p> <p>Validity: June 2025 – June 2026, Control Body: SGS Lanka (Pvt) Ltd</p>
	<p>SMETA (SEDEX Members Ethical Trade Audit) - one of the most widely used social and ethical audit frameworks. It ensures that businesses operate in a socially responsible, ethical, and environmentally sustainable manner.</p> <p>Validity: December 2023 – December 2025, Control Body: SGS Lanka (Pvt) Ltd</p>
Certificate	Certifications received by Ceylon Tapes (Pvt) Limited
	<p>ISO 9001:2015 – Quality Management System Certified</p> <p>Validity: August 2023 – August 2026, Control Body: Ind-Expo Certification Limited</p>

	<p>ISO 22000:2018 – Food Safety Management System (FSMS) Certified</p> <p>Validity: August 2023 – August 2026, Control Body: Ind-Expo Certification Limited</p>
	<p>HACCP (Hazard Analysis and Critical Control Points) – Certified</p> <p>Validity: August 2023 – August 2026, Control Body: Ind-Expo Certification Limited</p>
	<p>GMP (Good Manufacturing Practices) – Certified</p> <p>Validity: August 2023 – August 2026, Control Body: Ind-Expo Certification Limited</p>

Certificate	Certifications received by Kiffs (Pvt) Limited
	<p>ISO 9001:2015 – Quality Management System Certified</p> <p>Validity: August 2024 – August 2026, Control Body: Sri Lanka Standards Institution</p>
	<p>SLS 1336:2017 – Product certification standard for Polymer Materials for packaging of drinking water</p> <p>Validity: May 2025 – April 2026, Control Body: Sri Lanka Standards Institution</p>
	<p>ISO 22000:2018 – Food Safety Management System Certified</p> <p>Validity: September 2024 – September 2027, Control Body: SGS Lanka (Pvt) Ltd</p>
	<p>Good Manufacturing Practice (GMP) – Certified</p> <p>Validity: September 2024 – September 2025, Control Body: SGS Lanka (Pvt) Ltd</p>
	<p>HACCP (Hazard Analysis and Critical Control Points) – Certified</p> <p>Validity: September 2024 – September 2027, Control Body: SGS Lanka (Pvt) Ltd</p>

Certificate	Certifications received by Alliance Five (Pvt) Limited
	<p>ISO 9001:2015 – Quality management System certified</p> <p>Validity: September 2024 – September 2027, Control Body: Sri Lanka Standards Institution</p>

5.12 Investment Considerations and Associated Risks

Prior to investing in Shares of the Company, prospective investors should be aware that the Company and its business activities are subject to several risks which may be within or beyond the control of the Company. It is recommended that potential investors review the entire Prospectus in detail and pay attention to the following risks relating to the investment. If any of the risk factors considered below materialise into actual events, the Company's business operations and future financial performance could be materially and adversely affected, which can impact the value of its Ordinary Voting Shares.

5.12.1 Risks related to Macro-economic Factors

Challenges in Economic Recovery

Sri Lanka still faces certain economic challenges despite its gains through IMF-led policy reforms. While the country has returned to positive economic growth and low single digit inflation from the severe economic crisis in 2022, there is still some uncertainty involved in policy direction with regard to higher taxation, price controls and import regulations as part of the on-going fiscal consolidation process. Any unfavourable changes in economic policies or deviations from the IMF programme could impact the economic recovery process, leading to a potential slowdown in consumption patterns and demand for packaged goods. A decline in end-consumption of packaged goods could affect demand for packaging solutions of the Company.

Currency Fluctuations

Though the Sri Lankan rupee has stabilized somewhat in recent months, it remains exposed to potential depreciation pressures due to the country's persistent current account deficits and debt servicing requirements. Many companies in the packaging industry rely heavily on raw material imports such as paper, plastics and aluminium foil for production, exposing them to currency depreciation risks resulting in higher input costs, price volatility and margin compression in an industry which operates on already narrow margins.

Inflation Risks

Though inflation in Sri Lanka has moderated to single digits (and deflation in recent months), some structural vulnerabilities remain that could trigger renewed price pressures in the economy. These include potential increases in administered prices such as fuel and electricity, supply chain disruptions, and labour costs. These coupled with recent increases in VAT and other taxes could further tighten consumer purchasing power and affect end-consumer demand for packaged goods, ultimately affecting demand for packaging companies.

5.12.2 Risks related to the Industry

Please refer Annexure A - Research Report - Section 2 for detailed Industry Information.

Competition

The printing and packaging industry in Sri Lanka is highly fragmented and competitive. The market is flooded with many small businesses penetrating the middle or lower segments, which as a result has made the industry highly price sensitive. Packaging companies operate mainly in the B2B segment and operate with very thin margins due to heavy price competition in the industry. The low barriers to entry encourage emergence of new entrants further intensifying price competition within the market. The Company continuously strives to innovate and differentiate its offering to stay ahead of its competition.

Fluctuating Raw Material Costs

One of the biggest challenges the industry has to grapple with is constantly fluctuating raw material prices. Geo-political tensions affecting material sourcing, shortages in key packaging materials, and transportation and logistics challenges lead to supply chain disruptions causing delays, shortages and increased costs of raw material prices for primary packaging materials such as plastics, paper and metals. Volatilities in raw material costs create challenges for packaging companies in terms of unpredictable cost structures, thinning profit margins and challenges in pricing strategies. The Company strives to minimise these risks through long standing relationships and favourable contract terms with suppliers.

5.12.3 Risks related to Operations

Equipment Failure or Labour Disputes causing Disruptions to Operations

The Company may face the risk of equipment failures at manufacturing plants due to design error, operator error, wear & tear and unforeseen breakdown of machinery. Such events could have a material adverse impact on financial performance of the Company. To mitigate the risk, the Company continuously subjects the machinery and equipment to regular quality checks and maintenance procedures which complies with international standards. The Company has not faced any significant challenges in terms of labour disputes in its operating history and invests significantly in the growth and development of its workforce.

Environmental and Regulatory Challenges

Packaging companies face increasing pressure to adopt sustainable packaging solutions to reduce packaging waste and improve recyclability. Sri Lanka through the Central Environment Authority (CEA) have introduced several new regulations including a ban on specific single-use plastics (certain types bags and small sachets etc) and mandatory plastic resin identification markings on packaging to facilitate recycling efforts. Any such imposition of further regulations could alter the operating dynamics and cost structures of the Company.

5.12.4 Risks related to the IPO

Non-existence of a Prior Market for the Shares

Prior to the IPO, there was no public market for the shares of JFP and, for that reason, there can be no assurance that an active trading market for such Shares will develop or, if developed, will be sustained, or that the market price of the Shares shall not decline below the Offer Price. The Offer Price may therefore not be indicative of the market price for the Shares after completion of the IPO.

Price Volatility in the Secondary Market

The share issue price of the Company is not an indication of the market price for the Company as the share price may fluctuate in the secondary market due to multiple reasons. These reasons may include but not be limited to; variations in operating results, changes in the operating environment, fluctuations in market price for products or raw materials, macro-economic factors, changes to regulations and tax laws, and general market sentiments prevailing in the market at any given time.

6.0 CAPITAL STRUCTURE

As at the date of this Prospectus, the Stated Capital of the Company is Sri Lankan Rupees Four-Hundred and Forty Nine Million Forty Seven Thousand Four-Hundred and Eighty-Six (LKR 449,047,486) divided into One-Hundred and Twenty Million Four-Hundred and Six Thousand Eight Hundred (120,406,800) fully paid-up Ordinary Voting Shares.

6.1 An Overview of the Capital Structure

The detailed breakdown of the Stated Capital of JF Packaging Limited is given below;

TABLE 6.1 – Stated Capital of JF Packaging Limited

	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Stated Capital (LKR)	449,047,486	449,047,486	449,047,486	449,047,486
Number of Ordinary Voting Shares in Issue	120,406,800*	120,406,800*	1,204,068	1,204,068

* A subdivision of shares was carried out in the ratio of 1:100 on February 10 2025

6.2 Shareholding Structure Pre and Post IPO

The current and post IPO shareholding structures for JFP are as shown below;

Table 6.2 – Shareholding Structure – Pre and Post IPO

Name	Pre IPO		Post IPO	
	No. of Ordinary Voting Shares	%	Issue of 51,724,144 Shares	%
Lankem Ceylon PLC	120,406,800	100.00%	120,406,800	69.95%
IPO Shareholders	-	-	51,724,144	30.05%
Total	120,406,800	100.00%	172,130,944	100.00%

6.3 Details of Transfer of Shares

The following transfer of Shares in the Company took place during the past twelve (12) months;

Table 6.3 – Transfer of Shares in the Company within the Last 12 Months

Date	Transferor	Transferee	Number of Ordinary Voting Shares	Total Consideration (LKR)
July 14, 2024	Rajaratnam A.	Lankem Ceylon PLC	1	10/-
July 14, 2024	David K. P.	Lankem Ceylon PLC	1	10/-

Other than above, there were no Shares which had been acquired by any Shareholder by way of transfer during the period of twelve (12) months immediately preceding the date on which the Initial Listing Application was submitted to the CSE.

6.4 Details of Repurchase and Redemption of Shares by the Company

The Company has not carried out any share re-purchase under sections 63, 64, 93 or 100 of the Companies Act, redemption of Shares under sections 66 to 69 of the Companies Act or stated capital reduction exercise under section 59 of the Companies Act, in the two (2) years preceding the date of this Prospectus.

6.5 Free Transferability of Shares

In accordance with CSE Listing Rule 2.1.1(d);

- All Shares held by **'Non-Public Shareholders'**** prior to the date of the Initial Listing Application shall be locked-in for a period of **six (06) months** from the date of listing of the Company.
- All Shares held by **'Public Shareholder'**** prior to the date of the Initial Listing Application shall **not be locked-in**.
- **All shares acquired by way of a transfer from another shareholder** (irrespective of being Non-Public or Public Shareholders) **during the period of twelve (12) months** immediately preceding the date of the Initial Listing Application shall be **locked in for a minimum of six (06) months** from the date of listing or **twelve (12) months** from the date of acquisition of those shares, whichever is longer.
- All Shares acquired by way of an allotment during the period of **twelve (12) months** immediately preceding the date of the Initial Listing Application shall be dealt with by the discretion vested in the Securities and Exchange Commission under Section 28A of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987.

** Non-Public Shareholders, shall mean the following parties who hold, directly or indirectly, shares of the Company;*

- a) *its parent, any subsidiary or associate companies or any subsidiaries or associates of its parent company,*
- b) *its Directors who are holding office as Directors of the entity and their close family members,*
- c) *Chief Executive Officer and his/her close family members,*
- d) *Key Management Personnel and their close family members,*
- e) *Any party acting in concert with the parties set out in a), b), c) and d) above,*
- f) *Shareholders whose shares are in a locked account with the CDS due to a statutory or regulatory requirement other than those shareholders exempted under (h) below and whose shares have been subject to a voluntary lock-in at the option of the shareholder,*
- g) *Employees of the Company, who have been allotted shares of a Listed Entity which are directly or indirectly controlled by the management or the majority shareholder of the Company,*
- h) *Any Entity or an individual or individuals jointly or severally holding 5% or more of the shares of the Listed Entity if the Company is a Diri Savi Board Entity and 10% or more of the shares if the Company is a Main Board Entity, except where such shareholder is;*
 - i. *a statutory institution managing funds belonging to contributors or applicants who are members of the public; or*
 - ii. *an entity established as a unit trust or any other investment fund approved by the SEC; or*
 - iii. *not a related party declared in terms of Sri Lanka Accounting Standards or a party acting in concert declared in terms of the Company Takeovers and Mergers Code.*

'Close Family Member' shall mean the spouse or a financially dependent child.

'Key Management Personnel' shall mean those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

*** Public Shareholders shall mean any party who hold Shares of the Company other than the parties identified as 'Non-Public Shareholders' abovementioned*

The details of the lock-in periods for the shares are mentioned in Tables 6.4 and 6.5 below and the shares that will be subject to a lock-in will not be available for trading.

6.6 Details Pertaining to the Locked-in Shares – Pre and Post IPO

In terms of CSE Listing Rule 2.11(d)(i), shares held by Non-Public Shareholders, as defined in Section 6.5, namely the 120,406,800 Ordinary Voting Shares, held by Lankem Ceylon PLC would be subject to a 'lock-in' for a period of six (06) months from the date of listing of Shares. As such these shares would not be available for secondary market trading on the CSE upon JFP obtaining listing of its shares subsequent to the IPO contemplated via this Prospectus until the expiry of the aforesaid six (06) month period from the respective date of listing. market trading on the CSE upon JFP obtaining listing of its shares subsequent to the IPO contemplated via this Prospectus until the expiry of the aforesaid six (06) month period from the respective date of listing.

Table 6.4 – Shares Locked in – Pre IPO

Category of Shareholders	Locked-in Shares	Months after which the Shares will be Available for Trading	No. of Shares	Shareholding %
Non-Public	Shares held by Non-Public Shareholders prior to the date of the Initial Listing Application Locked-in	6 months from the date of listing	120,406,800	100.00%
Total			120,406,800	100.00%

The Company hereby confirms that the information furnished herewith shall remain unchanged to the date of listing.

The Pre-IPO Public Holding (Shares held by the 'Public' as a percentage of the total Pre-IPO number of Shares), as per the 'Public' definition provided in the CSE Listing Rules is 0%.

Table 6.5 – Shares Locked in – Post IPO

Category of Shareholders	Locked-in Shares	Months after which the Shares will be Available for Trading	No. of Shares	Shareholding %
Non-Public	Shares held by Non-Public Shareholders prior to the date of the Initial Listing Application Locked-in	6 months from the date of listing	120,406,800	69.95%
Employees and Directors	Not-Locked in	N/A	5,172,414	3.00%
Public	Not Locked-in	N/A	46,551,730	27.05%
Total			172,130,944	100.00%

'Public' defined under the definition mentioned in CSE Listing Rules 2.1.1 (Refer Section 6.5 of the Prospectus)

The Post-IPO public holding (number of Post IPO shares held by the 'public' as a percentage of the total Post IPO number of shares), on the assumption that the parties who subscribe to the IPO shall be public shareholders (as per the 'public' definition provided in the CSE listing rules) is 27.05%.

Tabulated below are the shareholders of the Company as at the date of this Prospectus i.e. September 20, 2025.

Table 6.6 – Shareholders – Ordinary Voting Shares – Pre IPO

Name	No. of Ordinary Voting Shares	%
Lankem Ceylon PLC	120,406,800	100.00%
Total shares held by Shareholders	120,406,800	100.00%

Details of transfers of shares relating to shareholders mentioned above, during the period of twelve (12) months immediately preceding the date of the Initial Listing Application is as provided in Table 6.3 above.

7.0 CORPORATE STRUCTURE

7.1 Board of Directors

The Board of Directors guide and supervise the business and operations of the Company. The Board consists of Chairman, Managing Director and five (5) other Directors. As at the date of this Prospectus, the composition of the Board is as follows.

Table 7.1– Details of The Board of Directors of JF Packaging Limited

Name	Designation	IND /NED/ED
Mr. S.D.R. Arudpragasam	Chairman	Non – Executive Director
Mr. K.P. David	Managing Director*	Executive Director
Mr. A. Rajaratnam	Director	Non – Executive Director
Mr. A. Hettiarachchy	Director	Non – Executive Director
Mr. P.S. Goonewardene	Director	Non – Executive Director
Mr. K.G. Punchihewa	Director	Independent Non – Executive Director
Mr. S.B. Perera	Director	Independent Non – Executive Director

* Managing Director functions in the capacity of Chief Executive Officer

NED/ED: Non-Executive Director / Executive Director

IND: Independent

Independent Directors meet all criteria required to be considered Independent as per CSE Rule 9.8.3

7.2 Profiles of the Board of Directors

Mr. S. D. R. Arudpragasam, FCMA (UK) – Chairman



Mr. S. D. R. Arudpragasam was appointed as the Chairman of JF Packaging Limited on 24th August 2017. Mr. Arudpragasam whilst being associated with The Colombo Fort Land & Building Group of companies since 1982 and having served on the Board of The Colombo Fort Land & Building PLC (CFLB) since the year 2000 and as Deputy Chairman from 2011, was appointed Chairman CFLB with effect from 1st July 2022. Mr. Arudpragasam also serves as Chairman of several subsidiaries of The Colombo Fort Land and Building PLC including Chairman/Managing Director of E.B. Creasy & Company PLC in addition to serving on the Boards of other companies in the CFLB Group. He also functions as a member on several Board Subcommittees of the CFLB Group. Mr. Arudpragasam is a Fellow of the Chartered Institute of Management Accountants (UK).

Mr. K. P. David, FCMA (UK), CGMA, FCMA(SL), MCPM – Managing Director



Mr. K.P. David was appointed to the Board of JF Packaging Limited on 30th January 2015 and as the Managing Director on 11th April 2017. Mr. K. P. David brings over three decades of experience in financial and corporate leadership. Beginning his career in the banking sector, he joined E. B. Creasy & Company PLC as Group Accountant in 1993, where he played a pivotal role in financial strategy and management. He later served as Head of Finance/Chief Financial Officer at Lankem Ceylon PLC and its subsidiaries until March 2017, steering financial operations and ensuring sustainable growth across the group. In 2007, Mr. David was appointed to the Board of Lankem Ceylon PLC as an Executive Director, a position he held until July 2020, contributing to strategic decision-making and corporate governance.

Since April 2017, he has led the JF Packaging Cluster as Managing Director, overseeing operations at JF Packaging Limited, JF Ventures Limited, Ceylon Tapes (Pvt) Limited, Kiffs (Pvt) Limited, and Alliance Five (Pvt) Limited. He successfully managed the post-acquisition change management and the group entry into packaging businesses. Following the group takeover of these subsidiaries, Mr. David demonstrated remarkable resilience and strategic foresight, driving exponential business growth and achieving stable performance across all companies. Under his leadership, JF Packaging emerged as the most awarded packaging company in Sri Lanka, securing numerous accolades for its innovation and quality of packaging solutions. Mr. David also holds several other directorships within the Lankem Group, exemplifying his dedication to operational excellence and innovation. He is a Fellow Member (FCMA, CGMA) of the Chartered Institute of Management Accountants (UK) with expertise in finance, leadership, and corporate strategy.

Mr. A. Rajaratnam, B.Sc (Hons.), CPA, MBA - Director



Mr. Anushman Rajaratnam was appointed to the Board of JF Packaging Limited on 30th January 2015. He joined the Board of Lankem Ceylon PLC in 2005 and served as its Managing Director from 2009 until December 2016. He relinquished that position in December 2016 to take up the role as the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB) in January 2017. In addition, he serves on the Board of several subsidiary companies of the CFLB group and also functions as a member on several Board Subcommittees of the CFLB Group. Prior to joining the CFLB group, he worked overseas for a leading global Accountancy Firm. He holds a Bachelor of Science degree in Economics from the University of Surrey, UK, CPA Australia and MBA from Massachusetts Institute of Technology USA.

Mr. A. Hettiarachchy, C.Eng, MIEE, MIProdE, MIChemE - Director



Mr. A. Hettiarachchy is a Chartered Chemical Engineer. He was appointed to the Board of JF Packaging Limited on 24th August 2017. He is the Chairman of the Board of ISL Services Limited, Executive Chairman of ACME Printing and Packaging PLC, Chairman of Lankem Minerals Ltd and serves as Deputy Chairman of Lankem Ceylon PLC. He serves as a Director of Sri Lanka Institute of Nano Technology. He has served on the Boards of Central Industries PLC, C.W. Mackie PLC, Richard Pieris Finance Ltd, Hayleys PLC and functioned as Managing Director on the Boards of Haycarb PLC, Recogen Limited and Puritas Limited and served on several other subsidiaries of Haycarb PLC and Hayleys PLC both in Sri Lanka and overseas.

He was also a Board Member of the National Science Foundation, Coconut Research Institute, Member of the National Nano Committee, Chief of Research and Engineering Systems – Sri Lanka Institute of Nano Technology, and a member of several advisory Boards of the NSF.



Mr. P.S. Goonewardene – BBA(Aus.), CPA(Aus.), FCMA (SL), FCIM (UK) – Director

Mr. Suren Goonewardene was appointed to the Board of JF Packaging Limited with effect from 1st October 2020. He holds a bachelor's degree in Business Accounting from Monash University Australia, Member of the Certified Practising Accountants-Australia and is a Fellow Member of the Chartered Institute of Marketing U.K. and Certified Management Accountants of Sri Lanka. He has functioned in the capacity of Chairman and Managing Director, Bharti Airtel Lanka Limited, Chief Operating Officer, Dialog Television and Fixed Line Services, Group Managing Director, Lanka Bell Limited and has also served on the Boards of Ceylon Shipping Corporation and the Civil Aviation Authority of Sri Lanka. He was a Council Member of the Employers' Federation of Ceylon and a former Vice President of the Indian Chamber of Commerce in Sri Lanka. He currently serves on the Boards of Associated Motor Finance PLC, First Guardian Equities Limited, Dawi Investment Trust (Private) Limited and ACME Printing and Packaging PLC.



Mr. K.G. Punchihewa, FCA, CPA (Aus.) – Director

Mr. Kamal Punchihewa was appointed to the Board of JF Packaging Limited on 20th February 2025. He started his career at M/s. B R De Silva & Co. Chartered Accountants, in 1983 and was appointed as a Partner in 1991. He moved to the mercantile sector as the Financial Controller of Kotagala Plantations Ltd in 1992 and in 1997 he was promoted as the Group Financial Controller of the George Steuarts Group of Companies. He re-joined the Plantation Sector as the General Manager- Finance of Kahawatte Plantations Ltd. in 2002. He has held numerous positions in the Plantation sector related operations both locally and overseas. He served as the Chief Executive Officer of Maskeliya Plantations PLC until March 2023 and retired from the service. He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka since 1988 (FCA) and a Member of the Certified Public Accountants (CPA) – Australia since 2014. He currently serves on the Boards of The Colombo Fort Land & Building PLC (CFLB), Lankem Ceylon PLC, Lankem Developments PLC, ACME Printing and Packaging PLC and several other companies of the CFLB Group.



Mr. S.B. Perera, FCMA/CGMA(UK), B.Sc Mech. Eng. (Hons) – Director

Mr. Shrihan B. Perera was appointed to the Board of JF Packaging Limited on the 20th of February 2025. He was the Chief Executive Officer of Teejay Group from April 2018 to December 2019. He also served as the Chief Executive Officer of Brandix Apparel Solutions Limited from January 2010 to March 2018. He was responsible for drawing up and implementing strategies across all business units in the intimate apparel SBUs in Sri Lanka and India. Mr. Perera previously held positions of Group Financial Controller & Treasurer, Group Accounts Manager and Finance Director at Unilever Sri Lanka while counting overall experience over 30 years. He served as Accounts and Administrative Controller at Al Mulla Group of Companies in Kuwait from January 1991 to December 1995. He has wide exposure in FMCG, Garment and Textile Manufacture and service industry (overseas).

Mr. Perera currently serves as an Independent Director of Teejay Lanka PLC and its Subsidiaries and also functions as Chairman/Member of certain Board Subcommittees. He also serves on the Boards of The Colombo Fort Land and Building PLC, Fintrex Finance Limited, C.W. Mackie PLC and on the Boards of certain other listed and unlisted entities of The Colombo Fort Land & Building Group. In addition, he functions as the Chairman/ Member of certain Board Subcommittees of several subsidiary companies of the CFLB Group. He holds a Bachelor of Science Degree in Mechanical Engineering-2nd Class Upper Honours from the University of Moratuwa and is a Fellow of the Chartered Institute of Management Accountants/CGMA, UK.

7.3 Other Directorships Held by the Board of Directors as at March 31, 2025

Table 7.2– Other Directorships

Company	Designation	Company	Designation
Mr. S.D.R. Arudpragasam			
C M Holdings PLC	Chairman / NED	Colombo Fort Group Services (Pvt) Limited	Director
E.B. Creasy & Company PLC	Chairman/ Managing Director	Colombo Fort Hotels Ltd	Chairman
Kotagala Plantations PLC	Chairman/ NED	Colombo Fort Holdings Limited	Director
Lankem Developments PLC	Chairman/ NED	Colombo Fort Travels Ltd	Director
Laxapana PLC	Chairman/ NED	Colombo Residencies (Pvt) Ltd	Director
Muller & Phipps (Ceylon) PLC	Chairman/ NED	Colonial Motors (Ceylon) Ltd	Deputy Chairman
Sigiriya Village Hotels PLC	Chairman/ NED	Company Holdings (Pvt) Ltd	Director
The Colombo Fort Land & Building PLC	Chairman/ NED	Consolidated Holdings (Pvt) Ltd	Director
York Arcade Holdings PLC	Chairman/ NED	Corporate Systems Ltd	Chairman
ACME Printing and Packaging PLC	NED	Candy Delights Limited	Chairman/ MD
Agarapatana Plantations PLC	Chairman/ NED	Creasy Plantation Management Ltd	Director
Colombo Investments Trust PLC	Chairman/ NED	Ceyflex Rubber Limited	Chairman
Colombo Fort Investments PLC	Chairman/ NED	Consolidated Tea Plantations Limited	Director
Beruwala Resorts PLC	Chairman/ NED	Ceylon Tapes (Private) Limited	Chairman
Marawila Resorts PLC	Chairman / NED	Ceytape (Pvt) Limited	Chairman
Lankem Ceylon PLC	Chairman/ NED	Darley Butler & Company Ltd	Chairman/ MD
C.W. Mackie PLC	NED	E.B. Creasy Logistics Ltd	Chairman
American Lloyd Travels Limited	Director	E.B.Creasy Trading Ltd	Director
Associated Farms (Pvt) Ltd	Chairman	EBC Milk Foods Ltd	Chairman
Alliance Five (Private) Limited	Chairman	Far Eastern Exports (Colombo) Ltd	Director
ACME Packaging Solutions (Pvt) Limited	Director	Fortland Finance Ltd	Chairman
B.O.T. Hotel Services (Pvt) Ltd	Chairman	Galle Fort Hotel (Pvt) Ltd	Director
C.W.M. Hotel Holdings Limited	Director	Group Three Associates (Pvt) Ltd	Chairman
Capital Leasing Company Ltd	Director	Guardian Asset Management Limited	Director
Capital Investments Ltd	Director	Muller & Phipps (Health Care) Limited	Chairman
Century Investments & Finance Ltd	Director	Nature's Link Ltd	Chairman
E.B. Creasy Ceylon (Private) Limited	Chairman	Nutriklim (Ceylon) Limited	Director
Imperial Hotels Limited	Chairman	Oakley Investments (Pvt) Ltd	Director
JF Packaging Limited	Chairman / NED	Property & Investment Holdings (Pvt) Ltd	Director
JF Ventures Limited	Chairman	Rubber & Allied Products (Colombo) Ltd	Chairman
Kiffs (Private) Limited	Chairman	Sherwood Holidays Ltd	Chairman
Lankem Agrochemicals Ltd	Chairman	SunAgro Farms Ltd	Chairman
Lankem Cargo Storage Ltd	Director	SunAgro LifeScience Ltd	Chairman
Lankem Chemicals Ltd	Chairman	Teacom (Pvt) Ltd	Chairman
Lankem Consumer Products Ltd	Chairman	Udaveriya Plantations Ltd	Director
Lankem Exports (Pvt) Ltd	Chairman	Unicom Clearing & Forwarding (Pvt) Ltd	Chairman
Lankem Minerals Limited	Director	Union Commodities (Pvt) Ltd	Chairman

Company	Designation	Company	Designation
Lankem Paints Ltd	Chairman	Union Commodities Exports (Pvt) Ltd	Chairman
Lankem Plantation Services Ltd	Director	Union Commodities Teas (Pvt) Ltd	Chairman
Lankem Research Ltd	Chairman	Union Group (Pvt) Ltd	Director
Lanka Special Steels Ltd	Chairman	Union Investments (Pvt) Ltd	Director
Lankem Tea & Rubber Plantations (Pvt) Ltd	Chairman	Waverly Power (Pvt) Ltd	Chairman
Lankem Technology Services Ltd	Chairman	Weligama Hills Limited	Director
Maitland & Knox (Pvt) Limited	Director	York Hotel Management Services Ltd	Chairman
Motor Mart Ceylon (Pvt) Limited	Director	Sterling Steels (Pvt) Ltd (Formerly known as BlueScope Lysaght Lanka (Private) Limited)	Director

Mr. K.P. David

Associated Farms (Pvt) Ltd	Director	Lankem Consumer Products Ltd	Director
Alliance Five (Private) Limited	Managing Director	Lankem Exports (Pvt) Limited	Director
B.O.T. Hotel Services (Pvt) Ltd	Director	Lankem Paints Ltd	Director
Ceylon Tapes (Pvt) Limited	Managing Director	Lankem Research Ltd	Director
Ceytape (Pvt) Limited	Director	Lankem Technology Services Ltd	Director
JF Packaging Limited	Managing Director	Lankem Chemicals Ltd	Director
JF Ventures Limited	Director	Nature's Link Ltd	Director
Kiffs (Private) Limited	Managing Director	SunAgro Farms Ltd	Director
Lankem Agrochemicals Ltd	Director		

Mr. Anushman Rajaratnam

C M Holdings PLC	NED	Ceylon Tapes (Pvt) Limited	Director
Kotagala Plantations PLC	NED	Ceytape (Pvt) Ltd	Director
Lankem Developments PLC	NED	Capital Leasing Company Limited	Director
Sigiriya Village Hotels PLC	NED	Consolidated Tea Plantations Limited	Director
The Colombo Fort Land & Building PLC	Group Managing Director	Cambodian Rubber Plantation Industries PTE Ltd	Director
York Arcade Holdings PLC	NED	Consolidated Rubber Plantations PTE Ltd	Director
ACME Printing and Packaging PLC	NED	Consolidated Holdings (Private) Limited	Director
Agarapatana Plantations PLC	NED	Consolidated Commercial Investments (Pvt) Limited	Director
Beruwala Resorts PLC	NED	Colombo Fort Properties (Pvt) Limited	Director
Colombo Fort Investments PLC	NED	Far Eastern Exports (Colombo) Ltd	Director
Colombo Investment Trust PLC	NED	Financial Trust Ltd	Director
Lankem Ceylon PLC	ED	Galle Fort Hotel (Pvt) Ltd	Director
Marawila Resorts PLC	NED	Great Eastern Resorts Limited	Director
C.W. Mackie PLC	NED	Horton Plains Resorts and Spa Ltd	Director
American Lloyd Travels Limited	Director	Imperial Hotels Limited	Director
Alliance Five (Private) Limited	Director	JF Packaging Limited	NED
ACME Packaging Solutions (Pvt) Limited	Director	JF Ventures Limited	Director

Company	Designation	Company	Designation
C.W.M. Hotel Holdings Limited	Director	Kiffs (Private) Limited	Director
Lankem Agrochemicals Ltd	Director	Tropical Beach Resorts Limited	Director
Lankem Chemicals Ltd	Director	Udaveriya Plantations Ltd	Director
Lankem Consumer Products Ltd	Director	Unicom Clearing & Forwarding (Pvt) Ltd	Director
Lankem Minerals Ltd	Director	Union Commodities (Pvt) Ltd	Director
Lankem Paints Ltd	Director	Union Commodities Exports (Pvt) Ltd	Director
Lankem Research Ltd	Director	Union Commodities Teas (Pvt) Ltd	Director
Lankem Tea & Rubber Plantations (Pvt) Ltd	Director	Union Investments (Pvt) Ltd	Director
Lankem Cargo Storage Limited	Director	Union Group (Pvt) Ltd	Director
Mayfield Investments (Pvt) Ltd	Director	Voyages Ceylan (Private) Limited	Director
Maitland & Knox (Pvt) Limited	Director	Waverly Power (Pvt) Ltd	Director
Motor Mart Ceylon (Pvt) Limited	Director	Weligama Hills Ltd	Director
Oakley Investments (Pvt) Limited	Director	York Hotel Management Services Limited	Director
Property & Investment Holdings (Pvt) Ltd	Director	York Conventions (Private) Limited	Director
Rubber & Allied Products (Colombo) Ltd	Director	York Tours Limited	Director
Sigiriya Resorts Limited	Director	Kelani Valley Canneries Ltd	Director
Sunrise Resorts Limited	Director	Sunquick Lanka (Pvt) Ltd	Director
SunAgro Farms Ltd	Director	Sunquick Lanka Properties (Pvt) Ltd	Director
SunAgro LifeScience Ltd	Director	Lanka Agro Plantations Limited	Director
Teacom (Pvt) Ltd	Director	Transways (Private) Limited	Director
Colombo Fort Group Services (Pvt) Ltd	Director	Colombo Fort Hotels Ltd.	Director
Colonial Motors (Ceylon) Limited	Director		

Mr. A. Hettiarachchy

ACME Printing and Packaging PLC	Chairman / ED	Kiffs (Private) Limited	Director
Lankem Ceylon PLC	Deputy Chairman / NED	Lankem Minerals Limited	Chairman
ACME Packaging Solutions (Pvt) Limited	Chairman	SunAgro LifeScience Limited	Director
Alliance Five (Private) Limited	Director	ISL Services Limited	Chairman
Ceylon Tapes (Private) Limited	Director	Fortigrains (Lanka) Private Limited	Director
Ceytape (Pvt) Limited	Director	Sri Lanka Institute of Nanotechnology (Pvt) Ltd	Director
JF Packaging Limited	Director	JF Ventures Limited	Director

Mr. P. S. Goonewardene

Associated Farms (Pvt) Ltd	Director	Lankem Consumer Products Ltd	Director
Alliance Five (Private) Limited	Director	Lankem Exports (Pvt) Limited	Director
ACME Printing and Packaging PLC	NED	Lankem Paints Ltd	Director
ACME Packaging Solutions (Pvt) Limited	Director	Lankem Research Ltd	Director
Ceylon Tapes (Pvt) Limited	Director	Lankem Technology Services Ltd	Director

Company	Designation	Company	Designation
Ceytape (Pvt) Limited	Director	Lankem Minerals Limited	Director
JF Packaging Limited	NED	Nature's Link Ltd	Director
JF Ventures Limited	Director	SunAgro Farms Ltd	Director
Kiffs (Private) Limited	Director	SunAgro LifeScience Limited	Director
Lankem Agrochemicals Ltd	Director	Associated Motor Finance PLC	IND / NED / Chairman
Lankem Ceylon PLC	Managing Director	First Guardian Equities Limited	Director
Lankem Chemicals Ltd	Director	Dawi Investments Trust (Private) Ltd	Director

Mr. K.G Punchihewa

Agarapatana Plantations PLC	IND / NED	ACME Printing and Packaging PLC	IND / NED
Kotagala Plantations PLC	IND / NED	Consolidated Tea Plantations Ltd	Director
Lankem Ceylon PLC	IND / NED	JF Packaging Limited	IND / NED
Lankem Developments PLC	IND / NED	Ceylon Tapes (Pvt) Limited	Director
E.B. Creasy and Company PLC	IND / NED	JF Ventures Limited	Director
Laxapana PLC	IND / NED	Ceytape (Pvt) Limited	Director
Muller and Phipps (Ceylon) PLC	IND / NED	Kiffs (Private) Limited	Director
Plantation Human Development Trust	Director	Alliance Five (Private) Limited	Director

Mr. S.B Perera

C.W. Mackie PLC	IND / NED	Teejay Lanka PLC	IND / NED
Agarapatana Plantations PLC	IND / NED	Teejay Lanka Prints (Pvt) Limited	IND / NED
Kotagala Plantations PLC	IND / NED	Teejay India (Pvt) Limited	IND / NED
Lankem Ceylon PLC	IND / NED	Teejay Mauritius (Pvt) Limited	IND / NED
Lankem Development PLC	IND / NED	JF Packaging Limited	IND NED
Beruwala Resorts PLC	IND / NED	Ceylon Tapes (Pvt) Limited	Director
Marawila Resorts PLC	IND / NED	JF Ventures Limited (Resigned w.e.f.10.05.2025)	Director
Sigirya Village Hotels PLC	IND / NED	Ceytape (Pvt) Limited (Resigned w.e.f. 10.05.2025)	Director
E. B Creasy & Company PLC	IND / NED	Kiffs (Pvt) Limited (Resigned w.e.f.10.05.2025)	Director
Muller & Philips (Ceylon) PLC	IND / NED	Alliance Five (Pvt) Limited (Resigned w.e.f.10.05.2025)	Director
Laxapana PLC	IND / NED	Fintrex Finance Limited	Director
The Colombo Fort Land and Building PLC	IND / NED	Consolidated Tea Plantations Limited	Director
Nubian Threads Egypt	Director		

* ED/NED: Executive Director / Non Executive Director of PLC, IND: Independent Director of PLC, Director: Director of Pvt Ltd

7.4 Directors' Interest in Shares

There are no direct shareholdings in the Company held by the Directors as at the date of this Prospectus.

7.5 Sale or Purchase of Shares by the Directors

The following transfer of Shares in the Company took place during the past twelve (12) months prior to the date of this Prospectus.

Table 7.3 – Transfer of Shares in the Company within the Last 12 Months

Date	Transferor	Transferee	Number of Ordinary Voting Shares	Total Consideration (LKR)
July 14, 2024	Rajaratnam A.	Lankem Ceylon PLC	1	10/-
July 14, 2024	David K. P.	Lankem Ceylon PLC	1	10/-

7.6 Directors' Emoluments

Emoluments paid to Directors in the form of salaries, bonuses, fees and allowances during the financial year 2024/25 amounted LKR 16.8 million.

