ANNUAL REPORT 2023/24

"Navigating Stormy Waters" Agility - Innovation -Branding







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Navigating Stormy Waters Agility- Innovation- Branding

We are facing and overcoming difficult & challenging situations with many obstacles, and adversity mainly arising from the current local and European economic crisis. This is similar to a ship at sea navigating through rough or turbulent waters during a storm. We now encounter turbulent or uncertain times that require resilience, determination, and adaptability to overcome them. However, we are determined that we would successfully manage these crisis, weathering challenges, and ultimately emerge stronger and more resilient. It highlights us the importance of agility, innovation, and branding in times of uncertainty or difficulty.



PVC



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ABOUT this Report



We present this annual report for our 36th financial year covering the period from 1st of April 2023 to 31st of March 2024 with the theme of *"Navigating Stormy Waters"*. We have disclosed all the information which are important for all stakeholders to be aware of. The Company has neither subsidiaries nor associate Companies but it has two business segments namely for Rubber and PVC products.

This report is prepared based on the Integrated Reporting Framework that aims to provide a holistic view of our company's value creation process by integrating financial, environmental, social, and governance information into a single comprehensive report. This report highlights how our company's strategy, governance, performance, and prospects create value over the short, medium, and long term. We will discuss our holistic perspective, stakeholder focus, value creation, strategic alignment, integrated thinking, materiality and conciseness, and connectivity in this report.

Guiding Principles

We subscribe to and report under several domestic and international regulations, standards, and frameworks which are explained below:

Guiding Principles	Reporting framework
Financial statements and information	Sri Lanka Financial reporting standard, Companies Act No 7 of 2007, and assurance provided by external auditors.
Sustainability reporting	Global Reporting Initiative- G4 Standards and assurance provided by external auditors.
Corporate governance	Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka, the Securities and Exchange Commission of Sri Lanka, and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.
Narrative reporting	Integrated Reporting Framework issued by the International Integrated Reporting Council and assurance provided by external auditors.
Gender report	Gender Party Reporting framework issued by the Institute of Chartered Accountants of Sri Lanka.

The reporting boundary remains unchanged compared to the previous years and there are no restatements of information provided in the previous years' reports.

Assurance

The independent auditor's opinion by Messrs Edirisinghe & Co., Chartered Accountants on the Financial Statement is available on page 182 of this report.

A combined assurance model is used to ensure the credibility and integrity of our reporting. Internal Audit work is carried out by Messrs. T & D Associates quarterly in addition to the work carried out by our internal audit department. The Company's Audit Committee also monitors adequacy and effectiveness of the financial reporting and internal control systems.

Extent of Recognition of Past Annual Reports

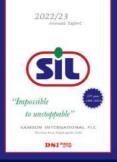
We received the first international award (Merit Award) from the South Asian Federation of Accountants for the Annual Report of 2020/21 in the manufacturing sector and also received a Bronze Award for the Annual Report of 2021/22 from CA Sri Lanka in the category of manufacturing turnover up to Rs. 10 Bn. We won the Gold Award for the Annual Report in 2018/19 and 2020/21 in the category of manufacturing turnover up to Rs. 5 Bn.

Feedback

We welcome your feedback, suggestions and other comments on our Annual Report. Please contact our Secretary, P W Corporate Secretarial (Pvt) Ltd by email at registrars@pwcs.lk or Mr. Sisira Abeywickrama, Finance Manager by email at sisiraa@samsonint.com

Theme of Previous Annual Reports

- 2012/13 Silver jubilee and beyond
- 2013/14 Aimed at versatility
- 2014/15 Let the figures do the walking
- 2015/16 A wide product range sounds better
- 2016/17 There is no end to our search for excellence
- 2017/18 The road will never be the same
- 2018/19 Bringing excellence to the surface
- 2019/20 Every dark cloud has a silver lining
- 2020/21 Disasters are no longer an obstacle
- 2021/22 Reaching gold
- 2022/23 Impossible to unstoppable





ABOUT the Company

36th Year 1988 - 2024

S amson International Plc has two business segments consisting of Rubber and PVC. We have at present three plants. The main plant is in Galle and another plant is in Kalutara which manufactures rubber products for export and local markets. The PVC plant is in Baddegama which is 22 km away from the main plant in Galle, Samson International Plc has 458 employees

We started its business on 14th October 1988 at a time the open economic policies had been firmly established in the country with a great tendency among the business community to commence export-oriented projects. Accordingly, this Company was initially intended to produce rubber-based products largely for export markets. At the time of incorporating this Company, the land bought for this factory was abandoned and it was an overgrown jungle and away from human habitations. Now it developed into a popularized semi-urban area due to the presence of our factory. This is the greatest deed of social responsibility Samson International Plc has delivered to the villagers in Bogahagoda. A similar program is being carried out for the villagers in Baddegama surrounding the PVC factory. Samson International Plc manufactures and exports molded and extruded rubber products such as hot water bottles, jar sealing rings, rubber mats, rubber floorings, beadings, and mud flaps mainly to international markets and also sells rubber and PVC-related products to the local market. PVC products include pressure pipes, irrigation pipes, solvents, taps, trunking, and conduits.



Main Plant in Galle

About the Company (Contd...)

We demonstrate how we have utilized the six capitals to create increased value to our shareholders. The Company creates value through the Business Model, which takes inputs from the six capitals and transforms through its business activities to produce outputs and outcomes that create value over time for its diverse stakeholders. We highlight the material topics that influence our business model, strategy, financial and non-financial performance, and future Prospects of our Company.



PVC Plant in Baddegama



Rubber Plant in Kalutara

About the Company (Contd...)

Samson International PIc is a subsidiary of the DSI Samson Group (Pvt) Ltd which was founded in 1962. DSI Samson Group has an export turnover of more than Rs. 16 Bn (USD 50 Mn) and Samson International PIc has an export turnover of Rs. 1,118 Mn. It also has 31 subsidiary Companies in Sri Lanka together with 2 overseas subsidiaries and has a workforce of more than 9,000 employees. The majority of the factories in the Group are located in remote rural areas. Samson International PIc is one of them. DSI Samson Group has received a rating of 'AA (Ika) – Stable Outlook' by Fitch Rating Lanka Limited. DSI Group has a turnover of Rs 53Bn while Samson International PIc has a turnover of Rs 2.3 Bn.



Our Group usually achieved a continuous export sales growth. However, there was a decline in export sales last year due to the economic crisis. We will give the priority to enhancing exports from the current level in the future.

DSI සැමිසන් සමූහ වහාපාරයේ තේමා ගීතය

(Theme Song of DSI Samson Group)

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Financial and Operational Highlights

Financial Highlights:

			2023/24	2022/23	Variance	%
Operating Results	Revenue	Rs. 000	2,316,265	2,894,860	(578,595)	(20.0)
	Operating profit	Rs. 000	(108,502)	379,496	(487,998)	(129)
	Exchange gain/(loss)	Rs. 000	(36,716)	(21,906)	(14,810)	(68)
	Profit / (loss) before tax	Rs. 000	(287,530)	154,648	(442,178)	(286)
	Tax on profit (including deferred tax)	Rs. 000	(7,054)	(61,749)	54,695	89
	Profit / (loss) after tax	Rs. 000	(294,584)	92,899	(387,483)	(417)
	Rvenue growth	%	(20.0)	0.3	(20.3)	(5,982)
	Exports earnings	in US \$ Mn	3.5	4.7	(1.2)	(26)
	ROCE	%	(51.4)	10.3	(61.7)	(598.5)
	Gross profit to sales	%	14.6	29.5	(14.9)	(51)
	Interest cover	Times	(0.64)	1.88	(2.52)	(134)
Financial Position	Dividend cover	Times	-	11.0	(11.0)	-
	Current ratio	Times	1.20	1.35	(0.15)	(11)
	Liqidity ratio	Times	0.67	0.62	0.05	8
	Gearing	%	60	50	10.0	20
	Interest cost	Rs. 000	152,705	212,622	59,317	28
	Interest rate	%	11	24	(13.0)	(54)
	Financial investments	Rs. 000	33,032	27,365	5,667	21
Shareholder information	Group fitch rating		'AA (lka) - Stable Outlook'	'AA (lka) - Stable Outlook'		
	Dividend per share	Rs.	-	2.00	(2.00)	-
	Market price per share	Rs.	147.50	253.75	(106.25)	(42)
	Earnings per share	Rs.	(69.60)	21.95	(91.55)	(417)
	Net assets per share	Rs.	135.38	212.95	(77.57)	(36)
	Price Earnings Ratio	Times	(2.12)	11.56	(13.68)	(118)
	Total assets	Rs. 000	1,819,947	2,135,653	(315,706)	(15)
	Number of shareholders	Nos.	1,274	1,207	67	6
	Market capitalization	Rs. 000	624,334	1,074,066	(449,732)	(42)
	Float adjusted market capitalization	Rs. Mn	270.8	465.9	(195.1)	(42)
	Shareholders' funds	Rs. 000	573,044	901,379	(328,335)	(36)

Financial & Operational Highlights (Contd...)

Financial Highlights



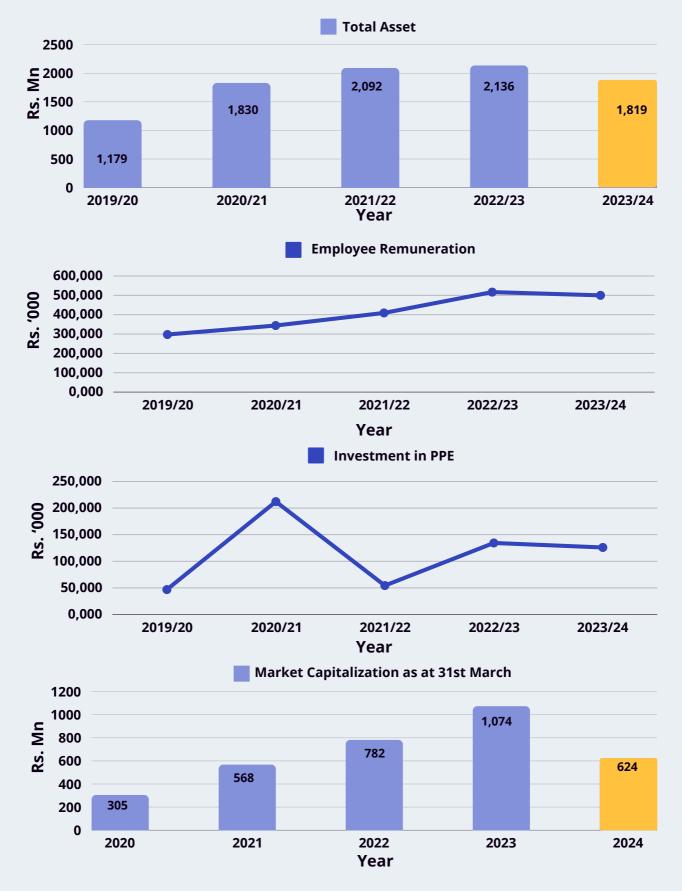
Financial & Operational Highlights (Contd...)

Operational Highlights:

			2023/24	2022/23
Manufactured Capital	No. of factories	Nos	3	3
	Rubber compound consumed	MT	1,817	1,765
	Investment in PPE	Rs. 000	125,935	134,406
	Value additions	Rs. 000	417,332	938,231
	Asset turnover ratio	Times	1.27	1.36
	Number of products	Nos	57	50
Human Capital	No. of employees	Nos	458	507
	Retention rate	%	98.1	98.1
	Employee remunaration & rewards	Rs. 000	499,927	516,616
	Investment in training & development	Rs. 000	513	592
	Training hours	Hours	1,298	2,867
	Gender diversity ratio (Male : Female)	:	81:19	79:21:00
	Revenue per empolyee	Rs. 000	5,057	5,710
	Profit /(loss) per employee (after tax)	Rs. 000	(643.20)	283,232
	Value additions per employee	Rs / Month	75,934	154,213
Social Relationship Capital	Donation in cash	Rs	358,429	337,243
	Payment to suppliers	Rs. Mn	1,890	1,956
	Number of exhibitions participated	Nos	1	2
	Total taxes (including differed tax)	Rs. 000	7,054	61,749
	Number of customer complaints	Nos.	7	13
Natural Capital	Energy consumption	Kw	980,010	2,065,502
	Waste rubber reused/ recyled	Kg. 000	49	53
	Investment in solar projects	Rs. Mn	-	52.5
Intellectual capital	Number of international awards	Nos	-	1
	Total number of awards	Nos	2	6
	No. of new rubber products	Nos	14	13
	Investment in R&D	Rs.Mn	40	25
	Number of trees planted	Nos	500	1,000

Financial & Operational Highlights (Contd...)

Operational Highlights



Financial Calendar

Annual Report	2023/24	2022/23
Date of Annual Report	22nd May 2024	25th May 2023
Date of dividend recommended	22nd May 2024	25th May 2023
Interim Reports	2023/24	2022/23
Quarter ended 30th June	11th August 2023	12th August 2022
Quarter ended 30th September	15th November 2023	12th November 2022
Quarter ended 31th December	6th February 2024	11th February 2023
Quarter ended 31th March	22nd May 2024	25th May 2023

Interim Financial Statements have been published as per rule 7.4 of the Colombo Stock Exchange

Annual General Meeting	2023/24	2022/23
32nd Annual General Meeting	28th June 2024	
31st Annual General Meeting		30th June 2023

33rd Annual General Meeting will be held on 27th June 2025

Monthly Operational Highlights - 2023/24

2023

• April

On the first working day after New Year, machinery is Switched on during the Prith Ceremony, and traditional customs and practices are usually observed by employees after wishing each other



• May

New FSC Products were introduced to the Global market



• June

Held our 31st AGM by way of electronic means on 30th June, 2023.



• July

Distribution of rice from company paddy field to Sarmurdhi beneficiaries in the Kabaragala division.



August
Introduced Samson tennis ball in to local market



Monthly Operational Highlights 2023/24 (Contd...)

September

Commenced to sell brush products of Samtessi Brush Manufacturers (Pvt) Ltd through Samson PVC distribution sales network.



October

Invested for two Injection Moulding Machinery in Baddegama PVC Plant.

November

Introduced many new rubber products such as wheelbarrow tires and hammers by our R & D Department.

December

Received a Gold award from NCE for the Overall winner in the extra-large category of the rubber sector.

Received a merit award for the annual report of 2022/23 from CA Sri Lanka in the category of turnover up to Rs. 10 Bn.



Distribution of rice from the Company paddy field to Sarmurdhi beneficiaries in the Velikonda division.



2024

January

Organized inter-company softball cricket tournament at Manavila Upananda Collage ground, Galle.



February

Distribution of food bag and vouchers worth around Rs. 10,000 for each employee by considering the current economic situation.

March

Providing 460 Kw to the national grid from our second Solar project in the Baddegama factory. This is a joint investment with Sunpower Energy Systems (Pvt) Ltd.



Organized inter-company Volleyball tournament at SIL Volleyball ground for the 7th time. SIL Male Team became the runners-up in this tournament this year.



Corporate Information



Name of the Company	: Samson International Plc
Legal Form	A public quoted Company with limited liability. It was incorporated on 14th October 1988 and re-registered under the Companies Act No. 7 of 2007 on 3rd September 2008.
Company Registration No	PQ 192
Stock Exchange listing	The ordinary shares of the Company were listed on the Colombo Stock Exchange of Sri Lanka on 24th July 1992 and the Company was converted to a publicly quoted Company.
Principal line of Business	: Manufacture of rubber and PVC-based products for the international and local markets.
Registered Office	No. 110, Kumaran Ratnam Road , Colombo 02. Te: (011) 4728 800, Fax (011) 2440 890 Email: info@samsonint.com
Directors	 Dr. D. K. Rajapaksa (Chairman) Mr. T. K. Bandaranayake Mr. D. G. P. S. Abeygunawardana (Director/ General Manager) Mr. D. D. A. Rajapaksa (Managing Director) Mr. D. C. J. Rajapaksa Ms. I. Malwatte Mr. D. N. S. Rajapaksa
Audit Committee	Mr. T. K. Bandaranayake (Chairman) Ms. I. Malwatte

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Corporate Information (Contd...)

Remuneration Committee	 Ms. I. Malwatte (Chairperson) Mr. T. K. Bandaranayake Mr. D. D. A. Rajapaksa 		
Related Party Transaction Review Committee	: Mr. T. K. Bandaranayake (Chairman) Ms. I. Malwatte Mr. D. D. A. Rajapaksa		
Secretaries	 P W Corporate Secretarial (Pvt) Ltd. No. 3/17, Kynsey Road, Colombo 08. Te (011) 4640 360 		
Factories			
Galle Plant	: Akuressa Road, Bogahagoda, Galle. Te (091) 3094 469-72, Fax (091) 2224 036, Email: info@samsonint.com		
Kalutara Plant	No. 57/B, Fullerton Industrial Zone, Nagoda, Kalutara. Te (034) 5622 688, Email: info@samsonint.com		
 Baddegama Plant 	Gilcroft Estate, Kiribathwila, Ampegama, Baddegama. Te (091) 3094 469-72, Fax (091) 2224 036, Email: info@samsonint.com		
Auditors	: Messrs Edirisinghe & Company, Chartered Accountants, No. 45, Braybrook Street, Colombo 02.		
Bankers	Hatton National Bank DFCC Bank Nations Trust Bank Bank of Ceylon Commercial Bank Seylan Bank People's Bank		
Tax Registrations	Value added Tax No/ Income Tax No:114049387-7000 Nation Building Tax No: 114049387-8000 Economic Service Charges Tax No:114049387-9000		
Parent Company	: DSI Samson Group (Pvt) Ltd		
Group Chairman	Mr. Uditha Egalahewa (w.e.f. April 2023)		
Group Managing Director	: Mr. Kasun Rajapaksa		
Contact Details	 Mr. Sisira Abeywickrama Finance Manager Samson International Plc , Akuressa Road, Bogahagoda, Galle. Tel (091) 3094469-72 Fax (091) 2224036 Email: info@samsonint.com 		

CORPORATE Milestones

Ur milestone indicates significant events, achievements, or point of progress that mark a key stage or turning point in a project, journey, or process. Our milestones are used to track and measure progress, provide us with checkpoints for evaluation, and signify important accomplishments or deadlines. They serve us as guideposts that help our Company stay focused on objectives and monitor our advancement toward goals. Our milestones during the last 35 years have been shown below.

Year	Milestone	Photograph
1988/89	 Incorporated as a private Company (35 years ago). 	
1992/93	 Commenced business in Bogahagoda and installed first HWB machinery. Visited first European sealing customer to our factory. Converted into a publicly quoted Company (32 years ago). 	
1994/95	• Received the first "ISO 9001: 1994 certificate" among the rubber-related product manufacturing companies in Sri Lanka.	
1995/96	• Produced hot water bottles with the British Standard (BS 1970:2006) and TUV Certification for the 1st time.	

CORPORATE Milestones (Contd...)

Year	Milestone	Photograph
2007/08	 Stepped in to beading products and invested in a Microwave continuous line machinery. 	
2009/10	• Purchased all assets of Aksel (Pvt) Ltd. Kalutara which has now become the 2 nd factory to manufacture rubber products.	
2014/15	 Stepped in to the PVC pipe business and purchased assetsof Okta PVC Lanka (Pvt) Ltd., Baddegama on 14th July 2014. Received the" ISO 9001:2008 certificate for PVC pressure pipes for the 1st time. First issue of bonus shares on 1: 10 to shareholders. 	
2015/16	 Recorded first 1 Bn turnover of the Company. Produced products with FSC TM (FSC TM C134777) Certification for the 1st time. 	
2016/17	• Received Code of Conduct in business Social Compliance Initiatives (BSCI) certification on Social Responsibility for the 1st time.	
2017/18	 Received 14001 Environmental Management Systems and 50001:2011 Energy Management System for the 1st time. 	

CORPORATE Milestones (Contd...)

Year	Milestone	Photograph
2019/20	 Acquisition of an exclusive dealership with a Malaysian manufacturer for the PVC tap product range. 	
2021/22	 PVC segment recorded its first Rs.1Bn turnover Stepped in to rubber mixing (backward integration) 	
2022/23	 Produced trunking & conduits with SLS 1206:2000 & 993:2013 under the brand name of POWERGUARD. 	
2022/23	 Received the merit award for the best presented annual report (ie 1st international award received by the Company) given by the South Asian Federation of Accountants. 	
2023/24	 Solar project in the main plant generates 85,611 units per month from PV Capacity of 751 kW to the national grid. Invested in the second solar project in the Baddegama PVC plant for 460 kW with an investment of Rs. 55 Mn. Invested in a biomass in the main plant. 	

Our Products and Market



Hot water bottles for International Market

"Equipped with cutting-edge machinery and a wealth of expertise, we stand ready to manufacture superior rubber and PVC products that set new industry benchmarks..."

A t Samson International Plc, our commitment is to deliver impeccable products that embody the highest standards of quality. We meticulously consider every dimension – from performance and features to reliability, conformance, durability, serviceability, aesthetics, and perceived quality – ensuring that our offerings exceed expectations.

We understand that a flawless product benefits everyone involved. Manufacturers find personal fulfillment and prosperity, users experience life-changing improvements, distributors thrive on increased demand, and the media eagerly shares stories of positive impact. Governments benefit from improved tax revenue, while environmental groups applaud products that preserve resources and protect the ecosystem. Workers rejoice in expanded job opportunities and enhanced compensation.

Our relentless pursuit of perfection is bolstered by our research and development department, which serves as a cornerstone of innovation. To date, we have introduced over 75 exceptional products within the rubber and PVC segment, each reflecting our unwavering commitment to excellence. Equipped with cutting-edge machinery and a wealth of expertise, we stand ready to manufacture superior rubber and PVC products that set new industry benchmarks.

Business model

Samson International PIc makes value added products. Our value creation business model and process shows how we take in value, use our manufacturing facilities, people, systems and relationships to create additional value for our communities, customers, shareholders and suppliers. Our vision is to be the leading polymer product manufacturer in the region. We have been manufacturing products out of rubber and PVC material under polymer. We sell rubber-related products in both export and local markets. PVC products are sold in the local market. At present, we have about 50 products in the rubber sector covering different industries. The Group has expertise in manufacturing polymer value-added products. The Group's export is more than USD 50 Mn. This is a publicly quoted Company having shareholders of more than 1200. We maintain our gearing less than 50% and during the last 5 years, we recorded continuous sales growth and profits other than in the current financial year. We strictly adhere to Corporate governance and focus on sustainability. We need to maintain good rapport with villagers, employees, suppliers and government institutions.

Our Products (Contd....)

Strategic Sales Process

Our marketing team goes through a strategic sales process to exploit new customers and repeat sales orders for our products every year. We received thirteen Gold awards from the National Chamber of Exporters and CA Sri Lanka during the last decade. We follow each strategic sales Process in depth which includes Suspects, Prospects, Research, Approach, Sales presentation, Objection handling, Decision making, Closing the sales contract, after-sales service, and Repeat sales.

Product and Service Responsibility

Our quality policy is to meet or exceed customer satisfaction and it holds the utmost priority in our business values. Therefore, we are totally committed to ensuring the highest standard of quality in our products and services. We recognize that all our employees have a vital role to play in making this policy a reality. Thus, the responsibility of continually improving our quality management system while ensuring total compliance in accordance with the legal and ISO standard requirements run right through the organization from top management to the bottom level.

When products are sold, we understand the importance of the product and service responsibility. Our measures is to improve quality in compliance with international standards. We achieved significant international recognition in terms of product quality. Continuous in-house and overseas laboratory tests ensure a solid market share for our products. We do not use hazardous raw materials for our products and strictly follow REACH Standard. We also produce many products with FSCTM (FSCTM C134777) Certification (Forest Stewardship CouncilTM-Chain of Custody). We too obtained ISO 14001 Environment Management System, ISO 50001 Energy Management System and BSCI certification which is awarded based on social responsible practices. We give a warranty of minimum two years for our rubber products.



Ensuring the highest standard of quality in our products

Rubber-related Product Segment

Sri Lanka rubber is considered to be among the best in the world. However, Sri Lanka's rubber has been exported to many countries as raw material without making any value additions in the past. This is mainly due to a lack of technical know-how and the latest technology or machinery. Many Companies in developing countries are not strong enough to invest in such technologies and find it difficult to get people with expertise in this field. In the year under review, the rubber prices were very volatile and it went up to Rs. 1450 per kg and subsequently, it came down. Please refer Rubber graph in the review of the Rubber and PVC Industry on page 78 for the details.

At present, we have more than 50 rubber-related products for different industries. For the export market, we sell them under the customers' brands as well as the SIL brand. For the local market, we sell under product-related brand names. The rubber products we sell through the distribution channel are branded as Samson Rubber.

Our marketing strategies are formulated based on the belowmarket segmentations.

- 1) Material-based segmentation: Rubber / PVC
- 2) Based on the nature of the Market: Export / Local
- 3) Based on the relationship: Sister Companies / Non- sister companies
- 4) Based on Geographical distribution:
 - Rubber: Europe/ Middle East/ South Africa/

USA/Canada/ Australia/ Asia

PVC: Southern province / Eastern / Western / Central/ North central/ north/ North Western

5) Based on order Volumes:

Rubber: Largest rubber product customer / Others PVC: Water Board customer / Others

6) Based on the Applications :

Rubber: Pharmaceutical/ Food & packaging/Bathware/ Automotive / Matting & Flooring / Footware / construction / Irrigation & Agriculture / Others (Please see next page)

PVC: Pressure/ Non-pressure / Irrigation / Electrical

The product analysis in industry wise is given on Next Page.

Our Products (Contd....)

Rubber Products - Industry Wise

1) Pharmaceutical	2) Food and packaging	3) Bath ware
Industry	Industry	Industry
Hot water bottles Power webs Flex Bar - Molded Period cups Pharmaceutical rubber bung	Jar sealing rings Scrapers Bottle caps Mover bands Rubber bands Pallet bands Tube rings Cosmetic container	Bath mats Head rests Tub mats Soap container

4) Automotive	5) Matting and Flooring	6) Foot ware
Industry	Industry	Industry
Bus mat Truck mud flaps Three-wheeler mats Scooty mat Battery clips High pressure molded Autoclave beading Rubber wiser Boat fender	Household mats Industry mats Continuous mat rolls Gymnasium mats Specialty mats (Fire retardant and Electrical resistant mats) Yoga Mat	V straps Shoe soles Heel grounders

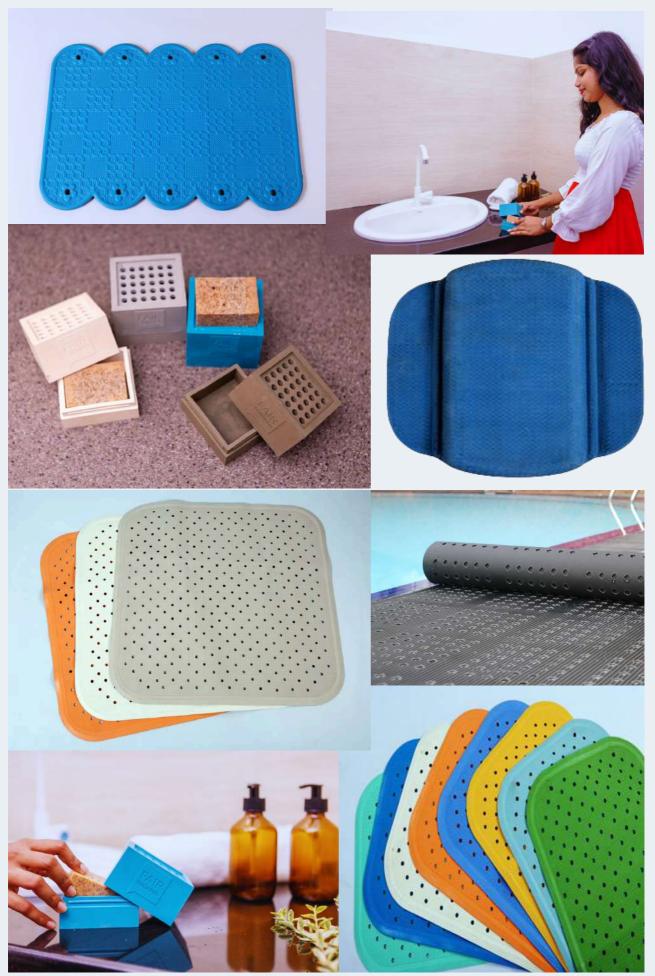
7) Construction	8) Irrigation and Agriculture	9) Other
Industry	Industry	Industries
Beadings and Profiles Conveyor belts Rubber ramps D-Bumpers Pylon Door stoppers Corner guards Rubber bumper Neoprene profile Wheelbarrow tyre	Pipe joining rings Garden hose Soka hose Fertilizer hose Flower pot Septic tank washer	Rubber pencil eraser Tennis ball Rubber fish bite Machine rubber roller Natural rubber tube Rubber mallet

01.Pharmaceutical Industry

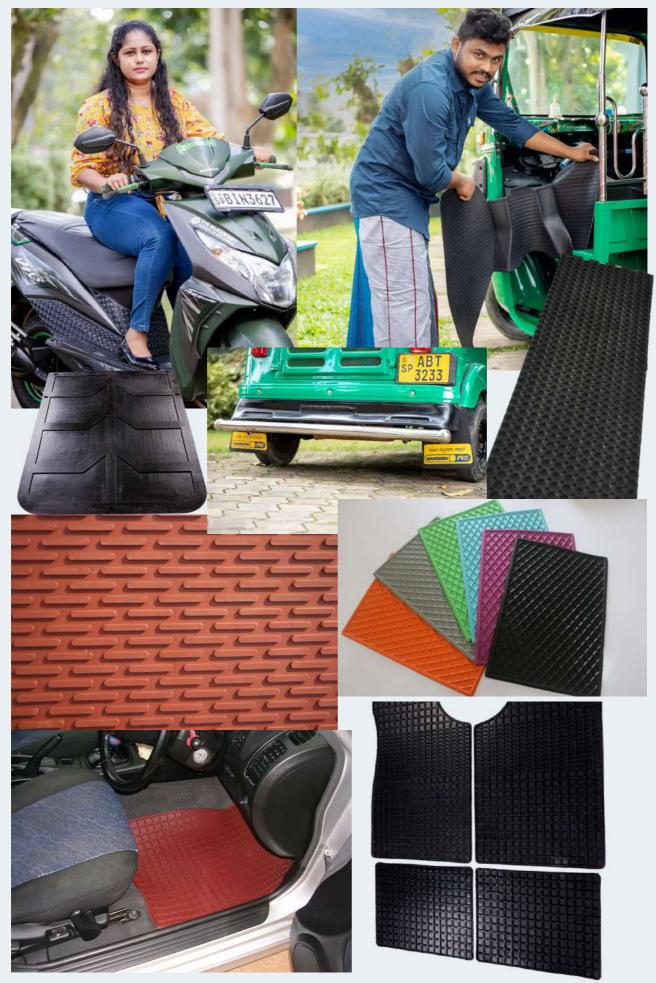


02. Food and packaging Industry

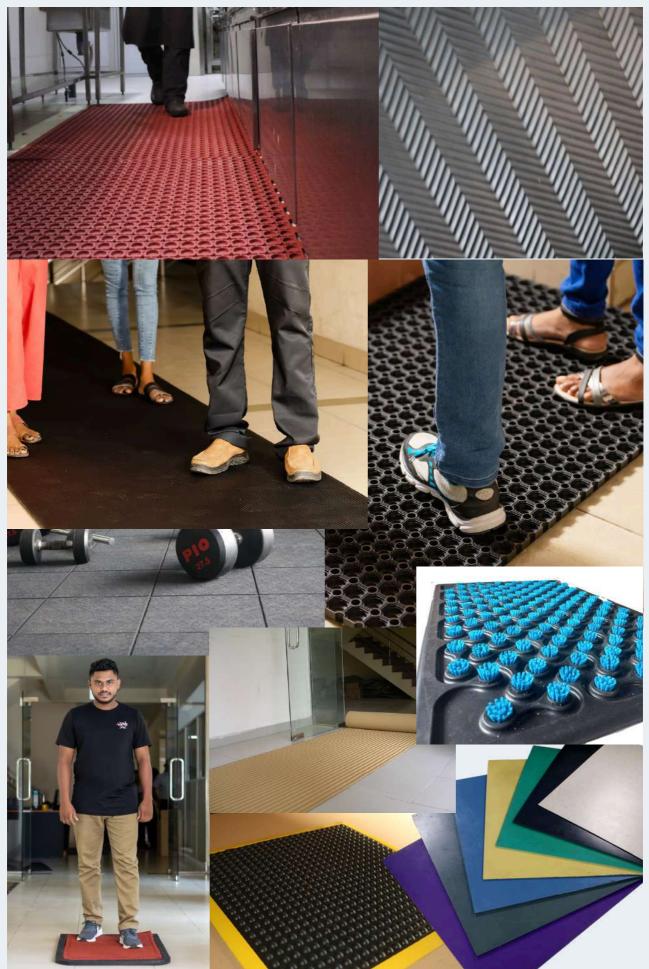




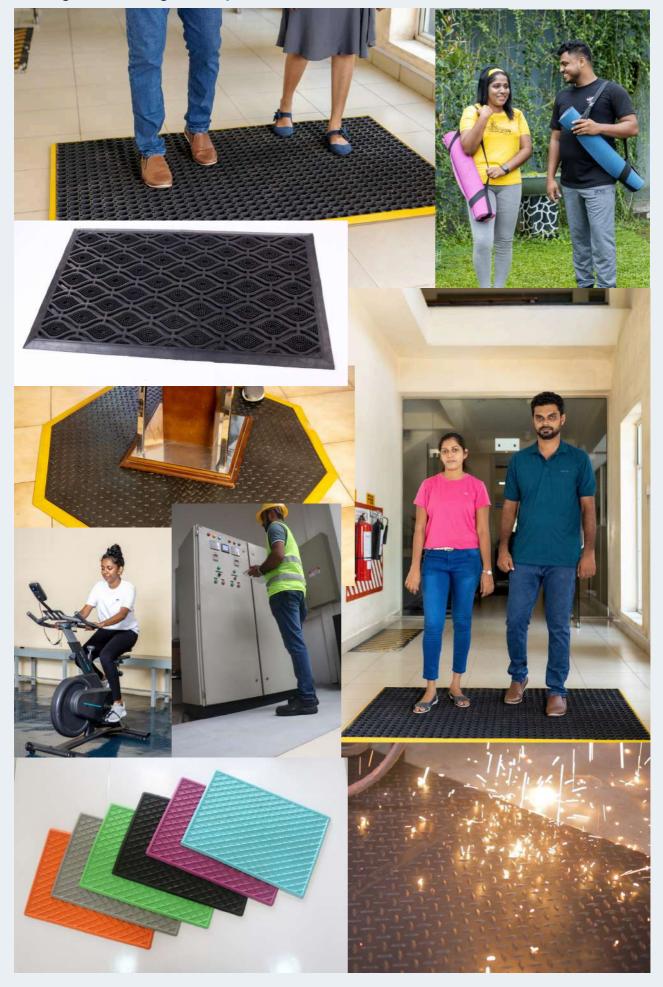
04. Automotive Industry

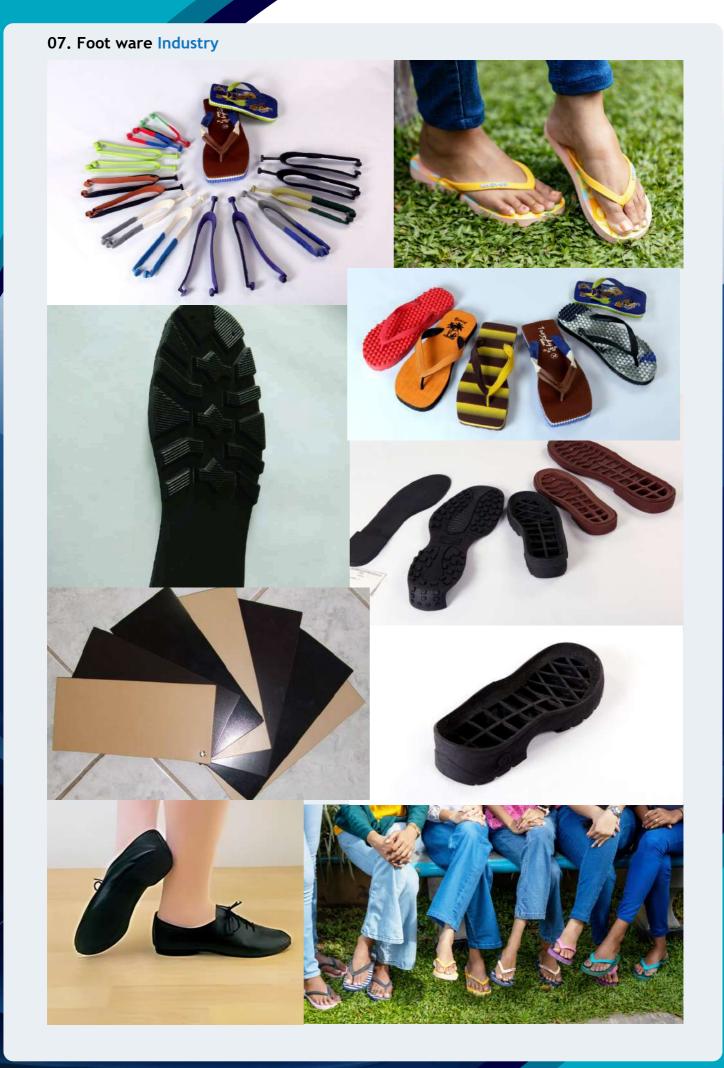






Matting and Flooring Industry





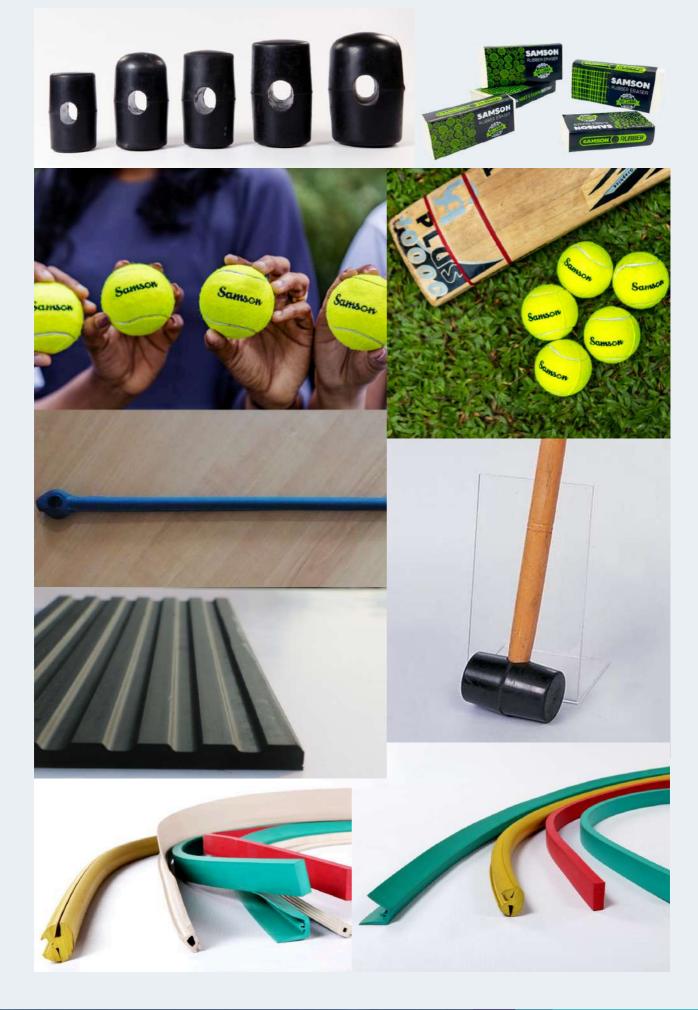
08. Construction Industry



09. Irrigation and Agriculture Industry



10. Other Industries



Global Presence

Last year, we had a presence in 34 countries around the globe. In the year under review, we have extended our market presence to 35 countries by adding Egypt.



The Countries where our products are available are in Red

Our Products (Contd....)

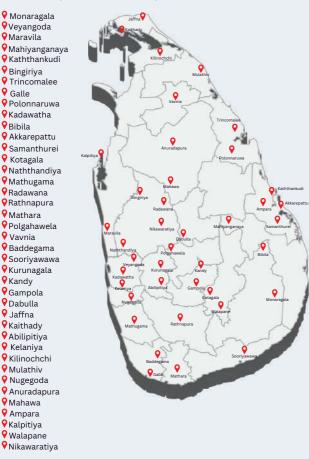
Global presence analysis

Region	2023/24 (Rs.000')	2022/23 (Rs.000')
Europe	960,645	1,245,668
Australia and New Zealand	34,515	42,573
USA and Canada	28,030	54,899
South Africa and Middle East	20,632	84,624
Asia	1,271,895	1,467,097
Total	2,316,265	2,894,861

Samson Rubber

We appointed distributors to sell our rubber products throughout the country under the brand of Samson Rubber. In the first year itself, we recorded a turnover of Rs. 30 Mn in the midst of challenging business environment in the country. We initially appointed 40 distributors. We started investing in electronic media advertisements to promote our brand and will continue it continuously.

Our market presence for rubber products



the evolving needs of our customers most efficiently. We are now one of the leading

PVC - related Product Segment

The year 2023 and 2024 began with a lot of optimism. We were having continuous sales growth however, an anticipated drop in sales volumes was inevitable due to the economic crisis. As the year progressed, the PVC industry faced numerous challenges. We will focus on the following in order to regain over sales in the future.

- Reliable and timely distribution of products remains a key priority of customers amidst concerns of supply chain disruptions.
- We continued to expand our offering during the year, introducing new products to the market. Meanwhile, ongoing research and development efforts are aimed at responding to the growing demand for more sustainable products
- We are increasingly looking to tap prospects in the overseas market.

We invested in the PVC pressure pipes business on 14th July 2014 in order to move further forward in the direction of our Vision. In the current financial year, we expanded our production and store capacity to meet the increased demand. We hardly advertised in the electronic media this year. A few years back, we acquired an exclusive dealership for tap range products with a Malaysian manufacturer and this is growing. We have the following PVC product categories.

1) Pressure pipes	5) Fittings
2) Agriculture & irrigation pipes	6) PVC hose
3) Conduits	7) Solvents
4) Truncking	8) Taps

While DSI Group has been firmly established in Sri Lanka for many generations in manufacturing polymer products for export markets, we now strive to enter global markets such as the Maldives, the Middle East, and South Asian countries to further expand our presence. We have been committed to bringing new PVC products to our customers, expanding our and ensuring that we make a comfortable impact in the lives of people across the globe as we have done for the rubber sector. We constantly, aim to maintain the highest quality of our products while also focusing on research and development and service to cater to manufacturer in the Sri Lankan PVC industry amongst industrial and consumer sectors and have made history by introducing its vast product range through our Research and development department. The Company, today, is a leader in a few product lines for different industries. Our market presence for PVC products is shown below







Our Products PVC (Contd....)



AWARDS and Accolades



Receiving NCE Gold Award in Rubber Products for large category

"We continue to be recognized for excellence in all aspects of our operations and were the proud recipients of a multitude of awards and accolades..."

Ver the past 21 years, Samson International Plc has garnered numerous awards covering every sphere of our business operations. Our consistent participation in award competitions has not only driven operational efficiencies and risk mitigation but has also facilitated target achievement, boosted employee motivation, and elevated the reputation and image of our company. Additionally, these accolades serve as a powerful marketing tool, attracting foreign customers and showcasing our commitment to excellence.

In the last 35 years, our company has received a commendable number of awards, underscoring our unwavering dedication to delivering exceptional performance and fostering a culture of teamwork and success.

Here is a summary of the awards and accolades received by the company over the last 35 years.



Awards and Accolades (Contd...)

Name of the Award

Number of Awards Received

Total	59
13. Best Management Practices Award	01
12. Social Media Campaign Award	01
11. Presidential Export Award	02
10. Presidential Environment Award	02
9. National Cleaner Production Award	01
8. National Productivity Award	01
Cooperation Award	04
7. Social Dialogue and Workplace	
6. National Quality Circle Award	02
5. Sri Lanka National Quality Award	03
4. CNCI Achiever Award	03
3. National Business Excellence Award	05
2. Annual Report Award	11
1. NCE Export Award	23

Details of the Awards and accolades won in the Past:

1) NCE Export Awards:

Rubber & Rubber Products in Large Category from the National Chamber of Exporters of Sri Lanka:

- Export Award 2023 Gold Award
- Export Award 2022 Gold Award
- Special Award 2022 The Most Innovative Exporter
- Special Award 2022 The Best Performer in R & D Activities
- Export Award 2021 Silver Award
- Special Award 2021 The Best Ethical Trading Exporter
- Export Award 2020 Gold Award
- Special award 2020 Best Performer in R & D Activities
- Export Award 2019 Gold Award
- Export Award 2018 Gold Award
- Export Award 2017 Gold Award
- Export Award 2016 Gold Award
- Export Award 2015 Gold Award
- Export Award 2013 Silver Award
- Export Award 2012 Gold Award
- Export Award 2011 Gold Award
- Export Award 2010 Silver Award
- Export Award2007- Silver Award
- Export Award2006– Silver Award
- Export Award2005– Bronze Award
- Export Award2004– Silver Award
- Export Award2003– Silver Award
- Export Award2002– Silver Award

We were proud to be a recipient of multitude of 59 awards and accolades

2) Annual Report Awards:

International Awards :

Category: South Asian Federation of Accountants in Manufacturing

• 2021/22 - Merit Award in Nepal

Domestic Awards :

Category: Manufacturing Companies turnover up to Rs. 10 Bn from CA Sri Lanka:

- 2022/23 Merit Award
- 2021/22 Bronze Award

We have received 23 NCE awards of the 36 years of existence of our company



Awards and Accolades (Contd...)

Category: Manufacturing Companies turnover up to Rs. 5 Bn from CA Sri Lanka.

- 2021 Gold Award
- 2019 Gold Award
- 2018 Silver Award
- 2017 Certificate of Compliance
- 2016 Certificate of Compliance
- 2015 Certificate of Compliance
- 2014 Certificate of Compliance
- 2013 Certificate of Compliance

3) National Business Excellence Award:

Category: Medium Manufacturing Sector from the National Chamber of Commerce.

- National Business Excellence Merit Award in 2017
- National Business Excellence Merit Award in 2016
- Excellence in Global Reach Award in 2016
- National Business Excellence Merit Award in 2015
 National Business Excellence Award- Runners-up
- Award in 2014.

4) CNCI Achiever Award:

Category: Extra-large manufacturing sector from the Ceylon National Chamber of Industries.

- CNCI Browns Provincial Award and Merit National Award in 2017
- CNCI Top Ten Award and Browns Provincial Award in 2016
- CNCI Merit Award in 2015

5) Sri Lanka National Quality Award:

Category: Large manufacturing sector from the Sri Lanka Standards Institution.

- Merit Award in 2019
- Merit Award in 2016
- Certificate of Commendation in 2015

6) National Quality Circle Awards:

Category: Sri Lanka Association for the Advancement of Quality and Productivity – SLAAQP.

- SIL Sinha and Silent teams Participated National Quality Circle Convention on 12th August 2018 and won two Silver Awards.
- Further, the SIL Sinha Team Participated National Quality Circle Convention on 14th June 2017 and won a Bronze Medal by participating in the Inter-Company Quality Circle Competition on 16th June 2017 and received a Merit Award.

7) Social Dialogue and Workplace Cooperation Award:

Category: .Medium manufacturing sector from the Ministry of labour

- Merit Award in 2019
- Merit Award in 2017
- Merit Award in 2016
- Merit Award in 2015

8) National Productivity Award:

Category: Manufacturing sector- Large Scale

• Certificate of Commendation - 2019

9) National Cleaner Production Awards:

Category: Manufacturing Large-Rubber Industry

Bronze Award - 2019

10) Presidential Environment Award:

Category: Rubber Based Products Industries:

- Merit Award 2022/23
- Certification of Commendation-2019

11) Presidential Export Award:

• Received in 1996 and 1997

12) Social Media Campaign Award

Category: Automotive & other Industries from Sri Lanka Institute of Marketing:

Bronze SLIM DIGIS Award - 2018

13) The Best Management Practices Being Back to Business in the New Normal from the Institute of Chartered Professional Managers of Sri Lanka:

• Special Recognition Award - 2021

14) Awards received by the Managing Director:

- Dr. Kulathunga Rajapaksa was awarded an honorary doctorate from the University of Sri Jayewardenepura in December 2019 on his Contribution to the growth of DSI Samson Group and to the Sri Lankan Business Community.
- Managing Director Dr. Kulathunga Rajapaksa received "Sri Lanka Entrepreneur of the Year (hall of Fame) Award" from the Federation of chamber of Commerce and Industry Sri Lanka, on 11th December, 2017.

The details of six special awards received by the Company are on the next page

Special Awards Received by the Company:

Special Award	Area	Awarded by	Year
1. The Most Innovative Exporter	Marketing	National Chamber of Exporters	2022
2. Best Performer in Research and Development Activities	Research and Development	National Chamber of Exporters	2022
3. The Best Ethical Trading Exporter	Management	National Chamber of Exporters	2021
4. Best Performer in Research and Development Activities	Research and Development	National Chamber of Exporters	2020
5. Excellence in Global Reach Award	Marketing	National Chamber of Exporters	2016
6. CNCI Top Ten Award	Management	Ceylon National Chamber of Industries	2016
Total Awards		6 Awards	

International Awards received by the Company:

International Award	Area	Awarded by	Year
1. Annual Report (Merit)	Manufacturing	SAFA	2022/23

Gold Awards received by the Company:

Year	Segment	Awarded by	Category	Award
2022/23	Exports	NCE	Rubber Products	Best Exporter
	Exports	NCE	Rubber Products	Best Innovative Exporter
	Exports	NCE	Rubber Products	Best Performer in R & D activities
2021/22	Exports	NCE	Rubber Products	Best Ethical Trading Exporter
	Annual Report	CA Sri Lanka	Manufacturing	TAGS Award
2020/21	Exports	NCE	Rubber Products	Best Performer in R & D activities
2019/20	Exports	NCE	Rubber Products	Best Exporter
	Annual Report	CA Sri Lanka	Manufacturing	TAGS Award
2018/19	Exports	NCE	Rubber Products	Best Exporter
2017/18	Exports	NCE	Rubber Products	Best Exporter
2016/17	Exports	NCE	Rubber Products	Best Exporter
	Manufacturing	CNCI	Rubber Products	CNCI Top Ten Award
2015/16	Exports	NCE	Rubber Products	Best Exporter
	Manufacturing	CNCI	Rubber Products	Global Reach Award
2011/12	Exports	NCE	Rubber Products	Best Exporter

Total Awards

14 Gold Awards

CHAIRMAN'S Review



Challenges faced this year resulting in the first loss in 12 years, attributed mainly to the prevailing local and European economic crises ..."

O n behalf of the Board of Directors, it is my privilege to present the 36th Annual Report, offering insights into the company's operations, the prevailing operating environment, and the Audited Financial Statements for the fiscal year ending on 31 March 2024. Despite encountering numerous challenges, the company faced an unexpected setback during the year. It is with regret that we report a loss for the year, marking a departure from a streak of profitability spanning 12 years since 2011/12.

From a strategic standpoint, Samson International PIc is undergoing a repositioning phase, venturing into new avenues of product and market development. Our Strategy for 2023/24 is focused on reclaiming the export market and bolstering operations through agility, innovation, and branding amidst turbulent conditions. The Board holds firm in its confidence that these strategic adjustments will yield sustainable benefits, positioning the company favorably for future growth.

Economic review

An economic crisis typically manifests as a sudden downturn in a country's overall output or real gross domestic product (GDP), leading to a decline in real income per capita and an uptick in unemployment and poverty. Sri Lanka's recent economic turmoil stems largely from persistent and substantial fiscal deficits. High levels of foreign debt, coupled with insufficient reserves to service these obligations, have resulted in debt default. Addressing fiscal sustainability necessitates restructuring both domestic and foreign debt to mitigate these challenges.

Amid these economic hardships, there have been shortages in essential resources such as medicines, fuel, fertilizer, and specific food items. In 2022, the economy contracted by 7.8%, doubling the percentage of the population earning less than \$3.65 a day to approximately 25%. To address these pressing issues, the International Monetary Fund (IMF) provided a loan of US\$3 billion to Sri Lanka on March 20, 2023, as part of a 48-month debt relief program.

Sri Lanka's economy is projected to see moderate growth of 2.2% in 2024, showing signs of stabilization, following the severe economic downturn of 2022. But, the country still faces elevated poverty levels, income inequality & labour market concerns, as stated in the World Bank's latest bi-annual update.

In terms of economic composition, services accounted for 63% of overall GDP in 2021, followed by manufacturing at 18%, other industrial activities at 10%, and agriculture at 9%. Industries such as construction, manufacturing, real estate, and financial services have been significantly impacted by shrinking private credit, shortages of inputs, and disruptions in the supply chain. Consequently, the adverse effects of income contractions and job losses witnessed in 2022 have been exacerbated. Despite these challenges, Sri Lanka's economy is projected to rebound in 2024 after two consecutive years of contraction. However, the recovery process may be gradual, and the economy will likely continue to face growth challenges in the coming years.

CHAIRMAN'S Review (Contd...)

According to Europe's growth projections for this year, advanced European economies are expected to decelerate to 0.7 percent, a notable decline from the 3.6 percent recorded in 2022. The Euro Crisis has been instigated by a myriad of factors encompassing economic aspects such as elevated unemployment rates, trade deficits, and a lack of competitiveness, as well as financial and political influences. Additionally, the German economy has encountered a string of crises and hurdles since 2020, including disruptions in the supply chain stemming from pandemic-related lockdowns and the conflict in Ukraine, an energy crisis, escalating inflation, and a tightening of monetary policy.

Corporate Performance

Since our inception in 1988, spanning 36 years, our company has been a significant contributor to the nation's foreign exchange reserves through our robust export activities. By leveraging local resources such as rubber from our plantations, we have not only added substantial value to our products but also created numerous employment opportunities. This year, our export earnings amounted to Rs. 1.1 Bn, slightly lower than the previous year's figure of Rs. 1.5 Bn. However, our value addition for the year decreased to Rs. 417 Mn compared to Rs. 938 Mn in the previous year.

The Company recorded a turnover of Rs. 2.3 bn in the current financial year as against the previous year turnover of Rs. 2.9 bn while facing many challenges in the current business environment. This decline mainly comes from exports. Export declined by Rs. 418 mn to Rs. 1,118 mn in the current year from Rs. 1,536 mn in the previous year. Sales in the PVC sector also decreased from Rs. 800 mn in 2022/2023 to 678 mn in 2023/2024. The company recorded a loss of Rs. 294 mn in the financial year under review as against the profit of Rs. 93 mn in the previous year.

In the recent past, Sri Lanka faced many challenging situations which led to uncertain operating environment for many manufacturing and export companies. The export sector was facing fears of uncertainty, leaving organizations to think fast and make agile decisions to secure their operations. Despite the increase in electricity rates, fuel prices and taxation, we were able to maintain our operations and retain most of the customers. Due to the appreciation in Rupee, we had to decrease prices in finished goods especially PVC products which had been already produced, in order to be par with other competitors. It also adversely affects to our export rupee revenue and the competitiveness in the export market. During the year rubber price also went up in unprecedented level. This had an adverse impact for rubber products sales and our competitiveness in the export market declined.

The operational matters have been explained in detail under the Managing Director's Operational review on page 46. I have reviewed in this report only the macro-environmental matters.

Capital projects

The Board has sanctioned a capital expenditure of 126 mn for diverse projects, encompassing initiatives such as the expansion of rooftop solar systems and the investment in rubber and PVC machinery. Notably, our main factory now boasts rooftop solar installations, advancing our commitment to green energy practices. The board approved to invest a similar solar project in the Baddegma PVC plant. Additionally, the decision to invest in a biomass project at the main factory, replacing furnace oil for steam generation, reflects our dedication to sustainable operations. Indeed, Sustainable and environmentally conscious business practices are ingrained in SIL's corporate culture, underscoring our commitment to environmental stewardship and resource preservation.

Governance and Risk Management

In upholding our commitment to safeguard and enhance shareholder value, the Board remains steadfast in its dedication to transparency and effective corporate governance practices. A significant step in this direction includes the establishment of separate roles for the Chairman and Managing Director, ensuring a clear distinction of responsibilities. Notably, the previous joint role of Chairman and Managing Director has been segregated. Moreover, the appointment of a non-related and independent individual as Group Chairman further underscores our commitment to impartial governance.

Our annual report comprehensively details the robust corporate governance structure and risk management framework embedded within the company. We have consistently upheld stringent standards of corporate governance and continually refine our practices in alignment with best industry practices. Throughout the year, the Board actively engaged in overseeing the company's business operations, strategic direction, and talent development initiatives.

Regular meetings of the board sub-committees were convened to ensure diligent oversight of risk management, audit processes, and remuneration structures. These meetings provided the Board with the necessary assurance that management effectively implements and adheres to established protocols. Our ongoing commitment to sound corporate governance practices remains unwavering, reflecting our dedication to fostering trust, accountability, and sustainable growth. Further, the company takes all steps to mitigate risk and this has been explained in detail in our risk management section.

In addition to above, our Group Directors continuously review corporate governance and risk management and necessary steps are taken during the monthly meetings.

CHAIRMAN'S Review (Contd...)

Sustainable Development

Our engagement in social activities serves to bolster business performance by fortifying the communities in which we operate, fostering stakeholder relationships, and ultimately enhancing shareholder returns. Over the past decade, we have consistently contributed to the well-being of neighboring villages by donating rice to Samurdhi beneficiaries. Additionally, our commitment to sustainability extends to agricultural initiatives, including the cultivation of cinnamon on over 1 acre of land, and the planting of vegetables, which are then distributed to our employees at subsidized rates. Furthermore, our corporate social investment program prioritizes initiatives centered around solar energy, biomass projects, and various other social causes, reflecting our dedication to making a positive impact beyond business operations

Awards won

In this fiscal year, it is with great pride that we announce our receipt of prestigious accolades, underscoring our commitment to excellence and dedication to transparency, accountability, governance, and sustainability. Our commitment to transparent reporting and Corporate Governance has been acknowledged with a Merit award from the Institute of Chartered Accountants of Sri Lanka for our 2022/23 annual report, in the manufacturing sector category for companies with a turnoverup to 10 bn. Additionally, we are honored to have been awarded the Gold prize by the National Chamber of Exports of Sri Lanka for the second consecutive year, recognizing our leadership in the Rubber-Large category. These achievements are a testament to the outstanding performance of our dedicated staff in the Finance, Marketing, and Research & Development departments, who continuously strive for excellence in their respective functions.

Shareholder returns

The Board of Directors decided not to recommend any dividend in the year under review . (Last year - Rs. 2.00 per share)

Future outlook

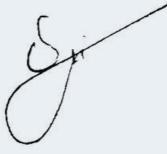
In summary, Samson International PIc continues to be committed to growing all its businesses over the longer term to build the company's value for our shareholders, by regaining and strengthening its position in the market, increasing operational efficiency, boosting revenue and significantly improving margins and earnings. Our ongoing investment in new product development and marketing, having a loyalty customer base, staff training, and infrastructure will support the company's ambitious growth planned for the future.

Appreciation

Il extend my sincere gratitude to my esteemed fellow Directors on the Board, whose collective expertise and unwavering support have been instrumental in guiding Samson International Plc towards its vision, particularly during the challenges faced this year resulting in the first loss in 12 years, attributed mainly to the prevailing local and European economic crises. On behalf of the Board, I express my heartfelt appreciation to the management team for their steadfast leadership, which has steered the company to commendable performances despite the adversity.

Il would like to acknowledge and commend the invaluable contributions of all members of the Samson International Plc team, whose dedication and loyalty have been pivotal, especially during periods of significant challenges. Their steadfast commitment to the Company's ethos and unwavering belief in its mission are truly commendable.

Furthermore, I extend my gratitude to our bankers and suppliers for their continued support, which has been crucial to our operations. Lastly, I express my profound appreciation to our shareholders for their unwavering confidence in Samson International Plc. It is your steadfast belief in the Company that propels us towards continued growth and success.



Dr. D. K. Rajapaksa Chairman

Colombo 22nd May 2024

සනාපතිතුමාගේ සමාලෝවනය

" 2011/2012 මුලා වසරේ සිට වසර 12ක් අඛණ්ඩව ලාභ ලබමින් පැමිණි සැම්සන් ඉන්ටර්නැෂනල් පොදු සමාගම මෙම මුලා වර්ෂයේ එම ලාභදායි දාමයෙන් බැහැරවීම සනිටුහන් කරනු ලබන්නේ කණගාටුවෙනි. එසේම ඒ සඳහා අප රටෙහි මෙන්ම යුරෝපා රටවල ආර්ථික පසුබෑම හේතුවක් විය."

සැම්සන් ඉන්ටර්නැෂනල් පොදු සමාගම වර්ෂ 2024 ක් වූ මාර්තු මස 31 දිනෙන් අවසන් වූ මුලා වර්ෂය සදහා සමාගමේ මෙහෙයුම්, පවතින මෙහෙයුම් පරිසරය සහ විගණනය කරන ලද වාර්තාව අධාක්ෂක මණ්ඩලය වෙනුවෙන් ඔබවෙත ඉදිරිපත් කිරීමට හැකිවීම මා ලද භාගාක් කොට සලකමි. මෙය අපගේ 36 වැනි මුලාා වසර වන අතර මෙම වසර අප සමාගමට අනපේක්ෂිත පසුබෑමකට ලක්වූ වසරක් විය.

සැමසන් ඉන්ටර්නැෂනල් පොදු සමගම උපාය මාර්ගික අෂ්ටි කෝණයකින් නැවත ස්ථාන ගත කිරීමේ අදියරකට භාජනය වෙමින් නිෂ්පාදන සහ වෙළද පොළ සංවර්ධනයේ නව මාවතකට පිවිසීම අපේක්ෂා කරයි. 2023/24 වර්ෂය වෙනුවෙන් අපගේ උපාය මාර්ගය අවධානය යොමු කර ඇත්තේ කැලබිලි සහිත තත්වය මධායේ ක්ෂණික පුතිවාර දැක්වීම, නවෝත්පාදන සහ සන්නාම කරණය තුලින් අපනයන වෙළද පොළ යලි අත් පත් කර ගැනීම සහ මෙහෙයුම් ශක්තිමත් කිරීම කෙරෙහිය. මෙම උපාය මාර්ගික ගැලපීම මගින් සමාගමේ අනාගත තිරසාර වර්ධනය සමාගමට හිතකර ලෙස ස්ථාන ගත කරමින් තිරසාර පුතිලාභ ලබාදෙනු ඇතයි අධක්ෂක මණ්ඩලය දැඩි ලෙස විශ්වාසය තබා ඇත.

