

2021/22

Annual Report



*“Reaching
Gold”*

34th year
1988-2022

SAMSON INTERNATIONAL PLC

Akuressa Road, Bogahagoda, Galle

DSI Samson
group



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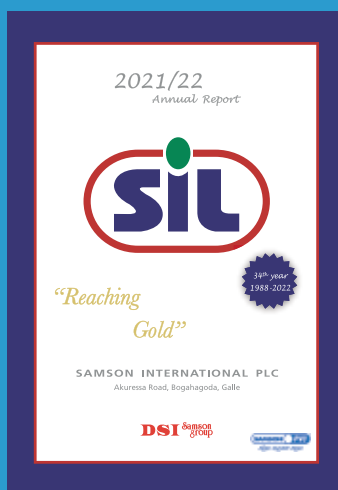
Reaching Gold

Samson International Plc is an entity committed to sustaining and protecting our stakeholders and the environment in which we operate. Our Company is situated in a rustic environment of calm and tranquility among lush greenery and vegetation. As a respected export oriented manufacturer, we have committed ourselves to the highest standards of quality, innovation, responsibility and entrenching sustainable practices in all we do. During last four years, we have recorded a continuous improvement in turnover while building customer relationships that reinforce and shield our long-term business strategy. We have always focused on our mission of achieving business excellence by meeting the aspirations of our diverse stakeholders. Today, our strong and versatile manufacturing capabilities have secured us a competitive edge and our reputation for quality and sustainable practices has won the trust of customers worldwide. The number of Gold awards we received in every sphere in the past have proven these achievements.

This year, we are geared to face the future with a positive outlook in order to **Reaching Gold** by delivering enduring value and maintaining high standards of business integrity. We are so confident that the years ahead will be exciting. Thirty four years ago, we embarked on this SIL journey and many customers, business associates, investors, regulators and communities have continued to place their trust in us. Therefore, we have no doubt that we would be **Reaching Gold** and maintaining it continuously.



About this Report



"This report highlights our performances, business model, strategic directions, investments, governance, risk management, CSR activities, awards won, the progress which we have made in the financial year under review and also our future outlook..."

We present this annual report for our 34th financial year covering the period from 1st of April 2021 to 31st of March 2022 with the theme of "Reaching Gold". 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.

Scope and Boundary

This Annual Report adopted the Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC). The report has been prepared in accordance with the Global Reporting Initiative G4 criteria: the core and aspects and indicators have been selected to best reflect the impacts of its diverse industry exposures. **All the write-ups, designs and formats in this Annual Report were prepared in-house without out sourcing to an external party or any advertising agency.** Therefore we made a genuine effort to meet the expectations of all our stakeholders by providing them with realistic, pragmatic and relevant information on our own value creation process.

Guiding Principles

We subscribe to and report under several domestic and international regulations, standards and frameworks, the more significant of which are the following:

- Sri Lanka Accounting Standards,
- Integrated Reporting Framework issued by the IIRC,
- Global Reporting Initiative- G4 Standards,
- Companies Act No 7 of 2007,
- Listing Rules of the Colombo Stock Exchange,
- Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka, and
- Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka

Assurance

The independent auditor's opinion by Messrs Edirisinghe & Co., Chartered Accountants on the Financial Statement is available on page 164 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 done by our internal audit department. The Company's Audit Committee also monitors adequacy and effectiveness of the financial reporting and internal control systems.

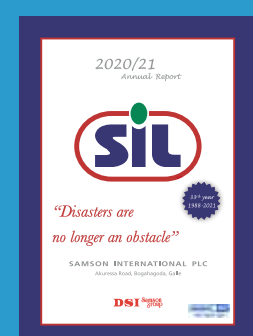
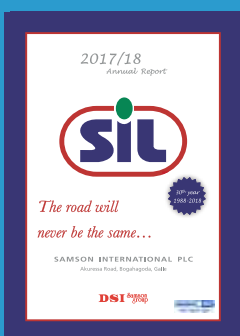
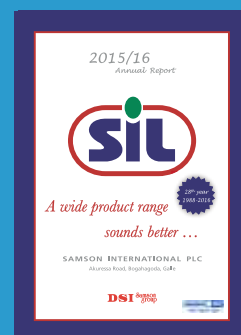
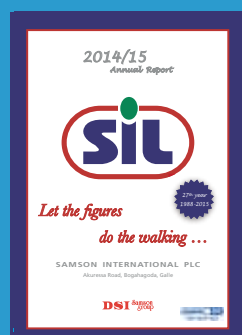
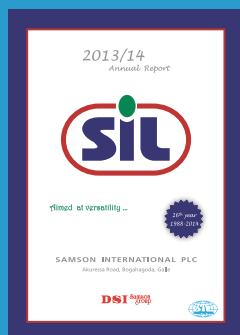
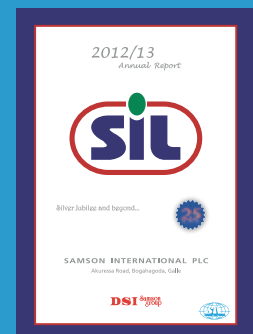
We received a Gold Award for the Annual Report of 2021/ 22 at the 56th Annual Report Awards Ceremony organized by the Institute of Chartered Accountants of Sri Lanka and this is the second consecutive time that we won the Gold award for our Annual report.