7.7 Directors' Interest in Assets

The Directors hold no interest in assets acquired, disposed of or leased by the Company during the two years preceding the IPO. Furthermore, it is not proposed that the Directors will hold any interest in assets to be acquired, disposed or leased by the Company in the two years subsequent to the IPO.

7.8 Directors' Interest in Material Contracts

No Directors have material interest in any contracts or arrangements relating to the business of the Company that are in force as at the date of this Prospectus.

7.9 Statement – Board of Directors

No Director of the Company is or was involved in any of the following events;

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- Convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

7.10 Corporate Governance Practices

The Board of Directors holds the view that Corporate Governance is a cornerstone for long-term sustainability and enhancing the value of the Company for stakeholders through ethical business practices and high standards of conduct. The Company will comply with all applicable requirements of Corporate Governance post listing.

The Board, being responsible for the Company's Corporate Governance, maintains oversight of management's commitment to the long-term interests of its stakeholders. The Directors and CEO of the company meet the Fit and Proper criteria enumerated under Rule 9.7 of the CSE Listing Rules (as amended), and there are no Alternate Directors as at the date of this Prospectus.

Taking into account best practices in Corporate Governance, the Board has delegated certain responsibilities to the following sub-committees of the Board. The Committees deal with relevant issues according to their Terms of References and make appropriate reports and recommendations to the Board.

The following Board subcommittees are in place to support the governance of the Company;

1. Audit Committee
2. Related Party Transactions Review Committee
3. Remuneration Committee
4. Nominations and Governance Committee

7.10.1 Audit Committee

The audit committee constitutes of the following Members;

Table 7.4 Audit Committee

Name	Designation
Mr. K. G Punchihewa	Chairman – Independent, Non – Executive Director
Mr. S. B Perera	Member – Independent, Non – Executive Director
Mr. A. Rajaratnam	Member – Non – Executive Director

The Audit Committee has the responsibility of assisting the Board in fulfilling its overall responsibility to the shareholders in relation to the integrity of the Company's financial reporting process in accordance with the Companies Act and other legislative reporting requirements including the adequacy of disclosures in the financial statements in accordance with the Sri Lanka Accounting Standards. The Audit Committee also has responsibility to ensure that the internal controls of the Company are in accordance with legal and regulatory requirements. The Committee evaluates the performance and the independence of the Company's external audit functions.

The scope of the Committee includes the following;

- Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards.
- Overseeing of the Company's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- Overseeing the processes to ensure that the Company's internal controls and risk management, are adequate, to meet the requirements of the Sri Lanka Auditing Standards.
- Assessment of the independence and performance of the external auditors.
- To make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.

The Chairman of the committee is a qualified senior finance professional who possesses a recognised accounting qualification and is a member of a recognised professional accounting body.

7.10.2 Related Party Transactions Review Committee

The Related Party Transactions Review Committee constitutes of the following Members;

Table 7.5 – Related Party Transactions Review Committee

Name	Designation
Mr. K. G Punchihewa	Chairman – Independent, Non – Executive Director
Mr. S. B Perera	Member – Independent, Non – Executive Director
Mr. A. Rajaratnam	Member – Non – Executive Director

The purpose of the Committee is to review all proposed related party transactions other than those transactions explicitly exempted in the CSE Listing Rules. Accordingly, except for such transactions, the committee shall review in advance all other proposed related party transactions.

The scope of the Committee includes the following;

- Review all proposed Related Party Transactions (Except for exempted transactions).
- Determining whether the relevant Related Party Transaction is fair to, and in the best interest of the Company and its stakeholders.

- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes.
- Establish guidelines for Senior Management to follow in ongoing dealings with related parties.
- Direct the transactions for Board approval/ Shareholder approval as deemed appropriate.
- Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules and regulations are made in a timely and detailed manner.

7.10.3 Remuneration Committee

The remuneration committee constitutes of the following Members;

Table 7.6 – Remuneration Committee

Name	Designation
Mr. K. G Punchihewa	Chairman - Independent, Non - Executive Director
Mr. S. B Perera	Member - Independent, Non - Executive Director
Mr. S. D. R. Arudpragasam	Member - Non - Executive Director

The Remuneration Committee is responsible for the maintenance of the Remuneration Policy of executive directors and making recommendation to the Board with regard to the fixing of remuneration of individual Directors. No Director shall be involved in fixing his/her own remuneration. It also ensures that appropriate Remuneration structures are in place and ensures that the best talent is acquired and retained. The Company complies with CSE Listing Rule 9.12.4 and is in the process of complying with Rule 9.12.5.

The scope of the Committee includes the following;

- Recommending total remuneration package and incentivisation packages of the Executive Directors including the Managing Director.
- Considering and recommending to the Board, the broad policy for the remuneration and incentivisation package of Executive Directors and Key Corporate Management.
- Reviewing Company's remuneration practices and policies to ensure fairness in Directors' remuneration.
- Determining the policy for the terms of employment of the Executive Directors.
- Monitoring the performance conditions subject to which any long-term incentive awards may be granted under the schemes adopted by the Company and approving grant of long term incentive awards, such as share appreciation rights and performance shares for Executive Directors and Key Corporate Management.
- Reviewing the design of all share incentive schemes.
- Bearing the responsibility for selecting and appointing any remuneration consultants who advises the committee.

7.10.4 Nominations and Governance Committee

The nominations and governance committee constitutes of the following Members;

Table 7.7 – Nominations and Governance Committee

Name	Designation
Mr. K. G Punchihewa	Chairman - Independent, Non - Executive Director
Mr. S. B Perera	Member - Independent, Non - Executive Director
Mr. S. D. R. Arudpragasam	Member - Non - Executive Director

The Nominations and Governance Committee is responsible for the formulation of policies that provide the framework for corporate governance, the nomination, appointment, and /or reappointment, election and/or re-election of Directors to the Board and the appointment of members to Board committees and evaluating

the fitness and propriety of persons for appointment, and /or reappointment, election and/or re-election as Directors to the Board and making recommendations to the Board in this regard.

The scope of the Committee includes the following;

- Identifying and recommending potential Board Members with the necessary skills, experience, and diversity to effectively govern the company.
- Assessing the current Board composition and recommending changes to size, tenure, and skillset as needed.
- Overseeing the nomination process for new Directors.
- Evaluating the performance of current Directors and identifying potential successors.
- Monitoring compliance with the company's code of ethics and conflict of interest policies.
- Review and recommend the overall corporate governance framework in line with regulatory and legal requirements and industry best practices.

7.11 Corporate Management

Each company within the Group operates under the guidance and direction of a Board of Directors and a set of core management personnel. To optimise the synergies within the Group and to ensure group-wide congruence in decision-making and strategy formulation, the strategic management function of the Group is performed by the Senior Management of JFP (see below).

Mr. K. P. David, FCMA (UK), CGMA, FCMA(SL), MCPM – Managing Director

Mr. K. P. David brings over three decades of experience in financial and corporate leadership. Beginning his career in the banking sector, he joined E. B. Creasy & Company PLC as Group Accountant in 1993, where he played a pivotal role in financial strategy and management. He later served as Head of Finance/Chief Financial Officer at Lankem Ceylon PLC and its subsidiaries until March 2017, steering financial operations and ensuring sustainable growth across the group. In 2007, Mr. David was appointed to the Board of Lankem Ceylon PLC as an Executive Director, a position he held until July 2020, contributing to strategic decision-making and corporate governance. Since April 2017, he has led the J. F. Packaging Cluster as Managing Director, overseeing operations at JF Packaging Limited, Ceylon Tapes (Pvt) Limited, Kiffs (Pvt) Limited, and Alliance Five (Pvt) Limited. He successfully managed the post-acquisition change management and the group entry into packaging businesses.

Following the group takeover of these subsidiaries, Mr. David demonstrated remarkable resilience and strategic foresight, driving exponential business growth and achieving stable performance across all companies. Under his leadership, JF Packaging emerged as the most awarded packaging company in Sri Lanka, securing numerous accolades¹¹ for its innovation and quality of packaging solutions. Mr. David also holds several other Directorships within the Lankem Group, exemplifying his dedication to operational excellence and innovation. He is a Fellow Member (FCMA, CGMA) of the Chartered Institute of Management Accountants (UK) with expertise in finance, leadership, and corporate strategy.

Mr. Lalith Mabarana- Dip. (Institute of Printing) – General Manager

Mr. Lalith Mabarana is an accomplished professional with a solid foundation in technical and managerial expertise. He holds a Certificate in Electronics from the Sri Lanka German Training Institute, along with diplomas in Offset Lithography and Graphic Reprography from the Institute of Printing, Sri Lanka. Additionally, he has undergone specialized training at the prestigious Heidelberg Training Institute in Germany.

With over 45 years of extensive industry experience spanning packaging, printing, and manufacturing, Mr. Mabarana has consistently demonstrated his leadership and operational capabilities. In his current role as General Manager at JF Packaging Limited, he oversees key areas such as Sales & Marketing, Manufacturing, Engineering, Administration, and Transportation, playing a pivotal role in driving the company's success.

¹¹ <https://bizenglish.adaderana.lk/jf-packaging-most-awarded-flexible-packaging-company-at-lanka-starasian-star-awards/>

Mr. W.L.G Boteju, MSc, BSc, PGD (Ind. Eng.) – Head of Research & Development

Mr. W.L.G. Boteju is a distinguished expert in the field of Polymer Chemistry and Packaging Engineering. He holds a MSc and BSc in Polymer Chemistry, a Postgraduate Diploma in Industrial Engineering, and advanced diplomas in International Packaging Engineering (Japan), Polythene Extrusion (Netherlands), and Graphic Reproduction (Belgium).

With 45 years of comprehensive experience across Rubber, Plastics, Packaging, and Polymer Technology, Mr. Boteju has dedicated his career to pushing boundaries in innovation. As the Head of Research & Development, he is actively engaged in designing sustainable and environmentally friendly packaging solutions. A true pioneer, he has developed groundbreaking, cost-effective, and commercially viable packaging systems that align with global sustainability goals.

Mr. Dulanjaya Samaraweera, MBA, BSc, FCA(SL), ACCA(UK) – Chief Financial Officer

Mr. Dulanjaya Samaraweera is a highly qualified finance professional with a distinguished academic and professional background. He holds a second-class upper honors BSc in Accounting (Special) from the University of Sri Jayewardenepura and an MBA from the University of Suffolk, UK. He is also a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and a Member of the Association of Chartered Certified Accountants (ACCA), UK.

Mr. Samaraweera launched his career at KPMG Sri Lanka, where he gained invaluable expertise in auditing, SLFRS conversion projects, and financial reporting advisory services during his five-year tenure. In March 2015, he joined the Lankem Ceylon PLC Group, where he further demonstrated his management and financial skills. By April 2017, he transitioned to the packaging cluster and now serves as the Chief Financial Officer for the entire JFP Group of companies.

In this capacity, Mr. Samaraweera expertly oversees and leads the finance functions of the organization. His financial stewardship has been instrumental in navigating the company through the challenging periods of the COVID-19 pandemic and the subsequent economic crisis in the country, ensuring resilience and stability during uncertain times.

Ms. M.P.L. Machado, Dip (Paper Technology) – Directress – Ceylon Tapes (Pvt) Limited

Ms. M.P.L. Machado is a seasoned professional with more than 50 years of extensive local and international experience in paper packaging, offset printing, and adhesive tape industries. Her illustrious career includes key roles at National Paper Corporation, Corru Pack Ltd, Fuji Graphics, and Media Ceramics, where she honed her expertise in production management and industry innovation.

Currently leading production management at Ceylon Tapes (Pvt) Limited, Ms. Machado continues to drive operational excellence. She holds a Diploma in Paper Technology and has completed a graduateship in Chemistry from the Sri Lanka Institute of Chemistry, showcasing her commitment to continuous learning and technical proficiency.

7.11.1 Corporate Management Emoluments

Emoluments paid to Corporate Management in the form of salaries, bonuses, fees and allowances during the financial year 2023/24 amounted to LKR 55 million.

7.11.2 Statement – Chief Executive Officer

The CEO of the Company has not been involved in any of the following;

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- Convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

8.0 OTHER INFORMATION

8.1 Degree of Dependence on Customers or Suppliers

There is no material dependency on key customers or suppliers in terms of the overall business operations of the Company.

8.2 Dividends

8.2.1 Dividend Policy

The Company may, subject to the provisions of the Articles of Association and the Companies Act No. 07 of 2007, make dividend payments by way of interim and final dividends to its shareholders in relation to the profits made from time to time. The Company will declare dividends subject to;

- the solvency requirements of the Companies Act No. 07 of 2007, and
- cash flow position of the Company, return from operations, business prospects, current and expected obligations, funding needs for growth opportunities, maintenance of a strong capital structure and any other factor which the Board of Directors may deem relevant.

In addition to the above-mentioned cash dividends, the Company may consider payment of dividends in the form of scrip dividends as deemed appropriate.

8.2.2 Dividend History

The Company has declared and paid the following dividends during the last three financial years immediately preceding the date of this Prospectus.

Table 8.1 – Dividend History

LKR	Financial Year Ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Interim Dividends	-	-	-
Final Dividends	-	-	100,539,678
Total Dividend for the Year	-	-	100,539,678
Dividend Per Share – Pre-Subdivision of Shares	-	-	LKR 83.50
Dividend Per Share – Adjusted for Subdivision of Shares	-	-	LKR 0.84

8.3 Details of Convertible Debt Securities

The Company has no outstanding convertible debt securities as of the date of this Prospectus.

8.4 Working Capital

The Board is of the opinion that the working capital is sufficient for the purpose of carrying out day to day operations of the Company and that the use of proceeds to partially settle outstanding debt will further strengthen the working capital position of the Company.

8.5 Management Agreements

There are no management agreements presently in force or currently being considered by the Company including particulars of any consideration passing to or from the Entity.

8.6 Material Contracts

There are no material contracts entered into by the Company other than those contracts entered into in the ordinary course of business.

8.7 Litigation, Disputes and Contingent Liabilities

JF Packaging Limited has issued corporate guarantees for borrowings obtained by related companies amounting to LKR 484 Million as at June 30, 2025. There are no material contingent liabilities or capital commitments outstanding as at the date of this Prospectus other than those disclosed herein.

There are no litigations or disputes of the Company as at the date of this Prospectus. There are no penalties imposed on the Company by any regulatory and state authorities as at the date of this Prospectus.

There are no legal, arbitration or mediation proceedings which have a significant effect on the Company's financial position or profitability as at the date of this Prospectus.

8.8 Takeover Offers

There have been no takeover offers by third parties in respect of the Company's shares during the past two (02) years preceding the Issue. Further, the Company currently has not made any takeover offers in respect of shares of a third parties.

8.9 Details of Employees and Labour Unions

JFP currently employs over 430 employees across the Group. The Company does not have labour unions.

8.10 Details of Commissions Paid

No commission has been paid in the two (02) years preceding the Issue or payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares of the Company.

8.11 Details of Benefits Paid to Promoters

No benefit has been paid or given within the two (02) years preceding the Issue and there are no benefits intended to be paid or given to any promoter.

8.12 Details of Transactions Relating to Property

There were no transactions relating to a property of the Company completed within the two (02) preceding years from the IPO in which any of the following parties had any interest, direct or indirect; vendor of the property to the Company or any person who is or was at the time of the transaction, a Promoter or a Director or proposed Director of the Company.

8.13 Corporate Taxation

Taxation applicable for the Company and its subsidiaries as at March 31, 2025 is as follows;

Table 8.2 – Tax Rates Applicable for the Company and its Subsidiaries as at March 31, 2025

Taxation	Rate
Corporate Income Tax Rate	30.0%
Value Added Tax Rate	18.0%
Social Security Contribution Levy Rate	2.5%

The Corporate Income Tax rates under the Inland Revenue Act, No. 24 of 2017 (as amended), Value Added Tax (VAT) rates in accordance with the provisions of the Value Added Tax Act, No. 14 of 2002 (as amended) and the Social Security Contribution Levy as per the Social Security Contribution Levy Act, No. 25 of 2022, are applicable to the Company and its subsidiaries.

8.14 Other Financial Information

The following information is disclosed in compliance with the listing guidelines and regulatory disclosure requirements of the Colombo Stock Exchange.

Table 8.3 – Reasons for Variances in Audited Financial Results – JFP (Group)

(LKR Mn)	Financial Year Ended			Reason for Variance
	March 31, 2024	March 31, 2025	Y-o-Y Change	
Revenue	3,786	4,385	15.8%	Primarily driven by higher production volumes from new orders across all group companies
Administration Expenses	274	340	24.3%	Primarily due to salary increments, new recruitments and staffing costs for the shared service center for back-office operations
Interest Expenses on Term Loans	230	151	-34.4%	Due to fall in market interest rates and loan settlements over the period
Equity Investments at FVOCI	328	556	69.6%	Due to fair value gain on investment (Please refer Note 14 of the latest audited financial statements)
Cash and Cash Equivalents	239	124	-48.1%	Primarily due to a negative variance in cash and cash equivalents resulting from investments in PPE during the year (Please refer the Statement of Cashflow of the latest audited financial statements)

Equity Investments at FVOCI - Unquoted Investments – JFP (Group)

In March 2024, Ceylon Tapes (Pvt) Limited acquired 6,018,518 shares in Consolidated Tea Plantations Ltd for a consideration of LKR 325 Mn, representing a 7% equity stake in the company. The investment was approved by the Board of Directors in line with the company's investment guidelines and was supported by independent valuations. Funding for the investment was obtained through a term loan of LKR 325 Mn.

For the financial year ended March 31, 2025, the said investment recorded a fair value gain of LKR 227 Mn, reflecting the strong performance and favourable industry outlook of the investee company. The fair value of this unquoted investment is classified under Level 3 of the fair value hierarchy and has been determined based on independent valuations carried out.

9.0 STATUTORY DECLARATIONS

9.1 Declaration by the Directors

We, the undersigned, being the Directors of JF Packaging Limited, a company incorporated in the Democratic Socialist Republic of Sri Lanka bearing Company Registration No. PV252PB having its registered office at No. 98, Sri Sangaraja Mawatha, Colombo 10, Sri Lanka, hereby declare and confirm that we have read the provisions of the Companies Act No.7 of 2007 relating to the issue of the Prospectus and provisions listed therein have been complied with.

This Prospectus has been seen and approved by us and we individually and collectively accept full responsibility for the accuracy and completeness of the information given and confirm that the provisions of the Listing Rules of the Colombo Stock Exchange and the Companies Act No. 7 of 2007 and any subsequent amendments made have been complied with and after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered reasonable at the present point in time and according to our best judgments.

We further declare that the profit forecasts have been included in this Prospectus after due and careful enquiry of the information available to the Company and assumptions that are considered to be reasonable at the present point in time and according to our best judgments.

Name	Designation	Signature
Mr. S . D. R. Arudpragasam	Chairman Non-Executive, Director	Sgd.
Mr. K. P. David	Managing Director Executive Director	Sgd.
Mr. A. Rajaratnam	Director Non-Executive Director	Sgd.
Mr. A. Hettiarachchy	Director Non-Executive Director	Sgd.
Mr. S. Goonewardene	Director Non-Executive Director	Sgd.
Mr. K.G. Punchihewa	Director Independent, Non-Executive Director	Sgd.
Mr. S.B. Perera	Director Independent, Non-Executive Director	Sgd.

9.2 Declaration by the Company

We, JF Packaging Limited, having our Registered Office at 98, Sri Sangaraja Mawatha, Colombo 10, Sri Lanka, hereby declare that to the best of our knowledge and belief that this Prospectus constitutes full and fair disclosure of all material facts about the Offer and the Company.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing for all the Ordinary Voting Shares of the Company and those Ordinary Voting Shares, which are the subject of this offer. Such permission will be granted when the Ordinary Voting Shares are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness or omissions of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Company or of the shares offered.

Sgd.
Director

Sgd.
Director

9.3 Declaration by the Financial Advisors and Managers to the Issue

We, HNB Investment Bank (Pvt) Ltd of 53, Dharmapala Mawatha, Colombo 03, hereby declare that to the best of our knowledge and belief this Prospectus constitutes full and true disclosure of all material facts about the Offer and the Company and we have satisfied ourselves that the profit forecasts have been stated by the Directors of JF Packaging Limited after due and careful inquiry.

The Common seal of HNB Investment Bank (Pvt) Ltd is affixed at Colombo in the presence of

Sgd.
Director

Sgd.
Director

10 ABBREVIATIONS

AWPLR	Average Weighted Prime Lending Rate	Kiffs	Kiffs (Pvt) Limited
Alliance5	Alliance Five (Pvt) Limited	kg	Kilogram
BOI	Board of Investments	km	Kilometer
Bn	Billion	Lankem	Lankem Ceylon PLC
BOPP	Biaxially Oriented Polypropylene	LKR	Sri Lankan Rupees
CAGR	Compound Annual Growth Rate	Ltd.	Limited
CBSL	Central Bank of Sri Lanka	m	Meters
CDS	Central Depository System	mm	Millimeter
CEFT	Common Electronic Fund Transfer	min	Minutes
CEO	Chief Executive Officer	MOU	Memorandum of Understanding
CTapes	Ceylon Tapes (Pvt) Limited	Mn	Million
CSE	Colombo Stock Exchange	NAV	Net Asset Value
CSR	Corporate Social Responsibility	N/A	Not Applicable
DCF	Discounted Cash Flow	n.m	Not Meaningful
EBIT	Earnings Before Interest and Tax	NIC	National Identity Card
EBITDA	Earnings Before Interest Tax Depreciation and Amortization	p.a	Per annum
EPS	Earnings per Share	P/E	Price to Earnings
EV	Enterprise Value	PLC	Public Limited Company
FCBU	Foreign Currency Banking Unit	POA	Power of Attorney
FSSC	Food Safety System Certification	Pvt.	Private
FY	Financial Year	R&D	Research and Development
HACCP	Hazard Analysis and Critical Control Points	ROA	Return on Assets
HNB	Hatton National Bank PLC	ROE	Return on Equity
HNBIB	HNB Investment Bank (Pvt) Ltd	RTGS	Real Time Gross Settlement
GMP	Good Manufacturing Practices	SEC	Securities and Exchange Commission
IIA	Inward Investment Account	SLIPS	Sri Lanka Interbank Payment System
IPO	Initial Public Offering	SLS	Sri Lanka Standards
ISO	International Organization for Standardization	UPS	Uninterruptable Power Supply
JFP	JF Packaging Limited	USD	United States Dollar
JFV	JF Ventures Limited	VAT	Value Added Tax
		WPO	World Packaging Organization

11 GLOSSARY

Applicant/s	An investor who submits an Application Form in terms of this Prospectus
Application Form/ Application	The Application form that constitutes part of this Prospectus through which the investors may apply for the New Shares
Articles of Association	Articles of Association of JF Packaging Limited
Board/ Board of Directors/ Directors	The Board of Directors of JF Packaging Limited
Companies Act	Companies Act No. 07 of 2007 (as amended)
CSE Listing Rules/Listing Rules	Listing rules of the Colombo Stock Exchange as amended from time to time
Foreign Investor	Investors who are: a) Citizens of Sri Lanka who are Resident outside Sri Lanka and above 18 years of age; b) Corporate bodies incorporated or established outside Sri Lanka; c) Foreign citizens above 18 years of age (irrespective of whether they are Resident in Sri Lanka or overseas); or d) Regional and country funds approved by the SEC;
GoSL/Government	Government of the Democratic Socialist Republic of Sri Lanka
IPO/ Issue Opening Date, Earliest IPO/ Issue Closing Date or IPO/Issue Closing Date	The dates of the opening and closing of the subscription list as set out in Section 3.10 of this Prospectus
Issue/Share Issue/ Total Issue/IPO	Issue of up to 51,724,144 New Ordinary Voting Shares comprising of an Offer for Subscription as detailed in Section 3 of this Prospectus of the Company
Joint Application Forms	Application Forms submitted by natural people not exceeding three
JFP / The Company	JF Packaging Limited
JFP Group / The Group	JF Packaging Limited and its subsidiaries
Lawyers to the issue	Julius and Creasy
Financial Advisors and Managers to the Issue/Managers to the Issue	HNB Investment Bank (Pvt) Ltd.
Market Day	Any day on which CSE is open for trading
New Shares	Up to 51,724,144 new Ordinary Voting shares to be issued by the Company to the public at the Share issue price.
Non-Retail Investor Category	Investors who do not fall under the Retail Individual Investor Category, Employee and Director Category and Unit Trust Investor Category

Ordinary Shares/ Issued and Paid-up Ordinary Shares/ Ordinary Voting Shares/ Shares	Ordinary Voting Shares of the Company, which confer on the holders thereof, with regard to each share: a) the right to one vote on a poll at a meeting of the Company on any resolution; b) the right to an equal share in dividends paid by the Company; and c) the right to an equal share in the distribution of the surplus assets of the Company on liquidation.
Prospectus	This prospectus dated September 20, 2025 issued by the Company in connection with the Share Issue
Public Shareholders	'Public Shareholders' shall mean any party who hold shares of the applicant Entity other than the parties identified as Non-Public Shareholders as set out in the CSE Listing Rules 2.1.1.(f)(v), in line with the public holding requirements to list under main board as set out in the CSE Listing Rules 2.1.2 (A) (i) (C).
Registrars to the Issue	S S P Corporate Services (Private) Limited
Retail Individual Investor Category	Individual Applicant who subscribes for a maximum of 8,600 shares amounting to a value of not more than LKR 100,000
SEC Act	Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
Share Issue Price/Issue Price	The price at which New Shares will be issued to the public as detailed in this Prospectus, i.e. LKR 11.60 per Ordinary Voting Share
Stated Capital	The Stated Capital of JFP
Unit Holder	An individual who has made an investment in units not exceeding the value of LKR 10,000,000/- in a particular Unit Trust Fund that subscribes for New Shares, as per SEC Directive dated June 6, 2011 (Ref: SEC/LEG/11/06/01)
Unit Trust Applicant Category	Growth and Balanced Unit Trusts operated by managing companies licensed under the SEC to operate such Unit Trusts, where such Unit Trusts comprise not less than 500 Unit Holders Resident in Sri Lanka who together hold at least 50% of that Unit Trust, as per SEC Directive dated June 06, 2011 (Ref: SEC/Leg/11/06/01)

Annexure A

RESEARCH REPORT

JF PACKAGING LIMITED

RESEARCH REPORT

July 15, 2025



**Research Report to the Board of Directors and Shareholders
on the Valuation of Ordinary Voting Shares of JF Packaging Limited
for the Proposed Initial Public Offering**

Prepared by



**HNB Investment Bank (Pvt) Ltd
53, Dharmapala Mawatha, Colombo 03, Sri Lanka**

July 25, 2025

The Board of Directors
JF Packaging Limited
306, Minuwangoda Road
Kotugoda, Sri Lanka

Dear Sirs,

Valuation of Ordinary Voting Shares of JF Packaging Limited as at July 15, 2025

We, HNB Investment Bank (Pvt) Ltd (“HNBIB”) in the capacity of the Financial Advisor & Manager to the Initial Public Offering (“IPO”) (hereinafter referred to as “Managers to the Issue”) of JF Packaging Limited (“JFP”) wish to submit the enclosed Research Report in accordance with Section 3.1.4. C of the Listing Rules of the Colombo Stock Exchange.

We, HNB Investment Bank (Pvt) Ltd hereby declare that we possess the necessary expertise to carry out valuations for a company of this nature involving a listed company categorized under the GICS Sector Classification: Materials.

We have carried out a detailed analysis of the business operations of JFP and its subsidiaries in order to arrive at the valuation of the Company and the results have been summarized below.

Valuation Method	Value of Equity (LKR Mn)	Value per Share based on pre-IPO shares in issue (LKR)	Value per Share based on post-IPO shares in issue (LKR)
Discounted Cash Flow Method	3,172	26.35	18.43
Forward P/E Method	2,482	20.62	14.42
EV/ EBITDA Method	2,527	20.99	14.68
Average	2,727	22.65	15.84

We are of the view that the Company’s shares would have a fair value of LKR 22.65 based on pre-IPO shares in issue and LKR 15.84 based on post-IPO shares in issue as at the date of this report, given the Company’s business fundamentals.

Considering your intention to offer an upside to potential investors and the healthy marketability of shares, we recommend an IPO offer price of LKR 11.60 per share at a 26.8% discount to the average fair value per share based on the post-IPO number of shares in issue.

Yours faithfully,

Sgd.

Ray Abeywardena

Group Managing Director
HNB Investment Bank (Pvt) Ltd

TERMS OF ENGAGEMENT OF THE PREPARER

This report was prepared by HNB Investment Bank (Pvt) Ltd for the Board of Directors of JF Packaging Limited to provide an independent opinion on the indicative fair market value of the Company's shares as at the report date, for the purpose of listing on the Colombo Stock Exchange. HNBIB has prepared this report in the capacity of Financial Advisor and Manager to the Initial Public Offering of JF Packaging Limited.

In providing our services we have relied primarily on financial information and forecasts provided to us by the Company. We have reviewed historical financial information, past performance trends and other publicly available industry/economic information to assess the reasonability of achieving the said forecasts and where required have made certain adjustments to key variables and cashflows as deemed appropriate and reasonable. No confidential information has been used in carrying out this Valuation. We have relied on management forecasts, discussions held, and explanations provided by the Company's management for our work.

Our opinions herein constitute a judgment as of the valuation date and were based on a number of estimates and assumptions based on market conditions prevailing as of that date, which are inherently subject to significant uncertainties and contingencies. Therefore, it can be expected that one or more of the assumptions on which the valuations and forecasts were based on, may or may not materialize and/or significantly vary from actual results.

TABLE OF CONTENTS

1.0	COMPANY OVERVIEW	90
1.1	JF Packaging Limited	90
1.2	Subsidiaries	90
1.2.1	JF Ventures Limited	90
1.2.2	Kiffs (Pvt) Limited	91
1.2.3	Ceylon Tapes (Pvt) Limited	91
1.2.4	Alliance Five (Pvt) Limited	91
1.3	Summary of Group Assets, Liabilities and Profitability	91
2.0	INDUSTRY OVERVIEW	92
2.1	Packaging Industry Overview	92
2.2	Flexible Packaging Industry Overview	92
2.3	Key Trends driving Demand for the Flexible Packaging Industry	93
2.3.1	Economic and Demographic Growth	93
2.3.2	Rise in Urbanization and Changing Consumer Lifestyles	94
2.3.3	Growth in E-commerce and Demand for Efficient Packaging	95
2.3.4	Sri Lanka's Export Focus and Packaging as a Key Value Adding sector for Exports	96
2.3.5	Sustainability, Innovation and Technology	96
3.0	SOURCES OF INFORMATION	97
4.0	PRICE AND VALUATION SUMMARY	98
4.1	Valuation Summary for JF Packaging Limited	98
4.2	Recommended IPO Offer Price	98
5.0	VALUATION METHODOLOGY	99
5.1	Discounted Cash Flow Method	99
5.2	Price to Earnings Method	100
5.3	Enterprise Value to EBITDA Method	100
5.4	Selection of Comparable Peers	101
6.0	EQUITY VALUATION	102
6.1	Discounted Cash Flow Method	102
6.1.1	DCF Valuation – JF Packaging Limited (Company)	102
6.1.2	DCF Valuation – Kiffs (Pvt) Limited	106
6.1.3	DCF Valuation – Ceylon Tapes (Pvt) Limited	109
6.1.4	DCF Valuation – Alliance Five (Pvt) Limited	113
6.1.5	Sum-of-the-parts Valuation of DCF	117
6.2	Market Multiples based Forward Price to Earnings Method	117
6.2.1	Value of Equity – Forward P/E method	117
6.2.2	Value of Equity – EV/ EBITDA method	118
6.2.3	Comparable Peer Companies	118
6.3	Value Conclusion	119
7.0	FORECAST FINANCIAL STATEMENTS	120
7.1	Forecast Financial Statements – JF Packaging Limited (Group)	120
7.2	Forecast Financial Statements – JF Packaging Limited (Company)	120
7.3	Forecast Financial Statements – Kiffs (Pvt) Limited	121
7.4	Forecast Financial Statements – Ceylon Tapes (Pvt) Limited	121
7.5	Forecast Financial Statements – Alliance Five (Pvt) Limited	122
8.0	HISTORICAL FINANCIAL STATEMENTS	123
8.1	Statement of Profit & Loss - JF Packaging Limited (Group)	123
8.2	Statement of Financial Position - JF Packaging Limited (Group)	123
9.0	TRANSACTION TEAM	124
10.0	ABBREVIATIONS	125
11.0	DISCLAIMER	126

LIST OF TABLES

Table 1.1	Key Financial Highlights – JFP Group.....	91
Table 2.1	Monthly Domestic Production and Consumption of Types of Packaging.....	92
Table 2.2	Estimated Market Size for Flexible Packaging in Sri Lanka.....	93
Table 2.3	Manufacture of Food and Beverage Sector Contribution to GDP.....	93
Table 2.4	Number of Outlets in Major Supermarket Chains.....	95
Table 4.1	Valuation Summary for JF Packaging Limited.....	98
Table 4.2	Offer Price Multiples.....	98
Table 5.1	Comparable Listed Peers (Local).....	101
Table 5.2	Comparable Listed Peers (Regional).....	101
Table 5.3	Peer Multiple Weightage.....	101
Table 6.1.1	Sensitivity Analysis of DCF – JF Packaging Company.....	105
Table 6.1.2	Sensitivity Analysis of DCF – Kiffs.....	109
Table 6.1.3	Sensitivity Analysis of DCF – CTapes.....	113
Table 6.1.4	Sensitivity Analysis of DCF –Alliance5.....	116
Table 6.1.5	SOTP DCF Valuation of JFP.....	117
Table 6.2.1	Value of Equity – Forward P/E Method.....	117
Table 6.2.2	Sensitivity of P/E Method.....	118
Table 6.2.3	Value of Equity – EV/ EBITDA Method.....	118
Table 6.2.4	Sensitivity of EV / EBITDA Method.....	118
Table 6.2.5	Listed Peers (Local).....	118
Table 6.2.6	Listed Peers (Regional).....	119
Table 6.2.7	Selected Peer Multiples.....	119
Table 6.2.8	Valuation Summary for JF Packaging Limited.....	119
Table 7.1.1	Forecast Statement of Profit or Loss – JFP (Group).....	120
Table 7.2.1	Forecast Statement of Profit or Loss – JFP (Company).....	120
Table 7.2.2	Forecast Balance Sheet – JFP (Company).....	120
Table 7.3.1	Forecast Statement of Profit or Loss – Kiffs.....	121
Table 7.3.2	Forecast Balance Sheet – Kiffs.....	121
Table 7.4.1	Forecast Statement of Profit or Loss – CTapes.....	121
Table 7.4.2	Forecast Balance Sheet – CTapes.....	122
Table 7.5.1	Forecast Statement of Profit or Loss – Alliance5.....	122
Table 7.5.2	Forecast Balance Sheet – Alliance5.....	122
Table 8.1	Statement of Profit and Loss – JFP (Group).....	123
Table 8.2	Statement of Financial Position – JFP (Group).....	123

LIST OF FIGURES

Figure 1.1	JFP Group Structure as at March 31, 2025.....	90
Figure 2.1	Mean Household Expenditure vs. Mean Expenditure on Food and Drink per month in Sri Lanka (2009/10-2019).....	94
Figure 2.2	No. of Internet users in Sri Lanka	95
Figure 2.3	Total Merchandise Exports in Sri Lanka	96

1.0 COMPANY OVERVIEW

1.1 JF Packaging Limited

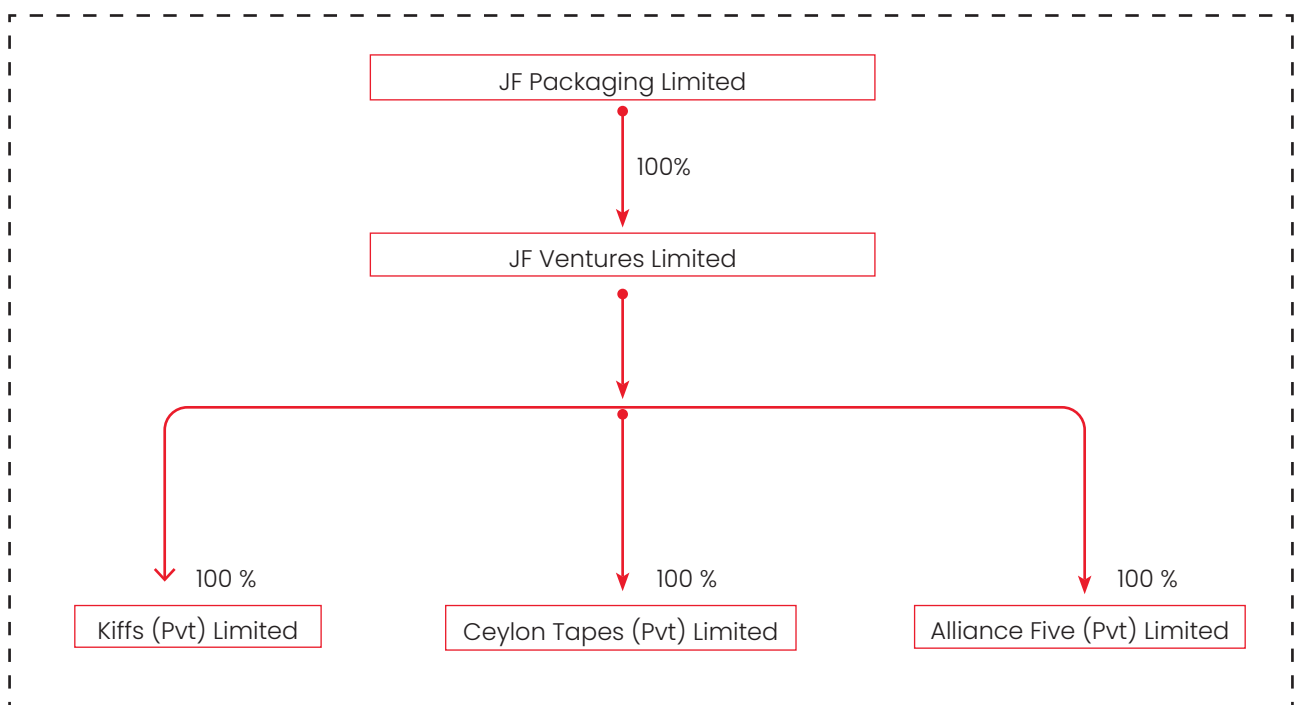
JF Packaging Limited is a leading producer of flexible packaging products in Sri Lanka. The Company was founded in 1987 as a family-owned business and was acquired by Lankem Ceylon PLC (“Lankem”) in 2015. Lankem currently owns 100% of shares of JFP.