ආර්ථික සමාලෝචනය

රටක සමස්ත නිමවුමේ හෝ දල දේශීය නිෂ්පාදිතයේ හදිසි පහත වැටීම ආර්ථික අර්බුදයක් ලෙස අර්ථ දැක්වේ. එය ඒක පුද්ගල අදායම පහත වැටීම සහ විරැකියාව සහ ධරිදුතාවය ඉහල යාමට තුඩු දේ. ශී ලංකාව මෑත කාලින ආර්ථික කැලබීම බොහෝ දුරට අඛණ්ඩව පවතින සහ සැලකියයුතු යුතු මුලා හිගයක් පැන නගිනු ඇත. මෙයට හේතු වී ඇත්තේ වගකීම් ඉටුකිරීමට පුමාණවත් නොවන සංචිත සහ ඉහල විදේශ ණය පුමාණය පැහැර හැරීම යන කරුණුය. මුලා ති්රසාරභාවය ඇතිකිරීම සඳහා මෙම අභියෝග අවම කර ගැනීමට දේශීය හා විදේශීය ණය පුතිවිවාහුගත කිරීම අවශාය වේ.

මෙම ආර්ථික දුෂ්කරතා හේතුවෙන් ඖෂධ, ඉන්දන, පොහොර සහ නිශ්චිත ආහාර දුවා වැනි අතාවශා සම්පත් වල හිගයක් ඇති විය. 2022 වර්ෂයෙදී අප ආර්ථික වර්ධනය 7.8% කින් අඩු වී අති අතර දිනකට ඩොලර් 3.65 කට වඩා අඩු ආදායමක් ලබන ජනගහනයේ පුතිශතය දෙගුන වී එම පුතිශතය දල වශයෙන් 25% දක්වා වැඩි වී ඇත. මෙම දැවෙන ගැටළු විසදීම සඳහා ජාතාන්තර මුලාා අරමුදල මාස 48ක ණය සහන වැඩසටහනක කොටසක් ලෙස 2023 මාර්තු 20 වැනි දින ශී ලංකාවට ඇමරිකානු ඩොලර් බිලියන් 3ක ණයක් ලබා දුන්නේය.

2024 වර්ෂයේ ශී ලංකාවේ ආර්ථිකය 2.2% ක මධාසේථ වර්ධනයක් දැකීමට පුරෝකතනය කර අති අතර 2022 දැඩි ආර්ථික පසුබැමෙන් පසුව ස්ථාවරත්වයේ සලකුණු පෙන්වයි. නමුත් ලෝක බැංකු පුකාෂණ වලට අනුව අප රට තවමත් ඉහළ ධරිදුතා මට්ටම ආදායම අසමානතාවය සහ ශුම වෙළදපොල ගැටළු වලට මුහුණ දෙමින් සිටී.

ආර්ථික සංයුතියට අනුව 2021 වර්ෂයේ සමස්ථ දලදේශීය නිෂ්පාදිතය 63% ක සේවා අංශයෙන්ද නිෂ්පාදන අංශයෙන් 18% අනෙකුත් කර්මාන්ත ක්රියාකාරකම 10% සහ කුෂිකර්මාන්තය 9% ක් ද වේ. පුද්ගලික ණය , අමුදුවා හිගය සහ සැපයීම දාමයේ බාධා කිරීම මගින් ඉදිකිරීම, නිෂ්පාදන, දේපල වෙලදාම සහ මුලා සේවා වැනි කර්මාන්ත සැලකිය යුතු ලෙස බලපෑමකට ලක් වී ඇත. මේ හේතූන් නිසා 2022 වසරේ දක්නට ලැබුණු ආදායම හැකිලීම, රැකියා අහිමිවීම වල අහිතකර බලපෑම තීවුර වී ඇත. මෙම අභියෝග හමුවේ වුවද, ශී ලංකාවේ ආර්ථිකය අබණ්ඩව වසර 2ක සංකෝවනයකින් පසුව 2024 දී නැවත යථා තත්වයට පත්වනු ඇතැයි පුරෝකථනය කර ඇත. කෙසේ වෙතත් පුතිසාධන කියාවලිය කුමිකව සිදු වන අතර, ඉදිරි වර්ෂ වලදී ද ආර්ථිකය වර්ධන අහියෝගවලට මුහුණ දීමට සිදුවනු ඇත. මෙම වසරේ යුරෝපයේ වර්ධන පුකාශත වලට අනුව දියුණු යුරෝපීය ආර්ථිකය 0.7% දක්වා පිරිහීමට ලක්වනු ඇතැයි අපේක්ෂා කරයි. එය 2022 දී වාර් තා වූ 3.6% සිට කැපී පෙනෙන පහත වැටීමකි. මෙම අර්බුධයට හේතු වී ඇත්තේ විරැකියා අනුපාතිකය ඉහලයාම, වෙළද හිගය, තරගකාරිත්වයේ ඌනතාවය, මුලා හා දේශපාලනික බලපෑම වැනි ආර්ථික සාධක මගිනි. ජර්මානු ආර්ථිකය 2020 සිට වසංගත ආශිතයෙන් රට වැසීම, සහ යුක්රෙනයේ ගැටුම, බලශක්ති අර්බුධය, උද්ධමනය උගුවීම සහ මුදල් පුතිපත්ති දැඩි කිරීම ඇතුළු අර්බුධ සහ බාධක රැසකට මුහුණ දී අති අතර සැපයුම් දාමයේ බාධා සිදුවීම මෙසේ ආර්ථික කඩාවැටීමට තවදුරටත් බලපා ඇත.

අායතනික කාර්යය සාධනය

වර්ෂ 1988, අප සමාගමේ ආරම්භයේ සිට වසර 36ක් පුරාවට අපගේ සමාගම භාණ්ඩ අපතයනය හරහා ජාතියේ විදේශ විනිමය සංවිත සඳහා සැලකිය යුතු දායකත්වයක් ලබා දී ඇත. රබර් වැනි දේශීය සම්පත් පුයෝජනයට ගනිමින් අප නිෂ්පාදන වලට සැලකිය යුතු වටිනාකමක් එක් කරන ලද අතර නව රැකියා අවස්ථා රාශියක්ද නිර්මාණය කර ඇත. මෙම වසරේ අපගේ අපනයන ආදායම රුපියල් බිලියන 1.1 වන අතර පෙර වසරේ අගය රුපියල් බිලියන 1.5කි. කෙසේ වෙතත් මෙම වසර සඳහා අපගේ අගය එකතු කිරීම රුපියල් මිලියන 417 කි. එය පසුගිය වසරේ එය රුපියල් මිලියන 938 කි.

අප සමාගම මෙම වසරේ පිරිවැටුම රුපියල් බිලියන 2.3ක් වූ අතර එය පසුගිය වසරේ 2.9කි. මෙම පහත වැටීම පුධාන වශයෙන් සිදු වුයේ අපනයනයෙනි. අපනයනයෙන් පෙර වසරට සාපේක්ෂව රුපියල් මිලියන් 418 ක අඩුවීමක් දක්නට ඇත. එනම පසුගිය වසරේ රුපියල් මිලියන 1536 වූ අපනයන ආදායම මෙම වසරේ රුපියල් මිලියන 1118 දක්වා අඩු වී ඇත. මෙම වසරේදී පිවිසි අංශයේ විකුණුම ද පෙර වසරට සාපේක්ෂව රුපියල් මිලියන 678 දක්වා රුපියල් මිලියන 122 කින් අඩු වී ඇත. එසේම මෙම වසරේදී සමගම රුපියල් මිලියන 294 ක අලාභයක් ලබා ඇති අතර එය පෙර වසරේ රුපියල් මිලියන් 93.

මෑත කාලයේදී ශ්‍රී ලංකාව අභියෝගාත්මක තත්වයත් රැසකට මුහුණ දුන් අතර ඒ තුලින් නිෂ්පාදන සහ අපනයන සමාගම සඳහා අවිනිශ්චිත මෙහෙයුම පරිසරයක් අති විය. අපනයන කෙෂ්තුයේ අවිනිශ්චිතතාවයට මුහුණ දෙමින් සිටින අතර ආයතනවලට තම මෙහෙයුම සුරක්ෂිත කර ගැනීම සඳහා කඩිනම් පුතිවාර දැක්වීමට සිදු වී ඇත. විදුලි ගාස්තු, ඉන්දන මිල සහ බදු අයකිරීම ඉහළ ගියත් අපගේ මෙහෙයුම පවත්වාගෙන යාමට පාරිභෝගිකයින් වැඩි පිරිසක් රදවා ගැනීමටත් අපට හැකි විය. රුපියලේ අගය ඉහල යාම හේතුවෙන් අනෙකුත් වෙළද පොළ තරග කරුවන් හා තරග කිරීම සඳහා නිමි හාණ්ඩ විශේෂයෙන් දැනටමත් නිෂ්පාදයන කර පිවිසි නිෂ්පාදන වල මිල අඩු කිරීමට අපට සිදුවිය. රුපියල ශක්තිමත් වීම අපගේ අපනයන ආදායමට සහ අපනයන වෙළද පොලේ තරගකරිත්වයටද අහිතකර ලෙස බලපායි. පසුගිය වසර තුලද රබර් මිල පෙර නොවූ විරු මට්ටමකින් ඉහල ගියේය. මෙය රබර් නිෂ්පාදන අලෙවියටද අහිතකර බලපෑමක් ඇතිකල අතර අපනයන වෙළදපොල තුල අපගේ තරගකාරිත්වය පහත වැටුණි.

කලමනාකාර අධාෘක්ෂකතුමන්ගේ මෙහෙයුම් සමාලෝචනය යටතේ මෙම කරුණු සවිස්තරාත්මකව පැහැදිලි කර ඇත. (පිටු අංක 46)

පුංග්ධන වාහාපෘති

අධාක්ෂක මණ්ඩලයෙහි අනුමතිය මත අප සමගම තුලත් සුර්යබල ශක්ති පද්ධතියක් සවී කිරීම සහ අනෙකුත් වියාපෘති වෙනුවෙන් මිලියන 126 ක පුාග්ධන වියදමක් මෙම වසරේ අප දරන ලදී. සැලකිය යුතුම කරුණ නම් අපගේ හරිත බලශක්ති භාවිතය ගැන අපගේ කැපවීම ඉදිරියට ගෙන යමින් අපගේ පුධාන කර්මාන්ත ශාලාවේ වහලය මත සුර්යබල ස්ථාපනයන් කියා කිරීමය. එසේම බද්දේගම පිවිසි කම්හලෙහිද එවැනිම සුර්ය බලශක්ති වාහපෘතියකට ආයෝජනය කිරීමට අධාක්ෂ මණ්ඩලය විසින් අනුමත කරන ලදී. මීට අමතරව නිෂ්පාදනයට අවශා වාෂ්ප උෂ්ණත්වය සඳහා පොසිල ඉන්ධන වෙනුවට ජෛව ස්කන්ධ වාහපෘතියක් සඳහා යෝජනා කිරීමට ගත තීරණය තිරසාර මෙහෙයුම් සඳහා අපගේ කැපවීම පිලිබිබු කරයි. නිසැකයෙන්ම අප අපගේ ආයතනික සංස්කෘතිය තුල තිරසාර සහ පාරිසරික වාහපාර භාවිතයන් ස්ථාපනය කර ඇත.

පාලනය සහ අවධානම් කළමනාකරණය

කොටස් හිමියන්ගේ වටිනාකම ආරක්ෂා කිරීම සහ වැඩිදියුණු කිරම සඳහා අපගේ කැපවීම තහවුරු කිරීමෙදී විනිවිද භාවය සහ එලදායි ආයතනික පාලන භාවිතයන් සඳහා වූ කැපවීම තුල අධාාක්ෂක මණ්ඩලය පැහැදිලිවම සිටී. මෙම දිශානතයෙහි සැලකියයුතු පියවරක් වන්නේ වගකීම වල පැහැදිලි වෙනසක් සහතික කරමින් සභාපති සහ කළමණාකාර අධාාක්ෂක සඳහා වෙන වෙනම භූමිකාවන් පිහිටිවීමයි. සභාපතිවරයා සහ කළමණාකාර අධාාක්ෂකවරයාගේ පෙර පැවති ඒකාබද්ධ භූමිකාව වෙන්කර තිබීම විශේෂත්වයකි. එපමණක් නොව සමුහ සභාපතිවරයා ලෙස සමාගම හා සමබන්ධ නොවන සහ ස්වාධින පුද්ගලයෙකු පත් කිරීම අපක්ෂපාති පාලනය වෙනුවෙන් අපගේ කැපවීම තවදුරටත් අවධාරණය කරයි.

අපගේ වාර්ෂික වාර්තාව සමාගම තුල අන්තර්ගත ශක්තිමත් ආයතනික පාලන වපුහය සහ කළමනාකරණ රාමුව පිලිබදව සවිස්තරාත්මක සදහන් කරයි. අප ආයතනික පාලනයේ දැඩි පුමිතීන් අඛණ්ඩව තහවුරු කර ඇති අතර හොදම කර්මාන්ත භාවිතයන් සමග පෙලගැසී ඇත්තෙමු. වසර පුරාම අධක්ෂ මණ්ඩලය සමාගමේ වාහපාරික මෙහෙයුම් උපාය මාර්ග අධික්ෂණය සහ කුසලතා සංවර්ධනය අධීක්ෂණය කිරිමෙහි සකුියව නිරත විය.

අවධානම් කළමනාකරණය, විගණන ක්රියාවලින් සහ වේතන ව්යුහයන් පිළිබද අධික්ෂණ සහතික කිරම සදහා අධක්ෂ මණ්ඩලය අනු කමිටු නීති පත රැස්වීම කැදවන ලදී. මෙම අනුකමිටු රැස්වීම මගින් කළමනාකරණය විසින් ස්ථාපිත ක්රියාපටිපාටිය ඵලදායී ලෙස ක්රියාවට නංවන බවට සහ ඒවාට අනුගත වනබවට අවශා සහතිකය අධක්ෂ මණ්ඩලයට ලබාදෙන ලදී. විශ්වාසය, වගකීම සහ තිරසාර වර්ධනය පෝෂණය කිරීම සඳහා අපගේ කැපවීම පිලිබ්බු කරමින් ශක්තිමත් ආයතනික පාලන භාවිතය සඳහා අපගේ අඛණ්ඩ කැපවීම නොසැලී පවතී. තවද සමාගම අවදානම අවම කිරීම සඳහා සියලු පියවර ගන්නා අතර අපගේ අවාදානම් කළමනාකරණය අංශය යටතේ මේ පිළිබඳව විස්තරාත්මකව දක්වා ඇත.

ත්රසාර සංවර්ධනය

සමාජ කියාකාරකම වල නිරත වීම මගින් අප කර්මාන්ත ශාලාව අවට පුජාවන් ශක්තිමත් කිරීම සහ පාර්ශව කරුවන්ගේ සබදතා වර්ධනය කිරීම සහ අවසානයේ කොටස් හිමියන්ගේ පුතිලාභ හල නැංවීම මගින් වාහපාර කාර්යය සාධනය ඉහළ නැවීමට අප බලාපොරොත්තු වේ. පසුගිය දශකය පුරාවටම අපි සමුර්ධි පුතිලභින්ට සහල් පරිතාහග කරමින් අසල්වැසි ගම්මාන වල යහ පැවැත්ම සඳහා නිරන්තරයෙන් දායක් වී ඇත්තෙමු. මීට අමතරව ති්රසාරත්වය සඳහා වන අපගේ කැපවීම අක්කර 1 කට වැඩ වැඩි භුමි පුමාණයක කුරුදු වගා කිරීම සහ එළවලු වගා කිරීම ඇතුලු කෘෂිකාර්මික අංශය දක්වා විහිදෙන අතර ඒවා අපගේ සේවකයන්ට සහන මිලට බෙදා හරිනු ලැබේ. තවද අපගේ ආයතනික සමාජ ආයෝජන වැඩසටහන, සුර්යය බලශක්තිය, ජෛව ස්කන්ධ වාහපෘතිය සහ වෙනත් විවිධ සමාජ හේතුන් කේන්දු කර ගත මුල පිරිම වලට පුමුබත්වය ලබා දෙන අතර වාහපාර මෙහෙයුම් වලින් ඔබබට ධනාත්මක බලපෑමක් අති කිරීමට පගේ කැපවීම පිලිබ්බු කරයි.

සුම්මාන

සැමසන් ඉන්ටර්නැෂනල් පොදු සමගම මෙම මූලාා වසරේදී විනිවිදහාවය, වගකීම, පාලනය සහ තිරසරහාවය සඳහා විශිෂ්ටත්වය සහ කැපවීම සඳහා අපගේ කැපවීම අවධාරණය කරමින් සම්මාන රැසක් අත්පත් කර ගැනීම මහත් අහිමානයෙන් යුතුව පක්ෂ කරන්නෙමි. බිලියන 10ක් දක්වා පිරිවැටුමක් ඇති සමාගම සඳහා නිෂ්පාදන අංශය කාණ්ඩයේ අපගේ 2022/23 වාර්ශික වාර්තාව ශී ලංකා වරලත් ගණකාධිකාරි ආයතනයේ කුසලතා සම්මානය සමග විනිවිද බැවින් යුතු වාර්තාකරණය සහ ආයතනික පාලනය සඳහා අපගේ කැපවීම පිළිගෙන ඇත. මෙයට අමතරව අඛණ්ඩව දෙවන වරටත් ශී ලංකා අපනයන මණ්ඩලය මගින් රබර් විශාල පරිමාණ අංශයේ රන් සම්මානයෙන්ද අප පිදුම් ලැබූ වග දන්වන්නේ ඉමහත් සතුටින්ය. එය අපහට විශාල ගෞරවයක් සහ අපගේ පර්යේෂණ සහ සංවර්ධන අංශයේ ඇප කැප වීමත්, ඔවුන්ගේ කැපී පෙනෙන කාර්යය සාධනය පිලිබඳ සාක්ෂියක් වන අතර නිරන්තරයෙන් ඔවුන් අදාළ කාර්යයන් හි විශිෂ්ටත්වය රදවා තබා ගැනීමට උත්සුක වන්නේය.

ලාභාංශය

මෙම වසරේ ලාභාංශ නිකුත් නොකිරීමට අධාාක්ෂ මණ්ඩලය යෝජනා කර ඇත. (පසුගිය වසරේ කොටසකට රුපියල් 2 කි.)

අනාගත දැක්ම

සාරාංශයක් ලෙස සැම්සන් ඉන්ටර්නැෂනල් පොදු සමාගමේ, අපගේ කොටස් හිමියන්, අප සමාගමේ වටිනා කම ගොඩ නැගීම සඳහා දිගු කාලින සිය වාාපාරය වර්ධනය කිරිමට අඛණ්ඩව කැපවී සිටී. වෙළඳ පොළ තුල අප ආයතනය ලබාගත් ස්ථානය නැවත ලබා ගැනීම සහ ශක්තිමත් කිරීම මෙහෙයුම් කාර්යක්ෂමතාවය වැඩ කිරීම, අදායම ඉහල නැවීම සහ ආන්තික සහ ඉපයීම සැලකිය යුතු ලෙස වැඩි දියුණු කිරීම , නව නිෂ්පාදන සංවර්ධනය සහ අලෙවිකරණය සඳහා අඛණ්ඩ ආයෝජනය, විශ්වාසවන්ත පාරිභෝගික පදනමක් තිබීම, කාර්යය මණ්ඩල පුහුණුව සහ යටිතල පහසුමකම අනාගතය සඳහා සැලසුම් කර තිබීම සමාගමේ ඉදිරි අනාගතයට සහයක් වනු ඇත.

<u>ස්තූතිය</u>

පුථමයෙන් මම මාගේ විශේෂ ස්තුතිය මාගේ සහෝදර අධාක්ෂ මණ්ඩලයට පුදකර සිටිමි. විශේෂයෙන් වසර 12 කට ආපසු අප ලැබූ පළමු පාඩුව හේතුවෙන් මෙම වසරේ මුහුණ දුන් අභියෝග වලදී සාමුහික විශේෂඥභාවය සහ නොසැලෙන සහයෝගය දැක්වූ අධාක්ෂ මණ්ඩලයේ සිටින මාගේ ගෞරවනීය අධාක්ෂ තුමන්ලාට මාගේ කෘතඥතාවය පුද කරමි. පවතින දේශීය සහ යුරෝපිය ආර්ථික අර්බුධ වලරට දුෂ්කරතා මදායේ වුවද පුසන්සනිය කාර්යය භාරයක් සිදුකල කළමනාකාරිත්වයට සහ එම මණ්ඩලයට සහ සේවක මණ්ඩලයට මගේ හෘර්දයාන්ගම ස්තුතිය පුද කරමි. ඔවුන්ගේ කැපවීම සහ පක්ෂපතිත්වය විශේෂයෙන් සැලකිය යුතු අභියෝග ඇති කාල පරිච්ඡේද වලදී සමාගමේ ආචාර ධර්ම කෙරෙහි ඔවුන් දක්වන නොසැලෙන කැපවීම සහ එහි මෙහෙවර පිලිබද නොසැලෙන විශ්වාසය පුශංසනීය කරමි.

එසේම මෙම අසීරු අවස්තාවන්හි අපහට සහය දක්වන බැංකු කරුවන්ට් සහ සැපයුම්කරුවනට මගේ ස්තුතිය පුද කර සිටිමි. තවද අප කෙරෙහි විශ්වාසය තබමින් ධෛර්ය සහ සහයෝගය ලබාදුන් හිතවත් කොටස් හිමියන් මම විශේෂයෙන් අගය කරන ඇත

ඔවුන්ට දීප්තිමත් අනාගතයක් පුර්ථනා කරමි.

ආචාර්ය ඩි කේ රාජපක්ෂ සහාපති කොළඹ 2024 මැයි 22

MANAGING Director's Operational Review



"We are committed to achieving a higher turnover and aim to recover our Rubber and PVC sales, leading to increase the profitability next year and sustain the growth thereafter..."

We are saddened to report that we incurred a loss this year, breaking a streak of profitability spanning 12 years (since 2011/12). This loss can be attributed mainly to a notable decrease in sales observed during the period under review. The operating environment remained challenging throughout the year, marked by ongoing economic turmoil in the country and geopolitical shifts in global markets. Persistent macroeconomic difficulties escalated into social and political unrest during the period under review. Additionally, geopolitical tensions affected demand dynamics in our primary markets. Both the rubber and PVC sectors incurred losses during this period. Despite our efforts to diversify our product mix and optimize resource utilization, both sectors faced challenges stemming from the economic downturn, resulting in decreased profitability margins. Additionally, rising costs of local and imported raw materials further impacted our margins. Fluctuations in exchange rates also contributed to increased costs of imported raw materials and components. Meanwhile, Initiatives to optimize resources, manage overheads and reduce wastage were carried out to the maximum. However, amidst these challenges, we have expanded our market presence from 33 to 35 countries (out of 194 countries worldwide) by entering new markets in Ghana and Scotland. Furthermore, we have strengthened our foothold in the Netherlands, Maldives, Finland, and Australia by acquiring new customers. Moving forward, we will analyze and address the performance of each sector separately.

Rubber Sector

In the Rubber Sector, there was a 22% decrease in sales, from Rs. 2.1bn in 2022/23 to Rs. 1.6 bn in 2023/24.This decline is mainly attributed to a significant decrease in exports of sealing rings. This decline was largely influenced by the escalating energy costs resulting from the conflict between Russia and Ukraine. The surge in energy expenses adversely affected bottle manufacturers, consequently impacting our sales of rubber sealing rings. Notably, a prominent bottle manufacturer with a 125-year history went into liquidation as a result of these challenges. Additionally, economic recession and adverse weather conditions in Europe further contributed to the decline in sales of sealing rings, resulting in a loss in revenue. However, we managed to partially offset this decline in sealing ring sales by increasing the volume of other products.

We also noted exchange rate volatility throughout the year. The Euro exchange rate decreased from Rs 357 to Rs 325, representing a 9% decline. Consequently, our export sales, valued at Rs 1.1 bn, resulted in a loss of Rs 100 mn when converted into Rupees. Furthermore, we incurred an exchange loss of Rs 37 million on working capital, compared to a Rs 22 mn exchange loss in the previous year.

MANAGING Director's Operational Review (contd...)

The strengthening Rupee has posed several challenges for our business. As the Rupee appreciates, our products become more expensive for international buyers, impacting our competitiveness in the global market. The exchange rate soared to over Rs. 364 per USD in May 2022, leading to increased operational costs and necessitating adjustments to our cost base to account for higher inflation domestically. However, the recent rapid appreciation of the Rupee, with rates falling below Rs. 300 per USD since March 19th, has further complicated matters, posing threats to the sustainability of our operations and the livelihoods of our employees. Despite the Rupee's appreciation, the high cost of living persists exerting pressure on worker wages. Additionally, the timing of the Rupee's strengthening coincides with weak global demand for many of our exports and stiff competition from other countries. Global inflation and geopolitical tensions have also contributed to dampened sentiment and purchasing power in our key export markets.

There was a notable increase in rubber prices throughout the year impacting our production costs significantly. Rubber constitutes approximately 65% of the total production expenses for rubber products such as sealing rings and hot water bottles. To mitigate these rising costs, we are exploring the possibility of importing rubber from Vietnam, leveraging the Free Trade Zone agreement to waive custom duties. Additionally, our Research & Development department has reformulated compound formulas to optimize cost efficiency moving forward.

PVC Sector

The Sri Lankan construction industry is expected to register an average annual growth of 5.9% from 2024 to 2026, supported by investment in transport, renewable energy, housing, industrial zones, and tourism projects. The construction industry in Sri Lanka contracted by 7% in real terms in 2022/2023.

With regard to the PVC sector, it underperformed relative to expectations, primarily attributed to the ongoing economic crisis in the country. The construction sector witnessed a decline in project numbers attributed to elevated interest rates, soaring cement prices, and economic uncertainty. Similarly, the number of projects initiated by the Water Board also decreased, impacting sales of pressure pipes. Furthermore, the substantial increase in fertilizer prices led to decreased sales of irrigation pipes throughout the year. We must demonstrate resilience amidst these economic challenges until factors such as a resurgence in the construction industry, reductions in interest rates, and enhancements in the agriculture sector materialize.

The PVC sales volume suffered adverse effects stemming from multiple factors including Rupee depreciation, escalating cement prices, reduced construction activity, fertilizer shortages, increased interest rates, social security taxes, higher VAT rates, and diminished purchasing power. Consequently, the PVC industry experienced a substantial decline in market demand during the reviewed financial year. Our production costs increased due to rising electricity rates, water expenses, and fuel prices. Throughout the year, electricity rates surged by around 50%. The high cost of fuel had a significant impact, particularly considering our extensive PVC product distribution network spanning across the country with 40 distributors. Additionally, we had procured a substantial quantity of raw materials for PVC products prior to the depreciation of the Rupee. However, the prices of these raw materials decreased thereafter in the current financial year, prompting all our competitors to adjust their product prices to reflect the lower market rates. Consequently, despite this being a non-recurring event, we incurred a significant loss.

As we are aware, domestic customers are now subject to a VAT rate of 18% and a 1% social security tax on sales. This year, our company incurred an additional expenditure of Rs 24 million from the social security tax. Furthermore, a 25% super gain tax was introduced for individuals and companies, including subsidiaries and holding companies within a corporate group last year. Consequently, our company was required to pay Rs. 50 million in taxes on the previous year's profit.

Our Focus

As part of our commitment to social responsibility, we have invested in solar energy. The Galle factory now boasts a 751 KW Solar PV rooftop system, capable of producing approximately 75,000 KWh of renewable energy each month. Our investment not only yields financial returns but also contributes to social impact. We aim to support the government's vision while considering both financial and social returns on investment. The company managed to mitigate a substantial portion of the factory's electricity costs through our solar project at the main plant in Galle. Additionally, starting from April 2024, we commenced a similar project at the Baddegama plant.

Despite facing numerous challenges, we are *Navigating Stormy Waters* to reclaim our previous standing by prioritizing Agility, Innovation, and Branding this year. During this period, we effectively managed to curtail our overhead expenses across both sectors, successfully implementing cost-reduction initiatives. Customer satisfaction remains a cornerstone of our strategic agenda. We are poised to serve all segments and industries with our products, enriching their lives and experiences. This entails the introduction of innovative products while amplifying our brand presence.

We aim to operate with agility, identifying potential business opportunities swiftly. As a customer-centric organization, we are dedicated to meeting evolving needs and preferences. Our adaptability and dynamism have proven vital in effectively serving customers amidst ongoing challenges. Moreover, our products adhere to the most rigorous international and local standards, ensuring quality and reliability. Despite facing challenging industry conditions, both globally and locally, we maintain a longterm perspective on value creation, prioritizing investments in innovation, automation, talent, and infrastructure. I am delighted to note the significant growth in our certification for Forest Stewardship Council TM (FSCTMC134777) Chain of Custody products, achieved through the introduction of several new products to the European market this year. Our commitment to research and development (R&D) has been instrumental in sustaining our business operations, and we remain dedicated to continued investment in this area.

MANAGING Director's Operational Review (contd...)

Guided by a philosophy of ongoing innovation, we relentlessly pursue the development of new and enhanced products, leveraging cutting-edge technology seamlessly integrated into our processes. We have bolstered our R&D efforts by collaborating with universities and relevant government institutions, reinforcing our commitment to excellence. The development of new products is a collaborative endeavor between our R&D and marketing teams, resulting in the introduction of twelve new products in overseas and local markets during the year (as detailed on page 133). Our annual investment in R&D exceeds Rs. 40 million, accounting for approximately 2% of our turnover.

Awards & certifications

Throughout the year, our company achieved notable recognition for its excellence. We were honored to receive a Gold award from the National Chamber of Exporters in the large category for Rubber & Rubber Products, as highlighted in the Chairman's review. Additionally, our Annual Report received a merit award in the manufacturing turnover category of up to Rs 10 billion.

Furthermore, we obtained ISO 50001 certification for Energy Management and ISO 14001 certification for Environmental Management. Our longstanding commitment to quality is underscored by our ISO 9001:1994 Quality Management Certificate, which we have held since 1994. Additionally, we have been certified with the British Standard (BS 1970:2006), TUV Certification, and FSC Certification for our products. Our adherence to European regulations is evidenced by our compliance with the "REACH" regulations for all raw materials used in our products. Moreover, the Company's dedication to social responsibility and compliance with international and local laws was recognized with the award of the BSCI International Certificate.

Our Employees

One of our primary objectives is to enhance the knowledge and skills of our workforce through training initiatives, which has proven instrumental in talent retention, particularly amidst the labor shortage in our sector. This emphasis on skill development has resulted in increased productivity and reduced wastage. Moreover, the Company remains committed to providing industry-leading remuneration and benefits to foster employee loyalty and strengthen our employer brand. In response to the current economic conditions, this year we provided food bags and gift vouchers to all employees.

Our labor turnover rate stands at approximately 1.5%, below the industry standard, and we have not terminated any employees, nor have we had any factory closures during this economic crisis. During periods of reduced orders, we have offered our employees opportunities to work in neighboring factories. In the medium term, Samson International Plc remains focused on the well-being of our workforce, customer service excellence, sustaining operational growth and development, and expanding our global presence. Our goal is to cultivate a culture where employees prioritize customer needs, while continuously enhancing our service offerings and delivering exceptional performance. Additionally, we are committed to fostering a knowledge-based economy by equipping our workforce with the necessary soft skills and expertise for sustainable development.

Investments

Our vision and investment plan remain steadfast, despite potential temporary setbacks in company profitability. We have expanded the capacity of both our rubber and PVC factories, with an investment of Rs. 125 million in the current financial year, aimed at generating future returns.

Our neighbours

We maintain a consistently positive and improving relationship with our neighbors and villagers, with no complaints received to date. Our primary objective is to contribute to the welfare of rural communities by providing employment opportunities and raising living standards. As part of our commitment, we donate rice harvested from the Company's paddy fields to Samurdhi beneficiaries in neighboring villages every year.

Future

We are committed to achieving a higher turnover and reclaiming our position in Rubber and PVC sales, thereby ensuring greater profitability in the upcoming year and beyond. Our focus remains on strengthening our operations, expanding our export market, and enhancing financial management practices to achieve optimal cost structures and effective risk management, aligning with our strategic objectives.

The ASEAN region is gaining momentum as a potential market for global businesses seeking to reduce their reliance on China. We have observed growing interest from countries in this region, alongside opportunities in the Middle East and African markets. Despite missed opportunities due to internal and economic challenges, we are determined to leverage these prospects to increase our export volumes.

Embracing digital technologies is imperative for staying competitive in today's business landscape. We recognize the shift towards e-commerce, mobile commerce, and digital platforms in the export sector, and are leveraging digital tools to streamline our manufacturing, distribution, and supply chain processes. This not only enhances operational efficiency but also contributes to positioning Sri Lanka as a favorable manufacturing destination.

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rd baja

D. D. A. Rajapaksa Managing Director

Colombo 22nd May 2024

Profiles of the Directors

Our Board is chiefly responsible for monitoring managerial performance while guiding corporate strategy and achieving an adequate return for shareholders. The main task of the Board of Samson International Plc is to set the company's direction and strategy. They concentrate on directing the Company and not on managing it. They direct to guide managers the way to be ahead and lead. The Board balance the review of past performance and forward looking discussion. The Board also limits the time spent on routine & administrative matters. They are expected to prevent any conflict of interest and balance competing demands of the company. Our Managers manage the company. Managing is about dealing, hands-on with the design, implementation and maintenance of effective operating models and prudent control systems.

The functions of the Board of the Samson International Plc include the following.

- 1. Obligation Ensure the company's well-being
- 2. Responsibility Safeguard stakeholder interest
- 3. Entrepreneurship Direct the company's affairs
- 4. Trustee Satisfy shareholders' interest
- 5. Effective control Guide and control executive management
- 6. Compliance Ensure that legal, ethical, and moral obligations are met

Our Directors are aware that they have a duty of care as well as fiduciary duties. They are required to exercise this duty of degree of care, diligence and skill reasonably and do not undertake their legitimate duties to perform negligently. In the case of fiduciary duties, directors are in position of trust in relation to the Company and act in faithful, trustworthy manner towards or the company's behalf.



Board of Directors

The Profiles of the Board of Directors of Samson International Plc as at 31st March 2024 are as follows.

01. Dr. D. Kulatunga Rajapaksa

PhD (H.C.) University of Sri Jayawardenapura
D. Litt University of Westminster
B. Sc (Hons) University of Peradeniya
Chairman
Appointed to the Board on 14th October 1988 (since the inception)
Resigned from Jt. Managing Director on 15th November 2023

Skills & Experience

Dr. Kulatunga Rajapaksa was the former Chairman and the Group Managing Director of DSI Samson Group (Pvt) Ltd. He has over 61 years of experience in the manufacture of footwear and rubber products.

Other Appointments

He has served as a Council Member of several universities and is a past president of the National Chamber of Exporters of Sri Lanka and also of the Sri Lanka Association of Manufacturers and Exporters of Rubber Products, Sri Lanka Footwear & Leather Products Manufacturers Association and a Director of the Mawbima Lanka Foundation.

Dr. Kulatunga Rajapaksa was awarded with an honorary Doctorate from University of Sri Jayewardenepura in December 2019 on his contribution to the growth of DSI Samson Group and to the Sri Lankan business community.

Number of shares held in the Company

11,159 shares



B.Sc. (Cey), FCA Independent, Non-Executive Director Appointed to the Board on 31st March 2009

Skills & Experience

Mr. Tissa Bandaranayake has many years of commercial and professional experience and was a Senior Partner of Ernst & Young from where he retired after 27 years, having serviced a large portfolio of clients, both local and multinational in various industries. Mr. Tissa Bandaranayake is a past Chairman of the Audit Faculty of the Institute of Chartered Accountants of Sri Lanka. He was the Founder Chairman of the Quality Assurance Board established by the Institute of Chartered Accountants of Sri Lanka and served in that capacity for several years.

In recognition of his contribution to the accountancy profession, the commercial sector and the community over the years, Mr Bandaranayake was admitted to the Hall of Fame of the Institute of Chartered Accountants of Sri Lanka.

Other Appointments

He currently serves as a Director in Overseas Realty (Ceylon) Plc, Havelock City (Pvt.) Ltd, Renuka Holdings Plc, Brown & Company Plc, and Nawaloka Hospitals Plc. and as the Chairman of Harischandra Mills PLC. He also serves as a consultant to the Governance Committee of Noritake Lanka Porcelain (Pvt) Ltd.. Board committees

Audit Committee Related Party Transactions Review Committee Remuneration Committee Number of shares held in the Company Nil





03. Mr. D. G. Priyantha S. Abeygunawardana

MBA, LLM, LLB, FCA, FCMA, FCCA, MCIM, Attorney-at -Law Director / General Manager Appointed to the Board on 08th August 2013

Skills & Experience

Mr. Priyantha Abeygunawardana is a triple-qualified Accountant holding the fellowship of CA, CIMA, ACCA and also an Attorney–at-Law. He obtained his LLB degree from the Open University of Sri Lanka and took his oaths as an Attorney-at-Law in 2004, having passed the requisite examinations held by the Sri Lanka Law College.

He also holds two Master's degrees in two different fields, namely, MBA from the University of Sri Jayewardenepura specializing in Finance, and LLM from the University of Colombo specializing in Company Law, Labour Law, and Banking Law.

He is also a member of the Chartered Institute of Marketing, UK.

Previously he was at Ford, Rhodes, Thornton & Company, Hayley's, Abans and lastly at Richard Piers Exports Plc, where he worked as General Manager for six years. With regard to his sports carrier, he toured Malaysia and Thailand with the Mercantile Hockey Association team (Combined Companies) as vice-captain in 1992. He also toured India with the Sri Lanka Schools' Hockey team as vice-captain in 1979. He played in the CR & FC Hockey team from 1978 to 1988 and captained the CR & FC in 1986. He played Hockey and Football for Nalanda College for several years. Under his captaincy in 1979, Nalanda College Hockey team emerged champions in the under 19 All-Island inter school tournament.

Other Appointments

No other appointments.

Number of shares held in the Company 110 shares

04. Mr. D. Dilshan A. Rajapaksa

M.Sc. (Australia), B.Sc.Hons (UK), MCIM(UK) Managing Director Appointed to the Board on 01st June 2015 Skills & Experience

He Joined DSI Group in 2006 and has been working as the Marketing Director many DSI Clusters spanning across Footwear, Rubber products, Coir products, Clay products bring the local/export revenue to the Group.

He is the creator and the brain behind the concept of "Waves" flip flops, the market leader in flip flops in Sri Lanka and has a global footprint of over 10 countries. He has also initiated many successful brands spanning across various product sectors launched in to the market in the local and international arena. He has more than 17 years Marketing, Management & Information Technology experience in both local and overseas Companies.

He is a Chartered Marketer and holds M.Sc. in Business Systems from the University of Monash, Australia and B.Sc. (Hons) in Information Systems from the University of Manchester Metropolitan, UK and is a Member of the Chartered Institute of Marketing – UK (MCIM).

Other Appointments

He serves as a Director of DSI Samson Group (Pvt) Ltd., D. Samson Industries (Pvt) Ltd., Samson Compounds (Pvt) Ltd., Samtessi Brush Manufacturers (Pvt) Ltd, Samson Rajarata Tiles (Pvt) Ltd., Samson Insurance Brokers (Pvt)Ltd and. Samson Investments (Pvt) Ltd. Presently he is the Vice President of the National Chamber of Exporters of Sri Lanka

Board committees

Related Party Transactions Review Committee Number of shares held in the Company Nil





05. Mr. D. Chandula J. Rajapaksa

M.Sc. (Australia), B.Sc. (UK) Non-Executive Director Appointed to the Board on 10th August 2018

Skills & Experience

Mr. Chandula Rajapaksa has more than 10 years Management experience in both local and overseas Companies. Previously he worked at Price Water House Coopers, Sri Lanka.

He holds M.Sc. in International Business from the University of Monash, Australia and B.Sc. in Business with Information Technology from the University of Staffordshire University, UK. He is also passed finalist of Chartered Management Accountants of UK.

Other Appointments

He serves as a Managing Director of Samson Exports (Pvt) Ltd., Hydro Trust Lanka (Pvt) Ltd., Werapitiya Hydro Power (Pvt) Ltd., Loggaloya Hydro Power (Pvt) Ltd. and a Director of Samson Rajarata Tiles (Pvt) Ltd., Samson Trading Company (Pvt) Ltd., Samson Manufacturers (Pvt) Ltd., Samson Group Corporate Services (Pvt) Ltd., Samson Compounds (Pvt) Ltd., Samson Apparel Makers (Pvt) Ltd., Samson Bikes (Pvt) Ltd. and Samson Engineers (Pvt) Ltd..

Number of shares held in the Company Nil

06. Ms. Indira Malwatte

B. A. (Economics and Geography) University of Peradeniya Independent, Non - Executive Director Appointed to the Board on 14th August 2020

Skills & Experiences

Ms. Indira Malwatte holds a Combined Degree in Economics and Geography from the University of Peradeniya Sri Lanka and was the first woman Chairperson of the EDB.

She has over 40 years of experience in serving the Government both internationally and locally as a Top Export Promotion Professional. Her in-depth knowledge of multi sectors ranging from Industrial, Agricultural, Services, Supply Chain Management, and International Marketing has led to her serving as a Director in several Companies and Government Institutes in a variety of industries. She was the focal point on a number of World Bank, ITC, GIZ, CBI and JETRO export development projects.

In July 2016 she was internationally recognized for her long years of service in Business & Commerce with The Wifts Foundation Lifetime Achievement Award 2016-Business in London, UK. She was the first Sri Lankan to be bestowed with this honor. She was also recognized by Zonta Sri Lanka with the "Woman of Achievement" Award on Management in September 2017 and Women in Management Top 50 Professional & Career Woman Gold 2018 State & Government Sector in 2018. She was featured on "The 2018 A – List of Sri Lanka Business People" by the LMD Magazine

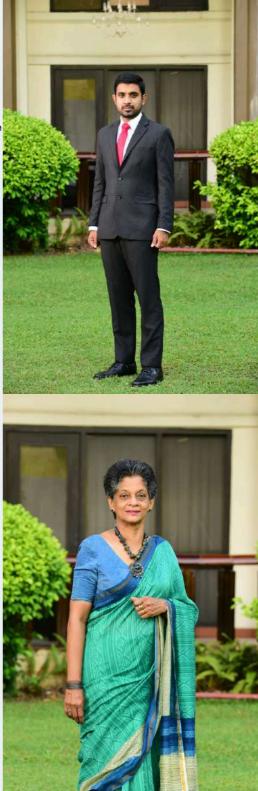
Other Appointments

Currently, she is an Independent Non-Executive Director of Cargills (Ceylon) PLC., an Independent Non-Executive Director of Lanka Shipping & Logistics (Pvt) Ltd and engaged in Consultancies on International Trade and Developing the SME Sector and Women Entrepreneurship.

Board committees

Remuneration Committee – Chairperson Audit Committee Related Party Transactions Review Committee

Number of shares held in the Company Nil



07. Mr. D. Nishan S. Rajapaksa

B.Eng. Hons (UK), M.Sc. (UK), MBA (Australia) **Non-Executive Director** Appointed to the Board on 11th February 2021

Skills & Experience

Mr. Nishan Rajapaksa has over 23 years' experience in the Telecommunications & IT sectors, holding Engineering and Management positions in blue chip companies in the UK and Australia.

He holds a B.Eng. (First Class Hons) in Electronic & Electrical Engineering from the University College London, an M.Sc. in Telecommunications from the University College London and an MBA from the Melbourne Business School.

Other Appointments

He serves as an Executive Director at DSI Samson Group (Pvt) Ltd. with effect from 1st January 2020 and Chapter Lead Principal - Managed Services & Security at Telstra Corporation Australia.

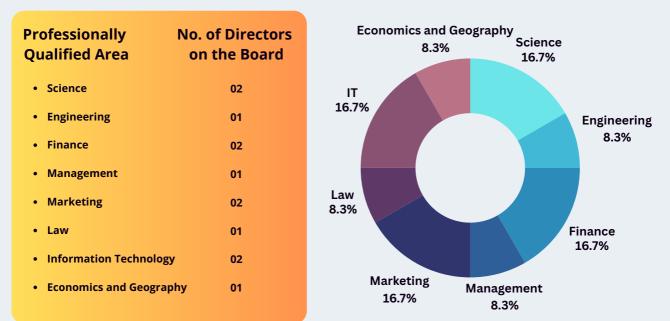
Number of shares held in the Company 8,297



People with a Diverse Range of Skills ...

Diversity in Board

Board consists of members with diversified professional background. Their experience includes Financial Management, Science, Engineering, Management, Marketing, Audit, Law, Information Technology and Economics & Geography. The Board collectively has the responsibility for ensuring that the affairs of the Company are governed competently and with integrity.

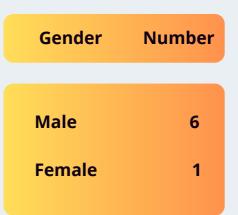


Analysis of Directors' Professional Background:

Service Analysis of Directors as 31st March, 2024:

Service Category	No. of Directors on the Board
0 - 5 Years	02
6 - 10 Years	02
11 - 15 Years	02
16 - 20 Years	-
21 - 25 Years	-
26 - 30 Years	-
31 - 35 Years	-
36 - 40 Years	01

Gender diversity



Profiles of the Executive Management

Executive Directors



Dr. Kulatunga Rajapaksa PhD (H.C.) University of Sri Jayawardenapura D. Litt University of Westminster B. Sc (Hons)University of Peradeniya Chairman Please refer page No. 50 for the profile



Mr. D. Dilshan Rajapaksa M. Sc. (Australia), B.Sc. Hons (UK), MCIM (UK) Managing Director Please refer page No. 51 for the profile



Mr. Priyantha Abeygunawardana MBA, LLM, LLB, FCA, FCMA, FCCA, MCIM, Attorney at -Law Director/ General Manager Please refer page No. 51 for the profile

Executive management takes to the highest level of leadership within an organization. Our executive management team is responsible for setting strategic direction, making key decisions, and overseeing the overall operations and performance of the organization. They work closely with the board of directors to develop and implement strategies, allocate resources, manage risks, and drive the organization toward its goals and objectives. Additionally, executive management often plays a critical role in representing the organization to external stakeholders, including investors, customers, partners, regulators, and the public. The profiles of the Executive Management of Samson International Plc as of 31st March 2024 are on the next page.



Marketing - Rubber Sector

Mr. Sanjeewa Weerakkodi

MBM, BA (Hons) (Economics), MCIM Assistant General Manager - Marketing

Mr Weerakkodi, is the AGM- Marketing for the rubber segment and joined Samson International Plc in 2004. He holds a Master of Business Management from University of Colombo and a BA Honors degree in Economics from the University of Peradeniya. He is also a Member of the Chartered Institute of Marketing, UK, possessing Post Graduate Diploma in Marketing. Previously he worked in a rubber products manufacturing Company registered under BOI for two years.



MPA (Australia), MBA (USJP), BBM (India), Adv.Dip.Acc (Australia) Marketing Manager

Mr. Chanuka Jayasinghe possesses a Master's degree in Professional Accounting from the University of Ballarat, Australia, and in Business Management from the University of Jayawardanapura. He also has a Bachelor's degree in Business Management from the University of Bangalore, India.

He is the Marketing Manager for the rubber sector. He is responsible for searching new international markets and developing a local distribution network for Samson Rubber branded products. He has previously worked for Microcells (Pvt) Ltd as a Senior Executive - International Marketing. Chanuka has over ten years' experience in the marketing of rubber products and another four years' experience in the hospitality industry in Australia.

Mr. Saminda Madushanka

Dip. in Sales Management – SILM Marketing Executive

Mr. Saminda Madhusanka joined Samson International Plc on the 1st of January 2019. He holds a National Diploma in Sales Management from the Sri Lanka Institute of Marketing. He has one year of experience as a senior business development officer at Nations Trust Bank and over 6 years of experience as a Marketing Executive in the field of Construction at Geed Technologies (Pvt) Ltd. He oversees the local marketing activities in the Western province. He left the company in April 2024.



B.Com (Sp), Dip. in Business Statistics Marketing Executive

Mr. Asith Withanawasam holds a Bachelor of Commerce (Special) Degree & a Post Graduate Diploma in Business Statistics from the University of Ruhuna, Sri Lanka. He studied at St. Aloysius College Galle.

He joined Samson International Plc on the 1st of March 2005 and was promoted to Marketing Executive on 01st January 2021. He handles rubber-related products for the European market.









G.C.L. Dilini Perera

B.Tec. Software(Univotec), DIP NVQ 5(ICT), AAT **Digital Marketing Executive**

Miss. G.C.L Dilini Perera, a Digital Marketing Executive with a Bachelor's Degree in Software Engineering (B.Tec) from the University of Vocational Technology (Univotec), Rathmalana. She holds a National Diploma in Information & Communication Technology (NDICT) from the National Apprentice and Industrial Training Authority (NAITA) at NVQ Level 5. Additionally, She has certifications from the National Institute of Business Management (NIBM) in Computer Science and AAT Institute (Narahenpita) in Accounting Package.

With over 5 years of experience as a Freelancer in E-commerce, She has demonstrated expertise in website development and social media strategy implementation. At Ceylon Petroleum Corporation, Miss. Dilini served as a SAP System Controller, gaining invaluable experience for a year. Joining Samson International Plc on 6th September 2023, Dilini specializes in handling rubber-related products for the Australian market, leveraging platforms like eBay and Amazon to drive sales and brand visibility.

Marketing - PVC Sector



Mr. Nishantha Abeygunawardana Marketing Manager

Mr. Abeygunawardana joined Samson International Plc in July 2014 when the Company stepped into the PVC business. At present, he is the Head of Marketing for the PVC segment and played a key role to turnaround this segment. Previously, he worked at Associated Motorways Ltd., Central Industries Plc and Okta PVC Lanka (Pvt) Ltd., for eighteen years. He studied at Weeraketiya Central Colloge, Weeraketiya.



Mr. P. Weerarathna **Field Sales Manager**

At present, he is overseeing in the Southern, Sabaragamuwa, and Eastern Provinces. He joined Samson International Plc on 15th September 2015 as Regional Sales Manager. He has worked 11 years at Kamal PVC Industries (Pvt) Ltd and 2 years at Janashakthi Insurance PLC. He studied at Embilipitiya Maha Vidyalaya. All sales managers and supervisors in this region report to him.



Mr. M.M.P. Kithulwatta **Field Sales Manager**

At present, he is overseeing the Western, Central, North Central, and Wayaba Provinces. He has worked 5 years at Kamal PVC Industries (Pvt) Ltd., 4 years at Central Industries (Pvt) Ltd., and 2 years at St. Anthony's Group (Pvt) Ltd. He studied at Mitigahathanna Vidyalaya, Badulla. All sales managers and supervisors in this region report to him.



Mr. Pradeep Indika Somapala Field Sales Manager

At present, he is overseeing in the North and North Central provinces. He has worked 14 years at Kamal PVC Industries (Pvt) Ltd and 2 years at Apex Combine (Pvt) Ltd. He studied at Vidyadarshi Maha Vidyalaya, Anuradhapura. He has experience working in many provinces in the Island. He jointed Samson International Plc in December 2015.



Mr. M. Z. Ziyad Regional Manager

He has worked 2 years at Kamal PVC Industries (Pvt) Ltd., 1 year at Central Industries (Pvt) Ltd. and 3 years at Almarai Company in Saudi Arabia. He works as the Regional Manager for the Eastern Province. He studied at Central College, Ampara. He jointed Samson International PIc in December 2015.



Finance

Mr. Sisira Abeywickrama B.Sc.(B.Ad.)Sp, ACA, ACCA Finance Manager

Mr. Sisira Abeywickrama is a Chartered Accountant and holds a B.Sc. Business Administration (Special) degree from the University of Sri Jayewardenepura. He also holds the membership of ACCA (UK) and studied at Asoka Vidyalaya, Colombo.

He joined Samson International Plc on 01st of March 2018 and he is the Head of Finance. He did his articles at Jayasinghe & Company. Prior to joining Samson International Plc, he worked at Asoka Glass & Company and Maga Naguma Road Construction and Equipment Company. He has ten years post qualifying experience as a Chartered Accountant.

Commercial



Mr Naveendra Kumara MBA, MAAT, Dip in Business Mgt. Manager - Commercial

Mr. Navindra Kumara has over 31 years' experience at Samson International Plc and has served the Company since 1990. He has worked in different key positions during his career at Samson International Plc and now he is the Head of the Commercial Department. He holds an MBA from Manipal University of India and a Diploma in Business Management from NIBM. He studied at Richmond College, Galle.

Research & Development



Mr. Wimal Siriwardana

Dip. in Rubber Technology; Certificate in Hydraulic Technology Asisstant Manager, Research and Development, Galle and Kalutara Rubber Factories

Mr. Siriwardana has over 29 years' experience in research and development including at Samson International Plc and Samson Compounds Ltd.. He holds the Diploma in Rubber Technology and Certificate in Hydraulic Technology and is a member of the Plastic and Rubber Institute of Sri Lanka. He is the Head of Research and Development department. He studied at Telijjawila Central College.



Mr. D.K. Dilan Madhushanka

National Diploma In Polymer Technology Executive, Research and Development

Mr. Madhushanka joined as R & D Executive on 1st May 2018. He obtained his National Diploma in Technology from the University of Moratuwa in 2015. He previously worked at Samson Rubber Industries (Pvt) Ltd. as Executive in R & D Department for four years from February 2015 to January 2018. He studied at Christ Church Boys' College, Baddegama.

Human Resources



Ms. Nishanthi Padmakumari

Dip. in Human Resources Management Assistant Manager - Human Resources

Mrs. Padmakumari joined Samson International Plc in 1993 and is the Head of the Human Resources Department at present and has 30 years' experience in Human Resource Management. She holds a Diploma in Human Resource Management from NIBM. She studied at Dorape Maha Vidyalaya, Galle.



Production

Mr. Namal Nishantha B.Sc., Dip. in Rubber Technology Assistant General Manager - Production

He is the Assistant General Manager – Production for the rubber sector. He holds a B.Sc degree from the University of Kelaniya and also a Diploma in Rubber Technology. He Joined Samson International Plc in 1998 and has 23 years of experience working in the quality assurance department of the Company. Mr. Namal previously worked as Quality Assurance Manager and served as the management representative of the Company for various quality-related audits for several years.







Mr. Asanka Dimuth Edirisinghe

Dip. in Engineering Science Executive, Production, Galle Plant

Mr Asanka Edirisinghe is the Production Executive in the Galle rubber factory. He holds a National Diploma in Engineering Sciences. He joined Samson International Plc on 1st of July 2013 and previously worked at Johnson Controls, Qatar, for three years as Service Engineer and at D. Samson Industries (Pvt) Ltd. for two years as Research & Development Engineering Assistant.

Mr. M. A. P. Janakantha

Dip. in Engineering Science; Dip. in Rubber Technology Executive, Production, Baddegama and Kalutara Plants

Mr. Janakantha holds a National Diploma in Engineering Sciences from the Institute of Engineering Technology and a Diploma in Rubber Technology from the Rubber & Plastic Institute. He has more than 25 years' technical experience, of which 23 years has been at Samson International Plc. At present, he is the Production Executive at the Baddegama and Kalutara factories. He studied at St. Johns College, Nugegoda.

Mr. Himal Jayaranga

MBA, B.Sc. Engineering (Hons), AMIE Production Manager, Baddegama Plant

Mr. Jayaranga joined Samson International Plc on 01st September 2015 and works as Production Manager at Baddegama PVC factory. He holds an MBA from Cardiff Metropolitan University and a B.Sc. Eng (Hons) degree from the University of Moratuwa. He is an associate member of institute of Engineers and he studied at Telijjawila Central College.

He is responsible for all research and development activities at the PVC plant. Previously, he worked as Production Engineer at St. Anthony's Industries, Ekala. He was awarded a Lean Six Sigma Black Belt from Six Sigma Academy, Amsterdam.



Engineering

Mr. Nilantha Jayalal Gamage

National Dip. in Technology; PgDMM (Colombo), MMM (Colombo) Manager - Engineering

Mr. Nilantha Jayalal joined Samson International Plc in 2012. He holds a National Diploma in Technology from the University of Moratuwa and has completed his Postgraduate Diploma in Manufacturing Management from the University of Colombo. He also hold Master's degree in Manufacturing Management from the University of Colombo.

He worked at Brollo Pipes and Profile Ltd, Nigeria, as a Mechanical Engineer for two years prior to joining Samson International Plc. He is the Head of the engineering department and overseeing the engineering functions of all three factories. He studied at Godapitiya National School, Akuressa.



Mr. Sudeshpriya Gamage

Dip. in Technology
Executive, Engineering

Mr. Sudeshpriya Gamage joined as an Engineer on 15th January 2017. He obtained his National Diploma in Technology from the University of Moratuwa in 2012. He previously worked at Rodrogo & Sons (Pvt) Ltd. for five years from February 2012 to January 2017. He is responsible for all moulds/ die designing and improvements in all three plants. He studied at Christ Church Boys' College, Baddegama.



Logistics

Ms. Piumangani Seneviratne

BMS (Sp) (OUSL), Dip. in Mgt (OUSL) Manager - Logistics

Ms. Senevirathne holds Bachelor of Management Studies (Special) Degree and a Diploma in Management from the Open University of Sri Lanka. She studied at Mahamaya Girls' School, Kandy.

She handles the logistic operations of the rubber sector. She joined Samson International Plc in 1995 and has held several managerial positions in the shipping, export and supply departments. She was in the export department from 1995 to 2010.

We operate with integrity, accountability, and a relentless pursuit of success led by our visionary leadership team

Analysis of Educational and Professional qualifications of the Executive Management as at 31st March, 2024

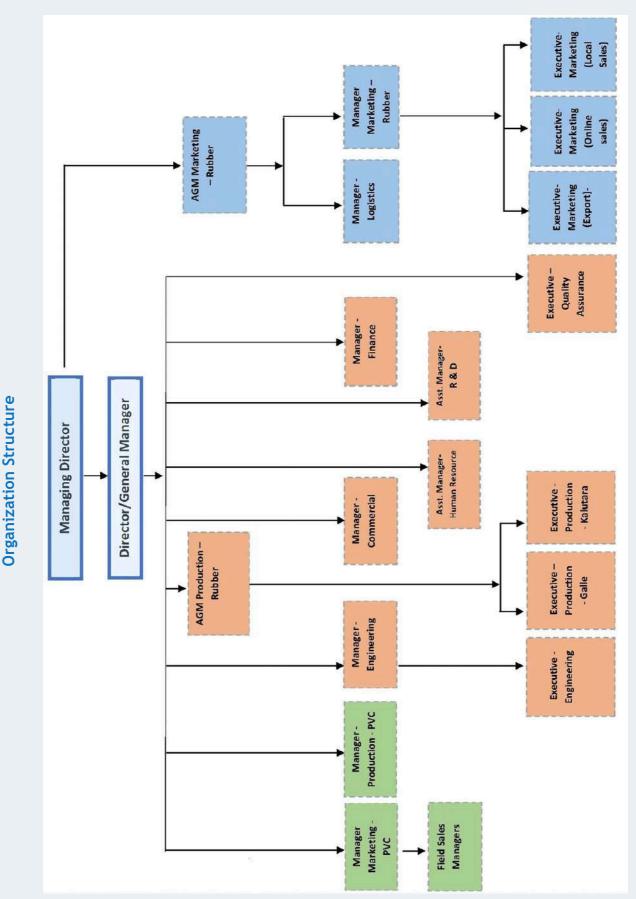
Category	Number of Executives with Academic Qualifications	Number of Executives with Professional Qualifications
Doctorate	1	
Master's Degrees	8	
Bachelor's Degrees	10	
Diplomas (Engineering, Production and HR)	13	
Professionally qualified in Accountancy		2
Professionally qualified in Law		1
Professionally qualified in Marketing		3

The organization chart of the Company up to the executive level is shown on next page. We have arranged this structure after considering the carrier succession plan of each position, capabilities & competencies of executives and Company's goals and objectives. We have a horizontal organizational structure.

Below is the breakdown of degrees and diplomas held by staff across different functions.

Section	No of Degrees	No. of Diplomas	Total
Finance	7	3	10
Human Resource	-	5	5
Marketing	1	-	1
Procument	2	1	3
Production	2	2	4
Maintanance	-	1	1
Planing	-	1	1
Logistic	1	-	1
Total	13	13	26

Organization Structure



External Environment



Reviews Progress in Implementing IMF Economic Reforms

" Sri Lankan economy has begun to show signs of recovery from its worst economic crisis since independence..."

L et's discuss the Sri Lankan external environment and global external environment which affected to our business and the industry.

Sri Lankan External Environment

The Sri Lankan economy has begun to show signs of recovery from its worst economic crisis since independence following the US\$2.9 billion International Monetary Fund (IMF) reform program that commenced in late March 2023. With assistance from the IMF, we have managed to improve our economic position from the depths of the worst crisis. Below are some comparative data illustrating this improvement.

Currently, the Gross Domestic Product (GDP) stands at USD 75 billion, with a GDP per capita income of USD 3,464. The government's gross debt is 115% of GDP. Our labor force totals 8.6 million, with an employment rate of 48.1%. We export goods worth USD 11.9 billion and import goods worth USD 16.8 billion, resulting in a trade deficit of USD 4.9 billion.

External Environment (Contd...)