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



ABOUT Us

Samson International Plc started its business on 14th October 1988 at a time the open economic policies had got 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 presence of our factory. This is the greatest deed of social responsibility Samson International Plc has delivered to the villagers in Bogahagoda. A similar programme is being carried out for the villagers in Baddegama surround PVC factory. Samson International Plc manufactures and exports moulded 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, solvent, trunking and conduits.

The Company diversified in to PVC market eight years back with the intention of exploiting big & new markets and growth opportunities in the midst of the boom of the construction industry and positive economic outlook of the country. We were able turnaround this segment in the previous year. Samson International Plc has 525 employees and the main factory is situated at Bogahagoda, Galle. Other two factories are in Baddegama and Kalutara.

Samson International Plc 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 USD 70 Mn and has a workforce more than 9,000 employees. It also has 28 subsidiary Companies in Sri Lanka. The majority of their factories in the Group are located in remote rural areas. Samson International Plc is one of them. DSI Group has a turnover of Rs 35 Bn while Samson International Plc has a turnover of Rs. 2.8 Bn or 8% of the Group turnover. DSI Group has an export turnover of Rs. 14 Bn and Samson International Plc has an export turnover of Rs. 1,023 Mn. DSI Samson Group has received a rating of 'AA (lka) – Stable Outlook' by Fitch Rating Lanka Limited.

Corporate Philosophy

Our Vision

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

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 Values

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.



Galle Factory

FINANCIAL and Operational Highlights

Key Performance Indicators 2021/22

Rs. 2.8 Bn
Annual
Turnover

Rs. 2.1 Bn
Total
Assets

525
Number of
Employees

Rs. 190 Mn
Operational
Profit

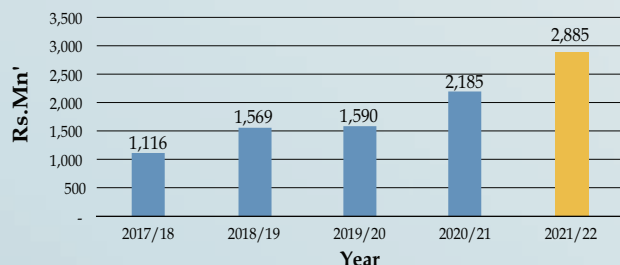
Rs. 28 Mn
Exchange
Loss

Company recorded highest turnover continuously during last four years

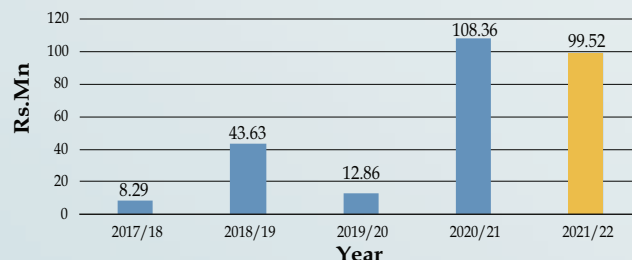
Market price went up by 50% at the year end

PVC segment recorded its first Rs. 1 Bn turnover

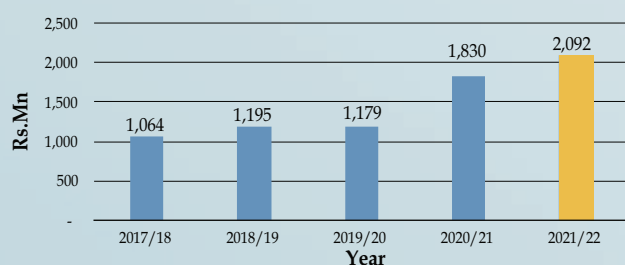
Total Revenue
(Rs.Mn)