JFP produces three layer co-extruded polymer films with high barrier properties to be used in mainly laminated packaging for both food and non-food segments. Its product portfolio includes printed laminates, three side sealed pouches, four side sealed pouches, center sealed pouches, pouches with zipper, shrink sleeves, peelable lidding, and co-extruder films. It operates an ISO certified manufacturing facility in Kotugoda (Ekala), Sri Lanka with a workforce of over 180 employees. The company has invested in state-of-the-art plant and machinery and in-house laboratory facilities to cater to international food safety standards. Their main customers include some of the largest food and beverage companies in Sri Lanka including Nestle, Unilever, Keells, Maliban, Cargills, Prima, and Ceylon Biscuits.

1.2 Subsidiaries

JFP owns three fully owned subsidiaries through its fully owned investment holding subsidiary JF Ventures Limited.

Figure 1.1 : JFP Group Structure as at March 31, 2025



1.2.1 JF Ventures Limited

JF Ventures Limited (“JFV”) is a fully owned subsidiary of JFP and functions as the investment holding company for Ceylon Tapes (Pvt) Limited, Kiffs (Pvt) Limited and Alliance Five (Pvt) Limited. It was previously known as Sun Agro Foods Ltd and incorporated in 2011 to carry out manufacturing and trading operations within the Lankem Group. However, the Company has not conducted any manufacturing and trading related business activities since 2017, and now functions primarily as an Investment Holding Company for the JFP subsidiaries.

1.2.2 Kiffs (Pvt) Limited

Kiffs (Pvt) Limited (“Kiffs”) is a reputed manufacturer and supplier of a variety of polyethylene terephthalate (“PET”) products and plastic accessories such as bottles, preforms, bottle lids, and plastic spools accessories. Kiffs was established in 1997 and acquired by JFP in 2017.

It operates through its factory located in Kadawatha with a workforce of over 80 employees. Their key customers include large players in the food and beverage, pharmaceutical, and household chemicals sectors including Speed, Scan, American Water, SMACK, Alka Drinking Water, Prima and Vendol.

1.2.3 Ceylon Tapes (Pvt) Limited

Ceylon Tapes (Pvt) Limited (“CTapes”) is a leading manufacturer of various types of industrial packing tapes in Sri Lanka. It produces a range of adhesive tapes including BOPP Self-adhesive Tapes, Coloured Tapes & Printed Tapes, Self-Adhesive Kraft Paper Tapes, Masking Tapes, Double sided Tissue Tapes, Stretch film and Water Base Gum Tape and other related products such as paper tubes for adhesive tapes and fabric rolling.

CTapes’ production facility is located in the Industrial Estate, Ekala, and employs over 80 employees. Their main customers include Unilever Sri Lanka, Nestle Lanka, ATG Handcare, Rainbow Fashions, Janet Lanka, Godrej Household Products Lanka, Aitken Spence (Garments), and Unichela.

1.2.4 Alliance Five (Pvt) Limited

Alliance Five (Pvt) Limited (“Alliance5”), is a manufacturer and exporter of a wide range of industrial and household brushes, brooms, and industrial plastic accessories. Initially specialized in producing coir-based brushes and brooms, the company later expanded its operations to manufacture industrial plastic accessories such as thread cones and toy accessories which now account for over 90% of its revenue.

The Company has over 70 employees and operates from its factory located in Kadawatha. Their key customers include leading manufacturers of industrial threads such as A&E Threads and Coats & Threads.

1.3 Summary of Group Assets, Liabilities and Profitability

A summary of key financial highlights of the group companies as at March 31, 2025 is given below;

Table 1.1: Key Financial Highlights – JFP Group

Company	Total Assets	Total Equity	Net Profit after Tax	Effective Shareholding by JFP
JF Packaging Limited (Company)	3,453	1,777	60	
JF Ventures Limited	1,429	1,401	143	100%
Ceylon Tapes (Pvt) Limited	1,077	325	70	100%
Kiffs (Pvt) Limited	320	107	70	100%
Alliance Five (Pvt) Limited	339	150	103	100%
JF Packaging Limited (Group)*	3,723	1,117	131	

* Includes consolidation adjustments

2.0 INDUSTRY OVERVIEW

2.1 Packaging Industry Overview

The global packaging market size is estimated at USD 1.14 trillion in 2024, and is expected to reach USD 1.38 trillion by 2029, growing at a CAGR of 3.89% from 2024-2029¹. Over the past decade the global packaging industry has grown steadily driven by growth in the food and beverage industry, increased significance in health and personal care packaging, and technological advancements in material science and manufacturing processes.

The printing and packaging industry in Sri Lanka has also expanded steadily over the recent past. According to the Ministry of Industries, Sri Lanka's packaging industry has achieved the highest growth rate of a developing country in Asia over the past few decades². The key subsectors within the industry include flexible packaging, corrugated packaging, paper boards, metal, glass and rigid plastics. Corrugated box manufacturing and polythene related packaging are the largest subsegments by production followed by flexible packaging and glass bottles³. Growth forecasts for the sector estimate a 10-12% growth in packaging volumes and 20-25% growth in packaging values for 2025/26³.

Table 2.1: Monthly Domestic Production and Consumption of Types of Packaging

Subsector	Production (MT)	Domestic Consumption (MT)
Flexible Packaging (Laminated)	2,000-2,200	1,200-1,400
Flexible Packaging (Monolayer)	3,000-3,200	2,000-2,200
Woven Polysacks / Non-woven Polybags	12,300	11,100
Corrugated Box Manufacturing	34,000-36,000	14,500
Rigid Plastic Packaging	1,400-1,500	1,200-1,400
PET Bottles	2,000	1,500
Printed Paper / Board Packaging	2,500	1,800
Glass Packaging	5,000 bottles	2,000 bottles

Source: Ministry of Industries (2022)

2.2 Flexible Packaging Industry Overview

Flexible packaging is a sub segment of the industry which refers to the manufacture of non-rigid packaging products such as bags, pouches, liners, wraps, sachets and other flexible products that could easily change shape without compromising its protective functions. In 2024 the global flexible packaging market was valued at USD 207.93 billion, and it is estimated to reach USD 257.58 billion by 2029 at a CAGR of 4.4%⁴. Demand for flexible packaging has been growing rapidly due to demand driven by end-users, sustainability, convenience and product differentiation benefits it offers due to its versatile packing solutions and minimum resource usage.

The total market size for flexible packaging in Sri Lanka is estimated to be at around LKR 96.0 billion based on production volumes for flexible laminated and monolayer packaging at current market prices. Of this, the total addressable market for food & beverage, detergents and household packaging is estimated to be approx. 30% (LKR 28.8 billion) of which JFP accounted for an approx. 7% market share as at end 2023/24⁵.

¹ Packaging Market Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029) <<https://www.mordorintelligence.com/industry-reports/global-packaging-market>> date accessed 16 October 2024

² Industry Data Book 2022 (Packaging Sector) <<https://www.industry.gov.lk/web/wp-content/uploads/2023/05/Packaging-1-4.pdf>> date accessed 17 October 2024

³ Sector overview packaging & related industries (2023) <<https://www.industry.gov.lk/web/wp-content/uploads/2023/02/Sector-overview-packaging-final.pdf>> date accessed 16 October 2024

⁴ Markets and Markets (2022,Nov).Flexible packaging market by packaging type <<https://www.marketsandmarkets.com/Market-Reports/flexible-packaging-market-1271.html>> date accessed 23 October 2024

⁵ Source: Management Information

Table 2.2: Estimated Market Size for Flexible Packaging in Sri Lanka

Packaging Type	Average Annual Production (Kg)	Average selling price / Kg	Total market size (LKR 000's)
Flexible Packaging (Laminated)	25,200,000	1,300	32,760,000
Flexible Packaging (Monolayer)	37,200,000	1,700	63,240,000
Total			96,000,000

Source: Ministry of Industries, Industry sources

Food packaging in the FMCG sector is one of the largest end use segments for flexible packaging in Sri Lanka. Food and beverage⁶ is among the fastest growing industries in the country and has contributed approx. LKR 929.0 Bn to GDP in 2021 (LKR 698.3 Bn: 2017) growing at a CAGR of 7.4%⁷. By end 2021, food and beverage sector contribution to GDP stood at approximately 5.5% up from 5.2% in 2017⁵.

Table 2.3: Manufacture of Food and Beverage Sector Contribution to GDP

	Food		Beverage		Total Food and Beverage	
	Contribution value (Rs. Mn)	Share (%) of Total Current GDP	Contribution Value (Rs. Mn)	Share (%) of Total Current GDP	Contribution Value (Rs. Mn)	Share (%) of Total Current GDP
2017	698,285	5.24	33,909	0.36	732,194	5.60
2018	752,003	5.26	34,543	0.36	786,546	5.62
2019	707,284	4.72	36,578	0.37	743,862	5.09
2020	788,936	5.25	36,519	0.38	825,455	5.63
2021	929,322	5.53	38,788	0.39	968,110	5.92

Source: Department of Census and Statistics

2.3 Key Trends driving Demand for the Flexible Packaging Industry

2.3.1 Economic and Demographic Growth

The population of Sri Lanka has been expanding continuously increasing at an average of 0.8% p.a from 2017 -2022⁸, while the size of a family unit has shrunk over time. Based on the Household Income & Expenditure Survey 2022 ("HIES 2019") the average household size in Sri Lanka has reduced from 4.0 in 2009/10 to 3.7 in 2019⁶. This indicates that when purchases are made more units of goods in smaller quantities will be demanded. Hence, the demand for packaging will rise to facilitate the packaging of smaller units of goods. Rising life expectancy and an expanding ageing population will also drive demand for healthcare and pharmaceutical products which will drive demand for flexible packaging particularly in the pharmaceutical sector.

Population growth and rising disposable income are key demand drivers for consumer goods, especially in the food and retail sectors. Based on the HIES 2019 mean per capita income per month in Sri Lanka had risen from LKR 9,104 in 2009/10 to LKR 20,527 in 2019 while mean household expenditure had risen from LKR 31,331 to LKR 63,130 per month over the same time.

6 Food and beverage includes processed food, canned/bottled products, confectionary and bakery products, rice and cereals, frozen vegetables and animal feeds (Ministry of Industries) < <https://www.industry.gov.lk/web/wp-content/uploads/2023/05/data-book-2022-Copy.pdf> > date accessed 16 October 2024

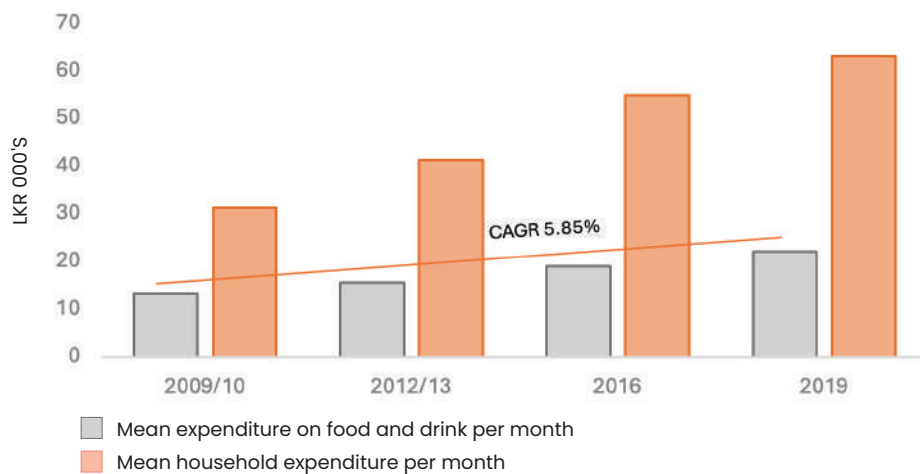
7 Industry Data Book 2022, Manufacturing Industry <<https://www.industry.gov.lk/web/wp-content/uploads/2023/05/data-book-2022-Copy.pdf>> date accessed 16 October 2024

8 Central Bank:Key Economic Indicators <https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/aer/2023/en/03_KEI.pdf> date accessed 22 October 2024

Mean expenditure on food and drink had also increased from LKR 13,267 to LKR 22,130 at a CAGR of 5.85% between 2009/10 – 2019, indicating growth in consumption which will drive demand for packaging especially in the food and beverage sector.

Household incomes which were hit hard with the sharp devaluation of the Sri Lankan rupee sparked a painful inflationary shock in 2022-2023. But with the easing of inflation in 2024 and its expected stability this year, households are expected to be able to rebuild their purchasing power, encouraging consumption and demand for packaged goods. Inflation is expected to average below 5% in 2024 and around 5% 2025. The economic recovery along with the revival of the tourism sector is envisioned to drive the rise in consumer spending going forward.

Figure 2.1: Mean Household Expenditure vs Mean Expenditure on Food and Drink per Month in Sri Lanka (2009/10 – 2019)



Source: Department of Census and Statistics

2.3.2 Rise in Urbanization and Changing Consumer Lifestyles

With the rise in urbanization more households are moving into single or dual person living, where consumers are more inclined to make purchases in smaller quantities and more frequently. This has boosted demand for convenient, portable packaging in smaller size formats. Changing consumer lifestyles are also aiding demand for on-the-go consumption among consumers, increasing demand for packaging solutions that are convenient and portable; with flexible plastics being one of the main beneficiaries. The share of urban population in Sri Lanka had risen from 18.2% in 2012 to 18.9% in 2021⁹ from 3.85 Mn – 4.18 Mn (2012-2021)¹⁰ indicating an average growth of approx. 1% per annum.

Growth in modern trade has also contributed significantly to the increase in demand for flexible plastic packaging due to its high barrier properties, extended shelf life and product protection features. Due to rising income levels and convenient access to supermarkets across the island consumers in Sri Lanka are shifting from traditional convenience stores to modern trade outlets. The number of outlets of major supermarket chains have expanded significantly over the past decade with modern trade estimated to account for around 15-20% of total retail at the beginning of 2022¹¹. Sri Lanka’s supermarket penetration in 2017 stood at around 15% compared to 30% for regional peers with similar social and economic characteristics, indicating the potential for the industry to grow¹².

9 Sri Lanka Socio Economic Data 2023 (Central bank) <https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/otherpub/publication_sri_lanka_socio_economic_data_folder_2023_e.pdf> date accessed 22 October 2024

10 Sri Lanka Urban Population Data (Trading Economics) <<https://tradingeconomics.com/sri-lanka/urban-population-wb-data.html>> date accessed 22 October 2024

11 Modern Trade Sector Sri Lanka <<https://www.linkedin.com/pulse/attrition-customer-service-modern-trade-retail-sector-kodippili/>> date accessed 24 October 2024

12 Fitch Ratings: Sri Lanka Modern Grocery Retail (2017) <<https://lmd.lk/wp-content/uploads/2017/11/Spotlight-Sri-Lankas-modern-grocery-retail-Nov-2017.pdf>> date accessed 24 October 2024

Table 2.4: Number of Outlets in Major Supermarket Chains

Supermarket	2015	2021	CAGR
Cargills	256	460	10.3%
Keells	45	125	18.6%
Sathosa (State Owned)	303	422	5.68%
Arpico	59	51	-2.40%
Laugfs	n/a	36	

Source: Fitch Ratings Research¹², News articles¹³, Lanka Sathosa Annual Report (2019)¹⁴

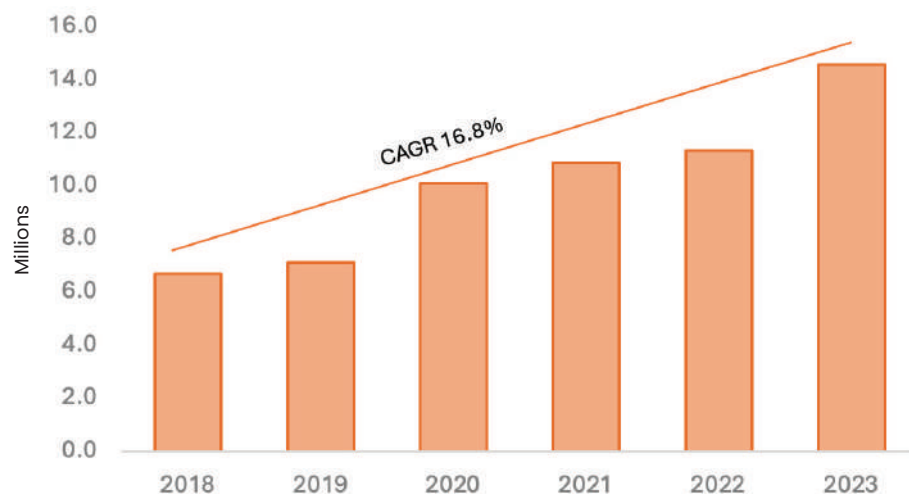
2.3.3 Growth in E-commerce and Demand for Efficient Packaging

The growth in e-commerce contributes significantly to demand for flexible packaging due to the advantages it offers in terms of affordability, effectiveness and light weight properties which are essential for efficient shipping and transportation.

The market for online retailing continues to grow rapidly driven by the penetration of internet and smartphones. E-commerce in Sri Lanka has also grown significantly with the increased use of the internet and smart devices, especially during the COVID-19 pandemic. According to Data Reportal, Sri Lanka's internet penetration stood at 56.3% with 12.34 million internet users at the beginning of 2024 compared to 1.8mn internet users in 2011. Similarly, the number of active cellular mobile connections had risen from 18.0 Mn in 2011 to 32.49 Mn at the beginning of 2024¹⁵.

According to the Information and Communication Agency of Sri Lanka and the United Nations Conference on Trade and Development, approximately 43% of the estimated 11 million internet users (in 2022) had made online purchases and the western province was the largest ecommerce market geographically accounting for around 50% of total orders¹⁶. This increase in access and willingness to transact online will drive demand for packaging especially in the flexible plastics sector.

Figure 2.2: Number of Internet users in Sri Lanka



Source: Digital 2018- 2024, Data Reportal

¹³ Sneak Peak into Modern Trade <<https://medium.com/@naveenilapperuma/modern-trade-in-sri-lanka-8fc903aeecf5>> date accessed 24 October 2024

¹⁴ Lanka Sathosa Annual Report 2019 <<https://www.parliament.lk/uploads/documents/paperspresented/1679639129066045.pdf>> date accessed 24 October 2024

¹⁵ Digital 2024 – Sri Lanka (2024, February 23) <<https://datareportal.com/reports/digital-2024-sri-lanka>> date accessed 25 October 2024

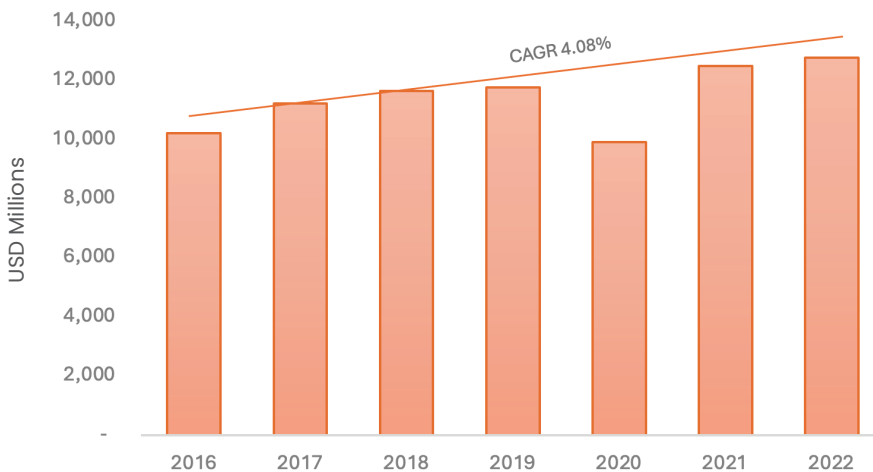
¹⁶ Sri Lanka Country Commercial Guide – International Trade Administration <<https://www.trade.gov/country-commercial-guides/srilanka-ecommerce>> date accessed 25 October 2024

2.3.4 Sri Lanka's Export Focus and Packaging as a Key Value Adding sector for Exports

Packaging plays an integral role as a value adding sector to exports of the country both directly and indirectly. Sri Lanka has built a strong reputation for export products like tea, coconut, spices, and textiles, which require quality packaging. In addition to its primary role of protecting goods from physical damage and contamination, packaging also provides a critical role in terms of customization and branding. Sri Lankan goods exports have grown at a CAGR of 4.08% from 2016 – 2022 with tea, coconut based, spices and other food and beverage exports accounting for 22% of total goods export revenue in 2022¹⁷.

Given its importance in value addition to exports the Government has identified the packaging sector as a thrust industry for Sri Lanka. Initiatives have been introduced to draw investments by raw material packaging companies with the objective of achieving an 80% export market to capture the USD 1.8Bn packaging market in South Asia and create a regional hub for packaging development². This will create a huge opportunity for local packaging manufacturers to access neighboring markets in India, Pakistan and Bangladesh with the assistance of existing bilateral trade agreements. The Government also recently established the National Packaging Center (NPC) in collaboration with the Export Development Board to support industry stakeholders such as exporters, manufacturers, designers to develop and promote the Packaging industry in Sri Lanka.

Figure 2.3: Total Merchandise Exports Sri Lanka



Source: Export Development Board of Sri Lanka

2.3.5 Sustainability, Innovation and Technology

Sustainability is an important factor responsible for the growth of flexible packaging. Advantages like low raw material usage, less use of natural resources in the production stage, less waste as compared to other packaging formats have made flexible packaging a favourite choice among end users and manufacturers alike. With over 40% of food production worldwide going a waste, minimizing food waste is another key goal for policy makers. Therefore, modern flexible packaging formats like high barrier pouches, and retort cooking which add extra shelf life to food is driving growth for flexible packaging solutions globally.

Advances in material science and manufacturing technologies have led to the development of new, high performance flexible packaging materials. Product innovations such as enhanced barrier properties to absorb food odours and retard oxygen migration, extended shelf life, and improved convenience features like resealable closures and easy to open designs are driving growth for flexible packaging solutions.

Please refer Section 5.12 of the Prospectus for further details on the impact of industry specific factors on the future earnings potential of JF Packaging Limited.

¹⁷ Sri Lanka Export Development Board Performance 2023 <<https://www.srilankabusiness.com/news/sri-lanka-s-export-performance-in-december-2023.html>> date accessed 25 October 2024

3.0 SOURCES OF INFORMATION

The following sources of information were relied on when preparing this Research Report on the Valuation of Ordinary Voting Shares of JF Packaging Limited for the proposed Initial Public Offering;

- I. Audited Company and Consolidated financial statements of JF Packaging Limited and its subsidiaries; JF Ventures Limited, Ceylon Tapes (Pvt) Limited, Kiffs (Pvt) Limited, and Alliance Five (Pvt) Limited, for the Financial Years ("FY") 2020/21, FY 2021/22, FY 2022/23, FY 2023/24 and FY 2024/25.
- II. Budgeted financial statements and forecasts provided by the Management of JFP for JF Packaging Limited and its subsidiaries for FY 2025/26, FY 2026/27, FY 2027/28 and FY 2028/29.
- III. Other corporate information provided by the Management on company background, history, group structure etc, and discussions held and clarifications obtained from Management on historical performance and budgeted performance forecasts.
- IV. Central Bank of Sri Lanka statistics on market interest rates, exchange rates, inflation and other macroeconomic indicators.
- V. Information on comparable companies obtained from the Colombo Stock Exchange, Bloomberg Data Services, Company websites and other relevant financial research sources available publicly.
- VI. Economic and industry information available in the public domain (sourced where used).

As financial advisors and managers to the issue, we are of the view that the information sources listed above were adequate to carry out the equity valuation of JF Packaging Limited in a fair and reasonable basis.

We also note that we have relied primarily on information provided to us by the Company, and hence, we have relied on the accuracy and completeness of such information provided, and no detailed verification or audit of such information has been provided by HNBIB.

We have not carried out any revaluation of the businesses' tangible fixed assets (eg:- land, buildings, equipment) and hence no opinions on the fair value of its fixed assets have been provided.

4.0 PRICE AND VALUATION SUMMARY

4.1 Valuation Summary

We have considered three valuation methods inclusive of Income based and Market Multiples based Methods (“MMM”) to arrive at the intrinsic value of JF Packaging Limited’s shares. The valuation reflects a combination of the Discounted Cash Flow (“DCF”) method, Forward Price-to-Earnings (“P/E”) method and Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization (“EV/EBITDA”) methods. We have not used a Net Asset Value based approach as it does not accurately capture the earnings capacity of the Company.

The DCF method estimates value based on forecast earnings of the group companies for the 4 year period from FY 2025/26 – FY 2028/29. Given that JF Packaging Limited is a holding company comprising of three operational subsidiaries we have employed a sum-of-the-parts (“SOTP”) approach to the DCF valuation by combining the stand-alone valuations of the individual companies. The EV/EBITDA valuation has been carried out on consolidated earnings of JFP for the trailing twelve months (“TTM”) of FY 2024/25 and the forward P/E valuation has been carried out on the consolidated earnings for the forward twelve months (“FTM”) of FY 2025/26.

Table 4.1 below sets out the summary results from the valuation methodologies mentioned above.

Table 4.1: Valuation Summary for JF Packaging Limited

Valuation Method	Value of Equity (LKR Mn)	Value per Share based on pre-IPO shares in issue (LKR)	Value per Share based on post-IPO shares in issue (LKR)	Discount compared to Issue Price*
Discounted Cash Flow Method	3,172	26.35	18.43	37.1%
Forward P/E Method	2,482	20.62	14.42	19.6%
EV/ EBITDA Method	2,527	20.99	14.68	21.0%
Average	2,727	22.65	15.84	26.8%

* Compared to value per share based on post-IPO number of shares in issue

Refer Tables 6.1.5, 6.2.1, and 6.2.2 for the DCF, Forward P/E, and EV/EBITDA valuations respectively.

Based on the above, the average intrinsic value per share of JFP is estimated to be LKR 22.65 (based on pre-IPO shares in issue) and LKR 15.84 (based on post-IPO shares in issue). The average intrinsic value per share has been derived from the average of the three valuation methods outlined above¹⁸.

4.2 Recommended IPO Offer Price

Based on the above valuations HNBIB recommends a Share Issue Price of LKR 11.60 per share as the IPO Offer Price for the JFP IPO. The Share Issue Price of LKR 11.60 per Share is at a 26.8% discount to the Average Intrinsic Value Per Share of LKR 15.84 (based on post-IPO shares issue) as described above. This discount is provided to investors in order to gain a potential upside on their investment.

Table 4.2 : Offer Price Multiples

Multiples (x)	P/E (x)	EV/EBITDA (x)
Forward (FY 2025/26)	7.78	4.82
Peer Multiples (Weighted Average)*	13.39	6.54
ASPI Average*	8.53	
Sector Average (Materials)*	10.24	

*Source: Colombo Stock Exchange data as at June 13, 2025, Yahoo Finance/Investing.com as at July 3, 2025

¹⁸ An equal weightage has been assigned to provide a balanced view of the overall valuations and to mitigate any potential limitations or biases present in any single method

5.0 VALUATION METHODOLOGY

Some of the commonly used approaches amongst the many different methodologies used in valuing companies are given below.

In estimating the fair market value of ordinary shares of JF Packaging Limited, HNBIB has adopted a combination of the following approaches based on the relevance and appropriateness of the respective valuation methods for assessing the value of equity of JFP.

- Discounted Cash Flow Method (DCF)
- Market Multiple Method (MMM)

5.1 Discounted Cash Flow Method

A DCF analysis can be used to measure a company's ability to generate future cash flows. A DCF method can capture a company's growth potential and provide a more reflective result of the entire value of a business. Free Cash Flow to Firm (FCFF) was calculated using the following formula:

$FCFF = \text{Earnings before Interest and Tax} * (1 - \text{tax rate}) + \text{Depreciation and Amortization} - \text{Capital Expenditure} + \text{Working Capital Investment}$

In arriving at the fair value of Ordinary Voting Shares of JFP, the present value of FCFFs was calculated using the following:

$$V_0 = \left[\sum_{t=1}^n \frac{FCFF_t}{(1 + WACC)^t} \right] + TV_n$$

Where:

V_0 = Intrinsic Value in year 0

$FCFF_t$ = Free Cash Flow to Firm in year t

WACC = Weighted Average Cost of Capital

TV_n = Present Value of Terminal Value at year n

Further, the Gordon Growth Model (GGM) was used to derive TV_n with the following formula:

$$TV_n = \frac{FCFF_n (1 + g)}{(WACC - g) \times (1 + WACC)^n}$$

Where:

TV_n = Present Value of Terminal Value at year n

g = Terminal Growth Rate

WACC = Weighted Average Cost of Capital

The discount rate used in a FCFF calculation is the Weighted Average Cost of Capital (WACC) which captures the effects of both equity and debt capital in a company when calculating the required rate of return. The following formula is used to calculate the WACC:

$$WACC = W_e (K_e) + W_d (K_d(1 - t))$$

Where:

W_e = Weightage of Equity

W_d = Weightage of Debt

$(1 - t)$ = After Tax Cost of Debt

K_e = Cost of Equity

K_d = Cost of Debt

In arriving at the fair value of Ordinary Voting Shares of JFP, the following formula was used:

Fair Value = Present Value of FCFFs – Net Debt +/- Surplus Assets and Liabilities

5.2 Price to Earnings Method

The Price to Earnings Multiple (“P/E Multiple”) is used for valuing a company by measuring its current share price relative to its Earning Per Share (“EPS”). The P/E ratio is one the most widely used stock analysis tools by investors and analysts in determining a share’s valuation.

The P/E method can be applied on historical and forward earnings of the Company. The P/E multiple is calculated using the following formula:

$$P/E = \frac{\text{Market Cap}}{NPAT}$$

Where:

Market Cap = Market capitalization of listed shares

NPAT = Net Profit after Tax

In arriving at the fair value of Ordinary Voting Shares of JFP, the following formula was used:

Fair Value = Assumed P/E multiple x 12-month NPAT

5.3 Enterprise Value to EBITDA Method

The Enterprise Value to EBITDA Multiple (“EV/EBITDA Multiple”) is used to assess a company’s overall value relative to its Earnings before Interest, Tax, Depreciation and Amortisation. It is another widely accepted valuation metric for companies in the manufacturing sector.

The EV/EBITDA multiple is calculated as follows:

$$EV/EBITDA = \frac{\text{Enterprise Value}}{EBITDA}$$

Where:

EV = Sum of Market capitalization plus value of Net Debt

Net Debt = Value of total debt minus value of cash and cash equivalents

EBITDA = Earnings before interest, tax, depreciation and amortisation

In arriving at the fair value of Ordinary Voting Shares of JFP, the following formula was used:

Fair Value = Assumed EV/EBITDA multiple x 12-month EBITDA.

5.4 Selection of Comparable Peers

In selecting the comparable peer companies for JFP we have considered a combination of both local and regional listed peers with comparable business operations to JFP for benchmarking and valuation purposes.

Among the companies listed on the Colombo Stock Exchange, ACME Printing & Packaging PLC (“ACME”)¹⁹ can be considered the closest comparable peer for JFP in terms of its business operations, product offerings and market space. However, as ACME has incurred a net loss in FY 2024/25 and cannot be relied on solely for the purpose of benchmarking JFP, we have selected the following three companies listed on the CSE, which operate in the packaging space in Sri Lanka, as the closest comparable local peer group for JFP.

Table 5.1: Comparable Listed Peers (Local)

Listed Peers (Local)	Industry	Country	Currency	Revenue (Mns)*	Net Assets (Mns)*
ACME Printing & Packaging PLC	Packaging	Sri Lanka	LKR	868	(518)
Printcare PLC	Packaging	Sri Lanka	LKR	12,264	6,983
Ex-Pack Corrugated Cartons PLC	Packaging	Sri Lanka	LKR	9,932	3,433

* FY Mar 2025

In order to provide a broader industry perspective, we have also considered the following regional peers with similar business models and product offerings operating in the South Asian Region as a regional peer group for JFP.

Table 5.2: Comparable Listed Peers (Regional)

Listed Peers(Regional)	Industry	Country	Currency	Revenue (Mns)*		Net Assets (Mns)*	
					LKR**		LKR**
Cosmo First Ltd	Packaging	India	INR	28,951	100,460	14,664	50,885
Polyplex Corporation Ltd	Packaging	India	INR	68,852	238,916	62,211	215,872
TCPL Packaging Ltd	Packaging	India	INR	17,426	60,467	6,438	22,339
Cherat Packaging Ltd	Packaging	Pakistan	PKR	12,918	13,823	8,792	9,407

*FY Mar 2025

** Converted at 1 INR: 3.47 LKR and 1 PKR: 1.07 LKR based on average exchange rates as at March 31, 2025

Considering that the regional peers selected operate in significantly larger markets, with potentially different market dynamics and growth prospects we have applied the following weightages to the selected peer multiples of local and regional peers.

Table 5.3: Peer Multiple Weightage

Peer Group	Weightage
Listed Peers (Local)	70%
Listed Peers (Regional)	30%

¹⁹ ACME is a related party of JFP and a member of the Lankem Group

6.0 EQUITY VALUATION

6.1 Discounted Cash Flow Method

We have used the DCF method as our primary valuation method. To assess the value of JFP on a DCF basis we have employed a sum-of-the-parts (SOTP) approach by combining the stand-alone valuations of the individual group companies; i.e the sum of equity valuations of JF Packaging Limited, Ceylon Tapes (Pvt) Limited, Kiffs (Pvt) Limited, and Alliance Five (Pvt) Limited. JF Ventures Limited has not carried out any business operations since 2017, and functions as an investment holding subsidiary for JFP with income derived primarily through dividends from the other three subsidiaries CTapes, Kiffs and Alliance5. Hence we have not carried out a separate DCF valuation on JFV and as such its value is excluded from the SOTP valuation of JFP.