As At	Feb - 2024	July - 2022	
Average Exchange Rate (USD to LKR)	312.58	360.87	
Interest Rate % (AWPLR)	11.59	23.23	
Official Reserves (USD Million)	4,491	1,815	
Inflation (CCPI) %	5.90	60,80	
	2023 - Q4	2022-Q4	
Quarterly Real GDP Growth %	4.20	12.40	
	Up to April 2023	2022	
Profitability of Key 52 State Owned Enterprises (LKR Million)	144,224	(744,658)	
Jan to Feb	2024	2023	2022
Tourist Arrivals	426,603	210,184	178,834
Tourist Earnings (USD Million)	688	332	296
Workers' Remittances (USD Million)	964	845	464

Source: CBSL/Treasury

Sri Lanka's foreign exchange buffers have improved thanks to the first installment of the IMF loan, supplemental funding from the Asian Development Bank and the World Bank, and rising migrant worker remittances and tourist arrivals. This has permitted the government to lift restrictions on essential imports. Inflation is gradually dissipating and long queues at fuel stations and mass street protests have ended. But the government's arduous task of achieving durable economic stability and putting the economy on a sustainable growth path is yet to begin. A challenge the country continues to face is the massive sovereign debt overhang.

When the IMF approved Sri Lanka's Extended Fund Facility (EFF), the country's stock of public debt was US\$82 billion which is 128 % of GDP with domestic and foreign debt accounting for approximately equal shares. Nearly two-thirds of government revenue was being consumed by annual interest payments, with the majority of this burden attributed to domestic debt.

A group of institutional investors accounting for a large share of Sri Lanka's outstanding US\$12.5 billion in international sovereign bonds had already informed the IMF that they were ready to restructure debt subject to the concurrent restructuring of domestic debt. It was only after the implementation of the EFF had commenced that the restructuring of domestic debt began. The IMF emphasized 'satisfactory progress' in restructuring foreign debt as a key milestone for releasing the second tranche of the EFF loan in September or October 2023. At the same time, the holders of international sovereign bonds reiterated equal treatment of foreign and domestic creditors as a prerequisite for their participation in debt restructuring.

Economic Growth

Sri Lanka is grappling with an economic crisis driven by several factors. Firstly, the government's gross debt as a percentage of GDP stands at 115%. Additionally, the country faces a negative trade balance, with exports totaling USD 13.592 billion and imports amounting to USD 17.560 billion, resulting in a deficit of USD 3.967 billion. The unemployment rate is reported at 6.2%, with a labor force comprising 8.6 million individuals, of which 42% are self-employed. The GDP per capita income stands at USD 3,342, with a notable decline observed since 2017.

In terms of trade, Sri Lanka's primary export partners include the USA (24.7%), the United Kingdom (7.5%), Germany (6.1%), and Italy (4.7%). On the import side, major trading partners include China (23.7%), the UAE (6.6%), and Malaysia (3.8%). Detailed trends over the past decade are depicted in the Ten-Year Economic Summary, available on page 235 of the report.

		2023
Gross Domestic Product	USD Bn	75
GDP per capita income	USD	3464
Government gross debt % on GDP	%	115.5
Export of goods	USD Bn	11.9
Import of goods	USD Bn	16.8
Trade balance of goods	USD Bn	-4.9
Labour force (persons aged 15+)	In'000	8,637
Employment rate (persons aged 15+)	%	48.1
Self-employment (persons aged 15+)	%	42.2
Unemployment rate (persons aged 15+)	%	6.2

Economic activity that is now concentrated in the island's Western Province, mainly Colombo, would be expanded to other provinces through decentralization. The government is trying to obtain a shift in our economic focus, which is currently centered around Colombo and the Western Province. Currently, 46 percent of the country's economy is concentrated in the Western Province. We are happy to note that efforts are underway to bolster the economies of all nine provinces, with delegated.

External Environment (Contd...)

powers related to sectors like vocational education and agriculture given to provincial councils under the third list of provincial council powers in the constitution. This decentralization aims to accelerate economic growth in each province, fostering healthy economic competition among them. Further plans have been also in place to leverage the country's geographical location, including the development of three new ports. The goal is to position the country as a service Centre and economic hub in the Indian Ocean.

Monetary Policy Board of the Central Bank of Sri Lanka, at its meeting held on 25 March 2024, decided to reduce the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 50 basis points (bps) to 8.50 per cent and 9.50 per cent, respectively.

Free Trade agreements

The Sri Lankan government is in talks to establish free trade agreements (FTAs) with India, Indonesia, Malaysia, Vietnam, and China by the end of 2024. These agreements will open up new markets for Sri Lankan businesses, contributing directly to the nation's economic growth. By expanding access to new markets and promoting trade, these agreements aim to create a more robust and sustainable economic foundation for the country. Sri Lanka lags behind regional competitors like Vietnam and Bangladesh. While Vietnam boasts exports of \$370 billion and Bangladesh at \$60 billion, Sri Lanka struggles with a mere \$12-14 billion. The main reason behind Sri Lanka's export struggles is its limited market access. While focusing primarily on the domestic market, countries like Vietnam and Bangladesh actively expanded into larger international markets through FTAs. This strategic move fueled their export-driven growth, leaving Sri Lanka behind.

The commercial relations between Sri Lanka and India marked a historical milestone when it was signed the India-Sri Lanka Free Trade Agreement (ISFTA) on 28th December 1998, as the 01st bilateral free trade agreement of Sri Lanka. The ISFTA entered into force with effect from 01st March 2000. The FTAs with India and Pakistan cover only trade in goods. The agreements provide for duty-free entry as well as duty preferences for manufactured and agricultural goods. A domestic value addition of 35 percent is required to qualify for concessions granted under the agreements.

The Singapore-Sri Lanka FTA came into force on May 1, 2018. The FTA covers investment, goods, services, trade facilitation, government procurement, telecommunications, e-commerce, and dispute settlement. Sri Lanka has eliminated customs duties on 50 percent of tariff lines (including tariff lines already with zero duty), which will progressively increase to 80 percent over 14 years.

Sri Lanka is a member of the South Asian Free Trade Area (SAFTA) and the Asia-Pacific Trade Agreement (APTA). Some Sri Lankan exports to the United States qualify for duty-free privileges under the U.S. Generalized System of Preferences (GSP) program, which offers preferential duty-free treatment for up to 5,000 products (apparel products are excluded) from designated beneficiary countries.

The United States-Sri Lanka bilateral Trade and Investment Framework Agreement (TIFA) provides a framework for the two governments to discuss and resolve trade and investment issues at an early stage.

In May 2017, Sri Lanka regained the European Union's (EU) Generalized Scheme of Preferences (GSP+) privileges for Sri Lankan exports. The trade preferences under GSP+ consist of the full removal of duties on 66 percent of tariff lines, covering a wide array of products including textiles and fisheries. The GSP+ scheme is conditional on Sri Lanka advancing human and labour rights and working towards sustainable development.

Tourism Sector

The total number of international tourist arrivals to Sri Lanka during December 2023 was 1,487,303. As of 31 December 2022, 719,978 international tourists had visited Sri Lanka. Europe became the largest source of tourist traffic to Sri Lanka with 55.1% of the total traffic received in November 2022. Demand from countries such as the Russian Federation, UK, Germany, and France contributed to this increase in tourism. Germany accounted for 7.7% of the tourists amounting to 55,542. Monthly Tourist Arrivals Reports for the months from January 2023 to December 2023 are given below.

Month	2023	2024
January	120,245	208,253
February	107,639	218,350
March	125,495	209,181
April	105,498	
Мау	83,309	
June	100,388	
July	143,039	
August	136,405	
September	111,938	
October	109,199	
November	151,496	
December	210,352	
Total	1,487,303	635,784

We have the highest tourist arrivals in December and November in 2023. Further from June 2023 to date, the number of tourist arrivals is greater than 100,000. In December 2023, January 2024 and February 2024, the of tourist arrivals are greater than 200,000. If we have more tourist arrivals, then they bring more foreign currency into the country and as a result, our Rupee currency strengthens against USD and Euro. Sri Lanka earned USD 964 million as foreign remittances & USD 687 million from tourism in the first two months of 2024.

External Environment (Contd...)

Unique Payment Interface (UPI)

Sri Lanka launched Unique Payment Interface (UPI) in February 2024, a digital payment method used by India to facilitate payments by growing Indian tourists into Sri Lanka and increasing formal banking.

The launch will allow Indians to make payments in Sri Lanka through UPI to any vendor who uses Lanka QR using a smartphone without any cash or card. Sri Lanka has identified 65,000 hotspots where Indian tourists frequently visit and they will be enabled it by March 31 this year. Topping the list, Indian tourists of over 300,000 accounted for a fifth of the total 1,487,303 foreign visitors who arrived into the island nation in 2023.

The UPI will allow Indians to use only their smartphones to scan the Lanka QR code and make any payments in Sri Lanka. The measure also will help the Sri Lankan authorities to motivate merchants to switch into digital payment and thus shift from the current informal income measures to formal income. However, Sri Lankans who go to India are not allowed to use the same facility in India at present. This could be done in the future.

VAT increase

A 3% VAT rise was effected from 15% to 18% from 1 January 2024. This amendment will increase the rate from the present 15% to 18%, marking the highest level in two decades. This increase is to help ensure the government reaches revenue targets and secures the next round of International Monetary Fund loans. Whilst tax receipts have risen sharply this year, this has not been sufficient to meet the IMF-set targets. A range of exemptions were withdrawn, too. From 1 September 2022, it rose from 12% to 15%. On 1 June it also rose from 8% to 12%. These two increases reverse the 2019 cut from 15% to 8%. A range of other tax measures, including a rise in corporate income tax in October, are to follow as the government struggles to make debt payments. The VAT registration threshold rose on 1 October 2022 to LKR 120 million (approx €315,000) per annum.

Implication on capital from Economic factors

The implication on capital of both sectors (Rubber and PVC) from the economic factors are given below.

Future Outlook	Manufactured Capital	Human Capital	Social and Relationship Capital	Intellectual Capital	Natural Capital	Financial Capital
Exchange Rate	High Impact	Medium Impact	Medium Impact	Low Impact	Low Impact	High Impact
Rubber Prices	High Impact	Medium Impact	Medium Impact	Low Impact	High Impact	High Impact
Taxation	High Impact	High Impact	High Impact	Low Impact	Low Impact	High Impact
Import Restrictions	High Impact	Medium Impact	Medium Impact	Low Impact	Low Impact	High Impact
Interest Rate	High Impact	High Impact	Medium Impact	Low Impact	Low Impact	High Impact

Rubber sector

External Environment (Contd...)

PVC sector

Future Outlook	Manufactured Capital	Human Capital	Social and Relationship Capital	Intellectual Capital	Natural Capital	Financial Capital
Exchange Rate	High Impact	Medium Impact	Medium Impact	Low Impact	Low Impact	High Impact
Resin prices	High Impact	Medium Impact	Medium Impact	Low Impact	Low Impact	High Impact
Taxation	High Impact	High Impact	High Impact	Low Impact	Low Impact	High Impact
Import Restrictions	High Impact	Medium Impact	Medium Impact	Low Impact	Low Impact	High Impact
Interest rate	High Impact	High Impact	Medium Impact	Low Impact	Low Impact	High Impact
Constructions Projects	High Impact	High Impact	Medium Impact	Low Impact	Low Impact	High Impact
Weather pattern	High Impact	High Impact	Low Impact	Low Impact	Medium Impact	High Impact

Our responses for above future outlook in order to minimize the risk in the operation are explained below

Future Outlook

Exchange rate	Forward contracts and shifting to local suppliers where possible
Raw material prices	Acquisition of new suppliers and increased stock holding periods to minimize exposure to fluctuating raw material prices
Taxation	Tax planning
Import restrictions	Replacing imported raw materials with local alternatives
Interest rate	Close monitoring of interest movements of all the banks
Inflation	Continued emphasis on cost efficiencies and look into high-margin products
Weather pattern	To offer a diversified product range tailored to various weather conditions. For instance, providing PVC gutters for the rainy season and PVC hoses for the dry season.

Our response

External Environment (Contd...)



Global External Environment

Throughout 2023, the European economy experienced minimal growth, with indications of potential recession in the continent's leading economies, including Germany and the U.K. Notably, prominent European corporations such as Volkswagen, Nokia, and UBS collectively announced significant layoffs during this period. The European Union's GDP, estimated at approximately \$19.35 trillion in 2024, constitutes roughly one-sixth of the global economy, with Germany boasting the largest national GDP among EU nations, followed by France and Italy. Economic expansion in 2023 was modest, with a growth rate of only 0.5% in both the EU and the euro area. Forecasts for 2024 have been adjusted downward to 0.9% in the EU and 0.8% in the euro area, while projections for 2025 suggest a slightly more robust growth rate of 1.7% in the EU and 1.5% in the euro area.

The German economy continues to struggle, with a potential slight contraction anticipated in the first quarter of 2024, potentially leading to a technical recession. Germany's GDP declined in 2023, with projected growth for the current year standing at a mere 0.5%, the lowest among major economies. Over the decade leading up to 2022, the economy experienced an average annual growth rate of 1.0%.

Geopolitical development

It is observed that the geopolitical developments have resulted in an increase in the strategic importance of the Western Indian Ocean that was not foreseen four years ago. This in turn is shifting the geopolitical emphasis towards the Indian Ocean. The Ukrainian war and the consequent Western sanctions on Russia have resulted in the resource-rich economy finding new markets in China and the Western Indian Ocean. For e.g., Russian Crude Oil is refined in the Gulf refineries. Dubai has replaced London as the financial center for the oligarchs. Russia has developed a closer friendship with Iran, which is an important source of supply for drones. Russia is carrying on naval exercises with Indian Ocean countries, including Myanmar and South Africa.

Expansion of coactivity

According to estimates, there will be an eight-fold increase in the GDP of India and Indonesia by 2050. Similar increases are expected in some of the other countries in South and West Asia. This requires additional port capacities and new transport routes. The Suez Canal may not be sufficient. In this regard India's two new connectivity initiatives are welcome. Firstly, the India (Mumbai) - Iran - Russia corridor, and secondly the India (Mumbai) - Middle East - Europe corridor. Similarly, there are connectivity initiatives taking place in the Bay of Bengal. Work has already commenced on the Chongqing - Kyaukphyu corridor giving access to Western China. Thailand is planning the Kra land bridge connecting the Gulf of Siam with the Bay of Bengal. India and Sri Lanka are commencing feasibility studies on land connectivity between the two countries making Sri Lanka a Regional Logistics Hub with Colombo and Trincomalee ports available to South India.

For the challenges such as attacks on commercial vessels by Houthi rebels, piracy, and threats to freedom of navigation, we need to emphasize the need for collective action to address these issues. Due to these threats, we have to pay high freight charges for our exports and imports.

Climate crisis

Experts have revealed that the Indian Ocean is warming at a higher rate than the other oceans around the world. The levels of warming are estimated to be three times higher than in the Pacific Ocean and coastal areas across the IOR will experience continuous rise in sea levels and face severe coastal erosion. The Indian Ocean is also rising at a level of 3.7 millimeters annually and extreme sea disasters are inevitable. The island states of the IOR are vulnerable and have to be provided with adequate resources to mitigate the effects of climate change. Changes at sea also affect monsoon patterns and in turn impact on agriculture and food security across the Indian Ocean region. They also impact on the biodiversity and in turn on food and livelihood of people of the littoral states.

We need to emphasize the urgency of addressing the climate crisis, noting the Indian Ocean's vulnerability to warming and rising sea levels. We need to take initiatives such as the Tropical Belt Initiative and the International Climate Change University to mitigate the effects of climate change and ensure climate justice for vulnerable countries.

The Indian Ocean presents opportunities in terms of ecology. Not only is it our biggest sink for Carbon, but it also provides potential for mitigating the climate crisis, through offshore wind, solar, and wave energy. Through seaweed farming and mangrove cultivation, we can increase the sequestration of Carbon. Sustainable exploitation of our Ocean's resources is critical for our survival, as the Ocean provides for our future.

Operating Environment



Participation of India Rubber Expo Mumbai

" We recognize there are always better ways to perform many functions. Continuous improvement in operating capabilities is a daily objective of the entire organization..."

morters to Sri Lanka now face high import duties and other direct & indirect taxes. High energy costs, high interest rates, shortages of foreign currency, enormous depreciation of the Rupee, decrease in purchasing power, high direct and indirect taxes, and high cost of living are the key problems that adversely affect the operating environment of manufacturing companies. Low-interest rates and lower tax rates will stimulate economic growth and encourage people to borrow and launch businesses. However, presently there are hardly such opportunities to invest.

The high costs of fuel and electricity have resulted in increased production expenditure. The sudden movement in the exchange rate & the imposition of ad-hoc tax levies & other charges worsens this, making it difficult for the exporters to price their products appropriately & competitively. It is important that Government Institutions are restructured, processes streamlined and digitized to halt their rising costs, caused by overstaffing and inefficient processes, prior to passing on the overhead burdens to the exporters by way of increased taxes. Imposing higher taxes on the exporter increases their cost base compelling them to revise pricing resulting in Sri Lanka outpricing its products in the global market. The introduction of a scheme for the exporters to invest in solar and other sustainable energy solutions will help address rising costs to some extent which can be used to price competitively

In the current operating environment, we need not only to earn foreign exchange from our exports but also need to save them from our imports. Industries that are manufacturing with local substitutes save the dollars. Industries must also be encouraged to save more dollars, then it will help for the foreign exchange crisis we are in today. Samson International Plc reviewed all compound formulas and substituted local raw materials wherever possible. For example, we used natural rubber instead of SBR for rubber products.

European Union GSP+ is a massive consolation that exporters have. Further, a lot of customers are pressing for lower prices and lower quantities which has forced us to look into other markets. The rubber industry should therefore explore opportunities in the Asian markets in particular now.

As we are aware, Sri Lanka is in the process of negotiating Free Trade Agreements with China and signed with Thailand and also revising the existing agreements with India. The objectives of these negotiations are to increase Exports, attract investment, and integrate with the global value chain, with the largest Economies. These FTA would open up the markets and this could be beneficial to some Export Sectors and also may have a negative impact on some sectors. Samson International Plc will have both advantages as well disadvantages from FTAs. We therefore need to identify the goods for the negative list, categorize Goods for the stages of liberalization, find goods that could be promoted for immediate exports to the FTA partner countries, and enhance improvement to the Standards and Quality Procedure to prevent import of low-quality products.

Sri Lanka has started discussions with the Indian Institute of Technology Madras to establish a branch in the island nation's central city of Kandy, as the country is aiming fast fast-track the digital economy. The collaboration holds immense potential to transform Sri Lanka's technological landscape and empower future generations with the knowledge and skills to drive national progress and prosperity.

Our Operating Philosophy

We have an operating Philosophy for each function of the Company. These are formulated by all operational staff collectively in order to achieve the objectives, long-term goals, and mission.

Marketing and Customer Service

- **a.** We require that the entire organization be continuously customer-oriented. Our future success is dependent on meeting the customers' needs better than our competition.
- **b.** We expect to maintain a marketing concept and distribution capability to identify changing trends and emerging markets and effectively promote our products
- **C.** We strive to provide our customers with continuous offerings of quality products, competitively priced- stressing value and service.
- **d.** We plan to constantly maintain our facilities as modern, attractive, clean, and orderly shops that are pleasing and exciting places for customers.

Management Tasks

- **a.** We require profitable results from operations –activity does not necessarily equate with accomplishment-results must be measurable.
- **b.** We recognize there are always better ways to perform many functions. Continuous improvement in operating capabilities is a daily objective of the entire organization.
- C. We expect all managers to demonstrate capabilities to plan objectives, delegate responsibilities, motivate people, control operations, and achieve results measured against planned objectives.

- **d.** We must promote a spirit of teamwork. To succeed, a complex business such as ours requires good communication, clearly understood policies, effective controls and, above all, a dedication to "make it happen".
- e. We are highly competitive and dedicated to succeeding. However, as a human organization, we will make mistakes. We must openly acknowledge our mistakes, learn from them, and take corrective action.

Human Resources

- **a.** We must develop and maintain a competent, highly motivated, results-oriented organization.
- **b.** We seek to attract, develop, and motivate people who demonstrate professional competence, courage, and integrity in performing their jobs.
- **C.** We strive to identify individuals who are outstanding performers, provide them with continuous challenges, and search for new, effective ways to compensate them by utilizing significant incentives.
- **d.** Promotion from within is our goal. We must have the best talent available and, from time to time, will have to reach outside to meet our ever-improving standards. We heartily endorse and support development programs to prepare individuals for increased responsibility. In like manner, we must promptly advise those who are not geared to the pace, in order that they make the necessary adjustments without delay.

Finance and Control

- **a.** We will maintain a sound financial plan that provides capital for the growth of the business and provides optimum return for our shareholders.
- **b.** We must develop and maintain a system of controls that highlights potential significant failures early for positive corrective action.

Our Focus

Our factories focus on the areas of Environmental Compliance, Sustainability, Carbon Footprints and Renewable Energy Sources. In fact, SIL adheres to all such business practices in all our factories because care for the environment and preserving natural resources are a part of our company's culture.

Environmental Compliance

Our main rubber factory is located in the city of Galle and the other rubber factory is in Kalutara. The PVC factory is in Baddegama. All these factories are within 15 Kilometers from the Southern Highway Express which is now connected from Mattala to Katunayaka airports. The seaside town of Galle is 116 Km away from Colombo by road or rail, down the south coast of Sri Lanka. Overseas customers can take the Southern Expressway to reach our factories in Galle by one and a half hours from Colombo.

Since we are operating in the international market and some of our key products are related to food grade, the operating environment in the factory is paramount. In fact, some of our overseas buyers send their audit teams annually to verify our operating environment before placing their orders with us. We strictly follow the health guidelines given by government institutions & authorities. We have received ISO 14001 from the Sri Lanka Standard Institute.

Carbon Footprints

We focus on reducing their carbon footprint for social and financial reasons. Since we are dealing with export business we are very concerned about carbon footprints and other environmental aspects. A carbon footprint means the total emissions caused by an individual, event, organization, or product, expressed as carbon dioxide equivalent. We do continue improvements in this area and have planned to invest much in the future.

The Company has the own paddy field and its harvest is distributed among the villagers. The company has planted 2600 cinnamon plants in our factory land and it would absorb 15 tons of Carbon dioxide per year from the environment. Samson International Plc produces many products under Forest stewardship CouncilTM FSCTM (FSCTM C134777). These are hot water bottles, v-straps, soles, jar sealing rings and seed trays which are exported to European market every year. We conduct a sustainable business, or a green business, that has minimal negative impact on the global or local environment, society, or economy and we strive to meet the triple bottom line objectives of social, environmental/ecological and financial.

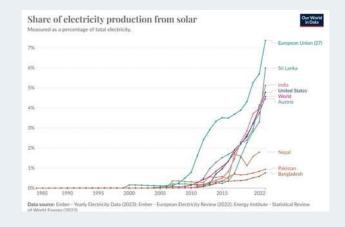
Renewable Energy Sources

Sri Lanka get 35% of its electricity from renewables, mainly from hydropower. By 2030, it has been planned to increase it to 70% from 35% with an investment in rooftop solar power. Our single 900 MW coal power station, built with Chinese backing in 2006, meets around a third of electricity demand.

The ongoing high energy prices have a severe adverse impact on the rubber manufacturing industries. Our Main factory are now installed with rooftop solar systems to business green energy. At the beginning of last year, we provided 751 KW of electricity to the national grid from our solar project. We jointly invested Rs. 105 Mn in this solar project with Sunpower Renewables (Pvt) Ltd. We are in the process of installation solar project in Baddegama PVC factory and we do the same Kalutara plants in the near future.

Sri Lanka gets around 6% of its electricity from solar - one of the highest shares in the region. This is still low compared to leaders like Australia (15%) and some EU nations (8-10%). With its sunny climate & proper incentives, Sri Lanka has the potential for much more.

We obtained ISO 50001 – Energy management system. We often conduct training programs for our employees on effective electricity consumption and educate risk prevention



Legal Compliance

We adhere all regulatory compliances, standards and environmental laws. In-house and overseas laboratory tests are continuously carried out in order to follow these compliances and laws. During the year under review, there was no significant fine for non-compliance with laws and regulations. There was no significant fine the Company paid for non- compliance with laws and regulations concerning the provision and use of products and services. Further, the Company has not paid significant fine for non-compliance with environment laws and regulation. There was also no incident of non-compliance with regulations and voluntary codes concerning marketing communication including advertising and promotion.

The Company has not incurred significant fines for non-compliance with laws and regulations pertaining to product usage, environmental concerns, and marketing communications.

Samson International Plc holds the reputation for decades without having a single environmental complaint. Our commitment was carried out to maintain the qualification for our environmental license of all three factories over the last 36 years and complied to the environmental regulations and continued Corporate Social Responsibility initiatives every year.

We focus on green environment and have planted cinnamon trees and vegetables in addition to maintaining a paddy field for samurdhi beneficiaries. We do the same for other two factories in Baddegama and Kalutara.

The following are some of the Acts we use frequently and complied with:

Business Related Acts	Labour Related Acts	Tax Related Acts	Accounts and Finance - related Acts	Other Acts
1. Companies Act, 7 of 2007	Factory Ordinance, No 45 of 1942	Inland Revenue Act, No.10 of 2006 and No. 24 of 2017	Sri Lanka Accounting and Auditing Standards of 1995	Securities and Exchange Commission of Sri Lanka Act, No. 36 of 1987.
2. Environmental Act, No 47 of 1980	Wages Board Ordinance, No 27 of 1941 and Wage Board No. 36.	Value Added Tax Act, No 14 of 2002	Bills of Exchange ordinance No 25 of 1927	Civil Procedure Code of 1978
3. Imports and Exports (Control) Act, No 1 of 1969	Employment Provident Fund Act, No 15 of 1958	Nation Building Tax Act No. 9 of 2009	Prescription Ordinance, No 22 of 1871	Rules of Colombo Stock Exchange on Corporate Governance
4. Exchange Control Act, No. 24 of 1953	Employees' Trust Fund Act, No. 46 of 1980	Economic Service charge Act No. 13 of 2006	Stamp Duty (Special Provisions) Act No.12 of 2006	Electronic Transactions Act, No 19 of 2006
5. Consumer Affairs Authority Act, No 9 of 2003	Payment of Gratuity Act. No 12 of 1983		Customs Act , No 9 of 2013	Notaries Ordinance of 1986
6. Intellectual Property Act, No 36 of 2003	Industrial Dispute Act, No 43 of 1950			Evidence Ordinance, No 14 of 1895
7. Industrial Promotion Act, No 46 of 1990.	Employment of Women, Young Persons and Children Act, No 47 of 1956	;		Sri Lanka Constitution of 1978, especially Fundamental Rights.
8. Sri Lanka Standards Institution Act (No. 6 of 1984)	Maternity Benefits Ordinance, No 35 of 1946			Prevention of Mosquito Breeding Act, 11 of 2007
9. Sale of Goods Ordinance, No 11 of 1896	Shop and Office Employees Act, No 19 of 1954			

Sustainability

In today's global landscape, sustainability and profitability are no longer seen as mutually exclusive objectives. With the emergence of transnational sustainability laws governing global value chains, ensuring compliance has become paramount, particularly for markets like the European Union, which serves as a significant trading bloc for Sri Lanka's exports. As such, adherence to sustainability laws, encompassing human rights and environmental protection, is vital to maintain market access and uphold due diligence standards.

The concept of sustainability revolves around three pillars: Economic, Social, and Environmental, often referred to as Profits, People, and Planet. Our approach embodies the commitment to creating and preserving conditions that foster harmony between humans and nature. This is reflected in our aspirational goals, including achieving zero waste through the principles of Reduce, Reuse, and Recycle, as well as offering products that support environmental sustainability. We produce FSC certified products to our overseers' customers and earn a substantial foreign exchange.

Currently, our operations demonstrate a commitment to waste management, with our rubber and PVC waste significantly below industry norms. We employ recycling initiatives, converting rubber waste into reclaim for our products and repurposing PVC waste to manufacture non-pressure pipes. Our waste management strategy follows the 3R (Reduce, Reuse, and Recycle) concept, driving continuous improvement in waste reduction and resource conservation across all facets of our operations.

Furthermore, our solid waste disposal practices prioritize segregation and minimal environmental impact. We have implemented a water purification system and maintain factory noise levels within industry and regulatory standards.

Additionally, our in-house wastewater treatment plant has a capacity of treating 50,000 liters per day, ensuring thorough treatment before discharge, thereby safeguarding environmental integrity. We provide more than 1000 Kw to the national grid from our investment in solar projects. Further, we invented a biomass project in main plant.

Our Contribution to the Economy

We have contributed the following to the economy in the current adverse economic condition of the country.

1) Export earnings for the year are 984,205 in USD and 2,158,121 in Euro. We have been exporting our products for the last 30 years.

- 2) We supply 751KW of electricity to the National grid for the next 20 years.
- 3) We Paid super gain tax of Rs. 26.4 Mn in the current year.

4) We have given 458 direct employments to, especially to neighboring villagers. We have located all our factories in remote areas.

5) We have collected Rs.180.2 Mn VAT from our customers and paid to the Inland Revenue Department during the year.

6) We produced many FSC products and earned export proceeds Rs. 85.6 Mn.

7) Use of local resources such as rubber as our major raw material.

8) We have donated in cash and in kind to Schools, temples, government institutions, and other needy people.



Main Plant Galle

Rubber and PVC Industry



Raw Rubber

Sri Lanka prides it self in manufacturing a number of value added rubber products by processing raw rubber and exported crossing \$1 billion mark last year...."

There are two industries we operate under the polymer product category. Those are products manufactured in the rubber industry and the PVC industry. The rubber products are sold in the export market as well as in the local market. PVC products are sold only in the local market but we are trying to exploit the export market.

Rubber Industry in Sri Lanka

Sri Lanka is renowned for its production of high-quality natural rubber and rubber-based products as the pioneer of the global Natural rubber industry. Products made in Sri Lanka are internationally accepted for their durability and superior quality. Sri Lanka's natural rubber has a high demand in the world market due to its unique properties. The country now has a premium quality natural rubber type known as Lankaprene which is odour free to a certain extent, light coloured, and clean which is ideally suited for medical equipment and up-market value-added products. Initiated by the planting of 1,919 seedlings in 1876, the Sri Lankan rubber industry has given birth to an outstanding and profitable supply chain.

Sri Lanka has always been one of the top exporters of rubber. The central bank data shows, that Rubber is one of the top dollar earners of the country. Sri Lanka prides itself in manufacturing a number of value-added rubber products by processing raw rubber. These products include extrusion products like rubber bands, and beadings, rubber latex products such as medical, industrial and household gloves, industrial products like hose, auto parts, industrial components, tyres, tubes, automotive and aviation tyres and general rubber products like rubber flooring, floor mats, carpets, sports goods, footwear, hot water bottles and related components. DSI Group and Samson International Plc produce most of these products. Samson International PLC also produces many products under the Forest Stewardship CouncilTM (FSCTMC134777). These are hot water Bottles, V-Straps, Soles, jar Sealing rings, and seed trays, which are exported to the European market every year. We conduct a sustainable business, or a green business, that has minimal negative impact on the global or local environment, Society, or economy and we strive to meet the triple bottom line objectives of social, environmental/ecological & financial.

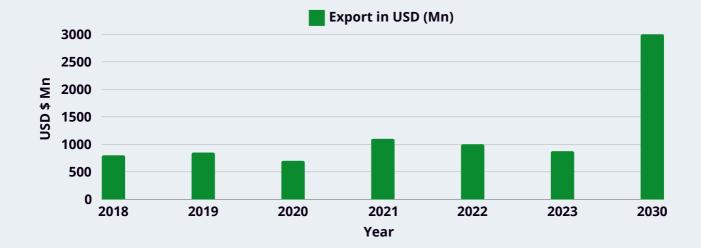
Rubber and PVC Industry Environment(Contd...)

The performance in sector-wise for the years 2022 and 2023 is given below. Pneumatic & Retreated Rubber Tyres and Industrial & Surgical Gloves Rubber have the highest exports in Sri Lanka. We are under other rubber product category.

Description	2023 USD (Mn)	2022 USD (Mn)	Differnce	%
Pneunmatic & Retreated Rubber Tyres	590	597	-7	-1.2%
Industrial & Surgical Gloves of Rubber	226	296	-70	-23.6%
Gaskets, Washers, Seals etc.	57	62	-5	-8.1%
Rubber Plates, Sheets Rods	26	20	6	30.0%
Other Rubber Products	4	2	2	100.0%
Total	903	977	-74	-8.3%

The rubber products exports have decreased by 8.3% from USD 977 Mn in 2022 to USD 902 Mn in 2023. We are in the other product category in the table and we export more than Rs. 1Bn in a year. Our competitive advantage ours is availability of premium quality natural rubber. We must face stiff competition with China & India to rubber based products of ours. We always try to supply high Quality, Eco-Friendly products to our foreign & local customers.

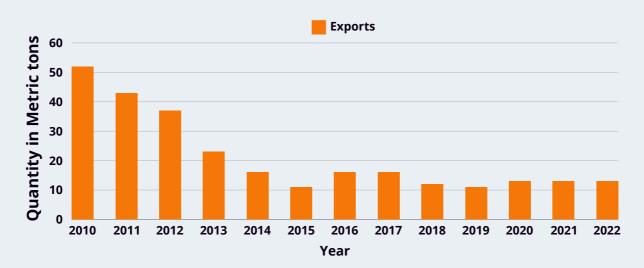
Sri Lanka exports rubber and rubber-based products to the USA, Germany, Belgium, Italy, and the United Kingdom. The country also exports semi-processed natural rubber to Pakistan, Malaysia, India, Japan, and Germany. Sri Lanka's rubber industry is generally positioned as the fourth largest source of foreign exchange for the country accounting for approximately 8 percent of export income. The export income of rubber for the last six years is shown in the graph below. This indicate that we have planned to increase our export income from USD 902 Mn in 2023 to USD 3Bn in 2030.



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The manufactured raw natural rubber falls under types and varieties, out of which the main grades are Ribbed smoked sheets (RSS) rubber, crepe rubber, Technically specified rubber (TSR), and Latex concentrate. In addition to the value-added product, Sri Lanka exports raw rubber as well.

Raw Rubber Export From Sri Lanka (2010 - 2022)



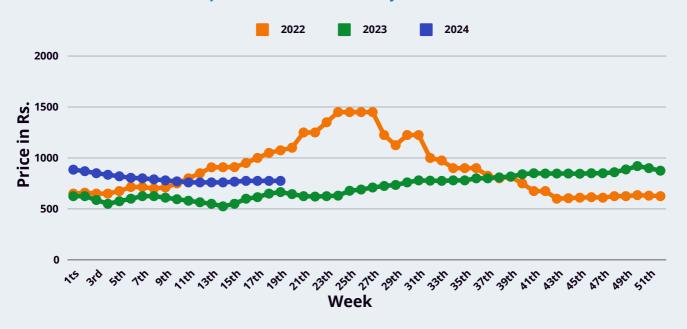
Rubber Research Institute (RRI) of Sri Lanka is one of the oldest research institutes for rubber in the world. Sri Lankan rubber sector provides over 300,000 direct and indirect job opportunities to Sri Lankans across various professions and walks of life. The traditional rubber growing areas of Sri Lanka is located mainly in the wet zone in a land extent of 136,000 hectares. The country's traditional rubber growing districts include Colombo, Gampaha, Kalutara, Kandy, Matale, Galle, Matara, Kurunegala, Rathnapura, and Kegalle. A rubber tree has an economical life of about 25 – 30 years, while harvesting commences at about 7 years from planting. The land extent of rubber is given below.

Land extent	На	
Total rubber	98,583	
Mature	84,998 (86 %)	
Tapping	84,998 (86 %)	
Abundant	8,020 (09 %)	

Certain buyers insist on quality & test certificates from foreign accredited labs which are not represented locally. Hence, exporters must obtain quality & test certificates from overseas labs at enormous costs. Buyers are now insisting on various quality and test certificates and some of them cannot be obtained locally as there are no institutions who can issue such certificates. Therefore, exporters are forced to get these from overseas testing labs at an enormous cost. Government facilitation is requested to set up these labs.

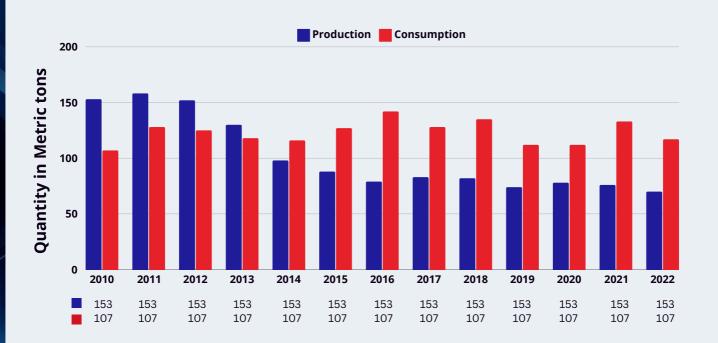
Sri Lanka's exports to GDP ratio has declined 9% to be 21% in 2022 from 23% in 2019. was the highest in a ten-year period. Sri Lanka is a relatively a small economy. Comparatively, in much larger economies of Thailand the export to GDP is 60% whilst Bangladesh & Vietnam are 34% and 93% respectively. Sri Lanka's exports have great potential but need to be focused on by both the Government & the private sector. Sri Lanka needs to aggressively action a plan to grow exports and to be a greater contributor to the GDP. Otherwise, Sri Lanka runs the risk of widening trade deficits and before long another foreign currency crisis could emerge.

Latex Crepe Rubber Price Weekly Trend - 2022 to 2024



The rubber price chart above illustrates fluctuations over time. In April 2023, the price stood at Rs. 550, escalating to Rs. 920 by December 2023. Subsequently, in March 2024, it decreased to Rs. 760. Below the rubber chart

Around 60% of the total raw material cost of our products come from rubber. Therefore, we always monitor rubber price and the consumption. There are two types of rubber namely synthetic rubber and natural rubber. There are fluctuations in synthetic rubber prices due to the changes in crude oil prices. If the crude oil prices go up, the demand for natural rubber is expected to grow as China and other major consuming countries are expected to begin limiting synthetic rubber imports and instead opt to source natural rubber for their end products. At present, both synthetic and natural rubber prices have gone up in unprecedented level. The prices of synthetic rubber would increase due to the war between Russia and Ukraine and natural rubber prices would go up due to the greater demand in the local market and shortage of supplies. The rubber prices could also change from time to time depending on the weather pattern and fertilizer availability in Sri Lanka and other competing countries. Natural rubber production of natural rubber.



Challenges faced by the rubber industry is given below.

1. The income of rubber farmers is affected by Volatility in NR price, declining average yield due to various reasons such as changing weather conditions, uncertainty over tappers' availability on a regular basis, less-skilled tapping, and lack of proper maintenance of trees.

2. Inadequate investment on Research and Development. Eg. Near zero R & D budget in 2023 and lack of experienced and adequate research and technical staff.

3. Nonavailability of suitable lands in non-traditional areas.

4. The attraction of private and public, foreign and local investors for value-added rubber products

5. The competent workforce with the right attitudes and training is needed for more productive resulting in enhanced earnings and become the rubber industry more attractive for employment.

Global

The largest producer and the largest exporter of rubber in the world for 2023 is Thailand. They produced 4,589 tons in 2023. Southeast Asia is widely known as the world's largest region for rubber plantations, with Thailand, Indonesia, Ivory Coast, Vietnam, and India accounting for nearly 75% of the global natural rubber output. Natural rubber output is estimated to have fallen in 2023 by 10.5% in Thailand and 12.1% in Indonesia, the world's first two largest producing countries. But, the production jumped 24.3% in Ivory Coast, the third largest producer.

Natural rubber production for 2023 estimates and 2024 projections for the largest 13 producing countries are shown below.

	2023 Estimate		2024 Projection		
Country	Quantity ('000 Ton's)	Annual Change (%)	Quantity ('000 Ton's)	Annual Change (%	
	(000 Ton's)	Change (%)	(000 Ton s)	Change (%	
01) Thiland	4,589	-10.5%	4,619	0.7%	
02) Indonesia	2,285	-12.1%	2,317	1.4%	
03) Ivory Coast	1,680	24.3%	1,880	11.9	
04) Vietnam	1,395	4.1%	1,389	0.2%	
05) India	846	0.4%	883	4.4%	
06) China	835	-3.2%	875	4.9%	
07) Cambodia	392	2.6%	395	0.8%	
08) Myanmar	390	7.1%	410	5.1%	
09) Malaysia	348	7.7%	355	2.1%	
10) Laos	225	-21.9%	300	33.2%	
11) Brazil	198	3.4%	210	6.1%	
12) Guatemala	126	7.9%	135	7.4%	
World Total	14,050	4.1%	14,625	4.1%	

Source: WhatNext Rubber Media International

The future of the rubber industry is tied to the global economy because rubber is used so often in tyres and non-tire applications. Rubber is used in a wide variety of products including medical equipment, surgical gloves, airplane and car tyres, clothing, toys, footwear, crap tubes, adhesives, hoses, gaskets, roll coverings, and so on. The increasing demand from the automotive industry one of the most important trends in the rubber market.

In the case of the production of synthetic rubber, it has considerably increased in this century. In the year 2000, around 10.9 million metric tons of synthetic rubber was produced, and this amount reached over 14.9 million metric tons in 2022.

PVC Industry in Sri Lanka

Samson PVC is one of the fastest-growing PVC brands in Sri Lanka with a rapidly expanding distribution network covering the whole country. The Company has come a long way from its humble beginnings and is now one of the main players in the PVC pipes and fittings market in Sri Lanka. It product range includes pressure pipes, non-pressure pipes, fittings, trunking, conduits, garden hoses, rainwater management systems, solvent cement, and others such as poly sheets. Samson PVC is also the authorized distributor for Jopex branded taps and fittings in Sri Lanka. Samson PVC has obtained many certifications such as SLS 147 for pressure pipes, SLS 659 for fittings, SLS 993 for conduit pipes, and SLS 1206 for cable trunking. These certifications are a testament to the high standard and quality of Samson PVC products. Samson PVC continues to offer high-quality products at affordable prices even during these difficult times. Meanwhile, they are widening our market presence by continuously appointing new distributors and hardware shops. The secret to our success has been product quality and customer service.

Recently introduced Samson Powerguard electrical conduits and trunking, which are made with specially formulated unplasticized polyvinyl chloride in compliance with the SLS 1206:2000 standard. Now Samson Powerguard is set to revolutionize the PVC industry in Sri Lanka with these products that are manufactured using a specially formulated compound with fire-resistant and electrical insulation properties. Samson Powerguard products are easy to install, handle, maintain, and facilitate for future expansion. When compared to other trunking and conduits available in the market, the Samson Powerguard has a brilliant white colour that matches with most electrical items in the market.

PVC industry has two segments. ie. construction segment and irrigation segment. Pressure pipes, fittings, conduits, truncking, gutters and non-pressure pipes are sold in this sector. In the irrigation sector, hose, irrigation pipes are sold. During last two years, all key players increased the prices more than six times in order to cover their raw material cost. PVC pipes industry also faced a huge challenge due to shortage of fertilizer and cement. This resulted in to drop in sales in irrigation pipes and pressure pipes. Further, the number of Water Board tenders also decreased due to the economic crisis. Construction industry is being severely affected due to the high fuel prices and interest rates, restrictions on imports and a decrease in purchasing power.

The main raw material for PVC pipes is the Resin which is imported. The material cost comprises 85% of the total cost. At present, we do a value-addition process. To import raw materials, all PVC pipe manufacturing Companies faced delays in shipments and increased freight rates. Samson International PIc managed with great difficulty with the export proceeds of the rubber sector to bring back the raw material for the PVC sector.



Global

The global polyvinyl chloride market size was valued at USD 41,520 million in 2022 and is predicted to reach USD 58,080.93 million by 2031.In the future, Asia-Pacific will likely lead the worldwide polyvinyl chloride market. It produces enormous growth from Southeast Asian nations due to increasing trade activities, significant manufacturing investment, and a weak currency. In Southeast Asia, countries such as Vietnam and Indonesia have become centers for food production, necessitating the creation of manufacturing facilities. The facilities will use a considerable quantity of PVC products, creating an excellent potential for resin makers in the region. The U.S. has been one of the largest exporters of PVC because of the abundance of shale gas by which ethylene is obtained, a major requirement of Polyvinyl Chloride. Following the U.S., Germany, China, Taiwan, and France are the top PVC exporting countries.

Middle East & Africa is anticipated to be the fastest-growing market because of the increasing need for building activities in countries such as UAE, Saudi Arabia, and Qatar. Economic growth in Africa has contributed to expanding the consumer market, which is projected to fuel the sector's expansion.

COUNTRY Profile



Galle Fort - Sri Lanka

" Sri Lanka is the one of the few places in the world where it has a remarkable combination of stunning landscapes, pristine beaches, captivating cultural heritage and unique experiences within such a compact location...."

Sri Lanka is a lower middle-income country with a Gross Domestic Product (GDP) per capita of about \$ 4013.69 and a population of approximately 22.16 mn in 2021. The island's strategic location off the southern coast of India along the main east-west Indian Ocean shipping lanes gives Sri Lanka a regional logistical advantage. Topographically, the island consists of a south central mountainous region which rises to an elevation of 2,502m and is surrounded by broad lowland plains at an elevation of 0-75 m above sea level. From the mountainous regions, nine major rivers and 94 other rivers flow across the lowlands into the Indian Ocean.

Sri Lanka is currently experiencing an economic crisis, with government gross debt at 115% of GDP. However, with the assistance of the IMF, the economy has started to show signs of recovery. In the face of the challenges, there are early indications of improvement, highlighting the potential for a gradual stabilization and growth in the near future. The support from international financial institutions is crucial in this recovery process.

Sri Lanka, despite its small size, has a rich biodiversity distributed within a wide range of eco systems, ranging from rainforests to grasslands, rivers, wetlands and freshwater bodies and coastal and marine ecosystems. In terms of plant species diversity there are over 3,800 species of flowering plants of which 23 percent are endemic. Similarly, a rich faunal diversity exists with high endemism. Available information shows that Sri Lanka's biodiversity per unit of land area is among the highest in South Asia.

Sri Lanka is the one of the few places in the world where it has a remarkable combination of stunning landscapes, pristine beaches, captivating cultural heritage and unique experiences within such a compact location.

COUNTRY Profile (Contd...)

Within a mere area of 65, 610 kilometers Sri Lanka has the following:

- a) 8 UNESCO World Heritage Sites,
- b) 1,330 kilometers of coastline (much of it pristine beach)
- c) 15 national parks showcasing an abundance of wildlife
- d) nearly 500,000 acres of lush tea estates
- e) 250 acres of botanical gardens
- f) 350 waterfalls and 25,000 water bodies
- g) Culture that extends back to over 2,500 years

01. Land area : 65,610 sq km 02. Commercial Capital : Colombo 03. Climate : Tropical (10'c - 32'c) 04. Population : 22.16 mn 05. Labour Force : 8.5 mn 06. Languages : Sinhala, Tamil, English 07. Currency : Sri Lankan Rupee 08. Legal System : Roman - Dutch and En: 09. Literacy rate : 92% 10. Main Religions : Buddhism, Christian, Islam, Hindu.

It is a place where the original soul of Buddhism still flourishes and where nature's beauty remains abundant and unspoilt. This is an island of magical proportions, once known as Serendib, Taprobane, the Pearl of the Indian Ocean, and Ceylon. Discover refreshingly Sri Lanka.



Colombo, the present commercial capital, is an interesting blend of varying influences and is over 600 years old. Almost one million out of the entire 22 million strong population of Sri Lanka resides in Colombo, and the country prides itself on having one of the highest literacy rates in Asia. The people of Sri Lanka are of diverse races and faiths, with the majority being Sinhalese who are mainly Buddhists but who harmonize with the Tamils, Muslims, Burghers and other ethnic groups. Although well on the road to modernization, the country and its people still cherish their traditional values and take pride in their rich culture, an aspect that continues to attract visitors.

Total no of employed persons in Sri Lanka is estimated as about 8.6 Mn of which, about 45% engaged in service sector, 29% in agriculture sector and 26% in industry sector. The unemployment rate is 4.6%.



COUNTRY Profile (Contd...)

Some of the Labour force statistics for the year 2022 is given below

Indicator	Total	Male	Female	Urban	Rural
Population (18 Years & Over)	16,017,794	7,337,312	8,680,482	2,713,894	13,303,900
Labour Force in this Age Group	8,514,683	5,555,144	2,959,569	1,364,088	7,150,594
Labour Force in Participation Rate	53.2	75.7	34.1	50.3	53.7
Employed Population	8,122,286	5,354,261	2,768,026	1,296,161	6,826,125
Employment Rate	95.4	96.4	93.5	95.0	95.5
Unemployed Population	392,396	200,853	191,543	67,927	324,469
Unemployment Rate	4.6	3.6	6.5	5.0	4.5
Not In Labour Force	7,503,111	1,782,198	5,720,913	1,349,806	6,153,305

Indicator	No or %	2022
Government expenditure on education % on GDP	%	1.9
Pupil-teacher ratio (primary education)	No	26
Pupil-teacher ratio (secondary education)	No	22.3
Practicing phycian per 1000 inhabitants	No	1.2
Hospital beds per 1000 inhabitants	No	4.2
Agricultural land % of land area	%	45.5
Forest area % of land area	%	34.1

COUNTRY Profile (Contd...)

Sri Lanka is blessed with natural produce such as tea, spice and fisheries. Additionally, it manufactures high quality garments, porcelain, ceramics, and other industrial products. Innovative businesses are now taking these traditional exports into new and emerging markets. Despite uncontrollable external threats including the emergence of low-cost manufacturers from Asia and Africa, regional political tensions and global trade wars, the Made in Sri Lanka brand remains a top sourcing option for high quality and ethically manufactured products.

After 30 years of civil war, Sri Lanka is transitioning from a predominantly rural-based economy to a more urbanized economy focused on manufacturing and services. Sri Lanka's export economy is dominated by apparel and cash-crop exports, mainly tea, but technology service exports are a significant growth sector. Prior to the April 21, 2019, Easter Sunday attacks, the tourism industry was rapidly expanding, with Lonely Planet naming Sri Lanka its top travel destination in 2019. Subsequently Sri Lanka faced Corona epidemic and had a severe impact on the economy.

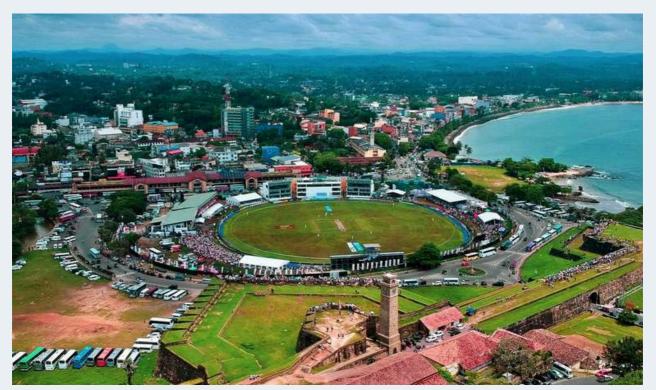
After the Covid -19 crisis, the Buzzwords being heard in & around these days are reforms & resetting the economy. The Result of Exchange & Interest rate Adjustments that took place in 2022, complete with the unavailability of goods & services for most months during the year. Economic activity has been derailed. Both these changes will have a telling impact on corporates. It is likely that working people will see a contraction in their disposable income, which will lead to a slowdown in consumption led economic growth and businesses will have less profits to reinvest for future growth. Sri Lanka is now in the process of gaining assurance from bilateral creditors for tier debt restructuring to obtain International Monetary Fund's board approval towards unlocking the US \$ 2.9 bn bailout package.

City of Galle

Our factories are located in the city of Galle. The seaside town of Galle is 116 Km away from Colombo by road or rail, down the south coast of Sri Lanka. We can also take the Southern Expressway to reach the city by one and half hours from Colombo. This atmospheric small city is one of the country's eight UNESCO World Heritage Sites, notable for being the best example of a fortified city built by Europeans in South Asia (the Indian Subcontinent) and Southeast Asia. Restaurants, and hotels now occupy the old colonial buildings that line its cobblestone streets. Galle is surprisingly unlike anywhere else in Sri Lanka and it is an ideal place to relax in style.

The Fort is the heart of the Galle's history. The walled city has stood since the early sixteenth century, through the Colonial periods of the Portuguese, Dutch and British and in our present times is proclaimed as an Archaeological Reserve and has been identified as a living World Heritage Site. Unawatuna bay in Galle provides safe swimming and snorkeling, since it is protected by a reef. Rhumassala Kanda is also associated with the legend of the traditional Ramayana story. The drive to Baddegama is a delightful experience and leads out to the fine church consecrated in 1825, by Bishop Heber – Bishop of Calcutta.

Today, Galle is a tourist resort which is also a historical city in Sri Lanka. Further international stadium situated near Galle Fort and fringed on two sides by the Indian Ocean. It is considered to be one of the most picturesque cricket grounds in the world. This ground was initially built as a race course in 1876. This is situated 100km away from Colombo.



City of Galle

GOALS and Strategies

We find ourselves navigating through stormy waters. Yet, we firmly believe that no challenge is insurmountable when met with our resolve. We neither exaggerate the magnitude of obstacles nor underestimate our capacity to overcome them ..."

Our Corporate philosophy is reflected in our Vision and Mission statements and in our values. It reflects or explicitly states basic relief, values, aspirations, and philosophical priorities. In turn, strategic decision-makers are committed to emphasizing these in managing the Company.

Our Vision

"We will be a leading polymer product manufacturer in the region".

Our vision statement describes where the Board wants the Company to be. This acts as a driving force for executive management, employees and our investors. This focuses the company on working towards the same goal, giving guidance for decision-making and providing the source for the company's realistic, achievable goals and objectives.

Our Purpose

Making a positive impact in the lives of people across the globe"

A purpose statement defines the company's reason for the company's existence. We make activities that significantly increase the ability of all life (current and future generations) to meet their needs.

Our Mission

"We will become a versatile manufacturer of diversified polymer products in the global market by utilizing modern technology while providing optimum value to stakeholders".

Our company's mission statement serves as an abstract of the Company's direction and is particularly helpful to outsiders who value condensed overviews.

Our mission statement indicates the following:

- Specification of the basic product (ie diversified polymer products)
- Primary market (ie global market), and
- Principal technology for production or delivery (ie by utilizing modern technology).

Our mission is to drive us to constantly push boundaries and exceed expectations in everything we do.

Our Values

Company values are the set of guiding principles and fundamental beliefs that help our team to function together and work toward our common business goal. Our values are given below.

- Contributing to the country's socio-economic development,
- · Respecting our national and religious heritage,
- Protecting and safeguarding our environment,
- Enhancing disciplined human resources based on the family concept."

Some of the examples of the values that the company practices are as follows.

- Contributing to the country's Socio-economic development

- Business is conducted lawfully and with integrity and focus
 on CSR activities
- Resources including water and waste, are managed in a sustainable, and circular way

F Respecting our national and religious heritage

- · Respect to all religions, nationalities and ethnic groups.
- Family life are Promoted and helping employees & villagers during the economic crisis.

Protecting and safeguarding our environment

- The planet is Protected by giving priority on green energy and cultivation.
- Working and living conditions are suitable.

Enhancing disciplined human resources based on the family concept.

- · Loyalty, honesty, trust and accountability are maintained.
- Fundamental labour rights are respected.

A Company's value creates the corporate ethos or culture. Our Value statement expresses how the company wishes to behave towards our stakeholders.

OUR PEOPLE

We continuously strive to foster a workplace culture that values and supports our employees, recognizing them as our most valuable asset.

OUR COMMUNITY

We are dedicated to serving as a responsible corporate citizen and making a positive impact in the communities where we operate and reside.

OUR CUSTOMERS

Our commitment lies in providing our customers with rubber and PVC products of the highest quality, reliability, and innovation, tailored to meet their needs and surpass their expectations.

OUR SHAREHOLDERS

We prioritize financial performance and accountability to consistently deliver returns to our shareholders. Our decisionmaking process is guided by long-term sustainability and ethical practices.

OUR SUPPLIERS

We maintain close partnerships with our suppliers to ensure the sourcing of the finest materials and the maintenance of a sustainable and ethical supply chain.

OUR PLANET

Sustainability is at the forefront of our priorities as we endeavor to minimize our environmental footprint. Through eco-friendly manufacturing processes, energyefficient technologies, and sustainable practices, we aim to contribute to a healthier planet.

Business Ethics

We have explained our Business Ethics under Corporate Governance on page 156.

Code of Conduct

Our code of conduct defines a set of expectations for the behavior of our people. It serves as a guide to understand the essentials of our policies and how those policies are anchored in our values. We expect our people to comply with our code of conduct and we also expect our stakeholders, such as bankers, suppliers and shareholders to act in a manner that is consistent with our code.



Long-term Goals

The long-term goals of Samson International Plc are given below.

1. Establish a direct market presence in more than 50 countries.

2. Design and manufacture of five new products per year for the global market.

3. Achieve the market leadership in our PVC product lines.

4. Reach our revenue and profit at a rate more than the current industrial norm.

5. Attain forward and backward integration through takeovers and acquisitions.

6. Strive for the uplifting of our community while adhering to high ethical standards in business.

Our Objectives

An objective is a measurable target tied to achieving strategic goals. To achieve our Vision and Mission, we believe that just achieving our objectives in one function is not adequate to run the business in the long term. We also need to suitably balance all four functions simultaneously. For example, while achieving financial returns we also need to look at the customers' perspective, factory development and investment in human resources etc.

Objectives and Strategies set for 2024/25:

Objectives set in 2023/24 and Extend of achievements:

Plans for 2024/25	Strategy	Plans for 2023/24	Extent of Achievement	
To buy a Rotocure	Product development	Company makes every effort to introduce our products	Found customers in Japan & Middle – East.	
To regain our market share in PVC segment	Market penetration	To increase the market share by 15% in PVC segment	Retained at 5%	
Reduce gearing by 10%	Minimize financial risk	Where possible, forward exchange contracts are entered	Restrictions from	
Where possible, foreign exchange hedging techniques are appliedto	Minimize the	into for minimizing the exchange risk.	the government	
minimize the exchange loss risk.	exchange risk	The Company continuously invests in Research and Development activities	Done	
The Company continuously invests in Research and Development activities	Product development	Wherever possible, we hire		
Invest in solar project in PVC plant	Sustainability	employees from sister Companies to cover the temporary labour shortages.	Done	
The Company continuously carries out environmental audits	Minimize Operational risk and invests in CSR activities	The Company continuously carries out environmental audits and invests in CSR activities	Done	
Company will develop ten new products	Product developments	Company will develop five new products	Done	
Develop our brands to be perceived as high-quality products	Market penetration	Develop our brands to be perceived as high-quality products to maintain a competitive advantage	Achieve to a larger extent	
Participate in all possible exhibitions in overseas and local	Market developments	Participate all possible exhibitions in overseas and locally	Non in overseas and one in local exhibition	
Expand pressing capacity	Enhance efficiency	Upgrade in-house mixing facility	Done	
Sales promotion through electronic media	Market penetration	Sales promotion through electronic media	Done	

Strategic Plan

Strategic decisions are taken for matching a Company's activities to the environment, matching the Company's activities to its resources and its capability to change, allocating major resources in the organization, concerning the Company's long-term direction and relating to the full scope of a Company's activities. Many Companies see strategy as responding to environmental changes, but frequently some leading Companies seek to shape that environment through their strategy, rather than just responding to it. We use both strategies depending on the circumstances.

We use the following techniques and analysis for formulating strategies.

• Ansoff matrix (market penetration, market development, product development and diversification).

• Balanced scorecard (looking at finance, customer, internal business process and learning & growth point of view).

• BCG matrix (Stars, cash cows, question mark, dogs).

• Competitive analysis (Five Forces driving industry competition-Bargaining power of buyers & suppliers, threat of new entrants & substitutes and rivalry among existing competitors).

• Competitive positioning (Geographical coverage, distribution channels, branding, quality, R & D capability, pricing policy, gearing ad ownership structure etc).

- Generic strategies (Low-cost leadership, differentiation, focus).
- Internal analysis (core competencies, value chain, portfolio).

• Scenario planning (a way of capitalizing on change and in doing so, helping leaders to cope with uncertainty).

- SWOT analysis.
- Stakeholder mapping.

Our three-year Strategic plan is prepared annually before the commencement of a financial year. Our eyes are more frequently placed in front because it is more important to look ahead than to look back. This strategic plan covers the above techniques and analysis. In this planning session, we strengthen operations, set priorities, focus energy, ensure resources, employees and other stakeholders working toward common goals, establish agreement around intended outcomes/ results, and assess, and adjust the organization's direction (Mission and Objectives) in response to a changing environment.

No matter what industrial or commercial sector a company specializes in, the business environment has many different influences which interact with one another and change with time. These influences are largely beyond a Director's control, but our Directors do cope with this complexity, unravel the key influences, and understand their effect on decision-making. Strategic analysis provides an objective, structured approach to the problem.

Business Performance Analysis

The SWOT analysis of the Company is given below.

Key Strengths

- 1. Wide product range
- 2. Strong, loyal and old customer base
- 3. Being in the business for the last 35 years
- 4. Low-cost dollar borrowing facilities
- 5. ISO certified since 1994 to date
- 6. Support from other sister Companies

Key Challenges

- 1. Low-cost manufacturers from India, China and Indonesia who are penetrating our market.
- 2. Unpredictable raw material prices (especially rubber, and resin) and volatile exchange rates.
- 3. Adverse climate changes
- 4. Environmental pollution issues
- 5. Shortage of skilled workers
- 6. Unstable political environment
- 7. Global and local economic recession
- 8. Unpredictable global virus issues

Key Opportunities

- 1. New market for USA, South America and Japan
- 2. High potential for yoga mat and CPVC products
- 3. Investing for a roto- cure to produce continues sheets
- 4. Gaining Chinese's markets due to the import restrictions

Material Issues

Material matters represent critical factors that significantly influence our value creation and performance. These factors are of utmost importance to our stakeholders, as they rely on this information to inform their decisions and determine their level of engagement with our company. We continuously evaluate the relevance of these material matters through an ongoing process, incorporating stakeholder feedback and aligning them with our strategic goals for value creation.

The material matters have been identified based on our operations, and the extend of its impact & boundary aspect were identified which has been linked to its corresponding Global Reporting Initiative (GRI) topic. (Please see the page 239).

During the strategic planning meetings, the followings were identified as material issues for the Company after evaluating the process.