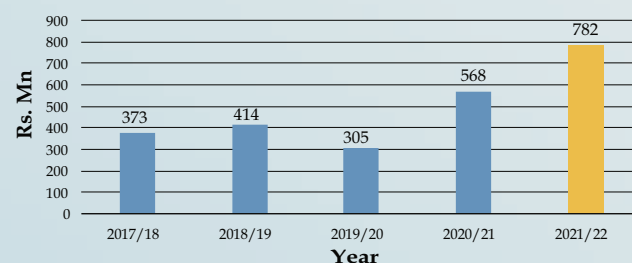
Profit before Tax
(Rs.Mn)



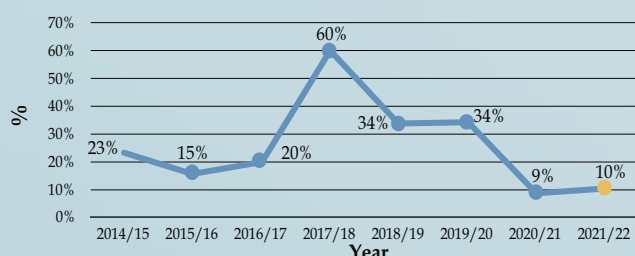
Total Assets
(Rs. Mn)



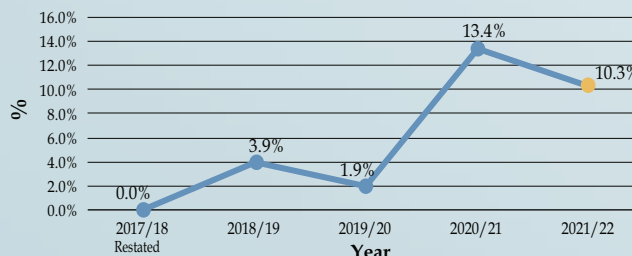
Market Capitalization
(Rs. Mn)



Dividend
Payout %



ROCE
%



FINANCIAL and Operational Highlights (Contd...)

Financial Highlights

		2021/22	2020/21	Variance	%
Operating Results					
Revenue	Rs. 000	2,885,189	2,185,869	699,320	32
Operating profit	Rs. 000	189,496	117,603	71,893	61
Exchange gain/(loss)	Rs. 000	(27,499)	3,485	(30,984)	889
Profit before tax	Rs. 000	99,519	108,361	(8,842)	(8)
Tax on profit (including deferred tax)	Rs. 000	(15,495)	(9,552)	(5,943)	(62)
Profit after tax	Rs. 000	84,024	98,808	(14,784)	(15)
Exports earnings	in US \$ Mn	3.5	3.8	(0.3)	(0.1)
ROCE	%	10.30	13.36		
Gross profit to sales	%	20.0	18.6		
Interest cover	Times	2.92	7.11		
Financial Position					
Dividend cover	Times	9.93	11.67		
Current ratio	Times	1.25	1.22		
Gearing	%	49	41		
Interest Cost	Rs. 000	(66,322)	(17,730)	(48,592)	(274)
Financial Investments	Rs. 000	28,412	22,578	5,834	26
Shareholder information					
Group fitch rating		"AA (Ika) –stable Outlook"	"AA (Ika) –stable Outlook"		
Dividend per share	Rs.	2.00	2.00	-	-
Market price per share	Rs.	184.75	134.25	50.5	
Earnings per share	Rs.	19.85	23.34	(3.5)	
Net assets per share	Rs.	192.75	174.77	18.0	
Price Earnings Ratio	Times	9.31	5.75		
Total assets	Rs. 000	2,092,113	1,829,716	262,397	14
Number of Shareholders	Nos.	1,235	1,265	(30)	(2)
Market Capitalization	Rs. 000	782,004	568,249	213,755	38
Shareholders' funds	Rs. 000	815,860	739,781	76,079	10