6.1.1 DCF Valuation: JF Packaging Limited (Company)

Key Forecast Assumptions

I. Revenue

JF Packaging Limited derives its revenue primarily through the sale of printed and unprinted flexible packaging products and related materials. The Company has recorded a 21.5% CAGR in revenue over the past five years from FY 20/21 – FY 24/25 (10.3% CAGR FY 19/20 – FY 23/24). Revenue is forecasted to increase at a rate of 14.0% in FY 25/26 and 10.2% y-o-y over the period from FY 26/27 – 28/29 supported by new products including stretch films introduced in FY 24/25 and spout pouches to be introduced in 25/26.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Revenue	1,087	2,371	2,704	2,981	3,286	3,622
Y-o-Y growth %	CAGR = 21.5%		14.0%	10.2%	10.2%	10.2%

II. Cost of Sales

Cost of sales comprise mainly of raw material costs and direct production overheads such as direct wages, electricity, plant & machinery maintenance and depreciation, and other direct consumable expenses. Cost of sales has been forecasted based on management expectations and average cost of sales to revenue reported historically. The increase in GP margins is anticipated through the introduction of higher margin products such as spout pouches and efficiency enhancements in production processes.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Cost of Sales	1,004	1,962	2,268	2,456	2,663	2,888
Gross Profit	83	409	435	524	623	734
GP Margin %	7.6%	17.2%	16.1%	17.6%	18.9%	20.3%

III. Other Income

Other income comprises primarily dividend income earned through subsidiaries. As per the dividend distribution policy applicable to the group, one third of subsidiary profits are expected to be paid out as dividends to the holding Company JFP. Given that this valuation is carried out on a SOTP basis, dividend income has not been considered as income for JFP's Company valuation.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Other Income	651	150	112	129	141	155

IV. Operating Expenses

Administration expenses include indirect salaries, general administration expenses and depreciation and is forecasted in line with management budgets and inflation over the forecast period. Selling and distribution expenses comprise mainly of sales promotions and commissions, and travel & transport costs which have been forecasted in line with management budgets and inflation over the forecast period. A 30% corporate income tax has been assumed on profit before tax over the forecast period.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Admin Expenses	62	129	134	135	142	149
Admin Expenses / Revenue %	5.7%	5.5%	5.0%	4.5%	4.3%	4.1%
Selling Expenses	44	79	91	98	105	113
S&D Expenses / Revenue %	4.0%	3.3%	3.4%	3.3%	3.2%	3.1%

Given below is a Summarized Statement of Profit or Loss for JFP (Company):

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Revenue	1,087	2,371	2,704	2,981	3,286	3,622
Gross Profit	83	409	435	524	623	734
Operating Profit	628	351	322	420	516	627
Net Finance Cost	407	250	191	161	149	149
Profit before Tax	221	101	131	259	367	478
Profit after Tax	226	60	92	181	257	334
NPAT margin %	20.8%	2.5%	3.4%	6.1%	7.8%	9.2%

V. Property, Plant and Equipment

Property, plant & equipment ("PPE") comprises of land, building, plant & machinery, motor vehicles, equipment, computers and furniture & fittings. New capital expenditure ("CAPEX") has been forecasted based on management expectations on maintenance CAPEX requirements. Depreciation has been forecasted based on policy rates applicable to each asset category.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
NBV of PPE	730	692	649	609	570	533
New CAPEX	6	91	9	10	11	12
Depreciation & Amortisation	96	83	54	53	52	51

VI. Working Capital

Working capital ("WC") requirements have been forecasted based on historical averages of trade receivables days (72 days), trade payables days (42 days) and inventory turnover days (92 days) and management expectations of future working capital requirements.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Trade Receivables	214	429	531	585	645	711
Receivables (days)	Avg = 72		72	72	72	72
Trade Payables	181	160	261	283	307	333
Payables (days)	Avg = 42		42	42	42	42
Inventory	251	537	572	619	672	728
Inventory (days)	Avg = 92		92	92	92	92

Given below is a Summarized Statement of Financial Position for JFP (Company):

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Non Current Assets	1,961	2,192	2,147	2,103	2,062	2,023
Current Assets	533	1,261	1,369	1,470	1,583	1,705
Non Current Liabilities ²⁰	852	346	52	36	40	45
Current Liabilities ²¹	1,344	1,331	1,595	1,488	1,298	1,043
Total Equity	298	1,777	1,868	2,049	2,306	2,641

The forecasted Free Cash Flow to Firm ("FCFF") for JFP (Company) is as follows:

LKR Mns	25/26F	26/27F	27/28F	28/29F
EBIT	210	291	375	472
Less: Tax on EBIT	(63)	(87)	(113)	(142)
Add: Depreciation & Amortization	54	53	52	51
Add/Less: Change in WC	(36)	(80)	(88)	(97)
Add/Less: Change in other current Assets/ Liabilities	4	4	4	5
Less: Net CAPEX	(9)	(10)	(11)	(12)
Unlevered FCFF	160	171	220	277
Terminal Value				2,673
Discount Factor	0.88	0.77	0.68	0.60
Present Value of FCFF	141	132	150	1,766

²⁰ Reduction in non – current liabilities reflect settlement of term loans post IPO. The IPO proceeds will be utilized to settle most outstanding long-term borrowings, leading to lower gearing levels in the future

²¹ Reduction in current liabilities is due to reduced short term borrowings supported by better internal capital generation and forecasted profitability

Given below is the summarized value of equity of JFP (Company) on a DCF basis:

DCF Value of Equity – JF Packaging Limited (Company)

Discounted Cash Flow Approach	LKR Mns
Enterprise Value	2,189
Less: Net Debt	(1,449)
Value of Equity	740

The Enterprise Value represents the sum of forecasted free cash flows discounted to present value at the weighted average cost of capital (“WACC”) attached to the business. The net debt reflects total debt minus cash and cash equivalents as at March 31, 2025.

Below are the WACC assumptions used to estimate the weighted average cost of capital for JFP:

WACC Assumptions	
Risk free rate of return ^a	9.4%
Average cost of debt ^b	11.4%
Equity risk premium ^c	10.0%
Cost of equity	19.4%
Weighted Average Cost of Capital (WACC)	13.7%
Target Debt to Total Capital	50.0%
Target Equity to Total Capital	50.0%
Beta ^d	1.00
Terminal growth rate ^e	3.0%

^a Long-term risk-free rate of return based on 5 year treasury bond yield

^b Long term average cost of borrowing based on Average Weighted Prime Lending Rate (“AWPLR”)

^c Estimated long term equity risk premium

^d Average equity beta of companies listed on the Materials sector on the Colombo Stock Exchange

^e Growth rate in terminal cash flows based on forecast long term economic growth rate

Table 6.1.1: Sensitivity Analysis of DCF to Terminal Growth and WACC – JF Packaging Limited (Company)

Terminal Growth	WACC				
	LKR Mns	12.7%	13.2%	13.7%	14.2%
2.0%	795	687	589	498	415
2.5%	884	767	661	564	475
3.0%	982	855	740	635	539
3.5%	1091	952	826	713	610
4.0%	1212	1059	922	798	686

6.1.2 DCF Valuation: Kiffs (Pvt) Limited

Key Forecast Assumptions

I. Revenue

Kiffs (Pvt) Limited derives its revenue primarily through the sale of PET bottles and other plastic accessories such as bottle lids and containers. The Company has recorded a 22.0% CAGR in revenue over the past five years from FY 20/21 – FY 24/25 (14.4% CAGR FY 19/20 – FY 23/24). Revenue is forecasted to increase by approximately 24.0% in FY 25/26 and 18.9% in FY 26/27 supported by new PET bottle containers and jars to be introduced in FY 25/26. Revenue is expected to grow at an average 10.0% y-o-y over the following two years (FY 27/28 – 28/29) in line with historical average growth.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Revenue	354	784	972	1,156	1,271	1,398
Y-o-Y growth %		CAGR = 22.0%	24.0%	18.9%	10.0%	10.0%

II. Cost of Sales

Cost of sales comprise mainly of raw material costs and direct production overheads such as direct wages, utility costs, plant & machinery maintenance, depreciation, and other direct production overheads. Cost of sales has been forecasted based on management expectations and average cost of sales to revenue reported historically.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Cost of Sales	257	548	703	837	922	1,014
Gross Profit	97	236	269	319	350	385
GP Margin %	27.4%	30.1%	27.7%	27.6%	27.5%	27.5%

III. Operating Expenses

Administration expenses include indirect salaries, general administration expenses and depreciation and forecasted to increase in line with management budgets and inflation over the forecast period. Selling and distribution expenses comprise mainly of sales incentives and commissions, and transport hire costs which have been forecasted in line with management budgets and inflation over the forecast period. A 30% corporate income tax has been assumed on profit before tax over the forecast period.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Admin Expenses	37	60	70	77	82	86
Admin Expenses / Revenue %	10.4%	7.7%	7.2%	6.6%	6.5%	6.2%
Selling Expenses	17	53	60	71	78	86
Selling Expenses / Revenue %	4.7%	6.7%	6.2%	6.2%	6.1%	6.1%

Given below is a Summarized Statement of Profit or Loss for Kiffs:

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Revenue	354	784	972	1,156	1,271	1,398
Gross Profit	97	236	269	319	350	385
Operating Profit	44	125	139	171	190	213
Net Finance Cost	8	15	17	16	14	11
Profit before Tax	35	109	122	156	176	202
Profit after Tax	27	70	85	109	123	141
NPAT margin %	7.7%	8.9%	8.8%	9.4%	9.7%	10.1%

IV. Property, Plant and Equipment

PPE comprises of plant & machinery, motor vehicles, equipment, computers and furniture & fittings. New capital expenditure has been forecasted based on management expectations of future CAPEX requirements. Depreciation has been forecasted based on policy rates applicable to each asset category.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
NBV of PPE	16	29	36	43	51	58
New CAPEX	6	13	10	11	12	13
Depreciation & Amortisation	18	15	5	6	7	5

V. Working Capital

Working capital requirements have been forecasted based on historical averages of trade receivables days (42 days), trade payables days (46 days) and inventory turnover days (61 days) and management expectations of future working capital requirements.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Trade Receivables	55	128	111	132	145	160
Receivables (days)	Avg = 42		42	42	42	42
Trade Payables	60	80	88	105	115	127
Payables (days)	Avg = 46		46	46	46	46
Inventory	52	79	118	140	155	170
Inventory (days)	Avg = 61		61	61	61	61

Given below is a Summarized Statement of Financial Position for Kiffs:

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Non Current Assets	51	45	50	55	60	68
Current Assets	222	275	287	344	402	468
Non Current Liabilities	47	7	8	11	14	17
Current Liabilities	94	206	178	180	175	172
Total Equity	132	107	151	208	273	347

The forecasted Free Cash Flow to Firm for Kiffs is as follows:

LKR Mns	25/26F	26/27F	27/28F	28/29F
EBIT	139	171	189	213
Less: Tax on EBIT	(42)	(51)	(57)	(64)
Add: Depreciation	5	6	7	5
Add/Less: Change in WC	(14)	(27)	(17)	(18)
Add/Less: Change in other operating Assets/ Liabilities	3	3	10	(7)
Less: Net CAPEX	(10)	(11)	(12)	(13)
Unlevered FCFF	81	91	121	116
Terminal Value				1,061
Discount Factor	0.88	0.77	0.67	0.59
Present Value of FCFF	71	70	81	690

Given below is the summarized value of equity of Kiffs on a DCF basis:

DCF Value of Equity - Kiffs (Pvt) Limited

Discounted Cash Flow Approach	LKR Mns
Enterprise Value	912
Less: Net Debt	(67)
Value of Equity	845

The Enterprise Value represents the sum of forecasted free cash flows discounted to present value at the weighted average cost of capital attached to the business. The net debt reflects total debt minus cash and cash equivalents as at March 31, 2025.

Below are the WACC assumptions used to estimate the weighted average cost of capital for Kiffs:

WACC Assumptions	
Risk free rate of return ^a	9.4%
Average cost of debt ^b	11.4%
Equity risk premium ^c	10.0%
Cost of equity	19.4%
Weighted Average Cost of Capital (WACC)	14.3%
Target Debt to Total Capital	45.0%
Target Equity to Total Capital	55.0%
Beta ^d	1.00
Terminal growth rate ^e	3.0%

^a Long-term risk-free rate of return based on 5 year treasury bond yield

^b Long term average cost of borrowing based on Average Weighted Prime Lending Rate (AWPLR)

^c Estimated long term equity risk premium

^d Average equity beta of companies listed on the Materials sector on the Colombo Stock Exchange

^e Growth rate in terminal cash flows based on forecast long term economic growth rate

Table 6.1.2: Sensitivity Analysis of DCF to Terminal Growth And WACC - Kiffs (Pvt) Limited

Terminal Growth	WACC				
	LKR Mns	13.3%	13.8%	14.3%	14.8%
2.0%	868	827	789	754	722
2.5%	901	857	816	779	745
3.0%	937	889	845	805	769
3.5%	977	925	877	834	795
4.0%	1021	964	913	866	824

6.1.3 DCF Valuation: Ceylon Tapes (Pvt) Limited

Key Forecast Assumptions

I. Revenue

Ceylon Tapes (Pvt) Limited derives its revenue primarily through the sale of various types of industrial adhesive tapes such as BOPP tapes, masking tapes, coloured and printed tapes, and other related products such as paper tubes. The Company has recorded a 16.5% CAGR in revenue over the past five years from FY 20/21 – FY 24/25 (12.9% CAGR FY 19/20 – FY 23/24). Revenue is forecasted to increase by approximately 33.1% in FY 25/26 and 19.6% in FY 26/27 driven by new products such as Bent Core and Paper Products to be introduced in FY 25/26. Revenue is expected to grow at an average 10.3% y-o-y over the following two years (FY 27/28 – 28/29) in line with historical average growth.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Revenue	417	767	1,021	1,221	1,346	1,484
Y-o-Y growth %		CAGR=16.5%	33.1%	19.6%	10.3%	10.3%

II. Cost of Sales

Cost of sales comprise mainly of raw material costs and direct production overheads such as direct wages, electricity, plant & machinery maintenance, depreciation, and other direct production overheads. Cost of sales has been forecasted based on management expectations and average cost of sales to revenue reported historically.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Cost of Sales	332	525	691	829	913	1,005
Gross Profit	85	242	330	392	433	479
GP Margin %	20.4%	31.5%	33.2%	32.1%	32.2%	32.3%

III. Operating Expenses

Administration expenses include indirect salaries, utilities, general administration expenses and depreciation and is forecasted to increase in line with management budgets and inflation over the forecast period. Selling and distribution expenses comprise mainly of selling & distribution salaries, sales commissions, and transport hire costs which have been forecasted in line with management budgets and inflation over the forecast period. A 30% corporate income tax has been assumed on profit before tax over the forecast period.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Admin Expenses	34	82	84	89	95	102
Admin Expenses / Revenue %	8.2%	10.7%	8.2%	7.3%	7.1%	6.9%
Selling Expenses	26	46	66	74	80	86
Selling Expenses / Revenue %	6.1%	6.1%	6.4%	6.0%	5.9%	5.8%

Given below is a Summarized Statement of Profit or Loss for CTapes:

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Revenue	417	767	1,021	1,221	1,346	1,484
Gross Profit	85	242	330	392	433	479
Operating Profit	27	115	180	229	258	291
Net Finance Cost	(11)	30	78	78	76	69
Profit before Tax	38	84	102	151	183	222
Profit after Tax	32	70	71	105	128	155
NPAT margin %	7.7%	9.1%	7.0%	8.6%	9.5%	10.5%

IV. Property, Plant and Equipment

Property, plant & equipment comprises of land, building, plant & machinery, motor vehicles, equipment, computers and furniture & fittings. New capital expenditure has been forecasted based on management expectations of future CAPEX requirements. Depreciation has been forecasted based on policy rates applicable to each asset category.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
NBV of PPE	27	162	165	169	172	176
New CAPEX	0	121	19	21	23	25
Depreciation & Amortisation	3	8	17	18	19	22

V. Working Capital

Working capital requirements have been forecasted based on historical averages of trade receivables days (79 days), trade payables days (54 days) and inventory turnover days (71 days) and management expectations of future working capital requirements.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Trade Receivables	83	232	222	265	293	323
Receivables (days)	Avg = 79		79	79	79	79
Trade Payables	49	111	103	124	136	150
Payables (days)	Avg = 54		54	54	54	54
Inventory	68	97	134	161	177	195
Inventory (days)	Avg = 71		71	71	71	71

Given below is a Summarized Statement of Financial Position for CTapes:

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Non Current Assets	34	722	724	727	731	734
Current Assets	280	355	368	438	482	530
Non Current Liabilities	12	402	389	359	310	240
Current Liabilities	70	350	340	389	418	458
Total Equity	232	325	362	418	485	566

The forecasted Free Cash Flow to Firm for CTapes is as follows:

LKR Bns	25/26F	26/27F	27/28F	28/29F
EBIT	180	229	258	291
Less: Tax on EBIT	(54)	(69)	(77)	(87)
Add: Depreciation & Amortisation	17	18	19	22
Add/Less: Change in WC	(35)	(50)	(31)	(34)
Add/Less: Change in other current Assets/ Liabilities	(41)	4	4	2
Less: Net CAPEX	(19)	(21)	(23)	(25)
Unlevered FCFF	48	111	150	167
Terminal Value				1,457
Discount Factor	0.87	0.76	0.66	0.57
Present Value of FCFF	41	84	99	934

Given below is the summarized value of equity of CTapes on a DCF basis:

DCF Value of Equity - Ceylon Tapes (Pvt) Limited

Discounted Cash Flow Approach	LKR Mns
Enterprise Value	1,158
Less: Net Debt	(498)
Value of Equity	660

The Enterprise Value represents the sum of forecasted free cash flows discounted to present value at the weighted average cost of capital attached to the business. The net debt reflects total debt minus cash and cash equivalents as at March 31, 2025.

Below are the WACC assumptions used to estimate the weighted average cost of capital for CTapes:

WACC Assumptions	
Risk free rate of return ^a	9.4%
Average cost of debt ^b	11.4%
Equity risk premium ^c	10.0%
Cost of equity	19.4%
Weighted Average Cost of Capital (WACC)	14.8%
Target Debt to Total Capital	40.0%
Target Equity to Total Capital	60.0%
Beta ^d	1.00
Terminal growth rate ^e	3.0%

^a Long-term risk-free rate of return based on 5 year treasury bond yield

^b Long term average cost of borrowing based on Average Weighted Prime Lending Rate (AWPLR)

^c Estimated long term equity risk premium

^d Average equity beta of companies listed on the Materials sector on the Colombo Stock Exchange

^e Growth rate in terminal cash flows based on forecast long term economic growth rate

Table 6.1.3: Sensitivity Analysis of DCF to Terminal Growth and WACC - Ceylon Tapes (Pvt) Limited

Terminal Growth	WACC				
	LKR Mns	13.8%	14.3%	14.8%	15.3%
2.0%	689	636	587	542	500
2.5%	731	674	622	574	529
3.0%	777	716	660	608	561
3.5%	828	761	701	646	595
4.0%	884	811	746	686	631

6.1.4 DCF Valuation: Alliance Five (Pvt) Limited

Key Forecast Assumptions

I. Revenue

Alliance Five (Pvt) Limited derives its revenue primarily through the sale of industrial plastic accessories such as thread cones and toy accessories. Thread cones account for approximately 90% of Alliance5's revenue with the balance coming in from the sale of brooms and brushes. The Company has recorded a 21.8% CAGR in revenue over the past five years from FY 20/21 – FY 24/25 (12.8% CAGR FY 19/20 – FY 23/24). Revenue is forecasted to increase by approximately 9.2% y-o-y from FY 26/27 – FY 28/29 in line with historical average growth.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Revenue	249	548	613	669	730	798
Y-o-Y growth %	CAGR=21.8%		11.8%	9.2%	9.2%	9.2%

II. Cost of Sales

Cost of sales comprise mainly of raw material costs and direct production overheads such as direct wages, utility costs, plant & machinery maintenance, depreciation, and other direct production overheads. Cost of sales has been forecasted based on management expectations and average gross profit margins reported historically.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Cost of Sales	151	288	328	364	407	454
Gross Profit	98	260	285	305	323	344
GP Margin %	39.2%	47.4%	46.5%	45.6%	44.3%	43.1%

III. Operating Expenses

Administration expenses include indirect salaries, general administration expenses and depreciation and is forecasted to increase in line with management budgets and inflation over the forecast period. Selling and distribution expenses comprise mainly of sales incentives and commissions, and transport hire costs which have been forecasted in line with management budgets and inflation over the forecast period. A 30% corporate income tax has been assumed on profit before tax over the forecast period.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Admin Expenses	25	68	67	71	76	81
Admin Expenses / Revenue %	10.2%	12.4%	10.9%	10.7%	10.4%	10.2%
Selling Expenses	14	29	36	39	42	45
Selling Expenses / Revenue %	5.4%	5.2%	5.9%	5.8%	5.7%	5.6%

Given below is a Summarized Statement of Profit or Loss for Alliance5:

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Revenue	249	548	613	669	730	798
Gross Profit	98	260	285	305	323	344
Operating Profit	59	163	182	195	206	218
Net Finance Cost	(8)	9	10	11	12	14
Profit before Tax	67	154	172	184	194	203
Profit after Tax	59	103	121	129	135	142
NPAT margin %	23.5%	18.7%	19.7%	19.3%	18.6%	17.8%

IV. Property, Plant and Equipment

PPE comprises of plant & machinery, equipment, and furniture & fittings. New capital expenditure has been forecasted based on management expectations of future CAPEX requirements. Depreciation has been forecasted based on policy rates applicable to each asset category.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
NBV of PPE	10	12	12	12	13	13
New CAPEX	9	5	5	5	5	6
Depreciation & Amortisation	6	5	6	6	6	6

V. Working Capital

Working capital requirements have been forecasted based on historical averages of trade receivables days (99 days), trade payables days (101 days) and inventory turnover days (125 days) and management expectations of future working capital requirements.

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Trade Receivables	85	142	167	182	199	217
Receivables (days)	Avg = 99		99	99	99	99
Trade Payables	51	67	91	101	113	126
Payables (days)	Avg = 101		101	101	101	101
Inventory	54	102	112	125	139	155
Inventory (days)	Avg = 125		125	125	125	125

Given below is a Summarized Statement of Financial Position for Alliance5:

LKR Mns	20/21A	24/25A	25/26F	26/27F	27/28F	28/29F
Non Current Assets	30	26	25	24	23	22
Current Assets	326	313	352	432	518	607
Non Current Liabilities	43	12	15	17	20	22
Current Liabilities	67	177	149	158	170	182
Total Equity	245	150	213	281	352	426

The forecast Free Cash Flow to Firm for Alliance5 is as follows:

LKR Mns	25/26F	26/27F	27/28F	28/29F
EBIT	182	195	206	218
Less: Tax on EBIT	(55)	(58)	(62)	(65)
Add: Depreciation	6	6	6	6
Add/Less: Change in WC	(11)	(18)	(20)	(21)
Add/Less: Change in other operating Assets/ Liabilities	1	3	3	3
Less: Net CAPEX	(5)	(5)	(5)	(6)
Unlevered FCFF	118	122	128	134
Terminal Value				1,019
Discount Factor	0.86	0.74	0.63	0.54
Present Value of FCFF	102	90	81	625

Given below is the summarized value of equity of Alliance5 on a DCF basis:

DCF Value of Equity – Alliance Five (Pvt) Limited

Discounted Cash Flow Approach	LKR Mns
Enterprise Value	897
Less: Net Debt	31
Value of Equity	928

The Enterprise Value represents the sum of present values of forecasted free cash flows discounted at the weighted average cost of capital of the Company. The net debt reflects total debt minus cash and cash equivalents as at March 31, 2025.

Below are the WACC assumptions used to estimate the weighted average cost of capital for Alliance5:

WACC Assumptions	
Risk free rate of return ^a	9.4%
Average cost of debt ^b	11.4%
Equity risk premium ^c	10.0%
Cost of equity	19.4%
Weighted Average Cost of Capital (WACC)	16.6%
Target Debt to Total Capital	25.0%
Target Equity to Total Capital	75.0%
Beta ^d	1.00
Terminal growth rate ^e	3.0%

^a Long-term risk-free rate of return based on 5 year treasury bond yield

^b Long term average cost of borrowing based on Average Weighted Prime Lending Rate (AWPLR)

^c Estimated long term equity risk premium

^d Average equity beta of companies listed on the Materials sector on the Colombo Stock Exchange

^e Growth rate in terminal cash flows based on forecast long term economic growth rate

Table 6.1.4: Sensitivity Analysis of DCF to Terminal Growth and WACC – Alliance Five (Pvt) Limited

Terminal Growth	WACC				
	LKR Mns	15.6%	16.1%	16.6%	17.1%
2.0%	949	915	885	856	829
2.5%	973	938	905	875	847
3.0%	1000	962	928	896	866
3.5%	1028	988	952	917	886
4.0%	1059	1017	977	941	907

6.1.5 Sum-of-the-parts Valuation of DCF

Given below is the SOTP Company wise valuation of JFP:

Table 6.1.5: SOTP DCF Valuation of JFP

LKR Mns	Effective holding of JFP %	Equity Value (LKR Mn)
JF Packaging Limited	-	740
Kiffs (Pvt) Limited	100%	845
Ceylon Tapes (Pvt) Limited	100%	660
Alliance Five (Pvt) Limited	100%	928
SOTP Value of Equity on DCF basis*		3,172
No. of Shares (pre- IPO)*		120,406,800
Value per Share (LKR)		26.35

* As JF Ventures Limited operates solely as an investment holding subsidiary for JFP and has not carried out any business operations of its own since 2017, we have not carried out a separate DCF valuation on JFV and as such its value is excluded from the SOTP valuation of JFP

The DCF value per share setout herein, is subject to the viability of the said forecasts and assumptions made in section 6.1 of this Research Report.

6.2 Market Multiples based Forward Price to Earnings Method

In addition to the DCF method we have carried out two market multiples based valuation methods as a comparison to the DCF valuation. Given the nature and growth trajectory of the Company we have considered the Forward P/E method and trailing EV/ EBITDA method to help investors compare the value of the Company relative to its benchmark peers.

6.2.1 Value of Equity – Forward P/E method

The Forward P/E valuations have been carried out by benchmarking JFP's consolidated forecasted net earnings for the FY 25/26, against the average earnings multiples of the selected peer group of local and regional peers (refer Table 6.2.5 and Table 6.2.6 below) and the CSE market average P/E and Materials Sector average P/E of the CSE. It is expected that JF Packaging Limited will be listed under the GICS sector classification: Materials.

Table 6.2.1 : Value of Equity – Forward P/E Method

Value of Equity – Forward P/E method LKR Mns	Low	High	Mid
Consolidated NPAT for FY Mar 2026	257	257	
Assumed P/E Multiple	8.53	10.81	
Value of Equity	2,189	2,776	
No. of Shares (pre- IPO)	120,406,800	120,406,800	
Value per Share (LKR)	18.18	23.05	20.62

The Market Based Valuation setout herein of the company, is dependent upon the relative size of the peer entities identified under section 6.2.3 of the Research Report, in comparison to the company.

Table 6.2.2 : Sensitivity of P/E Method

Average P/E	Mid Value per Share (LKR)
P/E + 10%	22.68
P/E + 5%	21.65
Base Case	20.62
P/E - 5%	19.59
P/E - 10%	18.56

6.2.2 Value of Equity – EV/ EBITDA method

The EV/ EBITDA valuations have been carried out by benchmarking JFP's consolidated earnings before interest, tax & depreciation (EBITDA) for FY 24/25 against the EBITDA multiples of the selected peer group of local and regional peers (refer Table 6.2.5 and Table 6.2.6 below):

Table 6.2.3: Value of Equity – EV/EBITDA Method

Value of Equity – Forward P/E method LKR Mns	Low	High	Mid
Consolidated EBITDA for FY 24/25	718	718	
Assumed EV/ EBITDA Multiple	5.95	6.54	
Enterprise Value	4,273	4,698	
Less: Net Debt as at March 31,2025*	(1,961)	(1,961)	
Value of Equity	2,317	2,737	
No. of Shares (pre- IPO)	120,406,800	120,406,800	
Value per Share (LKR)	19.24	22.73	20.99

* The net debt reflects total debt minus cash and cash equivalents as at March 31, 2025

The Market Based Valuation setout herein of the company, is dependent upon the relative size of the peer entities identified under section 6.2.3 of the Research Report, in comparison to the company.

Table 6.2.4 : Sensitivity of EV/EBITDA Method

Average EV/EBITDA	Mid Value per Share (LKR)
EV/EBITDA + 10%	24.71
EV/EBITDA + 5%	22.85
Base Case	20.99
EV/EBITDA - 5%	19.12
EV/EBITDA - 10%	17.26

Key Assumptions – Market Multiples Method

6.2.3 Comparable Peer Companies

Table 6.2.5 : Listed Peers (Local)

Listed Peers (Local)	Industry	Country	P/E multiple**	EV/EBITDA multiple**
ACME Printing & Packaging PLC	Packaging	Sri Lanka	(1.17)*	(13.51)*
Printcare PLC	Packaging	Sri Lanka	(10.33)*	20.67*
Ex-Pack Corrugated Cartons PLC	Packaging	Sri Lanka	10.81	6.79
Peer Average			10.81	6.79
ASPI Average			8.53	
CSE Materials Sector Average			10.24	

Source: Colombo Stock Exchange

* Multiples have been considered as outliers and not included in the average

** Multiples are based on Market Capitalisation as at June 13, 2025 and trailing earnings as at FY Mar 2025

Table 6.2.6 : Listed Peers (Regional)

Listed Peers (Local)	Industry	Country	P/E multiple**	EV/EBITDA multiple**
Cosmo First Ltd	Packaging	India	23.07	12.41*
Polyplex Corporation Ltd	Packaging	India	18.09	5.37
TCPL Packaging Ltd	Packaging	India	23.33	12.75*
Cherat Packaging Ltd	Packaging	Pakistan	13.15	6.54
Peer Average			19.41	5.95

Source: Yahoo Finance, Investing.com

* Multiples have been considered as outliers and not included in the average

**Multiples are based on Market Capitalisation as at July 3, 2025 and TTM earnings as at March 31, 2025

We have assigned the following weightages to the selected average P/E and EV/EBITDA multiples to arrive at the assumed P/E and EV/EBITDA multiple for JFP.

Table 6.2.7 : Selected Peer Multiples

Peer Group	Average P/E (x)	Average EV/EBITDA (x)	Weightage
Listed Peer Average (Local)	10.81	6.79	70%
Listed Peer Average (Regional)	19.41	5.95	30%
Weighted Average	13.39	6.54	
ASPI Average	8.53		
CSE Materials Sector Average	10.24		
Assumed Peer Multiples			
- Low	8.53	5.95	
- High	10.81	6.54	

6.3 Value Conclusion

Based on the range of valuations observed we estimate the value of equity of JFP to average at LKR 2,727 million, at an average intrinsic value per share of LKR 22.65 (based on pre-IPO number of shares) and LKR 15.84 (based on post-IPO number of shares).

Table 6.2.8: Valuation Summary for JF Packaging Limited

Valuation Methodology	Value of Equity (LKR Mn)	Value per Share based on pre-IPO shares in issue (LKR)	Value per Share based on post-IPO shares in issue (LKR)
Discounted Cash Flow Method	3,172	26.35	18.43
Forward P/E Method	2,482	20.62	14.42
EV/EBITDA Method	2,526	20.99	14.68
Average	2,727	22.65	15.84

7.0 FORECAST FINANCIAL STATEMENTS

7.1 Forecast Financial Statements – JF Packaging Limited (Group)

Table 7.1.1: Forecast Statement of Profit & Loss – JFP (Group)

(LKR Mn) For the Year Ended March,	2025/26	2026/27	2027/28	2028/29
Revenue	5,309	6,026	6,633	7,303
Cost of Sales	(3,990)	(4,486)	(4,904)	(5,361)
Gross Profit	1,319	1,540	1,729	1,942
Other Income	-	-	-	-
Selling & Distribution Expenses	(253)	(282)	(305)	(330)
Administrative Expenses	(355)	(373)	(396)	(419)
Earnings before Interest & Tax	710	886	1,029	1,193
Net Finance Expenses	(296)	(266)	(251)	(244)
Profit before Tax	415	619	778	949
Income Tax Expenses	(158)	(227)	(280)	(338)
Profit for the Period	257	392	498	611

7.2 Forecast Financial Statements – JF Packaging Limited (Company)

Table 7.2.1: Forecast Statement of Profit & Loss – JFP (Company)

(LKR Mn) For the Year Ended March,	2025/26	2026/27	2027/28	2028/29
Revenue	2,704	2,981	3,286	3,622
Cost of Sales	(2,268)	(2,456)	(2,663)	(2,888)
Gross Profit	435	524	623	734
Other Income	112	129	141	155
Selling & Distribution Expenses	(91)	(98)	(105)	(113)
Administrative Expenses	(134)	(135)	(142)	(149)
Earnings before Interest & Tax	322	420	516	627
Net Finance Expenses	(191)	(161)	(149)	(149)
Profit before Tax	131	259	367	478
Income Tax Expenses	(39)	(77)	(110)	(143)
Profit for the Period	92	181	257	334

Table 7.2.2: Forecast Balance Sheet – JFP (Company)

(LKR Mn) As at the Year Ended March,	2025/26	2026/27	2027/28	2028/29
Property, plant and equipment	649	609	570	533
Cash and cash equivalents	-	-	-	-
Total non-current assets	2,147	2,103	2,062	2,023
Total current assets	1,369	1,470	1,583	1,705
Total assets	3,515	3,574	3,645	3,728
Total equity	1,868	2,049	2,306	2,641
Total interest-bearing liabilities	1,344	1,195	981	700
Total non-current liabilities	52	36	40	45
Total current liabilities	1,595	1,488	1,298	1,043
Total liabilities	1,647	1,524	1,338	1,088
Total equity & liabilities	3,515	3,574	3,645	3,728

7.3 Forecast Financial Statements – Kiffs (Pvt) Limited

Table 7.3.1: Forecast Statement of Profit & Loss – Kiffs

(LKR Mn) For the year ended	2025/26	2026/27	2027/28	2028/29
Revenue	972	1,156	1,271	1,398
Cost of Sales	(703)	(837)	(922)	(1,014)
Gross Profit	269	319	350	385
Other Income	-	-	-	-
Selling & Distribution Expenses	(60)	(71)	(78)	(86)
Administrative Expenses	(70)	(77)	(82)	(86)
Earnings before Interest & Tax	139	171	190	213
Net Finance Expenses	(17)	(16)	(14)	(11)
Profit before Tax	122	156	176	202
Income Tax Expenses	(36)	(47)	(53)	(60)
Profit for the Period	85	109	123	141

Table 7.3.2: Forecast Balance Sheet – Kiffs

(LKR Mn) As at the Year Ended March,	2025/26	2026/27	2027/28	2028/29
Property, plant and equipment	36	43	51	58
Cash and cash equivalents	12	35	83	119
Total non-current assets	50	55	60	68
Total current assets	287	344	402	468
Total assets	337	399	462	535
Total equity	151	208	273	347
Total interest-bearing liabilities	51	46	41	36
Total non-current liabilities	8	11	14	17
Total current liabilities	178	180	175	172
Total liabilities	186	190	189	188
Total equity & liabilities	337	399	462	535

7.4 Forecast Financial Statements – Ceylon Tapes (Pvt) Limited

Table 7.4.1: Forecast Statement of Profit & Loss – CTapes

(LKR Mn) For the Year Ended March,	2025/26	2026/27	2027/28	2028/29
Revenue	1,020	1,221	1,346	1,484
Cost of Sales	(691)	(829)	(913)	(1,005)
Gross Profit	330	392	433	479
Other Income	-	-	-	-
Selling & Distribution Expenses	(66)	(74)	(80)	(86)
Administrative Expenses	(84)	(89)	(95)	(102)
Earnings before Interest & Tax	180	229	258	291
Net Finance Expenses	(78)	(78)	(76)	(69)
Profit before Tax	102	151	183	222
Income Tax Expenses	(31)	(45)	(55)	(67)
Profit for the Period	71	105	128	155

Table 7.4.2: Forecast Balance Sheet – CTapes

(LKR Mn) As at the Year Ended March,	2025/26	2026/27	2027/28	2028/29
Property, plant and equipment	165	168	172	176
Cash and cash equivalents	-	-	-	-
Total non-current assets	724	727	731	734
Total current assets	368	438	482	530
Total assets	1,092	1,165	1,213	1,264
Total equity	362	418	485	566
Total interest-bearing liabilities	497	493	458	413
Total non-current liabilities	389	359	310	240
Total current liabilities	340	389	418	458
Total liabilities	730	748	728	698
Total equity & liabilities	1,092	1,165	1,213	1,264

7.5 Forecast Financial Statements – Alliance Five (Pvt) Limited

Table 7.5.1: Forecast Statement of Profit & Loss – Alliance5

(LKR Mn) For the Year Ended March,	2025/26	2026/27	2027/28	2028/29
Revenue	613	669	730	798
Cost of Sales	(328)	(364)	(407)	(454)
Gross Profit	285	305	323	344
Other Income	-	-	-	-
Selling & Distribution Expenses	(36)	(39)	(42)	(45)
Administrative Expenses	(67)	(71)	(76)	(81)
Earnings before Interest & Tax	182	195	206	218
Net Finance Expenses	(10)	(11)	(12)	(14)
Profit before Tax	172	184	194	203
Income Tax Expenses	(52)	(55)	(58)	(61)
Profit for the Period	121	129	135	142

Table 7.5.2: Forecast Balance Sheet – Alliance5

(LKR Mn) As at the Year Ended March,	2025/26	2026/27	2027/28	2028/29
Property, plant and equipment	12	12	13	13
Cash and cash equivalents	72	125	179	235
Total non-current assets	25	24	23	22
Total current assets	352	432	518	608
Total assets	377	456	541	630
Total equity	213	281	352	426
Total interest-bearing liabilities	12	12	12	12
Total non-current liabilities	15	17	20	22
Total current liabilities	149	158	170	182
Total liabilities	164	175	189	204
Total equity & liabilities	377	456	541	630

8.0 HISTORICAL FINANCIAL STATEMENTS

8.1 Statement of Profit & Loss – JF Packaging Limited (Group)

Table 8.1: Statement of Profit & Loss – JFP (Group)

(LKR Mn) For the Year Ended March,	2020/21	2021/22	2022/23	2023/24	2024/25
Revenue	2,022	2,455	5,220	3,786	4,385
Cost of Sales	(1,660)	(2,127)	(3,333)	(2,760)	(3,239)
Gross Profit	363	328	1,886	1,026	1,147
Other Income	2	12	1	2	7
Selling & Distribution Expenses	(100)	(103)	(175)	(188)	(206)
Administrative Expenses	(158)	(160)	(218)	(274)	(340)
Other Expenses	(208)	0	(20)	0	0
Earnings before Interest & Tax	(102)	78	1,475	566	608
Finance Income	27	134	72	20	16
Finance Expenses	(215)	(191)	(375)	(399)	(321)
Profit before Tax	(290)	21	1,171	188	303
Income Tax Expenses	(16)	(20)	(261)	(116)	(172)
Profit for the Period	(307)	0.3	911	72	131

8.2 Statement of Financial Position – JF Packaging Limited (Group)

Table 8.2: Statement of Financial Position – JFP (Group)

(LKR Mn) As at the Year Ended March,	2020/21	2021/22	2022/23	2023/24	2024/25
Property, plant and equipment	784	711	650	755	895
Cash and cash equivalents	173	254	191	239	124
Total non-current assets	1,096	1,037	1,004	1,467	1,706
Total current assets	1,103	1,277	2,075	2,045	2,017
Total assets	2,199	2,313	3,079	3,512	3,723
Total equity	(82)	(65)	722	831	1,117
Total interest-bearing liabilities	1,709	1,783	1,603	1,858	2,085
Total non-current liabilities	954	686	808	990	702
Total current liabilities	1,328	1,691	1,550	1,691	1,904
Total liabilities	2,282	2,378	2,357	2,681	2,606
Total equity & liabilities	2,199	2,313	3,079	3,512	3,723

9.0 TRANSACTIONS TEAM

Ray Abeywardena – Managing Director – HNB Investment Bank (Pvt) Ltd

Ray Abeywardena is the Managing Director of HNB Investment Bank (Pvt) Ltd. He has been associated with Sri Lanka's capital markets for over 36 years, primarily as a Stockbroker and since 2009 as an Investment Banker. Prior to being appointed as Managing Director/CEO of HNB Investment Bank (Pvt) Ltd he served as the Managing Director/CEO of DFCC Stockbrokers (Pvt) Ltd from 2001 to end 2008. Mr. Abeywardena is the Chairman of HNB Stockbrokers (Pvt) Ltd and HNB Securities Ltd, and holds Directorships in Lanka Ventures PLC, Lanka Energy Fund PLC.