Material Aspects

Extend of impact or Significance

Aspect Boundary

	- 0	
Rubber prices	Critical	External
Skill labours	Critical	External
Global Virus issue	Critical	Internal and External
Exchange rate	Critical	External
Product mix	Critical	Internal
Weather	Critical	External
Wastage percentage	High Impact	Internal
Trainings	High Impact	Internal
Economic performance	High Impact	External
Energy	High Impact	Internal and External
Imported raw material prices	High Impact	External
Labour/ management relationship	High Impact	Internal
Promotions and communication	High Impact	Internal
Customer loyalty	High Impact	External
Water	Moderate Impact	Internal
Transport	Moderate Impact	Internal
Community relationship	Moderate Impact	External

Strategic Planning Process

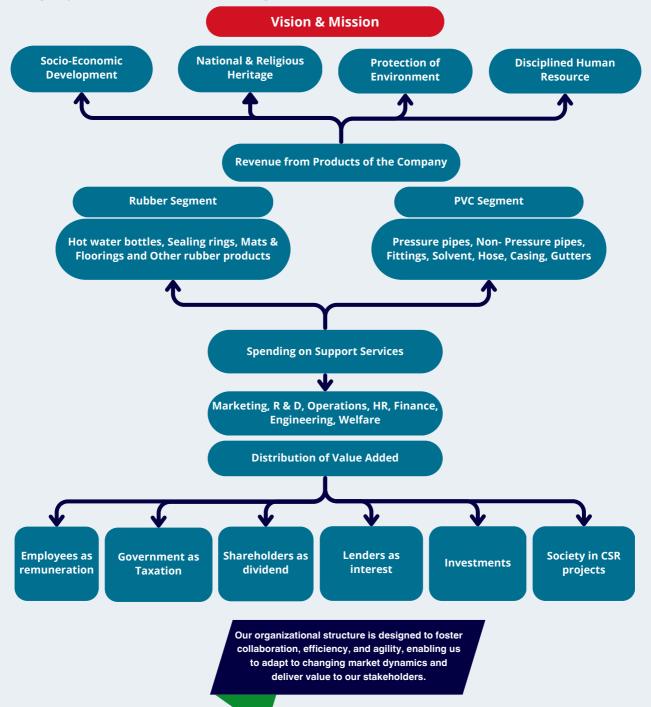


Value Creation

"We firmly believe that a sustainable business platform cannot be achieved in isolation and we need a constructive dialogue with all stakeholders..."

Value creation is the process of generating additional worth or benefits for our stakeholders beyond the initial resources or inputs invested. It involves increasing the overall value of a product, service, or company through various means, such as innovation, efficiency improvements, differentiation, or meeting the needs and preferences of customers. Samson International PIc earns revenue from two segments namely rubber and PVC. The revenue generated from these segments is distributed and shown it in the diagram below. At present, we obtain a greater revenue from the rubber sector. Our exports have been growing even though there was a decline in the year under review due to the local and global economic crisis. The distribution of value added has been also discussed on page 93.

Company revenue distribution diagram



Value Creation (Contd)

OUR VALUE CREATION MODEL CAPITAL INPUTS

VALUE TRANSFORMATION

OUR VISION

TO BE A LEADING POLYMER PRODUCTS MANUFACTURER IN THE REGION





PROCUREMENT OF RAW MATERIALS

MARKET PENETRATION

ENABLED BY

Corporate Governance practices M

Proactive Budgeting Risk and Financial Management Management Effective People Management

STRATEGIC PRIORITIES

OPERATIONAL EXCELLENCE

SUSTAINABILITY

PRODUCT DIVERSIFICATION

FINANCIAL CAPITAL

(Page 94)

Shareholders and debt providers finance the expansion plans of the Company in return for sustainable returns

Shareholders funds: Rs. 573 Mn Debt: Rs. 160 Mn

MANUFACTURED CAPITAL

(Page 99)

Machinery, equipment and other physical infrastructure that facilitate production

Property, plant and equipment: Rs. 637 Mn

HUMAN CAPITAL

(Page 107) Skills, attitudes and work ethic of 458 employees

SOCIAL & RELATIONSHIP CAPITAL

(Page 122)

Relationships which facilitate continuity of operation

Suppliers: 108 Sub-contractors: 45

Community relationships

INTELLECTUAL CAPITAL

(Page 131)

Tacit knowledge and capacity for innovation Systems, processes and standards

NATURAL CAPITAL

(Page 127)

Cognisant of our responsibility in mitigating adverse environmental impacts

Solar Power : 751 KW Paddy Harvest: 600Kg 1 acer Cinnamon

Value Creation (Contd)

PERFORMANCE OUTCOMES

OUTPUTS

FINANCIAL CAPITAL

(Page 94)

Generating sustainable shareholder value

- Market price per share: : Rs. 147.50
- Net Assets per share :Rs. 135.38



MANUFACTURED CAPITAL

(Page 99)

Capital expenditure: Rs. 126 Mn
 Capacity expansion

HUMAN CAPITAL

(Page 107)

Creating a conducive, dynamic and rewarding work environment

- Total payments to employees: 499.9 Mn
- Investment in training: 0.2 Mn
- Employee retention: 98%

SOCIAL & RELATIONSHIP CAPITAL

(Page 122)

Maintained proactive, mutually beneficial and equitable

relationships with stakeholders

- Supplier payments: 916 Mn
- Payments to sub-contractors: 13.1 Mn
- Community investments: 0.5 Mn

INTELLECTUAL CAPITAL

(Page 131)

Maintained market leadership position in sewing machines

- New products launched: 10
- No.of Brands: 10
- investment in R & D: Rs.40 Mn

NATURAL CAPITAL

(Page 127)

Environmental impacts of our operations

- Waste generated: MT 54.5
- Water consumption: 0.28 cubic meter/MT
- Energy intensity: 7.9 Gj/MT



25 PVC Related Products

Page 92 SAMSON INTERNATIONAL PLC Annual Report 2023/24

Value Creation (Contd)

Value Added and distributed

The Company has been doing value additions continuously since its inception (1988). The Company generated a value addition of Rs. 417 Mn during the year against Rs. 938 Mn in 2022/23 which was shared with the various stakeholders with a portion retained within the Company. This has decreased by 56% in the current year. The value addition per employee per month in the current year decreased by 51% from Rs. 154,213 in the previous year to Rs 75,934 in the current year. We have incurred a loss of Rs. 287 Mn in the year. As a result the distribution of value added has declined.

	2023/24	2022/23	Decreased by
Value addition per employee per month	75,934	154,213	51%

120% of the total value additions was distributed to employees and 82% was incurred to purchase material and services.

Statement of value added and distributed Value Addition

2023/24 2022/23 % % Rs.'000 Rs.'000 100 2,316,265 2,894,860 Turnover 100 Less:Cost of materials and services purchased 1,898,933 (82) 1,956,629 **Total Value additions** 417,332 18 938,231

(68)

32

Value distributed

	2023/24 Rs.'000	%	2022/23 Rs.'000	%
To Employees as remuneration and welfare	499,927	120	516,616	55
To the Government as taxation	-	-	37,517	4
To the Shareholders as dividend	-	-	8,464	1
To lenders of capital as interest	152,705	37	212,622	23
To retain in the business - as depreciation	84,570	20	77,493	8
As retained profits	(319,870)	(7	85,519	9
	417,332	100	938,231	100

FINANCIAL Capital

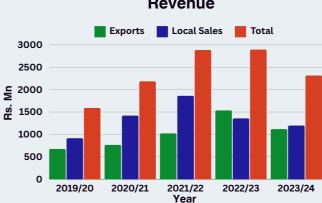


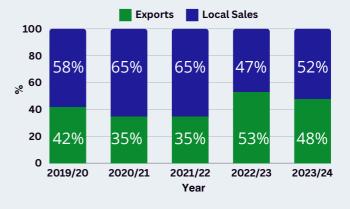
"Samson International PIc received many annual report awards from CA Sri Lanka and an international award from South Asian Federation of Accountants"

e are pleased to inform you that we received a merit award for the Annual report from the Institute of Chartered Accountants of Sri Lanka for the year 2022/23 in the category of manufacturing turnover up to Rs. 10 Bn. The Institute of Chartered Accountants conducted this local annual report competition based on the criteria of Transparency, Accountability, Governance and Sustainability.

Yearly Performance Revenue

In the current financial year, the Company's turnover stands at Rs. 2,316 Mn, marking a 20% decrease from the previous year's turnover of Rs. 2,895 Mn. Both the rubber and PVC segments experienced declines, with rubber sales decreasing by 22% and PVC sales by 15% compared to the previous year. Out of the total revenue of Rs. 2,316 Mn for the year ending 31st March 2024, 52% was generated from local sales, while the remaining 48% came from export sales. Export sales decreased by Rs. 418 Mn, dropping from Rs. 1,536 Mn in the previous year to Rs. 1,118 Mn in the current year. This decline primarily stemmed from reduced sales in sealing rings, hot water bottles, mud flaps, and rubber bands. Local sales have been growing tremendously after the Company stepped into the PVC business. However, PVC sales have come down by Rs. 121 Mn from Rs. 799 Mn in the previous year to Rs. 678 Mn in the current year due to the contraction in the construction industry in the country.





Revenue

Gross Profit Margin

The company's gross profit decreased from Rs. 854.5 Mn in the previous year to Rs. 338.8 Mn in the current year. The Gross Profit Ratio also dropped from 30% to 15% during this period. This decline can be attributed primarily to the appreciation of the Euro and USD against the LKR in exports, as well as a reduction in sales of high-margin items.

Operational Profit/ (Loss) (Profit before Finance cost)

In the current financial year, we experienced an operational loss of Rs. 108.5 Mn, contrasting sharply with the Rs. 379.5 Mn profit from the preceding year. Notably, our selling and distribution costs for this year were Rs. 122.9 Mn, down from Rs. 144.3 Mn in the previous year. This decrease is primarily attributed to a 60% reduction in export expenses, thanks to the normalization of freight rates. Additionally, our administrative overhead costs amounted to Rs. 352.8 Mn in the current year compared to Rs. 337.7 Mn in the prior year.



Profit / (Loss) before Taxation

The Company recorded a pre-tax loss of Rs. 287.5 Mn this year, compared to a profit of Rs. 154.6 Mn in the previous year. This loss was primarily due to decreased sales and narrower gross profit margins. However, finance costs decreased by Rs. 45.1 Mn, from Rs. 234.5 Mn last year to Rs. 189.4 Mn this year. Exchange losses amounted to Rs. 36.7 Mn this year, up from Rs. 21.9 Mn last year, mainly due to the LKR's appreciation against the USD and EURO. The interest cover ratio stands at -0.64 times for the year.



The Company continues to maintain a clear and coherent approach to hedging which is carried out with pre- approved financial institutions. Our company enter into such arrangements only with financial institutions we believe that they are able to perform their obligations over the entire tenor of our economic exposure.

Taxation

The corporate tax rate for both domestic and export sales is 30%, and the Company's effective tax rate is also 30% (see Note 10 in the Financial Statements on page 203 for more details).

	2023/24	2022/23
Tax on profit of the year	-	37,517,552
Deferred tax expense/(Income)	7,054,081	24,231,944
Total (Rs.)	7,054,081	61,749,496



9.6

-0.2

2019/20

15.5

2022123

7.0

2023/24

Profit / (Loss) for the year

2018/19

si 20

0

-20

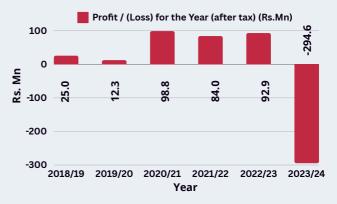
2017/128

During the year, the Company incurred a loss of Rs. 294.5 Mn compared to a profit of Rs. 92.9 Mn in the preceding year. During the review period, the Company encountered an exchange loss due to the strengthening of LKR, coupled with a significant decline in gross profit margins.

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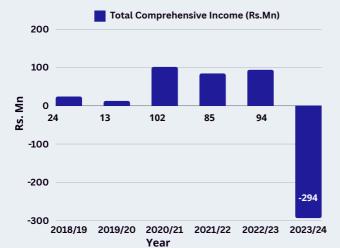
Year

202



Total Comprehensive Income/(Expense)

The total comprehensive expense for the year amounts to Rs. 293.4 Mn, which includes an actuarial gain of Rs. 1.6 Mn on post-employment benefit liability and deferred tax on actuarial loss of Rs. 0.5 Mn for the current financial year. In comparison, the total comprehensive income for the previous year was Rs. 94.0 Mn.



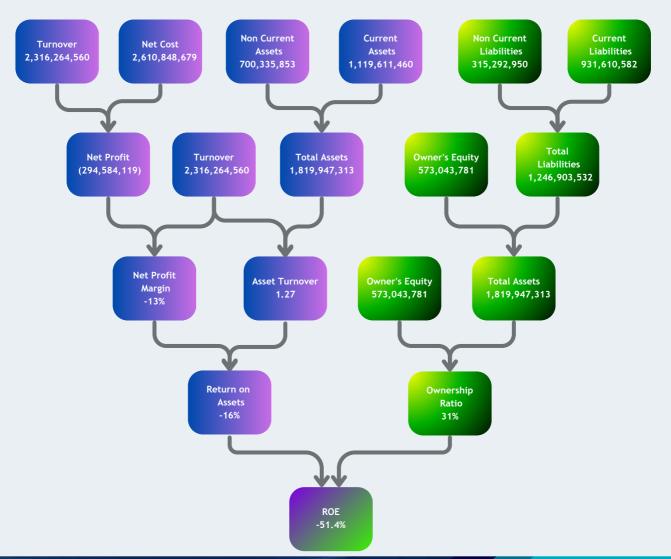
Dividend

The Directors recommended not to pay any dividend due to the significant loss incurred by the Company for the year ended 31st March 2024. Company paid a final dividend of Rs. 2.00 per share amounting to Rs. 8.4 Mn during the year, in respect of the year ended 31st March 2023. In accordance with LKAS, the proposed final dividend, subsequent to the reporting date is not recognized as a liability in the Financial Statements as at 31st March 2024.

DuPont Analysis

The DuPont analysis is a valuable framework utilized for evaluating fundamental performance and is now extensively employed for comparing operational efficiency. It serves as a useful technique for breaking down the various factors that drive return on equity (ROE). These drivers indicated below highlight our operational efficiency of the business.

According to the below diagram, the Return on Equity is - 51.4%, and the net profit to turnover margin is -13%. The asset turnover ratio is 1.27 times, with total assets amounting to Rs. 1.8 Bn.



Solvency

Section 56 of the Companies Act No. 07 of 2007, requires that a solvency test be carried out prior to the payment of dividends. As the Board of Directors did not recommend dividends for this year, it is not necessary to obtain a Certificate of Solvency from the Auditors.

The Actual Performance Vs Predetermined Targets(Budgeted) Bs in "000"

			5.111 000
	Predetermined targets	Actual	Variance
Turnover – Rubber segment	2,453	1,638	(815)
Turnover- PVC segment	1,150	678	(472)
Total Turnover	3,603	2,316	(1,287)
Exports	1,815	1,118	(697)
Local sales	1,788	1,198	(590)
Gross Profit %	25.6%	14.6%	(11%)
Net profits/ (loss) before tax	117.1	(287.5)	(404.6)

Due to the economic downturn both nationally and across Europe, we fell short of our preset targets for the year, leading to financial losses.

Investments

Throughout the year, the company allocated Rs. 126 Mn towards fixed assets, which included investments in a Kneader Machine, mill, and molds. As of 31st March 2024, the net asset value per share stood at Rs. 135.38, compared to Rs. 212.95 on 31st March 2023. We had to curtail certain planned investments due to facing losses. Additionally, we prioritized managing our gearing position.

As at 31st March 2024, the Company had following financial investments.

Investment	Bank	Rs. Mn	Rs. Mn
Fixed Dependent	Bank of Ceylon	10.5	
Fixed Deposits	DFCC Bank	18.8	29.3
Debentures	Seylan Bank		10.0
Treasury bills			23.0
Total			62.3

Information Technology

Over the past 36 years, Samson International Plc has made substantial investments in Information Technology infrastructure. These investments have been aimed at boosting operational efficiency and facilitating timely and informed decision-making. In our view, Information Technology plays a crucial role in improving operational effectiveness and gaining a competitive edge in today's tech-driven landscape. Our company has committed over Rs. 60 Mn towards implementing and upgrading the IFS ERP system, and we regularly update it to ensure optimal performance. Additionally, we prioritize ongoing training for our staff in Information Technology to keep them abreast of the latest advancements in the field.

Working Capital Cycle

The Working Capital Cycle for the current year and the previous year is as follows.

	2023/24	2022/23	Variance
Debt Collection Period (Days)	56	59	3
RM Holding Period (Days)	67	132	65
WIP Holding Period (Days)	8	3	-5
FG Holding Period (Days)	33	49	16
Credit Settlement Period (Days)	-45	-28	17
Cash Operating Cycle (Days)	165	243	78
Operating Cycle (Days)	119	216	97

We've observed a significant decrease in the operating cycle, dropping from 216 days in the previous year to 119 days in the current year. Similarly, our cash operating cycle has improved from 243 days to 165 days. These improvements stem from the movement of raw material and finished goods stocks that had accumulated during the economic crisis period. Additionally, we enhanced our debt collections from 59 days to 56 days and negotiated longer credit periods with suppliers.

Cash flows

The deficit in cash and cash equivalents has reduced from Rs. 68.7 Mn as of 31st March 2023, to Rs. 32.7 Mn as of 31st March 2024. The net cash utilized for investing activities amounted to Rs. 125.8 Mn for the current year, primarily attributed to investments in Property, Plant, and Equipment. Additionally, there was a net cash outflow of Rs. 14.8 Mn from financing activities during the review year, contrasting with a Rs. 112.3 Mn inflow in the prior year, mainly due to the settlement of working capital loans.

Total Liabilities

The Company's total liabilities rose by 1% compared to 31st March 2023, primarily due to the uptick in import creditors. This increase was driven by the gradual rise in PVC turnover, necessitating the importation of PVC materials in the latter part of the year. Consequently, the gearing ratio, including short-term debts, increased from 50% to 60% in the current year.

Market Capitalization

The Company's market capitalization was Rs. 624.3 Mn down from Rs. 1,074 Mn in the previous year at the closing share price. In the year under review, the highest traded price of the Company's share was Rs. 264 while the lowest price was Rs. 126 The PE ratio for the year ending 31st March 2024, stood at -2.1 times, contrasting with the previous year's 11.5 times.

Discussion on Internal Control System

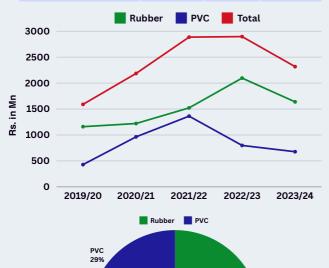
Our internal audit function has also been out-sourced to Messrs T & D Associates, Chartered Accountants, in addition to verification carried out by our internal audit department. They continue to improve our systems of internal controls to ensure stronger procedural compliance and conformity with the Group polices and legal requirements. The internal auditors directly report to the Audit Committee in which there are independent, Non- Executive Directors. They go through the internal audit reports quarterly and take necessary action to strengthen them. Further, the Company invested in a more advanced ERP system.

The supply department obtains several quotations prior to taking a decision on purchasing any item. For all chemicals and services, there is more than one supplier in order to minimize the operational risks. Capital items valued at more than Rs. 500,000 have to be approved by the Board in the quarterly board meetings and audit committee meetings. A board paper should be submitted for all major capital expenditures with a feasibility report. When any price increase is anticipated especially for rubber and chemicals, we maintain buffer stocks. Engineering spare parts are stocked for frequently needed repairs on machinery.

Segmental Review

The Rubber segment faced a decline in turnover during the current financial year. Conversely, while the PVC segment had sustained sales growth since its inception, its turnover decreased over the past two years due to the economic crisis in the country. Here is the segment-wise sales analysis provided below.

			Rs. in "000"
Year ended	Rubber	PVC	Total
31st March 2024	1,638,297	677,968	2,316,265
31st March 2023	2,096,091	798,769	2,894,860
31st March 2022	1,521,634	1,363,555	2,885,189
31st March 2021	1,221,374	964,495	2,185,869
31st March 2020	1,160,566	429,636	1,590,202
31st March 2019	1,229,609	339,736	1,569,345
31st March 2018	900,474	215,975	1,116,449
31st March 2017	1,057,269	192,228	1,249,497
31st March 2016	982,878	195,460	1,178,338



71%

Key Ratios

The loss in earnings per share for the current year is Rs. -69.60, a decline from earnings per share of Rs. 21.95 in the previous year. As of 31 March 2024, the market price was Rs. 147.50, down from Rs. 253.75 last year. The Return on Capital Employed (ROCE) for the year stands at -51.4%.



The PE ratio for the year is -2.1 times and Dividend payout ratio is 0%. The current ratio as at 31st March 2024 and 31st March 2023 are 1.20 and 1.72 respectively. The liquidity ratio as at 31st March 2024 is 0.67 as against 0.79 as at 31st March 2023. The total assets as at 31st March 2024 is Rs. 1,811 Mn. The graphs of Dividend pay-out Ratio, Total assets, ROCE and Market capitalization have also been shown in the Financial Highlights on Page 06.

1) Key Audit Matters reported in the last year auditor's report

The action taken and the current status for the key audit matter reported in the previous year's audit report is given below.

Key Audit Matter	Current status
Provision for deferred tax	Potential risk and errors have been eliminated as much as possible when significant management estimates, judgments and uncertainties are involved

1) Quarterly Performance

Both the rubber and PVC segments experienced losses this year. The Company reported a net loss before tax of Rs. 287.5 Mn, a significant decrease from the Rs. 154.6 Mn profit recorded in the previous year. All annual adjustments and provisions were made during the last quarter. The summarized four-quarter financial details are presented on page 229. The Company incurred losses in all quarters except for the third quarter, with the highest loss recorded in the fourth quarter. The second and third quarters saw the highest local and export sales. Notably, the fourth quarter incurred the highest exchange loss of Rs. 25.6 Mn, while the third quarter recorded an exchange gain of Rs. 10 Mn.

MANUFACTURED Capital

Rs.126 Mn Capital expenditure Rs. 417 Mn Value addition Rs. 4.9 Mn Turnover Per employee

03 Number of Factories

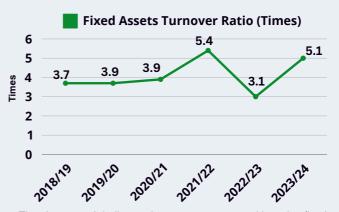


"We aim at versatility with the intention of becoming bigger and bigger, year by year..."

anufacturing capital refers to the physical assets, infrastructure, and technology utilized in the production process within the manufacturing sector. It encompasses various tangible resources and facilities necessary for manufacturing goods. Manufacturing capital represents the tangible assets and resources deployed in the manufacturing sector to produce goods efficiently, maintain quality standards, and meet customer demand. Effective management and investment in capital are essential manufacturing for enhancing competitiveness, innovation, and sustainability in manufacturing operations. This includes the following assets and processes.

Production Equipment

We are able to produce many products for several industries. We have manufacturing facilities for compress moulding, extrusion, microwave, injection moulding, C pressing, and mixing. Our products are available for Pharmaceutical, Food and packaging, Matting and flooring, Automotive and industry, Construction, and Agriculture industries. Our PVC product range covers Construction, Agriculture and irrigation, Electrical, and Water tap accessories. Escalating costs of raw materials and intense price competition in the market compelled us to reengineer our processes to minimize wastage, reduce utility consumption, and achieve cost savings. We pay production incentives and waste-saving incentives for the workers and staff every month. Salary increments are based on the performance and seniority level.



The above graph indicates that turnover generated by using fixed assets has gone up in the current year. The total capacity for rubber products is 300,000 kg per month and the average capacity utilization is 70%. Since we did not receive the expected sealing orders due to the economic crisis in Europe, our capacity utilization for rubber products decreased significantly. The total capacity for PVC products is 550,000 kg per month and the average capacity utilization is 40%.

We monitor productivity regularly and employee productivity is measured through revenue and value addition per employee. Some of the production efficiency ratios for the year are given below. We discuss these ratios with senior management and departmental heads in our monthly meetings for the continues improvements. Production efficiency ratio:

	2023/24	2022/23
1.Turnoverper employee per month - Rs.	409,162	473,946
2. Turnover/ total man hours - Rs	1,885	2,164
3. Value additions per employee per month- Rs	75,934	165,424
4. Total rubber compound in Kg/ total direct labour hours (Kg per hour)	2.6	2.8
5. Wages cost per direct employee per month - Rs	54,559	50,235
6. Salary cost per indirect employee per month- Rs	72,381	66,697
7. Total labour cost (including other overheads)per direct employeeper month -Rs	64,398	59,823
8. Total labour cost (including other overheads) perindirect employee per month - Rs	85,496	81,942
9. Labour turnover for the year - %	1.8	1.9

Facilities and Land & Buildings

Manufacturing facilities, factories, warehouses, and production plants where goods are produced, stored, and distributed. These facilities are equipped with utilities, infrastructure, and safety measures to support efficient manufacturing operations.

The adoption of energy-efficient machinery and reducing dependence on fossil fuels continues to be one of the key priorities and we invested in energy-saving projects which are expected to result in significant reduction in our energy consumption in the future. The electricity board increased their rate in August 2022 and February 2023. Since we are in the rubber product manufacturing industry, the electricity cost has a great impact on our manufacturing cost.

We have installed meter reading units for each mill, extruder, and press line and monitored them daily. Every month we calculate the energy ratios and compare them with the budget, the previous year, and other manufacturing Companies in the rubber sector. From time to time, meters were checked by the Ceylon Electricity Board at our request. Capacity banks have been installed. Transparent roofing sheets were installed and steam lines were repaired to prevent steam leaks. In all plants, we monitor electricity consumption on a daily basis. All halogen bulbs have been replaced with LED of CFL bulbs. We invested in a modern generator to operate all machinery in the factory uninterruptedly during the previous year.

The Central Environmental Authority has renewed our license every year for the last 35 years continuously without any obstacle. Boiler certificates were obtained under Section 34 of Factory Ordinance, No 45 of 1942. Further, the Company checked TVOC's test and Ambient test with the help of the Industrial Technology Institute, Colombo 7, and passed all these tests to ensure that the prevention of air pollution

Energy efficiency ratio	2023/24	2022/23
Electricity units per MT of rubber compound (Units per MT)	643	618
Fuel liters per metric ton of Rubber compound – (Liters per MT)	299	217

Energy Policy

Samson International PIc recognizes that our manufacturing processes are energy intensive and hence we pro-actively put our efforts to reduce consumption of energy and related costs while promoting environmental and economic sustainability of our operations in long term. We are committed to;

- Improve our energy performance continually by reducing specific energy over the years.
- Manage energy performance considering the same in improvements of design and modification of our facilities, procurement of energy efficient equipment, systems and processes.
- Provide resources and information to achieve our objectives and targets.
- Retain commitment of employees towards energy conservation
- Organize effectively to utilize products and services in energy-efficient manner.
- · Verify the factory operations to be complied with legal and energy related other requirements
- Ensure the documentation and communication of the policy to personnel at all the levels of internal hierarchy and ensure that its contents are appropriately understood and that all are committed towards achieving the set of goals.

We have invested Rs. 105 Mn for a solar project in Galle with a PV Capacity of 751 kW and it would generate 85,611 units per month. We will earn an income monthly throughout the next 20 years. It has a payback of 33 months. We are in the process of doing the installation the same for the PVC factory with an investment of Rs 55 Mn.

Currently, the Company owns the following properties.

Description	Address	Lar Extent	nd Market value Appox	Bı Extent	uilding Market value Appox	Total Market Value of the property
Galle factory (Bought during the period from 16/9/91 to 30/11/93)	Akuressa Road, Bogahagoda, Galle.	7 A 2 R 30.5 P	Estimated to be Rs. 413.5 Mn as at to date. (This was valued on 27th March 2024 done by a professional valuer.)	107,160 Sq ft	Estimated to be Rs. 429 Mn as at to date.	Current value estimated to be Rs. 842.5 Mn.
Kalutara factory (Bought in 2009)	No. 57/B, Fullerton Industrial Zone, Nagoda, Kalutara	120 perches	Estimated to be Rs. 25 Mn as at to date (This was valued on 27th September 2018 done by a professional valuer.)	5,990 Sq ft	Estimated to be Rs. 24 Mn as at to date.	Current value estimated to be Rs. 49 Mn.
Baddegama factory (Bought ir July 2014)	Gilcroft Estate, Kiribathwila, Ampegama, Baddegama	2 A 2 R 0.11 P	Rs. 60.2 Mn as at to date. (This was valued on 27th March 2024 done by a professional valuer.)	34,915 Sq ft	Rs. 126 Mn as at to date.	Current value estimated to be Rs. 186.2 Mn.
Paddy Field, Bogahagoda (Bought in Feb 2002)	Akuressa Road, Bogahagoda, Galle.	1 A 3 R 3 P	Rs.1.8Mn as at to date (This was valued on 27th March 2024 done by a professional valuer.)			Rs. 1.8Mn as at to date
Total		12 A 3R 43.11 P	500.5 Mn	148,065 Sq ft	579Mn	Rs. 1,079.5 Mn (Current estimated Value)

Technology and Automation

Advanced technologies, automation systems, and digital tools are employed to optimize manufacturing processes, improve productivity, and enhance quality control. This includes computer-aided design (CAD), computer-aided manufacturing (CAM), programmable logic controllers (PLCs), and data analytics platforms.

We focus on the flowing three functions in all three factories to overcome any challenges and to be more competitive & resilient and to increase efficiency. We discuss the under-mentioned areas in our operational meetings and carry out continuous improvements.

Automation	Data decision	Communications
1) Reduce manual and repetitive work	1) Gain better insights	1) Increase collaboration
2) Documentation automatically generated	2) Improved report creation and information sharing	2) Decrease waiting time for information
 Allow employees to self-automate their workflow 	3) Improved data collection	3) Less errors
 Increase productivity and efficiency of work 	 Improved business intelligence and analysis 	4) Less emails to respond to5) Increase convenience
5) Reduces time to finish a task	5) Seamless integration with existing applications	6) Decrease bureaucracy

6) Higher level of accuracy

However, we conduct operational meetings with an optimum duration of time that prioritizes focus, productivity, and engagement. We know that very long meetings can be unproductive, and disengaging, leading to decreased productivity, employee burnout, and dissatisfaction. Employees are frequently pulled away from important work to attend meetings, which can disrupt, workflow and slow down progress.

Inventory and Raw Materials

Raw materials, components, and inventory stockpiles necessary for production and assembly. Manufacturing capital also includes inventory management systems, supply chain networks, and procurement strategies to ensure the availability and efficiency of raw materials.

Samson International, a subsidiary of the DSI Samson Group, commenced its business in 1988. As an export-oriented company, the initial intention of manufacture rubber-based products largely for international markets. Today, the Company manufactures and exports more than fifty moulded and extruded rubber products such as hot water bottles, jar sealing rings, rubber mats, rubber floorings, beadings, and mud flaps mainly to global markets while catering to the local market with its extensive rubber and PVC- related products. These PVC-related products include pressure pipes, irrigation pipes, solvent, trunking, fittings and conduits, etc. We have three factories in Galle, Kalutara, and Baddagama.



Quality Control System

Quality assurance processes, testing equipment, and inspection systems are implemented to maintain product quality, compliance with standards, and customer satisfaction. This includes quality management systems (QMS), statistical process control (SPC), and ISO certifications.

We define quality as the total of attributes of a product or service that reflect on its innate capacity to satisfy a given set of needs. It is considered to mean the fitness for use or reflect a customer's acceptance criteria or indicate the grade of a product/service or conform to design objectives or express suitability for the intended purpose or signify reliability and maintainability. In our market segmentation, quality means different things to different people. The Characteristics of quality include Performance, Features, Reliability Conformance, Durability, Serviceability, Aesthetics, and Perceived quality.

Our Quality Assurance Department carries out the evaluation of quality activities with the objective of informing operational management of its current status. it is an ongoing activity. It is through an effective quality assurance program that integrity and consistency of products and services are achieved. The scope of the quality assurance Department involves events that are both external and internal to the company. External activities include the measurement and analysis of customer complaints and other field-oriented events. Internal activities include inspection reports, quality ratings, quality surveys, and audits & management reports regarding income & cost as they are affected by the presence or absence of quality.

The responsibility for the quality of the products is assigned to everybody at Samson International Plc and it has not been restricted up to the quality department. Quality is checked at every stage or process of production in order to meet the expectations of overseas customers and the guidelines and regulations given by internationally recognized laboratories. We conduct Kizen quality competition in the factory and awards are given to employees. For many years now, we have led the y in delivering high-quality, innovative Rubber and PVC products to customers.

Quality Policy

Samson International Plc is committed to manufacture and supply quality moulded & extruded polymer products while mitigating the risks (that can affect the quality management system of the company) under efficient & effective management practices and also provide the maximum value to the customer by providing products at competitive prices with highest level of service to meet

- Customer needs and expectations all the time.
- Continual improvement of products, processes and systems by efficient utilization of its resources.
- Minimum defects in all our products & processes.
- Compliance with statutory and regulatory requirements
- On time delivery.

Our commitment to quality, reliability, and customer satisfaction is at the heart of everything we produce

We have obtained the following certifications in relation to the quality of the products and systems.

- REACH Certificates for the chemicals we use.
- TUV Certification for hot water bottles.
- British Standard (BS 1970:2012) for hot water bottles.
- Electrical Resistance Certificates from Universities.
- SATRA, UK Certification for fire retardant mats.
- SATRA, UK Certification for fire retardant floorings.
- SGS test reports for sealing rings.

MANUFACTURED Capital (Contd...)

Workforce Skills and Training

The knowledge, skills, and expertise of employees involved in manufacturing operations. Investing in workforce development, training programs, and skill-building initiatives is essential for maximizing the effectiveness of manufacturing capital and fostering a culture of continuous improvement.

There are employees, who started their careers in the staff category and have become senior managers and heads of the department now. We have a very young and dynamic cadre, e.g., 51% of our employees have worked less than 5 years. 70% of the employees have worked less than 10 years. The company conducted a felicitation ceremony and it was held for the long-service employees. Cash award, Certificate, Meddle, and plaque were given to employees who have worked more than 10 years and 25 years.

a) Employees factory-wise:

Frates	Workers		Staff		Executive		TOTAL	
Factory	Male	Female	Male	Female	Male	Female	TOTAL	
Galle	178	38	32	31	13	3	295	
Baddagama	59	6	60	10	7	-	142	
Kalutara	17	2	2	-	-	-	21	
Total	254	46	94	41	20	3	458	

b) Employees age-wise:

The age analysis of the employees is as follows:

	Workers		Staff		Executive		TOTAL
	Male	Female	Male	Female	Male	Female	IUTAL
Below 30 years	74	24	40	23	-	-	161
30-50 years	147	14	54	15	11	-	241
Above 50 years	30	3	14	5	2	2	56
Total	251	41	108	43	13	2	458

	As at 3	1 March 2024	As at 31 March 2023		
Age Category	No	%	No	%	
18 - 20	11	2	18	4	
21 - 30	165	36	203	40	
31 - 40	123	27	122	24	
41 - 55	149	33	157	31	
Over 55	10	2	7	1	
Total	458	100	507	100	

MANUFACTURED Capital (Contd...)

c) Employee gender-wise:

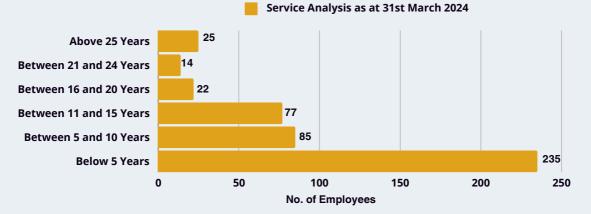
We have the right mix of male and female employees to suit our production lines. Females are very efficient at packing while male employees work in the production process.



No. of employees gender-wise is as follows.

Gender	As at 31st I	March 2024	As at 31st l	March 2023
	No	%	No	%
Male employees	372	81	400	79
Female employees	86	19	107	21
Total employees	458	100	507	100

d) Service Analysis:



Sonvice Category	As at 31st	March 2024	As at 31st March 2023		
Service Category	No	%	No	%	
Below 5 years	235	51	267	53	
Between 5 and 10 years	85	19	107	21	
Between 11 and 15 years	77	17	72	14	
Between 16 and 20 years	22	5	15	3	
Between 21 and 25 years	14	3	22	4	
Above 25 years	25	5	24	5	
Total	458	100	507	100	

MANUFACTURED Capital (Contd...)

Safety and Environmental Compliance

Safety protocols, occupational health standards, and environmental regulations that govern manufacturing operations. Manufacturing capital includes investments in safety equipment, environmental controls, and sustainability initiatives to ensure compliance and minimize risks to workers and the environment. We have received the following certificates for the systems with regard to safety and environmental compliance

- ISO 14001 for Environment Management System
- ISO 50001 for Energy Management System
- ISO 9001:2015 Quality Management System for Rubber & PVC products.
- BSCI Certification on such social responsibility practices.
- FSCTM(FSCTM C134777) Certification for Forest Stewardship CouncilTM Chain of Custody.

Our production facilities are equipped with dedicated Effluent Treatment plants to guarantee that wastewater released into the environment adheres to all necessary standards. Regular sample testing is conducted to assess the quality of discharged water, ensuring strict compliance with regulatory standards, including parameters such as BoD and CoD.

Maintenance and Upkeep

Regular maintenance, repair, and upkeep of manufacturing equipment, facilities, and infrastructure to prolong their lifespan, prevent downtime, and optimize performance. This includes preventive maintenance schedules, replacement parts inventory, and maintenance personnel training.

While striving to be a versatile polymer manufacturer in the global market by utilizing modern technology and providing optimum value to stakeholders, Samson International constantly and consistently ensures that the operational activities align with the Core Values of the company namely contributing to the country's socio-economic development, respecting national and religious heritage, protecting and safeguarding the environment and enhancing disciplined human resources based on the family concept.

Benefits given to employee when becomes a permanent

We initially take employees on casual basis for three months. During the period, if he/she performs well, we take them I to the permeant cadre with one-year probation period, when a casual employee becomes a permanent, he/she is entitled to the following benefits.



Human Capital



Receiving a Runners-up Trophy inter Company Volleyball Tournament

"Human resources management and Human capital management are two related but distinct approaches to managing the workforce and both focus on optimizing the performance and productivity of employees..."

Luman capital refers to the collective skills, knowledge, abilities, experience, and expertise possessed by individuals within an organization. It represents the intangible value derived from the capabilities and potential of people to contribute to economic productivity, innovation, and growth. Human capital encompasses both innate qualities and acquired competencies that individuals bring to their work and endeavors.

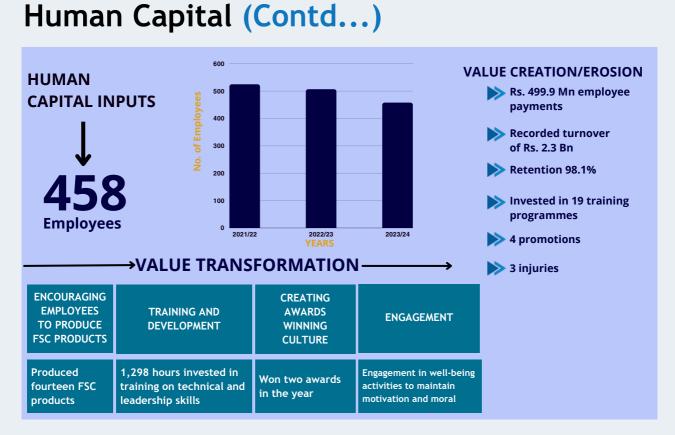
There are two ways of managing the workforce within an organization those are "Human resources management (HRM) "and "Human capital management (HCM)" which are two related but distinct approaches to managing the workforce within an organization. While both focus on optimizing the performance and productivity of employees, they differ in their scope and emphasis. HCM integrates HR functions with broader business strategies, ensuring that human capital initiatives support organizational growth, innovation, and agility.

Human Resources Management (HRM)

HRM traditionally focuses on administrative functions related to managing employees, such as recruitment, hiring, compensation, benefits administration, performance management, and employee relations. This often takes a transactional approach, handling day-today operations and ensuring compliance with employment laws and regulations. This is viewed as a cost center, primarily concerned with managing expenses related to personnel and labour. This emphasizes the management of individual employees within the organization, ensuring their needs are met and addressing issues related to job satisfaction, engagement, and development.

Value creation

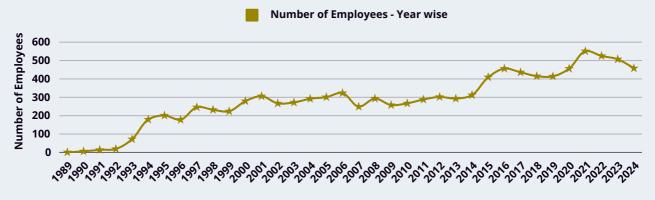
Our strategy for the human capital input is to transform them for the value creation. So we will focus on ensuring employee safety and well-being, tanning & development, creating a high-performance culture, and engagement and well-being activities to maintain motivation and morale.



The Company's employee turnover rate is around 1.5% is well below the industry norm which is the result of its sustainable employee policies and practices. The table given below indicates how we have increased the number of employees since inception. After we bought the PVC factory in 2014, the number of employees in the Company increased further.

Number of Employees - Year wise

Year	Number of Employees	Year	Number of Employees
1989	1	2007	349
1990	6	2008	293
1991	14	2009	258
1992	19	2010	267
1993	72	2011	288
1994	179	2012	302
1995	201	2013	293
1996	178	2014	312
1997	246	2015	409
1998	232	2016	456
1999	224	2017	436
2000	279	2018	415
2001	306	2019	414
2002	267	2020	456
2003	272	2021	551
2004	292	2022	525
2005	301	2023	507
2006	323	2024	458



During the year, the number of employees decreased by 49 (or 10%) from 458 in the year under review is 507 in the current year. We continue to recruit and maintain a well-talented workforce; providing a safe and pleasant work environment is essential for a healthy and productive workforce. As guided by the philosophy of our parent Company, we are committed to providing our employees with a work environment that is conducive to genuine contentment, and an employee engagement system that offers the highest level of motivation. We ensure a motivated workforce by providing competitive remuneration and other benefits.

The industry of manufacturing rubber-related products is drained by the shortage of skilled human resources and the Samson International Plc has addressed that issue to a greater extent through its best practices that focus on the personal development of our staff & workers through skills and knowledge building. Training programs are conducted by industry experts. Our human resources department is dynamic in recruiting and maintaining a well-talented work force.

Analysis of departmental-wise

The highest number of employees in the Company works in the production department. This is 302 employees out of 525 which is 57% of the total cadre. We have employed 72 employees for the marketing section which includes the PVC local sales channel and export department of the rubber sector.

Description	Wo	rkers	St	aff	Exec	utive	Sales	Staff	T
Department	Male	Female	Male	Female	Male	Female	Male	Female	Total
Production	180	43	15	7	5	-	-	-	250
Engineering	22	-	3	1	2	-	-	-	28
іт	-	-	1	-	-	-	-	-	1
Accounts	-	-	11	13	1	-	-	-	25
Marketing	-	-	1	4	8	1	51	-	65
Stores	22	1	5	-	-	1	-	-	29
Planning	-	-	-	3	-	-	-	-	3
Research & Development	-	-	-	1	2	-	-	-	3
Human Resource	-	-	2	3	-	1	-	-	6
Administration	-	-	-	2	1	-	-	-	3
Supply	-	-	3	2	2	-	-	-	6
Quality Assurance	15	-	2	3	-	-	-	-	20
Transport	4	-	1	-	-	-	-	-	5
Welfare	-	-	1	-	-	-	-	-	1
Others	9	2	1	1	-	-	-	-	13
Total	251	46	46	40	20	3	51	-	458

Human Capital Management (HCM)

HCM takes a strategic approach to managing the workforce, viewing employees as valuable assets and sources of competitive advantage. This aligns HR practices with organizational goals and objectives, focusing on activities that contribute to long-term business success and sustainability. HCM emphasizes investing in talent acquisition, development, and retention to maximize the potential and value of human capital. This also utilizes metrics and analytics to measure the impact of HR initiatives on organizational performance, identifying areas for improvement and optimization.

Human Capital Management plays a vital role, especially in any manufacturing and export-oriented organization. In this regard, the founder of the DSI Group the late Mr. Samson Rajapaksa guided us to treat our human resources as the greatest asset of our Company. Seventy years ago, he envisaged that "Employer and Employee should work as one family." As we all are aware, good employee relations lead to high efficiency, generating innovative ideas, low wastage, decreases in indirect costs such as high labour turnover, and absenteeism, and bring goodwill to the Company. The Company takes all possible steps to maintain good employee and employer relations. The employee and employer relations are a part of human resources functions which deal in maintaining a harmonious relationship between the employer and the employee. The Human Resource Department plays a significant role in an organization's upholding and success in this regard and the qualification and experience of the members in the Human Resource Department are given below.

Qualification and Service - Human Resource Staff

Name	Department	Designation	Service in years	Qualification related HR
Mrs.U.H.Nishanthi Padmakumari	Human Resource	Assistant Manager Human Resources	30	Diploma in Human Resource Management
Mr.N.A.H.K.A. Saman Pushpakumara	Human Resource	Human Resource Officer	27	Advanced National Diploma in Human Resource Management
Mr.K.D. Niroshan Priyanga	Human Resource	Human Resource Officer	22	Diploma In Professional Human Resource Management
Mrs. Nimesha Rasangi	Administration	Admin and welfare Assistant	20	Professional Qualification in Human Resource Management
Mrs.M.H. Himansha Dilni Wimalasiri	Human Resource	Human Resource Officer	14	Diploma in Human Resource Management
Mrs. J.K. Dineshi Ruwanthika	Human Resource	Human Resource Assistant	9	Certificate Course in Human Resource Management
Mrs. R. Buddika Pushpanjalee	Administration	Assistant- Human Resource & Administration	4	Diploma In Professional Human Resource Management

All the members in the Human Resource Department have at least a diploma in Human Resource Management



Staff of the main plant in Galle



Staff of the Baddagama Plant



Staff of the Kalutara Plant

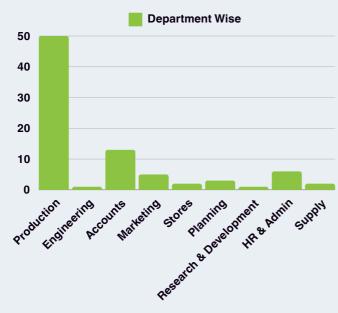
Employee - Employer Relations

The following strategies are followed by Samson International Plc in order to improve and maintain good relations with our employees

1) Having good human resource policies

We have comprehensive human resources policies and procedures that cover recruitment & selection, promotion, transfers, compensation, performance appraisals, dispute management, grievance handling, and overall employee conduct. The human resources philosophy of our company is to be an equal-opportunity employer. Our recruitment philosophy is to attract employees in appropriate line with the culture and goals of the organization whilst catering to growth and providing opportunities for such employees. The Company does not discriminate on the basis of gender, race, Politics, nationality, age, social origin, religion, or any other basis. The female replantation in the company is highlighted below.





All employees of the Company undergo regular appraisals to receive feedback resulting in continuous improvement of their performance. The continuing dialogue with all levels of staff further contributes to the Company and commitment. The Company human resources policy requires annual formal feedback to be provided to all employees. We have created a performance-centric culture, which has been a cornerstone of the Company's success. We ensure that employees performing at the same level will be treated alike while there would be clear differentiation between those performing at different levels. We do not employee any person below 18 years of age nor advocate any form of child labour. Employees shall retire at the age of 60 years. We avoid to provide overtime of more than 60 hours per month for female workers as required by our national laws.

We ensure that employees have continuous learning opportunities both within their institutions and outside, in order to add to their knowledge and professional skills, which will prove useful in their work. It is the shared responsibility of the employee and management to maintain and add to professional knowledge and other specialized knowledge required in the employee's work. Employees' efforts in enhancing their skills in this manner contribute to their job security. We provide incentives for providing optimal service by transparently and objectively considering the skills and performance of employees.

Samson International Plc, like the other companies of the Group, is imbued with Sinhala, Buddhist cultural values with a conservative and paternalistic outlook. For example, employees are required to commence their daily chores after reciting the Five Precepts. Liquor is not allowed even in outings and get-togethers organized by the company and any other special occasions such as the annual cricket and volleyball tournaments. The cricket tournament was held at Manawila Upananda College Ground on 07 January 2024 and the inter-company volleyball tournament was held on 24 March 2024 at Samson International volleyball court. Most of the staff members use Sinhala as their medium in their day-to-day work. Further, a simple, rustic, and informal environment prevails both in the factory and office premises

2) To have a good communication system

We maintain open and two-way communication, where employees are free to communicate any matter with the top management and where top management communicate information aptly to the lower level employees. This will increase trust among employees, leading to fewer disputes and grievances while creating environment open to change.

We conduct regular formal and informal organizational or departmental meetings where employers can share information with employees whilst giving employees the opportunity to share their problems, ideas, and views. We also use memos and notice boards to communicate company decisions, performance, new policies, rules and regulations, changes done to existing policies, and information about meetings and gatherings, to employees promptly and clearly. Also, comment boxes have been created for employees to submit their comments, suggestions, and complaints. The group's newsletter is published monthly. Employees are allowed to demonstrate their artistic abilities and their wedding photos through the Group newsletter, making employees feel happy and valued.

3) Recognition of joint - consultative committee

These are management's and employees' joint forums, created for the discussion and settlement of employee problems such as employee grievances and work-related issues. This provides employees a platform to present their grievances and problems and take necessary steps to solve them. This represents employees of all levels, all departments, and genders for fair representation of problems. We believe that by having constant dialogue with them and involving them in certain decisionmaking, the Company can create an environment of trust, cooperation, respect, a better interaction between employers and employees, creating harmonious employee relations and higher productivity, leading to good industrial relations. A fair and sound grievance handling policy and procedure is a prerequisite for good human resource practices and for healthy employee-employer relations. Our grievance practices are aimed at allowing employees to bring to the attention of the management any dissatisfaction or injustice that may exist at the workplace. It is a formal process offering employees of different levels, solving grievance issues and aiding to maintain a fair and cordial working environment. We also value the opinions of our employees and welcome suggestions on how we can improve our service standards.

Joint consultative Committee Meetings is held every Month

The Company encourages employees to express their opinions for the development both of the Company and of the employees, through joint consultative committee meetings held every month. The Director/ General Manager participates in these consultative meetings with workers, staff, and executives. This committee consists of representatives from management and workers from each section. The director/ General Manager and other senior management discuss the problems & grievances of the workers from each section and remedial actions are taken. Each month this meeting is held and minutes are circulated to everybody including the Chairman. We strictly adhere the government legislation. Adherence to these various legislations helps organizations to maintain harmonious employee relationships. Effective communication results in employee motivation, positive human relations as well as creates an environment in which the worker can feel respected and valued



4) Welfare activities

We give meals and uniforms to employees at a nominal fee, providing transport facilities, loan systems, insurance schemes, death donation schemes, medical insurance, and gift vouchers to buy DSI shoes, wedding gift, and additional allowance for employees having more than three children.

Furthermore, with the aim of providing relief to the economic difficulties faced by the employees due to the economic crisis in the country, we also provided a bag of dry food worth about Rs 10,000 with a Cargill's Voucher for every other month. Also, we also gave the harvest from the vegetable cultivation run by our civil department to the employees at a concessional price.

We have provided an in-house Gymnasium for the benefit of employees of Samson International Plc. This was requested by workers at the joint consultative committee. The Company invested around Rs. 1.5 Mn.

5) Death donations

We understand the emotional and financial stress employees undergo in the event of the bereavement of a family member. The welfare society of the Company supports the employees in such a situation. Death donations are given in the event of the death of an employee or the spouse, parent, child, or unmarried sibling of an employee.

6) Social activities

We provide an opportunity for employees and annual to get together, conduct annual inter-department softball cricket and Volleyball tournaments, annual inter-company volleyball tournaments, and interact with each other on a personal level.

Such events give an opening to employees and management to mix and get to know each other, an opportunity they hardly get while working which results create better relationships. Our objective is to create an atmosphere for our employees where they can work with happiness, enthusiasm, and pride.

The inter-department softball (men's and women's) cricket & volleyball tournament is conducted annually including the employees from Kalutara and Baddegama factories. Samson International PIc also conducts inter-company volleyball tournament every year at Company's volleyball courts. On 24th March 2024, we had 7th Inter-Company tournament and the SIL team became the champions in the male tournament. The winners are given the Kulatunga Rajapaksa challenge trophy.



7) Gain sharing schemes

Sharing savings with employees is another method we use to improve industrial relations in the organization. Such exercises result in the increase of commitment, motivation, morale, and job satisfaction of employees leading to good employee-employer relationships. A wastage-saving incentive scheme and a production incentive scheme are a few such exercises.



8) Equal treatment

Equal treatment of employees without discrimination based on age, ethnic origin, nationality, religion, language, conviction, opinion, political activity, trade unionism, family relations, health, disability is another way we improve employee relations. Treating all employees equally in all areas of human resource management such as recruitment, promotion, remuneration, training and recognition which result in full realization of employee potential while increasing their job satisfaction and commitment. At present we have Sinhalese, Tamils, Muslims, Christians, and Hindus in our cadre.

We believe that our current culture promotes good relations and interactions between employees and employer which leads to positive and harmonious employee relations. Ex. having meals at the same place by the senior managers and lower level of employees, open communication and close relationship between management and employees.

Meals are given to all employees irrespective whether he is permanent or not. Chairman/ Managing Director and Director/General Manager takes the same meals with the workers in the Company dining hall in which 200 seating arrangement is available. All employees including the Director/General Manager and other Executives punch the attendance for work and there is no discrimination for administration related official Work.

Equal treatment refers to the legal protection that all employees have to the same rights as any other employees

9) Training

We provide training to employees in technical as well as nontechnical areas (communication, presentations, time management, leadership, etc). We know that training is a cost for which an immediate result cannot be seen most of the time. Training provides higher performance as well as good industrial relations.

Out of the training programs, training of supervisors is very important. Supervisors are the personnel who directly deal with the operational level employees and can be considered to be the crux of any organization. We know that when supervisors are not equipped with the necessary technical and human resources management competencies, it could lead to a lot of grievances and disputes. Therefore, it is necessary to train supervisors on both technical and human-related competencies to maintain good industrial relations in the company.

We continued to invest in our employees through regular training and development programs conducted in-house, outside, and overseas which are designed to develop technical as well as soft skills. Training is an integral component of our business success as well as our strategy to achieve sustainable employee relations. Training programs are conducted by industry experts. We strongly believe in the development of human capital, as we recognize the fact that our people are the key to our success. In an export industry where customer care makes a difference, we strive to develop the skills of our staff and workers so that we stand out from our competitors.

Directors are offered ongoing opportunities to update their expertise and stay informed about emerging trends, fostering enriched discussions and enhancing decision-making effectiveness. With the support of Samson International Plc, the Board stays abreast of evolving economic and market landscapes, regulatory changes, and other socio-economic factors. Additionally, directors participate in external training programs covering pertinent subjects. During the year Director/General Manager attended a diploma training program conducted by the Sri Lanka Institute of Directors.



Training program conducted by the Sri Lanka Institute of Directors.

Samson International PIc has been recognized as a training partner of the Institute of Chartered Accountants of Sri Lanka for all examination levels. At present, there are 3 trainees training in the finance department whose work are being supervised by the two Senior Chartered Accountants.

During the year, employees underwent many internal and external training programs. These programs span on-the-job, off-the-job, external, hands-on, and internal programs which are designed to enhance knowledge, update skills, and create an empowered workforce and managerial skills of the senior management. The annual training plan is designed based on the results of the training needs analysis, which includes competency assessments, customer expectations, and developments in the rubber industry. This exercise is carried out in collaboration with the heads of departments. This forms the blueprint for training and development activities for the coming year and outcomes are assessed to monitor progress in line with the plan.

Training	2023	3/24	2022/23		
hours	No of Hours	%	No of Hours	%	
External	951	73	2606	91	
Internal	347	27	261	9	
Total	1298	100	2867	100	



Annual Traininig Programmes in 2023/24

Training Programme	No of Participants			Tra	aining Hou	rs
In - House Training	Total	Male	Female	Total	Male	Female
Inspection of incoming packing and raw material	9	7	2	18	14	4
Training for Bath Mat Production	22	22		44	44	
Training for mixing	8	8		24	24	
Training for hot water bottle & bath mat packing	23	9	14	46	18	28
New Moulding technology	6	6		18	18	
Training for calendering & Extrusion	11	10	1	22	20	2
Basic Rubber Technology	23	16	7	46	32	14
Quality Assurance,Testing, Quality control & ISO Standards	9	7	2	18	14	4
Environmental Management Programme	23	18	5	23	18	5
Preventive Maintenance & Predictive Maintenance	15	14	1	30	28	2
FSC Awareness Programme	29	11	18	58	22	36
Total inside training	178	128	50	347	252	95
Outside Training	Total	Male	Female	Total	Male	Female
Training Programme on Measurement Assurance and Interpretation of Test Report	1	1		7	7	
Certificate Course in Dry Rubber Technology	4	3	1	384	288	96
Fire Drill & Fire Training (Day & Night)	41	33	8	164	132	32
Leadership Training	1	1		16	16	
ISO 14005:2019 Environment Management System	2		2	16		16
Health Programme	8	5	3	16	10	6
Non Communicable Diseases and Healthy Life Style	158	92	66	316	184	132
Awareness Session TIEP Scheme	8	4	4	32	16	16
Total outside training	223	139	84	951	653	298
Total training	401	267	134	1298	905	393

An investment in knowledge always pays the best interest

Number of training programmes category wise

Group	Group Category -		g Programmes
Group	Category	External	Internal
	Executive Staff	1	-
Male	Clerical Staff	1	-
	Workers	-	4
	Total	2	4
	Executive Staff	-	-
Female	Clerical Staff	1	-
	Workers	-	-
	Total	1	-
	Executive Staff	1	-
Male & Female	Clerical Staff	2	-
	Workers	-	5
	Total	3	5
Total Traning		8	11



We provide training facilities to students from universities, technical institutions, and private and public accountancy institutions in the Southern province. Samson International Plc is an approved training institution for all students who are doing examinations conducted by CA Sri Lanka.

Day and night fire drills are organized for each plant. This year it was organized and conducted by an outside consultant. This provides training to our employees and especially the fire team to prevent damage to the physical and human assets of the factory and neighboring villagers in case of fire in the factory. We have recruited a fire team from among the workers representing all sections and special T-shirts (with yellow colour) are given to them to identify and recognize their contribution to the Company.

10) Employee recognition and reward

We recognize all employees for their contribution to organizational performance. Best attendance awardees, awardees for the best innovative ideas, and long-service employees are some of the awards we present. Further, we also helped the children of the employees who were selected to the universities and excelled in grade five scholarships.

We recognize long-service employees and outstanding employees at our annual felicitation ceremony and a certificate and cash awards are given to them. Such recognition and reward will make employees happy, satisfied, motivated, and committed to leading good industrial relations.

11) Employee participation

Participative management is the involvement of employees in the decision making of companies through methods such as suggestion boxes, join consultative committee, all CSR activities. This results in employee competency development, increase in employee satisfaction and motivation due to increased self-worth, better settlement of production problems, lesser disputes, increased team work, better performance and easy implementation of decisions. Each employee including workers is given an opportunity to donate cash & company products on behalf of the company and these photographs are displayed on the Corporate Social Responsibility notice board of the Company.

Health and Safety Policy

As Samson International Plc values the health and safety of all employees, the following measures are being taken with the objective of having a hazard free and healthy work environment.

- Awareness' creation for health and safety programme are conducted for employees
- Provision of essential protective gear and safety equipment.
- Continuous upgrading of safety procedures.
- Enhancing the health and well-being programmes for employees".

12) Employee Assistance Programs

We help employees to deal with their financial difficulties. We help employees and their children to enter university by providing financial assistance. Further, an additional allowance for employees having more than three children is given monthly. We helped our employees enormously during the Corona pandemic and in the current economic crisis.

13) Health and safety programs

We implement health and safety programs to safeguard employee health and safety. These results increased employee cooperation and satisfaction, motivation, and commitment due to management's concern for employees and safe and healthy work environment.



The Health and Safety Policy of the Company is as follows Safety committee has been formed by taking representatives from each section and each category and they are responsible for monitoring and implementing of the above Company's safety policy and related practices. Safety Records are maintained and displayed it in the factory.

Health & Safety indicators	2024	2023
Reported first-aid cases	03	18
Occupational injuries resulting lost Hours	136	456
Work related fatalities	-	-

Our employee health, safety, and welfare receive constant attention in our decision-making process. The services of a parttime Doctor (once a week) and a full-time Nurse are available to attend to the medical needs of our employees. Surgical and Hospitalization Insurance Cover and Personal Accident Cover are some of the facilities given to our employees. We strictly follow all procedures and systems advised by health authorities and other government departments to protect employees from any virus.

We follow all national guidelines and laws on workplace health and safety directives. These directives set out general principles for the protection of the workers' occupational health and safety. We have initiated a range of activities, training programs, and workshops related to health and safety. We provide safety equipment/tools and safety shoes to all our employees. We actively provide a healthy and safe work environment for our employees and have taken steps to minimize accidents and injury to workers. A "Health Week "is organized by the Company annually. Workshops and Training programs on health are conducted for all employees. Further, a special healthy meal is given to employees during this health week.



We provide good working conditions such as proper ventilation, lighting, and sanitary facilities to make employees content and satisfied. We design equipment, tools, furniture, and different procedures in a manner that creates a comfortable, safe, and efficient layout for employees to work. Boiler certificates were obtained under Section 34 of Factory Ordinance, No 45 of 1942. Further, the Company checks TVOC's test and ambient test with the help of the Industrial Technology Institute, Colombo 7, and passed all these tests to ensure the prevention of air pollution. The Central Environmental Authority has renewed our license every year for the last 34 years continuously without any obstacle.

Promotions

During the year, we have promoted three male and a female employees. Last year, we promoted five male and five female employees. The company promoted Mrs. Nishanthi Padamakumari and Mr. Wimal Siriwardhana as Assistant Managers, Mr. Pradeep Indika Somapala as Field Sales Manager, and Mr. Lakshan Abeygunasekara as an Accounts Officer.



Monthly Incentive paid for employees

The incentive paid for the above employees in gender wise is as follows. The total incentive paid is Rs. 12.1 Mn of which incentives to males is 75%. The introduction of production incentives to employees has been implemented to obtain a higher income for them while improving productivity. Developing employee capabilities is a key priority for both rubber and PVC segments and we continued to invest in enhancing leadership and technical skills.