Operational Highlights

			2021/22	2021/22
Manufactured Capital	No. of factories	Nos	3	3
	Rubber compound consumed	Kg 000	2,129	1,900
	Investment in PPE	Rs. 000	54,362	212,096
	Value additions	Rs. 000	657,961	530,473
Human Capital	No. of employees	Nos	525	551
	Employee Retention rate	%	98.0	98.5
	Employee remuneration & rewards	Rs. 000	408,978	343,988
	Investment in training & development	Rs. 000	657	227
	Training hours		1,655	890
	Gender diversity ratio (Male : Female)		81:19	81:19
	Profit per employee (after tax)	Rs.	160,046	179,325
Social relationship Capital	Value additions per employee	Rs/ month	104,438	80,229
	Total taxes	Rs. 000	15,495	9,552
Natural Capital	Donation in cash	Rs.	155,726	252,055
	Energy consumption	Kw	1,744,663	2,556,517
Intellectual Capital	Waste rubber reused/ recycled	Kg 000	63.9	57.0
	No. of new rubber products		13	9
	Number of awards	Nos	4	2

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 number	: PQ 192
Stock Exchange listing	: The ordinary shares of the Company were listed in the Colombo Stock Exchange of Sri Lanka on 24th July 1992 and the Company was converted to a public 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 / Jt. Managing Director) Mr T. K. Bandaranayake Mr D. G. P. S. Abeygunawardana (Director/ General Manager) Mr D. D. A. Rajapaksa (Jt. 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
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

CORPORATE Information (Contd...)

Factories

- Galle Factory** : Akuressa Road, Bogahagoda, Galle.
Te (091) 3094 469-72, Fax (091) 2224 036, Email: info@samsonint.com
- Kalutara Factory** : No. 57/B, Fullerton Industrial Zone, Nagoda, Kalutara.
Te (034) 5622 688, Email: info@samsonint.com
- Baddegama Factory** : Gilcroft Estate, Kiribathwila, Ampegama, Baddegama.
Te (091) 3094 469-72, Fax (091) 2224 036, Email: info@samsonint.com

Parent Company : DSI Samson Group (Pvt) Ltd.

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



Contact Details:

Finance Manager
Samson International Plc, Akuressa Road,
Bogahagoda, Galle.
Tel (091) 3094469-72,
Fax (091) 2224036,
Email: info@samsonint.com

CORPORATE

Milestones

Samson International Plc has been on a journey in reaching and maintaining high standard and marked many milestones and achievements in the past 34 years. These have been analyzed below in the areas of Investments & Acquisitions, Product Certifications and Awards Won.

Year	Investments & Acquisitions	Product Certifications	Awards won
1988/89	Incorporated as a private Company		
1992/93	Became a public quoted Company		
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.	
2007/08	Invested in the first Microwave continuous line machine in Sri Lanka		
2009/10	Purchased all assets of Aksel (Pvt) Ltd., Kalutara which produced rubber mats.		
2011/12			Received the Gold Award from the NCE for the first time.

CORPORATE Milestones (Contd...)

Year	Investments & Acquisitions	Product Certifications	Awards won
2012/13			Received the Gold Award from the NCE for the second consecutive year.
2013/14			Received the Silver Award from the NCE and also Business Excellence Silver Award from the NCC for the first time, when the Company celebrated its Silver Jubilee.
2014/15	Purchased assets of Okta PVC Lanka (Pvt) Ltd., Baddegama which manufacture PVC products. Issue of bonus shares on 1: 10 to shareholders	Received the " ISO 9001:2008 certificate" for PVC pressure pipes.	
2015/16		Produced products with FSC™ (FSC™ C134777) Certification.	Received the Gold Award from NCE and five other merit awards.
2016/17		Received Code of Conduct in Business Social Compliance Initiatives (BSCI) certification on Social Responsibility.	Received Gold Award from NCE for the second consecutive time and nine other awards including the top ten CNCI Awards.

CORPORATE Milestones (Contd...)

Year	Investments & Acquisitions	Product Certifications	Awards won
2017/18		Received ISO 9001: 2015, 14001:2015 Environmental Management Systems and 50001:2011 Energy Management System.	Received the Gold Award from the NCE for the third consecutive time and five other merit awards.
2018/19			Award from the NCE for the fourth consecutive time and Silver award at the Annual report competition.
2019/20	Acquisition of an exclusive dealership with a Malaysian manufacturer for PVC tap product range.		Received Gold Award from the NCE for the fifth consecutive time and Gold award at the Annual report competition.
2020/21			Received a Gold Award from the NCE for the sixth consecutive time and also received a special award as the Best Performer in Research and Development Activities
2021/22	PVC segment recorded its first Rs. 1 Bn turnover		Received a Gold award at the Annual report competition and also received a special award as the Best Ethical Trading Exporter.