Mr. Abeywardena is a past Chairman of the Colombo Stock Exchange, the Central Depository System and a past President of the Colombo Stockbrokers Association. Mr. Abeywardena is a member of the Chartered Institute of Marketing (UK) and holds a Masters Degree in Business Administration from the University of Wales.

Shivanthi Sugathadasa – Senior Assistant Vice President – Corporate Finance

Shivanthi has over 12 years' experience in Corporate Finance advisory services including business valuations, feasibility Studies, business planning, strategy consulting, mergers and acquisitions, credit ratings and research analysis. She joined HNBIB in 2022 and has been involved in a number of transactions including private placements and M&A. Prior to joining HNBIB she functioned as a Consultant at PwC Advisory Services where she handled corporate finance and strategy consulting engagements spanning a wide range of industries.

Shivanthi holds a Master of Business Administration from the Cardiff Metropolitan University and a Bachelor of Science degree (with Second Upper Honors) in Banking and Finance from the University of London (London School of Economics). She is also an Associate Member of the Chartered Institute of Management Accountants (UK).

Sonali Selvaratnam – Senior Assistant Vice President – Corporate Finance

Sonali has over 15 years' experience in Corporate Finance, Business Valuations and Financial Advisory. Prior to joining HNBIB she was at the Corporate Finance Division of DFCC Bank. She has extensive work experience in financial advisory, equity and debt raising for companies in diverse industries.

She has a Master of Business Administration from the Postgraduate Institute of Management, Bachelor of Science degree in Finance (Second Class Upper Division) from the University of Sri Jayawardenapura, Associate Member of the Chartered Institute of Management Accountants UK and has passed Level II of the CFA exams conducted by the CFA Institute U.S.A.

Raafidh Markar – Senior Associate – Corporate Finance

Raafidh Markar has over 9 years of experience in corporate finance and equity research, specializing in valuations, feasibility studies, market analysis, and corporate planning. Prior to joining HNBIB, he served as a Senior Analyst in Corporate Finance and Planning at Steradian Capital Investments (SCI). Before SCI, Raafidh held the position of Vice President at Lynear Wealth Management, managing a portfolio of companies and developing investment theses, financial forecasts, and investor presentations. Earlier in his career, Raafidh worked as an Analyst in PwC's advisory services team, gaining valuable experience in business valuations, feasibility studies, market entry analyses, and commercial due diligence. Raafidh holds a Bachelor of Science degree in Economics and Management from the University of London.

10.0 ABBREVIATIONS

TERM	DEFINITION
DCF	Discounted Cash Flow
SOTP	Sum of the Parts
FCFF	Free Cash Flow to Firm
P/E	Price to Earnings
EV	Enterprise Value
EBITDA	Earnings before interest, tax, depreciation and amortization
EBIT	Earnings Before Interest Tax
WACC	Weighted Average Cost of Capital
AWPLR	Average Weighted Prime Lending Rate
MMM	Market Multiples based Method
IMF	International Monetary Fund
CSE	Colombo Stock Exchange
IPO	Initial Public Offering
HIES	Household Income & Expenditure Survey
FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
B2B	Business to Business
GICS	Global Industry Classification Standard
CAGR	Compound Annual Growth Rate
Y-o-Y	Year on Year
TTM	Trailing Twelve Months
FTM	Forward Twelve Months
FY	Financial Year
A	Actual
F	Forecast
GP	Gross Profit
NPAT	Net Profit After Tax
PPE	Property, Plant & Equipment
CAPEX	Capital Expenditure
NBV	Net Book Value
WC	Working Capital
EPS	Earnings per Share
Bn	Billion
Mn	Million
MT	Metric Tonnne
p.a	Per annum
INR	Indian Rupee
PKR	Pakistan Rupee
LKR	Sri Lankan Rupee
USD	US Dollar
JFP	JF Packaging Limited
CTapes	Ceylon Tapes (Pvt) Limited
Kiffs	Kiffs (Pvt) Limited
Alliance5	Alliance Five (Pvt) Limited
JFV	JF Ventures Limited
HNBIB	HNB Investment Bank (Pvt) Ltd

11.0 DISCLAIMER

HNB Investment Bank (Pvt) Ltd has prepared this Research Report using information provided by JF Packaging Limited and selected information available in the public domain.

In carrying out this assignment HNB Investment Bank (Pvt) Ltd. has executed due care and diligence on a best-efforts basis. However, the information contained in this document has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. All opinions and estimates included in this report constitute judgment as of this date of the Research Report and are subject to change or amendment over time without notice. The actual future events may vary significantly from the estimates, projections, forecasts or valuation and each estimate, projection, forecast or valuation is based on a number of assumptions and is subject to matters which are outside the control of HNBIB.

Neither HNB Investment Bank (Pvt) Ltd nor any of its employees, respective affiliates, advisors or representatives shall have any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. The opinions expressed in this document shall be valid for a minimum period of Three (03) months from the date of the Prospectus.

This document does not constitute an offer or invitation to purchase or subscribe for any shares in JF Packaging Limited and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. HNB Investment Bank (Pvt) Ltd cannot provide advice related to tax and legal matters. Prospective clients should conduct their own due diligence including independent tax and legal advice.

No part of this document may be distributed, reproduced, taken or transmitted



HNB Investment Bank (Pvt) Ltd
53, Dharmapala Mawatha, Colombo 03
+94 112 206 206 (G)
+94 112 437 149 (F)
www.hnbib.lk

Annexure B

COLLECTION POINTS

Copies of the Application Form can be obtained free of charge from the following collection points.

FINANCIAL ADVISOR AND MANAGER TO THE ISSUE

HNB Investment Bank (Pvt) Ltd

53, Dharmapala Mawatha

Colombo 3.

Tel: +94112206206

Fax: +94112437149

www.hnbib.lk

COMPANY

JF Packaging Limited

98, Sri Sangaraja Mawatha,

Colombo 10.

Tel : +94 112233214

www.jfpackaging.lk

REGISTRARS TO THE ISSUE

S S P Corporate Services (Private) Limited

101, Inner Flower Road

Colombo 3, Sri Lanka

Tel : +94 11 2 573 894, 2 576 871

Fax: +94 11 2 573 609

TRADING PARTICIPANTS OF THE COLOMBO STOCK EXCHANGE

HNB Stockbrokers (Pvt) Ltd.

No. 53, Dharmapala Mawatha, Colombo 3.

Tel : +94 11 2 206 206

Fax: +94 11 2 206 298 / 9

E-mail: sales@hnbstockbrokers.lk

Somerville Stockbrokers (Pvt) Ltd.

No. 410/95,1/1, Bauddhaloka Mawatha,

Colombo 7. Tel : +94 11 2 502 858 / +94 11 2 502 862

Fax: +94 11 2 502 852

E-mail: contact@somerville.lk

John Keells Stock Brokers (Pvt) Ltd.

No. 186, Vauxhall Street, Colombo 2.

Tel : +94 11 2 306 250

Fax: +94 11 2 342 068

E-mail: jkstock@keells.com

Asha Securities Ltd.

No.60, 5th Lane, Colombo 3.

Tel : +94 11 2 429 100

Fax: +94 11 2 429 199

E-mail: asl@ashasecurities.net

NDB Securities (Private) Ltd.

Level 2, NDB Capital Building,

No. 135, Bauddhaloka Mawatha, Colombo 4.

Tel : +94 11 2 131 000

Fax: +94 11 2 314 181

E-mail: mail@ndbs.lk

Lanka Securities (Pvt) Ltd.

3rd Floor, "M2M Veranda Offices",

No.34, W.A.D. Ramanayeke Mawatha, Colombo 2 Tel :

+94 11 4 706 757 / +94 11 2 554 942

Fax: +94 11 4 706 767

E-mail: info@lankasec.com

Asia Securities (Pvt) Ltd.

4th Floor, Lee Hedges Tower,

No. 349, Galle Road, Colombo 3

Tel : +94 11 7 722 000

Fax: +94 11 258 4864

E-mail: inquiries@asiasecurities.lk

Capital Trust Securities (Pvt) Ltd.

No, 42, Mohamed Macan Markar Mawatha, Colombo 3.

Tel : +94 11 2 174 174 / +94 11 2 174 175

Fax: +94 11 2 174 173

E-mail: inquiries@capitaltrust.lk

S C Securities (Pvt) Ltd.

5th Floor, No. 26 B, Alwis Place, Colombo 3.

Tel : +94 11 4 711 000 / +94 11 4 711 001

Fax: +94 11 2 394 405

E-mail: itdivision@sampathsecurities.lk

CT Smith Securities (Pvt) Ltd.

4-14, Majestic City, 10, Station Road, Colombo 4.

Tel : +94 11 2 552 290 - 4

Fax: +94 11 2 552 289

E-mail: info@ctclsa.lk

First Capital Equities (Pvt) Ltd.

Level 12, Vallible Property Building,

No. 480, Galle Road, Colombo 03

Tel : +94 11 2 123 901

E-Mail: equity@firstcapital.lk

Bartleet Religare Securities (Pvt) Ltd.

Level "G", "Bartleet House",

No. 65, Braybrooke Place, Colombo 2.

Tel : +94 11 4 221 000

Fax: +94 11 2 434 985

E-mail: info@bartleetstock.com

LOLC Securities Ltd.

No. 481, T.B. Jayah Mawatha, Colombo 10.

Tel : +94 11 758 2000

Fax: +94 11 266 2883

E-Mail: info@lolcsecurities.com

Capital Alliance Securities (Pvt) Ltd.

Level 5, "Millennium House",

46/58, Navam Mawatha, Colombo 2.

Tel : +94 11 231 7777

Fax: +94 11 231 7788

E-mail: info@cal.lk

Nestor Stockbrokers Ltd.

The Landmark Building, No 385, Galle Road, Colombo 03. Tel: +94 11 475 8813
Fax: +94 11 255 0100
E-mail: info@nestorstockbrokers.lk

First Guardian Equities (Pvt) Ltd.

32nd Floor, East Tower,
World Trade Centre, Colombo 1.
Tel : +94 11 446 4400
E-mail: info@fge.lk

Softlogic Stockbrokers (Pvt) Ltd.

Level 16, One Galle Face Tower, Colombo 02.
Tel : +94 11 7 277 000
Fax: +94 11 7 277 099
Email: info@softlogicstockbrokers.lk

Enterprise Ceylon Capital (Private) Ltd.

2nd Floor-4B, Liberty Plaza, 250,
R. A. De Mel Mawatha, Colombo 3
Tel : +94 11 244 5644
E-mail: info@ecc.lk

Almas Equities (Pvt) Ltd

Westin Tower, 5th Level, No. 2 – 4/1,
Lake Drive, Colombo 08.
Tel: 070 714 4551
Fax : 011 267 3908
E-mail : info@almasequities.com

Senfin Securities Limited

4th Floor, No. 180,
Buddhaloka Mawath, Colombo 4.
Tel : 011 235 9100
Fax : 011 230 5522
info@senfinsecurities.com

ACAP Stockbrokers (Pvt) Ltd

No. 46/46, Greenlanka Building, 6th Floor, Nawam
Mawatha, Colombo 02
Tel: +94 117 564 000
Fax: +94 112 331 756
E-Mail: info@acapstockbrokers.lk

Ambeon Securities (Pvt) Ltd.

No.100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel:
+94 11 5 328 100
Fax: +94 11 5 328 177
E-mail: info@ambeonsecurities.lk

ACS Capital (Pvt) Ltd

No. 44, Guildford Crescent, Colombo 07.
Tel: +94 11 789 8302
E-mail - info@acscapital.lk

Richard Pieris Securities (Pvt) Ltd

No.310, High Level Road, Nawinna, Maharagama.
Tel : +94 11 431 0500
Fax: +94 11 280 2385
Email: communication@rpsecurities.com

JB Securities (Pvt) Ltd

No. 150, St. Joseph Street, Colombo 14.
Tel : 011 249 0900
Fax : 011 243 0070
Email : jbs@jb.lk

Hatton National Bank PLC – Branch Network

Branch Name – Hatton National Bank PLC	Address
Kandy	No. 1, Dalada Veediya, Kandy
Matale	No. 104, King Street, Matale
Nuwara Eliya	No. 42, Queen Elizabeth Drive, Nuwara Eliya
Ampara	No.103, Bandula Cinema & Shopping Complex, D.S.Senanyake Steet, Ampara
Batticaloa	No. 120-22, Bazar Street, Batticaloa
Trincomalee	No. 59, Ehamparam Road, Trincomalee
Anuradhapura	No. 30, Maithripala Senanayake Mw, Anuradhapura
Polonnaruwa	No. 467, Main Street, Kaduruwela, Polonnaruwa
Jaffna	No. 212 - 214, Hospital Road, Jaffna
Kilinochchi	Karadipokku Kandy Road, Kilinochchi
Mannar	No. 68, Main Street, Mannar
Mullaitivu	Main Street, Mullaitivu
Vavuniya	No. 43, Inner Circular Road, Vavuniya
Kurunegala	No. 6, St. Anne Street, Kurunegala
Puttalam	No. 6, Kachcheri Road, Puttalam
Chilaw	No. 105, Colombo Road, Chilaw
Kegalle	No. 477/2, Kandy Road, Kegalle
Ratnapura	No. 9, Senanayake Mawatha, Ratnapura
Galle	No. 3, Wackwella Road, Galle
Hambantota	No. 47, Wilmot Street, Hambantota
Matara	No. 58D, Esplanade Road, Matara
Badulla	No. 15, 15 1/1, Udayaraja Mawatha, Badulla
Monaragala	No. 131, Wellawaya Road, Monaragala
Bambalapitiya	No. 285, Galle Rd, Colombo 04
Battaramulla	No. 165, Main Street, Battaramulla
Borella	No. 53/1, D S Senanayake Mawatha, Borella
Cinnamon Gardens	No. 85A, 87A, Barnes Place, Colombo 07
Dehiwela	No. 196, Galle Road, Dehiwela
Dematagoda	No. 284, Baseline Road, Dematagoda
Wellawatte	No. 100 & 102, Galle Road, Wellawatte
Colpetty	No. 324, Galle Road, Colombo 03
City Office	No. 16, Janadhipathi Mawatha, Colombo 01
World Trade Centre	Level 01, World Trade Centre, Echelon Sq, Colombo 01
Grandpass	No. 182, St Joseph's Street, Colombo 14

Branch Name – Hatton National Bank PLC	Address
Head office	No. 479, T B Jayah Mawatha, Colombo 10
Islamic Banking	No.502/1 A, Kollupitiya Rd (Facing Marine Drive), Colombo 03
Kiribathgoda	No. 141, Kandy Road, Kiribathgoda
Nugegoda	No. 190, 190/1, High Level Road, Nugegoda
Maharagama	No. 145, Colombo Road, Maharagama
Moratuwa	No. 143/1, New Galle Road, Moratuwa
Mutwal	No. 523, Ferguson Road, Colombo 15
Nawam Mawatha	No.10, Sri Uttarananda Mawatha, Colombo 03
Pettah	No. 149-151, Main Street, Colombo 11
Sea Street	No. 60, Sea Street, Colombo 11
Gampaha	No. 148, Colombo Road, Gampaha
Negombo	No. 18, Rajapakse Broadway, Negombo
Wattala	No. 270 - 270/1, Negombo Road, Wattala
JaEla	No. 73, Negombo Road, Ja Ela
Kalutara	No. 417, Galle Road, Kalutara South
Panadura	No. 402 - 404, Galle Road, Panadura

Annexure C

CUSTODIAN BANKS

Bank of Ceylon

Head Office, 11th Floor
01, Bank of Ceylon Mawatha,
Colombo 01.
Tel: +94 112 204064

The Hongkong and Shanghai Banking Corporation Limited

24, Sir Baron Jayathilake Mawatha, Colombo 01.
Tel: +94 11 2 325 435, +94 11 2 446 591
+94 11 2 446 303

Citi Bank, N A

65 C, Dharmapala Mawatha,
P. O. Box 888, Colombo 07.
Tel: +94 114 794728

People's Bank

Head Office - Treasury, 5th Floor,
75, Sir Chittampalam A. Gardiner Mawatha,
Colombo 02.
Tel: +94 11 2 206782

Commercial Bank of Ceylon PLC

Commercial House
21, Bristol Street, P.O. Box 853, Colombo 01.
Tel: +94 11 2 445 010-15

Public Bank Berhad

340, R A De Mel Mawatha, Colombo 03.
Tel: +94 11 2 576 289, +94 11 7 290 200-7

Deutsche Bank AG

Level 21, One Galle Face Tower
1A, Center Road, Galle Face, Colombo 02
Tel: +94 11 2 447 062 / 011 2 438 057

Standard Chartered Bank

37, York Street, P. O. Box 112, Colombo 01.
Tel: +94 112 480450

Hatton National Bank PLC

HNB Towers, 479, T. B. Jayah Mawatha,
Colombo 10.
Tel: +94 112 661 762

Sampath Bank PLC

110, Sir James Peiris Mawatha, Colombo 02.
Tel: +94 115 331458, +94 114 730662

Union Bank of Colombo PLC

64, Galle Road, Colombo 03.
Tel: +94 112 374205

State Bank of India

16, Sir Baron Jayathilake Mawatha, Colombo 01.
Tel: +94 114 622350

Nations Trust Bank PLC

46/58, Nawam Mawatha, Colombo 02
Tel: +94 114 313131

Seylan Bank PLC

Level 8, Seylan Towers,
90, Galle Road, Colombo 03.
Tel: +94 11 4 701 812, 011 4 701 819

Pan Asia Banking Corporation PLC

Head Office,
450, Galle Road, Colombo 03.
Tel: +94 11 2 565 565

Annexure D

ACCOUNTANTS' REPORT AND FIVE-YEAR SUMMARY



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

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

20th June 2025

The Board of Directors,
J. F. Packaging Limited,
No 306, Minuwangoda Road,
Kotugoda,
Ja-Ela,
Sri Lanka.

Dear Members of the Board,

ACCOUNTANTS' REPORT FOR THE INCLUSION IN THE PROSPECTUS OF J.F. PACKAGING LIMITED ISSUED IN CONNECTION WITH THE INITIAL PUBLIC OFFER TO SUBSCRIBE UP TO A MAXIMUM OF 51,724,144 NUMBER OF ORDINARY SHARES.

This report has been prepared for the inclusion in the Prospectus issued in connection with the Initial Public Offer to subscribe up to a maximum of 51,724,144 number of ordinary shares of J.F. Packaging Limited ("the Company").

We have examined the Financial Statements of J.F. Packaging Limited for the financial years ended 31st March 2021 to 31st March 2025 and report as follows:

1 INCORPORATION

The Company was incorporated on 18th June 2004 and commenced its commercial operations on 18th June 2004.

2 FINANCIAL STATEMENTS

2.1 Five Years Summary of Audited Financial Statements

A Summary of Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and Statements of Cash Flows of J.F. Packaging Limited for the years ended 31st March 2021 to 31st March 2025, based on the audited financial statements of the Group and Company are set out in Annexure 1 of our report.

Summaries presented for operating results, assets, liabilities and shareholders' funds for financial years ended 31st March 2021 to 31st March 2025 are based on the financial statements prepared in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs), effective from 01st January 2012 in the annual reports of the respective years.

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. Sumanasekera FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddeella ACA,

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

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



2.2 Audited Financial Statements for the year ended 31st March 2025

Statement of Financial Position as at 31st March 2025, the related Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cashflows for the year then ended and summary of material accounting policies and other explanatory notes are included in Annexure 2 of our report.

We have audited these Financial Statements, and our audit report thereon dated 18th June 2025 is also enclosed.

2.3 Audit Report

We have audited the Financial Statements of J.F. Packaging Limited for the years ended 31st March 2021 to 31st March 2025. Unmodified opinions have been expressed on the said Financial Statements.

2.4 Application of Accounting Standards and Accounting Policies

The Financial Statements of the Group and Company for the years ended 31st March 2021 to 31st March 2025 prepared in accordance with Sri Lanka Accounting Standards. (commonly referred as “SLFRSs”/“LKASs”) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and comply with the requirements of Companies Act No 7 of 2007.

The accounting policies of the Group and Company are disclosed in the audited financial statements of JF Packaging Limited for the year ended 31st March 2021 to 31st March 2025. The adoption of revised / new accounting standards and a summary of related amendments to the accounting policies of the Group and Company for the financial years ended 31st March 2021 to 31st March 2025 are set out in Annexure 3.

2.5 Dividends paid

The Company has paid dividend during the years ended 31st March 2021 to 31st March 2025 as follows:

Year	Dividend paid (LKR)	Dividend Per Share (LKR)
2020/2021	-	-
2021/2022	-	-
2022/2023	100,539,678	83.50
2023/2024	-	-
2024/2025	-	-

* The company subdivided each ordinary voting share into 100 shares on 10th February 2025, increasing the total number of shares from 1,204,068 to 120,406,800. As an effect of the aforementioned subdivision, the dividend per share for the financial year ended 31st March 2023 can be read as LKR 0.835.



2.6 Event after reporting date

There were no material events that occurred after the audit report dated as at 31st March 2025.

2.7 Restriction on use

This report is prepared solely for the purpose of the Board of Directors of J.F. Packaging Limited for the purpose of inclusion in the prospectus issued in connection with the initial public offering of 51,724,144 number of ordinary shares.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'K. M. G.', written over a faint, illegible stamp or text.

CHARTERED ACCOUNTANTS

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH,**

GROUP	2025	2024	2023	2022	2021
Revenue	4,385,213,719	3,786,236,266	5,219,864,137	2,455,100,994	2,022,158,135
Cost of Sales	(3,238,713,228)	(2,759,763,462)	(3,333,476,005)	(2,126,804,082)	(1,659,537,795)
Gross Profit	1,146,500,491	1,026,472,804	1,886,388,132	328,296,912	362,620,340
Other Income	7,287,548	1,586,702	1,204,436	12,338,871	1,687,916
Selling and Distribution Expenses	(206,118,073)	(188,226,213)	(174,928,789)	(102,759,493)	(99,612,351)
Administrative Expenses	(340,000,074)	(273,621,709)	(218,035,865)	(160,073,000)	(158,193,159)
Other Expenses	-	-	(20,078,854)	-	(208,272,101)
Operating Profit / (Loss)	607,669,892	566,211,584	1,474,549,060	77,803,290	(101,769,355)
Finance Income	16,004,685	20,383,705	72,125,571	134,002,644	27,015,652
Finance Expenses	(320,655,754)	(398,534,908)	(375,434,009)	(191,245,204)	(215,455,930)
Net Finance Expenses	(304,651,069)	(378,151,203)	(303,308,438)	(57,242,560)	(188,440,278)
Profit / (Loss) before Tax	303,018,823	188,060,381	1,171,240,622	20,560,730	(290,209,633)
Income Tax (Expense) / Reversal	(172,395,297)	(116,300,292)	(260,593,980)	(20,293,775)	(16,296,645)
Profit / (Loss) for the year	130,623,526	71,760,089	910,646,642	266,955	(306,506,278)
Other comprehensive Income and Expenses					
<i>Items that will not be reclassified to profit and Loss</i>					
Net Actuarial Gain/ (Loss) on Defined Benefit Plan	(7,102,164)	(12,537,117)	11,453,993	11,508,295	(6,638,194)
Net Change in Fair Value - Equity Investment at FVOCI	228,004,632	807,790	80,482	(248,091)	483,707
Revaluations of Property Plant & Equipment	-	64,875,000	-	9,825,000	-
Net (Tax)/Reversal on Other Comprehensive Income	(65,866,567)	(15,701,365)	(35,384,728)	(3,713,356)	1,365,455
Other Comprehensive Income / (Expense) for the year, net of tax	155,035,901	37,444,308	(23,850,253)	17,371,848	(4,789,032)
Total comprehensive Income for the year	285,659,427	109,204,397	886,796,389	17,638,803	(311,295,310)
Earnings / (Loss) per share	1.08	0.60	756.31	0.22	(454.35)

* On 10th February 2025, the company subdivided each ordinary voting share into 100 shares, increasing the total number of shares from 1,204,068 to 120,406,800. As an effect of the aforementioned subdivision, the earnings per share was restated as LKR 0.60 for the year ended 31st March 2024. Earning/ (Loss) per share for the years ended 31st March 2023, 2022 and 2021 can be read as LKR 7.56, LKR 0.0022 and LKR -4.54 respectively as an effect of share subdivision.

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH,

GROUP	2025	2024	2023	2022	2021
Assets					
Non - Current Assets					
Property, Plant & Equipment	894,690,918	755,057,529	649,967,439	711,204,362	784,068,829
Right of Use Assets	45,079,921	64,862,726	82,632,266	41,304,605	50,405,488
Intangible Assets - Computer Software	-	59,954	113,190	70,345	1,090,581
Intangible Assets - Goodwill	210,661,540	210,661,540	210,661,540	210,661,540	210,661,540
Equity Investments at FVOCI	555,636,176	327,631,544	1,823,782	1,993,300	2,241,390
Deffered Tax Assets	-	108,476,691	58,445,628	71,370,283	47,967,953
Total Non - Current Assets	1,706,068,555	1,466,749,984	1,003,643,845	1,036,604,435	1,096,435,781
Current Assets					
Inventories	814,802,564	737,813,822	900,842,403	453,173,067	426,268,179
Trade & Other Receivables	930,751,171	914,966,861	773,952,806	506,533,274	437,682,027
Amounts Due from Related Parties - Trade	94,264,915	101,232,200	160,787,218	25,320,950	16,595,704
Amounts Due from Related Parties - Non Trade	47,268,132	47,069,331	43,499,829	15,000,000	-
Loans Due from Related Parties	-	-	-	-	26,926,183
Income Tax Receivable	2,497,636	2,497,636	2,497,636	19,858,528	19,858,528
Investments at Amortised Cost	3,231,619	3,012,467	2,505,605	-	-
Short Term Deposits	-	-	-	2,434,957	2,328,531
Cash and Cash Equivalents	123,842,134	238,617,884	191,405,426	254,357,529	173,457,279
Total Current Assets	2,016,658,171	2,045,210,201	2,075,490,923	1,276,678,305	1,103,116,431
Total Assets	3,722,726,726	3,511,960,185	3,079,134,768	2,313,282,740	2,199,552,212
Equity					
Stated Capital	449,047,486	449,047,486	449,047,486	449,047,486	449,047,486
Revaluation Reserve	205,755,150	205,755,150	160,342,650	192,291,180	184,212,180
FVOCI Reserve	160,738,035	730,619	(77,171)	(157,653)	90,438
Retained Earnings	300,989,192	175,337,181	112,353,074	(705,771,685)	(715,579,579)
Total Equity	1,116,529,863	830,870,436	721,666,039	(64,590,672)	(82,229,475)
Non - Current Liabilities					
Interest Bearing Borrowings	641,967,100	946,613,378	780,248,834	651,682,250	908,728,285
Deferred Tax Liabilities	3,596,677	-	-	-	-
Retirement Benefit Obligations	56,795,074	43,582,049	27,488,309	34,699,722	45,323,401
Total Non - Current Liabilities	702,358,851	990,195,427	807,737,143	686,381,972	954,051,686
Current Liabilities					
Interest Bearing Borrowings	1,207,154,638	911,218,861	822,394,988	1,131,178,813	800,593,583
Trade & Other Payables	401,457,982	364,656,941	303,563,036	371,302,060	335,869,632
Amounts Due to Related Parties - Trade	8,756,973	7,539,989	2,346,026	282,577	8,273,523
Amounts Due to Related Parties - Non Trade	6,193,424	8,409,695	3,494,507	7,821,870	29,713,271
Income Tax Payable	44,479,636	71,671,389	233,699,697	39,324,834	15,646,842
Bank Overdraft	235,795,359	327,397,447	184,233,332	141,581,286	137,633,150
Total Current Liabilities	1,903,838,012	1,690,894,322	1,549,731,586	1,691,491,440	1,327,730,001
Total Liabilities	2,606,196,863	2,681,089,749	2,357,468,729	2,377,873,412	2,281,781,687
Total Equity and Liabilities	3,722,726,726	3,511,960,185	3,079,134,768	2,313,282,740	2,199,552,212

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st MARCH,

GROUP	Stated Capital Rs.	Revaluation Reserves Rs.	FVOCI Reserves Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st April 2020	251,047,300	184,392,180	(860,199)	(403,674,612)	30,904,669
Loss for the year	-	-	-	(306,506,278)	(306,506,278)
Other Comprehensive Expense for the year net of tax	-	-	483,707	(5,272,739)	(4,789,032)
Adjustments	-	(180,000)	466,930	(125,950)	160,980
Share Allotment	198,000,186	-	-	-	198,000,186
Balance as at 31st March 2021	449,047,486	184,212,180	90,438	(715,579,579)	(82,229,475)
Balance as at 01st April 2021	449,047,486	184,212,180	90,438	(715,579,579)	(82,229,475)
Profit for the year	-	-	-	266,956	266,956
Other Comprehensive Income for the year net of tax	-	8,079,000	(248,091)	9,540,938	17,371,847
Balance as at 31st March 2022	449,047,486	192,291,180	(157,653)	(705,771,685)	(64,590,672)
Balance as at 01st April 2022	449,047,486	192,291,180	(157,653)	(705,771,685)	(64,590,672)
Profit for the year	-	-	-	910,646,642	910,646,642
Other Comprehensive Expense for the year net of tax	-	(31,948,530)	80,482	8,017,795	(23,850,253)
Dividend Paid	-	-	-	(100,539,678)	(100,539,678)
Balance as at 31st March 2023	449,047,486	160,342,650	(77,171)	112,353,074	721,666,039
Balance as at 01st April 2023	449,047,486	160,342,650	(77,171)	112,353,074	721,666,039
Profit for the year	-	-	-	71,760,089	71,760,089
Other Comprehensive Income for the year net of tax	-	45,412,500	807,790	(8,775,982)	37,444,308
Balance as at 31st March 2024	449,047,486	205,755,150	730,619	175,337,181	830,870,436
Balance as at 01st April 2024	449,047,486	205,755,150	730,619	175,337,181	830,870,436
Profit for the year	-	-	-	130,623,526	130,623,526
Other Comprehensive Income for the year net of tax	-	-	160,007,416	(4,971,515)	155,035,901
Balance as at 31st March 2025	449,047,486	205,755,150	160,738,035	300,989,192	1,116,529,863

JF PACKAGING LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH,

ANNEXURE 1

GROUP	2025	2024	2023	2022	2021
Cash Flows from Operating Activities					
Profit before Taxation	303,018,823	188,060,381	1,171,240,622	20,560,730	(290,209,633)
Adjustments For :					
Depreciation/Amortization	90,998,651	86,011,149	90,923,678	105,890,247	113,828,205
Right of Use Asset - Amortisation	19,782,805	19,739,991	12,472,878	9,100,883	9,100,883
Interest Expense	264,108,259	354,837,291	359,365,592	179,590,293	208,795,626
Lease Interest	11,855,347	13,537,795	-	-	-
Foreign Exchange (Gain)/Loss	4,894,501	(80,088)	53,353,451	(115,448,737)	6,660,304
Gain on disposal of Property, Plant & Equipment	(1,266,950)	-	(4,000)	-	(60,000)
Interest Income	(2,839,304)	(3,587,973)	(2,703,303)	(6,898,996)	(27,015,652)
Defined Benefit Plan Cost - Retiring Gratuity	10,871,690	7,925,556	6,547,908	7,600,305	8,060,585
Provision / (Reversal) of Impairment of Trade Debtors	(1,266,410)	15,782,151	12,328,349	(5,318,435)	8,735,312
Provision / (Reversal) for Obsolete Inventories	15,835,742	10,011,528	3,816,660	73,859,494	24,900,833
Impairment of Unquoted Investment	-	-	250,000	-	-
Operating Profit/ (Loss) before working capital changes	715,993,154	692,237,781	1,707,591,835	268,935,784	62,796,463
(Increase)/Decrease in Inventories	(92,824,484)	153,017,053	(451,485,996)	(100,764,382)	(51,797,111)
(Increase)/Decrease in Trade & Other Receivables	(14,517,900)	(157,308,957)	(262,387,289)	(63,532,813)	55,304,922
(Increase)/Decrease in Amounts due from related parties	6,768,484	55,985,516	(163,966,097)	(8,725,246)	12,410,764
Increase/(Decrease) in Trade and Other Payables	31,906,538	61,173,994	(124,239,442)	152,519,112	(72,735,545)
Increase/(Decrease) in Amounts due to Related Parties	(999,287)	10,109,151	(2,263,914)	(29,882,346)	(9,148,580)
Cash generated from/ (Used in) Operating Activities	646,326,504	815,214,538	703,249,097	218,550,109	(3,169,087)
Income Tax paid	(153,380,249)	(344,055,161)	(86,875,320)	(22,764,942)	(27,476,022)
Interest Paid	(264,108,259)	(354,837,291)	(351,850,556)	(174,827,489)	(203,449,600)
Retiring Gratuity Paid	(4,760,834)	(4,368,932)	(2,305,528)	(6,715,688)	(4,449,756)
Lease Rental Paid	(11,855,347)	(13,537,795)	(24,891,299)	(12,109,140)	(12,109,140)
Net Cash Flow generated from/ (Used in) Operating Activities	212,221,815	98,415,359	237,326,594	2,132,850	(250,653,605)
Cash Flows from Investing Activities					
Purchase & Construction of Property, Plant & Equipment & Intangible Assets	(230,916,136)	(126,173,003)	(28,456,851)	(23,154,620)	(21,600,343)
Interest Received	2,839,304	3,587,973	2,703,303	6,898,996	27,015,652
Proceeds from Disposal of Property, Plant & Equipment	1,611,000	-	4,000	-	60,000
Investments in Equity Investment at FVOCI	(219,152)	(324,999,972)	-	-	-
Net Cash Flow generated from/ (Used in) Investing Activities	(226,684,984)	(447,585,002)	(25,749,548)	(16,255,624)	5,475,309
Cash Flow from Financing Activities					
Proceeds from Long-Term Loans	-	432,200,502	385,437,853	97,335,543	779,925,197
Repayment of Long Term Loans	(284,307,836)	(289,472,865)	(613,198,725)	(90,880,936)	(303,505,645)
Repayment of Lease Liability	(15,687,893)	(12,080,350)	-	-	-
Dividend Paid	-	-	(100,539,678)	-	-
Share Issued	-	-	-	-	198,000,186
Net Movement in Short-Term Borrowings	291,285,236	122,570,699	11,119,355	84,620,280	(332,954,979)
Net Cash Flow generated from / (Used in) Financing Activities	(8,710,493)	253,217,986	(317,181,195)	91,074,887	341,464,759
Net Increase/ (Decrease) in Cash & Cash Equivalents	(23,173,662)	(95,951,657)	(105,604,149)	76,952,114	96,286,463
Cash & Cash Equivalents at the beginning of the year	(88,779,563)	7,172,094	112,776,243	35,824,129	(60,462,334)
Cash & Cash Equivalents at the end of the year	(111,953,225)	(88,779,563)	7,172,094	112,776,243	35,824,129
Analysis of Cash & Cash Equivalents at the end of the year					
Cash in Hand and Bank	123,842,134	238,617,884	191,405,426	254,357,529	173,457,279
Bank Overdraft	(235,795,359)	(327,397,447)	(184,233,332)	(141,581,286)	(137,633,150)
	(111,953,225)	(88,779,563)	7,172,094	112,776,243	35,824,129

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH,

COMPANY	2025	2024	2023	2022	2021
Revenue	2,371,136,848	1,974,832,774	2,907,147,184	1,016,336,183	1,086,823,970
Cost of Sales	(1,962,175,776)	(1,611,560,926)	(1,981,173,746)	(1,046,275,363)	(1,004,175,523)
Gross Profit / (Loss)	408,961,072	363,271,848	925,973,438	(29,939,180)	82,648,447
Other Income	149,928,277	223,518,000	893,114,000	304,396,901	677,985,163
Selling and Distribution Expenses	(78,535,700)	(73,217,532)	(69,252,978)	(34,619,946)	(43,713,527)
Administrative Expenses	(129,245,946)	(109,681,009)	(81,722,587)	(49,182,685)	(61,795,898)
Other Expenses	-	-	(20,078,854)	-	(208,272,101)
Operating Profit / (Loss)	351,107,703	403,891,307	1,648,033,019	190,655,090	446,852,084
Finance Income	1,851,543	11,813,010	158,707	3,069,916	4,475,810
Finance Expenses	(252,330,594)	(362,306,008)	(335,455,556)	(168,490,161)	(203,647,178)
Net Finance Expenses	(250,479,051)	(350,492,998)	(335,296,849)	(165,420,245)	(199,171,368)
Profit / Loss before Tax	100,628,652	53,398,309	1,312,736,170	25,234,845	247,680,716
Income Tax (Expense) / Reversal	(40,168,924)	59,368,082	8,746,631	25,402,782	5,664,913
Profit / (Loss) for the year	60,459,728	112,766,391	1,321,482,801	50,637,627	253,345,629
Other comprehensive Income and Expenses					
<i>Items that will not be reclassified to profit and Loss</i>					
Net Actuarial Gain/ (Loss) on Defined Benefit Plan	(2,924,094)	(7,602,831)	6,632,098	4,298,828	(3,944,744)
Revaluations of Property Plant & Equipment	-	43,500,000	-	8,700,000	-
Net Tax on Other Comprehensive Income	877,228	(10,769,151)	(33,465,659)	(2,339,789)	713,210
Other Comprehensive Income / (Expense) for the year Tax,,net of tax	(2,046,866)	25,128,018	(26,833,561)	10,659,039	(3,231,534)
Total comprehensive Income/(Expenses) for the year	58,412,862	137,894,409	1,294,649,240	61,296,666	250,114,095
Earnings / (Loss) per share	0.50	0.94	1.098	42	376

* On 10th February 2025, the company subdivided each ordinary voting share into 100 shares, increasing the total number of shares from 1,204,068 to 120,406,800. As an effect of the aforementioned subdivision, the earnings per share was restated as LKR 0.94 for the year ended 31st March 2024. Earning per share for the years ended 31st March 2023, 2022 and 2021 can be read as LKR 10.98, LKR 0.42 and LKR 3.76 respectively as an effect of share subdivision.