Month	Male Rs.	Female Rs.	Total Rs.
Apr 23	610,842	129,216	740,058
May 23	1,076,821	200,755	1,277,576
Jun 23	1,307,614	277,080	1,584,694
Jul 23	1,325,087	292,085	1,617,172
Aug 23	1,393,807	309,476	1,703,283
Sep 23	1,382,170	311,317	1,693,488
Oct 23	1,482,650	325,819	1,808,469
Nov 23	1,562,871	345,604	1,908,475
Dec 23	1,678,663	357,626	2,036,289
Jan 24	1,425,191	313,320	1,738,511
Feb 24	1,534,513	347,975	1,882,488
Mar 24	1,426,239	297,195	1,723,434
Total	16,206,468	3,507,469	19,713,937

Labour Turnover

We used to measure the level and nature of employee relations in the Company through attitude surveys number of grievances complaints, the number of cases in labour tribunals, labour courts and arbitration, employee turnover rates, exit interviews, the number of accidents, rate of absenteeism, quality of production and services.

We have also seen that during the paddy cultivation and harvesting season, there is high labour turnover and absenteeism. We have built a succession plan identifying key positions and commenced a system to groom and develop successors as part of our strategy for long-term continuity.

Retaining talent will be crucial. There is a huge brain drain taking place at this time due to the migration of workers and their families, following concerns over the bleak economic future that Sri Lanka is facing. When we lose talent, we're left with a dearth of creativity and low innovation potential. Sri Lanka is losing much of its skilled workforce that can contribute productively and efficiently to national development. To develop the remaining talent pool, we will have to invest heavily in training. But there is no guarantee that these trainees will remain in the country. There are so many ripple effects to the current brain drain – and honestly, the future seems very challenging.

In addition to all of this, there is a high degree of absenteeism in workplaces across the country since employees are facing personal difficulties in terms of procuring essential goods due to the high cost of living.

Labour Turnover Analysis - Factory -Wise (2023/24)

Workers Male	Male	e Female	Sta	aff	Εχεςι	ıtive	TOTAL
WURKETS	Wate	remaie	Male	Female	Male	Female	TOTAL
Galle	27	15	4	8	1	0	55
Baddagama	11	0	25	0	1	0	37
Kalutara	7	0	0	0	0	0	7
Total	45	15	29	8	2	0	99

Labour Turnover Analysis - Age -Wise (2023/24)

Workers	Male Female	Sta	aff	Εχεςι	ıtive	TOTAL	
WURKETS	Wate	remaie	Male	Female	Male	Female	TOTAL
Below 30 years	19	11	17	6	0	0	53
30-50 Years	23	4	11	2	2	0	42
Above 50 years	3	0	1	0	0	0	4
Total	45	15	29	8	2	0	99

Labour Turnover Month Wise: 01-04-2023 to 31-03-2024

Month	2023/24	2022/23
Apr - 23	1.4	3.7
May - 23	1.7	2.3
Jun - 23	2.7	2.3
Jul - 23	2.6	1.6
Aug - 23	2.8	0.8
Sep -23	2.9	2.6
Oct - 23	1.3	2.2
Nov - 23	2.5	1.2
Dec - 23	0.7	1.8
Jan - 24	1.3	1.6
Feb - 24	0.7	1.2
Mar - 24	1.1	1.2
Total	21.7	22.5
Avg labour Turnover	1.8	1.9
Retention Rate	98.2	98.1

Social and Relationship Capital



Donation to Kalugala Hospital, Galle

" Recognizing and nurturing social and relational assets is essential for companies to foster resilience, innovation, and sustainable growth in today's inter-connected and dynamic business environment ..."

D ocial and relationship capital is the intangible value we derive from the network of relationships and connections a company has with its stakeholders, including customers, suppliers, employees, investors, and the community at large. It encompasses our trust and reputation built and goodwill through interactions and engagements with these stakeholders over time. Social and relationship capital contributes us our ability to achieve its objectives, sustain its operations, and create long-term value.

Social Capital

Social capital refers to the value derived from relationships, networks, and interactions within and outside our company. It includes factors such as trust, mutual understanding, shared norms, and reciprocity among individuals and groups. Social capital enables collaboration, knowledge sharing, and collective action, fostering innovation, problem-solving, and resilience within the organization and its broader ecosystem.

Active participation in industry associations

We have obtained membership in the following industry associations and actively participate to gain knowledge sharing, and collective action, fostering innovation, problem-solving etc..

- National Chamber of Exporters (NCE)
- Sri Lanka Association of Manufacturers & Exporters of Rubber Products (SLAMERP)
- Sri Lanka Chamber of Small & Medium Industries (SLCSMI)
- Plastic & Rubber Institute (PRI)
- Ceylon National Chamber of Industries (CNCI)
- Fullerton Industrialists and Investors Association Kalutara
- · Employers' Federation of Ceylon
- Central Environmental Authority
- Colombo Stock Exchange
- Central Depository System
- Ceylon Chamber of Commerce

We participate in the award competitions and training programs organized by the above institutions. In addition to the above, we participated southern regional conference organized by the Institute of Chartered Accountants of Sri Lanka and provided sponsorship.



Participating Southern regional conference organized by the Institute of Chartered Accountants of Sri Lanka

Employee relationship

We have Tamil and Muslim employees who follow their religion without having any obstacles and maintain a strong relationship. In order to maintain a strong relationship with the employees of the other sister companies in the Group, we organize and participate inter-company Volleyball tournament for the seventh consecutive time at Samson International Volleyball court on 24th March 2024. The winners were given the Dr. Kulatunga Rajapaksa Challenge Trophy for the men's and women's tournaments. In this tournament, there were 18 teams from the Group. The SIL team was the runners-up in the Male volleyball tournament this year.



SIL Women Volleyball Team



SIL Men Volleyball Team

On the first working day after the New Year. machinery in all three factories is switched on during the Pirith ceremony. The Managing Director and Director/General Manager give a speech about the performance of the previous financial year and future plans are to be carried out. and all employees have traditional meals with the very top and middle management simultaneously after wishing each other for the year. Traditional new customs and practices are observed usually bv employees who present betel leaves to the Managing Director and pay the last obeisance to him. All employees including the top management present betel leaves to the Managing Director and he gives cash (first ganu denu) to employees at the end of the new-year ceremony.



The traditional games associated with Sinhala Hindu New Year festival are organized including the selection of SIL Awrudu Kumara and Kumariya. The Company has a Buddhist Association comprising workers and staff members from each section. They organize all religious activities of the Company.



Awrudu Ganudenu

Relationship Capital

Relationship capital specifically focuses on the value derived from relationships with external stakeholders, such as customers, suppliers, investors, and the community. It encompasses the quality of interactions, communication, and trust established with these stakeholders, leading to enhanced loyalty, satisfaction, and reputation. Relationship capital facilitates customer retention, repeat business, and referrals, driving revenue growth and market expansion. Building and maintaining positive relationships with suppliers and partners can lead to cost efficiencies, access to resources, and collaborative opportunities. Strong relationships with investors and financial stakeholders can improve access to capital, reduce financing costs, and enhance the company's financial performance and resilience.

Relationship with Customers

Of the 196 countries in the world, our products are available in 35 countries which cover 17% of the total number of countries in the world. Please see Our Products and Our Market on page 17. We strengthen our relationship with customers and widen our global presence by participating in trade exhibitions, trade delegations and aggressive sales promotion. We attended to overseas trade exhibitions and customer visits on Germany, Netherlands and Nepal this year.

Customer Engagement is carried out by hearing customers' complaints and doing the needful, closely engaging the customers, redress their grievances in an effective and timely manner, extending pre and after-sales support to ensure seamless customer service, and using digital solutions to create awareness and support customers on product usage

During the year, 5 new overseas customers joined the Company. 6 customers from various parts of the world met us in our factory to discuss mutual business growth. The number of customers lost is zero. 50% of our customers have been with us for over 10 years and 10% of our customers have been with us for over 10 years and another 10% of our customers have been with us for over 15 years. We received a Gold award from the National Chamber of Exporters of Sri Lanka in December 2023.



The number of Customer Complaints received during the last five years is as follows.

Number of Customer Complaints
25
16
10
11
11
7

The objective of the Company is to have a continuous reduction in customer complaints year by year. Therefore, the target for each year is to have a lesser number of customer complaints compared to the previous year. In response to customers' complaints, the management process has been designed to listen to customers earnestly and take necessary remedial action. We resolve these complaints in order to provide a quick solution to customers and also preventive measures to avoid or minimize repetitions of such complaints. Our Quality Assurance department is strengthened by recruiting experienced staff and graduates and providing necessary training. We also invest in modern lab equipment every year. We greatly value feedback from our customers, which we see as a key catalyst customer, which we see as a key catalyst customer, which we see as a manufacturer of high quality Rubber Products.



Participating Jaffna Exhibition

Suppliers

Our suppliers play an important role in supporting our performance and long-term sustainability. Our major supplier is Samson Compounds (Pvt) Ltd. which provides compounds for our rubber products. So we have a strong relationship as it is a sister Company which is also situated in Galle. We carry out service evaluations with the major supplier and inform our ranking to them monthly. For other suppliers, we carry out a semi-annual survey for their services and regular one-to-one communication. We frequently visit supplier's locations and our Quality Assurance Department inspects the quality of all raw materials and compounds. The details of purchases from sister companies in the Group have been given under Note 27.5 to the Financial Statement on page 198. However, in order to reduce the risk of depending on one compound supplier, we have gone into backward integration and invested in a mixing plant.

The Company maintains an excellent relationship with the reputed manufacturer of PVC taps in Malaysia. We are the authorized distributor in Sri Lanka for world-renowned JOPEX taps. We have received Rs 100 Mn bank guarantees from our distributors for PVC products.

The Company owes to the bank Rs. 160 Mn as at March 31, 2024. (Rs. 238 Mn as at March 31, 2023) under non current liability..

We owe to the bank Rs. 695 Mn as at March 31, 2024. (Rs. 667 Mn as at March 31, 2023) under current liability.

We have received the banking facilities from well-established banks and their Fitch credit ratings in 2024 (latest) are on next page.

Bank	Rating
Hatton National Bank	A (Ika)/stable
Bank Of Ceylon	CC (lka)/stable
Commercial Bank	A (Ika)/stable
People's Bank	A (Ika)/stable
DFCC Bank Plc	-A (Ika)/stable
Seylan Bank	-A (Ika)/stable

DSI Group has the Fitch rating of AA (Ika)/stable.

Our Community

The communities we operate in are vital parts of the success of our business. In the year under review, we did not receive a single complaint from the community against the factory. We make every endeavor to establish mutually beneficial relationships especially with villagers, temples, government institutions, Universities and schools by contributing towards their development whom we consider as a part of our family. In Mach 2024 we provided training and factory visit for the undergraduates at Department of Accounting, the University of Sri Jayewardenepura.



Visiting the undergraduates at Department of Accounting, the University of Sri Jayewardenepura

Our Company is situated a few miles away from the city of Galle in a rustic environment of calm and tranquility among lush greenery and vegetation. The initiatives taken by us for our community for the benefit of villagers and the temples, of Schools, needy people, and government institutions in the Southern province are as follows.

Villagers

Distribution of paddy to Samurdhi beneficiaries Paddy was distributed to a hundred Samurdhi Dorape beneficiaries for free for the 10 th consecutive year. We donate them at 5 kg per person after reaping the harvest from the Company's paddy field. This year we donated to Valikonda region 28th December 2022 and Kabaragala region on 2nd May 2022. The balance paddy was distributed among the employees at a concessionary price. Further, a pair of slippers, a rubber mat, and a food voucher were also distributed to them. Dr Kulatunga Rajapaksa, the Chairman, and other management staff members participated in this function and distributed it to them. Villagers are extremely happy and appreciate the efforts taken by the Company. This created a strong bond between the Company and the villagers.



Rice Distribution to Dorape/Kabaragala Samurdhi Beneficiaries

Further, there are 45 trimming operation centers in proximity to the factory in the village. We have arranged these trimming operations and assigned them to

- Elderly and poor disabled people who are unable to go to a factory for work.
- People (house-bound) whose presence is necessary at their homes as they need to look after their infant children or elderly parents or invalid inmates.

We have been doing this Corporate Social Responsibility activity for the last 35 years. The total amount paid to such people is approximately Rs. 2Mn per month. We give them more than 7Mn of V straps, 650,000 hot water bottles, 100,000 bath mats, 500,000 soles for trimming for a year.

In these 45 trimming operation centers work more than 250 of such poor elderly, disabled, and house-bound people. These products of Samson International Plc are delivered to and collected from their operation centers daily. Necessary training is given and also helps them to arrange for facilities such as aluminum roofing, cement, bricks, etc. for their work. Income for such poor elderly, disabled, and house-bound people is generated and paid out the sales proceeds of exports and local sales. These trimming centers enable them to earn an income while being at home.

Company products such as rubber mats, hoses, and other PVC- related and rubber-related products are donated to neighboring temples, schools, Bona Vista Elders' Home, hospitals, government institutions, and police stations every year. Each employee including workers is given a chance to donate either in kind or cash to them which is a part of the human resources policy of the Company. Then all employees are motivated and the relationship is established even at the worker level. Our objective is to create an atmosphere for our employees and villagers where they can work and live with happiness, enthusiasm, and pride.

Sub-Contract Week is usually held in the month of June. During this meeting, we discuss the Quality issues, productivity improvements and their welfare matters. Usually all 45 Sub-Contractors participate for this discussion and meeting. We also donate Company products for their usage. In the meantime, able young villagers are taken into the factory as full time employees of the Company. More than 80% such employees have come from neighbouring villagers. Total number of employees at present is 525. In summary, the Company incurred Rs. 26 Mn which is equivalent to 1% of the turnover, in Corporate Social Responsibility Activities towards the poor, elderly, disabled and house-bound villagers in a year.

With a diverse portfolio we cater to the needs of striving to provide solutions that enhance lives and empower communities

Temples, schools, needy people, and Government Institutions

List of Donations made to Temples, schools, needy people, and Government institutions in the year 2023/24

Date	Details of Donation
2023-04-07	Rubber Carpets and Rubber Items to Siridamma College, Labuduwa
2023-04-19	Alms giving to Sambodhi Niwasya, Baddegama
2023-04-26	Medicine cupboards and Rubber Slippers to the Kalugala, Hospital Habaraduwa
2023-04-27	Wooden cupboards, a bed, and rubber slippers to the ITU unit Imaduwa hospital
2023-05-03	Tennis balls to Siridamma College, Galle.
2023-05-08	Rubber carpet to the lady Ridgeway hospital
2023-05-17	Rubber carpets to the Richmond hill Housing Complex
2023-06-09	Rubber carpets to Bo Sevana temple
2023-07-19	Rice to Samurdhi Members
2023-08-11	Cash to MOH Office, Angulugaha
2023-09-06	Hot water bottles to Turkey Embassy
2023-10-23	Cash to Kabaragala Temple
2023-12-13	Rice to Samurdhi members
2024-01-09	Rubber Carpets to Bataganvila Bodhiya, Galle



Donation given to Temples, schools, needy people, and Government Institutions

In addition to above, we help poor, elderly, disabled and housebound people in the neighboring villagers with income generation activities.

In summary, social and relationship capital represents the intangible assets derived from effective relationship-building, trust, and collaboration with stakeholders both within and outside the organization. We feel that the most valuable and real property is the space we occupy in stakeholders' hearts. Recognizing and nurturing these assets is essential for companies to foster resilience, innovation, and sustainable growth in today's interconnected and dynamic business environment.

Natural Capital



SIL Paddy Field

"We continue to be committed to contributing to the national economy, serving the rural areas in the Southern Province by using local raw materials. Out of our total raw materials cost, 60% is from rubber and it comes from the plantation estates in the Southern Province ... "

N atural capital represents the foundation of human wellbeing and economic development, providing essential resources and ecosystem services that support life on Earth. Protecting and managing natural capital sustainably is essential for achieving long-term prosperity and ensuring the health and resilience of ecosystems and societies.

Natural capital is the stock of renewable and non-renewable resources and ecosystems that provide benefits to people and support economic activity. It encompasses the earth's natural assets, such as forests, oceans, land, minerals, air, water, and biodiversity. Natural capital provides a wide range of ecosystem services that are essential for human well-being and economic prosperity, including clean air and water, climate regulation, soil fertility, pollination, and raw materials for industries.

Renewable natural capital includes resources that can be replenished over time, such as forests, fisheries, soil, and water resources. These resources have the capacity for regeneration and sustainable use if managed properly. Non-renewable natural capital consists of finite resources that are exhaustible and cannot be replaced within human time scales, such as fossil fuels (coal, oil, natural gas) and minerals (gold, silver, copper). These resources are subject to depletion and require careful management to ensure long-term sustainability. Earth would become four degrees hotter than its now within next ten years. Himalayan glaciers are melting at a rapid rate due to the increase in global warming as stated by the Green Foundation. Mitigating environmental impact has become a key factor during our investment decision making process.

> We recognize our responsibility to society and the environment. Through our corporate social responsibility initiatives, we aim to make a positive impact in the communities where we operate and minimize our environmental footprint

The Company makes every endeavor to protect the environment as well as our cultural values. Some of the initiatives taken under the renewable natural capital are as follows.

Company paddy field

While showing the beauty of the location of our Galle factory, especially to the overseas customers, they value our paddy field in front of the main factory which is owned and maintained by us. This land has almost 2 acres and we harvest in every season for the last nine years. The rice obtained from the harvest is distributed among the Samurdi beneficiaries in the villagers.

Natural Capital (Contd...)

Our Company is situated a few miles away from the city of Galle in a rustic environment of calm and tranquility among lush greenery and vegetation. Our Galle factory is located in the Paddy and tea planting area while the Baddegama factory is located in the rubber and tea planting area. Our Kautara factory is located in the Free Trade Zone. Therefore, environmental pollution to the general public is minimal.



Annual tree planting ceremony

- We plant trees annually on the factory premises. For this, all employees participate irrespective of their position.
- 2020/21- We planted more than 100 of timber trees.
- 2021/22 We planted 2600 cinnamon and fruit plants in the Galle factory land and we will expect to absorb 16 tons of Carbon Dioxide per year
- 2022/23 We are currently cultivating about 300 vegetable plants. A few of them are Radish, tomatoes, eggplant, chili etc.









Vegetables from the harvest are provided to employees at a subsidized rate. Rice distribution occurs twice a year and is given to beneficiaries from three neighboring villages. This practice has been ongoing for more than 8 years.

Natural Capital (Contd...)

Solar project and energy consumption

The Company also invested Rs. 105 Mn to install solar panels on the roof of the Galle factory buildings in collaboration with a reputed solar panel installation Company. This has a Solar PV Capacity of 751 kW and it would generate 85,611 units per month. We also invested in the second solar project in the Baddegama PVC plant for 460 kW with an investment of Rs. 55 Mn and we will do the same in the Kalutara factory in the near future.



Signing an Agreement for Solar Project

Energy consumption has been minimized by eliminating energy waste, installing capacity banks, using transparent roof sheets and energy saving bulbs. We monitor energy consumption on a daily basis with sub-meters and energy audits are carried out from time to time. Training programmes are carried out to all employees on electrical safety every year.

FSC products to Europe

The Company gives high priority to produce FSC (Forest Stewardship Council) products and we have so far produced Fourteen such products. They are Seed trays, Bath mat, Jar sealing rings, moon cup, Lid seal, Yoga mat, Eco Raser, Flower pot, Coaster/Tray, Binding Strap, Soap Container, Ruby trainer, Hot water Bottle and Scraper. These FSC products are manufactured by using rubber from organic plantations.

3R (Reduce- Reuse- Recycle) method in waste water management

We adopt the 3R method of Reduce- Ruse- Recycle in waste rubber and water management. The top management gives a high priority to monitor this process.

Our water management policy focuses on recycling and re-use with state of the art recycling plants established at our factory. We persistently monitor the quality of the water discharged from our operations, and these continue to be within the parameters specified by the Central Environmental Authority.

We all our waste rubber is recycle and use to produce road hump, D-Bumpers and rubber mats and the balance is given to another sister Company to manufacture reclaimed rubber products. Solid waste generated from our operations are segregated at source and disposed with minimal environmental damage. To Reduce paper waste; We encourage communication via electronic or digital mediums, and generate e-reports as much as possible. Printing of hard copies is restricted and done strictly on a need basis only and then too using double-sided printing. We encourage Reuse; of singleside printed documents, while common reports are made available for sharing among users.

Environment Policy

"Samson International PIc is committed to minimize the adverse impact of its operations on the environment, utilizing the best environmental practices, instilling the highest environment values in all its employees."

Investment in dust collecting machinery

We have installed dust collection machinery for all mixers in both rubber and PVC factories. These devices are specifically designed to clean and filter hazardous dust and fine particulate pollutants released into the work environment or atmosphere to maintain and improve air quality. Through this, we as an organization have been able to work in a safer environment for the employees as well as reduce the damage to the surrounding atmosphere.

Investment in biomass boiler

We invested a 3-ton biomass boiler in the main plant and this commenced operation from 24 April 2024. This was ceremonially opened by Charman and the Managing Director.



Certifications

We have obtained the following certificates for our products and systems, to protect our customers and the environment.

- REACH certification for use of eco friendly non hazardous chemicals
- Forest Stewardship Council Chain of Custody (FSC COC)
 Certification
- ISO 14001 on Environmental Management certification
- ISO 50001 on Energy Management certification
- SATRA, UK Certificate for fire retardant mats and floorings
- Electrical Resistant Certificates from Universities

Contribution to the national economy

We also continue to be committed to contributing to the national economy, serving the rural areas in the Southern Province by using local raw materials. Out of our total raw materials cost, 60% is from rubber and it comes from the plantation estates in the Southern Province. Further, this opens direct employment avenues for neighboring villages of the plantation estates. Please see further details under Operating Environment on page no 70 for further details.

Natural Capital (Contd...)

The details of present sustainability measures of work – stream of the Company are as follows. This work- stream includes in the areas of emission, noise, water. Waste, chemical and energy.

Sustainability work – stream	Causes / Consequences	Examples of sustainability measures from the case study	Monetary savings (Yes/No)
Emission Management	• Exhaust gases from boiler, generator, etc	• Use dust extractors & collectors	
	 Emission from the manufacturing process: e.g– Dust, Fumes 	Use fume extractors	Yes
		Use pelatised chemicals	
Noise Management	 Noise generated out of machinery operations e.g: Air compressors, power generators, Banbury mills – house duty machines 	 Replace reciprocating air compressors with screw type which saves energy cost 	
heavy-duty machines		 Use proper exhaust "silencers" for generator outlets and maintain heavy machinery with proper lubrication 	Yes
Water Management	 Waste water from manufacturing processes 	• In-house waste water treatment	
		Re-use for gardening and cooling purposes	Yes
 Solid waste discharged from the manufacturing process 		 Recycle reject rubber waste and get reclaim rubber from the process 	
		• Recycle rubber flash and get buffing dust for the process	Yes
		Waste segregation and recycling through government approved	
		Recyclers while generating income	
Chemical Management	Chemical discharged from rubber products manufacturing process	Comply with REACH standards	
		 Eliminate Polycyclic Aromatic Hydrocarbons (PAHs) from manufacturing processes 	Yes
Energy Management • Energy waste		 Maximum demand control, staggered basis starts, and shutdown of machinery. 	Yes
		Power factor correction, power usage analysis, and recording	

We have analyzed causes and consequences and all measures have been taken as above.

INTELLECTUAL Capital

14 New Rubber Products Rs. 40 Mn Investment in R & D 02 R & D special awards 10 Products in pipeline



Brand promotion for Samson PVC

" Our intellectual assets are not reported on financial statements but are critical for sustaining and enhancing the company's performance..."

Intellectual capital refers to the intangible assets and knowledge-based resources that contribute to its competitive advantage, long-term value creation and innovation. These assets are not reported on financial statements but are critical for sustaining and enhancing the company's performance. Intellectual capital can be categorized into three main components:

Human Capital

This encompasses the skills, expertise, and knowledge of the company's employees, from frontline workers to management. Skilled employees who possess specialized knowledge and experience are essential for efficient production processes, quality control, and innovation. Investments in employee training and development programs, talent retention strategies, and succession planning contribute to enhancing human capital.

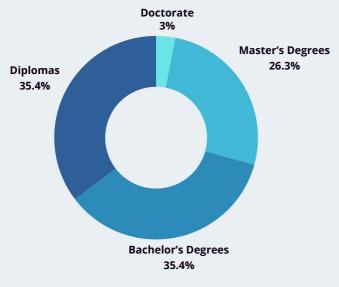
The collective knowledge, expertise, and experience of our employees provide a considerable contribution to our intellectual capital and also give the company a significant competitive advantage in the market. Over 25 employees have worked for the Company for over thirty years and account for a vast database of tacit, accumulated knowledge, including highly specialized expertise in the core business domain, capital management, and risk management.

The company also conducts competitions for innovative ideas among the employees. Innovation starts even from the factory workers and recognizes them well. Last year we received fourteen innovative ideas and cash awards and certificates were granted for the five best ideas by the Chairman in the presence of all employees. Our Chairman has worked from the inception of Samson International Plc (35 years) and DSI Group for over 60 years. Professionally qualified areas and Service Analysis of our Directors and Executive Management as at 31st March 2023 are given below. This indicates our strength in all functions of the Company. Last year we were awarded a gold award from the National Chamber of Exporters. Further, we have received several awards from the Institute of Chartered Accountants of Sri Lanka and an international award from SAFA for our Annual Reports.

Analysis of Educational and Professional Qualifications of the Executive Management

Category	Number of executives with academic qualifications	Number of executives with professional qualifications
Doctorate	1	-
Master's Degrees	8	-
Bachelor's Degrees	11	-
Diplomas (Engineering and Production etc.)	11	-
Professionally qualified in Accountancy	-	2
Professionally qualified in Law	-	1
Professionally qualified in Marketing	-	2
Professionally qualified in Human Resource	-	1
Total	31	6





Professional Background



Structural Capital

Structural capital includes the organization's systems, processes, patents, trademarks, proprietary technologies, databases, and intellectual property rights. We often rely on advanced technologies, production processes, and proprietary know-how to streamline operations, improve efficiency, and differentiate products. Well-established quality management systems, supply chain networks, and information technology infrastructure also constitute structural capital.

Our research and development capabilities are able to develop and manufacture a wide range of products catering for the customer needs. We believe that in order to be competitive and sustainable in the market, Research & Development is the crucial factor in our business. We have strengthened our Research & Development Department and given a professional value to it. For two years, we were awarded a special award for the Best Performer in Research and Development Activities from National Chamber of Exporters. We obtain the services of outside foreign consultants who have a doctorate in polymer and rubber. From time to time, we obtain services from University of Ruhuna, University of Colombo and Rubber Research Institute. we also receive R & D services from our sister Company in the Group. A substantial investments have been made into R & D to promote innovation, while giving the customer a unique or high quality products.

We frequently visit our sister companies and share their knowledge.



Discussion on new product

The innovation process of Research and Development of the SIL is explained below. Every year, our R&D department develop at least ten new products. Last year we produced 10 new products in the rubber sector and 3 new products in the PVC sector. The success rate in the commercial production and customer acceptance is usually more than 80%.

Step	Source/Contribution	Decision Making Unit
Idea Generation	Customers, Employees, Inquiries, Brain Storming etc	-
Idea Screening	R&D Meetings, Management Meetings, R&D Meetings	R&D team
 Concept Development & Testing Business Analysis 	R&D Team, Incubator Team Marketing & Financial Team	Project Owner GM, Accountant, Marketing Managers
 Product Development 	R&D Team Production Team, Engineering Team	R&D team
Test Marketing	Marketing Team	GM, Marketing Managers
Commercialization	Marketing Team	GM, Accountant, Marketing Managers
Monitoring & Evaluation	Marketing Team, R&D Team, Financial Team	GM, Marketing Managers, Finance Manager, R&D team

We know that innovation always plays a role in staying ahead of competition. Commercialized products developed by our R&D during last year are as follows.

Rubber Sector

Industry	Product		
	Garden tray, seed tray,		
Agriculture	Hexagonal garden pot		
	Air pot		
Automotivo and industry	Air vacuum hose		
Automotive and industry	Vibration pad for container		
	Traveling yoga mat		
Matting and Flooring	Fabric and Continuous honeycomb mats		
Construction	Flexi connector		
Food and packaging	Kitchen tray		
Food and packaging	Garden bucket		
Others	Molded flex bar		
Others	Dog flying disk		

PVC Sector

Industry	Product	
Construction	PVC beading	
Construction	Paintbrush accessories	
Others	PP Stopper for hot water bottles	

The Company received the patent right to manufacture One Unit Rubber Hot Water Bottle. Further we have already applied for the patent right for dry rubber open cell yoga mat. We follow the Intellectual Property Act No 36 of 2003. A patent is a grant by the government of monopoly to a person to make, sell, and use an invention for a limited period (20 years). Patent law protects new, unobvious and useful inventions which are industrially applicable. Patent protection is available in Sri Lanka for a process and for a product. A patent gives the owner (patentee) the exclusive right to exploit the invention. For up to 20 years in Sri Lanka the patentee has the legal right to stop others producing the patented goods or applying the patented process by suing for infringement.



Relational Capital

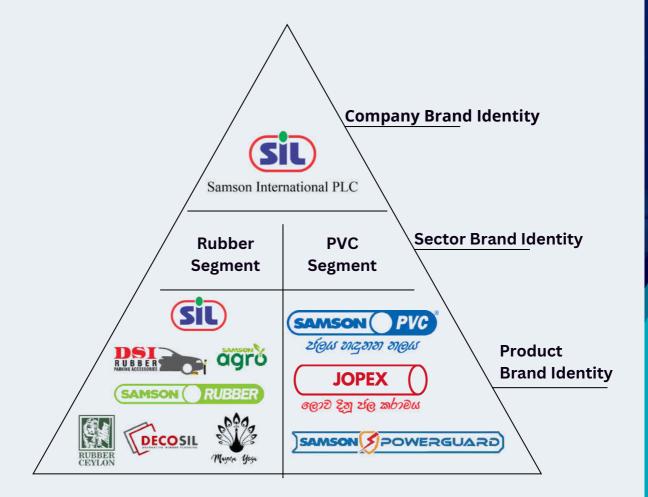
Relational capital represents the company's relationships with stakeholders such as customers, suppliers, partners, and industry associations. Strong customer relationships built on trust, satisfaction, and loyalty contribute to repeat business and market reputation and brand name. Collaborative partnerships with suppliers and distributors facilitate access to resources, innovation, and market reach. Participation in industry networks, alliances, and knowledge-sharing platforms enhances the company's visibility, influence, and access to industry insights.

Intellectual Capital helps us to focus on innovation and product development, enhances the operational efficiency, increases quality and reputation, risk management and long-term value creation. Strategies we use for managing Intellectual Capital are invest in employee development, protect intellectual property, foster collaboration, cultivate customer relationships and utilize technology

Branding

We recognize the significance of branding in these challenging times. We firmly believe that a robust brand acts as a beacon of stability, offering reassurance and instilling trust among consumers amid uncertainty. In crowded markets, where competition escalates during economic downturns or crises like the present one, branding sets a company apart, aiding in the retention of loyalty and market share. Since our inception in 1988, we have cultivated a diverse portfolio comprising numerous brands over our 35-year journey. Our range includes SIL, Samson PVC, Samson Rubber, Samson Powerguard, Decosil, DSI Rubber Parking Accessories, Mayura Yoga, Rubber Ceylon, and Samson Agro. Among these, SIL, Samson PVC, and Samson Rubber stand out as our topselling brands. SIL holds the majority share in exports, while Samson PVC and Samson Rubber cater primarily to the local market. Additionally, we serve as the authorized distributor for taps under the JOPEX brand in Sri Lanka. The primary goal of our brands is to foster strong relationships with customers and consumers by consistently delivering satisfying experiences through the use of our products.

Most of our brands are currently positioned in the growth stage of their life cycle. To enhance our brands' progression, we employ several strategies. Firstly, we continuously adapt our products to meet evolving demand, while also innovating new concepts that will sustain brand growth into the future. Additionally, our brand culture serves as a key differentiator, enabling us to stand out, build credibility, earn trust, and foster strong relationships with our customers, ultimately leading to sustainable profitability. We recognize that the relationship between a brand and its consumers has evolved from a transactional to a transformational one. As such, brand management is transitioning towards perception management. Rapid changes in market dynamics, product evolution, technological advancements, regulatory shifts, shifting consumer preferences, and expanding consumer aspirations all contribute to the rapid evolution of consumer perception towards brands



Rubber Products

Growing our core brands

Our primary export brand, SIL, faced a significant decline during the year, largely impacted by the economic crisis in Europe. Sales of the SIL brand decreased by 43% during this period, primarily due to adverse climate conditions and economic instability in Europe. Additionally, the sustainable product sector (FSC Products) also experienced a notable decline in sales during this period. Despite these challenges, the Samson Rubber brand, introduced into the local market to leverage our existing Samson PVC distribution network, achieved a commendable growth rate of 28% during the year. Furthermore, despite the economic slowdown and challenges within the construction industry, both the DSI Rubber Parking Accessories and DECOSIL brands managed to record some growth. Our B2C brand, Rubber Ceylon, expanded its market presence in Australian market by selling its products through eBay. We are continuously exploring innovative avenues to ensure the accessibility of our brands to consumers worldwide, with e-commerce sales witnessing notable growth both domestically and internationally. Presently, we cater to more than eight industries, positioning ourselves as the sole manufacturer in Sri Lanka capable of producing PVC and rubber-related products.



Growing our channel footprint

We're finding new ways to make our brands available to consumers, wherever they are. Sales through eCommerce continue to grow during the year both locally and internationally. Samson Rubber brand further expanded its market presentence by setting up an island wide distribution network through expanding its distributor network.

Innovative Culture

We prioritize addressing future consumer needs by directing our innovation efforts towards environmentally friendly products. Throughout the year, we've developed numerous eco-friendly products through collaborations with various sustainable brands globally. Our close partnerships with organizations like the Forest Stewardship Council and the Fair Rubber Association, alongside their member brands, have facilitated the development of innovative and environmentally friendly rubber products designed to meet everyday consumer demands.



Digital Acceleration

Despite the recent surge in digital commerce, only approximately one-third of the world's population currently shop online, representing a significant opportunity for growth. We're witnessing the emergence of new models such as social commerce, where people make purchases through social media platforms, and quick commerce, where customers expect rapid delivery within an hour. Additionally, we're experiencing ongoing growth in sales of our branded products through some of our largest ecommerce partners, both domestically and internationally. Over the past year, our local online sales have doubled, and we've continued to expand our digital footprint. Presently, we are successfully selling our products in the UK and Australia through digital channels. To further enhance our brand presence online, we developed and implemented an integrated digital strategy. This included the creation of a comprehensive new website with advanced SEO features aimed at bolstering our online visibility.



Our Brands

Brand purpose

Our largest branded selling product is PVC pipes & fittings and its brand name is Samson PVC. The tagline for this brand is " Jalaya Hadunana Nalaya ". We stepped into this PVC related products business on 14th July 2014. Forming a brand for our PVC products and publishing it, is one of the most important things for us.



Ceremonially selling the first branded PVC product by Chairman, MD and GM to Negambo Distributor

Samson is the name of our founder who initiated and did all hard work to bring the DSI Group to the current level during the last 65 years. Therefore when our customers see the word " Samson", they would realize that this is another product from DSI Group. At present DSI Group has a turnover of Rs 25 Bn while more than 10,000 employees are working. Most of Companies are in manufacturing. Our founder's belief in fair trading, thoughts in value for money and commitment in quality could be seen in all our products. Samson PVC is the largest branded product in the Samson International Plc. The other branded products in the Group are Samson footwear, Samson Title, Samson Bike which have earned a good thoughts and belief in the consumers in locally and globally. Therefore, the same positive thoughts and beliefs passes to Samson PVC products as well.



First branded lorry which was opened on 17th July 2014

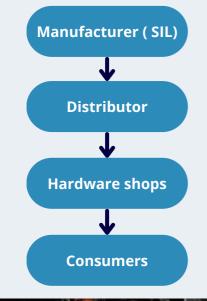


Press Conference with Chairman, MD, GM and Marketing Manager on 14 th July 2014

Brand Target (Market)

In the case of our PVC business, our customers and consumers are in the construction and irrigation. Most of the customers in the construction buy pressure pipes, conduits, and trunkings and most of the non-pressure pipes & PVC hoses are bought by farmers. We sell our irrigation pipes mostly in rural areas. We sell our products first to the Distributors who sell them to Hardware shops. Hardware shops sell our products to the consumers. We have around 50 distributors, 2000 hardware shops. Our monthly average sales is around Rs 100 mn which was achieved in just 6 years' time. Last year we recorded a sales of Rs 1.3 Bn. At present, we do not have customers overseas. However, we find an export market like our rubber products very soon.

Our Distribution Channel in the local market is given below.





Taking an effort to delivery our brand promise to our target market

Brand vison

For each of our brands, we have a brand vision. Eg. the Brand vision of Samson PVC has been formulated within the Company's vision. The vision of the Company is that "We will be a leading polymer manufacturer in the region. So, our brand Vision of Samson PVC is that "We will be a leading brand in the PVC-related products in the region. "

- The long-term brand objective of Samson PVC brand:
- Achieve market leadership in Samson PVC product lines in the local market.
- Design and manufacture of new products continuously for the local and global markets
- Reach our Revenue and Profit in the PVC segment at a rate more than the current industrial norm.
- Attain forward and backward integrations through takeovers and acquisitions.
- Strive for uplifting our community whilst adhering to high ethical standards in business.
- Establish a solid export market for Samson PVC products.

Medium-term brand objective of Samson PVC brand:

- Increase our market share to 20 % in the PVC products from 5 % within 2 years.
- Find an export market and reduce/eliminate our exchange losses by matching concepts.
- The Company continuously invests in Research and Development activities in PVC products.
- Invest in CPVC product line and produce hot water pipes.
- The Company continuously carries out environmental audits and invests in CSR activities.
- Continuous Promotions through electronic media.
- Participate in all possible exhibitions overseas and locally.
- Develop our Samson PVC brand to be perceived as highquality product
- Upgrade in-house machinery.
- · Provide continuous training, especially to the sales staff

Brand Mission

We have a brand mission for each brand. Eg. We have prepared our Samson PVC Brand Mission within Samson PVC Brand Vision. Further, This Samson PVC brand Mission is also in line with the Company's Mission statement. Our Company Mission statement is that " We will become a versatile manufacturer of diversified polymer products in the global market by utilizing modern technology while providing optimum value to stakeholders". Similarly, Samson PVC brand Mission is that " We will strive to achieve a wide market share for Samson PVC products in the local and global market by utilizing modern promotions activities and technology while providing optimum value to our customers and other stakeholders.

Brand values

Brand Identity reflects the core values of our brand. This is what others say about the value of our products. Our core values are given below.

- All products are manufactured by the DSI Group, and the name 'Samson' is included in the name of the brand. The DSI Group is a large and well-known group from the Southern province. They have been producing many products such as shoes, bicycles, tiles, and bikes for the local and global markets for more than 60 years.
- We produce pipes that is recognized by water or *Jalaya* hadunana nalaya. So it reflects the high quality of the product.
- We give *hari daa hariyatama* or give right thing more than the correct thing.

Brand Personality

Brand personality refers to the association of human characteristics and traits with the brand to which customers can relate. It refers to the brand personification. It is the set of human traits and characteristics assigned to the brand. In this area, our PVC products brand has the following characteristics.

- We are the cultivation and construction industry and make trustworthy PVC pipes
- We produce unique pipe join rubber products for PVC pipes used by the Water Board.
- Whenever a need arises, we will be creative to produce a product for our customers.

Customer/ Distributor Age Analysis:

Less than 02 years	45
Less than 04 years	10
Above 04 years	5

Brand Life Cycle

- Most of our brands are at present in the growth stage of the brand life cycle. We use the following strategies to improve in the brand life cycle.
- Our products are continuously adapted to meet changing demand while at the same time, new concepts of the future will be invented that will sustain the growth of the brand.
- Our brand culture would help differentiate us, enable us to be highly visible, instill credibility, trustworthiness, and love as a customer, and attract and retain our ideal customers so we consistently grow profitability.
- It is a great challenge for accompany to live everlastingly young. We know that the relationship between the brand and consumer is no longer a transactional relationship but a transformational relationship.
- Brand management is shifting towards perception management. Consumer perception towards a brand is bound to change rapidly due to the market dynamism, constant evolution of products, rapid technology life cycles, ever-changing regulatory frameworks, changing consumer tastes and preferences, and expansion of consumer dreams and aspirations. Similarly, there could be some obstacles to living everlasting young. Those are low-cost resolution, the Distributor's brand typically cheaper compared to the manufacturer's own brand, and Brand imitations (producing duplicates and fake originals). Therefore, we constantly evaluate and analyze the market and do the needful from time to time. Market research is extremely important for us to identify the changes in market behavior.

• By using the characteristics of brain behavior, we use both rational thinking on the left brain and emotional thinking on the right brain. Rational thinking covers price, size, features, warranty, and quality. Emotional thinking covers look, esteem, sense, security, and gut feelings.

Brand Promotion

- We use the following strategies to promote the core values of the brand.
- We do not isolate from the media. Communication is the brand's weapon. We have been advertising in radio and TV every month our core values of the brand in all three languages. We do lorry branding, email marketing, billboard advertisements, exhibition participation, and social media marketing. We demonstrate all core values that is invisible. We reveal the basic differences hidden and promote intangible values in the product.
- We nurture the perceived differences through Smart adaptation. We adapt different products to different regions and usage. Eg A different sizes of pressure pipes are used by customers in the Northern province. Similarly, water Board uses a different product range.
- We are preserving the Superior image of the product by renewing the product regularly, integrating new and emerging needs, and continuous market research.

Brand Reflection

Brand image is what others say about us. Purpose is the driver of brand culture and culture is the engine behind an organization's success. It is fundamental to the sustainability of a brand. Brand culture needs to be part of the very fabric of the organization engaging leaders and employees throughout. We need to define our optimal brand culture in everything we think, feel, say, and do.

We are nurturing the perceived difference through product innovations, Packaging changes, ecological considerations, and smart adaptation. We are preserving the Superior image by renewing the product regularly, integrating new and emerging needs, constantly confirming one's superiority, and adapting to customers who change and become more experienced.

Operationalization through the elements of promotions

During the year under consideration, the Company has made significant investments in branding and promotional activities in order to establish trust and create loyalty among our customers in both local and international markets. This includes Advertising, Publicity, Sales Promotion and Personal selling. Some of them are shown on next page.



RISK Management



Fire Drill at Main Plant, Galle

" Risk management is a feature of all business. Risk can usually come from within through employee actions, management decisions, and the decision to merge or launch a new product. It can come from either internally or externally in the area of strategic, financial, operational, hazard and climate... "

As we are aware, risk can usually come from within through employee actions, management decisions, the choice of accounting policy, and the decision to merge or launch a new product. It can come from either internally or externally in the area of strategic, financial, operational, hazard, and climate.

Туре	Internal	External
Strategic risks	Research and development, merger and acquisition	Competition, customer changes, industry changes, regulations, Intellectual capital
Financial risks	Liquidity, cash-flows	Interest rate, exchange rate, credit
Operational risks	IT systems, accounting controls, supply chain	regulations
Hazard risks	Employees, properties	Actual events, suppliers, contracts
Climate risks	Lack of climate change adaptation and transition plan	Physical risks related to extreme weather events

Risk management is a feature of all business. Companies take risks to generate returns. The amount of risk varies not only with the type of business or its market circumstances, but also with the business's position in its life cycle. We know that young and high–growth businesses are more vulnerable than mature and stable businesses. Directors decide how much risk the company can accept or risk appetite. Some risks have traditionally been given a greater attention than others. The danger of a factory burning down, for example, is a clear threat to a business's future. Directors have considered insurance, investing alarms and fire hydrogen systems, and compliance with health and safety regulations in these circumstances.

A prudent culture of risk management and methods for identifying plausible risks have been developed and promoted throughout an organization so that directors and managers can be proactive. The board is responsible for ensuring that all business risks are identified, evaluated ad suitably managed. In a world of increasing complexity and uncertainty, directors have now managed the risk more assiduously than ever before. Risk management is a structured, consistent, and continuous process across the entire company for identifying, assessing, responding to, and reporting on opportunities and threats that affect the achievement of the company' objectives. Risk monitoring is usually carried out by focusing upon Key performance indicators. Our directors frequently question risk-monitoring personnel and request reports on company risk.

Our methods of identifying the risk are from brainstorming, SWOT, PEST analysis, risk register and expert guidance. The board consider the cultural and economic context it is situated in, in executing its functions about reporting of risk. We have appointed a Risk committee to help the management understand, evaluate and take action on all risks. This committee recommends policy and strategy for risk management of the company, builds a risk-aware culture and establish internal risk policy and structures in each business segment.

Samson International PIc reviews all potential risks on a regular basis as any organization could face some risks from their business activities. We identify the potential risk, assess it and respond to it by allocating required resources. We always proactively gather market data and information and perform in-depth analysis to get ourselves prepared to adopt to dynamic and ever changing market conditions and trends. We continuously perform benchmarking with our peers, both local and oversea in order to realign our business strategy and direction.

Our laboratory in the Quality assurance department and R & D are equipped with state- of- the-art equipment and analytical instruments which reflect our relentless efforts and innovative spirit. By keeping ourselves always ready and prepared for any changes in the global market, we always have the early bird advantage. The Risk Assessment Matrix of Samson International PIc is given below.

Impact	Risk Distribution				
Significant	Fire, Corona Virus, Degue	Climate, Political instability	Depreciation of LKR, interest rate		
Moderate	Raw material prices, Skill workers	Energy and oil Prices	Technology		
Minor	Quality issues, Wastage	New product, New market	Market Promotions		
	Low	Medium	High		

Risk Assessment Matrix



Fire Drill at Baddegama Plant



Fire Drill at Galle Plant

There is no business if there is no challenge. In business, as a whole the biggest challenge over the years is volatility. Volatile exchange rates, volatile raw materials/ input cost and volatile customers' demand, and the like. We view these challenges as an opportunity or inspiration to improve ourselves and do better than our competitors. For over the past 35 years in business, we have been stable and smooth. A stronger foundation and preparedness to always take on any future challenges are the two major ingredients that give us an edge over our peers. Our Group's competitive strengths over the last 60 years lie in its capacity to launch quality products at a fair price, management focuses on business, high professionalism, transparency in all business dealings and the management belief in using R & D to win in business. A substantial investment has been made into R & D to promote innovation while giving the customer a unique or high-quality product.

We adopt open discussion and lean management structure in our company. We encourage our employees to provide feedback and recommendations for improvement and to achieve the goal set. Further, maintaining excellent customer service and practicing professionalism in business undertakings are an integral part of our company's corporate vision. We always want to be the most reliable business partner to our customers in every aspect from top-quality products to timely deliveries, insightful marketing assistance, positive relationship, technical solutions and consultations. We have also embarked on co-product development with some of our long-term customers to unlock the potential values together. Since its inception, Samson International Plc maintained its unbroken sales growth (other than the year under review) and continuously rewarded its shareholders with unfailing dividend payments for the last 10 years.

Increase in Operational performance, achieving business objectives, building investor and stakeholder confidence, increasing shareowner value, reducing insurance premium and sharing risk information across the company are the benefits of risk management. Further it provides integrated responses to multiple risks, links among growth, risk and return. Further we could rationalize capital, deal effectively with potential future events that create uncertainty, align risk appetite strategy, enhance risk response decisions and minimize operational surprises and losses. The Board and senior management have the many options concerning their response to the risk identified. Those options are avoidance, reduction or mitigation and acceptance of the risks. A cost–benefit analysis is normally carried out when assessing these options.

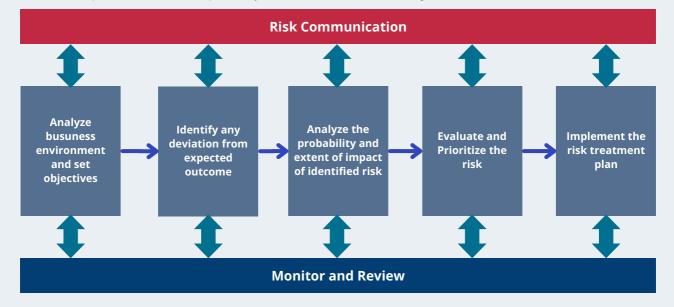
Risk management process

Our risk management process has been explained through risk identification, risk assessment, risk response, and risk reporting methodologies under the areas of Macroeconomic, Competitor and Market, Operational, Financial, and Others.



From this risk management process, we ensure to identify of any situation or circumstance that would adversely affect the achievement of the Company's objectives. The Senior management reviews the risk in the company on a continuous basis. Eg

- The Group Directors review Company's risk profile and provide guidance on required risk responses on a monthly basis at the time reviewing the monthly accounts.
- The Audit Committee reviews and monitors the internal controls. The audit reports are prepared by Messrs. T & D Associates, Chartered Accountants and it is reviewed by the audit committee along with the risk reports and compliance reports on quarterly basis.
- The Company Board of Directors reviews strategies, processes, procedures and guidelines on a continuous basis to effectively
 identify, assess and respond to risks on a quarterly basis in the Board meetings.
- Further Corporate Finance and Group Treasury also advise for risk maters on a regular basis.



The Risk Management Table below explains the Risk identification, Risk assessment and Risk management under five risk categories.

Risk				
identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2024	Risk Ranking as at 31st March 2023
Macroeconomic Risk				
Characteristics Risk en de pr Se su re du qu Ac sh	ue to the recession and high nergy prices in Europe, the emand for export rubber roducts decline. easonality period generates a ubstantial proportion of evenue and operating profit uring the third financial uarter. dverse trading in this relatively nort period is likely to impact gnificantly the full year's	Product development and market development. Financial and manpower planning takes into account at the expected peak periodand the business is run accordingly. Contacting sister companies to obtain excess workers. Increase attendancebonus during the peak time. Maintain a buffer stock	High	Medium
	esults.			
rate Risk an co pr for	epreciation of the rupee value nd loss of exchange in onversion in relation to export roceeds, import payments and oreign currency debt ansactions.	Exchange rate movements are taken in to consideration before conversion and pricing. Practicing effective hedging techniques. Continuous evaluation of the impact of Central Bank regulations.	High	High
3. Socioeconomic Risks Sri	ri Lanka's socioeconomic and	Management reviews prices in		
im	ne political environment has an npact on the local PVC and ubber sales.	comparison to inflation and negotiates with suppliers for lower prices and credit terms.	High	Low
		Export grade two products to low-end markets such as India & Pakistan		
Competitor and Market	Risk			
sal	sk of losing our market share and les growth to Chinese low Jality products and to other Ibstitute products.	Ensuring high standards of quality in the eyes of the customer and branding all our products. Participate in trade fairs both local and		
		foreign to attract new customers.		
		Identify the products which are in the decline stage of the Product life cycle and take corrective action.		
		Sourcing new markets and developing new products.		
		Make necessary investments to upgrade the facilities.	High	High
		Corporate plan is prepared every three years and monitored closely.		
		Increasing productivity and efficiency in order to ensure our prices remain competitive.		
		Carrying out Research and Development activities to identify needs.		
		The provision of various value added services for our key customers.		
		Export PVC- related products where there is high demand. e.g., PVC hose		

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2024	Risk Ranking as at 31st March 2023
5. Technological risk	Risk of low productivity and high maintenance costs compared to the products manufactured by competitors	Frequent visits of overseas exhibitions and continuous investment in modern machinery. Continuous competitor analysis is carried out. Investing in Research and Development activities throughout the year. Investing in ERP system, hardware and developing software in-house.	Medium	Medium
6. Reputation Risk	Adverse impact on the corporate image and brand which is likely to diminish shareholder value. This will finally lead to a decline in market share and customer base	Maintenance of highest ethical standards at all times in all business activities and make compliance audit as part of internal audit scope. Proper adherence to the statutory, health and safety concerns by obtaining appropriate quality certification standards. Continuous review of customer comments in order to exceed customer expectations and ensure quality standards are adhered to and improved upon. The Company plays a corporate citizen role through CSR initiatives.	Low	Low
7. Product Risk	Products could turn out to be defective or inappropriate for the market in terms of price, functionality or perceived value. They are also liable to be rendered obsolete. In such instances, the Company is exposed to market risks arising from consumer dissatisfaction and consequent rejection of its products.	The Company's plant and machinery are rigorously maintained and upgraded whenever necessary. Established qualitycontrol measures as well as product testing through sampling are performed on all product lines. The in-houseQuality Surveillance Unit tests samplesof new products or components from external suppliers before order placement.	Low	Low

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2024	Risk Ranking as at 31st March 2023
Operational Risk 8. Process Risk	Internal process failures, shortage of foreign currency, fraud, pilferageand breakdown of internal controls	The Company sources its products and services from approved suppliers Outsource internal audit to reputed audit firm to review and report on the adequacy of the financial and operational controls to the Audit Committee. Systems and procedures are in place to ensure compliance with internal controls, which are monitored and reviewed for their continued efficiency and effectiveness. Provide focused and structured training to staff at all levels to familiarize themselves with processes and procedures. Steps are taken to increase export sales.	Medium	Medium
9. Supply Chain Risk	Risk of non- availability of raw materials and excessive prices.	Establishing relationships with many global and local suppliers for raw materials and commodities in order to reduce over dependency on a single supplier/brand. Store raw materials when the prices are low and enter into forward contracts for raw material purchases Consume energy in the most efficient way. Re-order level and economic order quantity are established.	Medium	Medium
10. Inventory Risk	Risk of having non-moving stock	Identifying slow-moving stocks and sell them in a different market. Offering discountfor bulk orders.	Medium	Medium
11.People Risk	Risk of losing skilled and trained human capital	Provide focused and structured training to staff at all levels to aid personal and professional development. Establish career development programmes and succession plans in order to retain and motivate them. Maintaining good relationships with employees through regular dialogue. Top priority is given to automation of manual work.	Medium	Medium

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2024	Risk Ranking as at 31st March 2023
12. Fraud, Compliance Internal Control Risk	As the business grows in size and geographical scope, the potential for fraud and dishonest activity by our suppliers, customers and employees increase.	Clear behavioral guidance given to employees through operational manuals. Appropriate procedures and controls set out and audited across the business to reduce fraud risks; internal Audit and external Audit undertake detailed investigations into all business areas and report their findings to the Audit Committee. Regular update and new introduction of relevant policies and procedures. Whistle-blower policy. Periodical review of the internal controls by outsourced consultants.	Low	Low
13. Asset Risk	Risks associated with the physical assets of the Company include the destruction, loss or theft as well as technical and other defects.	All such assets are insured against all identifiable risks. The relevant insurance policies are subject to a comprehensive annual review, with modifications made as deemed necessary. Procedures in place to control technical and other defects include purchasing from reputable suppliers who comply with acceptable standards on product and service quality; active, standards-based quality assurance at all manufacturing facilities. Provisioning is also made against obsolete inventory, warranty claims and doubtful debtors.	Low	Low
14. Governance Risk	Risk of non-compliance with changes in legal and regulatory environment, taxation, labour and other laws will result in judiciary actions.	Create awareness of statutory obligations at all levels. Seek advice from external consultants on all matters relating to litigation and contracts. Product liability insurance is taken for hot water bottles. Have a central record room to keep all our important documents for 10 years. Continuous dialogue with statutory bodies to meet updated reporting requirements.	Low	Low

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2024	Risk Ranking as at 31st March 2023
15. Global Virus Risk (such as Corona)	Having global pandemic such as Corona, there is an adverse impact to our sales and also purchase of raw materials and employee attendance which result in unfavorable cash flows.	Strictly followed guidelines given by health authorities. Educate in the workers about the virus impact. Carry out PCR tests on random samples. Maintain buffer stocks for both RM & FG	High	High
Financial Risk 16) Credit Risk	Risk arising due to default of payment. Higher credit risk may adversely impact both liquidity and profitability.	Following stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit Credit is allowed only for the approved customers which is reviewed yearly. Obtaining bank guarantees, deposits, post- dated cheques from local debtors and insurance cover for export debtors whenever there is a doubt about recovery. Closely monitoring the debtor balances and laying down action plans accordingly.	Medium	Medium
17. Interest rate and Finance risk	Inability to satisfy debt repayments and obtain the best interest rates.	To have adequate facilities for obtaining loans and borrowings in foreign currency to bring down finance charges. Funding of long- term assets through equity and long- term loans. To have adequate short term borrowing facilities available at all times. An average gearing is maintained (52 %).	Low	Low
18. Investment Risks	New projects/Capital expenditures involve high risks and uncertainties in terms of delays and cost overruns. Failure of major projects will affect profitability, capital structure and reputation.	Conduct a PESTEL analysis and feasibility study before initiating the projects. Board approval should be received for all investments. Post-evaluation of the projects is carried out for each investment.	Low	Medium

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2024	Risk Ranking as at 31st March 2023
19. Liquidity Risk	Inadequate liquidity can have an adverse impact on ongoing operations, marketing and investment in new products and brands.	The liquidity position of the Company is regularly reviewed and reported to the Board Projected net borrowings are covered by committed banking facilities and a healthy industry-related gearing ratio is maintained. The Company's good relationships and facilities with many banks and other sources of finance ensure reliable access to funds.	Medium	Medium
Other Risk 20. Information Systems Risk	To minimize risk associated with data security, hardware & communication and software.	Data back-ups stored in off- site locations. Maintaining of spare servers. Vendor agreements for support service and regular maintenance.	Low	Low
21. Caveat Risk	Although the key sources of risk and their mitigation have been discussed in this document, no assurance can be given that the Company is fully-protected against all possible risks. The best that can be achieved is reasonable management of risks through a sound operational framework that identifies, evaluates and mitigates the negative impacts in a timely manner at multiple levels.	The Company is confident that all material risk factors have been adequately assessed and managed to ensure the uninterrupted and profitable continuance of the business.	Low	Low
22. Fire and Natural Disaster Risk	Fire and natural disasters can halt or cease operations	Obtaining comprehensive insurance cover for fire and natural disasters. Fire safety drills and training is given to ensure the occurrence of fire is kept to a minimum. The Company is equipped with fire fighting equipmentat all strategic locations in the factory.	Low	Low

Summery of Risk Ranking

High

Risk of Competition

Socioeconomic Risks

Global Virus Risk (such as Corona)

Foreign Exchange Rate Risk

Market Specific Characteristics Risk

Medium

Supply Chain Risk

Credit Risk

People Risk

Process Risk Liquidity Risk

Inventory Risk Technological risk

Low

Investment Risks

Interest rate and Finance risk

Information Systems Risk Asset Risk

Reputation Risk

Governance Risk

Fraud, Compliance and Internal Controls Risk

Fire and Natural Disaster Risk

Product Risk

Caveat Risk

Internal Control

Internal and external audits perform a vital role in the risk management process. Reports on these audits are reviewed and action taken to manage any risks that have been identified. All audit findings are immediately reviewed by the Board appointed Audit Committee. The Company's system of internal controls covers all policies and procedures enabling to manage any strategic and operational risks. The internal audit team meets with the Finance Department every quarter share information and exchange perspectives. The Company has a proactive approach to business and aimed to control this uncertainty and thereby enhancing shareholder value.

In order to strengthen the internal controls, we change our internal auditors every 10 years. Messrs. Earnest and Young, was outsourced as the internal auditor previous years who has rendered their services to us for 10 years. New internal auditor, T & D Associates was selected by the audit committee after evaluating the proposals given by the firms of Chartered Accountants. Further, engagement partner and the manager in our external audit is also rotated with a new partner as per the audit practices followed by the Messrs. Edirisinghe & Company.

Corporate Governance



Receiving a Merit Certificate on TAGS (Transparency, Accountability, Governance and Sustainability)

" Our approach to governance is based on the belief that high quality Corporate governance supports long term value creation. We are committed to a culture that values ethical behaviour and integrity... "

Corporate governance is the system by which companies are directed and controlled. Board of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and satisfy themselves that appropriate governance structure is in place. The responsibilities of the Board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to the shareholders on their stewardship. The Board therefore fulfils certain key functions including reviewing and guiding corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans. Elements of Good corporate governance are Good board practices, Control environment established such as audit committees, internal audit risk, Transparent disclosure, Well- defined shareholder rights and Board commitment such on corporate governance issues, Samson International Plc adhere all above eliments, principles and procedures and give priority to implement good corporate governance.

The Corporate governance framework ensure the strategic guidance of the company, the effective monitoring of management by the Board and the Board's accountability to the Company and the shareholders.

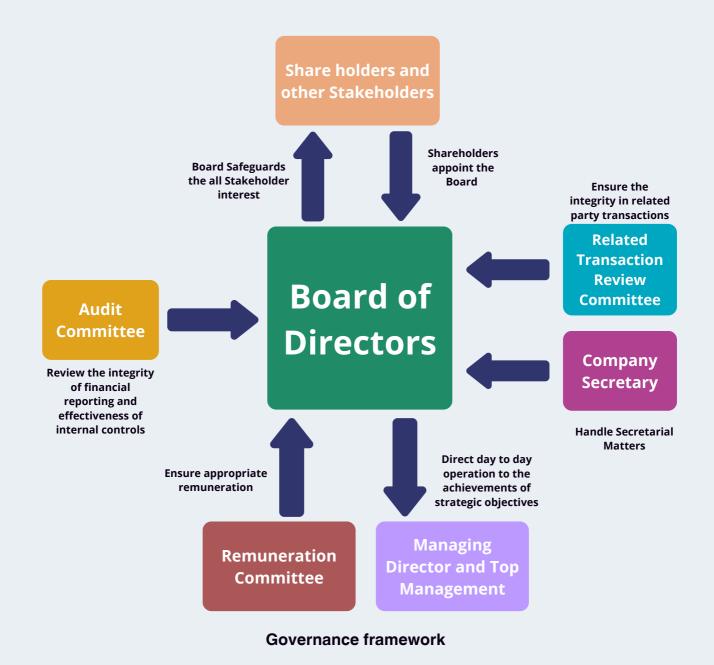
In another words, Corporate governance is essentially about the leadership. ie

- Leadership for efficiency to compete effectively in the global economy.
- Leadership for probity management behave honestly and with integrity.
- Leadership with responsibility- addresses legitimate social concerns.
- Leadership with both transparent and accountable- to be trusted.