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH,

COMPANY	2025	2024	2023	2022	2021
Assets					
Non - Current Assets					
Property, Plant & Equipment	691,557,010	672,080,613	604,079,376	661,985,818	730,498,124
Right of Use Assets	28,666,956	39,463,728	50,213,836	-	-
Intangible Assets - Computer Software	-	41,312	41,312	70,345	1,090,581
Investments in Subsidiaries	1,424,938,962	1,424,938,962	1,424,938,962	1,424,938,962	1,216,666,861
Equity Investments at FVOCI	-	-	-	250,000	250,000
Deffered Tax Assets	46,619,469	85,911,164	37,312,233	62,031,261	38,968,268
Total Non - Current Assets	2,191,782,397	2,222,435,779	2,116,585,719	2,149,276,386	1,987,473,834
Current Assets					
Inventories	536,973,691	448,625,951	593,349,066	166,182,430	251,477,631
Trade & Other Receivables	428,763,021	487,998,324	475,908,993	195,532,492	214,260,903
Amounts Due from Related Parties - Trade	70,362,716	50,800,385	128,410,796	3,412,637	14,669,408
Amounts Due from Related Parties - Non Trade	193,333,808	196,192,263	182,620,266	28,002,226	-
Loans Due from Related Parties	-	-	-	-	26,926,183
Income Tax Receivable	2,497,636	2,497,636	2,497,636	18,054,664	18,054,664
Cash and Cash Equivalents	29,305,394	126,384,648	17,848,844	5,973,633	7,866,125
Total Current Assets	1,261,236,266	1,312,499,207	1,400,635,601	417,158,082	533,254,914
Total Assets	3,453,018,663	3,534,934,986	3,517,221,320	2,566,434,468	2,520,728,748
Equity					
Stated Capital	449,047,486	449,047,486	449,047,486	449,047,486	449,047,486
Revaluation Reserve	188,700,150	188,700,150	158,250,150	189,726,180	182,592,180
Retained Earnings	1,138,915,487	1,080,502,625	973,058,216	(252,527,377)	(306,690,043)
Total Equity	1,776,663,123	1,718,250,261	1,580,355,852	386,246,289	324,949,623
Non - Current Liabilities					
Interest Bearing Borrowings	317,819,177	599,947,039	747,700,645	603,659,503	829,655,237
Retirement Benefit Obligations	27,875,047	21,765,324	12,036,693	15,708,889	22,002,005
Total Non - Current Liabilities	345,694,224	621,712,363	759,737,338	619,368,392	851,657,242
Current Liabilities					
Interest Bearing Borrowings	970,611,602	754,649,120	725,110,668	1,040,048,702	749,947,552
Trade & Other Payables	160,264,267	147,872,147	159,405,281	149,026,001	180,505,947
Amounts Due to Related Parties - Trade	9,076,522	16,237,540	73,950,693	31,356,260	48,677,920
Amounts Due to Related Parties - Non Trade	746,290	99,953	62,455,849	209,707,869	177,835,084
Loans Due to Related Parties	-	-	-	-	55,000,000
Bank Overdraft	189,962,635	276,113,602	156,205,639	130,680,955	132,155,380
Total Current Liabilities	1,330,661,316	1,194,972,362	1,177,128,130	1,560,819,787	1,344,121,883
Total Liabilities	1,676,355,540	1,816,684,725	1,936,865,468	2,180,188,179	2,195,779,125
Total Equity and Liabilities	3,453,018,663	3,534,934,986	3,517,221,320	2,566,434,468	2,520,728,748

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH,

COMPANY	Stated Capital	Revaluation Reserves	FVOCI Reserves	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2020	251,047,300	182,592,180	-	(556,804,138)	(123,164,658)
Profit for the year - Restated	-	-	-	253,345,629	253,345,629
Other Comprehensive Income/(Expense) for the year net of tax	-	-	-	(3,231,534)	(3,231,534)
Share Allotment	198,000,186	-	-	-	198,000,186
Balance as at 31st March 2021	449,047,486	182,592,180	-	(306,690,043)	324,949,623
Balance as at 01st April 2021	449,047,486	182,592,180	-	(306,690,043)	324,949,623
Profit for the year	-	-	-	50,637,627	50,637,627
Other Comprehensive Income/(Expense) for the year net of tax	-	7,134,000	-	3,525,039	10,659,039
Balance as at 31st March 2022	449,047,486	189,726,180	-	(252,527,377)	386,246,289
Balance as at 01st April 2022	449,047,486	189,726,180	-	(252,527,377)	386,246,289
Profit for the year	-	-	-	1,321,482,802	1,321,482,802
Other Comprehensive Income/(Expense) for the year net of tax	-	(31,476,030)	-	4,642,469	(26,833,561)
Dividend Paid	-	-	-	(100,539,678)	(100,539,678)
Balance as at 31st March 2023	449,047,486	158,250,150	-	973,058,216	1,580,355,852
Balance as at 01st April 2023	449,047,486	158,250,150	-	973,058,216	1,580,355,852
Profit for the year	-	-	-	112,766,391	112,766,391
Other Comprehensive Income/(Expense) for the year net of tax	-	30,450,000	-	(5,321,982)	25,128,018
Balance as at 31st March 2024	449,047,486	188,700,150	-	1,080,502,625	1,718,250,261
Balance as at 01st April 2024	449,047,486	188,700,150	-	1,080,502,625	1,718,250,261
Profit for the year	-	-	-	60,459,728	60,459,728
Other Comprehensive Income/(Expense) for the year net of tax	-	-	-	(2,046,866)	(2,046,866)
Balance as at 31st March 2025	449,047,486	188,700,150	-	1,138,915,487	1,776,663,123

JF PACKAGING LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH,

ANNEXURE 1

COMPANY	2025	2024	2023	2022	2021
Cash Flows from Operating Activities					
Profit before Taxation	100,628,652	53,398,309	1,312,736,170	25,234,845	247,680,716
Adjustments For :					
Depreciation/Amortization	71,766,392	72,259,317	76,132,348	92,929,329	96,460,048
Right of Use Asset - Amortisation	10,796,772	10,750,108	3,586,703	-	-
Interest Expense	206,750,957	340,476,037	331,618,629	163,539,060	197,572,948
Lease Interest	9,320,102	10,028,442	-	-	-
Foreign Exchange (Gain)/ Loss	(238,922)	(4,326,692)	3,836,927	4,951,101	6,074,230
Gain on Disposal of Property, Plant & Equipment	(1,102,548)	-	-	-	-
Interest Income	(1,851,543)	(7,486,318)	(158,707)	(3,069,916)	(4,475,810)
Dividend Income	(145,278,000)	(223,518,000)	(893,114,000)	(96,124,800)	-
Defined Benefit Plan Cost - Retiring Gratuity	5,578,497	3,791,325	4,066,840	2,359,337	4,304,689
Provision / (Reversal) of Impairment of Trade Debtors	3,532,781	3,357,722	3,830,578	(4,125,467)	5,077,558
Provision / (Reversal) for Obsolete Inventories	(1,257,216)	4,879,696	16,251,831	62,894,950	19,715,720
Gain on Disposal of subsidiaries	-	-	-	-	(677,985,163)
Impairment of Unquoted Investment	-	-	250,000	(208,272,101)	208,272,101
Operating Profit / (Loss) before working capital changes	258,645,924	263,609,946	859,037,319	40,316,338	102,697,037
(Increase)/Decrease in Inventories	(87,090,524)	139,843,419	(443,418,467)	22,400,251	(23,946,657)
(Increase)/Decrease in Trade & Other Receivables	55,702,522	(15,447,051)	(268,650,051)	22,853,877	34,430,177
(Increase)/Decrease in Amounts due from related parties	(16,703,876)	64,038,414	(279,616,199)	10,180,728	(3,345,962)
Increase/(Decrease) in Trade and Other Payables	12,631,043	(7,206,442)	6,542,352	(36,431,046)	(143,950,873)
Increase/(Decrease) in Amounts due to Related Parties	(6,514,683)	(120,069,051)	(104,657,587)	(40,448,875)	116,776,748
Cash generated from/ (Used in) Operating Activities	216,670,406	324,769,235	(230,762,633)	18,871,273	82,660,470
Income Tax paid	-	-	-	-	4,271,827
Interest Paid	(206,750,957)	(340,476,037)	(328,162,420)	(163,539,060)	(197,572,948)
Retiring Gratuity Paid	(2,392,868)	(1,665,525)	(1,106,938)	(4,353,625)	(2,219,500)
Lease Rental Paid	(9,320,102)	(10,028,442)	(12,375,000)	-	-
Net Cash Flow generated from/ (Used in) Operating Activities	(1,793,521)	(27,400,769)	(572,406,991)	(149,021,412)	(112,860,151)
Cash Flows from Investing Activities					
Purchase & Construction of Property, Plant & Equipment & Intangible Assets	(91,323,929)	(96,760,554)	(18,196,873)	(14,696,787)	(6,431,501)
Interest Received	1,851,543	7,486,318	158,707	3,069,916	4,475,810
Dividends Received	145,278,000	223,518,000	893,114,000	96,124,800	-
Proceeds on Disposal of Property, Plant & Equipment	1,225,000	-	-	-	-
Net Cash Flow generated from / (Used in) Investing Activities	57,030,614	134,243,764	875,075,834	84,497,929	(1,955,691)
Cash Flow from Financing Activities					
Proceeds from Long Term Loans	-	107,200,502	385,437,853	97,335,543	725,395,197
Repayment of Long Term Loans	(284,307,836)	(282,481,399)	(579,792,352)	(72,686,275)	(302,568,145)
Repayment of Lease rental	(4,979,998)	(2,346,558)	-	-	-
Dividend Paid	-	-	(100,539,678)	-	-
Net Movement in Short Term Borrowings	223,122,454	59,412,301	(21,424,139)	39,456,148	(318,564,519)
Net Cash Flow generated from / (Used in) Financing Activities	(66,165,380)	(118,215,154)	(316,318,316)	64,105,416	104,262,533
Net Increase/ (Decrease) in Cash & Cash Equivalents	(10,928,287)	(11,372,159)	(13,649,473)	(418,067)	(10,553,309)
Cash & Cash Equivalents at the beginning of the year	(149,728,954)	(138,356,795)	(124,707,322)	(124,289,255)	(113,735,946)
Cash & Cash Equivalents at the end of the year	(160,657,241)	(149,728,954)	(138,356,795)	(124,707,322)	(124,289,255)
Analysis of Cash & Cash Equivalents at the end of the year					
Cash in Hand and Bank	29,305,394	126,384,648	17,848,844	5,973,633	7,866,125
Bank Overdraft	(189,962,635)	(276,113,602)	(156,205,639)	(130,680,955)	(132,155,380)
	(160,657,241)	(149,728,954)	(138,356,795)	(124,707,322)	(124,289,255)

Annexure 3 - The adoption of revised / new accounting standards and a summary of related amendments to the accounting policies of the Company for the financial years ended 31st March 2021 to 31st March 2025

Financial year ended	Adoption of revised Accounting Standards and related changes in Accounting Policies
-----------------------------	--

31st March 2021	SLFRS 3 - 'Business Combinations'
-----------------------------------	--

The Group and Company has initially adopted Definition of a Business (Amendments to SLFRS 3) from 1 January 2020 to business combinations whose dates of acquisition are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets.

31st March 2024	Disclosure of Accounting Policies – Amendments to LKAS 1 and SLFRS Practice Statement 2
-----------------------------------	--

The Group and Company also adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2). the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements from 1 January 2023.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12

The Group and Company has adopted deferred tax related to assets and liabilities arising from a single transaction (Amendments to LKAS 12) from 1 January 2023.

Annexure E

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

**J.F.PACKAGING LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2025**



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

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF J.F. PACKAGING LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of J.F. Packaging Limited, ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 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 Group in accordance with the ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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.

Other Information

Management is responsible for the other information. These financial statements does not include other information.

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.

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. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,

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

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

18th June 2025

J.F. PACKAGING LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH

	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	5	4,385,213,719	3,786,236,266	2,371,136,848	1,974,832,774
Cost of Sales		<u>(3,238,713,228)</u>	<u>(2,759,763,462)</u>	<u>(1,962,175,776)</u>	<u>(1,611,560,926)</u>
Gross Profit		1,146,500,491	1,026,472,804	408,961,072	363,271,848
Other Income	6	7,287,548	1,586,702	149,928,277	223,518,000
Selling and Distribution Expenses		<u>(206,118,073)</u>	<u>(188,226,213)</u>	<u>(78,535,700)</u>	<u>(73,217,532)</u>
Administrative Expenses		<u>(340,000,074)</u>	<u>(273,621,709)</u>	<u>(129,245,946)</u>	<u>(109,681,009)</u>
Operating Profit		607,669,892	566,211,584	351,107,703	403,891,307
Finance Income		16,004,685	20,383,705	1,851,543	11,813,010
Finance Expenses		<u>(320,655,754)</u>	<u>(398,534,908)</u>	<u>(252,330,594)</u>	<u>(362,306,008)</u>
Net Finance Expenses	7	<u>(304,651,069)</u>	<u>(378,151,203)</u>	<u>(250,479,051)</u>	<u>(350,492,998)</u>
Profit Before Tax	8	303,018,823	188,060,381	100,628,652	53,398,309
Income Tax Expense	9	<u>(172,395,297)</u>	<u>(116,300,292)</u>	<u>(40,168,924)</u>	<u>59,368,082</u>
Profit for the Year		<u>130,623,526</u>	<u>71,760,089</u>	<u>60,459,728</u>	<u>112,766,391</u>
Other Comprehensive Income/ (Expense)					
Items that will not be reclassified to Profit or (Loss)					
Actuarial Gain / (Loss) on Defined Benefit Plan	22	(7,102,164)	(12,537,117)	(2,924,094)	(7,602,831)
Change in Fair Value - Equity Investment at FVOCI		228,004,632	807,790	-	-
Revaluation of Land		-	64,875,000	-	43,500,000
Net Tax on Other Comprehensive Income	21	<u>(65,866,567)</u>	<u>(15,701,365)</u>	<u>877,228</u>	<u>(10,769,151)</u>
Other Comprehensive Income / (Expense) for the year, net of Tax		<u>155,035,901</u>	<u>37,444,308</u>	<u>(2,046,866)</u>	<u>25,128,018</u>
Total Comprehensive Income for the Year		<u>285,659,427</u>	<u>109,204,397</u>	<u>58,412,862</u>	<u>137,894,409</u>
Earnings per Share (Rs.)	10	1.08	0.60	0.50	0.94

The Accounting Policies & Notes form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

J.F. PACKAGING LIMITED
STATEMENT OF FINANCIAL POSITION


AS AT 31 ST MARCH	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Assets					
Non-Current Assets					
Property, Plant & Equipment	11	894,690,918	755,057,529	691,557,010	672,080,613
Right of Use the Asset	12	45,079,921	64,862,726	28,666,956	39,463,728
Intangible Assets - Computer Software	13.1	-	59,954	-	41,312
Intangible Assets - Goodwill	13.2	210,661,540	210,661,540	-	-
Investments in Subsidiaries	14.1	-	-	1,424,938,962	1,424,938,962
Equity Investments at FVOCI	14.2	555,636,176	327,631,544	-	-
Deferred Tax Assets	21	-	108,476,691	46,619,469	85,911,164
Total Non-Current Assets		1,706,068,555	1,466,749,984	2,191,782,397	2,222,435,779
Current Assets					
Inventories	15	814,802,564	737,813,822	536,973,691	448,625,951
Trade and Other Receivables	16	930,751,171	914,966,861	428,763,021	487,998,324
Amounts Due from Related Parties - Trade	24.1 (a)	94,264,915	101,232,200	70,362,716	50,800,385
Amounts Due from Related Parties - Non Trade	24.1 (b)	47,268,132	47,069,331	193,333,808	196,192,263
Income Tax Receivable		2,497,636	2,497,636	2,497,636	2,497,636
Investments at Amortised Cost	17	3,231,619	3,012,467	-	-
Cash and Cash Equivalents	18	123,842,134	238,617,884	29,305,394	126,384,648
Total Current Assets		2,016,658,171	2,045,210,201	1,261,236,266	1,312,499,207
Total Assets		3,722,726,726	3,511,960,185	3,453,018,663	3,534,934,986
EQUITY					
Stated Capital	19	449,047,486	449,047,486	449,047,486	449,047,486
Revaluation Reserve		205,755,150	205,755,150	188,700,150	188,700,150
FVOCI Reserve		160,738,035	730,619	-	-
Retained Earnings		300,989,192	175,337,181	1,138,915,487	1,080,502,625
Total Equity		1,116,529,863	830,870,436	1,776,663,123	1,718,250,261
Non-Current Liabilities					
Interest Bearing Borrowings	20	641,967,100	946,613,378	317,819,177	599,947,039
Deferred Tax Liabilities	21	3,596,677	-	-	-
Retirement Benefit Obligations	22	56,795,074	43,582,049	27,875,047	21,765,324
Total Non-Current Liabilities		702,358,851	990,195,427	345,694,224	621,712,363
LIABILITIES					
Current Liabilities					
Interest Bearing Borrowings	20	1,207,154,638	911,218,861	970,611,602	754,649,120
Trade and Other Payables	23	401,457,982	364,656,941	160,264,267	147,872,147
Amounts Due to Related Parties - Trade	24.2 (a)	8,756,973	7,539,989	9,076,522	16,237,540
Amounts Due to Related Parties - Non Trade	24.2 (b)	6,193,424	8,409,695	746,290	99,953
Income Tax Payable		44,479,636	71,671,389	-	-
Bank Overdraft	18	235,795,359	327,397,447	189,962,635	276,113,602
Total Current Liabilities		1,903,838,012	1,690,894,322	1,330,661,316	1,194,972,362
Total Liabilities		2,606,196,863	2,681,089,749	1,676,355,540	1,816,684,725
Total Equity and Liabilities		3,722,726,726	3,511,960,185	3,453,018,663	3,534,934,986

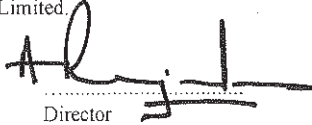
The Accounting Policies & Notes form an integral part of these Financial Statements.

It is certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.


 Chief Financial Officer

The Directors are responsible for the preparation and presentation of these Financial Statements.
 Approved and Signed for and on behalf of the Board of Directors of J.F. Packaging Limited.


 Director
 18th June 2025
 Colombo


 Director

J.F. PACKAGING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2025

	Stated Capital	Revaluation Reserves	FVOCI Reserves	Retained Earnings	Total
Group	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2023	449,047,486	160,342,650	(77,171)	112,353,074	721,666,039
Profit for the year	-	-	-	71,760,089	71,760,089
Other Comprehensive Expense for the year, net of tax	-	45,412,500	807,790	(8,775,982)	37,444,308
Balance as at 31st March 2024	449,047,486	205,755,150	730,619	175,337,181	830,870,436
Balance as at 1st April 2024	449,047,486	205,755,150	730,619	175,337,181	830,870,436
Profit for the year	-	-	-	130,623,526	130,623,526
Other Comprehensive Income for the year, net of tax	-	-	160,007,416	(4,971,515)	155,035,901
Balance as at 31st March 2025	449,047,486	205,755,150	160,738,035	300,989,192	1,116,529,863

	Stated Capital	Revaluation Reserves	FVOCI Reserves	Retained Earnings	Total
Company	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 st April 2023	449,047,486	158,250,150	-	973,058,216	1,580,355,852
Profit for the year	-	-	-	112,766,391	112,766,391
Other Comprehensive Expense for the year, net of tax	-	30,450,000	-	(5,321,982)	25,128,018
Balance as at 31 st March 2024	449,047,486	188,700,150	-	1,080,502,625	1,718,250,261
Balance as at 1st April 2024	449,047,486	188,700,150	-	1,080,502,625	1,718,250,261
Profit for the year	-	-	-	60,459,728	60,459,728
Other Comprehensive Income for the year, net of tax	-	-	-	(2,046,866)	(2,046,866)
Balance as at 31st March 2025	449,047,486	188,700,150	-	1,138,915,487	1,776,663,123

The Accounting Policies & Notes form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

J.F. PACKAGING LIMITED
STATEMENT OF CASH FLOW

	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
FOR THE YEAR ENDED 31ST MARCH					
Cash Flows from Operating Activities					
Profit before Taxation	8	303,018,823	188,060,381	100,628,652	53,398,309
<i>Adjustment for;</i>					
Depreciation / Amortization	11	90,998,651	86,011,149	71,766,392	72,259,317
Right of Use Asset - Amortisation	12	19,782,805	19,739,991	10,796,772	10,750,108
Interest Expense	7	264,108,259	354,837,291	206,750,957	340,476,037
Lease Interest	7	11,855,347	13,537,795	9,320,102	10,028,442
Unrealized (Gain) on Translation of Foreign Currency	7	4,894,501	(80,088)	(238,922)	(4,326,692)
Gain on Disposal of Property, Plant & Equipment	6	(1,266,950)	-	(1,102,548)	-
Interest Income	7	(2,839,304)	(3,587,973)	(1,851,543)	(7,486,318)
Dividend Income	6	-	-	(145,278,000)	(223,518,000)
Defined Benefit Plan Cost - Retiring Gratuity	22	10,871,690	7,925,556	5,578,497	3,791,325
Provision/(Reversal) of Impairment of Trade Debtors	16.1	(1,266,410)	15,782,151	3,532,781	3,357,722
Provision/(Reversal) for Obsolete Inventories	15.1	15,835,742	10,011,528	(1,257,216)	4,879,696
Operating Profit before Working Capital Changes		715,993,154	692,237,781	258,645,924	263,609,946
(Increase)/Decrease in Inventories		(92,824,484)	153,017,053	(87,090,524)	139,843,419
(Increase)/Decrease in Trade and Other Receivables		(14,517,900)	(157,308,957)	55,702,522	(15,447,051)
(Increase)/Decrease in Amounts due from Related Parties		6,768,484	55,985,516	(16,703,876)	64,038,414
Increase/(Decrease) in Trade and Other Payables		31,906,538	61,173,994	12,631,043	(7,206,442)
Increase/(Decrease) in Amounts due to Related Parties		(999,287)	10,109,151	(6,514,683)	(120,069,051)
Cash generated from/ (Used in) Operations		646,326,504	815,214,538	216,670,406	324,769,235
Income Tax Paid		(153,380,249)	(344,055,161)	-	-
Interest Paid		(264,108,259)	(354,837,291)	(206,750,957)	(340,476,037)
Retiring Gratuity Paid	22	(4,760,834)	(4,368,932)	(2,392,868)	(1,665,525)
Lease interest paid	20.1	(11,855,347)	(13,537,795)	(9,320,102)	(10,028,442)
Net Cash Flow from/ (used in) Operating Activities		212,221,815	98,415,359	(1,793,521)	(27,400,769)
Cash Flows from Investing Activities					
Purchase & Construction of Property, Plant & Equipment & Intangible Assets	11	(230,916,136)	(126,173,003)	(91,323,929)	(96,760,554)
Interest Received		2,839,304	3,587,973	1,851,543	7,486,318
Dividends Received		-	-	145,278,000	223,518,000
Proceeds on Disposal of Property, Plant & Equipment		1,611,000	-	1,225,000	-
Investment in Equity Investment at FVOCI		-	(324,999,972)	-	-
Net movement in investment in Fixed Deposits		(219,152)	-	-	-
Net Cash Flow generated from / (Used in) Investing Activities		(226,684,984)	(447,585,002)	57,030,614	134,243,764
Cash Flow from Financing Activities					
Proceeds from Long Term Loans	20.2	-	432,200,502	-	107,200,502
Repayment of Long Term Loans	20.2	(284,307,836)	(289,472,865)	(284,307,836)	(282,481,399)
Repayment of lease rental	20.1.2	(15,687,893)	(12,080,350)	(4,979,998)	(2,346,558)
Net Movement in Short Term Borrowings	20.3	291,285,236	122,570,699	223,122,454	59,412,301
Net Cash Flow generated from / (Used in) Financing Activities		(8,710,493)	253,217,986	(66,165,380)	(118,215,154)
Net Increase/(Decrease) in Cash & Cash Equivalents during the year		(23,173,662)	(95,951,657)	(10,928,287)	(11,372,159)
Cash & Cash Equivalents at the beginning of the year		(88,779,563)	7,172,094	(149,728,954)	(138,356,795)
Cash & Cash Equivalents at the end of the year		(111,953,225)	(88,779,563)	(160,657,241)	(149,728,954)
Analysis of Cash & Cash Equivalents at the end of the year					
Cash in Hand & Bank	18	123,842,134	238,617,884	29,305,394	126,384,648
Bank & Other Borrowings	18	(235,795,359)	(327,397,447)	(189,962,635)	(276,113,602)
		(111,953,225)	(88,779,563)	(160,657,241)	(149,728,954)

The Accounting Policies & Notes form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

JF PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

1. REPORTING ENTITY

1.1. Domicile and Legal Form

J.F. Packaging Limited (the 'Company') is a limited liability Company incorporated and domiciled in Sri Lanka. The address of the Company's registered office is No.98, Sri Sangaraja Mawatha, Colombo 10, Sri Lanka and the principal place of business is No.306, Minuwangoda Road, Kotugoda.

The Consolidated Financial Statements of J.F. Packaging Limited as at and for the year ended 31st March 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as 'Group entities').

The immediate and ultimate parent companies of JF Packaging Limited are Lankem Ceylon PLC and The Colombo Fort Land & Building Company PLC.

The Group has a common financial year which ends on the 31st of March.

As of 28th March 2025, the Company has submitted an initial listing application to the Colombo stock exchange.

Principal Activities and Nature of the Operation

During the year, the principal activities of the company and the group were as follows:

J.F. Packaging Limited

The principal activity of the company is manufacturing and selling printed and unprinted flexible packaging and related products.

JF Ventures Limited

Whilst the principal activity of the Company was primarily in the manufacturing and trading of cereal products, in 2021 it changed its business activities in order to facilitate diversification and the commencement of new lines of business including Investment Holding. However, the company has not conducted any manufacturing and trading of cereal products related business activities since 2017 and now primarily functions as an Investment Holding Company.

Kiffs (Private) Limited

The principal activity of the Company is manufacturing of PET Bottles and other accessories.

Ceylon Tapes (Private) Limited

The principal activity of the Company is manufacturing adhesive tapes and related products.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

Alliance Five (Private) Limited

The principal activity of the Company is injection moulding and manufacturing of fiber brushes and brooms.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Company and those consolidated with such, comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, together with the Accounting Policies and Notes to the Financial Statements.

These Consolidated Financial Statements are prepared in accordance with the Sri Lanka Accounting Standards (LKASs/SLFRSs) as issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and with the requirement of Companies Act No. 7 of 2007.

The Consolidated Financial Statements were authorized for issue by the Board of Directors on 18th June 2025.

2.2. Basis of Measurement

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following;

- Financial assets measured at fair value
- Valuation of Employee Benefits
- Lands measured at revalued amounts

2.3. Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency.

2.4. Use of Estimates and Judgments

The preparation of Consolidated financial statements in conformity with Sri Lanka Accounting Standards (LKASS/SLFRSs) requires the management to make judgments, estimates and assumptions that affect the application of policies and reported values of assets, liabilities, income, expenses and accompanying disclosures including contingent liabilities..

Estimates and judgements which management has assessed to have the most significant effect on the amounts recognized in the financial statements have been discussed in the individual notes of the related financial statement line items. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the that are not readily apparent from other sources. Actual results may differ from these estimates.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are also described in the individual notes of the related finance statement line items. The Group based its and assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Items that have a significant effect on Judgements, estimates and assumptions and the respective notes that they are included in are as follows,

Item	Note No.
Going concern	2.8
Valuation of freehold land	11.1 & 11.2
Impairment on financial assets	3.3.1.4
Income tax expense and deferred tax assets	9 & 21
Measurement of fair value of unquoted investment	25.2
Measurement of loss rate to compute ECL allowance for trade receivable	25.3.1
Measurement of defined benefit obligation: key actuarial assumption	22
Provision, commitment, and contingencies	3.12,3.13 & 27

2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

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 values are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.6 Comparative Information

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.7 Materiality and Aggregation

Each material class of similar items is presented separately in the consolidated Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by LKAS 01: Presentation of Financial Statements.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

2.8 Going Concern

The Group has prepared Consolidated financial statements for the year ended 31st March 2025 on the basis that it will continue to operate as a going concern.

In determining the basis of preparing the Consolidated financial statements for the year ended 31st March 2025, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Group and the appropriateness of the use of the going concern basis.

Having presented the outlook of the Group to the Board, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these Financial Statements and have been applied consistently by the Company and Group, unless otherwise stated.

3.1 Basis of Consolidation

The Consolidated Financial Statements (referred to as the 'Group') comprise the Financial Statements of the Company and its Subsidiaries.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions/events in similar circumstances and where necessary, appropriate adjustments have been made in the Consolidated Financial Statements.

3.1.1. Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 3.1.2). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 3.8). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree’s employees (acquiree’s awards), then all or a portion of the amount of the acquirer’s replacement awards is included in measuring the consideration transferred in the business combination.

This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree’s awards and the extent to which the replacement awards relate to pre-combination service.

3.1.2. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

3.1.3. Non-Controlling Interest

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4. Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

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

3.1.5. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign Currency

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate.

The foreign currency gain or loss on monetary items is the difference between the amortized cost in Sri Lankan Rupees at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities which are stated at historical cost denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate at the dates of the transactions. Non-monetary

assets and liabilities that are stated at fair value, denominated in foreign currencies are translated to Sri Lanka Rupees at the exchange rate that the fair value was determined. Foreign exchange differences arising from translation are recognized in profit or loss and other comprehensive income.

3.3 Financial Instruments

3.3.1 Financial assets – recognition and measurement

3.3.1.1 Initial recognition

Trade receivables are initially recognized when they originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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

3.3.1.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

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

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

Transfers of financial assets to third parties in transactions that do not qualify for the recognition are not considered sales for this purpose, consistent with the Group continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

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.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. 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.

3.3.1.3 De-recognition

Financial Asset

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

The Group enters into transactions whereby it transfers assets recognized 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 derecognized.

Financial Liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes 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 recognized 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 recognized in profit or loss.

3.3.1.4 Impairment Policy - Financial Assets

Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs (Expected Credit Loss) on:

- Financial assets measured at amortized cost.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

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 Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI 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 would not be considered otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recover amounts due.

Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such exists, then the assets recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, 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.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss in respect of assets is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Liabilities and Provision

Initial recognition and measurement

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes 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 recognized at fair value.

On de-recognition 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 recognized in profit or loss.

Classification and subsequent measurement

i. Financial liability at FVTPL

Financial liabilities at FVTPL include financial liabilities held-for-trading or designated as such upon initial recognition. Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, and changes there in recognized in profit or loss.

Upon initial recognition, transaction cost are directly attributable to the acquisition are recognized in profit or loss as incurred. The criteria for designation of financial liabilities at FVTPL upon initial recognition are the same as those of financial assets at FVTPL.

ii. Other financial liabilities

Other financial liabilities including deposits, debt issued by the Group and the other borrowed funds are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that normally takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale. Income earned from temporarily investing specific borrowings pending their expenditure on a qualifying asset is deducted from the borrowing costs eligible to be added to the carrying amount. All other borrowing costs are recognized in profit or loss in the year in which they are incurred.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.5 Property, Plant and Equipment

Property, Plant and Equipment are tangible items that are held for use in the production or supply of goods or services, or for administrative purposes and are expected to be used during more than one period.

3.5.1 Recognition and Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except for Lands which is stated at revalued amounts. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

A revaluation of land is done when there is a substantial difference between the fair value and the carrying amount of the land, and is undertaken by professionally qualified valuers once in every 3 years.

Increases in the carrying amount on revaluation are credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases in the same individual asset are charged against the revaluation reserve directly in the equity. All other decreases are recognized in profit and loss.

3.5.2 Gains and Losses on Disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income/expenses" in profit or loss.

3.5.3 Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3.5.4 De-recognition

The carrying amount of an item of Property, Plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of Property, Plant & Equipment is included in profit or loss when the item is derecognized.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.5.5 Depreciation

Depreciation is based on the cost of an asset or other amount substituted for cost, less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. No depreciation is provided on assets under construction.

The estimated useful lives for the current and comparative years are as follows:

Buildings	20 years
Plant and machinery	10 years
Motor Vehicles	7 years
Lab Equipment	10 years
Computer Hardware	4 years
Office equipment	7 years
Gravure Print Cylinders	7 years
Furniture and fittings	7 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.6 Leased Assets

Recognition and initial measurement (as a lessee)

At the commencement date, a lessee shall recognize a right-of-use asset and a lease liability at the lease.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

Right of use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Subsequent measurement

Right of use asset

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

Lease liability

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.6.1 Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is initially recognized at cost. Such goodwill is identified into cash-generating units and is annually tested for impairment. After initial recognition goodwill is stated at cost less accumulated impairment losses.

The goodwill arising on acquisition of subsidiaries is presented as an intangible asset.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceed the cost of the acquisition of the entity, it is recognized immediately in the Consolidated Statement of Profit or Loss. Goodwill is not amortized.

Computer software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over the estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives on Intangible Assets for current and comparative periods are as follows:

Computer software	4 years
-------------------	---------

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.7 Inventories

Inventories are measured at the lower of cost and net realizable value after making due allowances for obsolete & slow moving items.

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

3.8 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, inventories 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. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU 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 or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of other than goodwill is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3.10 Stated Capital

Ordinary Shares

Ordinary shares are classified as equity. 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.

3.11 Employee Benefits**3.11.1 Short-term Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11.2 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(a) Employees' Provident Fund

The Group and employees contribute 12% and 8% respectively on the salary of each employee to the Employees' Provident Fund.

(b) Employees' Trust Fund

The Group contributes 3% of the salary of each employee to the Employees' Trust Fund. The total amount recognized as an expense to the Group for contribution to ETF is disclosed in the notes to Financial Statements.

3.11.3 Defined Benefit Plan – Gratuity

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The retirement benefit plan adopted is as required under the Payment of Gratuity Act No.12 of 1983.

Provision for gratuity on the employees of the Group are based on the Projected Unit Credit (PUC) method as recommended by LKAS 19- "Employee Benefits".

3.12 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably; and it is probable that an outflow of economic benefits will be required to settle the obligation.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

3.13 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Company under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

3.14 Revenue Recognition

J.F. Packaging Limited - Sales of Flexible Packaging

Nature and timing of satisfaction of performance obligations including significant payment terms

Customers obtain control of flexible packaging when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 60 - 90 days. Contracts permit the customer to return an item if there is a fault with the items.

JF Ventures Limited

Revenue will be recognised upon satisfaction of performance obligations. It is expected that revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods and service.

Alliance Five (Pvt) Limited - Sales from Injection moulding and Fiber Brushes & Brooms

Nature and timing of satisfaction of performance obligations including significant payment terms

Customers obtain control of standard PP Injection Plastics Accessories & Fiber Based Brushes when the goods are shipped to the customers and based on the shipping terms agreed with the customers. Invoices are generated at that point in time. Invoices are usually payable within 90 days. No discounts are provided for PP Injection Plastics Accessories & Fiber Based Brushes. Contracts permit the customer to return an item if there is a fault in the items. Returned goods are exchanged only for new goods- i.e. no cash refunds are offered.

Kiffs (Private) Limited - Sales from PET Bottles products & other accessories

Nature and timing of satisfaction of performance obligations including significant payment terms

Customers obtain control of standard PET Bottles Products when the goods are delivered to and have been accepted at their premises.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

Invoices are generated at that point in time. Invoices are usually payable within 45 - 75 days. Contracts permit the customer to return an item if there is a fault in the items. Returned goods are exchanged only for new goods- i.e. no cash refunds are offered.

Ceylon Tapes (Private) Limited - Sale of Adhesive Tapes & related products

Nature and timing of satisfaction of performance obligations. Including significant payment terms

Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 45 - 75 days. Selling prices vary depending on the customer. Customer to return an item. Returned goods are exchanged only for new goods- i.e. no cash refunds are offered.

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and turnover related taxes. Revenue is recognized when persuasive evidence exists, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Other income

Gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets are recognised by comparing the net sales proceeds with the carrying amount of the corresponding asset and are recognised net within 'other income' in the statement of profit or loss.

3.15 Expenses

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and losses on disposal of available for sale financial assets, fair value losses on financial assets at fair value through profit or loss and impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

3.16 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

The principal temporary differences arise from depreciation on property, plant and equipment; and provisions for defined benefit obligations. Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at the balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

3.17 Earnings Per Share

The Group presents basic earnings/ (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

3.18 Events Occurring After the Balance Sheet Date

All material post balance sheet events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

3.19 Cash Flow Statements

Interest received is classified as investing cash flows, while interest paid is classified as financing cash flows for the purpose of the presentation of the Cash Flow Statement which has been prepared using the 'Indirect Method'.

3.20 Related Party Transactions

Disclosure has been made in respect of 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 or not.

The relevant details are disclosed in the respective notes to the Consolidated Financial Statements.

3.21 Segmental Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segmental results assets and liabilities include items directly attributable to segment as well as these can be allocated on a reasonable basis.

4 New Accounting Standards issued but not effective as at reporting date

A number of new standards are effective for annual periods beginning on or after 1st January 2025 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 standard introduces the following key new requirements.

J.F. PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2025

- 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.

- Lack of Exchangeability (Amendments to IAS 21)

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments apply to annual reporting periods beginning on or after 1 January 2025.

- 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 localized standards based on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Company from 1 January 2025. No financial impact is expected on the Company except for additional disclosures.

D. Annual Improvements to SLFRS Accounting Standards – Amendments to:

- SLFRS 1 First-time Adoption of International Financial Reporting Standards;
- SLFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing SLFRS 7;
- SLFRS 9 Financial Instruments;
- LKAS 7 Statement of Cash flows;

FOR THE YEAR ENDED 31 ST MARCH	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
5 REVENUE				
5.1 Revenue Streams				
Revenue from Contracts with Customers				
Total Gross Revenue	5,098,196,381	4,375,529,097	2,617,701,434	2,333,102,419
<i>Revenue collected as Tax</i>				
SVAT	(210,278,285)	(156,656,677)	(37,616,168)	(27,340,328)
VAT	(502,704,377)	(432,636,154)	(208,948,418)	(330,929,317)
Total Net Revenue	4,385,213,719	3,786,236,266	2,371,136,848	1,974,832,774
Primary geographical markets				
Sri Lanka	4,310,807,110	3,709,788,163	2,369,698,583	1,974,832,774
Other	74,406,609	76,448,103	1,438,265.00	-
Total net Revenue	4,385,213,719	3,786,236,266	2,371,136,848	1,974,832,774

5.2 Timing of Revenue Recognition	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Products transferred at a point in time	4,385,213,719	3,786,236,266	2,371,136,848	1,974,832,774
Products transferred over time	-	-	-	-
	4,385,213,719	3,786,236,266	2,371,136,848	1,974,832,774

5.3 Business Segment Analysis of Revenue

Segment information is presented in respect of the Group's business segments. Business segments are based on the Group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group comprises the following main business segments:

Packaging Products - Manufacturing & Selling Packaging Products
Injection and Blow moulding Products - Manufacturing & Selling Injection & Blow moulding Products

	Packaging Products		Injection and Blow moulding Products		Total	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Total Revenue	3,137,793,000	2,724,830,393	1,331,909,410	1,091,876,504	4,469,702,410	3,816,706,897
Inter-segment revenue	(71,796,350)	(30,470,631)	(12,692,341)	-	(84,488,691)	(30,470,631)
Revenue from external customers	3,065,996,650	2,694,359,762	1,319,217,069	1,091,876,504	4,385,213,719	3,786,236,266
Segment gross profit	650,719,383	635,130,175	495,781,108	391,342,629	1,146,500,491	1,026,472,804
Operating overheads	(235,404,761)	(194,218,014)	(190,326,610)	(138,224,297)	(425,731,371)	(332,442,311)
Depreciation and amortisation	(90,233,674)	(87,105,799)	(20,547,782)	(18,592,105)	(110,781,456)	(105,697,904)
Contribution to defined benefit plan for gratuity	(7,881,218)	(5,550,241)	(2,990,472)	(2,375,315)	(10,871,690)	(7,925,556)
Reversal/(provision) impairment of deb	(3,343,524)	(3,336,207)	4,609,894	(12,445,944)	1,266,370	(15,782,151)
Other operating income	6,018,012	722,687	1,269,536	864,015	7,287,548	1,586,702
Operating Profit	319,874,218	345,642,601	287,795,674	220,568,983	607,669,892	566,211,584
Finance Income	15,328,594	19,562,051	676,091	821,654	16,004,685	20,383,705
Finance Expenses	(295,905,152)	(365,342,274)	(24,750,602)	(33,192,634)	(320,655,754)	(398,534,908)
Profit Before Taxation	39,297,660	(137,622)	263,721,163	188,198,003	303,018,823	188,060,381
Income Tax Expense	(61,451,911)	(25,143,745)	(110,943,386)	(91,156,547)	(172,395,297)	(116,300,292)
Profit/(loss) for the year	(22,154,251)	(25,281,367)	152,777,777	97,041,456	130,623,526	71,760,089
Total Assets	3,063,710,998	2,878,516,104	659,015,728	633,444,080	3,722,726,726	3,511,960,184
Total Liabilities	2,204,150,882	2,264,844,737	402,045,981	416,245,012	2,606,196,863	2,681,089,749
Capital Expenditure	212,566,599	100,144,963	18,349,537	26,028,040	230,916,136	126,173,003
Addition to Right of Use Assets	-	1,970,451	-	-	-	1,970,451
Total Depreciation & Amortisation	90,233,674	87,105,799	20,547,782	18,592,105	110,781,456	105,697,904

J.F. PACKAGING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 ST MARCH	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
6 OTHER INCOME				
Profit on Disposal of Property, Plant and Equipment	1,266,950	-	1,102,548	-
Sundry Income	1,269,536	864,015	-	-
Dividend Income - Unquoted Companies	-	-	145,278,000	223,518,000
Scrap Sales	4,751,062	722,687	3,547,729	-
	<u>7,287,548</u>	<u>1,586,702</u>	<u>149,928,277</u>	<u>223,518,000</u>
7 NET FINANCE EXPENSES				
(a) Finance Income				
Gain on Translation of Foreign Currency	13,165,381	16,795,732	-	4,326,692
Commission on Corporate Guarantee	1,717,769	2,043,708	1,717,769	7,414,135
Interest Income	1,121,535	1,544,265	133,774	72,183
Total Finance Income	<u>16,004,685</u>	<u>20,383,705</u>	<u>1,851,543</u>	<u>11,813,010</u>
(b) Finance Expense				
Bank Charges	19,394,620	13,444,178	16,489,896	11,801,529
Factoring Charges	12,849,117	21,327,945	12,849,117	21,327,945
Overdraft Interest	20,778,930	26,338,455	15,286,527	22,805,663
TR Loan Interest	76,886,526	75,464,226	66,463,908	67,745,891
Term Loan Interest	150,629,550	229,674,768	112,151,405	226,564,641
Commission on Corporate Guarantee	2,964,136	2,031,897	-	2,031,897
Loss on Translation of Foreign Currency	25,297,528	16,715,644	19,769,639	-
Lease Interest	11,855,347	13,537,795	9,320,102	10,028,442
Total Finance Expense	<u>320,655,754</u>	<u>398,534,908</u>	<u>252,330,594</u>	<u>362,306,008</u>
Net Finance Expense	<u>304,651,069</u>	<u>378,151,203</u>	<u>250,479,051</u>	<u>350,492,998</u>
8 PROFIT BEFORE TAX				

The Profit before taxation is stated after charging all the expenses including the following:

Salaries & Wages	310,047,226	232,841,570	140,203,341	105,326,460
Defined Contribution Plan Cost - EPF & ETF	39,178,790	30,488,200	21,779,645	16,747,744
Defined Benefit Plan Cost - Retiring Gratuity	10,871,690	7,925,556	5,578,497	3,791,325
Depreciation and Amortization	90,998,651	86,011,149	71,766,392	72,259,317
Amortization of ROU Asset	19,782,805	19,739,990	10,796,772	10,750,108
Directors' Remuneration	16,757,700	20,430,061	12,600,000	4,200,000
Auditors' Remuneration - Audit fees	3,245,000	2,977,500	1,515,000	1,415,000
- Non-audit services	1,406,529	1,088,651	-	102,000
Legal expenses	2,544,563	3,603,620	2,544,563	3,603,620
Provision/(Reversal) for Impairment of Trade Debtors	(1,266,410)	15,782,151	3,532,781	3,357,722
Provision / (Reversal) for Obsolete Inventories	15,835,742	10,011,528	(1,257,216)	4,879,696
Donations	-	294,000	-	294,000

J.F. PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH

	Group		Company			
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.		
9 INCOME TAX EXPENSE						
Current Income Tax Expense (Note 9.1)						
Taxation on Profit for the Year	104,855,766	114,846,757	-	-		
Under Provision in respect of Previous year	(4,728,941)	3,876,230	-	-		
WHT on Dividend	26,061,671	63,309,733	-	-		
	<u>126,188,496</u>	<u>182,032,720</u>	<u>-</u>	<u>-</u>		
Deferred Tax Expense						
Origination/(Reversal) of Temporary Differences (Note 21)	46,206,801	(65,732,428)	40,168,924	(59,368,082)		
	<u>46,206,801</u>	<u>(65,732,428)</u>	<u>40,168,924</u>	<u>(59,368,082)</u>		
	<u>172,395,297</u>	<u>116,300,292</u>	<u>40,168,924</u>	<u>(59,368,082)</u>		
9.1 Current Income Tax Expense						
Reconciliation of Accounting Profit to Income Tax Expense						
Accounting Profit before Taxation	303,018,823	188,060,381	100,628,652	53,398,309		
Aggregate Disallowable Expenses	147,435,112	170,465,395	92,137,324	111,504,021		
Aggregate Allowable Expenses	(171,611,269)	(84,134,630)	(117,741,309)	(49,815,707)		
Tax Exempt Income	(456,528)	-	-	-		
Adjustments- Income not part of Assessable Income	-	-	(145,278,000)	(223,518,000)		
	<u>278,386,138</u>	<u>274,391,146</u>	<u>(70,253,333)</u>	<u>(108,431,377)</u>		
Net Statutory Gain / (Loss) from Business						
Statutory Loss from Entities	71,133,085	108,431,377	70,253,333	108,431,377		
Statutory Profit	349,519,223	382,822,523	-	-		
Taxable Income	<u>349,519,223</u>	<u>382,822,523</u>	<u>-</u>	<u>-</u>		
Income Tax @ 30%	104,855,766	114,846,757	-	-		
	<u>104,855,766</u>	<u>114,846,757</u>	<u>-</u>	<u>-</u>		
9.2 Accumulated Tax losses						
Tax losses brought forward	581,838,382	475,979,634	581,838,382	475,979,634		
Tax loss for the year	71,133,085	108,431,377	70,253,333	108,431,377		
Adjustment in respect of previous years	(70,393,891)	(2,572,629)	(70,393,891)	(2,572,629)		
Tax losses carried forward	<u>582,577,576</u>	<u>581,838,382</u>	<u>581,697,824</u>	<u>581,838,382</u>		
10 EARNINGS PER SHARE						
Earnings per share is based on the profit for the year attributable to equity holders of the Company, divided by the weighted average number of ordinary shares in issue during the year.						
For the year ended 31st March	Group	2025	2024	Company	2025	2024
Profit attributable to Equity Holders of the Company (Rs.)		130,623,526	71,760,089		60,459,728	112,766,391
Weighted Average Number of Ordinary Shares (No.)		120,406,800	120,406,800		120,406,800	120,406,800
Earning per Share (Rs.)		<u>1.08</u>	<u>0.60</u>		<u>0.50</u>	<u>0.94</u>

On 10th February 2025, the Company undertook a subdivision of its existing equity shares in the ratio of 1:100. Accordingly the weighted-average number of ordinary shares as at 31st March 2024 has been restated based on the number of shares issued upon share subdivision in February 2025 in accordance with Sri Lanka Accounting Standard LKAS 33 Earnings Per Share.

AS AT 31ST MARCH

11 PROPERTY PLANT & EQUIPMENTS (CONTINUED)

11.2 SENSITIVITY ANALYSIS

Possible changes at the reporting date to one of the significant unobservable inputs, holding the other inputs constant, would have the following impacts.

Market Price per Perch (10% movement)	Market Value	Increase	Decrease
	31.03.2025	+10%	-10%
	Rs'000	Rs'000	Rs'000
J.F. Packaging Ltd.	348,000	34,800	(34,800)
Ceylon Tapes (Pvt) Ltd.	36,000	3,600	(3,600)
	<u>384,000</u>	<u>38,400</u>	<u>(38,400)</u>

11.3 FULLY DEPRECIATED ASSET STILL IN USE

The cost of fully depreciated property, plant and equipment of the Group and the Company which are still in use amounted to:

As At 31 st March	Group		Company	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Plant and Machinery	662,409,878	570,039,828	401,901,173	321,896,295
Motor Vehicle	36,111,403	36,111,403	32,756,493	32,756,493
Computer Hardware	20,904,254	32,183,496	16,570,483	22,580,327
Cylinders	145,857,723	110,758,665	145,857,723	110,758,665
Office Equipment & Furniture	26,579,923	22,877,359	8,270,872	6,200,298
Tools & Equipment	15,335,197	24,911,747	-	-
Lab Equipment	5,114,934	3,400,000	5,114,934	3,400,000
	<u>912,313,313</u>	<u>800,282,498</u>	<u>610,471,679</u>	<u>497,592,078</u>

12 RIGHT OF USE THE ASSET

Land and Building

	Group		Company	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Balance at the beginning of the year	64,862,726	82,632,266	39,463,728	50,213,836
Addition during the Year	-	1,970,451	-	-
Amortization charge for the year	(19,782,805)	(19,739,991)	(10,796,772)	(10,750,108)
Balance at the end of the year	<u>45,079,921</u>	<u>64,862,726</u>	<u>28,666,956</u>	<u>39,463,728</u>

J.F. Packaging Limited

The company leases land and the building which located in, No 06 Agaradaguru Mawatha Ekala has been obtained on lease for 5 years from 01st December 2022 to 30th November 2027 with the option to terminate the agreement after 02 years by giving 01 year prior notice. The management has no taken a decision to terminate the lease as at 31st March 2025. During the lease period, the Company has the right to use the land for the business purposes.

Kiffs (Pvt) Ltd

The company leases land and the building which is located in, Pahalakaragahamuna, Kadawatha has been obtained as a lease for 10 years from 01st July 2016 to 30th June 2026 with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has not taken a decision to terminate the lease as at 31st March 2025. During the lease period, the Company has the right to use the land for the business purposes.

Ceylon Tapes (Pvt) Ltd

The company leases its factory land and the buildings which is located in, Ekalakuruduwatta in Ragam pattu of Aluthkurukorale which has been obtained as a lease for 20 years from 9th June 2016 to 8th June 2036, with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has not taken a decision to terminate the lease as at 31st March 2025. During the lease period, the Company has the right to use the land for the business purposes.

Alliance Five (Pvt) Ltd

The company leases land and the building which located in, Nedungahawatta and Alubogahawatta has been obtained on lease for 10 years from 01st January 2017 to 31st December 2026 with the option to terminate the agreement after 04 years by giving 06 months prior notice. The management has not taken a decision to terminate the lease as at 31st March 2025. During the lease period, the Company has the right to use the land for the business purposes.

13 INTANGIBLE ASSETS

13.1 COMPUTER SOFTWARE

As at 31st March,	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Cost				
Balance at the beginning of the year	18,012,156	18,012,156	11,150,806	11,150,806
Additions during the year	-	-	-	-
Balance at the end of the year	<u>18,012,156</u>	<u>18,012,156</u>	<u>11,150,806</u>	<u>11,150,806</u>
Accumulated Amortization				
Balance at the beginning of the year	17,952,202	17,898,966	11,109,494	11,109,494
Charge for the year	59,954	53,236	41,312	-
Balance at the end of the year	<u>18,012,156</u>	<u>17,952,202</u>	<u>11,150,806</u>	<u>11,109,494</u>
Written Down Value				
	<u>-</u>	<u>59,954</u>	<u>-</u>	<u>41,312</u>

13 INTANGIBLE ASSETS CONTD.

FULLY AMORTIZED BUT STILL IN USE

The cost of fully amortized intangible assets of the Group and the Company which are still in use amounted to:

	Group		Company	
	2025	2024	2025	2024
Computer Software	<u>18,241,094</u>	<u>17,900,798</u>	<u>11,150,806</u>	<u>11,109,494</u>

13.2 GOODWILL

As at 31st March,

	Group	
	2025 Rs.	2024 Rs.
Balance at the beginning of the year	<u>210,661,540</u>	210,661,540
Balance at the end of the year	<u>210,661,540</u>	<u>210,661,540</u>

This represents the excess of the cost of acquisition over the attributable net assets of the following subsidiary companies. The aggregate carrying amount of Goodwill allocated to each company is as follows:

As at 31st March,	Group	
	2025 Rs.	2024 Rs.
Kiffs (Pvt) Ltd	<u>143,777,245</u>	143,777,245
Alliance Five (Pvt) Ltd	<u>42,184,793</u>	42,184,793
Ceylon Tapes (Pvt) Ltd	<u>24,699,502</u>	<u>24,699,502</u>
	<u>210,661,540</u>	<u>210,661,540</u>

The Group has carried out an impairment assessment for the Goodwill recognized in the Consolidated Financial Statements as at 31st March 2025. For the purpose of impairment assessment the Group considered each Company as separate CGUs.

Recoverable amounts of these investments were measured as follows:

13.2.1. Recoverable values measured with reference to the value in use

The values assigned to the key assumptions represents management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Investee	Significant unobservable inputs	Value of the inputs
Kiffs (Pvt) Ltd (KF)	Average Growth Rate	10%
	Terminal Growth Rate	3%
	Discount Rate	14.40%
	Term	4 years (terminal value thereafter)
Alliance Five (Pvt) Ltd (AF)	Average Growth Rate	9%
	Terminal Growth Rate	3%
	Discount Rate	16.50%
	Term	4 years (terminal value thereafter)
Ceylon Tapes (Pvt) Ltd. (CT)	Average Growth Rate	10%
	Terminal Growth Rate	3%
	Discount Rate	14.90%
	Term	4 years (terminal value thereafter)

Above assumptions have been determined based on the historical performance of the CGU adjusted for market information related to discount rate.

The management has identified that a reasonably possible change in below key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which assumption would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Company Name	Change required for carrying amount to equal recoverable amount		
	KF	AF	CTP
Discount Rate	30%	63%	24%
Terminal Growth Rate	-47%	N/M	-17%

The fair value measurement was categorized as a Level 03 fair value based on the inputs in valuation technique used.

The Board of Directors believe there is no requirement as at 31st March 2025.

J.F. PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31ST MARCH 2025

14 INVESTMENTS

14.1 Investments in Subsidiaries

	Effective Holding %	Company			
		No of Shares 31.03.2025	Cost 31.03.2025 Rs.	No of Shares 31.03.2024	Cost 31.03.2024 Rs.
Unquoted Investments					
(a) Equity Shares					
JF Ventures Limited	100%	139,800,019	1,398,000,186	139,800,019	1,398,000,186
(b) Preference Shares					
Ceylon Tapes (Pvt) Ltd		160,000	26,938,776	160,000	26,938,776
			<u>1,424,938,962</u>		<u>1,424,938,962</u>

14.1.1. Recoverable values measured with reference to their respective fair value less cost to sell

The recoverable values of these subsidiaries were determined with reference to their net assets values as follows,

Subsidiary	Range of Input
JF Ventures Limited	Rs. 10.00 - 10.10
Ceylon Tapes (Pvt) Ltd	Rs. 250.00-300.00

14.2 Equity Investments at FVOCI

As at 31 st March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Quoted Investments	14.2.1	3,978,816	2,631,572	-	-
Unquoted Investments	14.2.2	551,657,360	324,999,972	-	-
		<u>555,636,176</u>	<u>327,631,544</u>	<u>-</u>	<u>-</u>

14.2.1 Quoted Investments

As at 31 st March	Group			
	No of share 2025	Fair value 2025 Rs.	No of shares 2024	Fair value 2024 Rs.
Nations Trust Bank PLC	7,781	1,478,390	7,672	824,740
Chevron Lubricants Lanka PLC	12,000	1,650,000	12,000	1,293,000
National Development Bank PLC	7,793	833,851	7,327	498,236
Ceylon Hospitals PLC	130	16,575	130	15,596
Total Quoted Investments		<u>3,978,816</u>		<u>2,631,572</u>

14.2.2 Unquoted Investments

As at 31 st March	Group				
	No of Share 2025	Cost 2025 Rs.	Fair value 2025 Rs.	No of shares 2024	Fair value 2024 Rs.
Asia Pacific Golf Courses Limited	2,500	250,000	250,000	2,500	250,000
Cosolidated Tea Plantation Ltd.	6,018,518	324,999,972	551,657,360	6,018,518	324,999,972
		<u>325,249,972</u>	<u>551,907,360</u>		<u>325,249,972</u>
Less: Provision for Impairment -Asia Pacific Golf Courses Limited			(250,000)		(250,000)
Total Unquoted Investments			<u>551,657,360</u>		<u>324,999,972</u>

Unquoted Investments

As at 31 st March	Company			
	No of Share 2025	Fair value 2025 Rs.	No of shares 2024	Fair value 2024 Rs.
Asia Pacific Golf Courses Limited	2,500	250,000	2,500	250,000
Less: Provision for Impairment of Unquoted Investments		(250,000)		(250,000)
Total Unquoted Investments		<u>-</u>		<u>-</u>

No Strategic investments were disposed during 2024/25, and there were no transfer of any cumulative gain or loss within equity relating to these investments.

The fair Value of unquoted investments is classified as level 03 in their value hierarchy.

J.F. PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31ST MARCH

15 INVENTORIES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Raw material	751,557,260	720,502,070	540,563,435	494,420,170
Work in progress	73,868,613	46,384,827	25,405,234	12,893,605
Finished goods	127,093,319	99,674,506	78,814,485	53,389,562
Consumables	43,561,404	38,742,444	30,079,882	27,069,175
	<u>996,080,596</u>	<u>905,303,847</u>	<u>674,863,036</u>	<u>587,772,512</u>
Less: Provision for Obsolete Inventories (15.1)	<u>(181,278,032)</u>	<u>(167,490,025)</u>	<u>(137,889,345)</u>	<u>(139,146,561)</u>
	<u>814,802,564</u>	<u>737,813,822</u>	<u>536,973,691</u>	<u>448,625,951</u>

15.1 Provision for Obsolete Inventories

Balance at the beginning	167,490,025	157,478,497	139,146,561	134,266,865
Provision/ (Reversal) during the year	15,835,742	10,011,528	(1,257,216)	4,879,696
Write off during the year	(2,047,735)	-	-	-
Balance at the year end	<u>181,278,032</u>	<u>167,490,025</u>	<u>137,889,345</u>	<u>139,146,561</u>

16 TRADE & OTHER RECEIVABLES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade Receivables	700,317,599	720,236,495	392,826,527	426,989,029
Impairment of Trade Receivables (16.1)	<u>(42,490,689)</u>	<u>(113,553,843)</u>	<u>(17,341,996)</u>	<u>(66,863,430)</u>
	<u>657,826,910</u>	<u>606,682,652</u>	<u>375,484,531</u>	<u>360,125,599</u>

Other Receivables	750,001	18,464,945	750,000	18,464,944
Deposits, Advances and Prepayments	231,774,012	240,947,605	50,903,570	107,638,580
Staff Loan	2,440,418	2,759,966	1,624,920	1,769,201
Tax Recoverable	37,959,830	46,111,693	-	-
	<u>272,924,261</u>	<u>308,284,209</u>	<u>53,278,490</u>	<u>127,872,725</u>
Total Trade and Other Receivables	<u>930,751,171</u>	<u>914,966,861</u>	<u>428,763,021</u>	<u>487,998,324</u>

16.1 Impairment of Trade Receivables

Balance at the beginning	113,553,843	97,771,692	66,863,430	63,505,708
Write of during the year	(69,796,744)	-	(53,054,215)	-
Provision/ (Reversal) during the year	(1,266,410)	15,782,151	3,532,781	3,357,722
Balance at the year end	<u>42,490,689</u>	<u>113,553,843</u>	<u>17,341,996</u>	<u>66,863,430</u>

17 INVESTMENTS AT AMORTIZED COST

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Fixed Deposits	3,231,619	3,012,467	-	-
	<u>3,231,619</u>	<u>3,012,467</u>	<u>-</u>	<u>-</u>

18 CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Favorable balances				
Cash at Bank	123,151,996	238,026,203	29,147,646	126,304,406
Cash in Hand	690,138	591,681	157,748	80,242
	<u>123,842,134</u>	<u>238,617,884</u>	<u>29,305,394</u>	<u>126,384,648</u>
Unfavorable balances				
Bank Overdraft	(235,795,359)	(327,397,447)	(189,962,635)	(276,113,602)
Cash and Cash Equivalents in the Statement of the Cashflows	<u>(111,953,225)</u>	<u>(88,779,563)</u>	<u>(160,657,241)</u>	<u>(149,728,954)</u>

19 STATED CAPITAL

	Group / Company			
	No of shares 2025	Value of Shares 2025 Rs.	No of shares 2024	Value of Shares 2024 Rs.
Fully paid ordinary shares at beginning of the year	120,406,800	449,047,486	1,204,068	449,047,486
At the end of the Year	120,406,800	449,047,486	1,204,068	449,047,486

On 10th February 2025, the Company undertook a subdivision of its existing equity shares in the ratio of 1:100. Accordingly the weighted-average number of ordinary shares as at 31st March 2024 has been restated based on the number of shares issued upon share subdivision in February 2025 in accordance with Sri Lanka Accounting Standard LKAS 33 Earnings Per Share

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders or one vote per share in the case of a poll.

20 INTEREST BEARING BORROWINGS

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Payable after one year				
Lease Liability (Note 20.1)	37,682,049	59,221,630	27,734,126	37,555,291
Long Term Loans (Note 20.2)	604,285,051	887,391,748	290,085,051	562,391,748
	641,967,100	946,613,378	317,819,177	599,947,039
Payable with in one year				
Lease Liability (Note 20.1)	21,535,303	15,683,614	9,821,066	4,979,899
Long Term Loans (Note 20.2)	309,756,622	310,957,761	298,956,622	310,957,761
Short Term Loans (Note 20.3)	875,862,713	584,577,486	661,833,914	438,711,460
	1,207,154,638	911,218,861	970,611,602	754,649,120
Total Interest bearing Borrowings	1,849,121,738	1,857,832,239	1,288,430,779	1,354,596,159

20.1 Lease Liability

	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
	Balance at the beginning of the year	74,905,269	85,015,163	42,535,190
Addition during the year	-	1,970,451	-	-
Repayments during the year	(27,543,240)	(25,618,140)	(14,300,100)	(12,375,000)
Interest charged during the year	11,855,347	13,537,795	9,320,102	10,028,442
Balance as at end of the year	59,217,376	74,905,269	37,555,192	42,535,190
Payable within one year	21,535,303	15,683,614	9,821,066	4,979,899
Payable after one year	37,682,049	59,221,630	27,734,126	37,555,291
	59,217,352	74,905,244	37,555,192	42,535,190

20.1.1 Amount Recognized in Income Statement

Interest on Lease Liabilities	11,855,347	13,537,795	9,320,102	10,028,442
Amortization - Right-of-use Assets	19,782,805	19,739,991	10,796,772	10,750,108
	31,638,152	33,277,786	20,116,874	20,778,550

20.1.2 Amount Recognized in Statement of Cashflow

Interest repayment during the year	(11,855,347)	(13,537,795)	(9,320,102)	(10,028,442)
Capital repayment during the year	(15,687,893)	(12,080,345)	(4,979,998)	(2,346,558)
	(27,543,240)	(25,618,140)	(14,300,100)	(12,375,000)

20.1.3 Maturity Analysis

Maturity analysis of contractual undiscontinued cashflow,

Within next 12 months	31,393,140	27,543,240	18,150,000	14,300,100
Between 1 to 2 years	24,721,640	31,393,140	18,755,000	18,150,000
More than 2 years	21,972,290	46,693,420	13,310,000	32,065,000
	46,693,930	78,086,560	32,065,000	50,215,000

20.2 Long Term Loans

	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
	Balance at the beginning	1,198,349,509	1,055,621,872	873,349,509
Loans obtained during the year	-	432,200,502	-	107,200,502
Payments made during the year	(284,307,836)	(289,472,865)	(284,307,836)	(282,481,399)
Balance at the end	914,041,673	1,198,349,509	589,041,673	873,349,509
Payable within one year	309,756,622	310,957,761	298,956,622	310,957,761
Payable after one year	604,285,051	887,391,748	290,085,051	562,391,748
	914,041,673	1,198,349,509	589,041,673	873,349,509

20.3 Short Term Loans

	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
	Trust Receipt Loans	661,833,914	438,711,460	661,833,914
Short Term Loans	214,028,799	145,866,026	-	-
	875,862,713	584,577,486	661,833,914	438,711,460

J.F. PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31ST MARCH
20. INTEREST BEARING BORROWINGS (CONTD.)
20.4 Assets pledged as Security Against Interest Bearing Borrowings (Long Term Loans)

Company	Lender		Balance as at 31.03.2025 Rs.	Balance as at 31.03.2024 Rs.	Terms of the Facilities	Security Pledged
JF Packaging Limited	Sampath Bank PLC					
	Loan 01	facility - Rs. 99.87 Mn	22,975,048	56,250,000	Repayable over 5 years in 60 monthly installments, 01-12month - Rs.322,500/-,13-24month -Rs.1,000,000 /-,25-36month-Rs.1,750,000/-,37-48month-Rs.2,250,000/-,49-60month-Rs.3,000,000/-	Corporate guarantee of Lankem Ceylon PLC for Rs.98,870,000/- & Mortgage over shares of Alliance Five (Pvt) Ltd.
	Loan 02	facility - Rs. 25.66 Mn	6,035,400	14,740,600	Repayable over 5 years in 60 monthly installments, 01-12month - Rs.125,000/-,13-24month -Rs.250,000 /-,25-36month-Rs.450,000/-,37-48month-Rs.575,000/-,49-60month-Rs.738,800/-	Mortgage over Dry laminating machine and related equipment.
	Loan 03	facility - Rs. 2.85 Mn	380,000	902,500	Repayable over 5 years in 60 monthly installments of Rs.47,500/-	
			29,390,448	71,893,100		
Bank of Ceylon	Loan 01	facility - Rs. 150.0 Mn	51,574,000	74,420,648	Repayable over 6 years in 72 monthly installments, 01-12month - Rs.500,000/-,13-24month -Rs.750,000 /-,25-36month-Rs.1,702,000/-,37-48month-Rs.2,119,000/-,49-60month-Rs.2,536,000/-, 61-72month-Rs.2,607,000/-	Primary mortgage of Land, building and machinery situated at No.306, Minuwangoda Road, Kotugoda.
	Loan 02	facility - Rs. 150.0 Mn	27,636,442	52,482,752	Repayable over 5 years in 60 monthly installments, 01-12month - Rs.500,000/-,13-24month -Rs.750,000 /-,25-36month-Rs.1,000,000/-,37-48month-Rs.1,333,000/-,49-60month-Rs.1,415,000/-	
	Loan 03	facility - Rs. 140.0 Mn	44,722,314	82,142,236	Repayable over 6 years in 72 monthly installments, 01-12month - Rs.500,000/-,13-24month -Rs.750,000 /-,25-36month-Rs.1,000,000/-,37-48month-Rs.1,828,000/-,49-60month-Rs.1,995,000/-, 61-72month-Rs.2,397,000/-	
	Loan 04	facility - Rs. 295.68 Mn	161,856,631	219,552,205	Repayable over 5 years in equal monthly capital of Rs.4,927,975/-.	Mortgage over stocks and book debts held at factory premises at No.306, Minuwangoda Road, Kotugoda
	Loan 05	facility - Rs. 236.37 Mn	152,766,725	211,902,425	Repayable over 6 years in 72 monthly installments, 01-12month - Rs.500,000/-,13-24month -Rs.1,000,000 /-,25-36month-Rs.3,283,000/-,37-48month-Rs.4,283,000/-,49-60month-Rs.5,033,000/-, 61-72month-Rs.5,599,000/-	Primary mortgage of Land, building and machinery situated at No.306, Minuwangoda Road, Kotugoda.
			438,556,112	640,500,267		

20. INTEREST BEARING BORROWINGS (CONTD.)

20.4 Assets pledged as Security Against Interest Bearing Borrowings (Long Term Loans) - Continued

Company	Lender	Balance as at 31.03.2025 Rs.	Balance as at 31.03.2024 Rs.	Terms of the Facilities	Security Pledged	
Nation Trust Bank PLC	Approved facility - Rs. 117.36 Mn	91,276,226	107,200,502	Repayable over 5 years in monthly installments; 01-12month - Rs.1,500,000/- , 13-24month -Rs.2,000,000 /-, 25-36month-Rs.2,500,000/-, 37-48month-Rs.3,000,000/-, 49-60month-Rs.2,342,639/-.	Mortgage over stocks and book debts held at factory premises at No:306,Minuwangoda Road, Kotugoda. Corporate guarantee from Lankem Ceylon PLC for Rs.107.69Mn.	
		<u>91,276,226</u>	<u>107,200,502</u>			
Siyapatha Finance PLC	Loan 01 Mn	29,818,887	53,755,640	Approved facility - Rs. 100	Repayable over 31 monthly installments; 01-12month - Rs.2,250,000/-, 13-25month -Rs.2,500,000 /-, 25-30month-Rs.3,000,000/-, 31 month-Rs.3,165,914/-	Corporate guarantee from Ceylon Tapes (Pvt) Ltd and a loan agreement for Rs.100,000,000/-
		<u>29,818,887</u>	<u>53,755,640</u>			
		<u>589,041,673</u>	<u>873,349,509</u>			
Ceylon Tapes (Private) Limited	Hatton National Bank PLC Loan 01	325,000,000	325,000,000	Facility - Rs. 325 Mn	Repayable over 7 years in 84 monthly installments 01-12month - Interest Only , 13-24month -Rs.900,000 /-, 25-36month-Rs.2,400,000/-, 37-48month-Rs.3,900,000/-, 49-60month-Rs.5,900,000/-, 61-72month-Rs.6,500,000/-, 73-78month-Rs.7,060,000/-, 79-83month-Rs.8,060,000/-, 84month-Rs.7,140,000/-.	Commercial Property owned by Union Commodity (Pvt) Ltd, No. 79, Biyagama Road, Talwatte, Kelaniya.
		<u>325,000,000</u>	<u>325,000,000</u>			
		<u>914,041,673</u>	<u>1,198,349,509</u>			

21 DEFERRED TAX LIABILITIES/(ASSETS)	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at the beginning of the year	(108,476,691)	(58,445,628)	(85,911,164)	(37,312,233)
Charge / (Reversal) to Other Comprehensive Income	65,866,567	15,701,365	(877,228)	10,769,151
Charge / (Reversal) to Profit or Loss	46,206,801	(65,732,428)	40,168,924	(59,368,082)
Balance as at the end of the year	3,596,677	(108,476,691)	(46,619,469)	(85,911,164)

The Group/Company has arrived; the deferred tax assets/liability are by applying the 30% tax rate applicable for the expected source of income.

21.1 Deferred Tax Composition

	Group			
	2025		2024	
	Temporary Difference Rs.	Tax Effect on Temporary Difference Rs.	Temporary Difference Rs.	Tax Effect on Temporary Difference Rs.
Deferred Tax Assets				
Retirement benefit obligations	56,795,076	17,038,522	43,582,049	13,074,615
General Provision for Trade Receivables	42,490,689	12,747,207	113,553,843	34,066,153
General Provision for Inventory	181,278,032	54,383,409	167,490,025	50,247,008
Unrealized Exchange Loss	9,743,488	2,923,046	-	-
Tax Losses carried forward	466,546,798	139,964,039	581,838,382	174,551,515
Lease Liability	59,217,352	17,765,206	74,905,244	22,471,573
Deferred Tax Liabilities				
Property, Plant & Equipment	(220,923,800)	(66,277,140)	(224,934,698)	(67,480,409)
Change in fair value - Equity Investments - unquoted	(226,657,388)	(67,997,216)	-	-
Right of Use the Asset	(45,079,923)	(13,523,979)	(64,862,726)	(19,458,818)
Unrealized Exchange Gain	(4,848,987)	(1,454,696)	-	-
Revaluation Gain	(330,550,250)	(99,165,075)	(329,983,153)	(98,994,946)
Net Deferred Tax Asset / (Liability)	(11,988,913)	(3,596,677)	361,588,966	108,476,691
	Company			
	2025		2024	
	Temporary Difference Rs.	Tax Effect on Temporary Difference Rs.	Temporary Difference Rs.	Tax Effect on Temporary Difference Rs.
Deferred Tax Assets				
Retirement benefit obligations	27,875,047	8,362,514	21,765,323	6,529,597
General Provision for Trade Receivables	17,341,996	5,202,599	66,863,430	20,059,029
Inventory Provision	137,889,345	41,366,804	139,146,561	41,743,968
Tax Losses carried forward	466,546,798	139,964,039	581,838,382	174,551,515
Lease Liability	37,555,192	11,266,558	42,535,190	12,760,557
Deferred Tax Liabilities				
On Property, Plant & Equipment	(197,104,020)	(59,131,206)	(220,514,363)	(66,154,309)
Unrealised exchange loss	(238,922)	(71,677)	-	-
Right of Use the Asset	(28,666,956)	(8,600,087)	(39,463,728)	(11,839,118)
Revaluation Gain	(305,800,250)	(91,740,075)	(305,800,250)	(91,740,075)
Net Deferred Tax Asset	155,398,230	46,619,469	286,370,545	85,911,164

21.1.1. Accumulated Tax Losses

The deferred tax asset arising from accumulated tax losses carried forward was recognized only up to the extent of the expected future taxable profits. In estimating the future taxable profits, the Company / Group has considered the expected level of future business operations along with the impact of the implementation of the strategic plan.