The Samson International Plc follows the appropriate above leadership areas to have the good corporate governance in place. Our Corporate governance policies have the clear description of duties & responsibilities among Board of Directors, clear business roles and strategies, ethical business conduct, engagement with stakeholders through risk mitigation, upholding corporate responsibility and disclosure of material information in a timely and accurate manner. Our approach to governance is based on the belief that high quality Corporate governance supports long term value creation. We are committed to a culture that values ethical behaviour and integrity.

- As we know, the four pillars of corporate governance are Transparency, Accountability, Responsibility and Fairness.
- Transparency- Directors would clarify to shareowners and other key stakeholders why every material decision has been made.
- Accountability- Directors are be held accountable for tier decisions and actions to shareowners.
- Responsibility- Directors would carry out tier duties with honest, probity and integrity
- Fairness- All shareowners receive equal, just, unbiased consideration by the directors and management.

Above approach recognizes the importance of considering the interests of all stakeholders, including shareholders, employees, customers, and the broader community. The Institute of Chartered Accountants hold the annual report competition by considering the Transparency, Accountability, Governance and Sustainability (TAGS). Last year we won a merit award and one before last year a bronze award in the manufacturing category turnover upto Rs 10 bn. Prior to this we won two gold awards consecutively(in 2019 and 2021) in the manufacturing category turnover up to Rs 5 bn. Further, we won our first international award from the South Asian Federation of Accountants in Nepal in December 2022 for the annual report of 2020/21.



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Transparency

It should have an effective, transparent and accountable management of affairs by the Board of Directors, which is the highest governing body with the ultimate objective of protecting the interest of all stakeholders. The Corporate Governance structure ensures that the directors take all necessary steps to avoid conflicts of interest in their activities and obligations to related parties by disclosure at the board meetings in the presence of independent directors. A transparent and good governance system will undoubtedly lead towards enhancing profitability and long-term sustainability.

The Board has delegated responsibility to the Managing Director (Chief Executive Officer) and Director/ General Manager for planning and guiding the business towards meeting set objectives. There is a clear demarcation of responsibilities and authority between the Chairman and the Chief Executive Officer which ensures a balance of power. The Board is responsible for the overall conduct of the Company's business and has powers, authorities and duties vested in it by and pursuant to the relevant laws of the country and Article of Association of the Company. Annual calendar of the Board is given below.

We hold a Board meeting for every quarter and the Board Agenda includes the following.

- · Confirmation of previous minutes
- · Matters arising from the previous meeting
- Review of financial performance
- Approval of interim and annual financial statements
- Debtors age analysis
- Board sub-committee reports and other matters exclusive to the Board
- Status updates of major projects
- Board sub-committee reports and other matters exclusive to the Board
- Status updates of major projects
- · Ratification and approval for capital expenditure
- Statutory compliance report
- New Board resolutions
- Statutory reports in the Annual report
- Any other business

Annual calendar of the Board:

March-

- Review of Budget and Business plan
- Approval of Capital expenditure budget

April -

Performance review of Senior Executives

May-

- Review of Audited Financial statement and Annual Report
- Dividend declaration

July -

Progress of management development

August-

- Approval of quarterly financial statement
- · Review of Management letter with external auditors
- Approval of Capital expenditure

November-

- · Approval of quarterly financial statement
- Approval of Capital expenditure
- Review of Management letter with external auditors

February-

- · Approval of quarterly financial statement
- Approval of Capital expenditure
- · Review of Management letter with external auditors

We are committed to transparency and openness and highlight into who we are and what we stand for

Accountability

Directors

Directors have duty to act in good faith and in the interests of the Company as per Section 187 of the Companies Act No 7of 2007. Directors shall exercise the degree of skill and care that may reasonably be expected of a person of his knowledge and experience as per Section 189. Further directors shall not act in a manner that contravenes any provisions of the Act or provisions contained in the Articles of the Company as stated in Section 188 of this Act. No director may go beyond the powers conferred on them as a director by the Article of Association unless the shareholders approve it or subsequently ratify it. All decisions should be taken by the Directors into account the interest of stakeholders.

External Regulations	Internal Regulations
Companies Act No. 07 of 2007	Vision and Values
Code of Best Practice on Corporate Governance 2013 jointly by the Institute of Chartered Accountants of Sri Lanka and Securities and Exchange Commission of Sri Lanka	Articles of Association of the Company issued in year
Continues Listing Requirements of the Colombo Exchange	Internal manuals, standing instructions on Stock policy and procedures
G4 Standards for Sustainability reporting issued by the Global Reporting Initiative	Board Procedures and Board Sub Committee Terms

The Attendance of Audit Committee, Remuneration Committee and Related Party Transactions Review Committee: The attendance of the Audit Committee Report, Remuneration Committee Report and Related Party Transaction Review Committee are on page 179, 180 and 181 respectively with their individual committee reports.

Governance Structure

We ensure that power and information are not concentrated in one or two individuals and there is a strong presence on the Board of both executive and non-executive directors. Nonexecutive directors would be able to bring judgment and experience to the deliberations of the Board. We have a balanced Board in terms of the right proportion of executive directors, nonexecutive directors, and independent directors with appropriate skills, experience & attributes. The Board regularly reviews its composition and structure. The present Board size allows appropriate productive, constructive discussions and prompt & rational decisions.

We hold our Board meeting every quarter and the Annual calendar of the board is as follows.

Please also note that under status column "E" = Executive, " NE" = Non – Executive and " I" = Independent

Name of Director	Status	25th May 2023	11th Aug 2023	15th Nov 2023	06th Feb 2024	No of Attendance
Mr. D K Rajapaksa	NE	\bigotimes	\bigotimes	\bigotimes	\bigotimes	4/4
Mr. T K Bandaranayake	NE/I	\bigotimes	\bigotimes	\bigotimes	\bigotimes	4/4
Mr. D G P S Abeygunawardana	E	\bigotimes	\bigotimes	\bigotimes	\bigotimes	4/4
Mr. D D A Rajapaksa	E	\bigotimes	\bigotimes	\bigotimes	\bigotimes	2/4
Mr. D C J Rajapaksa	NE	\bigotimes	\bigotimes	\bigotimes	\bigotimes	4/4
Ms I Malwatte	NE/I	\bigotimes	\bigotimes	\bigotimes	\bigotimes	4/4
Mr. D N S Rajapaksa	NE	\bigotimes	\bigotimes	\bigotimes	\bigotimes	3/4

Board committees

Board committee are effective method of dealing with the challenges.

These committees;

- Handle a greater a number of issues more efficiently by allowing experts to focus on specific areas and provide the Board with their recommendations.
- Develop subject-specific expertise on the company's operations such as financial reporting, risk management and internal controls.
- Enhance the objectivity and independence of the Board's judgments, insulating it from potential undue influence of managers and controlling shareholders, in such key areas as remuneration, Director Nominations, and oversight controls.

There are three committees in Samson International Plc.

Audit Committee

As per Section 7.10.6 of the CSE Listing Rules, every publicly listed company should have an audit committee. The audit committee assists the board in the following way.

- Preparation, presentation, and adequacy of disclosures in the financial statements, under the Sri Lanka Accounting Standards.
- Company's compliance with financial reporting requirements, information requirements of the Companies Act, and other relevant financial reporting-related regulations and requirements.
- Processes to ensure that the company's internal controls and risk management procedures are adequate and meet the requirements of the Sri Lanka Auditing Standards.
- The Company's ability to continue as a going concern in the foreseeable future.

Remuneration Committee

As per Section 7.10.5 of the CSE Listing Rules, every public listed company should have a remuneration committee. Company has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No is involved in deciding his own remuneration.

Related party transactions review Committee-

No. 9 of CSE Listing Rules requires every publicly listed company to have a Related Party Transactions review committee. We require a combination of board and shareholder approval for certain types of transactions and disclosure of the same in the quarterly and annual financial statements and may require immediate disclosure of certain specified transactions. This is reviewed by our Related Party Transactions review committee.

Chairman

The chairman has a key role in leadership. The Chairman is responsible for leading the Board and ensuring to meet directors' obligations and responsibilities for the effectiveness of the Board. He ensures that Board procedures are followed and all members are effectively participated during meetings. He gets all of the directors involved in discussions and decisions and monitors the contributions of individual directors. The chairman has to ensure that the board's agenda is appropriate and focuses on the key tasks. He has to ensure that the board monitors the company's progress but it does not slide into managing the business. The chairman monitors the board's composition and structure regularly. He chairs board meetings and coordinates the timing and frequency of meetings. He makes statements to shareholders at the Annual General Meeting to indicate how the company is progressing.

He creates a climate of trust, encouraging diversity & freshness on the Board and making sure directors are briefed and express their views. He also creates an environment for constructive debate and discussion and ensures discussion & decisions are accurately recorded and encourages meetings between independent directors. The CEO is responsible to the Board for day-to-day management of the business, leadership of the executive team, and the execution of the Company's strategic & operational plans.

Secretary

Our Company secretary does not simply take notes during board meetings. Company secretary has legal, accounting backgrounds, understand corporate and securities law, have sufficient business knowledge to understand the company's business and have strong interpersonal skills that allow them to help the chairman steer boards. Company secretary often acts as an advisor to directors and senior executives on regulatory requirements and Listing rules and legislation related to Corporate Governance. They perform the following functions.

- Communicates with directors
- · Notifies directors of board meetings
- Records voting
- · Ensures compliances with board procedures
- Takes minutes of board meetings
- Explains requirement of laws, the charter ad by-laws of the company
- Resolves organizational matters for board meetings

Responsibility

The Board of Directors is responsible for formulating Company policy and overall business strategy. The implementation of policy and strategy is done within a framework that requires compliance with existing laws and regulations as well as establishing best practices in dealing with employees, customers, suppliers, and the community at large.

The Directors are committed to maintaining the highest standards of Corporate Governance in the interest of stakeholders having regard to the requirements of the Companies Act No.7 of 2007, Securities and Exchange Commission of Sri Lanka, and Colombo Stock Exchange. Those have established internal control systems, including a comprehensive risk identification, measurement, and mitigation process which is in place designed to carry out the business of the Company in an orderly manner, to safeguard its assets, and secure as far as possible the accuracy and reliability of the records and protect the rights and interests of shareholders and be accountable for the overall management of the Company.

Fairness and Business Ethics

Ethical Business Practices related to Products and Services in international trade are concepts that are increasingly recognized by buyers, shareholders and other stakeholders. Samson International PLC is bound to the application of ethical principles, fairness and values in the context of business activities. It involves making decisions and taking actions that are morally right, fair, and responsible, while also considering the impact of those decisions on all stakeholders. Some examples of ethical considerations in our business include fair treatment of employees, responsible sourcing of materials, transparency in financial reporting, and adherence to laws and regulations. The Company implements a codes of conduct and other policies to guide decision-making and promote ethical behavior. In recent years, there has been a growing emphasis on the role of sustainability in corporate governance, with companies seeking to address environmental and social concerns in their operations and supply chains.

Business ethics is important for us for building trust and maintaining a positive reputation among stakeholders, and it can also contribute to the long-term success of our company. By adhering to ethical standards, we attracted and retained customers, employees, and investors who value responsible and sustainable business practices. Employees of Samson International PIc are bound to adhere to business ethics in our business culture. It has become vital for exporters to confirm good practices related to fair trade, ethical behavior, and conformity to rules and regulations to protect all stakeholders. We were able to obtain a special award from National Chamber of Exporters of Sri Lanka as the Best Ethical Trading Exporter in 2021.

Business Ethics of the Company

- Safeguard the Company's assets and Company image.
- Work within applicable laws and regulations.
- Avoid situations where personal interest might conflict with the interest of the Company
- Exercise honesty, objectivity and diligence when performing one's duties.
- Maintain confidentiality of commercial and pricesensitive information.
- Strictly avoid giving or accepting any kind of a bribe, either directly or indirectly.
- Strictly avoid any kind of sexual harassment.
- Strictly avoid making contributions for political funds, either directly or indirectly.

Corporate Responsibility

Corporate responsibility and corporate governance are inextricably entwined, especially in the global context. Such international organizations as the organization for Economic Cooperation and Development (OECD), the United Nations (UN) and the International Labour Organizations (ILO) have all issued guidance regarding appropriate business conduct, sometimes in specific areas. A view of Corporate Responsibility would vary from company to company and region to region. This term focuses three key elements of corporate activities. Those are Economic growth, Environmental and Social sustainability. Corporate governance has developed out of a focus on the 'triple bottom line' elements of a business and their effects on the Economy, Environment and the Society in which it operates.

Companies including Samson International Plc and their Boards of Directors worldwide have been giving increasing attention to Corporate Responsibility related activities, corporate governance and even formalizing, through policies and reports, reporting and communications. The Board of Directors has the responsibility to act in good faith with due care ad diligence in the best interest of the company and its shareowners. They will set a clear vision and key strategy for the company and monitor management to ensure quality risk controls and risk- management practices are in place. It is expected that a company will abide by all laws applicable to it.

Statement of Compliance

It is incumbent on every quoted company to have a board to control, lead and direct the affairs of the company, to comply with the requirements of the Companies Act o of 7 of 2007 which is applicable to every company. Further, all public listed companies in Sri Lanka are required to comply with the Listing Rules of the Colombo Stock Exchange which contains specific provisions relating to Corporate Governance in section 7.10.

One of the most important responsibilities of the Board is to monitor the Company's compliance with all applicable laws, rules, codes and standards

Leading companies go beyond mandatory requirements to adopt voluntary codes such the Code of Best Practices in Corporate Governance issued by the institute of chartered accountants of Sri Lanka, keeping pace with the evolution of international best practice in corporate governance. Samson International Plc is fully-compliant with this Code of Best Practice on Corporate Governance issued in the year.

The two ways we follow the Corporate Governance Practices are as follows.

- The Code of Best Practice on Corporate Governance was issued in year 2017 jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.
- The Rule set out in Section 7.10 of the Colombo Stock Exchange Listing Rules on Corporate Governance.

The Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka:

Let us elaborate the extent of adoption of the above code of best practices on Corporate Governance under the following categories.

A. Directors

- B. Directors' Remuneration
- C. Relationship with Shareholders
- D. Accountability and Audit
- E. Institutional Investors
- F. Other Investors
- G. Internet of Things and Cyber security
 - H. Environment, Society and Governance (ESG)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
A. DIRECTORS			
1. Effective Board	A.1	The Board of Directors comprises 7 Directors of whom 5 are Non-Executive Directors. The two Executive Directors are the Managing Director and Director/General Manager who are also part of the Corporate Management to whom the day-to-day running of the organization has been delegated. The Board has also appointed Board Sub Committees to assist in the discharge of their collective duties and also approves policies, governance structures, and the delegation of authority to provide a conducive business environment for the effective performance of the Company. The Board is closely involved in developing strategy and setting the short, medium, and long-term goals of the Company and regularly monitors performance againstpre-determined Key Performance Indicators which include both quantitative and qualitative measures on a regular basis.	Complied
2. Regular Meetings	A. 1.1	 Board meetings are held quarterly whilst special Board meetings are convened as the need arises. During year ended 31st March 2023, the Board held 4 scheduled meetings. The following Board Sub Committees met quarterly: Board Audit Committee Board Related Party Transactions Review Committee However, the Board Remuneration Committee held one meeting during the year under review. Attendance of Board Meetings and Sub Committee Meetings are given on pages 118, 152, 154 & 156 of this report.	Complied
3. Ensure the formulation and implementation of sound business strategy	A. 1.2	The Board is responsible for setting strategy, policies and for monitoring performance against agreed goals and KPIs. During the year, the Board reviewed the Corporate Plan and proposals of the Corporate Management and approved it.	Complied
4. Ensure that the Chief Executive Officer (CEO) / Managing Director (MD) and Management team possess the skills, experience and knowledge to implement the strategy	A. 1.2	The Board has delegated responsibility to the Managing Director for planning and guiding the business towards meeting set objectives and reviews it regularly. The Board also reviews the performance of Key Management personnel and their skills, experience, and knowledge to implement strategy.	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
5. Ensure effective CEO/MD and Senior Management succession strategy	A. 1.2	A procedure on selection and appointment of CEO and Key Management Personnel approved by the Board is in place.	Complied
A.DIRECTORS			
6. Ensure effective systems to secure integrity of information, internal controls and risk management	A. 1.2	The Board Audit Committee reviews Internal Audit reports submitted by the Internal Auditors and monitors follow up action. The Internal Audit function is now carried out by T & D Associates, Chartered Accountants. They directly report to the Chairman of the Audit Committee. The Audit Committee Charter gives guidelines on audit-related matters.	Complied
7. Ensure compliance with laws, regulations and ethical standards	A.1.2	The Board and the Audit Committee review our compliance statements in addition to verifications carried out by our internal audit.	Complied
8. Ensure all stakeholder interests are considered in corporate decisions	A.1.2	The Articles of Association of the Company require the Directors to take decisions, taking into account the interests of customers, shareholders, employees and the community. Additionally, the Group Finance Committee and Group HR Committee as well as the Board-Related PartyTransactions Review Committee are in place in order to uphold the interests of these key stakeholders.	Complied
9. Ensure that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations	A.1.2	The Board Audit Committee and the Board review accounting policies annually or as and when required to ensure that they are in line with the business model of the Company and evolving international and local accounting standards and industry best practices.	Complied
10. Fulfill such other Board functions as are vital, given the scale, nature and complexity of the business concerned	A.1.2	The Board is committed to fulfilling its functions in line with the laws, regulations and good governance practices adopted by the Company.	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status	
11. Act in accordance with laws relevant to the organization and procedure for Directors to obtain independent professional advice at company expense	A. 1.3	The Board has put in place a framework of policies, procedures and a risk management framework to ensure compliance with relevant laws, other statutory guidelines and international best practices with regard to the operations of the Company. The Board obtains independent professional advice as and when necessary in accordance with the Board approved policy on Obtaining Independent Professional Advice and these functions are coordinated through the Company Secretary.	Complied	
12. Access to and appointment or removal of Company Secretary	A. 1.4	All Directors have the opportunity to obtain the advice and services of the Company Secretary, Messes. PWC, is responsible for ensuring follow-up of Board procedures, compliance with relevant rules and regulations, directions and statutes, keeping and maintaining Minutes and relevant records of the Company. The Articles of Association of the Company specify that the appointment and removal of the Company Secretary should be by resolution involving the entire Board.	Complied	
13. Independent Judgment	A.1.5	The Directors of the Company have no vested interests and take decisions on matters before them using independent judgment.	Complied	
14. Dedication 6 of adequate time and effort of the Directors	A.1.	The Board of Directors was allocated adequate time and effort before a meeting to review Board papers and call for additional information and clarification, and to follow up on issues consequent to the meeting. Therefore, they are able to familiarize with the business changes, operations, risks and controls which ultimately help to satisfactorily discharge the duties and responsibilities owed to the Company.	Complied	
15. Training for Directors	A.1	Both Managing Directors recommend directors to attend training sessions/ seminars.	Complied	
A.2 DIVISION OF RE	SPONSIBILITIES	BETWEENCHAIRMAN AND MANAGINGDIRECTOR		
16. Conducting the business of the Board separately; to the executive responsibilities of the management of the Company	A.2	The functions of the Chairman and the Managing Director have been separated.	Complied	
A.3 CHAIRMAN'S ROLE				
17. Chairman's role in preserving good corporate governance	A.3	The Chairman's functions and responsibilities which include all aspects specified in the Code and the continuing listing requirements of the CSE.	Complied	
18. Conduct Board proceedings in a proper manner	A. 3	Board proceedingsareconducted according to the Agenda. The papers for discussion and the Agendaare circulated Seven (07) days prior to the meeting.	Complied	

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
A.4 FINANCIAL ACU	MEN		
19. Availability of financial acumen and knowledge to offer guidance on matters of finance	A. 4	Financial acumen has been a key attribute of the successful careers of the following Directors - Mr. T.K. Bandaranayake Mr. D.G.P.S. Abeygunawardana Their profiles are on the pages 50 and 51.	Complied
A.5 BOARD BALANCE			
20. Non Executive & Directors of sufficient caliber and number	A. 5.1 & A. 5.2	The Board comprises the 5 Non-Executive Directors and 2 Executive Directors who are the Managing Director and the Director/ General Manager. The Non-Executive Directors are professionals/ academics/business leaders, holding senior positions in their respective fields and are therefore deemed to be of sufficient caliber. As the majority of the Board comprises Non-Executive Directors, their opinions and views carry significant weight in the Board decisions.	Complied
21. Independence of Non-Executive Directors	A.5.3	2 of the Non-Executive Directors are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.	Complied
22. Annual declarations of independence from Directors	A.5.4	Annual declarations of independence or non-independence have been obtained from the Independent Directors for 2023/24.	Complied
23. Annual evaluation of independence	A.5.5	The Board makes an annual evaluation of the independence of the Directors based on the submission of the annual declarations. Based on these, the following Directors are deemed to be independent: Mr. T. K. Bandaranayake Ms.I. Malwatte	Complied
24. Senior Independent & Director	A.5.6 & A.5.7	If an alternate Director is appointed by a Non-Executive Director and such Alternate Director should not be an executive of the Company. If an Alternate Director is appointed by an Independent Director, the person who is appointed also should meet the criteria of independence and the provision on the minimum number of Independent Directors also should be satisfied.	Complied
25. Senior Independent Director (SID) meeting with other Directors	A.5.8	-	Complied
26. Chairman to hold meetings with Non-Executive Directors, with out Executive Directors being Present	A.5.9	The Chairman meets Non-Executive Directors without the Executive Directors being present, on a need basis.	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
27. Recording of Directors' concerns in Board Minutes	A.5.10	Board Minutes are prepared in order to record any concerns of the Board as Directors' concerns a whole or those of individual Directors regarding matters placed for their in Board Minutes approval/guidance/action. These Minutes are circulated and formally approved at the subsequent Board meeting, Additionally, Directors have access to the past Board papers and Minutes in case of need at all times. If a Director resigns over an unresolved issue, the Chairman will bring the issue to the attention of the Board. The Director concerned is also required to provide a written statement to the Chairman for circulation to the Board.	Complied
A.6 SUPPLY OF RELEV	ANT INFORMAT	ION	
28. Provision of appropriate and timely information	A.6.1	The management provides comprehensive information including both quantitative and qualitative information for the quarterly Board Meetings, generally 7 days prior to the Board / Sub Committee meetings. The Directors also have free and open access to Management at all levels to obtain further information or clarify any concerns they may have. As described above, they also have the right to seek independent professional advice at the Company's expense, and copies of advice	Complied
		obtained in this manner are circulated to other Directors who request it.	
29. Chairman to ensure all Directors are properly briefed on issues arising at Board meetings	A.6.1	All Directors are adequately briefed on matters arising at Board meetings through comprehensive Board papers. Additionally, the relevant members of the Management team are on standby for further clarifications as may be required by Directors or will make presentations at Board meetings. Any Director who does not attend a meeting is updated on proceedings prior to the next meeting through formally documented Minutes of meetings. A separate Board paper is prepared high lighting the items that need to be completed and need follow-up action of the previous meetings. This is taken up immediately after confirmation of Minutes.	Complied
30. Board papers and agenda to be circulated 7 days prior to meetings.	A.6.2	As described above, Board papers are generally circulated 7 days before the Complied meeting. Thereis provision for circulation of urgent paperswithin a shorter time frame and also for approval of matters by circulation, but such instances are the exception and not the rule.	Complied
A.7 APPOINTMENTS TO	THE BOARD		
31. Formal and transparent procedure for new Appointments through an established Nomination Committee	A.7.1	New Directors including Executive and Non-Executive Directors are appointed by the Board. To support this process a Board approved Policy on Selection, Nomination, Appointment, and Election of Directors is in place.	Complied
32. Annually assess Board composition	A.7.2	The Board annually assesses its composition to ascertain whether the combined knowledge and experience of the Board match the strategic demands facing the Company and is satisfied that it complies with the criteria.	Complied
33. Disclosure of information to appointment of new Directors	A.7.3	All new appointments are usually communicated to the shareholders via the Colombo Stock Exchange in the English language. However, there were no new appointments of Directors during the year	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
A.8 RE-ELECTION			
34. All Directors should submit themselves for reelection at regular intervals	A.8	As per the Articles of Association of the Company, 1/3rd of the Directors and also those who are more than 70 years old, should retire at each Annual the General Meeting and be subject to re-election. Such Directors who retire are those who held office for the longest time period since the election / re-appointment. In accordance with this provision, all the Directors other than the following retire and offer themselves for re-election: Mr. D.G.P.S. Abeygunawardana, Mr. D.D.A Rajapaksa, Mrs. I. Malwatteand Mr. D.N.S. Rajapaksa. The Board is actively engaged in succession planning for both Executive and Non-Executive roles to ensure that Board composition is periodically renewed and that the Board retains its effectiveness at all times.	Complied
35. Non Executive Directors are appointed for specified terms subject to reelection	A.8.1	Non-Executive Directors are appointed for re-election at Annual General Meetings in terms of Articles of Association.	Complied
36. All Directors including Chairman to be subject to re-election at first opportunity after appointment and re-election at least every 3 years thereafter	A.8.2	All Non-Executive Directors including Chairman stand for re-election at Annual General Meetings	Complied
37. Resignation	A.8.3	In the event of a resignation of a director prior to completion of his appointed term, the Director should provide a written communication to the Board of this reasons for resignation. There is no resignation during the year other than Dr. D.K. Rajapaksa's resignation from the post of Jt. Managing Director.	Complied
A.9 APPRAISAL OF BOA	ARD PERFORM	ANCE	
38. Appraisal of Board Performance	A.9.1	The Board annually appraises their own performance to ensure that they are discharging their responsibilities satisfactorily.	Complied
39. Appraisal of Board Sub Committees	A.9.2	The Board Sub Committees follow the same process.	Complied
40. Disclosure of the method of		As explained in A.9.1 & A.9.2 above	

Complied

A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS

A.9.3

appraisal of the Board

and Board Sub Committee Performance

41. Annual Report to disclose specified information regarding Directors	A.10.1	Information specified in the Code with regard to Directors are disclosed within this Annual Report as follows: Name, qualifications, expertise, material business interests and brief profiles are given on page 49 to 53, details of whether a Director is Executive, Non- Executive / or Independent, Non Independent are given on page 49 to 53, related Party Transactions are given on page 214 under note 27 Membership of Board Sub Committees is given on page 178 and attendance at Board Meetings and Board Sub Committee meetings are given on pages 154 and 178.	Complied
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Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
A.11 APPRAISAL OF CH	IIEF EXECUTIVI	EOFFICER / MANAGING DIRECTOR	
42. Set reasonable financial and medium nonfinancial targets to be met by the CEO / MD	A.11.1	The Board discussed and set financial and non-financial targets to be achieved during the year by the CEO with reference to the short, and long- term objectives of the Company at the beginning of the year.	Complied
43. Evaluate performance of the CEO/MD with reference to targets	A. 11.2	The performance evaluation of the CEO was carried out by the Board, HR & Remuneration Committee with reference to targets and goals achieved by the Company which was reported to the Board.	Complied
B. DIRECTORS' REMUN	ERATION REM	UNERATION PROCEDURE	
44. Appointment of a Remuneration Committee	B.1.1	The Board has established a Board Remuneration Committee to develop policies and determine remuneration for the Directors and Key Management Personnel respectively. No Director is involved in deciding his own remuneration. The Terms of Reference of this committee complies with Schedule C of the Code and other investor guidelines. In support of this requirement, a Board approved Reward Management Policy for Key Management Personnel is in place. Further information regarding the Board Remuneration Committee is given in the Board Remuneration Committee Report on page 180.	Complied
45. Remuneration Committee to comprise Exclusively Non Executive Directors	B.1.2 & B.1.3	The Board Remuneration Committee comprises the following Directors who are all Non-Executive Directors Ms. I. Malwatte (Chairperson) Mr. T.K. Bandaranayake	Complied
46. Remuneration for Non- Executive Directors	B.1.4	Remuneration of Non-Executive Directors is recommended by the Board Remuneration Committee for approval of the Board in line with market practice. A Board approved Policy on Directors' Remuneration is in place.	Complied
47. Remuneration of Executive Directors	B.1.5	Remuneration of Executive Directors is determined by the Board Remuneration Committee who has access to professional advice from within or outside the company formulate their proposals which are then discussed with the Chairman. A Reward Management Policy for Key Management Personnel approved by the Board is in place.	Complied
B.2 THE LEVEL AND MA	KE-UP OF REM	IUNERATION	
48. Remuneration for Executive Directors should attract, retain and motivate when	B.2.1 & B.2.2	Remuneration for Executive Directors is designed to attract, retain, and motivate the Executive Directors as determined by the Board Remuneration Committee. Their remuneration comprises a fixed salary component, which includes perquisites and allowances, The Board Remuneration Committee and takes into account market practices and seeks professional advice required in order to discharge its responsibilities.	Complied
49. Positioning company remuneration levels relative to other companies	B.2.3	The Board Remuneration Committee reviews the Company's remuneration levels in relation to other Companies in the country annually.	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
50. Performance related elements of remuneration for Executive Directors	B.2.4	A performance-related element of remuneration for Executive Directors has been implemented.	Complied
51. Share option Schemes	B.2.5	There was no share option scheme during the year under review.	Complied
52. Designing schemes of performance related remuneration	B.2.6	A scheme of performance-related remuneration is in place.	Complied
53. Early termination of Directors'	B.2.7	Not applicable to the Board except for the MD and the Director/General Manager who are employees of the Company and their terms of employment are governed by the respective contracts of service.	Complied
54. Dealing with early termination	B.2.8	Refer to B.2.7 above	Complied
55. Levels of remuneration for Non- Executive Directors	B.2.9	The Board & Remuneration Committee determines the levels of remuneration for Non-Executive Directors taking into account the time commitment and responsibilities of their role and market practices. A Board- approved policy on Directors' Remuneration is in place.	Complied
B.3 DISCLOSURE OF RI	EMUNERATION		
56. Composition of Board & Remuneration Committee, Remuneration Policy and disclosure of aggregate remuneration paid to Directors	B.3.1	The composition of the Board & Remuneration Committee and its report is given on page 180. The aggregate remuneration to the Executive and Non- Executive Directors are given in Note No.08 to the Financial Names of the Directors of the Board & Remuneration Committee are disclosed on pages 14 of the Annual Report.	Complied
C. RELATIONS WITH SHAREHOLDERS CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS			
57. Constructive use of the AGM & Other General Meetings	C.1	The Annual General Meeting is the main forum of contact between small shareholders and the Board. The Annual Report is circulated to all shareholders 15 working days prior to the AGM. Additionally, the Chairman's	Complied

General Meetings		shareholders and the board. The Annual Report is circulated to an shareholders 15 working days prior to the AGM. Additionally, the Chairman's Review is translated into Sinhala each year.	
58 Count of all proxy votes lodged	C.1.1	All proxy votes lodged, together with the votes of shareholders present at the AGM are considered for each resolution.	Complied
59. Separate resolutions for each substantially separate issue	C.1.2	A separate resolution is proposed at the AGM for each substantially separate issue. The adoption of the report and accounts is proposed as a separate resolution	Complied
60. Availability of Board Sub Committee Chairperson at AGM	C.1.3	All Board Sub Committee Heads are present at the AGM to answer any questions raised at the AGM and will respond when requested to do so by the Chairman	Complied
61. Circulation of Notice of AGM	C1.4	Notice of the AGM and related papers are sent to shareholders at least 15 working days prior to the meeting in accordance with the regulations.	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
62. Summary of procedures	C.1.5	A summary of the procedures governing voting at the AGM is provided in the Proxy Form, which is circulated to shareholders 15 working days prior to the AGM.	Complied
C.2 COMMUNICATION	WITH SHAREHC	DLDERS	
63. Channel to reach all shareholders of the Company	C.2.1	The AGM is also a key forum for contact with shareholders. AGMs where shareholders (Who can contact AGM even via zoom) take an active role in exercising their rights. The Chairman's review is translated into Sinhala as well to facilitate greater communication with shareholders. The Company posts on its website (www.samsonint.com) & CSE website copies of annual reports, interim reports etc.	Complied
64. Policy and methodology for communication with shareholders	C.2.2	The Company provides fair disclosure with emphasis on the integrity, accuracy, timeliness, and relevance of the information provided. A Board approved Policy on Communication is in place, in which provisions for communication with shareholders are contained.	Complied
65. Implementation of the Policy and methodology for communication with shareholders	C.2.3	Shareholders are consulted on their preference to receive the Annual Report from the Company either by means of a Compact Disk or in printed form. Shareholders may elect to receive the Annual Report from the Company in printed form free of charge at any time	Complied
66. Contact person in relation to shareholder matters	C.2.4 & C.2.6	Shareholders may, at any time, direct questions to and request for publicly available information from the Directors or management of the Company. They may also provide their comments and suggestions to the Directors or management through the Company Secretary.	Complied
67. Process to make all Directors aware of major issues and concerns of shareholders	C.2.5	The Company Secretary maintains a record of all correspondences received. They directs as soon as practicable such correspondences to the Board, individual Directors or the relevant officers as applicable.	Complied
68. Process of responding to shareholder matters	C.2.7	Please refer C.2.5 above.	Complied
C.3 MAJOR AND MATER	RIAL TRANSAC	TIONS	
69. Disclosure of major transactions	C.3.1	During the year 2023/24, the Company did not engage in or commit any "Major Related Party Transaction" which materially affected the Company's net asset base. This has been disclosed in the report of the directors.	Complied
D. ACCOUNTABILITY A	ND AUDIT ASSE	ESSMENT OF THE COMPANY'S FINANCIAL POSITION AND PERFORMAN	CE
70. Balance and understandable information to shareholders	D.1	The Company's position and prospects have been discussed in detail in the following sections of this Annual Report. information to Chairman's Review is given on pages 39 to 45. Managing Director's Review is given on page 46. Financial capital is given on page 94.	Complied
71. Presence of a balanced and understandable assessment of Accounting Company's financial	D.1.1	Company has presented balanced and understandable financial statements which gives a true and fair view quarterly and annually. In the preparation of Financial Statements, the company has complied with the requirements of the Companies Act No 07 of 2007 and the requirement of Sri Lanka Standards and Securities and Exchange Commission.	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
72. Interim reports, price-sensitive public reports, regulatory reports and statutory information requirements	D.1.2	Interim reports were published within 45 days of each quarter end which included information to assist shareholders gain an understanding of the state of affairs of the Company. Price sensitive information was disclosed in a comprehensive but concise manner to the Colombo Stock Exchange on a timely basis. Reports required by the regulators including Inland Revenue, Registrar of Companies, Colombo Stock Exchange and Central Bank were all filed in a timely manner in compliance with their requirements and these provided sufficient information for the user to obtain a balanced assessment of the Company's operations.	Complied
73. MD's & Head of Finance's approval on financial Statements prior to Board approval	D.1.3	Finance Manager and two other Directors (Chairman / MD & Director / General Manager) have signed the Financial Statements on behalf of the Board.	Complied
74. Declaration in Annual Report of the Board of Directors on the Affairs of the Company	D.1.4	The Annual Report of the Board of Directors on the Affairs of the Company on pages 174 to 177 contains the declarations as required by the Code.	Complied
75. Responsibilities of the Board for the preparation and presentation of Financial Statements and statement by the Auditors about their reporting responsibilities	D.1.5	The Statement of Directors' Responsibility for Financial Reporting and Report of Auditors which includes a statement about their reporting responsibilities are provided on pages 173 & 182 respectively.	Complied
76. Include a Management Discussion & Analysis	D.1.6	The Management Discussion and Analysis is given on pages 94 to 139 (Capital Management Reports) and covers the information specified in the Code as given below; Global Impact, Industry structure and development, opportunities and threats, Risks, Internal control systems and their adequacy, Social and environmental protection activities carried out by the Company, Financial performance & analysis, Material developments in human resource/industrial relations and prospects for the future.	Complied
77. Summon on EGM to notify serious loss of capital	D.1.7	This situation did not occur.	Complied
78. Related Party Transactions	D.1.8	There is an approved documented process identifying related parties, type of related party transactions and the mechanism to ensure that no favorable treatment is granted to said parties in order for related parties to avoid any conflict of interest in this regard. An effective and comprehensive system of Internal Control for identifying, recording, and disclosing related party transactions too is in place. Directors and KMPs submit declarations declaring their transactions to the Company on an annual basis. All related party transactions as defined in Sri Lanka Accounting Standards - LKAS 24 (Related Party Transactions) are disclosed in Note No. 27 to the Financial Statements on page 214.	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
D.2 RISK MANAGEMEN	T AND INTERN	AL CONTROL	
79. Maintain a sound system of internal control to shareholders' investments and the Company's assets	D.2.1	The Board is responsible for formulating and implementing appropriate and adequate internal control systems. The Board Audit Committee has responsibility to the Board to ensure that the system of internal controls safeguard is sufficient and effective.	Complied
80. Review need for Internal Audit Function	D.2.2	The Company has established an Internal Audit function carried out by in- house staff as well as outsourced to Messrs T & D Associates Chartered Accountants.	Complied
D.3 AUDIT COMMITTEE			
81. Establish arrangements for selection and application of accounting policies, financial reporting and internal control principles	D.3	The Company has established its Board Audit Committee in keeping with good governance. The principal responsibilities of the Board Audit Committee include oversight over financial reporting, internal controls and monitoring auditor independence. Its duties include gaining assurance on control over financial processes, integrity of the Company's financial reports, monitoring performance, objectivity and independence of the External Auditor and reviewing work of the internal Auditor. The Board Audit Committee Report is given on page 178 in the Annual Report.	Complied
82. Composition and Terms of Reference for Board Audit Committee	D.3.1	The Board Audit Committee consists of two Non-Executive Directors and is chaired by an Independent Non-Executive Director. Members are selected to provide a broad set of financial, commercial and other relevant experience to meet the Committee's objectives. The Executive Director/General Manager, Finance Manager, representatives of the External Auditors are invited to attend the meetings.	Complied
76. Include a Management Discussion & Analysis	D.1.6	The Management Discussion and Analysis is given on pages 94 to 139 (Capital Management Reports) and covers the information specified in the Code as given below; Global Impact, Industry structure and development, opportunities and threats, Risks, Internal control systems and their adequacy, Social and environmental protection activities carried out by the Company, Financial performance & analysis, Material developments in human resource/industrial relations and prospects for the future.	Complied
77. Summon on EGM to notify serious loss of capital	D.1.7	This situation did not occur.	Complied
78. Related Party Transactions	D.1.8	There is an approved documented process identifying related parties, type of related party transactions and the mechanism to ensure that no favorable treatment is granted to said parties in order for related parties to avoid any conflict of interest in this regard. An effective and comprehensive system of Internal Control for identifying, recording, and disclosing related party transactions too is in place. Directors and KMPs submit declarations declaring their transactions to the Company on an annual basis. All related party transactions as defined in Sri Lanka Accounting Standards - LKAS 24 (Related Party Transactions) are disclosed in Note No. 27 to the Financial Statements on page 214.	Complied

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80. Review need for Internal Audit Function	D.2.2	The Company has established an Internal Audit function carried out by in- house staff as well as outsourced to Messrs T & D Associates Chartered Accountants.	Complied
D.3 AUDIT COMMITTEE			
81. Establish arrangements for selection and application of accounting policies, financial reporting and internal control principles	D.3	The Company has established its Board Audit Committee in keeping with good governance. The principal responsibilities of the Board Audit Committee include oversight over financial reporting, internal controls and monitoring auditor independence. Its duties include gaining assurance on control over financial processes, integrity of the Company's financial reports, monitoring performance, objectivity and independence of the External Auditor and reviewing work of the internal Auditor. The Board Audit Committee Report is given on page 178 in the Annual Report.	Complied
82. Composition and Terms of Reference for Board Audit Committee	D.3.1	The Board Audit Committee consists of two Non-Executive Directors and is chaired by an Independent Non-Executive Director. Members are selected to provide a broad set of financial, commercial and other relevant experience to meet the Committee's objectives. The Executive Director/General Manager, Finance Manager, representatives of the External Auditors are invited to attend the meetings.	Complied
83. Review of External Audit function and relationship with External Auditors and terms of reference	D.3.2	The Committee has a key oversight role in relation to the External Auditor Messrs Edirisinghe & Co, whose primary relationship is with the Committee. The Company's Auditor Independence Policy ensures that the independence and objectivity of the Auditor is not impaired. The Committee has responsibility for recommending to the Board the appointment / re- appointment of the External Auditors and reviewing the nature, scope and results of the annual External Audit.	Complied
84. Disclosures regarding Board Audit Committee	D.3.3	The Annual Report of the Board of Directors on the Affairs of the Company given on pages 174 to 177 provides the disclosures such as the composition of the Board Audit Committee &a statement regarding the independence of the Auditors.	Complied
D.4 RELATED PARTY TI	RANSACTIONS	REVIEW COMMITTEE	
85. Related Party Transactions	D.4.1	Company is adhering to LKAS 24 and Transactions entered into with related Complied parties during the year is disclosed in note 27 to the financial statements (page 214).	Complied
86. Composition of Related Party Transactions	D.4.2	The Related Party Transactions (RPT) Review Committee of Samson International PLC acts as the company's RPT review committee and consists of Mr. T. K. Bandaranayake (Chairman) Mr. D. D. A. Rajapaksa Ms. I. Malwatte	Complied
87. Terms of Reference	D.4.3	Related Party Transactions Review committee has written terms of reference dealing with its authority and duties. RPT review committee report describing the duties, task and attendance of the committee appear on page 181.	Complied

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status		
D.5 CODE OF BUSINES	D.5 CODE OF BUSINESS CONDUCTAND ETHICS				
88. Code of business conduct and ethics for Directors and staff	D.5.1	Codes of Conduct and Ethics are in place for the Directors and employees.	Complied		
D.6 CORPORATE GOVE	RNANCEDISCL	OSURES			
89. Disclosure of adherence to Corporate Governance	D.6.1	The Corporate Governance Report given on pages 151 to 172 provides information regarding Corporate Governance practices in the Company which are in compliance with the Code of Best Practice on Corporate Governance is issued jointly by the Securities Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.	Complied		
E. SHAREHOLDERS – IN	NSTITUTIONAL	INVESTORS SHAREHOLDER VOTING			
90. Encourage voting at AGM	E.1	The Company has a history of active shareholder involvement at general meetings and all shareholders are regularly encouraged to state their intentions to vote.	Complied		
91. Regular structured dialogues with institutional investors	E.1.1	A listed company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives. Arising from such dialogue, the Chairman should ensure the views of shareholders are communicated to the Board as a whole.	Complied		
E.2 EVALUATION OF GO	OVERNANCE DI	ISCLOSURES			
92. Encourage institutional investors to give due weight to relevant governance arrangements	E.2	Institutional investors are kept apprised of the Company's governance practices through the Annual Report and any new initiatives are highlighted at regular meetings to ensure that due weightage is given to good corporate governance.	Complied		
93. Individual shareholders are encouraged to do enable their own analysis or seek independent advice	F.1	The Annual Report contains sufficient information for a potential investor to carry out their own analysis. This, together with the interim financial statements provided each quarter, provides sufficient information to retail investors to make informed judgments regarding the performance of the Company. Shareholders can contact, the Company Secretary for further information if required.	Complied		
F.2 SHAREHOLDER VO	TING				
94. Encourage shareholders to participate and vote at the AGM	F.2	It is a tradition at Company to encourage retail investors to participate and vote at the AGM. Additionally, they are encouraged to participate in the Company's affairs by way of submitting proposals.	Complied		
G. INTERNET OF THINGS AND CYBER SECURITY					
95. Cyber security risk of sending and receiving information	G.1	Disaster recovery plan is implemented with hardware infrastructure. All the data backups are maintained by Group IT.	Complied		
H. ENVIRONMENT, SOCIETY AND GOVERNANCE (ESG)					
96. Provide Sufficient information relating to ESG risks	H.1.1	Annual report contains sufficient and relevant information of ESG to assess how risks and Opportunities are recognized, managed, measured and reported in pages 140 to 150.	Complied		

b) The Rule set out in Section 7.10 of the Colombo Stock Exchange Listing Rules on Corporate Governance:

This section reflects the Company's level of conformity to CSE's Listing Rules. This comprises the following fundamental principles and their application has been explained in the table below.

- Non-Executive Directors
- Non-Executive DirectorsIndependent DirectorsDisclosures Relating to Directors
- Remuneration Committee
- Audit Committee
- Related Party Transaction Review Committee

CSE Rule No.	Subject	Applicable Requirement	Compliance Status
7.10.1.(a)	Non- Executive Directors	At least 1/3 of the total number of Directors should be Non-Executive Directors	Compliant 5 out of the 7 Board members are Non- Executives.
7.10.2(a)	Independent Directors	2 or 1/3 of Non-Executive Directors, whichever is higher should be independent	Compliant Thereare2Independent Directors and 5 Non- Executive Directors.
7.10.2(b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence/ non-independence	Compliant Independence of Directors has been determined in accordance with CSE.
7.10.3(a)	Disclosure relating to Directors	 The Board shall make a determination annually as to the independence or non independence of each Non-Executive Director Names of independent Directors should be disclosed in the Annual Report 	Compliant All Independent, Non-Executive Directors have submitted declarations for their independence.
7.10.3(b)	Disclosure relating to Directors	In the event a Director does not qualify as independent, but if the Board is of the opinion that the Director is nevertheless independent, shall specify the criteria not met and the basis for the determination in the Annual Report	Not Applicable this year
7.10.3(c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the area of expertise	Compliant Please refer the Profile of the Directors in the Annual Report on page 49.
7.10.3(d)	Disclosure relating to Directors	Upon appointment of a new Director to the Board, a brief resume of each Directorshould be provided to the CSE.	Compliant
7.10.5	Remuneration Committee	A listed Company shall have a Remuneration Committee	Compliant
7.10.5(a)	Composition of Remuneration Committee	Shall comprise Non-Executive Directors, a majority of whom shall be independent	Compliant

CSE Rule No.	Subject	Applicable Requirement	Compliance Status
7.10.5(b)	Report of Remuneration	The Remuneration Committee shall recommend the remuneration of Chief Executive Officer and Executive Directors	Compliant
7.10.5(c)	Disclosure in the Annual Report relating to Remuneration Committee	 The Annual Report should set out: a. Names of Directors comprising the Remuneration Committee b. Statement of remuneration policy Aggregate remuneration paid to Executive& Non-Executive Directors 	Compliant
7.10.6	Audit Committee	The Company shall have an Audit Committee	Compliant
7.10.6.(a)	The composition of Audit Committee	Shall Comprise Non-Executive Directors, a majority of whom can be independent	Compliant
		Chief Executive officer and the chief Financial Officer should attend Audit committee meetings	Compliant
		The Chairmanof the Audit committee or One member should be a member of a professional Accounting body	He is a member of Institute of Chartered Accountants of Sri Lanka
7.10.6.(b)	Audit Committee functions	Overseeing of the	
		Preparation, Presentation, and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards.	Compliant Audit Committee oversees the integrity of the financial statements.
		Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements	Compliant Audit Committee oversees the requirement of the Companies Act and other regulations.
		• Processes to ensure that the internal controls and risk management are adequate, to meet the requirements of the Sri Lanka Auditing Standards.	Compliant Audit Committee oversees effectiveness of internal control and risk management.
		 Assessment of the independence and performance of the external auditors. 	Compliant Audit Committee oversees independence and performance of the external auditors.
		 Make recommendation 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 	Compliant Audit Committee makes such recommendations.

CSE Rule No.	Subject	Applicable Requirement	Compliance Status
7.10.6.(c)	Disclosure in the Annual Report relating to Audit Committee	Names of Directors comprising the Audit Committee. The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination. The Annual Report shall contain a Report of the Audit Committee setting out the manner of compliance of the function.	Compliant Compliant Compliant
9.2.2	Disclosure relating to Related Party Transactions Review Committee	Combination of non-executive directors and independent non-executive directors	Compliant The Committee comprises of two Independent Non- Executive Directors, one Non- Executive Director
9.2.3		Separate Committee to be formed for the Company or the Listed Parent's Committee to be used.	Compliant A separate Related Party Transactions Review Committee was formed for the Company.
		Function of the Committee	Compliant The Related Party Transactions Review Committee Report sets out the functions of the Committee on page 181.
9.3.2. (c)	Disclosure in the Annual Report	The Annual report shall contain a Report of the RelatedParty Transactions Review committee in the prescribed manner.	Complied Please refer Related Party Transactions Review committee report on page 181.

Statement of Directors Responsibility

The following statement, which should be read in conjunction with the Auditor's responsibilities, as set out in their report, is made with a view to distinguish between the respective responsibilities of the Directors and the Auditor's, in relation to Financial Statements.

The Directors are required by the Companies Act, No 07 of 2007, to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss for the financial year. The Directors are required to prepare these Financial Statements on a going concern basis unless it is not appropriate.

Since the Directors are satisfied that the Company has the resources to continue its business for the foreseeable future, the Financial Statements continue to be prepared on the said basis.

The Directors consider that in preparing the Financial Statements, the Company has used appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgments and estimates, and that all accounting standards which they consider to be applicable have been followed. The Directors are also required to ensure that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), the Rules of the Colombo Stock Exchange and also complied with the related party transaction rules by section 9.3.2.(d) of the CSE Listing rules.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company, and which enable them to ensure that the Financial Statements comply with the Companies Act, No.07 of 2007.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

The Directors are of the opinion that the Financial Statements of the Company set out on pages 185 to 218 have been prepared in accordance with the above requirements and that they have appropriately discharged their responsibilities as set out in this Statement. The Directors confirm that to the best of their knowledge, all taxes, duties, and levies payable by the Company and all contributions, levies, and taxes payable on behalf of and in respect of the employees of the Company, and all other known statutory dues as were due and payable by the Company, as at the Balance Sheet date have been paid, or where relevant are being provided for.

As required by Section 56 (2) of the Companies Act and the Articles of Association of the Company, the Board of Directors authorize the payment of dividends, being satisfied based on information available to it that the Company would satisfy the Solvency Test after such distributions in accordance with Section 57 of the Companies Act No. 07 of 2007. In respect of the authorized final dividend, the Company shall forward to CSE, prior to the date of dispatch of the dividend payment, a Certificate given by the Auditors to the effect that the Company is able to satisfy the Solvency Test immediately after the distribution. How ever the Board did not recommend any dividend for this year.

Messrs Edirisinghe & Co, Chartered Accountants, the Auditors of the Company, have examined the Financial Statements made available by the Board of Directors together with all relevant financial records, related data, minutes of shareholders' and Directors' meetings and express their opinion in their Report on page 182 of this Annual Report.

On behalf of the Board

D. K. Rajapaksa

Chairman

Colombo 22nd May 2024

D. G. P. S Abeygunawardana Director / General Manager

Report of the Board of **Directors**

The Directors of Samson International Plc have pleasure in presenting their report together with the audited financial statements of the Company for the year ended 31st March 2024, which was approved by the Directors at a meeting held on 22nd May 2024.

Samson International Plc is a public limited liability Company, incorporated in Sri Lanka on 14th October 1988 and reregistered under the Companies Act No. 7 of 2007 on 3rd September 2008 under registration number PO 192. The ordinary shares of the Company were listed on the Colombo Stock Exchange of Sri Lanka on 24th July 1992 and the Company was converted into a publicly quoted company.

This Report provides the information as required by the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, and recommended best practices on Corporate Governance.

The Vision, Values, and Corporate Conduct

The vision and values of the Company are given on page 04 of the Annual Report. The business activities of the Company are conducted at a high level of ethical standards in achieving its vision.

The Principal Activities of the Company

The principal activity of the Company is to manufacture rubber and PVC-based products for the international and local markets.

Accounting Policies

A summary of the significant accounting policies adopted in the preparation of the Financial Statements is given on page 189 of this report as required by Section 168 (1) (d) of the Companies Act No. 7 of 2007. The policies adopted are consistent with those adopted in the previous financial year.

Review of the year

The Chairman's review and the Managing Director's operational review together with the Financial Statements highlight the Company's performance during the period under review and the state of affairs as of 31st March 2024.

Turnover

Turnover of the Company is Rs.2,316 Mn in 2023/24 as compared to Rs. 2,895 Mn in the last year. Please see the turnover by segment given below.

Turnover by segment

		in Rs. 000
Segment	2023/24	2022/23
Rubber-related items	1,638,297	2,096,091
PVC-related items	677,968	798,769
Total	2,316,625	2,894,680

Profits:

		11113.000
Segment	2023/24	2022/23
Profit for the year (after payment of all expenses, making provision for known liabilities and depreciation on property, plant and equipment)	(287,530)	154,648
Tax on profits	(7,054)	(61,749)
Profit after taxation Actuarial gain/(loss) on Post-Employment Benefit Liability Deferred tax on Actuarial gain / (loss)	(294,584) 1,620 (486)	92,899 1,550 (465)
Total Comprehensive income net of tax	(293,450)	93,984

in Rs '000

Report of the Board of Directors (Contd...)

Retained Earnings:

.		in Rs.'000
Segment	2023/24	2022/23
Balance brought forward	681,779	596,260
Profit for the year	(294,587)	92,899
Surcharge tax 2020/21	(26,419)	-
Other Comprehensive income	1,134	1,085
Final dividend	(8,465)	(8,465)
Balance carried forward	353,443	681,779

Segment Reporting

The revenue and results of the Company Segment-wise is provided in Note 28 to the Financial Statements on page 218.

Taxation

As per the Inland Revenue (Amendment) Act No 45 of 2022 applicable tax rate is 30% and effective from 01 October 2022

Investments in Property, Plant & Equipment

During the year 2023/24, the Company invested Rs. 126 Mn (2022/23 -Rs.115.6 Mn) in Property, plant & equipment. The information relating to the movement in Property, plant & equipment is given in Note 13 to the Financial Statement on page 205.

Stated Capital & Reserves

The movement of the stated capital is as follows:

Segment	2023/24	2022/23
Stated capital- Rs. in 000'	109,600	109,600
No. of Ordinary shares	4,232,771	4,232,771

Details of the Stated capital are given in Note 21 to the Financial Statements on page 211 of this Annual Report. The rights and obligations attaching to the ordinary shares are set out in the Articles of Association of the Company, a copy of which can be obtained from the Secretaries upon request.

The Reserves as at 31st March were as follows:

Segment	2023/24	2022/23
General reserves	110,000	110,000
Revenue reserves	353,443	681,779
Total reserves	463,443	791,779

Directorate

The names of the Directors who held office at the end of the financial year are given below and their brief profiles appear on pages 49 and 54.

1) Dr. D. K. Rajapaksa (Chairman)

2) Mr. T. K. Bandaranayake (Independent, Non - Executive Director)

3) Mr. D. G. P. S. Abeygunawardana (Director/ General Manager)

4) Mr. D. D. A. Rajapaksa (Managing Director)

5) Mr. D. C. J. Rajapaksa (Non - Executive Director)

6) Ms. I. Malwatte (Independent, Non-Executive Director)

7) Mr. D. N. S. Rajapaksa (Non - Executive Director)

The Board of Directors recommends that a resolution be passed by the shareholders declaring that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr D. K. Rajapaksa, Mr T. K. Bandaranayake and that, notwithstanding them having attained the age of more than 70 years, they be appointed to the Board of Directors for a period of one year in terms of Section 211 of the Companies Act No. 07 of 2007.

Further, Mr. D. N. S. Rajapaksa will retire by rotation in terms of Article 88(i) of the Article of Association as a Director of the Company.

The attendance of the directors in the Board meetings is given on page 154 under Corporate Governance.

Directors' interest in shares

Directors' holdings of ordinary shares in the Company are given below:

Segment	No of Shares as at 31.03.2024	No of Shares as at 31.03.2023
Dr. D. K. Rajapaksa	11,159	11,159
Mr. T. K. Bandaranayake	Nill	Nill
Mr. D. G. P. S. Abeygunawardana	110	110
Mr. D. D. A. Rajapaksa	Nill	Nill
Mr. D. C. J. Rajapaksa	Nill	Nill
Ms. I. Malwatte	Nill	Nill
Mr. D. N. S. Rajapaksa	8,297	8,297
Total	19,566	19,566

The Directors of the Company who have relevant interests in the shares of the Company have disclosed their shareholdings in compliance with Section 200 of the Companies Act.

Directors' Remuneration and Other Benefits

The details of the Directors' remuneration and other benefits, in respect of the Company for the financial year ended 31st March 2024 is given in Note 8.1 to the Financial Statements on page 202 of this Report, as required by Section168 (1) (f) of the Companies Act No. 07 of 2007. Directors' remuneration for the financial year 2023/24 is Rs. 61,315,602 (last year 47,369,996).

Report of the Board of Directors (Contd...)

Directors' interest in transactions:

The Directors of the Company have made a disclosure as required under Section 192(2) of the Companies Act No. 07 of 2007. Note 27 to the financial statements dealing with related party disclosures include their interests in transactions.

Interest Register

The Interests Register is maintained by the Company, as per the Companies Act, No. 7 of 2007. All Directors have made declarations as provided for in Section 192 (1) & (2) of the Companies Act aforesaid. The related entries were made in the Interests Register during the year under review. The Interests Register is available for inspection as required by Section 119 (1) (d) of the Companies Act No. 07 of 2007.

Board Committees

The Board while assuming the overall responsibility and accountability in the management of the company has also appointed Board Committees to ensure oversight and control over certain affairs of the Company, conforming to the corporate governance code and adopting the best practices. Accordingly, the following Committees have been constituted by the Board:

Audit Committee

Mr. T. K. Bandaranayake	Chairman, Independent, Non- Executive Director
Ms. I. Malwatte	Independent, Non-Executive Director

The Report of the Audit Committee is given on pages 179 and 194, which form part of the Annual Report.

The Report of the Related Party Transaction Review Committee is given on page 181, which form part of the Annual Report.

Financial Risk

The finance and interest rate risks associated with the operation of the company are discussed in detail under risk management on page 148 of this report.

Employment Policies

The Company continues to invest in human resource development and implements effective practices to develop and build an efficient and effective workforce to ensure optimum contribution toward the achievement of its corporate goals. The Company's employment policies are based on recruiting the best people, providing them training to enhance their skills, and recognition of the innate skills and competencies of each individual while offering equal career opportunities regardless of gender, race or religion and retaining them with the Company as long as possible. The number of persons employed by the Company at year-end was 458 (last year 507).

Remuneration Committee

Mr. T. K. Bandaranayake	Chairman, Independent, Non- Executive Director
Ms. I. Malwatte	Independent,

Non-Executive Director

The Report of the Remuneration Committee is given on page 180, which forms a part of the Annual Report.

Related Party Transactions Review Committee

Chairman, Independent,		
Non- Executive Director		
Independent,		
Non-Executive Director		
Executive Director		

System of internal controls

The Board of Directors has established an effective and comprehensive system of internal controls to ensure that proper controls are in place to safeguard the assets of the Company, to detect and prevent fraud and irregularities, to ensure that proper records are maintained and Financial Statements presented are reliable and accurate. Monthly Management Accounts are prepared, giving management relevant, reliable, and up-to-date Financial Statements and key performance indicators. The internal control systems across the organization are regularly evaluated by the internal auditors to the audit committee. The findings of the internal audit are reviewed first by the audit committee and significant issues are thereafter reported to the Board. The Statement on Directors' responsibility for financial reporting of the Company is set out on page 173 of this Report.

The Audit Committee reviews, on a regular basis, the reports, policies, and procedures to ensure that a comprehensive internal control framework is in place.

Donations

The total amount of donations in cash was Rs 358,429 in the year 2023/24 (2022/23 – Rs. 337,243) which was approved by shareholders at the last Annual General Meeting.

No donation was made for political purposes.

Major Transactions

There have been no transactions during the year under review that fall within the definition of "Major Transactions" in terms of Section 185 of the Companies Act, No. 07 of 2007. The total assets of the Company are Rs. 1.8 Bn and 50% of the total assets is Rs. 0.9 Bn. The Company has not bought any assets or undertaken any liabilities greater than Rs. 0.9 Bn during the year under review.

Share information

The information pertaining to earnings per share, dividend per share, net assets per share and market value per share is given in the Financial highlights on page 08 and in the Ten-year summary on page 235 of this Annual Report.

The twenty major shareholders and percentages held by each one of them as at 31st March 2024 are given on page 223 of the Annual Report.

Public holding of shares in the Company

As at 31st March 2024, the public held 43.381% (in 2022/23-43.381%) of the shares of the Company.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the government, other regulatory institutions, and in relation to employees have been made within the stipulated period and have been accounted for during the financial year.

Report of the Board of Directors (Contd...)

Compliance with laws and regulations

To the best of the knowledge and belief of the Directors, the Company has not engaged in any activities contravening the laws and regulations of the country.

Social and Environmental Responsibility

As a responsible corporate body, the Company has taken all necessary steps and precautions to minimize any adverse impact of the Company's activities on the environment. When introducing new businesses, products, methods, and machines, maximum care is taken to ensure that these conform to accepted environmental and safety regulations and standards. The Directors, to the best of their knowledge and belief, are satisfied that the Company has not engaged in any activities which have caused adverse effects on the environment and it has complied with the relevant environmental regulations.

Corporate Governance

The Company maintains and practices high principles of good corporate governance, ethics, and a code of conduct. The Directors are responsible for the formulation and implementation of overall business strategies, and policies and setting standards in the short, medium, and long- term adopting good governance in managing the affairs of the Company. The practices adopted by the Company in relation to corporate governance are set out on pages 151 and 172 of this Report.

Auditor's Report

The Company's external auditor, Messrs Edirisinghe & Company, performed the audit on the Financial Statements for the year ended 31 March 2024. The Auditor's Report on the Financial Statements is given on page 182 of this Report as required by Section 168 (1) (c) of the Companies Act.

Appointment of Auditors

The retiring Auditors Edirisinghe & Company, Chartered Accountants, have expressed their willingness to continue in office. A resolution to re-appoint them as auditors and authorize the Directors to fix their remuneration will be proposed at the Annual General Meeting in terms of the Companies Act, No. 7 of 2007.

Auditor's Remuneration and Independence

The Company paid audit fees to the external auditors for the year 2023/24 amounting to Rs. 934,254 (2022/23 - Rs. 568,500). Based on the declaration provided by Messrs Edirisinghe & Co. and as far as the Directors are aware, the Auditors do not have any relationship with or interests in the Company that may have a bearing on their independence, within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Sri Lanka.

Outstanding litigation

In the opinion of the Directors, in consultation with the Company lawyers, there is no litigation currently pending against the Company which will have a material impact on the reported financial results or future operations of the Company.