The deferred tax asset arising from accumulated tax losses carried forward breakup as follows.

Incurring Year	Tax loss
23/24	116,940,372
22/23	65,708,798
21/22	83,167,044
20/21	3,071,894
19/20	197,658,690
	466,546,798

21.1.2. Revaluation Surplus on Freehold Land

As per Section 6 and Chapter IV of the Inland Revenue Act No. 24 of 2017, free hold lands used for business or investment purpose would be liable to tax at the time of realisation. Accordingly, deferred tax is recognised on the revaluation surplus of freehold lands which are treated as capital assets used in the business for tax purpose.

22 RETIREMENT BENEFIT OBLIGATIONS

	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Present Value of the Unfunded Obligations	56,795,074	43,582,049	27,875,047	21,765,324
Present Value of the Unfunded Obligations				
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance at the beginning of the year	43,582,054	27,488,309	21,765,324	12,036,693
Provision for the year	10,871,690	7,925,555	5,578,497	3,791,325
	54,453,744	35,413,864	27,343,821	15,828,018
Gratuity Paid	(4,760,834)	(4,368,932)	(2,392,868)	(1,665,525)
Actuarial (Gains)/ Losses	7,102,164	12,537,117	2,924,094	7,602,831
Balance at the end of the year	56,795,074	43,582,049	27,875,047	21,765,324
Expenses Recognized in the Statement of Profit or Loss				
Current Service Cost	4,988,993	2,849,140	2,313,807	1,624,720
Interest on Obligations	5,882,697	5,076,415	3,264,690	2,166,605
Provision for the year	10,871,690	7,925,555	5,578,497	3,791,325
Recognized in the Other Comprehensive Income				
Actuarial (Gains)/ Losses	7,102,164	12,537,117	2,924,094	7,602,831
Total Recognized in the Statement of Profit or Loss and Other Comprehensive Income	17,973,854	20,462,672	8,502,591	11,394,156

The retirement benefit obligation of the Company and its subsidiaries as at 31st March 2025 is based on actuarial valuation carried out by Messrs. Actuarial and Management Consultants (Private) Ltd. LKAS 19 - 'Employee benefit' requires to apply Project Credit Unit method to make a reliable estimate of the retirement benefit obligation in order to determine the present value of the retirement benefit obligation. These key assumptions were made in arriving at the retirement benefit obligation as at 31st March 2025 in respect of following companies are stated below.

	Discount Rate	Expected Salary Increment Rate	Retirement Age	Liability as at 31.03.2025 Rs. Mn
J.F. Packaging Ltd.	11.0%	10%	60 Years	27.88
Kiff's (Pvt) Ltd.	11.0%	10%	60 Years	5.18
Alliance Five (Pvt) Ltd	11.0%	10%	60 Years	8.99
Ceylon Tapes (Pvt) Ltd	11.0%	10%	60 Years	14.75
	Discount Rate	Expected Salary Increment Rate	Retirement Age	Liability as at 31.03.2024 Rs. Mn
J.F. Packaging Ltd	12.0%	10%	55-60 Years	21.76
Kiff's (Pvt) Ltd	12.0%	10%	55-60 Years	3.60
Alliance Five (Pvt) Ltd	12.0%	10%	55-60 Years	7.02
Ceylon Tapes (Pvt) Ltd	12.0%	10%	55-60 Years	11.20

Sensitivity of assumptions employed in actuarial valuation

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Group	2025		2024	
	Increase Rs.	Decrease Rs.	Increase Rs.	Decrease Rs.
Movement by 1%				
Discount Rate	(3,875,062)	4,387,314	(3,137,648)	3,137,648
Future salary scale	4,594,589	(4,120,186)	3,161,435	(3,161,435)
Company	2025		2024	
	Increase Rs.	Decrease Rs.	Increase Rs.	Decrease Rs.
Movement by 1%				
Discount Rate	(1,948,900)	2,220,197	(1,722,889)	1,722,889
Future salary scale	2,339,031	(2,084,693)	1,497,011	(1,497,011)

Maturity Analysis

The following payments are expected on employee benefit liabilities in future years from the fund as follows,

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Within the next 12 months	5,416,712	3,820,677	2,947,452	1,836,911
Between 1 and 2 years	8,622,398	7,672,881	3,772,453	3,852,286
Between 3 and 5 years	10,835,431	8,005,667	6,253,429	4,155,178
Beyond 5 years	31,920,533	24,082,824	14,901,713	11,920,949
	56,795,074	43,582,049	27,875,047	21,765,324

J.F. PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31ST MARCH

23 TRADE AND OTHER PAYABLES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade Payables	109,240,138	134,244,927	98,034,537	99,011,205
Other Payable	131,596,854	94,285,016	21,749,656	19,111,657
Value Added Tax Payable	24,323,615	25,510,513	14,057,509	15,005,669
NBT Payable	213,422	213,422	-	-
WHT Payable	6,811	5,281,932	-	208,055
EPF/ETF Payable	820,141	-	-	-
PAYE Tax Payable	458,796	540,727	458,796	540,727
SSCL Payable	6,767,801	4,730,928	5,124,696	2,898,178
Accrued Expenses	128,030,404	94,610,139	20,839,073	5,857,313
Advance Received from customers	-	5,239,336	-	5,239,343
	401,457,982	364,656,940	160,264,267	147,872,147

24 RELATED PARTY TRANSACTIONS

24.1 Amounts Due from Related Parties

a) Amounts due from Related Parties - Trade

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
C.W.Mackie PLC	21,921,591	47,378,044	-	1,675,502
E.B.Creasy & Co PLC	20,107,450	18,726,461	18,437,237	17,016,968
Lankem Ceylon PLC	14,163,394	14,586,750	9,445,105	10,573,852
SunAgro LifeScience Limited	196,757	-	-	-
Union Commodities (Private) Limited	18,252,769	6,076,790	17,636,889	5,126,582
Kiffs (Private) Limited	-	-	-	2,504,876
Candy Delights Limited	18,714,082	12,329,072	14,734,003	12,329,072
Acme Printing & Packaging PLC	538,525	1,288,925	389,535	1,125,952
Acme Packaging Solution Limited	370,347	846,158	203,188	447,581
Ceylon Tapes (Private) Limited	-	-	9,516,759	-
	94,264,915	101,232,200	70,362,716	50,800,385

b). Amounts due from Related Parties - Non-trade

	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Lankem Ceylon PLC	46,904,234	46,411,164	46,904,234	46,411,164
JF Ventures Limited	-	-	27,726,478	29,111,282
Alliance Five (Private) Limited	-	-	35,731,303	40,324,766
Kiffs (Private) Limited	-	-	40,797,590	57,630,782
E.B.Creasy & Co. PLC	-	658,167	-	-
Ceylon Tapes (Private) Limited	-	-	42,174,203	22,714,269
Colombo Fort Group Services (Private) Limited	363,898	-	-	-
	47,268,132	47,069,331	193,333,808	196,192,263

24.2 Amounts Due to Related Parties

(a) Amounts due to Related Parties - Trade

	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Ceylon Tapes (Private) Limited	-	-	-	11,613,036
Kiffs (Private) Limited	-	-	2,253,578	-
Lankem Ceylon PLC	160,999	-	-	-
C.W.Mackie PLC	1,857,663	2,214,308	1,857,663	-
Colombo Fort Group Services (Private) Limited	2,419,000	-	2,419,000	-
E B Creasy Logistics Limited	4,319,311	5,325,681	2,546,281	4,624,504
	8,756,973	7,539,989	9,076,522	16,237,540

(b) Amounts due to Related Parties - Non-trade

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Lankem Ceylon PLC	5,447,134	8,309,742	-	-
Colombo Fort Group Service (Private) Limited	-	99,953	-	99,953
Sterling Steels (Private) Limited	746,290	-	746,290	-
	6,193,424	8,409,695	746,290	99,953

24.3 Transaction with Related Entities

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 - Related Party Disclosure, the details of which are reported below.

For the year Ended 31 st March,	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Parent				
(Purchases)/Sale of Goods	(143,270)	(3,748,435)	720,379	245,287
(Reimbursement)/ Charging of Expenses	(36,307,689)	(47,963,186)	(29,359,662)	(38,547,435)
Settlement of dues	39,400,689	47,665,047	28,003,607	42,085,731
Subsidiaries				
(Purchases)/Sale of Goods	-	-	8,933,162	981,164
(Reimbursement)/ Charging of Expenses	-	-	69,486,940	88,731,274
Settlement of dues	-	-	(65,400,285)	18,695,423
Dividend Income	-	-	145,278,000	223,518,000
Related Entities				
(Purchases)/Sale of Goods	501,241,629	331,027,493	201,044,047	85,339,539
(Receipt)/Payment of Outstanding Balances	(513,601,925)	(399,174,998)	(190,209,626)	(351,692,763)
(Reimbursement)/ Charging of Expenses	3,036,425	-	-	-

24.4 Terms and Conditions of Transactions with Related Parties

Transactions with related parties are carried out in the ordinary course of the business at commercial rates. Outstanding balances at the end of the year are unsecured. Interest on outstanding balances has been charged at the prevailing market rate (unless otherwise stated).

24.5 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard 24 - Related Party Disclosures, Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, Key Management Personnel include the members of the Board of Directors of JF Packaging Ltd and its subsidiary companies.

(a) Loans to Key Management Personnel

No loans have been given to Key Management Personnel during the year.

(b) Key Management Personnel Compensation

Details of compensation for Executive and Non-Executive Directors are disclosed below.

As at 31st March

Short-term Employee Benefits

As at 31 st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Short-term Employee Benefits	16,757,700	20,430,061	12,600,000	4,200,000

(c) Transactions with close family members

There were no transactions with close family members during the year.

24.6 The Directors of the Company are also Directors of the following companies:

Name of the Company	Relationship	Name of the Director						
		Mr. S.D.R. Arudpragasam	Mr. Anushman Rajaratnam	Mr. K.P. David	Mr. P.S. Goonewardene	Mr. A. Hettiarachchy	Mr. S.B. Perera	Mr. K.G. Puncuhewa
The Colombo Fort Land & Building Company PLC	Ultimate Parent	X	X					X
Lankem Ceylon PLC	Intermediate Parent	X	X		X	X	X	X
E.B.Creasy & Co PLC	Related Entities	X					X	X
JF Ventures Limited	Subsidiary	X	X	X	X	X	X	X
Kiffs (Private) Limited	Subsidiary	X	X	X	X	X	X	X
Ceylon Tapes (Private) Limited	Subsidiary	X	X	X	X	X	X	X
Alliance Five (Private) Limited	Subsidiary	X	X	X	X	X	X	X
Acme Printing & Packaging PLC	Related Entities	X	X		X	X		X
Acme Packaging Solution Limited	Related Entities	X	X		X	X		
C.W.Mackie PLC	Related Entities	X	X				X	
Candy Delights Limited	Related Entities	X						
Colombo Fort Group Service (Private) Limited	Related Entities	X	X					
Colonial Motors Ceylon Ltd	Related Entities	X	X					
Darley Butler & Co. Ltd	Related Entities	X						
E B Creasy Logistics Limited	Related Entities	X						
Kelani Valley Canneries Ltd	Related Entities		X					
SunAgro LifeScience Ltd	Related Entities	X	X		X	X		
Union Commodities (Pvt) Ltd	Related Entities	X	X					
Sterling Steels (Pvt) Ltd.	Related Entities	X						

25 Financial Instruments

25.1 Financial Instruments - Statement of Financial Position

The Financial instruments recognised in the statement of financial position are as follows:

	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Financial Assets - Measured at Fair Value					
Equity Investments at FVOCI	14.2	555,636,176	327,631,544	-	-
		<u>555,636,176</u>	<u>327,631,544</u>	<u>-</u>	<u>-</u>
Financial Assets					
At Amortized Cost					
Trade & Other Receivables	16	930,751,171	914,966,861	428,763,021	487,998,324
Amounts Due from Related Parties - Trade	24.1 (a)	94,264,915	101,232,200	70,362,716	50,800,385
Amounts Due from Related Parties - Non Trade	24.1 (b)	47,268,132	47,069,331	193,333,808	196,192,263
Investments at Amortised Cost	17	3,231,619	3,012,467	-	-
		<u>1,075,515,837</u>	<u>1,066,280,859</u>	<u>692,459,545</u>	<u>734,990,972</u>
Bank & Cash Balances	18	123,842,134	238,617,884	29,305,394	126,384,648
Total Financial Assets		<u>1,754,994,147</u>	<u>1,632,530,287</u>	<u>721,764,939</u>	<u>861,375,620</u>
Financial Liabilities - Not measured at Fair Value					
Non-Current Liabilities					
Interest bearing Borrowings	20	641,967,100	946,613,378	317,819,177	599,947,039
		<u>641,967,100</u>	<u>946,613,378</u>	<u>317,819,177</u>	<u>599,947,039</u>
Current Liabilities					
Interest bearing Borrowings	20	1,207,154,638	911,218,861	970,611,602	754,649,120
Trade and Other Payables	23	401,457,982	364,656,941	160,264,267	147,872,147
Amounts Due to Related Parties - Trade	24.2 (a)	8,756,973	7,539,989	9,076,522	16,237,540
Amounts Due to Related Parties - Non Trade	24.2 (b)	6,193,424	8,409,695	746,290	99,953
		<u>1,623,563,017</u>	<u>1,291,825,486</u>	<u>1,140,698,681</u>	<u>918,858,760</u>
Bank Overdraft	18	235,795,359	327,397,447	189,962,635	276,113,602
Total Financial Liabilities		<u>2,501,325,476</u>	<u>2,565,836,311</u>	<u>1,648,480,493</u>	<u>1,794,919,401</u>

25.2 Measurement of Fair Values

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly – i.e. as prices-or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Equity Investments at FVOCI (Quoted) - Level I	3,978,816	2,631,572	-	-
Equity Investments at FVOCI (Unquoted) - Level III	551,657,360	324,999,922	-	-
	<u>555,636,176</u>	<u>327,631,494</u>	<u>-</u>	<u>-</u>

Unquoted investments have been valued based on the adjusted Net Asset values of the Company as follows;

	Group	
	31.03.2025 Rs.	31.03.2024 Rs.
Cosolidated Tea Plantation Ltd.	91.66	54.00

25.2.1. Reconciliation of level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values.

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Unquoted Investments				
Balance as at 1st April	324,999,972	-	-	-
Investment in Equity Investments at FVOCI	-	324,999,972	-	-
Gain included in OCI	226,657,438	-	-	-
Balance as at 31st March	<u>551,657,410</u>	<u>324,999,972</u>	<u>-</u>	<u>-</u>

25.3 Financial Risk Management

The Group has exposure to the following risks from its use of Financial instruments:

1. Credit Risk
2. Liquidity Risk
3. Market Risk (including currency risk and interest rate risk)

This note represents qualitative and quantitative information about the Group's exposure to each of the above risks, the Group's objectives, policies and procedures for measuring and managing risk.

Risk Management Framework

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

25.3.1. Credit Risk

Exposure to credit risk

Credit risk is the risk of Financial loss to the Group if a customer or counter party to a Financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers, investments in debt securities.

The Group's credit exposure is closely monitored. Credit given is reviewed with the predetermined approval procedures and contractual agreement made for every high value transaction. The carrying amount of financial assets represents the maximum credit exposure.

As at 31 st March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade & Other Receivables	16	930,751,171	914,966,861	428,763,021	487,998,324
Amounts Due from Related Parties - Trade	24.1 (a)	94,264,915	101,232,200	70,362,716	50,800,385
Amounts Due from Related Parties - Non Trade	24.1 (b)	47,268,132	47,069,331	193,333,808	196,192,263
Investments at Amortised Cost	17	3,231,619	3,012,467	-	-
Balances with Banks		123,151,996	238,026,203	29,147,646	126,304,406
		1,198,667,833	1,304,307,062	721,607,191	861,295,378

Trade and other receivables

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

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

Impairment Losses

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade Receivables. Therefore the Board of Directors has decided to assess each receivable separately based on the segment, age of customer relationship, historical data of payment statistics as at every reporting date.

The ageing of Trade Receivables at the reporting date was:

As at 31 st March	Group				Company			
	2025		2024		2025		2024	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
Past due 0-365 days	658,340,017	513,107	606,764,749	82,097	375,484,531	-	360,207,696	82,097
More than one year	41,977,582	41,977,582	113,471,746	113,471,746	17,341,996	17,341,996	66,781,333	66,781,333
	700,317,599	42,490,689	720,236,495	113,553,843	392,826,527	17,341,996	426,989,029	66,863,430

Amounts due from related Companies

Amounts due from related Companies are expected to be settled within one year from the reporting date hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Based on historic default rate the Group believes that, apart from the above, no impairment allowance is necessary in respect of Trade & Other Receivables, Amounts Due from Related Parties (Trade & Non-Trade) and Loans Due from Related Parties for past dues or past due by up to 365 days.

25.3.2. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding netting agreements.

As at 31 st March 2025	Group				Company			
	Carrying Amount Rs.	Contractual Cash Flows Rs.	Less than One Year Rs.	More than One year Rs.	Carrying Amount Rs.	Contractual Cash Flows Rs.	Less than One Year Rs.	More than One year Rs.
Other Financial Liabilities								
Term Loans / Finance Obligations	1,849,121,738	1,867,991,456	1,217,012,475	650,978,981	1,288,430,779	1,301,090,587	978,940,536	322,150,051
Loans, Trade & Non Trade Amounts due to Related Companies	14,950,397	14,950,397	14,950,397	-	9,822,812	9,822,812	9,822,812	-
Trade & Other Payables	401,457,982	401,457,982	401,457,982	-	160,264,267	160,264,267	160,264,267	-
Bank Overdrafts	235,795,359	235,795,359	235,795,359	-	189,962,635	189,962,635	189,962,635	-
	2,501,325,476	2,520,195,194	1,869,216,213	650,978,981	1,648,480,493	1,661,140,301	1,338,990,250	322,150,051
As at 31 st March 2024	Carrying Amount Rs.	Contractual Cash Flows Rs.	Less than One Year Rs.	More than One year Rs.	Carrying Amount Rs.	Contractual Cash Flows Rs.	Less than One Year Rs.	More than One year Rs.
Other Financial Liabilities								
Term Loans / Finance Obligations	1,857,832,239	1,888,556,795	923,078,487	965,478,308	1,354,596,159	1,376,576,069	763,969,321	612,606,748
Loans, Trade & Non Trade Amounts due to Related Companies	15,949,684	15,949,684	15,949,684	-	16,337,493	16,337,493	16,337,493	-
Trade & Other Payables	364,656,941	364,656,941	364,656,941	-	147,872,147	147,872,147	147,872,147	-
Bank Overdrafts	327,397,447	327,397,447	327,397,447	-	276,113,602	276,113,602	276,113,602	-
	2,565,836,311	2,596,560,867	1,631,082,559	965,478,308	1,794,919,401	1,816,899,311	1,204,292,563	612,606,748

25.3.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, etc. will affect the Group'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.

25.3.3.1 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange fluctuations.

Exposure to currency risk

The summarized quantitative data about the company's exposure to currency risk as reported to the management of the company is as follows:

	Group		Company	
	2025 USD	2024 USD	2025 USD	2024 USD
Cash and cash equivalents	217,912	235,307	17,125	21,780
Trade Receivable	612,930	682,315	59,726	95,287
Trade Payable	(382,602)	(475,820)	(141,380)	(22,521)

The following significant exchange rates were applicable during the year for the Group.

	Average rate		Reporting date spot rate	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
USD	297.91	305.67	296.35	301.18

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD/LKR exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the fair value of the Group's forward exchange contracts. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

31 st March 2025	Group				Company			
	Strengthening		Weakening		Strengthening		Weakening	
	Profit or loss Rs.	Equity, net of tax Rs.	Profit or loss Rs.	Equity, net of tax Rs.	Profit or loss Rs.	Equity, net of tax Rs.	Profit or loss Rs.	Equity, net of tax Rs.
USD (1% movement)	1,328,359	929,851	(1,328,359)	(929,851)	(191,232)	(133,862)	191,232	133,862

25.3.3.2 Interest rate risk

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

At the reporting date, the interest rate profit of the Company's interest bearing financial instruments was as follows;

	Group		Company	
	Carrying Amount		Carrying Amount	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Variable rate instruments				
Financial assets	127,073,753	241,630,351	29,305,394	126,384,648
Financial liabilities	2,084,917,097	2,185,229,686	1,478,393,414	1,630,709,761

Sensitivity Analysis

The following table demonstrate the sensitivity to a reasonably possible change in , with all other variables held constant, of the profit before tax. A reasonably possible of +/- 0.1% is used, consistent with current trends in interest rates.

	Strengthening/ (Weakening) interest rates	Effect on Profit before Tax	
		Group	Company
		Rs.	Rs.
As at 31st March 2025	+100	19,578,433	14,490,880
	-100	(19,578,433)	(14,490,880)
As at 31st March 2024	+100	19,435,993	15,043,251
	-100	(19,435,993)	(15,043,251)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

26 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return of capital, as well as the level of dividends to ordinary shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher level of borrowing and the advantages and security afforded by a sound capital position.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings by total equity. Total borrowings including non-current and current borrowings as shown in the statements of financial position. Total equity is calculated as Total equity in the statements of financial position.

The Company's Debt to Equity ratio at the end of the reporting periods is as follows:

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
As at 31 st March				
Total Liabilities	2,084,917,097	2,185,229,686	1,478,393,414	1,630,709,761
Less: Cash and cash equivalents	(123,842,134)	(238,617,884)	(29,305,394)	(126,384,648)
Net Debt	1,961,074,963	1,946,611,802	1,449,088,020	1,504,325,113
Equity	1,116,529,863	830,870,436	1,776,663,123	1,718,250,261
Debt to Equity ratio (Gearing Ratio)	1.76	2.34	0.82	0.88

27 CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

J.F. Packaging Limited has issued Corporate Guarantees and Promissory notes for borrowings obtained by the related companies as indicated below as at 31 March 2025;

Name of the Company	Amount Rs.
Lankem Ceylon PLC	172,090,000
Kiffs (Pvt) Limited	145,000,000
Alliance Five (Pvt) Limited	92,000,000
	<u>409,090,000</u>

There are no material contingent liabilities or capital commitments outstanding as at the reporting date other than those disclosed above which require adjustments to or disclosures in the financial statements.

28 SUBSIDIARY COMPANIES OF THE GROUP

Details of subsidiaries in which Lankem Ceylon PLC held an indirect interest are set out below:

Indirect Subsidiary	Effective Holding %
Kiffs (Pvt) Ltd	100%
Alliance Five (Pvt) Ltd	100%
Ceylon Tapes (Pvt) Ltd	100%

29 COMPARATIVE INFORMATION

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

30 EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events that occurred after the reporting date that required adjustments to or disclosure in the Financial Statements.

Annexure F

**INTERIM FINANCIAL
STATEMENTS FOR THE PERIOD
ENDED JUNE 30, 2025**

J.F. PACKAGING LIMITED

PV 252 PB

INTERIM FINANCIAL STATEMENTS

For the Period Ended 30th June 2025

J.F. PACKAGING LIMITED

PV 252 PB

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Period ended 30th June	Consolidated			Company		
	2025 Rs.'000	2024 Rs.'000	Variance %	2025 Rs.'000	2024 Rs.'000	Variance %
Revenue	945,641	922,630	+ 2	452,134	433,585	+ 4
Cost of Sales	(718,532)	(695,391)	- 3	(403,716)	(398,027)	- 1
Gross Profit	227,109	227,239	- 0	48,418	35,558	+ 36
Other Income	226	3,548	- 94	-	3,548	- 100
Distribution Costs	(57,666)	(55,264)	- 4	(17,662)	(21,036)	+ 16
Administration Expenses	(88,413)	(88,277)	- 0	(27,141)	(36,235)	+ 25
Net Finance Cost	(51,805)	(58,541)	+ 12	(40,197)	(49,885)	+ 19
Profit / (Loss) Before Tax	29,451	28,705	+ 3	(36,582)	(68,050)	+ 46
Income Tax Expense	(27,304)	(8,634)	- 216	(3,542)	20,415	- 117
Profit / (Loss) for the Period	2,147	20,071	- 89	(40,124)	(47,635)	+ 16
Other Comprehensive Income / (Expense)						
Net Change in Fair Value - Equity Investment at FVOCI	632	(40)	+ 1,680	-	-	-
Other Comprehensive Income / (Expense) for the Year, net of Tax	632	(40)	+ -	-	-	- -
Total Comprehensive Income / (Expenses)	2,779	20,031	- 86	(40,124)	(47,635)	+ 16
Profit Attributable to						
Owners of the Company	2,147	20,071	- 89	(40,124)	(47,635)	+ 16
Non - Controlling Interests	-	-	- -	-	-	- -
	2,147	20,071	- 89	(40,124)	(47,635)	+ (16)
Total Comprehensive Income / (Expenses) Attributable to						
Owners of the Company	2,779	20,031	- 86	(40,124)	(47,635)	+ 16
Non - Controlling Interests	-	-	- -	-	-	- -
	2,779	20,031	- 86	(40,124)	(47,635)	+ 16
Basic Earnings / (Loss) per Share (Rs.)	0.02	0.17	- 89	(0.33)	(0.40)	+ 16

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

J.F. PACKAGING LIMITED

PV 252 PB

STATEMENT OF FINANCIAL POSITION

As at	Consolidated		Company	
	30.06.2025 Rs.'000	30.06.2024 Rs.'000	30.06.2025 Rs.'000	30.06.2024 Rs.'000
ASSETS				
Property, Plant & Equipment	904,490	763,921	688,551	682,142
Right of Use Assets	40,145	60,309	25,979	36,776
Intangible Assets	210,662	210,662	-	-
Investments in Subsidiaries	-	-	1,424,939	1,424,939
Financial Assets Measured at Fair Value Through OCI	556,372	327,591	-	-
Deferred Tax Assets	-	85,705	43,078	102,642
Total Non - Current Assets	1,711,669	1,448,188	2,182,547	2,246,499
Inventories	838,053	685,211	557,139	424,783
Trade and Other Receivables	858,939	925,791	347,009	429,206
Amounts Due from Related Parties - Trade	115,263	100,471	88,699	110,760
Amounts Due from Related Parties - Non Trade	47,120	42,961	158,097	134,939
Income Tax Recoverable	2,498	3,583	2,498	3,583
Investments at Amortised Cost	3,232	3,012	-	-
Bank & Cash Balances	127,362	100,925	25,523	8,975
Total Current Assets	1,992,467	1,861,954	1,178,965	1,112,246
Total Assets	3,704,136	3,310,142	3,361,512	3,358,745
EQUITY				
Stated Capital	449,047	449,047	449,047	449,047
Revaluation Reserve	205,755	205,755	188,700	188,700
FVTOCI Reserve	161,370	691	-	-
Retained Earnings	303,136	195,369	1,098,791	1,032,868
Total Equity	1,119,308	850,862	1,736,538	1,670,615
LIABILITIES				
Interest Bearing Borrowings	625,982	793,070	242,952	449,528
Deferred Tax Liabilities	4,935	-	-	-
Retirement Benefit Obligations	59,929	46,322	29,558	23,184
Total Non - Current Liabilities	690,846	839,392	272,510	472,712
Interest Bearing Borrowings	1,273,764	933,477	1,043,572	764,916
Trade and Other Payables	317,422	352,059	95,944	172,399
Amounts Due to Related Parties - Trade	7,757	6,177	31,614	4,187
Amounts Due to Related Parties Non - Trade	2,650	4,554	-	85,048
Income Tax Payable	57,296	82,733	-	-
Bank Overdraft	235,093	240,888	181,334	188,868
Total Current Liabilities	1,893,982	1,619,888	1,352,464	1,215,418
Total Liabilities	2,584,828	2,459,280	1,624,974	1,688,130
Total Equity and Liabilities	3,704,136	3,310,142	3,361,512	3,358,745
Net Assets Value Per Share (Rs.)	9.30	7.07	14.42	13.87

The above figures are provisional and subject to audit.

I certify that the financial statements have been prepared in compliance with the requirement of the Companies Act No. 07 of 2007.

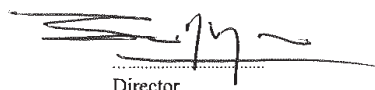


 Dulanjaya Samaraweera
 Chief Financial Officer

The Directors are responsible for the preparation and presentation of these Financial Statements.
 Approved and Signed for and on behalf of the Board of Directors of J.F. Packaging Limited.



 Director



 Director

11th August 2025

J.F. PACKAGING LIMITED

STATEMENT OF CHANGES IN EQUITY

	Equity Attributable to Equity Holders of the Parent				Total Rs. '000
	Stated Capital Rs. '000	FVTOCI Reserves Rs. '000	Revaluation Reserves Rs. '000	Retained Earnings Rs. '000	
<i>Consolidated</i>					
Balance as at 1st April 2025	449,047	160,738	205,755	300,989	1,116,529
Profit for the Year	-	-	-	2,147	2,147
Other Comprehensive Income / (Expense) for the Period (Net of Tax)	-	632	-	-	632
Balance as at 30th June 2025	449,047	161,370	205,755	303,136	1,119,308
Balance as at 1st April 2024	449,047	731	205,755	175,338	830,871
Profit for the Year	-	-	-	20,031	20,031
Other Comprehensive Income / (Expense) for the Period (Net of Tax)	-	(40)	-	-	(40)
Balance as at 30th June 2024	449,047	691	205,755	195,369	850,862
	Stated Capital Rs. '000	Revaluation Reserves Rs. '000	FVTOCI Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
<i>Company</i>					
Balance as at 1st April 2025	449,047	188,700	-	1,138,915	1,776,662
Profit for the Year	-	-	-	(40,124)	(40,124)
Other Comprehensive Income / (Expense) for the Period (Net of Tax)	-	-	-	-	-
Balance as at 30th June 2025	449,047	188,700	-	1,098,791	1,736,538
Balance as at 1st April 2024	449,047	188,700	-	1,080,503	1,718,250
Profit for the Year	-	-	-	(47,635)	(47,635)
Other Comprehensive Income / (Expense) for the Period (Net of Tax)	-	-	-	-	-
Balance as at 30th June 2024	449,047	188,700	-	1,032,868	1,670,615

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

J.F. PACKAGING LIMITED

STATEMENT OF CASH FLOWS

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
For the Period ended 30th June				
Cash Flows from Operating Activities				
Profit before Tax Expense	29,451	28,705	(36,582)	(68,050)
Adjustments for :				
Depreciation	25,799	21,136	17,715	17,430
Amortisation on Right to use of Assets	4,936	2,695	2,688	2,688
(Profit) / Loss on Disposal of Property Plant & Equipment	-	-	-	122
Lease interest	2,547	-	2,063	-
Interest Expenses	52,006	58,689	42,032	48,094
Interest Income	(201)	(148)	(36)	(27)
Provision/ (Reversal) of Impairment of Trade Debtors	3,175	5,074	2,000	3023
Provision for Retirement Gratuity	3,221	3,412	1,770	1,506
Provision for Obsolete Stocks	13,420	5,621	4,301	4,500
Unrealized Gain / (Loss) on translation of Foreign Currency	(8,250)	(5,619)	(1,799)	1,671
Profit before Working Capital Changes	126,104	119,565	34,152	10,957
(Increase)/ Decrease in Inventories	(36,670)	52,602	(24,466)	18,734
(Increase) / Decrease in Trade and other Receivable	68,637	(10,824)	81,553	34,366
(Increase) / Decrease in Amounts due from Related Parties	(20,850)	4,869	16,900	1,293
Increase / (Decrease) in Trade and other Payables	(92,288)	(18,217)	(66,162)	(50,073)
Increase / (Decrease) in Amounts due to Related Parties	(4,543)	(5,219)	21,791	72,897
Cash generated from Operations	40,390	142,776	63,768	88,174
Gratuity Paid	(87)	(251)	(87)	(86)
Taxes Paid	(13,153)	(13,831)	-	-
Interest Paid	(43,756)	(53,070)	(40,233)	(49,765)
Lease rental paid	(7,772)	(8,435)	(4,537)	(8,435)
Net cash generated from/(used in) Operating Activities	(24,378)	67,189	18,911	29,888
Cash Flows from Investing Activities				
Acquisition of Property, Plant & Equipment	(35,557)	(30,171)	(14,668)	(27,572)
Interest Received	201	15	36	27
Net cash generated from/(used in) Investing Activities	(35,356)	(30,156)	(14,632)	(27,545)
Cash Flows from Financing Activities				
Repayment of Long Term Loans	(65,629)	(66,544)	(65,629)	(66,544)
Net Movement in Short Term Borrowings	129,585	(21,673)	66,197	8,157
Net cash generated from/(used in) Financing Activities	63,956	(88,217)	568	(58,387)
Net Increase in Cash & Cash Equivalents	4,222	(51,184)	4,847	(56,044)
Cash & Cash Equivalents at the beginning of the year	(111,953)	(88,779)	(160,658)	(123,849)
Cash & Cash Equivalents at the end of the period	(107,731)	(139,963)	(155,811)	(179,893)

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

J.F. PACKAGING LIMITED
Company No. PV 252 PB

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

Information based on the Group's Operating Segments

Segment Revenue - Consolidated

<i>For the Period Ended 30th June</i>	Segment Revenue	
	2025	2024
	Rs.'000	Rs.'000
Packaging	687,370	614,958
Injection and Blow Moulding	310,869	320,036
Less-Inter Segment Revenue	(52,598)	(12,364)
	945,641	922,630

Segment Results - Consolidated

<i>For the Period Ended 30th June</i>	Operating Profit		Net Finance Cost		Profit/(Loss) before Tax	
	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Packaging	24,418	17,228	(50,208)	(57,653)	(25,790)	(40,425)
Injection and Blow Moulding	56,838	70,018	(1,597)	(888)	55,241	69,130
	81,256	87,246	(51,805)	(58,541)	29,451	28,705

1 Account Status

The figures are provisional and subject to audit.

2 Basis of Preparation

The Interim Financial Statements for the period ended 30th June 2025 have been prepared in accordance with the accounting policies set out in the Audited Financial Statements for the year ended 31st March 2025, and also in compliance with Sri Lanka Accounting Standard 34 - Interim Financial Reporting.

3 Commitments and Contingencies

Commitments

The Group had no material capital or financial commitments as at the date of the Statement of Financial Position.

Contingent Liabilities

There were no material contingent liabilities outstanding as at the date of the Statement of Financial Position, other than those disclosed below.

Corporate Guarantees

	Amount
	Rs. 'Mn.
Kiffs (Pvt) Ltd	145
Alliance Five (Pvt) Limited	92
Ceylon Tapes (Pvt) Limited	75
Lankem Ceylon PLC	172

4 Events occurring after the Reporting Date

There have been no material events subsequent to the interim period which require disclosures in the provisional Interim Financial Statements.

CORPORATE INFORMATION

Name of Company

J.F. Packaging Limited

Company Registration Number

PV 252 PB

Legal Form

The Company with limited liability incorporated in Sri Lanka

Registered Office

98, Sri Sangaraja Mawatha

Colombo 10.

Telephone: +94(11) 22 33 214

Fax: +94(11) 24 48 534

Secretaries

Corporate Managers & Secretaries (Private) Ltd.

8-5/2, Leyden Bastian Road,

York Arcade Building,

Colombo 1.

Auditors

KPMG

Chartered Accountants

P.O. Box 186

Colombo 3.

Directors

Mr. S.D.R. Arudpragasam

Mr. K.P. David

Mr. Anushman Rajaratnam

Mr. A. Hettiarachchy

Mr. P.S.Goonewardene

Mr. K.G. Punchihewa

Mr. S.B.Perera

Subsidiaries

JF Ventures Limited

Kiffs (Private) Limited

Ceylon Tapes (Private) Limited

Alliance Five (Private) Limited

Bankers

Bank of Ceylon

DFCC Bank PLC

Commercial Bank of Ceylon PLC

Sampath Bank PLC

Hatton National Bank PLC

Amana Bank PLC

Seylan Bank PLC

Nations Trust Bank PLC

Amana Bank PLC

Standard Chartered Bank



No 98, Sri Sangaraja Mawatha
Colombo 10, Sri Lanka