Post Balance sheet events

In the opinion of the Directors, no item, transaction or event of an unusual nature has taken place between the financial yearend and the date of this report that would materially affect the results of the Company for the financial year in respect of which this report is made.

Going Concern

The Board of Directors has reviewed the Company's business and corporate plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future after considering the financial position, operating conditions, regulatory and other factors required to be addressed in the Corporate Governance Code. The Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the Financial Statements.

Financial Statements of the Company

The Financial Statements of the Company, duly certified by the Finance Manager and approved by two Directors in compliance with Sections 152, 153, and 168 of the Companies Act No. 7 of 2007, are given from pages 185 to 218 of the Annual Report.

Secretaries

P W Corporate Secretarial (Pvt) Ltd. continues to work as a secretary to the Company.

Dividends

During the year under review, the company contributed to our shareholders providing income gains in the form of dividends.

The Board of Directors decided not to recommend a dividend on the profit of 2023/24. (Dividend for 2022/23 is Rs. 2.00 per share)

The Company maintains a consistent dividend policy in line with profitability and market expectations. How ever, this year Company incurred a loss of Rs.294.5 Mn.

Notice of Meeting

Details of the Annual General Meeting are given in the Notice of Meeting on page 247.

32nd Annual General Meeting

The 32nd Annual General Meeting of the Company will be held by way of electronic means on 30th June, 2024 centered at the Board Room of Samson International PLC, No. 110, Kumaran Ratnam Road, Colombo 02 which was the same venue for the previous year.

For and on behalf of the Board of Directors,





). K. Rajapaksa Chairman D. G. P. S Abeygunawardana **Director / General Manager**

P W Corporate Secretarial (Pvt) Ltd.

Secretaries

Colombo 22nd May 2024

Board Sub-Committees

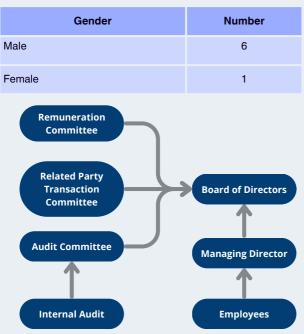
The Company has three Board subcommittees mainly the audit committee, the remuneration committee, and the related party transaction review committee. The reports given by individual committees are on the subsequent periods.

Sub-committee	Composition	Mandate	No. of meetings held	Page No.
Audit Committee	Independent Non-executive Directors - 2	Provides oversight on financial reporting, internal controls and functions relating to internal and external audit.	04	179
Remuneration Committee	Independent Non-executive Directors - 2	Mandated with the Formulation and review of Remuneration policies and set goals and targets relating to Directors and Key Management Personnel.	01	180
Related Party Transactions Review Committee	Independent Non-executive Directors – 2 Executive Director - 1	RPTRC assess all transactions with related parties to ensure that related parties are treated on par with other stakeholders.	04	181

Composition of the Board

Category	Number of Directors
Executive	2
Non-Executive Directors	5
Independent Non-Executive Directors	2

Gender diversity



Audit committee

Professional Background	Number of Directors
Finance	1
Economics	1

Remuneration committee

Professional Background	Number of Directors
Finance	1
Economics	1

RPTRC committee

Professional Background	Number of Directors
Finance	1
Economics	1
IT & Marketing	1

Audit Committee Report

Members of the Audit Committee:

The Audit Committee comprises two Non-Executive Independent Directors. The Committee is chaired by Mr.T.K. Bandaranayake, is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a former Senior Partner of Messrs Ernst & Young. The other member is Mrs. I. Malwatta. The Audit Committee focuses in the following areas.

- Meetings with the auditors to discuss audit findings including any problems and reservations arising from the audit as well as to take up any other matters which the auditors may wish to discuss independent of the management.
- Reviewing the integrity and adequacy of the disclosures in the financial statements of the company in accordance with the Companies Act, No.7 of 2007, the Sri Lanka Accounting Standards, Continuous Listing Requirements of the Colombo Stock Exchange and Accounting Policies which are consistently applied.
- · Reviewing the financial reporting system to ensure the accuracy and timeliness of the financial statements produced.
- Reviewing and ensuring the adequacy and effectiveness of the Company's internal control systems and risk management practices.
- Oversight on the compliance by the company with the requirements of the statutory and regulatory framework. Compliance is monitored quarterly through 'Company Reports'.
- Making recommendations to the Board of Directors on the appointment/ re-appointment and the remuneration of the external auditors based on their performance.
- Examining any non-audit work performed by the auditors to ensure that their independence is not impaired.

Details of Meetings held:

The Audit Committee held four meetings during the year under review. Appropriate personnel from the management were present at the meetings on invitation. The proceedings of the Audit Committee are regularly reported to the Board of Directors. The attendance of the members of the Audit Committee was as follows.

Please also note that under status column, "E" = Executive, "NE"= Non- Executive and "I" = Independent

Name of Director	Status	25th May 2023	11th Aug 2023	15th Nov 2023	06th Feb 2024	No of Attendance
Mr.T K Bandaranayake	NE/I	Q	\bigotimes	\bigotimes	\bigotimes	4/4
Ms I Malwatte	NE/I	\bigotimes	\bigotimes	Q	\bigotimes	4/4

The attendance of Director/General Manager and Finance Manager in the Audit Committee meetings by invitation is as follows.

Name of Director	Status	25th May 2023	11th Aug 2023	15th Nov 2023	06th Feb 2024	No of Attendance
Mr. D. G. P. S. Abeygunawardana	D/GM	\bigotimes	\bigotimes	\bigotimes	\bigotimes	4/4
Mr. A. P. Sisira Kumara	Finance Manager	\bigotimes	\bigotimes	\bigotimes	\bigotimes	4/4

Internal Audit Function

A new internal auditor, T&D Associates, Chartered Accountants, was selected by the audit committee after evaluating the proposals given by three firms of Chartered Accountants.

The Audit Committee reviews the Internal Audit Reports. The internal audit function has been outsourced to an independent professional firm of Chartered Accountants and is carried out by Messrs T & D Associates. The internal audit reports are reviewed thoroughly including recommendations made for rectification of weaknesses or improvement of controls, whilst ensuring that adequate steps are taken to implement such recommendations as appropriate.

Conclusion

The committee reports to the Board of Directors, identifying the matters in respect of which it considers that action or improvement is needed and the steps taken to implement such improvements.

The Audit Committee is satisfied that the Company's accounting policies, operational controls and risk management practices provide reasonable assurance that the affairs of the Company are managed in accordance with the Company policies and that the Company assets are properly accounted for and adequately safeguarded. The Committee has recommended to the Board of Directors that Messrs Edirisinghe & Co., Chartered Accountants, be re-appointed as the Auditors for the financial year ending 31st March 2025, subject to the approval of the shareholders at the Annual General Meeting at a fee to be determined by the management.

wheel

T. K. Bandaranayake Chairman - Audit Committee Colombo 22nd May 2024

Report of the Remuneration Committee

Members of the Remuneration Committee:

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two independent, Non- Executive Directors who are Ms. I. Malwatta (Chairperson) and Mr.T.K. Bandaranayake.

Role of the Committee:

The Remuneration Committee annually reviews and recommends to the Board of Directors the policy on remuneration for the executive staff, specific remuneration packages for the Executive Directors and the fees for the Non-Executive Directors. The aggregate remuneration received by the Directors is disclosed under Note 8.1 of the Financial Statements on page 202.

Remuneration Policy:

In a highly competitive environment, attracting and retaining high caliber executives is a key challenge faced by the Company. In this context, the Committee took into account competition, market information and performance evaluation methodology in determining the overall remuneration policy

The Remuneration Committee held one meeting during the year under review.

Ind Malmette.

I. Malwatte Chairperson Remuneration Committee

Colombo 22nd May 2024

Report of the Related Party Transactions Review Committee

Members of the Related Party Transactions Review Committee:

The Related Party Transactions Review Committee (RPTRC) was established in terms of the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange

Commission of Sri Lanka (the "Code") and Section 9 of the Listing Rules of the Colombo Stock Exchange (the "Rules"). The Related Party Transactions Review Committee comprises 2 Independent Non-Executive Directors and an Executive Director. The following Directors serve on the Committee chaired by Mr.T. K. Bandaranayake

Mr T. K. Bandaranayake – Chairman	Independent Non- Executive Director,
Ms. I. Malwatte	Independent Non- Executive Director,
Mr D.D.A. Rajapaksa	Executive Director

The above composition is in compliance with the provisions of the Code. Brief profiles of the members are given on pages 49 to 54 of the Annual Report.

Role and Responsibilities

The mandate of the Committee is derived from the Code and the Regulations and the Rules and includes the following:-

1. Developing a Related Party Transaction Policy consistent with the provisions of the Code and the Rules for adoption by the Board of Directors of the Company.

2. Reviewing all proposed Related Party Transactions in compliance with the provisions of the Code.

3. Advising the Boards on taking appropriate action where necessary, in respect of Related Party Transactions, in compliance with the provisions of the Code and the Rules.

Details of Meetings held:

Policies and procedures adopted by the Committee for reviewing Related Party Transactions:

1. Relevant information to capture Related Party Transactions is fed into the Company Related Party data base.

2. All officers concerned are informed of the applicable regulatory requirements relating to the reporting of Related Party Transactions.

3. Key Management Personnel (KMPs) and their Close Family Members (CFMs) are identified quarterly together with their NIC numbers and business registration numbers.

4. Details are verified and validated regularly ..

5. All Managers are advised to escalate information on any Related Party Transactions to the Company Secretary who has been identified as the central Point, for this purpose.

Details are shared with the Company Secretary to meet the regulatory requirements if required.

Review Function of the Committee:

The Committee meeting proceedings are shared with the Board of Directors for their information right through the year. All Related Party Transactions during the year are summarized and disclosed in Note 27 to the Financial Statements on page 214

Reporting to the Board:

The Minutes of the RPTRC meetings are tabled at Board meetings enabling all Board members to have access to same.

On behalf of the Related Party Transactions Review Committee

Law mach

T. K. Bandaranayake Chairman Related Party Transactions Review Committee Colombo 22nd May 2024

This Committee held four meetings during the year under review. Management representatives are invited to the meetings for discussions as considered appropriate and necessary.

Name of Director	Status	25th May 2023	11th Aug 2023	15th Nov 2023	06th Feb 2024	No of Attendance
Mr. T.K. Bandaranayake	NE/I	\bigotimes	\bigotimes	\bigotimes	\bigotimes	4/4
Mrs. I. Malwatta	NE/I	\bigotimes	\bigotimes	Q	Q	4/4
Mr. D.D.A. Rajapaksa	Е	\otimes	\otimes	Q	Q	2/4

"E" = Executive, "NE"= Non- Executive, "I" = Independent

Name of Director	Status	25th May 2023	11th Aug 2023	15th Nov 2023	06th Feb 2024	No of Attendance
Mr. D.G.P.S. Abeygunawardana	D/GM	Ø	Q	Q	Ś	4/4
Mr. A.P. Sisira Kumara	Finance Manager	Q	\bigotimes	\bigotimes	\bigotimes	4/4

Independent Auditor's Report



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Edirisinghe & Co. Chartered Accountants 45, Braybrooke Street Colombo 02 Sri Lanka

TO THE SHAREHOLDERS OF SAMSON INTERNATIONAL PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Samson International PLC (the Company), which comprise the statement of financial position as at March 31, 2024, and the statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at March 31, 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, we have provided a description of how our audit procedures addressed the matters in that context.

Key Audit Matter

01) Provision for deferred tax

Provision for deferred tax has been calculated considering financial statement areas such as Retirement benefit obligation and Property, plant and equipment, where significant management estimates, judgments and uncertainties are involved.

Other Information

How Our Audit Addressed the Key Audit Matter

Our procedures included the following:

Our audit procedures included verification of controls over the appropriateness of models used to calculations, the process of determining key assumptions and the identification of figures to be included within the calculations. The appropriateness of management's judgments was also independently considered in respect of calculation methodologies and individual calculations were also performed.

Other information consists of the inforemation included in the Annual Report, other than the financial statements and our auditor's report tereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated, If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Partners: P.P. Edirisinghe FCA ACIM MBA Ms. M.K.K. Karunaratne FCA ACMA R.S. Godevithanage FCA, ACMA, MBA (UK), Bsc. in Finance (sp) Consultants: A.T.P. Edirisinghe FCA FCMA (UK) A.D. Jayasena FCA

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Independent Auditor's Report (Contd...)

EDIRISINGHE & Co. Chartered Accountants

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design
 and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to
 provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for
 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the
 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control..
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Managements' use of the going concern basis of accounting and, based on the
 audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant
 doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are
 required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such
 disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the
 date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a
 going concern..
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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Independent Auditor's Report (Contd...)

EDIRISINGHE & Co. Chartered Accountants

Report on Other Legal and Regulatory Requirements

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2256.

Edirisinghe & Co. Chartered Accountants

Colombo 22nd May 2024

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STATEMENT of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 31ST MARCH	NOTE	2024 Rs.	2023 Rs.
Revenue	06	2,316,264,560	2,894,859,913
Cost of sales		(1,977,388,918)	(2,040,323,751)
Gross profit		338,875,642	854,536,162
Other income	07	28,385,409	7,024,227
Distribution cost		(122,926,543)	(144,329,602)
Administrative expense		(352,836,903)	(337,734,740)
(Loss) / profit from operations	08	(108,502,395)	379,496,047
Finance income	Case of lates 09.1	10,393,697	9,680,586
Finance cost	09.2	(189,421,340)	(234,528,411)
(Loss) / profit before income taxation		(287,530,038)	154,648,222
Income tax expense	10	(7,054,081)	(61,749,496)
(Loss) / profit for the year		(294,584,119)	92,898,725
Other comprehensive income / (expense), net of tax Items that will not be reclassified subsequent to the Stateme	ent of profit or	loss	
Actuarial gain / (loss) on post employment benefit liability		1,619,825	1,550,145
Deferred tax on actuarial gain/(loss)		(485,948)	(465,044)
Items that will be reclassified subsequent to the Statement o	f profit or loss	S	
Total other comprehensive income / (expense), net of tax:		1,133,877	1,085,101
Total comprehensive income / (expense) for the year, net of	tax	(293,450,242)	93,983,826
Basic earnings per share (Rs. Cts)	11	(69.60)	21.95
Dividends per share (Rs. Cts)	12	2.00	2.00

All values are in rupees, unless otherwise stated. Figures in brackets indicate deductions

The significant accounting policies and notes on pages 189 to 218 are an integral part of these financial statements

STATEMENT of Financial Position

AS AT 31ST MARCH			
	NOTE	2024 Rs	2023 Rs
Assets			
Non current assets			
Property, plant and equipment	13	637,032,378	595,667,366
Intangible assets	14	7,967,406	4,760,647
Financial assets at fair value through profit and loss	15	10,007,473	6,401,490
Financial assets at amortized cost	16	23,024,445	20,963,686
Deferred tax assets	17	22,304,151	18,661,292
		700,335,853	646,454,481
Current assets			
Inventories	18	493,978,415	806,295,554
Trade and other receivables	19	546,917,618	596,398,156
Cash and cash equivalents	20	78,715,427	86,505,062
		1,119,611,460	1,489,198,772
Total assets		1,819,947,313	2,135,653,253
Equity and liabilities			
Equity			
Stated capital	21	109,600,211	109,600,211
General reserve		110,000,000	110,000,000
Retained earnings		353,443,570	681,778,769
Total equity		573,043,781	901,378,980
Non current liabilities			
Deferred tax liability	17.2	80,585,784	69,402,896
Retirement benefit obligation	22	74,347,166	62,204,304
Long - term borrowings	24.1	160,360,000	238,269,048
		315,292,950	369,876,248
Current liabilities			
Trade and other payables		226,992,538	159,592,028
Short - term borrowings		695,319,168	667,515,752
Income tax liability		9,298,876	37,290,245
		931,610,582	864,398,025
Total liabilities		1,246,903,532	1,234,274,273
Total equity and liabilities		1,819,947,313	2,135,653,253

The significant accounting policies and notes on pages 189 to 218 are an integral part of these financial statements. The above financial statements comply with the requirements of Companies Act No.07 of 2007.

A. P. Sisira Kumara Finance Manager

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements on pages 185 to 218 were approved by the Board of Directors and were signed in Colombo on 22nd May 2024 its behalf by:

D. K. Rajapaksa Chairman

D. G. P. S. Abeygunawardana Director / General Manager

STATEMENT of Changes in Equity

	Stated Capital Rs.	General Reserve Rs.	Retained Earnings Rs.	Total Rs.
For the year ended 31st March 2023				
Balance as at 1st April 2022	109,600,211	110,000,000	596,260,112	815,860,323
Profit for the year			92,898,726	92,898,726
Other comprehensive income			1,085,101	1,085,101
Dividend paid			(8,465,170)	(8,465,170)
Balance as at 31st March 2023	109,600,211	110,000,000	681,778,769	901,378,980
For the year ended 31st March 2024				
Balance as at 1st April 2023	109,600,211	110,000,000	681,778,769	901,378,980
Loss for the year			(294,584,119)	(294,584,119)
Surcharge tax 2020/21 (Note 3.9)			(26,419,415)	-
Other comprehensive income			1,133,877	1,133,877
Dividend paid			(8,465,542)	(8,465,542)
Balance as at 31st March 2024	109,600,211	110,000,000	353,443,570	599,463,196

General reserve represents the amount set aside by the Directors for future expansion and to meet any contingencies.

Figures in brackets indicate deductions. All values are in Rupees, unless otherwise stated.

The significant accounting policies and notes on pages 189 to 218 are an integral part of these financial statements.

STATEMENT of Cash Flows

FOR THE YEAR ENDED 31ST MARCH		2024	2023
	NOTES	Rs.	Rs.
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(287,530,038)	154,648,222
Adjustment for :			
Depreciation	13	84,569,591	77,493,392
Amortization of intangible assets	14	1,405,358	1,213,292
Provision for obsolete inventory		-	4,072,703
Provision for doubtful debt		-	2,308,099
Bad debt written off		158,298	6,511
General inventory wastage		28,459,018	45,788,287
Fair value loss on quoted debentures	15	-	3,598,510
Provision for retirement benefit obligation	22	16,784,975	13,295,391
Interest income	09.1	(10,393,697)	(9,680,586)
Interest cost	09.2	152,705,009	212,622,111
(Loss) / profit before working capital changes		(13,841,486)	505,365,932
Changes in Working Capital:			<i></i>
Decrease / (increase) in inventories	18	283,858,121	(126,311,754)
Decrease in trade and other receivable	19	49,322,240	64,569,422
Increase / (decrease) in trade and other payable	23	67,400,510	(226,667,645)
Cash generated / (used in) from operations		386,739,385	216,955,955
Interest paid	09.2	(152,705,009)	(212,622,111)
Income tax paid		(27,991,370)	(14,567,555)
Retiring gratuity paid	22	(3,022,288)	(2,143,916)
Surcharge tax 2022/23		(26,419,415)	-
Net cash generated from / (used in) operating activities		176,601,303	(12,377,627)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13	(125,934,604)	(115,591,390)
Purchase of intangible assets	14	(4,612,117)	
Investment in treasury bills	16	(2,060,759)	(2,552,030)
Interest income	09.1	10,393,697	9,680,586
Financial assets at fair value through profit and loss		(3,605,983)	-
Net cash used in investing activities		(125,819,766)	(108,462,834)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(8,465,542)	(8,465,170)
Proceeds from short - term borrowings	24	71,503,630	2,086,500,000
Repayment of long - term borrowings	24	(77,909,048)	(1,965,674,244)
Net cash (used in) / generated from financing activities		(14,870,960)	112,360,586
Net increase / (decrease) in cash and cash equivalents		35,910,579	(8,479,874)
Cash and cash equivalents at the beginning of the year		(68,672,320)	(60,192,446)
Cash and cash equivalents at the end of the year	20.1	(32,761,741)	(68,672,320)

All values are in Rupees, unless otherwise stated. Figures in brackets indicate deductions

The significant accounting policies and notes on pages189 to 218 are an integral part of these financial statements

NOTES to the Financial Statements

1. General Information

1.1 General

The Company is a public limited liability Company incorporated and domiciled in Sri Lanka. The address of its registered office is No. 110, Kumaran Ratnam Road, Colombo 02 and the principle place of business is situated at Akuressa Road, Bogahagoda, Galle.

1.2 Principal activities and nature of operations

During the year, the principal activities of the Company were manufacture unhardened vulcanized rubber and PVC based products to the international and local markets.

1.3 Parent enterprise and ultimate parent enterprise

The Company's parent undertaking is DSI Samson Group (Pvt) Ltd which holds effectively (collectively inclusive of Company holding) 57% of shares of Samson International Plc.

1.4 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on 22nd May 2024.

1.5 Number of employees

The number of employees of the Company at the end of the year was 458. (2022/23 - 507 Employees).

2. Basis of preparation

2.1 Statement of compliance

The Company prepares the financial statements in accordance with the Sri Lanka Accounting Standards (LKASs and SLFRSs) issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except that the retirement benefit obligations are measured at the present value of the defined benefit plans as explained in the respective notes to the financial statements.

2.3 Measurement of fair values

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in 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 in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data. (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.4 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of trading. Therefore, the financial statements continued to be prepared on the going concern basis.

2.5 New or amended standards and interpretation effective for the year.

The following recent amendments and improvements to the standards did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Annual periods commencing on	Description
1st April 2021	Amendments to SFRS16 Leases (Covid-19-Related Rent Concessions beyond 30 June 2021).
1st January 2022	Amendments to:
	 SLFRS 3 Business Combinations (Reference to the Conceptual Framework).
	 LKAS 37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract).
	LKAS 16 Property, Plant and

Equipment (Proceeds before Intended Use).

2.6 Standards issued but not yet effective

The following amendments and improvements are not expected to have a significant impact on the Company's financial statements.

Annual periods commencing on	Description
1st January 2023	 Amendments to: LKAS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Noncurrent). LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates) LKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction. SLFRS 17 Insurance Contracts.

2.7 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees which is the Company's functional currency.

2.8 Use of estimates and judgments

The preparation of financial statements in conformity with SLFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although the judgments and estimates are based on management's best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is provided in Note 04.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements of the company.

3.1 Foreign currency

3.1.1 Foreign currency transactions

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 items denominated in foreign currencies are translated at the closing rate.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the year.

3.2 Assets and bases of their valuation

Assets classified as current assets in the Statement of financial position are cash, bank balances and those which are expected to be realized in cash, during the normal operating cycle of the Company's business, or within one year from the reporting date, whichever is shorter. Assets other than current assets are those which the Company intends to hold beyond a period of one year from the reporting date.

3.2.1 Property, Plant and Equipment

Property, Plant and Equipment is recognized if it is probable that future economic benefits associated with the assets will flow to the entity and the cost of the assets can be measured in reliably in accordance with LKAS 16 - Property, Plant and Equipment.

3.2.1.1 Recognition and measurement

Property, Plant and Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes expenditure that is directly attributable to the acquisition of the assets.

3.2.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized in accordance with the derecognizing policy given bellow. The cost of repair and maintenance of property, plant and equipment are of profit or loss as incurred.

3.2.1.3 De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on derecognition of the asset are determined by comparing the proceeds from disposal with the carrying amount of property, plant & equipment and are recognized within other income in the Statement of comprehensive income.

3.2.1.4 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Asset category	Useful life (Years)
Buildings	20 years
Plant and machinery	10 years to 29 years
Machine accessories	10 years to 26 years
Furniture and fittings	10 years
Office equipment	10 years to 23 years
Motor vehicles	05 years to 19 years

During the year 2018/19, as a result of a re-valuation of Property, Plant and Equipment, and a detailed review of the depreciation policy applied, it was noted that the estimated periods of useful lives of the plant and machinery, machine accessories, office equipment and motor vehicles were longer than the previously estimated periods of useful lives.

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.2.2 Leases

The Company assess at the inception of a contract, whether the contract is, or contains, a lease. A contract is contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.2.2.1 Right-of-use assets

The Company recognizes a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment".

3.2.2.2 Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

Subsequently Lease liabilities are measured at amortized cost using the effective interest method.

3.2.2.3 Short term and low value leases

The Company has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

3.2.3 Intangible assets

The Company recognizes intangible assets if it is probable that future economic benefit associated with the assets can be measured reliably in accordance with LKAS 38.

The Company's intangible assets include the value of acquired computer software

3.2.3.1 Software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits, are included in the Statement of financial position under the category of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

3.2.3.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

3.2.3.3 Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in the profit or loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Category of asset	Useful life (Years)	Depreciation rate (%)
ERP Computer Software	10	10%

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

3.2.3.4 De - recognition

Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

3.2.4 Impairment of non financial assets

The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the assets is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the statement of profit or loss in expense categories consistent with the function of the impaired assets except for properties previously revalued with the revaluation taken to Other Comprehensive Income. For such properties, the impairment is recognized in Other Comprehensive Income up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

3.3.1 Financial assets

3.3.1.1 Initial recognition and measurement

Financial assets within the scope of SLFRS 09 are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortized cost. The Company determines the classification of its financial assets at initial recognition. the classification depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs. Trade receivables that do not contain a significant financial component or for which the Company has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

3.3.1.2 Subsequent measurement

3.3.1.2.1 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss include financial assets designated as such at fair value through profit or loss at initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Subsequent to initial recognition, financial assets at fair value through profit loss are carried at fair value in the Statement of financial position with fair value gains or losses recognized through the Statement of comprehensive income.

3.3.1.2. 2 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include financial assets designated as such at fair value through other comprehensive income at initial recognition. However as at 31st March 2024, there were no financial assets at fair value through other comprehensive income.

3.3.1.2. 3 Financial assets at amortized cost

Financial assets at amortized cost include financial assets designated as such at amortized cost at initial recognition. The Company have been classified investments in treasury bills, investment in fixed deposits and trade receivables under this category considering the objective is to hold such investments and receivables in order to collect contractual cash flows.

3.3.1.3 De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

• The rights to receive cash flows from the asset have expired

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through arrangement; and either

(a) The Company has transferred substantially all the risks and rewards of the asset, or

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (I) the consideration received (including any new asset obtained less any new liability assumed) and (ii) cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

3.3.2 Impairment of financial assets

The Company assesses at each reporting date whether the credit risk on a financial assets have increased significantly since initial recognition. When making the assessment, company consider the change in the risk of default occurring over the expected life of the financial assets.

The Company recognizes a loss allowance since its initial recognition for expected credit loss on financial assets that are measured at amortized cost. For the financial assets, which the credit risk on that has increased significantly since initial recognition, the company measures and recognizes the loss allowance at an amount equal to the life time expected credit loss.

Credit risk on financial assets has not increased significantly since its initial recognition, the Company measure the loss allowance for that assets at an amount equal to 12 months expected credit loss.

Trade receivable result from SLFRS 15 are measured the loss allowance at an amount equal to life time expected credit losses.

3.3.2.1 Impaired financial assets

The Company assesses whether the financial assets which are carried at amortized cost are credit impaired at each reporting date and recognizes a life time expected credit loss. Loss allowance are deducted from the gross carrying amount of the assets.

3.3.2.2 Write-off of financial assets

Gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering the financial asset in its entirely or portion there of.

3.3.3 Financial liabilities

3.3.3.1 Initial recognition and measurement

Financial liabilities within the scope of SLFRS 09 are classified as financial liabilities at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, transaction costs that are directly attributable to the acquisition or issue of such financial liability.

The Company's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

3.3.3.2 Subsequent measurement

3.3.3.2.1 Financial liabilities at amortized cost

Financial liabilities at amortized cost include financial liabilities designated upon initial recognition as at amortized cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method unless the effect of discounting would be insignificant in which case they are stated at cost.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit or Loss.

3.3.3.3 De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.4 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

a) All inventory items except manufactured inventories and work-in-progress are measured using first in, first out basis.

b) Manufactured inventories and work-in-progress are measured at weighted average factory cost which includes all direct expenditure and appropriate shares of production overhead based on normal operating capacity but excluding borrowing costs.

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

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, demand deposits, and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value net of bank overdrafts that are repayable on demand for the purpose of the statement of cash flows.

3.6 Post employment benefitss

3.6.1 Defined benefit plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated using the "Projected Unit Credit Method" with the advice of an independent professional actuary as requested by LKAS 19 on ' Employee Benefit'.

Past service costs are recognized immediately in the profit or loss while the actuarial gains and losses are charged or credited to profit or loss in the period in which they arise. The liability is not externally funded.

3.6.2 Defined contribution plans - EPF and ETF

All employees who are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations. The Company contributes 12% of gross emoluments of Executive and Other employees respectively to the Employees' Provident Fund and 3% of gross emoluments of all employees to the Employees' Trust Fund respectively. Employer's contributions to the defined contribution plans are recognized as an expense in profit or loss when incurred.

3.7 Stated capital

Stated capital consists solely of ordinary share capital. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

3.8 Provisions

A provision is recognized if, as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.9 Statement of comprehensive income

3.9.1 Revenue from contract with customers

3.9.1.1 Revenue recognition

Revenue from contract with customers is recognized within the scope of SLFRS 15 when the following criteria are met.

- The parties to the contract have approved the contract and are committed to perform their respective obligation.

- Company can identify each party's rights regarding the goods or services to be transferred.

- Ability to identify the payment terms for the goods or services to be transferred.

- The contract has commercial substance and

- It is probable that the company will collect the consideration in exchange for the goods or services that will be transferred to the customer.

3.9.1.1.1 Revenue from sale of goods

At the contract inception company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer either:

- A good or service that is distinct or

- A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer

Company recognize revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Goods or services are transferred when the customer obtains control of that asset. The amount of the transaction price which is allocated to a performance obligation is recognize as revenue.

Company consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer excluding amounts collected on behalf of third parties.

3.9.1.1.2 Other income

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as fair value through profit and loss, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

3.9.2 Expenditure recognition

3.9.2.1 Operating expenses

All expenses incurred in day to day operations of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of comprehensive income in arriving at the profit for the year. Provision has also been made for impairment of financial assets, slow moving stocks, all known liabilities and depreciation on property, plant and equipment.

3.9.2.2 Borrowing costs

Borrowing costs directly attributable to acquisition, construction or production of assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds.

3.9.3 Net finance income / (expenses)

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, 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.

3.9.4 Taxation

3.9.4.1 Current taxes

The provision for income tax on Sri Lankan operation is based on the elements of income and expenditures reported in the financial statements and computed with in accordance with the provisions of the Inland Revenue Act No 24 of 2017.

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

3.9.4.2 Deferred taxation

Deferred taxation is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carry forward of unused tax losses / credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

3.9.4.3 Surcharge tax

Surcharge Tax Act No 14 of 2022 was enacted on 8th April 2022 and is applicable to the group as the collective taxable income of companies belonging to the group, calculated in accordance with the provisions of the inland revenue act no 24 of 2017, exceeds Rs. 2,000 Mn, for the year of assessment 2020/21.

The liability is computed at the rate of 25 percent on the taxable income of the individual group companies, net of dividends from subsidiaries and deemed to be an expenditure in the financial statements in the year of assessment which commenced on 1st April 2020.

The total surcharge tax liability amounted to LKR 26,419,415/ for the year of assessment 2020-21 - and has been recognized for the group and companies opening adjustment to April 2023.

3.10 Related party transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

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

3.11 Cash flows

Interest received and dividends received are classified as investing cash flows, while dividend paid and interest paid, is classified as financing cash flows for the purpose of presentation of Statement of Cash Flows which has been prepared using the 'Indirect Method'.

3.12 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period.

3.13 Events occurring after the reporting date

Events after the reporting period are those events favorable and un favorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

3.14 Segment reporting

Segment information is provided for the different business segments of the Company.

Business segmentation has been determined based on the nature of goods provided by the Company after considering the risks and rewards of each type of product.

The activities of the segments are described in note 28 to the financial statements.

4. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

4.1 Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of Property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE would increase the recorded depreciation charge and decrease the property, plant and equipment balance.

4.2 Estimated useful lives of intangible assets

The Company reviews annually the estimated useful lives of intangible assets based on factors such as business plan and strategies, expected level of usage and future developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of intangible assets would increase the recorded amortization charge and decrease the intangible assets balance.

4.3 Defined benefit obligations

The present value of the gratuity obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for gratuity include the discount rate, salary increment rate and staff turnover rate. Any changes in these assumptions will impact the carrying amount of gratuity obligations

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

5. Financial risk management

The Board of Directors have overall responsibility for the establishment and oversight of the risk management framework, including policies and procedures. In discharging its governance responsibility it operates through the Board of Directors and the Audit Committee.

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

- Credit Risk
- Finance and Interest rate risk
- Foreign Exchange rate risk
- Operational Process risk
- Investment risk / Project Management risk
- Liquidity risk

5.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

5.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

As at 31 March	2024 Rs.	2023 Rs.
Trade receivable	353,922,359	464,747,806
	353,922,359	464,747,806

5.1.1.1 The maximum exposure to credit risk for trade receivables at the end of the reporting period by type of counterparty is as follows:

As at 31 March	2024 Rs.	2023 Rs.
Trade receivables from related parties	19,232,683	28,543,092
Trade receivables - others	334,689,676	436,204,714
	353,922,359	464,747,806

5.1.1.2 The maximum exposure to credit risk for net trade receivables as at the reporting date by geographic was as follows:

As at 31 March	2024 Rs.	2023 Rs.
Domestic	206,669,592	162,572,652
Export	147,252,767	302,175,154
	353,922,359	464,747,806

5.2 Finance and interest rate risk

Finance risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

5.2.1 The following are the contractual maturities of financial liabilities within 12 months :

As at 31 March	2024 Rs.	2023 Rs.
Carrying amount		
Trade creditors - related companies	41,855,758	28,656,935
Trade creditors - direct import	38,533,324	848,485
Trade creditors - other	75,012,224	74,378,183
Customer advances	9,966,521	9,419,793
Customer guarantee deposits	8,327,300	5,362,875
Expenses creditors	46,884,382	36,199,849
Statutory payables	6,413,029	4,725,908
Bank borrowings - overdrafts	111,477,168	155,177,382
Bank borrowings - short term borrowings	583,842,000	512,338,370
ncome tax liability	9,298,876	37,290,245
	931,610,582	864,398,025

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

5.3 Foreign exchange rate risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than Sri Lankan Rupees (LKR). The foreign currencies in which the set transactions primarily denominated are United State Dollars (USD) and Euro.

5.3.1 The Company's exposure to foreign currency risk based on notional amounts was as follows:

As at 31 March	20	24	202	2023	
	USD	EUR	USD	EUR	
Foreign currency advances paid	-	112,549	106,422	10,449	
Trade and other receivables	57,599	376,185	148,992	645,982	
Cash and cash equivalents	60,955	96,805	32,645	118,211	
Short term borrowings and other payables	-	100,000	-	-	
Gross statement of financial position exposure	118,554	685,539	288,059	774,642	

5.3.2 The following significant exchange rates were applicable during the year:

	Average rate		Reporting da	te spot rate
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
USD	317.93	355.54	300.44	327.29
EUR	344.91	370.29	325.22	357.10

5.4 Risk management

The approach to mitigate the exposure of the above risks by the management is as follows;

Risk identification	Risk assessment	Risk management	Risk ranking
5.4.1 Credit risk	Risk arising due to default of payment. Higher credit risk may adversely impact	are applied to ensure credit worthiness of the	Medium
	both liquidity and profitability.	 a) Credit is allowed only to approved customers which is reviewed yearly. 	
		b) Obtaining bank guarantees, deposits, post- dated cheques from local debtors, and insurance cover for export debtors whenever there is a doubt about recovery.	
		 c) Closely monitoring the debtor balances and laying down action plans accordingly. 	
5.4.2 Operational process risk	Internal process failures, fraud, pilferage and breakdown of internal	a) The Company sources its products and services from approved suppliers.	Medium
	controls.	b) Outsource internal audit to reputed Audit firm to review and report on the adequacy of the financial and operational controls to the Audit Committee.	
		c) Systems and procedures are in place to ensure compliance with internal controls, which are monitored and reviewed for their continued efficiency and effectiveness.	
		d) Provide focused and structured training to staff at all levels to familiarize themselves with processes and procedures.	
		e) Steps are taken to increase export sales.	
5.4.3 Financing and interest rate risk	Inability to satisfy debt repayments and obtain the best interest rates.	 a) To have adequate facilities for obtaining USD loans and borrowings in foreign currency to bring down finance charges. 	Low
		b) Funding of long- term assets through equity and long- term loans.	
		c) To have adequate short term borrowing facilities available at all times.	
		d) Low gearing is maintained.	

Risk identification	Risk assessment	Risk management	Risk ranking
5.4.4 Foreign exchange rate risk	Depreciation of the rupee value and loss of exchange in conversion in relation to export	a) Exchange rate movements are taken in to consideration before conversion and pricing.	High
	proceeds, import payments and foreign currency debt	b) Practicing effective hedging techniques.	
	transactions.	c) Continuous evaluation of the impact of Central Bank regulations.	
5.4.6 Liquidity risk	New projects/capital expenditures involve high risks	a) Conduct a PESTEL analysis and feasibility study before initiating the projects.	Low
	of major projects will affect	b) Board approval should be received for all investments.	
	profitability, capital structure and reputation.	c) Post-evaluation of the projects is carried out for each investment.	
5.4.3 Financing and interest ate risk	Inadequate liquidity can have an adverse impact on ongoing operations, marketing and	a) The liquidity position of the Company is regularly reviewed and reported to the Board.	High
	investment in new products and brands.	 b) Projected net borrowings are covered by committed banking facilities and a healthy industry-related gearing ratio is maintained. 	
		c) The Company's good relationships and facilities with many banks and other sources of	

finance ensure reliable access to funds.

FOR THE YEAR ENDED 31ST MARCH		2024 Rs.	2023 Rs.
6. Revenue			
Sale of goods	06.1	2,316,264,560	2,894,859,913
		2,316,264,560	2,894,859,913
6.1 Composition of revenue			
Export turnover		1,118,104,163	1,536,425,854
Local turnover		1,198,160,397	1,358,434,059
		2,316,264,560	2,894,859,913
7. Other income			
Income from solar project and miscellaneous	06.1	22,111,531	7,024,227
Fair value gain on debentures		3,605,983	-
Debtors write-off		573,000	-
Reversal of doubtful debtors		2,094,895	-
		28,385,409	7,024,227

8. Profit from operations is stated after charging all expenses including following :

		2,453,152,364	2,522,388,093
Others		542,660,622	451,399,378
Auditors remuneration - non assurance services		103,000	101,000
Auditors remuneration - assurance services		934,254	568,500
Sub contract wages		13,128,498	11,850,393
Machinery maintenance		35,676,104	43,073,823
Export expenses		15,851,896	39,111,813
Amortization of intangible assets		1,405,358	1,213,292
Depreciation		84,569,590	77,493,392
Other overheads		12,242,592	14,916,999
Employee benefit expenses	08.1	499,926,728	516,616,038
Cost of material consumed		1,246,653,722	1,366,043,465

THE YEAR ENDED 31ST MARCH	2024 Rs.	2023 Rs.
8.1 Employee benefit expenses		
Director's remuneration	61,315,602	47,369,996
Management fees	13,763,113	33,962,444
Bonus and other allowances	4,320,000	5,052,578
Salaries, wages, overtime and other staff costs	361,815,365	370,540,096
Post employment benefit - gratuity	16,784,975	13,295,391
EPF and ETF	28,876,842	27,493,466
Direct employees medical	9,572,359	8,021,511
Direct employees-travelling	2,665,556	9,804,479
Direct employees-welfare	812,916	1,076,077
	499,926,728	516,616,038

9. Net finance cost

9.1 Finance income

	10,393,697	9,680,586
Interest income - staff loans	174,118	82,426
Interest income from debentures	975,000	975,000
Interest income from treasury bills	3,791,652	3,647,426
Interest income from foreign currency deposits	1,110,086	1,123,877
Interest income from fixed deposit	4,342,841	3,851,857

9.2 Finance cost

Net finance cost	(179,027,643)	(224,847,825)
	189,421,340	234,528,411
Overdraft interest	19,607,761	32,907,418
Foreign exchange loss	36,716,331	21,906,300
Interest on long term loans	41,127,755	9,661,228
Interest expenses on bank borrowings	91,969,493	170,053,465

FOR THE YEAR ENDED 31ST MARCH		2024 Rs.	2023 Rs.
10. Income tax expenses			
ncome tax provision for the year	10.1	-	37,517,552
Drigination and reversal of temporary differences of deferred tax assets and liabilities	17	7,054,081	24,231,944
		7,054,081	61,749,496
10.1 Reconciliation between income tax expenses an	d the accour	nting (loss) / profit :	
(Loss) / profit before income tax		(287,530,038)	154,648,222
Tax effects of:			
Total disallowable expenses		112,718,353	102,430,117
Total allowable expenses		(119,988,757)	(93,912,484)
Tax (loss) / taxable income from ordinary activities		(294,800,442)	163,165,854
Income not part of adjusted business (loss) / profit		(24,441,456)	(9,680,586)
Tax (loss) / taxable business profit		(319,241,898)	153,485,269
Interest on fixed deposits and treasury bills		9,283,611	8,556,709
Total tax (loss) / taxable income		(309,958,287)	162,041,977
Total taxable income			
Taxable @ 30%		-	81,020,989
Taxable @ 24%		-	4,278,354
Taxable @ 14%		-	40,730,595
Taxable @ 18%		-	36,012,039
		-	162,041,977
Income tax expenses			
Taxable @ 30%		-	24,306,297
Taxable @ 24%		-	1,026,805
Taxable @ 14%		-	5,702,283
Taxable @ 18%		-	6,482,167
Tax for the year		-	37,517,552

As per the Inland Revenue (Amendment) Act No 45 of 2022 applicable tax rate is 30% and effective from 01 October 2022 .

FOR THE YEAR ENDED 31ST MARCH	2024	2023
	Rs.	Rs.

11. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at year end .

Amount used as the numerator

(294,584,119)	92,898,726
(294,584,119)	92,898,726
4,232,771	4,232,771
4,232,771	4,232,771
(69.60)	21.95
	(294,584,119) 4,232,771 4,232,771

12. Dividend per share

Dividend per share (Rs. Cts.)	2.00	2.00
Weighted average number of ordinary shares in issue	4,232,771	4,232,771
Amounts used as numerator		
Dividend paid	8,465,542	8,465,170
Amounts used as numerator		

13. Property, plant and equipment

	Balance as at 01.04.2023 Rs.	Additions Rs.	Disposals Rs.	Balance as at 31.03.2024 Rs.
Cost / Valuation		·		
Freehold assets				
Freehold land	28,392,755	-	-	28,392,755
Buildings	297,101,018	-	-	297,101,018
Plant and machinery	681,602,013	120,141,996	-	801,744,009
Machine accessories	200,474,901	3,666,172	-	204,141,073
Furniture and fittings	1,726,585	-	-	1,726,585
Office equipment	27,790,142	2,126,436	-	29,916,578
Motor vehicles	24,742,824	-	-	24,742,824
	1,261,830,238	125,934,604	-	1,387,764,842
Accumulated depreciation				
Freehold assets				
Freehold land	-	-	-	-
Buildings	137,194,579	12,028,124	-	149,222,703
Plant and machinery	340,969,487	55,267,057	-	396,236,544
Machine accessories	156,710,084	11,675,578	-	168,385,662
Furniture and fittings	1,164,400	29,919	-	1,194,319
Office equipment	14,422,299	2,391,531	-	16,813,830
Motor vehicles	15,702,024	3,177,382	-	18,879,406
	666,162,873	84,569,591	-	750,732,464
Written down value				
Freehold assets				
Freehold land	28,392,755			28,392,755
Buildings	159,906,439			147,878,315
Plant and machinery	340,632,526			405,507,465
Machine accessories	43,764,817			35,755,411
Furniture and fittings	562,185			532,266
Office equipment	13,367,843			13,102,748
Motor vehicles	9,040,800			5,863,418
Net book value	595,667,366			637,032,378

Note 13.2 - Other explanatory notes for property, plant and equipment

(a) Fully depreciated property, plant and equipment

A class wise analysis of the initial cost of fully depreciated property, plant and equipment of the company which are still in use as at the reporting date is as follows,

AS AT 31ST MARCH	2024 Rs.	2023 Rs.
Furniture and fittings	1,038,913	1,038,913
Motor vehicles	9,335,824	7,316,657
Office equipment	4,771,590	4,435,790
Plant and machinery	122,611,668	67,775,941
Machine Accessories	91,737,528	40,608,040
Building	72,570,661	72,570,661
Total	302,066,184	193,746,002

(b) Temporarily idle property, plant and equipment

There were no property, plant and equipment idle from active use as at the reporting date.

(c) Property, plant and equipment retired from active use

There were no property, plant and equipment retired from active use as at the reporting date.

(d) Title restriction of property, plant and equipment

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

(e) Land holdings

The value of factory lands situated at Akuressa Road, Bogahagoda, Galle was valued by an independent incorporated valuer at a value of Rs. 413.5 Mn as at 27th March 2024. Paddy field at Akuressa Road Bogahagada was valued at Rs.1.8Mn. PVC factory at Gilcroft Estate, Kiribathwila, Ampegama, Baddegama was purchased in 2014/15 and its market value is Rs. 60.2 Mn. The factory at No: 57B, Industrial Processing Zone, Nagoda, Kaluthara was purchased in 2010/2011 and its current market value is Rs. 25 Mn.

Location	Address	No. of Buildings	Extent of land	Extent of Building
Galle Factory	Akuressa Road, Bogahagoda, Galle.	10 Buildings	7 Acres 2 Roods & 30.5 Perches	107,160 Sq ft
Kalutara Factory	No. 57/B, Fullerton Industrial Zone, Nagoda, Kalutara.	03 Buildings	120 Perches	5,990 Sq ft
Baddegama Factory	Gilcroft Estate, Kiribathwila, Ampegama, Baddegama	01 Building	2 Acres 2 Roods & 0.11 Perches	34,915 Sq ft
Paddy Field Bohagagoda	Akuressa Road, Bogahagoda, Galle.	-	1 Acres 3 Roods & 3 Perches	-
Total			12 Acres 3 Roods & 33.61 Perches	148,065 Sq ft

The above lands were valued by Mr. D. L. Pathmasiri, Bsc.(Sp) Estate Management and valuation, Associate Member of Institute of Values of Sri Lanka, of Pathmasiri Liyanage and Associates Private Limited, No 06,1st Floor, City View Shopping Complex,Talbat Town, Galle in March 2024.

AS AT 31ST MARCH	2024 Rs.	2023 Rs.
14. Intangible assets		
Cost		
Balance at the beginning of the year	12,132,919	12,132,919
Additions during the year	4,612,117	-
Balance at the end of the year	16,745,036	12,132,919
Accumulated amortization		
Balance at the beginning of the year	7,372,272	6,158,980
Charge for the year	1,405,358	1,213,292
Balance at the end of the year	8,777,630	7,372,272
Net book value	7,967,406	4,760,647

15. Financial assets at fair value through profit and loss

ed debentures		15.1	10,007,473	6,401,490
			10,007,473	6,401,490
15.1 Quoted debentures				
	No of Debentures	Market Price	Market Value As at 31.03.2024	Market Value As at 31.03.2023
		Rs.	Rs.	Rs.
Seylan Bank	100,000	100.07	10,007,473	6,401,490
			10,007,473	6,401,490

16. Financial assets at amortized cost

Investment in treasury bills	23,024,445	20,963,686
	23,024,445	20,963,686

Based on available Auction market information, the fair value of investments in treasury bills equals to its carrying value as at 31 March 2024.

AS AT 31ST MARCH	2024 Rs.	2023 Rs.
7. Deferred taxation		
17.1 Deferred tax assets		
Balance at the beginning of the year	18,661,292	8,722,180
Recognized in profit and loss	4,128,807	10,404,155
Recognized in other comprehensive income	(485,948)	(465,044)
Balance at the end of the year	22,304,151	18,661,292
17.2 Deferred tax liabilities		
Balance at the beginning of the year	69,402,896	34,766,797
Recognized in profit and loss	11,182,888	34,636,099
Balance at the end of the year	80,585,784	69,402,896
Net deferred tax liability	58,281,633	50,741,605
Deferred tax liability on property, plant and equipment Deferred tax asset on retirement benefit obligation	80,585,784 (22,304,150)	69,402,896 (18,661,291)
	58,281,634	50,741,605
18. Inventories		
Raw materials	230,431,544	493,659,786
Work in progress	44,865,285	16,730,473
Finished goods	180,543,119	276,083,854
Stationery, consumable maintenance and energy	39,213,978	29,243,833
	495,053,926	815,717,946
Provision for inventories	(1,075,511)	(9,422,392)
	493,978,415	806,295,554
18.1 Movements on the provision for inventory is as follow	NS:	
	9,422,392	5,928,928
Balance at the beginning of the year		
Balance at the beginning of the year (Reversal) / provision for inventory impairment	(8,346,881)	3,493,464

AS AT 31ST MARCH		2024 Rs.	2023 Rs.
19. Trade and other receivables			
Trade receivables - Local		188,318,991	137,006,537
Trade receivables - Foreign		147,252,767	302,175,154
Trade receivables - Related parties	19.1	19,232,683	28,543,092
Less: Specific provision for doubtful trade receivables	19.2	(882,082)	(2,976,977)
Trade receivables - net		353,922,359	464,747,806
Other receivables		15,329,734	17,515,060
Deposits and prepayments		5,781,578	22,539,639
Advances		171,883,947	91,595,651
		546,917,618	596,398,156
19.1 Trade receivables - Related parties			
D. Samson Industries (Pvt) Ltd.		16,967,376	17,998,552
Samson Trading (Pvt) Ltd.		1,277,464	2,307,359
Samson Compounds (Pvt) Ltd.		322,927	7,340,181
Samson Rubber Industrie (Pvt) Ltd.		70,773	741,746
Samson Rajarata Tiles (Pvt) Ltd.		333,192	102,515
D. Samson & Sons (Pvt) Ltd		-	52,739
Samson Engineers (Pvt) Ltd		260,951	-
		19,232,683	28,543,092
19.2 Movement in provision for doubtful trade rec	eivables		
Balance at the beginning of the year		2,976,977	668,878
(Reversal) / provision for the year		(2,094,895)	2,308,099
Balance at the end of the year		882,082	2,976,977

As of 31st March 2024, Trade Receivables of Rs. 335,571,758 (as of 31st March 2023 was Rs.439,181,691) were fully performing

As of 31st March 2024, Trade Receivables of Rs. 156,426,798 - (as of 31st March 2023 was Rs. 14,102,542) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	2024 Rs.	2023 Rs.
3 to 6 months	84,682,570	7,327,980
over 6 months	71,744,228	6,774,562
	156,426,798	14,102,542

As of 31 March 2024, trade receivables of Rs. 882,082/- (as of 31 March 2023 Rs 2,976,977/-) were impaired and provided for. The individually impaired receivables mainly relate to customers, who are in unexpectedly difficult economic situations. It was assessed that no portion of the impairment provision for receivables is expected to be recovered.

AS AT 31ST MARCH		2024 Rs.	2023 Rs.
19.3 Analysis of current financial instruments by category			
Financial assets at amortized cost			
Trade and other receivables excluding prepayments, statutory payments and advances		356,348,360	469,869,347
Cash and cash equivalents	20	78,715,427	86,505,062
		435,063,787	556,374,409
Financial assets at amortized cost			
Trade and other payables (excluding statutory liabilities and advances)	23	202,285,688	140,083,452
Borrowings	24	695,319,168	667,515,752
		897,604,856	807,599,203

19.4 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

Trade receivables	19	353,922,359	464,747,806
		353,922,359	464,747,806

The maximum exposure to credit risk for trade receivables at the end of the reporting period by type of counterparty is as follows:

		353,922,359	464,747,806
Trade receivables - others		334,689,676	436,204,714
Trade receivables from related parties	19.1	19,232,683	28,543,092

Amounts due from related companies were given on normal credit terms.

20. Cash and cash equivalents

	78,715,427	86,505,062
Short - term fixed deposits	29,359,670	24,003,310
Cash in hand	121,942	125,314
Cash at bank	49,233,815	62,376,438

20.1 For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

	(32,761,741)	(68,672,320)
Bank overdrafts	(111,477,168)	(155,177,382)
Short term deposits	29,359,670	24,003,310
Cash in hand	121,942	125,314
Cash at bank	49,233,815	62,376,438

The Company held cash and cash equivalents with reputed commercial banks.

21. Stated capital

4,232,771 Number of ordinary shares issued and fully paid	109,600,211	109,600,211
	109,600,211	109,600,211

22. Retirement benefit obligations

Balance at the end of the year	74,347,166	62,204,304
Benefit paid	(3,022,288)	(2,143,916)
Actuarial (gain) on obligation	(1,619,825)	(1,550,145)
Interest cost	11,212,826	7,890,446
Current charge for the year /past service cost	5,572,149	5,404,945
Balance at the beginning of the year	62,204,304	52,602,974

The expenses is recognized in the following line items in the statement of profit or loss.

Cost of sales	9,993,624	7,977,235
Administrative expenses	6,791,351	5,318,156
Balance at the end of the year	16,784,975	13,295,391

As at 31st March 2024, the gratuity liability was actuarial valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary Mr. Munisamy Poopalanathan of Actuarial and Management Consultants (Pvt) Ltd, 1st floor,434, R.A. De Mel Mawatha, Colombo 03 who is a qualified actuary, A.I.A (London). A required account provision of the Company as at 31st March 2024 has been determined based on the recommendation on this report.

22.1 Key assumptions used for calculation of retirement benefit obligation

FOR THE YEAR ENDED 31ST MARCH 2024	2024	2023	
Salary incremental rate	10.00%	15.00%	
Rate of discount	12.00%	18.00%	
Staff turnover rate	5% to 48%	5% to 48%	
Retirement age	60 years	60 years	

Salary increment rate decreased by 5% in the current period based on a management decision considering the inflationary conditions in the country.

Rate of discount is set based on published 12 years government treasury bond rate prevailing as at the actuarial valuation date.

Staff turnover rate varies ranging from 5% to 48% per annum based on the category on the age limit. This 48% represent the casual workers.

Provision has been made for the retirement benefit obligation in conformity with LKAS 19 - Employee Benefits.

Note 22.2 - Sensitivity analysis

In order to illustrate the significance of the salary escalation and discount rate used in the actuarial valuation as at 31st March 2024, sensitivity analysis has been carried out as follows;

Discount Rate	Salary Escalation Rate	Staff Turnover Rate	Present Value of Defined Benefit Obligation(Rs.)
1% Increase	As per Note 22.1	As per Note 22.1	70,149,316
1% Decrease	As per Note 22.1	As per Note 22.1	79,000,756
As per Note 22.1	1% Increase	As per Note 22.1	79,201,687
As per Note 22.1	1% Decrease	As per Note 22.1	69,899,283
As per Note 22.1	As per Note 22.1	10% Increase	74,600,087
As per Note 22.1	As per Note 22.1	10% Decrease	74,061,849

Note 22.3 - Distribution of employee benefit obligation over future working lifetime

AS AT 31ST MARCH		2024 Rs.	2023 Rs.
With in the next 12 months		8,138,515	7,380,775
Between 1 and 2 years		12,121,469	11,269,353
Between 3 and 5 years		16,736,149	13,998,232
Beyond 5 years		37,351,033	29,555,944
		74,347,166	62,204,304
Note 23 - Trade and other payables			
Trade creditors - Related companies	Note 23.1	41,855,758	28,656,935
Trade creditors - Direct import		38,533,324	848,485
Trade creditors - Other		75,012,224	74,378,183
Customer advances		9,966,521	9,419,793
Customer guarantee deposits		8,327,300	5,362,875
Expense creditors		46,884,382	36,199,849
Statutory payables		6,413,029	4,725,908
		226,992,538	159,592,028
Note 23.1 - Trade creditors - Related parties			
D.Samson Industries (Pvt) Ltd.		432,225	497,847
Samson Reclaim Rubbers Ltd.		35,000	35,420
Samson Rubber Products (Pvt) Ltd.		2,371,292	7,027,850
Samson Group Corporate Services (Pvt) Ltd.		1,452,317	1,188,164
Samson Compounds (Pvt) Ltd.		24,373,052	16,392,499
Samson Rubber Industries(Pvt) Ltd		104,050	28,364
D Tech (Pvt) Ltd		764,758	187,853
D.Samson & Sons (Pvt) Ltd		300,815	419,395
Samson Engineers (Pvt) Ltd		170,000	-
Samson Brush Manufacturers (Pvt) Ltd		1,180,581	-
DSI Samson Group (Pvt) Ltd		10,643,756	2,879,543
Samson Logistics (Pvt) Ltd		27,912	-
		41,855,758	28,656,935

AS AT 31ST MARCH	2024 Rs	2023 Rs
Note 24 - Bank borrowings Note 24.1 - Long term borrowings		
Long term borrowings	 160,360,000	238,269,048
	160,360,000	238,269,048
Note 24.2 - Short term borrowings		
Short term borrowings	583,842,000	512,338,370
Bank overdrafts	111,477,168	155,177,382
	695,319,168	667,515,752

Note 24.3 - Securities for the above facilities are as follows:

Nature of security	Nature of the Facility	Bank/Institution	Securities
Inventory	Overdraft	Hatton National Bank PLC	Finished Good Stocks & Debtors and Promissory note 14.30 Mn
Confirmed order confirmation	Packing Credit Loan	Seylan Bank PLC	Confirmed Order Confirmation.
Inventory	Overdraft	Seylan Bank PLC	Finished Good Stocks & Debtors.
Fixed deposit	Overdraft	Bank Of Ceylon	Fixed deposit of Rs. 10,500,000/-
Inventory	Overdraft	Bank Of Ceylon	Raw Material Stocks
Financial assets	Overdraft	DFCC Vardhana Bank PLC	Treasury bills of Rs.23,024,445.79/-
Inventory	Overdraft	Commercial Bank PLC	Finished Good Stocks & Debtors.
Inventory	Overdraft	Nations Trust Bank PLC	Raw Material & Finished Goods Stocks.

Note 25 - Commitment and contingencies

There were no commitments and contingencies existing as at the reporting date.

Note 26 - Events after the reporting date

No circumstances have arisen, since reporting date, which would require adjustments to, or disclosure, in the financial statements.

Note 27 - Related party disclosures

Details of significant related party disclosures are as follows:

Note 27.1 - Parent and ultimate controlling party

Company does not have an identifiable parent of its own.

Note 27.2 - Key management personnel of the Company

The Key Management personnel (KMP) comprise the members of its Board of Directors. Directors' remuneration for the financial year ended March 31, 2024 is given in note 8.1 to the financial statements.

Mr. D.K. Rajapaksa - (Chairman) Mr. T.K. Bandaranayake Mr. D.G.P.S. Abeygunawardana - (Director/General Manager) Mr. D.D. A. Rajapaksa - (Managing Director) Mr. D.C.J. Rajapaksa Ms. C. I. Malwatte MR. D.N.S Rajapaksa

Note 27.3 - Transactions with key management personnel of the Company

Note 27.3.1 - Key management personnel compensation	31.03.2024 Rs.	31.03.2023 Rs.
Short-term employee benefits	61,315,602	47,369,996
	61,315,602	47,369,996

The Company has not incurred any amount as termination benefits or post employment benefits on account of the key managerial personnel during the year.

Note 27.4 - Directors interest in contracts with the Company

None of the directors of the Company had any direct or indirect interests in any existing or proposed contracts with the Company other than those stated below:

• Mr. D. K Rajapaksa who is a director of the Company is also holding directorships in the following Companies within the Group.

Name of the Company	Relationship
Samson Plantations (Pvt) Ltd	Director
• Mr. D. D. A Rajapaksa who is a director of the company is also holding	ng directorships in the following Companies within the Group.
Name of the Company	Relationship
Samson Insurance Broker (Pvt) Ltd	Director
Samtessi Brush Manufacturers (Pvt) Ltd.	Managing Director
Samson Investments (Pvt) Ltd.	Director
D. Samson Industries (Pvt) Ltd.	Director
Samson Compounds (Pvt) Ltd.	Director

Director

Director

DSI Samson Group (Pvt) Ltd

Samson Rajarata Tiles (Pvt) Ltd

Note 27.4 - Directors interest in contracts with the Company

• Mr. D. C. J Rajapaksa who is a director of the Company is also holding directorships in the following Companies within the Group.

Name of the Company	Relationship
D. Samson Industries (Pvt) Ltd.	Director
Samson Compounds (Pvt) Ltd.	Director
Samson Group Corporate Services (Pvt) Ltd	Director
Samson Bikes (Pvt) Ltd.	Director
Samson Engineers (Pvt) Ltd.	Director
Hydro Trust Lanka (Pvt) Ltd	Managing Director
Werapitiya Hydro Power (Pvt) Ltd	Managing Director
Loggal Oya Hydro Power (Pvt) Ltd	Managing Director
Samson Plantations (Pvt) Ltd	Director
Samson Trading Company (Pvt) Ltd	Director
Samson Manufacturers (Pvt) Ltd	Director
Samson Rajarata Tiles (Pvt) Ltd	Director
Samson Exports (Pvt) Ltd	Director
Samson Apparel Makers (Pvt) Ltd	Director

• Mr. D. N. S Rajapaksa who is a director of the Company is also holding directorships in the following Companies within the Group.

Name of the Company	Relationship
	Rivester

DSI Samson Group (Pvt) Ltd

Director

Note 27.5 - Transaction with related companies

The Company has entered into transactions during the year with following Companies in which some of the directors of the Company are also directors of those companies. Company has performed below transaction with D. Samson Industries (Pvt) Ltd and Samson Compounds (Pvt) Ltd during the year. Aggregate value of which exceed 10% of the revenue of the company as at 31st March 2023 audited financial statements, which required additional disclosure in the 2023/24 Annual Report under Colombo Stock Exchange listing rule 9.3.2.

Name of Company	Relationship	Nature of the transaction	Aggregate value of the RPTs entered during the year	Aggregate value of the RPTs entered during the year as a % of 2022/23 revenue	Terms & condition
D. Samson		Sales	416,410,617	14.4%	Terms equivalent to
Industries (Pvt)	Affiliate	Settlement	(10,023,186)	-0.3%	those that prevail at arm's length
Ltd.		Purchases	9,957,565	0.3%	transaction
Name of Company	Relationship	Nature of the transaction	Aggregate value of the RPTs entered during the vear	Aggregate value of the RPTs entered during the year as a % of 2022/23 revenue	Terms & condition
Samson		Sales	11,460,151	0.4%	Terms equivalent to
		Settlement	331,142,327	11.4%	those that prevail at arm's length
		Purchases	332,814,993	11.5%	transaction.

Note 27.5. 1 Transaction with other related companies

Name of Company	Relationship	Sales	Purchases	Settlement	Balance as at 31 March 2024
D. Samson Industries (Pvt) Ltd.	Affiliate	1,199,951	543,833	(468,147)	(33,277)
Samson Engineers (Pvt) Ltd	Affiliate	454,741	2,248,000	2,078,000	90,951
D Samson & Sons (Pvt) Ltd	Affiliate	-	(2,055,270)	(2,173,850)	(300,815)
Samson Group Corporate Services (Pvt) Ltd.	Affiliate	-	(5,557,100)	(5,292,947)	(1,452,317)
Samson Rajarata Tiles (Pvt) Ltd	Affiliate	1,161,096	-	-	333,192
Samson Reclaim Rubbers Ltd.	Affiliate	511,460	(261,352)	(261,772)	(35,000)
Samson Rubber Products	Affiliate	25,888,970	(27,060,283)	(31,716,841)	(2,371,292)
Samson Trading (Pvt) Ltd.	Affiliate	4,749,616	-	-	1,277,464
D Tech (Pvt) Ltd	Affiliate	-	(3,283,846)	(2,706,941)	(764,758)
DSI Samson Group (Pvt) Ltd	Affiliate	-	(76,029,686)	(68,265,481)	(10,643,756)
Samson Manufacturers (Pvt) Ltd	Affiliate	126,374	3,281,050	2,100,469	(1,180,581)

There were no other related party transactions other than disclosed above.

Note 27.6 - Outstanding amounts due from and to related parties are disclosed in Note 19.1 and 23.1 respectively.

Note 27.7 - Terms and conditions of transactions with related parties

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions only if such terms can be substantiated.

Transactions with related parties were carried out in the ordinary course of the business. Outstanding current account balances at year end are unsecured, interest free and settlement will be made in cash subject to normal credit terms of 2 months.

Note 28 - Segmental operating results

The Company is organized into operating segments based on their products which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

in Rs. 'O							
Description	Rubber s	Rubber segment		PVC segment		Company	
Description	2024	2023	2024	2023	2024	2023	
Turnover	1,638,297	2,096,091	677,968	798,769	2,316,265	2,894,860	
Segmental Expense	(1,761,554)	(1,872,550)	(663,212)	(642,814)	(2,424,766)	(2,515,364)	
Profit from operations	(123,257)	223,541	14,756	155,955	(108,501)	379,496	
Geographical segment							
Europe	960,645	1,245,668	-	-	960,645	1,245,668	
America / Canada	28,030	54,899	-	-	28,030	54,899	
Africa and Middle -east	20,632	84,624	-	-	20,632	84,624	
Asia / Sri Lanka	593,927	667,408	667,986	798,769	1,261,913	1,466,177	
Total	1,637,750	2,095,172	667,986	798,769	2,305,736	2,893,941	
Financial position segment							
Property, plant and equipment	251,395	357,791	385,637	237,876	637,032	595,667	
Inventories	334,393	371,225	159,585	435,070	493,978	806,295	
Trade and other receivables	652,992	468,619	(106,075)	128,115	546,917	596,734	
Trade and other payables	142,286	110,881	84,707	49,047	226,993	159,928	

Investor Information



Last Annual General Meeting

"We deeply appreciate the support of all our shareholders and strive to uphold fairness and equality in our treatment of them, regardless of the extent of their shareholdings. Thus, we warmly welcome and encourage the active participation of all shareholders at our Annual General Meeting".

The Board seeks an Annual General Meeting to communicate with investors and all shareholders are encouraged to participate. The chairman of the audit and remuneration committee is available at the Annual General Meeting to answer any questions raised by the shareholders.

General

- a) Stated Capital Rs.109,600,211
- b) No. of Shares 4,232,771 (as at 31st March 2023 4,232,771)
- c) Class of Shares Ordinary Shares
- d) Date of Listing The Company was listed on 24th July 1992 with the Colombo Stock Exchange.
- e) Ticker symbol SIL.N0000 (in the Colombo Stock Exchange)
- f) Market sector Manufacturing

Submission of audited accounts to CSE

The audited income statement for the year ended 31st March 2024 and the audited balance sheet of the Company as at that date have been submitted to the Colombo Stock Exchange within the stipulated date.

Market Capitalization

The market capitalization of the Company which is the number of ordinary shares issued multiplied by the market value of a share (at the year-end), was Rs. 624.3 Mn at 31st March 2024 (Rs. 1,074 Mn as at 31st March 2023). Further, Float adjusted market capitalization is Rs. 270.8 Mn as at 31st March 2024. The Float adjusted market capitalization of the Company falls under Option

5 of Rule 7.14.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

As at	31.03.2024	31.03.2023
Public Shareholding (%)	43.381%	43.381%
Public Shareholders	1,261	1,194
Float adjusted market capitalization Rs	270,845,252.50	465,945,646.25

Market Value of the Company's Ordinary Shares

Market Value per share	2023/24 Rs.	Date	2022/23 Rs.	Date	Increased by Rs.
Highest Price	Rs.159.00	26.03.2024	Rs.299.50	05.10.2022	(140.50)
Lowest Price	Rs.134.00	19.01.2024	Rs.120.00	19.05.2022	14.00
Closing Price	Rs. 147.50	27.03.2024	Rs.253.75	28.03.2023	(106.25)

Market Value	2023/24 Quarterly information					For the year		
per share	Q1	Q2	Q3	Q4	2023/24	2022/23		
Highest Price (Rs.)	264.00	199.25	170.00	159.00	159.00	299.50		
Lowest Price (Rs.)	170.00	150.00	126.00	134.00	134.00	120.00		
Closing Price (Rs.)	210.00	168.00	136.50	147.50	147.50	253.75		
Market capitalization (Rs in Mn)	888.88	711.10	577.77	624.33	624.33	1,074.06		



Analysis of Shareholders based on number of shares held as at 31st March 2024

As at 31st March 2024 No of Sharesheld	No of Shareholders	% of Shareholders	Total Holding	% of Total Holding
1 - 1,000	1,174	91.2	124,520	2.9
1,001 - 10,000	79	6.2	217,447	5.1
10,001 - 100,000	16	1.3	449,028	10.6
100,001 - 1,000,000	3	0.2	1,084,879	25.6
1,000,000 & Over	2	0.2	2,356,897	55.7
Total	1,274	100.0	4,232,771	100.0

DSI Group invested 57% of the stake of the Company as at 31st March 2024.

As at 31st March 2024 No of Shares held	No of Shareholders	% of Shareholders	Total Holding	% of Total Holding
1 - 1,000	1,108	91.8	113,315	2.7
1,001 - 10,000	80	6.6	215,840	5.1
10,001 - 100,000	13	1.1	305,096	7.2
100,001 - 1,000,000	4	0.3	1,241,623	29.3
1,000,000 & Over	2	0.2	2,356,897	55.7
Total	1,207	100.0	4,232,771	100.0

Analysis of Shareholders Category-wise as at 31st March 2024

As at 31st March 2024 Category	No of Shareholders	% of Shareholders	Total Holding	% of total Holding
Individual- Local	1,221	95.8	464,900	11.0
Institutional-local	45	3.5	3,652,240	86.3
Individual – foreign	8	0.6	115,631	2.7
Institutional- foreign	-	-	-	-
Total	1,274	100.0	4,232,771	100.0

It is noted in the current year that a 95.8% of the number of shareholders are Sri Lankan individuals which represent 11.0% of the stake of the Company as at 31st March 2024. The Company maintains more than 20% of the total listed ordinary shares on more than 750 public shareholders as required by the rule 7.6 (iv) of the CSE Listing rules.

As at 31st March 2023 No of Shares held	No of Shareholders	% of Shareholders	Total Holding	% of total Holding
Individual- Local	1,158	95.9	467,313	11.1
Institutional-local	41	3.4	3,649,827	86.2
Individual – foreign	8	0.7	115,631	2.7
Institutional- foreign	-	-	-	-
Total	1,207	100.0	4,232,771	100.0

Last year, local individual shareholders comprised 95.9% of the total shareholders. The number of shareholders increased from 1,207 in the previous year to 1,274 in the current year

Twenty Major Shareholders as at 31st March 2024

Shareholder	31st March 2024		31st March 2023		No of shares increased	%
onarcholder	No of shares	(%)	No of shares	(%)	by	Increased
D.S.I Samson Group (Pvt) Ltd	1,325,306	31.311	1,325,306	31.311	-	0%
Seylan Bank PLC / Senthilverl Holdings (Pvt) Ltd	1,031,591	24.372	1,031,591	24.372	-	0%
D. Samson Industries Limited	603,633	14.261	603,633	14.261	-	0%
D. Samson & Sons (Private) Limited	301,782	7.130	301,782	7.130	-	0%
Sampath Bank PLC / Dr T. Senthilverl	230,000	5.434	230,000	5.434	-	0%
Samson Rubber Industries (Private) Ltd	106,208	2.509	106,208	2.509	-	0%
Mr Sanger GMBH	86,484	2.043	86,484	2.043	-	0%
Mr A H Munasinghe	32,117	0.759	32,117	0.759	-	0%
Samson Manufacturers Limited	24,369	0.576	24,369	0.576	-	0%
Mr H Tanigawa	22,506	0.532	22,506	0.532	-	0%
Mrs. V Vasudevan & Mr. S Vasudevan	19,928	0.471	19,928	0.471	-	0%
Mr C N Pakianathan	18,216	0.430	18,216	0.430	-	0%
Mr. U I Suriyabandara	17,795	0.420	14,412	0.340	3,383	23%
Mrs. S D S Dayawathie	12,639	0.299	-	0.000	12,639	100%
Est.of Lat K G Piyasena	12,639	0.299	-	0.000	12,639	100%
Mr. K G Piyasena	-	0.000	25,278	0.597	(25,278)	-100%
Mrs D R Wimalasena	11,600	0.274	11,600	0.274	-	0%
Miss D D G Rajapaksa	11,522	0.272	11,522	0.272	-	0%
Mr D R Rajapaksa	11,350	0.268	11,350	0.268	-	0%
Mr D K Rajapaksa	11,159	0.264	11,159	0.264	-	0%
Mr D M Rajapaksa and Dr D B D Rajapaksa	10,000	0.236	10,000	0.236	-	0%
Total of 20 Major Shareholders	3,900,844	92.158	3,897,461	92.078	3,383	
Other Shareholders	331,927	7.842	335,310	7.922	(3,383)	
Total Shareholdings of the Company	4,232,771	100.000	4,232,771	100.00	-	

Public Holdings

As at 31st March 2024, the public held 43.381% (in 2022/23 – 43.381%) of the shares of the Company. The number of public shareholders as at 31st March 2024 and 31st March 2023 are 1,261 and 1,194 respectively.

The shares of Seylan Bank PLC/ Dr Thirugnanasambander Senthilvel have been treated under public and a declaration to Colombo Stock Exchange was done.

No of Share transactions

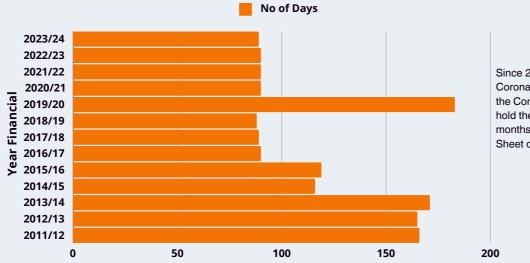
	2023/24	2022/23
No of Transactions	993	497
No of Shares Traded	47,829	26,006

The Value of shares traded during the year under review was Rs. 7,692,110.00 as against Rs. 6,036,194.25 in 2022/23

Number of days taken for the AGM from the Balance Sheet date

Financial Year	Date of AGM Held	Number of Days taken for the AGM from the balance sheet date
2011/12	14-Sep-12	166
2012/13	13-Sep-13	165
2013/14	19-Sep-14	171
2014/15	14-Sep-15	166
2015/16	29-Jul-16	119
2016/17	30-Jun-17	90
2017/18	29-June-18	89
2018/19	28-June-19	88
2019/20	30-Sep- 20	183
2020/21	30-June-2021	90
2021/22	30-June-2022	90
2022/23	30-June-2023	90
2023/24	30-June-2024	89

Number of days taken for the AGM from the Balance Sheet date



Since 2016/17 (other than Corona period of 2019/20) the Company was able to hold the AGM within three months from the Balance Sheet date.

Last year AGM

31st Annual General Meeting of Samson International PLC was held by way of electronic means on 30th June, 2023 centered at the Board Room of Samson International PLC, No. 110, Kumaran Ratnam Road, Colombo 02 at 3.00 p.m.. The following resolutions were approved at this AGM.

1. Approved the Annual Report of the Board of Directors on the affairs of Company and the Financial Statements for the year ended 31st March 2022 and the Report of the Auditors thereon.

2. Mr. D K Rajapaksa who was 78 years of age was re-elected as a Director of the Company and it was declared as provided for in Section 211 (1) of the Companies Act, No.7 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. D K Rajapaksa".

3. Mr. T K Bandaranayake who was 80 years of age was re-elected as a Director of the Company and it was declared as provided for in Section 211 (1) of the Companies Act, No.7 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. T K Bandaranayake".

4. Re-elected Mrs I Malwatte who retired by rotation in terms of Article 88 (i) of the Article of Association, as a Director of the Company

5. Re-appointed Messrs Edirisinghe & Co. Chartered Accountants as Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.

6. Authorized the Directors to determine donations for the year ending 31st March 2024 and up to the date of the next AGM.

Stakeholder Engagement

"We firmly believe that a sustainable business platform cannot be achieved in isolation and we need a constructive dialogue with all stakeholders..."

Stakeholder engagement is the process of actively involving individuals, groups, or companies that have an interest or stake in a company's activities, decisions, or outcomes. It involves fostering open, transparent, and collaborative relationships with stakeholders to understand their perspectives, concerns, and expectations, and to incorporate their input into decision-making processes. Stakeholder engagement aims to build trust, alignment, and mutual understanding between the company and its stakeholders, ultimately leading to more informed decisions, better outcomes, and shared value creation. We believe that fostering strong relationships with communities, customers, shareholders, and other groups of external stakeholders can help companies understand and meet their needs. We regularly engage and interact with our stakeholders to apprise them of our performance and to seek their valuable input and insight on how we can further improve and create a lasting impact on our society. We have made more channels to interact with below external and internal stakeholders to obtain their feedback which create a strong relationship and form the foundation to our sustainability journey. The Company firmly believes a sustainable business platform cannot be achieved in isolation. Therefore our strategy development process and implementations take into account the material issues of our stakeholders. As a result we carry out a constructive dialogue and other engagements with all stakeholders as described below.

External Stakeholders	Internal Stakeholders
Shareholders Employees	Employees
Neighboring communities	Sister Companies
Government & industrial regulatory bodies Customers, Suppliers & financial institutions Associations and certification bodies	

The ultimate objective of stakeholder engagement of Samson International PIc is as follows:

OUR PEOPLE

We continuously strive to foster a workplace culture that values and supports our employees, recognizing them as our most valuable asset.

OUR COMMUNITY

We are dedicated to serving as a responsible corporate citizen and making a positive impact in the communities where we operate and reside.

OUR CUSTOMERS

Our commitment lies in providing our customers with Rubber and PVC products of the highest quality, reliability, and innovation, tailored to meet their needs and surpass their expectations.



OUR SHAREHOLDERS

We prioritize financial performance and accountability to consistently deliver returns to our shareholders. Our decision-making process is guided by long-term sustainability and ethical practices.

OUR SUPPLIERS

We maintain close partnerships with our suppliers to ensure the sourcing of the finest materials and the maintenance of a sustainable and ethical supply chain.

OUR PLANET

Sustainability is at the forefront of our priorities as we endeavor to minimize our environmental footprint. Through eco-friendly manufacturing processes, energy-efficient technologies, and sustainable practices, we aim to contribute to a healthier planet.

Stakeholder Engagement (Contd...)

Stakeholder Engagement Process

Stakeholder	Key issues/concerns	Process of engagement	Frequency of engagement
Shareholders	 Profit and dividend rate Sales growth Sustainability and CSR Corporate governance 	 Annual general meeting Annual report Interim financial statements Press release Open-door policy 	AnnuallyAnnuallyQuarterlyPeriodicallyRegularly
Neighbouring Communities	 Pollution free environment Job opportunities Up-lifting livingstandard Effective wastemanagement 	Internal investmentSocial gatheringsCSRRecycling	ContinuouslyRegularlyRegularlyContinuously
Government & industrial regulatory bodies	Statutory compliancesTimely information	 Committee meetings One -to - one Communication Regular visits 	QuarterlyRegularlyRegularly
Customers	 Product Quality Compliance with local and international standards and regulations Price On time delivery 	 Exhibitions, Trade association, Advertisement, Customer visits and One – to – one communication 	Regularly
Suppliers	Prompt paymentContinuous ordersPrice revisions	Supplier meetings, Supplier service evaluations, Supplier registrations, Supplier audits	Regularly and Monthly
Employees	 Remuneration Profit and growth Occupational health and safety Career stability and advancement Welfare and sports activities Career advancement Good working condition 	Open- door policy, Joint consultative committee, Regular dialogues, Training programs and HR cluster meetings	Regularly and Monthly
Sister Companies	Good relationshipMutual understanding and trustKnowledge sharing	 Social gathering and participation of Company events, Group meetings, Group journals 	Regularly and Monthly

The above one-to-one communication with neighboring communities arises at the distribution of rice & timber trees ceremony, attending atavisi Bodhi pooja by all employees, pirith ceremony, helping funeral houses, university students, schools & temples in the village, and interacting with each other on a personal level. Such events give an opening to us to mix and get to know each villager and create better relationships. The government departments/ regulators include the environment authority, health department, labour department, and water

boards to obtain reports, advice & organize training programs with them from time to time. Needs and expectations of the employees are identified through a suggestion box, joining consultative committees, attitude surveys, group newsletters, and information obtained with regard to the number of grievances complaints, number of cases in labour tribunals, labour courts, and arbitration, employee turnover rates, exit interviews, number of accidents, rate of absenteeism, and quality of production and services.

Stakeholder Engagement (Contd...)

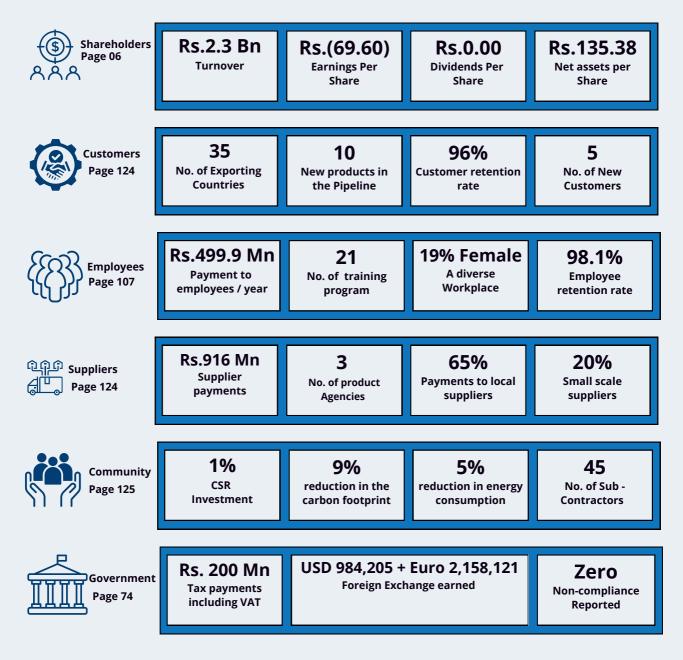


Factory visit to DSI Kalutara Plant

Factory visit to Primo (Pvt) Ltd

Measuring stakeholder value created

We create multi stakeholder value through our Strategic actions. The value created during the for our different stakeholders is shown below.



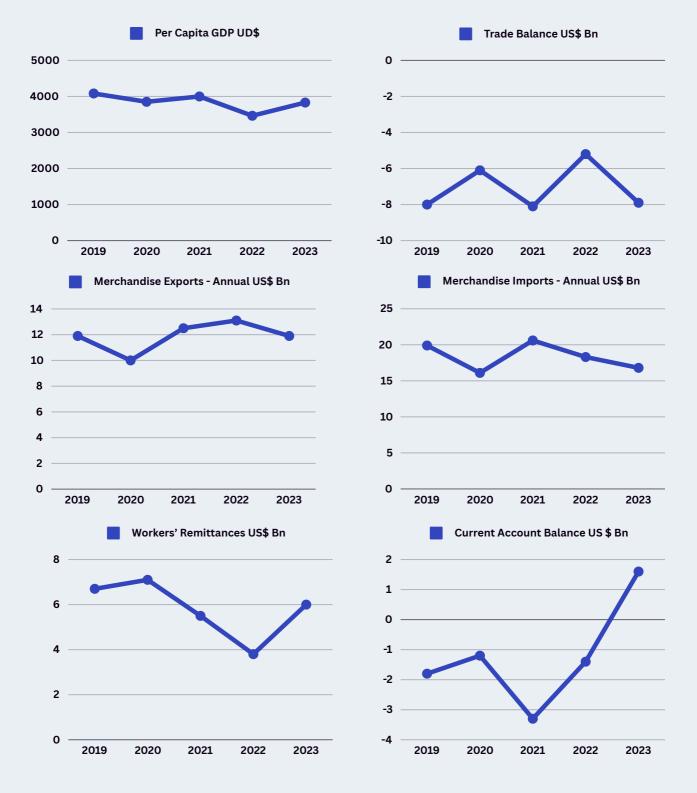
Four-Quarter Financial Summary

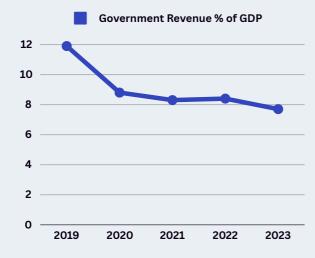
	-	arter ended June	For the Qua 30th Sep	arter ended otember	-	arter ended cember	For the Qua 31st M	
	2023 Rs. '000 Unaudited	2022 Rs. '000 Unaudited	2023 Rs. '000 Unaudited	2022 Rs. '000 Unaudited	2023 Rs. '000 Unaudited	2022 Rs. '000 Unaudited	2024 Rs. '000 Unaudited	2023 Rs. '000 Unaudited
Revenue								
Export Local	252,448 448,027	233,392 422,939	336,493 325,264	413,275 336,491	324,762 317,320	442,995 312,174	204,400 307,549	446,766 286,832
Total revenue	500,475	656,331	661,757	749,765	642,081	755,168	511,949	733,598
Cost of sales	(442,648)	(430,801)	(538,437)	(524,158)	(522,691)	(511,770)	(473,613)	(579,779)
Gross profit	57,827	225,530	123,321	225,609	119,390	343,398	38,336	153,820
Other operating income Exchange gain / (loss) Selling & distribution cost Administrative expenses	7,126 (20,433) (27,448) (78,682)	1,560 (7,278) (32,372) (67,879)	7,870 (709) (28,553) (84,437)	2,710 557 (38,075) (76738)	10,212 10,031 (29,486) (83,111)	2,754 20,107 (36,534) (88,728)	10,746 (25,607) (37,434) (106,607)	6,660 (35,292) (33,875) (93,095)
Operating profit Finance income	(61,610)	119,561	17,492	114,062	27,036	140,997	(120,566) 2,824	(1,783) 3,104
Finance costs Profit before income tax	(51,814) (113,424)	(30,604) 88,957	(44,304) 26,812	(50,897) 63,165	(31,342) (4,306)	(69,597) 71,400	(25,248) (142,990)	61,526 (60,205)
Income tax expense Profit for the period	17,097 (96,327)	(88,957) 70,224	(7,748) (34,560)	(22,370) 40,795	6,114 1,808	(48,974) 22,426	(22,518) (165,508)	28,327 (31,879)
Assets								
Non-current assets								
Property plant & equipment Financial assets at amortized cost Financial assets at fair value through profit	577,089 20,964	547,054 18,977	673,635 20,964	565,061 18,977	654,130 23,025	545,697 20,964	637,033 23,025	595,668 20,964
and loss Intangible assets Deferred tax assets	6,402 4,458 19,201	10,000 5,671 9,522	6,402 4,155 19,651	10,000 5,368 9,762	10,005 8,463 20,102	10,000 5,064 12,968	10,008 7,968 22,305	6,042 4,761 18,662
	628,114	591,224	724,807	607,198	715,725	594,693	700,339	646,457
Current assets Inventories Trade & other receivables Income tax refund due Cash and cash equivalents	739,601 634,716 - 93,912	693,177 714,789 - 99,524	666,162 553,658 - 112,953	886,871 755,317 - 130,547	507,126 554,386 - 167,769	870,321 667,788 - 178,204	493,979 546,336 - 78,716	806,296 596,394 - 86,506
	1,468,229	1,507,499	1,332,773	1,772,735	1,229,281	1,716,313	1,119,031	1,489,196
Total Assets	2,096,343	2,098,723	2,057,580	2,379,933	1,945,006	2,311,006	1,819,370	2,135,653
Equity and liabilities Stated capital General reserves Available for Sale Reserve	109,600 110,000	109,600 110,000	109,600 110,000	109,600 110,000 -	109,600 110,000	109,600 110,000	109,600 110,000 -	109,600 110,000
Retained earnings	576,985	658,021	523,674	696,775	530,628	573,531	353,441	681,778
Total equity	796,585	877,621	743,274	916,375	750,228	956,131	573,041	901,378
Liabilities Non-current liabilites Long term loans Deferred tax liabilities Retirement benefit obligations	282,999 73,711 64,003 420,713	29,784 38,455 53,980 122,219	262,310 81,909 65,503 409,722	22,103 47,715 55,610 125,428	244,510 68,499 67,007 380,016	16,342 57,439 56,391 130,172	160,360 80,586 74,348 315,294	305,582 69,403 62,205 437,190
Current liabilities	420,713	122,213				,	, -	
Trade and other payables Short term borrowings Bank overdrafts Income tax Payables	194,323 499,795 168,501 16,426	277,234 645,274 145,741 30,184	182,718 607,761 85,682 28,423	391,655 722,575 180,335 43,565	210,008 499,261 95,884 9,609	260,630 739,993 171,390 52,691	226,416 583,842 111,478 9,299	159,592 445,025 155,178 37,290
	879,045	1,098,883	904,584	1,338,130	814,762	1,224,704	931,035	797,085
Total liabilities	1,299,758	1,221,102	1,314,306	1,463,558	1,194,778	1,354,876	1,246,329	1,234,275
Total equity and liabilities	2,096,343	2,098,723	2,057,580	2,379,933	1,945,006	2,311,006	1,819,370	2,135,653

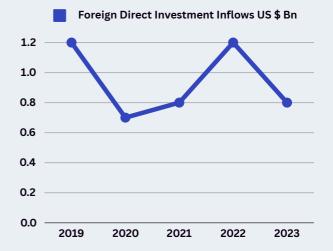
FIVE - YEAR Economic Summery

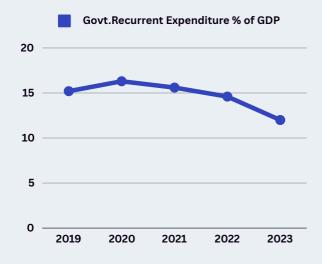
			Eco	nomic D	ata			ntal Anal (Assumi	-		ic data
		2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Real Sector											
Annual Real GDP Growth	%	(2.3)	(7.3)	4.2	(4.6)	(0.2)	(1,150)	(3,650)	2,100	(2,300)	(100)
Per Capita GDP	USD		3,464	3,999	3,851	4,082	-	85	98	94	100
Unemployment	%	4.7	4.7	5.1	5.5	4.8	98	98	106	115	100
Population	mn	21.9	22.1	22.1	21.9	21.8	100	101	101	100	100
Fiscal Sector											
Government Revenue	% of GDP	7.7	8.4	8.3	8.8	11.9	65	71	70	74	100
Govt. Recurrent Expenditure	% of GDP	12.0	14.6	15.6	16.3	15.2	79	96	103	107	100
Govt. Capital and Net Lending	% of GDP	1.5	4.0	4.4	3.1	5.7	26	70	77	54	100
Public Investment	% of GDP	1.6	4.2	4.5	5.2	4.0	40	105	113	130	100
Budget Deficit	% of GDP	5.8	10.2	11.7	10.7	9.0	64	113	130	119	100
Central Government Debt	% of GDP	103.1	114.2	100.0	96.6	81.9	126	139	122	118	100
External Sector											
Merchandise Exports - Annual	USD bn	11.9	13.1	12.5	10.0	11.9	100	110	105	84	100
Merchandise Imports - Annual	USD bn	16.8	18.3	20.6	16.1	19.9	84	92	104	81	100
Trade Balance	USD bn	-4.9	-5.2	-8.1	-6.1	-8.0	(61)	(65)	(101)	(76)	-100
Earnings from tourism	USD bn	2.1	1.1	0.5	0.7	3.6	58	31	14	19	100
Workers' Remittances	USD bn	6.0	3.8	5.5	7.1	6.7	90	57	82	106	100
Current Account Balance	USD bn	1.6	-1.4	-3.3	-1.2	-1.8	89	(78)	(183)	(67)	-100
Foreign Direct Investment Inflows	USD bn	0.8	1.2	0.8	0.7	1.2	67	100	67	58	100
Balance of Payments	USD bn	2.8	-2.8	-4.0	-2.3	0.4	700	(700)	(1,000)	(575)	100
Monetary Sector											
12 month T-Bill yield (year - end)	%	12.9	29.3	8.2	5.0	8.4	154	349	98	60	100
Prime lending rate (year - end)	%	12.1	27.2	8.6	5.8	9.7	125	280	89	60	100
Financial Sector											
All share index (Year - end)	Points	10,684	8,490	12,226	6,774	6,129	174	139	199	111	100
Exchange rate (annual average)	Rs/USD	323.92	324.55	198.88	199.83	178.78	181	182	111	112	100
	Rs/Euro	358.75	358.68	200.43	233.64	200.14	179	179	100	117	100
	Rs/Yen	2.29	2.48	1.70	1.80	1.64	140	151	104	110	100
	Rs/INR	3.90	4.01	2.50	2.72	2.53	154	158	99	108	100

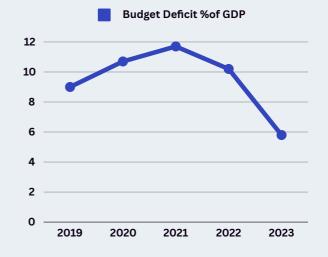
In the current economic landscape, conducting a thorough analysis of past economic trends is crucial. Such an examination is instrumental in guiding our export and local business strategies, enabling us to make well-informed decisions aimed at minimizing risks.

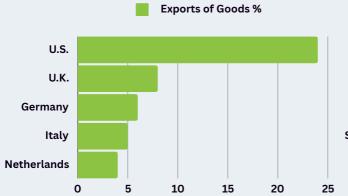


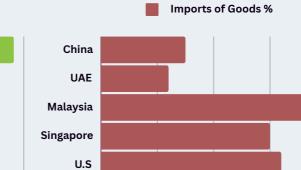












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Main trading partners

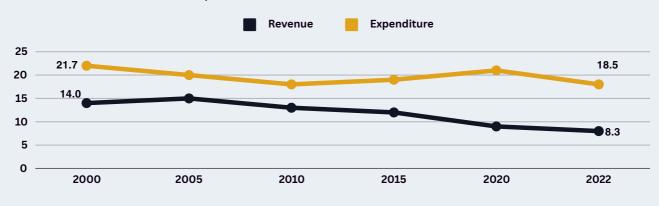
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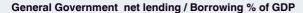
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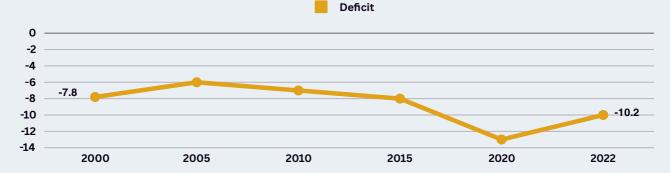
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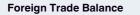
We also noted the following obeservations in the economic data current century

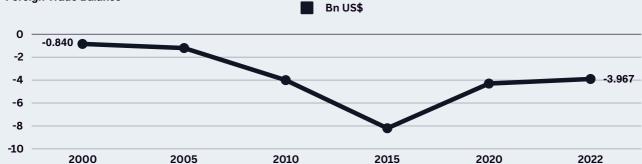
General Government revenue and expenditure % of GDP

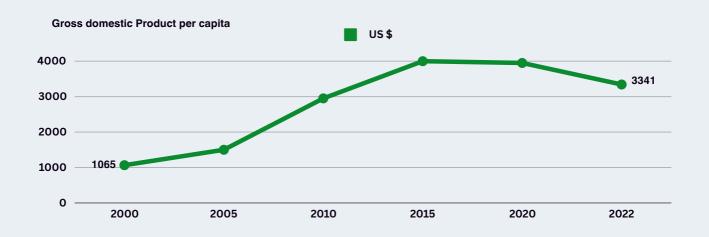


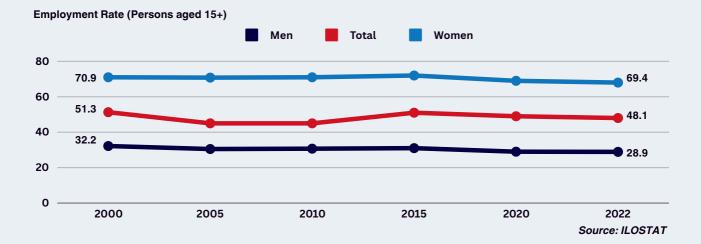




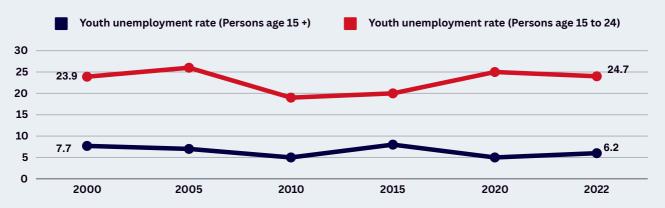








Unemployment rate and youth unemployment rate %

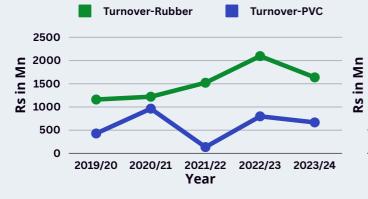


Since 2000, government revenue as a percentage of GDP has declined, while expenditure has risen since 2010. The lowest foreign trade balance was recorded in 2015. Male employment has remained steady at around 69% since 2000. Our per capita GDP is approximately \$3,500. Worker remittances were at their lowest in 2022 but saw an increase in 2023. The budget deficit has been decreasing since 2021. The USA is our largest export market, while Malaysia is our primary source of imports.

Ten-Year Financial Summery

Year ended 31st March	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
	Rs.'000									
Income Statement :										
Turnover-Rubber	1,638,297	2,096,091	1,521,634	1,221,374	1,160,566	1,229,609	900,474	1,057,269	982,878	994,177
Turnover-PVC	667,968	798,769	1,363,555	964,495	429,636	339,736	215,975	192,228	195,460	47,579
Total Turnover	2,316,265	2,894,860	2,885,189	2,185,869	1,590,203	1,569,345	1,116,449	1,249,498	1,178,339	1,041,756
Profit before taxation	(287,530)	154,648	99,519	108,360	12,086	43,635	16,973	65,972	59,299	42,675
Taxation	(7,054)	(61,749)	(15,495)	(9,552)	225	(18,627)	(8,124)	(23,074)	(4,152)	(7,853)
Profit after taxation	(294,584)	92,899	84,024	98,808	12,311	25,007	8,849	42,899	55,146	34,822
Total comprehensive income	(293,450)	93,984	84,544	101,604	12,738	24,189	10,172	43,732	51,043	35,362

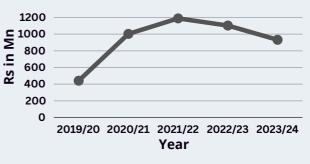
Statement of Financial Position :										
Property, plant & equipment	637,032	619,089	572,265	585,845	428,453	440,271	377,993	370,369	313,554	312,654
Investment	33,032	27,365	28,412	22,578	36,481	33,669	42,905	46,691	53,166	44,468
Current assets	1,119,611	1,489,199	1,491,436	1,221,292	713,640	721,310	594,336	610,232	612,043	539,104
Total assets	1,819,947	2,135,653	2,092,113	1,829,715	1,178,574	1,195,250	1,015,234	1,027,292	978,763	896,226
Stated capital	109,600	109,600	109,600	109,600	109,600	109,600	109,600	109,600	109,600	109,600
Capital reserves	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Revenue reserves	353,444	681,779	596,260	520,181	422,809	418,537	334,488	332,781	297,515	254,937
Shareholders funds	573,044	901,379	815,860	739,781	642,409	638,137	554,088	552,381	517,115	474,537
Non Current liabilities										
Deferred tax	80,586	69,403	34,767	38,235	48,416	59,691	51,918	33,092	14,948	17,229
Retirement benefit obligation	74,347	62,204	52,603	49,164	46,779	40,078	33,701	29,701	27,195	19,570
	154,933	131,607	87,370	87,399	95,195	99,769	85,619	62,793	42,143	36,799
Assets Employed										
Current liabilities	931,611	1,102,667	1,188,883	1,002,535	440,970	457,344	375,527	412,118	419,505	384,890
Total Equity & Liabilities	1,819,947	2,135,653	2,092,113	1,829,715	1,178,574	1,195,250	1,015,234	1,027,292	978,763	896,226





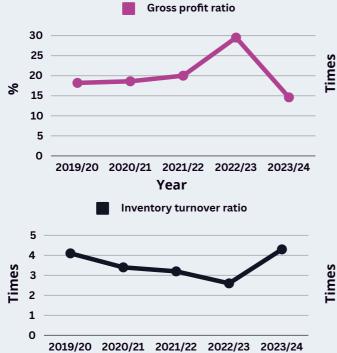


Current liabilities



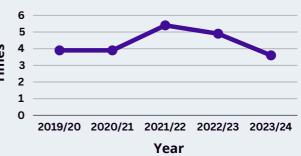
Ten-Year Financial Summery (Contd...)

Year ended 31st March		2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Year ended 31st March		Rs.'000									
Profitability Ratios:											
Gross profit ratio	%	14.6	29.5	20.0	18.6	18.2	19.6	19.7	21.0	19.5	19.9
Net profit to sales	%	(12.7)	3.2	2.9	4.5	1.0	3.0	0.8	3.4	4.7	3.0
Return on capital employeed	%	(51.4)	10.31	10.30	13.36	1.92	3.92	0.03	7.80	10.70	7.30
Earnings per share	Rs.	(69.6)	21.95	19.85	23.34	2.91	5.91	2.09	10.13	13.03	8.69
Annual sales growth	%	(20.0)	0.3	32.0	37.0	1.0	6.0	-11.0	9.0	9.0	-2.0
Liquidity ratios:											
Current ratio	Times	1.20	1.35	1.25	1.22	1.62	1.58	1.58	1.49	1.46	1.40
Quick assets ratio	Times	0.67	0.62	0.64	0.69	1.01	0.99	1.1	1.03	0.96	1.6
Cash and cash equivalent to current liabilities	%	8.4	7.85	8.27	4.10	19.01	9.60	17.91	20.76	15.88	18.50
Activity / Turnover ratios:											
Inventory turnover	Times	4.3	2.6	3.2	3.4	4.1	5.4	4.1	3.7	4.6	6.0
Inventory turnover	Days	84	141	113	106	90	67	89	99	80	61
Debtors turnover	Times	6.5	6.2	4.9	4.1	4.8	3.7	3.6	4.5	4.0	4.1
Debtors turnover	Days	56	59	75	88	76	100	101	82	92	88
Creditors turnover	Times	8.0	13.0	6.3	3.6	8.3	7.3	4.0	3.5	4.3	4.3
Creditors turnover	Days	45	28	58	102	44	50	91	104	84	85
Fixed asset turnover ratio	Times	3.6	4.9	5.4	3.9	3.9	3.5	3.2	3.9	3.5	5.5
Investors ratio:											
Market price per share	Rs.	147.50	253.75	184.75	134.25	72.10	98.90	88.10	105.00	104.00	88.20
Price earnings ratio	Times	(2)	12	9	6	25	10	42	8	12	6
Net assets per share	Rs.	135.38	212.95	192.75	174.77	151.77	130.5	130.9	122.17	112.1	116.13
Dividends	Rs.'000	-	8,465	8,465	8,465	4,233	8,465	5,291	8,466	8,466	8,466
Dividends per share	Rs.	-	2.00	2.00	2.00	1.00	2.00	1.25	2.00	2.00	2.00



Year





Ten-Year Financial Summery (Contd...)

Year ended 31st			Rs. in '000'	_		Verl	ical Analy (Assumir	cal Analysis of Income Statem Assuming total sales as 100)	Vertical Analysis of Income Statement (Assuming total sales as 100)	Ŧ	Horiz	Horizontal Analysis of Income Statement (Assuming 2019/20 as 100)	ital Analysis of Income Stat Assuming 2019/20 as 100)	me Staten as 100)	lent
March	2023/24	2022/23	2021/22	2020/21	2019/20	2023/24	2022/23	2021/22	2020/21	2019/20	2023/24	2022/23	2021/22	2020/21	2019/20
	000,'SH	Rs.'000	Rs.'000	000,'SH	Rs.'000	Rs.'000	Rs.'000	Rs.'000	000,'SH	000,'SH	Rs.'000	Rs.'000	Rs.'000	000, sH	000,'SH
Income Statement :															
Turnover-Rubber	1,638,297	1,638,297 2,096,091 1,521,634	1,521,634	1,221,374 1,160,566	1,160,566	71	72	23	56	73	141	181	131	105	100
Turnover-PVC	677,968	798,769	1,363,555	964,495	429,636	29	58	47	44	27	158	186	317	224	100
Total Turnover	2,316,265	2,894,860	2,316,265 2,894,860 2,885,189	2,185,869	1,590,203	100	100	100	100	100	146	182	181	137	100
Profit before taxation	(287,530)	(287,530) 154,648	99,519	108,360	12,086	-12	Q	က	Q	-	-2379	1,280	823	897	100
Taxation	(7,054)	(61,749)	(15,495)	(9,552)	225	0	Ņ	τ	0	0	-3135	-27,444	-6,887	-4,245	100
Profit after taxation	(294,584)	92,899	84,024	98,808	12,311	-13	m	ო	IJ	-	-2393	755	683	803	100
Total comprehensive income	(293,450)	93,984	84,544	101,604	12,738	-13	ო	က	Ŋ	-	-2304	738	664	798	100
			Rs. in '000'			Vertical /	Analysis S	vnalysis Statement of Financial (Assuming total sales as 100)	Vertical Analysis Statement of Financial Position (Assuming total sales as 100)	osition	Horizor	Horizontal Analysis of Statement of Financial Position (Assuming 2019/20 as 100)	al Analysis of Statement of F Position (Assuming 2019/20 as 100)	rent of Fin as 100)	ancial
Statement of Financial Position :	tion :														
Property, plant & equipment	667,304	619,089	572,265	585,845	428,453	37	59	27	32	36	156	144	134	137	100
Investment	33,032	27,365	28,412	22,578	36,481	0	-	-	-	က	91	75	78	62	100
Current assets	1,119,611	1,119,611 1,489,199 1,491,436	1,491,436	1,221,292	713,640	62	70	71	67	61	157	209	209	171	100
Total assets	1,817,947	1,817,947 2,135,653 2,092,113	2,092,113	1,829,715	1,178,574	100	100	100	100	100	154	181	178	155	100
Capital and reserves															
Stated capital	109,600	109,600 109,600	109,600	109,600	109,600	9	Q	2	9	თ	100	100	100	100	100
Capital reserves	110,000	110,000	110,000	110,000	110,000	9	Q	2	9	თ	100	100	100	100	100
Revenue reserves	353,444	681,779	596,260	520,181	422,809	19	32	59	28	36	84	161	141	123	100
Shareholders funds	573,044	901,379	815,860	739,781	642,409	31	42	39	40	55	68	140	127	115	100
Non current liabilities															
Deferred tax	80,586	69,403	34,767	38,235	48,416	4	ო	CI	0	4	166	143	72	79	100
Retirement benefit obligation	74,347	62,204	52,603	49,164	46,779	4	ო	က	ო	4	159	133	112	105	100
	154,933	131,607	87,370	87,399	95,195	o	9		Ŋ	ω	163	138	92	92	100

248

1,819,9472,135,6532,092,1131,829,7151,178,574 1,091,971 1,102,667 1,188,883 1,002,535 440,970

Total Equity & Liabilities

Current liabilities

Foreign Currency Financial Statements

STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH	In Euro (Major E	xport Currency)	In USD (Major Import Currency)		
	EURO 2024	EURO 2023	USD 2024	USD 2023	
Revenue	6,714,783	7,817,838	7,284,538	8,142,200	
Cost of sales	(5,732,393)	(5,510,084)	(6,218,791)	(5,738,697)	
Gross Profit	982,391	2,307,754	1,065,747	2,403,503	
Other income	82,288	18,970	89,271	19,757	
Distribution cost	(356,360)	(389,775)	(386,598)	(405,947)	
Administrative expenses	(1,022,864)	(912,084)	(1,109,655)	(949,926)	
Operating Profit	(314,545)	1,024,864	(341,235)	1,067,386	
Finance income	30,131	26,143	32,688	27,228	
Finance cost	(549,127)	(633,366)	(595,721)	(659,644)	
Net Finance Income	(518,996)	(607,222)	(563,033)	(632,416)	
Profit before taxation	(833,541)	417,642	(904,268)	434,970	
Income tax expense	(20,450)	(166,760)	(22,185)	(173,679)	
Profit for the year	(853,991)	250,882	(926,453)	261,291	

STATEMENT OF FINANCIAL POSITION

	In France (Marian Fr			
AS AT	In Euro (Major Ex		In USD (Major In	
ASSETS	(Euro) 31.03.2024	(Euro) 31.03.2023	(USD) 31.03.2024	(USD)31.03.2023
Non Current Assets				
Property, plant and equipment	1,953,907	1,668,062	2,115,122	1,820,023
Intangible assets	24,438	13,331	26,454	14,546
Financial assets at fair value through profit and loss	30,695	17,926	33,228	19,559
Financial assets at amortized cost	70,621	58,705	76,447	64,053
Deferred tax assets	68,411	52,258	74,056	57,018
	2,148,072	1,810,283	2,325,307	1,975,199
Current Assets				
Inventories	1,515,132	2,257,890	1,640,143	2,463,583
Trade and other receivables	1,677,507	1,670,109	1,815,916	1,822,255
Cash and cash equivalents	241,436	242,242	261,357	264,311
	3,434,075	4,170,241	3,717,416	4,550,149
Total Assets	5,582,147	5,980,523	6,042,723	6,525,349
Stated capital	336,166	306,916	363,903	334,876
General reserve	337,392	308,036	365,230	336,098
Retained earnings	1,084,083	1,909,202	1,173,529	2,083,130
Total Equity	1,757,641	2,524,154	1,902,662	2,754,104
Non-Current Liabilities				
Deferred tax liability	247,173	194,351	267,567	212,056
Retirement benefit obligation	228,038	174,192	246,853	190,061
	475,211	368,543	514,420	402,117
Current Liabilities				
Trade and other payables	696,232	446,910	753,677	487,623
Short term borrowings	2,624,541	2,536,492	2,841,089	2,767,566
Income tax payable	28,522	104,425	30,875	113,938
Total Liabilities	3,349,295	3,087,826	3,625,641	3,369,127
	3,824,506	3,456,369	4,140,061	3,771,244
Total Equity And Liabilities	5,582,147	5,980,523	6,042,723	6,525,349

Exchange Rate Movements



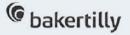
Global Reporting Initiative (GRI) G4

The Global Reporting Initiatives developed the Sustainability Reporting Guidelines. GRI standards are a set of global standards for sustainability reporting which are widely used by corporates globally and in Sri Lanka. Last revised in 2006, these guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. GRI enable us that a Company has determined its commitments to a corporate responsibility program and will report on its progress to its stakeholders. These guidelines support stakeholder engagement in sustainability discussions, the presentation of CR reports, ad benchmarking. Sustainability report based on the GRI framework is used to benchmark organizational performance with respect to laws norms, codes, performance standards and voluntary initiatives. It demonstrates organizational commitment to sustainable development and compare organizational performance over time.

GRI is an international independent organization that helps businesses, government and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. GRI provides the world's most widely used standards on sustainability reporting and disclosure, enabling businesses, governments, civil society and citizens to make better decisions based on information that matters. In fact, 92% of the world's largest 250 corporations report on their sustainability performance. Sustainability reporting is being practiced by many corporates using various frameworks among which the most commonly seen in Sri Lanka is the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines.

Integrated Reporting endeavors to incorporate key aspects of sustainability, along with financial and other dimensions relevant to value creation in an organization in short, medium and long term. Hence this section of the guide provides in summary the GRI disclosures and indicators under general and specific categories as a reference to the prepares of integrated reports. The categories are shown in the table here

Category	Sub Category	GRI Index Index No.
General Standard Disclosures		
Strategy and Analysis		G4 - 1
Organizational Profile		G4 -3 to G4 - 16
Identified Material Aspects and Boundaries		G4 - 17 to G4 - 23
Stakeholder Engagement		G4 - 24 to G4 -27
Report Profile		G4 - 28 to G4 - 33
Governance		G4 - 34
Ethics and Integrity		G4 - 56
Specific Standard Disclosures		
Economic		G4-EC1 to G4-EC8
Environmental		G4-EN1 to G4-EN29
Social	Labour Practices and Decent Work	G4-LA1 to G4-LA9
	Human Rights	G4-HR1 to G4-HR5
	Society	G4-SO3 to G4-SO8
	Product Responsibility	G4-PR3 to G4-PR9



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To the Board of Directors of Samson International PLC on the Integrated Report- 2023/24

Introduction and scope of the engagement

The management of ("the Company") engaged us to provide an independent assurance on the following elements of the Integrated Report-2023/24 ("the Report")

- 1. Reasonable assurance on the information on financial performance as specified on statement of Value Addition of the Report.
- 2. Limited assurance on other information presented in the
- 3. Report, prepared in accordance with the requirements of the Global Reporting Initiative G4 'In accordance' Core guidelines.

Basis of our work and level of assurance

We performed our procedures to provide limited assurance in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE 3000): 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', issued by the Institute of Chartered Accountants of Sri Lanka ("CASL").

The evaluation criteria used for this limited assurance engagement are based on the Sustainability Reporting Guidelines ("GRI Guidelines") and related information in particular, the requirements to achieve GRI G4 'In accordance'

Comprehensive guideline publication, publicly available at GRI's global website at "www.globalreporting.org". Our engagement provides limited assurance as well as reasonable assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with SLSAE-3000 and consequently does not enable to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance.

Management of the Company's responsibility for the Report

The management of the company is responsible for the preparation of the self-declaration, the information and statements contained within the Report, and for maintaining adequate records and internal controls that are designed to support the sustaining reporting process in line with the GRI Sustainability Reporting Guidelines.

Auditor's responsibility

Our responsibility is to express a conclusion as to whether we have become aware of any matter that causes us to believe that the Report is not prepared in accordance with the requirements of the Global Reporting Initiative G4 'In accordance' - Core guidelines. This report is made solely to the Company in accordance with our engagement letter dated 31st March 2024.

We disclaim any assumption of responsibility for any reliance on this report to any person other than the company or for any purpose other than that for which it was prepared. In conducting our engagement, we have complied with the independence requirements of the Code for Ethics for Professional Accountants issued by the CASL.

Key assurance procedures we planned and performed our procedures to obtain the information and explanations considered necessary to provide sufficient evidence to support our limited assurance conclusions. Key assurance procedures included:

- 1. Interviewing the Company's relevant personnel to understand the process for collection, analysis, aggregation and presentation
- 2. Reviewing and validation of the information contained in the Report
- 3. Checking the calculations performed by the Company on a sample basis through recalculation
- 4. Reconciling and agreeing the data on financial performance are properly derived from the company's audited financial statements for the year ended 31st March 2024 and Comparison of the content of the Report against the criteria for a Global Reporting Initiative G4 'In accordance' - Core guidelines.

Our procedures did not include testing electronic systems used to collect and aggregate the information.

Limitations and considerations

Environmental and social performance data are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.

Conclusion

Based on the procedures performed, as described above, we conclude that:

- The information on financial performance as specified on statement of Value Addition of the Report are properly derived from the audited financial statements of the Company for the years ended 31st March 2023 and 31st March 2024
- Nothing has come to our attention that causes us to believe that other information presented in the Report are not fairly presented, in all material respects, in accordance with the Company's sustainability practices and policies some of which are derived from GRI-G4-'In accordance' Core Sustainability Reporting Guidelines.

Yours faithfully,

Edirisinghe & Co. Chartered Accountants Colombo 22nd May 2024

Samson international Plc voluntarily adopted Global Reporting Initiative (GRI) G4 'In accordance' core Guidelines during the financial year 2023/24 as a measure of improving the standard of accountability and reporting on accountability, These details are given below.

General Standard Disclosures

GRI Index No.	Description	Reported Section	Page No.
Strategy and A	Inalysis		
G4-1	Statement from the Chairman	Chairman's Review	39
Organization p	profile		
G4-3	Name of the organization	Samson International Plc / Corporate Information	13
G4-4	Primary brands, products, and/or services	Our Products and Intellectual Capital	18 and 131
G4-5	Location of organization's headquarters.	Corporate Information	13
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Our Products - Our Global Presence	31
G4-7	Nature of ownership and legal form.	Corporate Information and Investor Information	13 and 219
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Our Products	18
G4-9	Scale of the reporting organization.	Corporate Information and Investor Information	13 and 219
G4-10	Total work force by employment type, employment contract, and region, broken down by gender.	Human Capital	107
G4-11	Percentage of employees covered by collective bargaining	Human Capital - Recognition of Joint consultative committee	114
G4-12	Organizations supply chain	Social and Relationship Capital	122
G4-13	Significant changes during the reporting period regarding size structure and ownership	Investor Information	219
G4-14	Addressing the Precautionary principles/approach	Risk Management, Social and Relationship Capital	140 and 122
G4-15	List of Charters, principles or other initiatives	Review of operating enviroment	70
G4-16	List of Memberships of association	Social and Relationship Capital	122
Identified Mate	erial Aspects and Boundaries		
G4-17	Operational structure of the organization	Profiles of the Executive Management	55
G4-18	Process for defining report content.	About this report	1
G4-19	Material aspect identified for report content	Report of the Board of Directors Financial and Operational Highlights	174 and 06

GRI Index No.	Description	Reported Section	Page No.
G4-20	Aspect boundary for identified material aspects within the organization.	Managing Director's Operational Review Review of Operating Enviroment	11 and 70
G4-21	Aspect boundary for identified material aspects outside the organization.	Chairman's Review, Goals and Strategies	39 and 85
G4-22	Restatements of information provided in the previous reports.	-	-
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries.	Notes to the Financial Statements	-
Stakeholder er	ngagement		
G4-24	List of stakeholder groups engaged by the organization.	Value creations & stakeholder engagement	90 and 226
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Value creations & stakeholder engagement	90 and 226
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Value creations & stakeholder engagement	90 and 226
G4-27	Key topics and concerns that have been raised through stakeholder engagement.	Value creations & stakeholder engagement	90 and 226
Report Profile			
G4-28	Reporting period	Year ended 31 March 2024	1
G4-29	Date of most recent previous report	Quarterly Financials - Quarter ended 31st March 2024	229
G4-30	Reporting cycle	Quarterly and Annually	229
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Glossary of Financial Terms

1. Segment :	Constituent business units grouped in terms of the nature and similarity of operations.
2. Annual Sales Growth :	Percentage change over previous year's gross turnover.
3. Current Ratio :	Current assets divided by current liabilities.
4. Dividend Cover :	Profit available for appropriation divided by gross dividend.
5. Dividend per Share :	Total Gross Dividend divided by no. of shares at the end of the year.
6. Gross Dividend :	Portion of Profits, inclusive of tax withheld, distributed to shareholders.
7. Dividend Rate :	Gross Dividends declared per share.
8. Earnings per Share :	Profit attributable to shareholders divided by the no. of shares issued.
9. Interest Cover :	Profit from ordinary activities before tax and finance cost divided by finance cost.
10. Net Assets per Share :	Net Assets divided by the no. of shares.
11. Price Earnings Ratio :	Market Price per share divided by earnings per share.
12. Deferred Taxation :	Sum set aside for tax in the financial statement that will become payable in a financial year other than the current financial year.
13. Value Additions :	The quantum of wealth generated by the activities of the Company.
14. Revenue Reserves :	Reserve considered as being available for distributions and investments.
15. Capital Reserves :	Reserves identified for specific purposes and considered not available for distribution.
16. Return on Capital Employed : I	Profit after interest and tax divided by capital employed or shareholders funds.
17. Shareholders Fund :	Total of stated capital and revenue reserves.
18. Capital employed :	Shareholders' funds plus long - term bearing loans and borrowings.
19. Average Capital Employed :	Mean of two consecutive years' capital employed.
20. Corporate Governance :	A system by which Companies are directed and controlled by the management in the best interest of the stakeholders ensuring greater transparency through better and timely financial reporting.
21. Market Capitalization :	Number of ordinary shares in issue multiplied by the Market Value per share at the balance sheet date.
22. Related Parties :	Parties who could control or significantly influence the financial and operating policies of the business.
23. Intangible Assets :	An intangible asset is an identifiable non-monetary asset without physical substance.
24. Impairment :	This occurs when the recoverable amount of an asset is less than its carrying amount
25. Fair value :	This is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at arm's length transaction.
26. CGU :	Cash Generating Unit

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Second Annual General Meeting of Samson International PLC will be held by way of electronic means on 28th June, 2024 centered at the Board Room of Samson International PLC, No. 110, Kumaran Ratnam Road, Colombo 02 at 3.00 p.m. for the following purposes:

- 01. To receive and consider the Annual Report of the Board of Directors on the affairs of Company and the Financial Statements the year ended 31st March 2024 and the Report of the Auditors thereon.
- 02. To appoint Mr. D K Rajapakse who is 79 years of age, as a Director of the Company and to adopt the following resolution:-

"IT IS HEREBY RESOLVED THAT Mr. D K Rajapakse who is 79 years of age be and is hereby appointed as a Director of the Company and it is hereby declared as provided for in Section 211(1) of the Companies Act No.7 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. D K Rajapakse".

03. To appoint Mr. T K Bandaranayake who is 81 years of age, as a Director of the Company and to adopt the following resolution:-

"IT IS HEREBY RESOLVED THAT Mr. T K Bandaranayake who is 81 years of age be and is hereby appointed as a Director of the Company and it is hereby declared as provided for in Section 211(1) of the Companies Act, No.7 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. T K Bandaranayake".

- 04. To re-elect Mr N S Rajapaksa who retires by rotation in terms of Article 88(i) of the Articles of Association, as a Director of the Company
- 05. To re-appoint Messrs Edirisinghe & Co. Chartered Accountants as Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.
- 06. To authorize the Directors to determine donations for the year ending 31st March 2025 and up to the date of the next Annual General Meeting.

By Order of the Board SAMSON INTERNATIONAL PLC

P W Corporate Secretarial (Pvt) Ltd Secretaries

At Colombo 22nd May 2024

Notes:

- 01. A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy enclosed herewith.
- 02. A proxy need not be a shareholder of the Company.
- 03. Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
- 04. For more information on how to participate by virtual means in the above virtual meeting, please refer Registration Process enclosed herewith

Form of Proxy

No. *I/We..... holder NIC of failing him/her*

- Mr. D K Rajapaksa Mr. D D A Rajapaksa Mr. T K Bandaranayake of Colombo or failing him* Mr. D G P S Abeygunawardana of Colombo or failing him* Mr. D C J Rajapaksa Ms. I Matwatte Mr. N S Rajapaksa
- of Colombo or failing him* of Colombo or failing him* of Colombo or failing him* of Colombo or failing her* of Colombo

as *my/our Proxy to represent me/us*, to speak and vote for *me/us on *my/our behalf at the Thirty Second ANNUAL GENERAL MEETING OF THE COMPANY to be held on 28th June 2024 at 3.00 p.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

	FOr	Against
 To appoint Mr. D K Rajapakse who is 79 years of age, as a Director of the Company and to adopt the following resolution:- "IT IS HEREBY RESOLVED THAT Mr. D K Rajapakse who is 79 years of age be and is hereby appointed as a Director of the Company and it is hereby declared as provided for in Section 211(1) of the Companies Act No.7 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. D K Rajapakse". 		
 2. To appoint Mr. T K Bandaranayake who is 81 years of age, as a Director of the Company and to adopt the following resolution:- "IT IS HEREBY RESOLVED THAT Mr. T K Bandaranayake who is 81 years of age be and is hereby appointed as a Director of the Company and it is hereby declared as provided for in Section 211(1) of the Companies Act,No.7 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. T K Bandaranayake". 		
 To re-elect Mr. N S Rajapaksa who retires by rotation in terms of Article 88(i) of the Articles of Association, as a Director of the Company. 		
 To re-appoint Messrs Edirisinghe & Co. Chartered Accountants as Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration. 		
 To authorize the Directors to determine donations for the year ending 31st March 2024 and up to the date of the next Annual General Meeting. 		

Signed thisday of Two Thousand and Twenty Four

*Signature/s

Note:

01. Please delete the inappropriate words.

02. Instructions as to completion are noted on the reverse here of.

INSTRUCTIONS AS TO COMPLETION

- 01. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
- 02. The Proxy shall
 - a. In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an Attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - b. In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).
- 03. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.
- 04. To be valid, the completed Form of Proxy must be deposited with the Company Secretaries, P W Corporate Secretarial (Pvt) Ltd at No. 3/17, Kynsey Road, Colombo 08, Sri Lanka or must be emailed to <u>info@samsonint.com</u> by 03.00 p.m on 26th June 2024.

SAMSON INTERNATIONAL PLC

Corporate Office:

No 110, Kumaran Rathnam Road, Colombo 02, Sri Lanka Tel: +94 11 4728800 Fax : +94 11 2440890 Email: info@samsonint.com Web: www.samsonint.com