NCE – National Chamber of Exports
NCC – National Chamber of Commerce

CNCI – Ceylon National Chamber of Industries

MONTHLY

Operational Highlights - 2021/22

2021

- **April**
 - Started in-house mixing (Backward Integration).
- **May**
 - Appointing new distributors for Samson Rubber branded products throughout the country.
 - Board proposed a dividend of Rs. 2.00 per share for the year ended 31st March 2021.
- **June**
 - Held our 29th AGM by way of electronic means on 30th June, 2021.
- **July**
 - Organizing first Covid vaccination to 5000 villagers in the factory premises.
- **August**
 - Organizing second Covid vaccination to 5000 villagers in the factory premises.
- **September**
 - Invested Rs. 105 Mn for a Solar project in Galle factory with another investor.
- **October**
 - Planted 2600 cinnamon and other plants in Galle factory premises.
- **November**
 - Purchased 13.5 perches land neighboring to the Galle factory
- **December**
 - Recorded first Rs. 1 Bn turnover for the PVC segment
 - Organizing Covid booster vaccination to 5000 villagers in the factory premises.

2022

- **January**
 - Received a Silver Award from the National Chamber of Exporters of Sri Lanka on 21st January 2022 and a special award for the Best Ethical Trading Exporter.
- **February**
 - Obtained a special recognition from the Institute of Chartered Professional Managers of Sri Lanka for the Best Management Practices being back to business in the new normal.
- **March**
 - Increased Mill capacity to meet the increased demand
 - LKR Depreciated against USD from 203 to 300.



Recording first Rs. 1 Billion turnover from PVC segment



Installation of Solar panels

AWARDS

Won

Key Performance Indicators 2021/22

08

No of NCE Gold Awards received so far

02

No of Annual Report Gold Awards received

04

Total No of Special Awards received so far

49

Total No of Awards received so far



Awards received covering every sphere of business

"We received Best Ethical Trading Exporter Award from NCE this year..."

Samson International Plc received many awards and certifications covering every sphere of business. We use these awards and certifications as a marketing tool to

exploit overseas customers and to further streamline current operational systems and procedures. The number of awards received by the Company during the last 34 years are as follows.

AWARDS Won (Contd...)

Name of the Award	Number of awards received
1 NCE Export Award	17
2 National Business Excellence Award	05
3 CNCI Achiever Award	03
4 Sri Lanka National Quality Award	03
5 National Quality Circle Award	02
6 Social Dialogue and Workplace Cooperation Award	04
7 Annual Report Award/Certification	08
8 National Productivity Award	01
9 National Cleaner Production Award	01
10 Presidential Environment Award	01
11 Presidential Export Award	02
12 Social Media Campaign Award	01
13 Best Management Practices award	01
Total	49

Details of the Awards Won in the Past:

1) NCE Export Awards:

(in the category of agriculture value-added sector from the National Chamber of Exports)

- Export Awards 2021 – Silver Award
- Special award 2021 – The Best Ethical Trading Exporter
- Export Awards 2020 – Gold Award
- Special award 2020 – Best Performer in Research and Development Activities
- Export Awards 2019 – Gold Award
- Export Awards 2018 – Gold Award
- Export Awards 2017 – Gold Award
- Export Awards 2016 – Gold Award
- Export Awards 2015 – Gold Award
- Export Awards 2013 – Silver Award
- Export Awards 2012 – Gold Award
- Export Awards 2011 – Gold Award
- Export Awards 2010 – Silver Award
- Export Awards 2007 – Silver Award
- Export Awards 2006 – Silver Award
- Export Awards 2005 – Bronze Award
- Export Awards 2004 – Silver Award
- Export Awards 2003 – Silver Award
- Export Awards 2002 – Silver Award

**We have received 17
NCE awards of the
34 years of existence of
our Company**



Receiving Silver award from NCE

2) National Business Excellence Award:

(in the category of 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.

3) CNCI Achiever Award:

(in the category of 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

AWARDS Won (Contd...)

4) Sri Lanka National Quality Award:

(in the category of large manufacturing sector from the Sri Lanka Standards Institution)

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

5) National Quality Circle Awards:

(from the 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, SIL Sinha Team Participated National Quality Circle Convention on 14th June 2017 and won a Bronze Medal while by participating Inter-Company Quality Circle Competition on 16th June 2017 and received a Merit Award.

6) Social Dialogue and Workplace Cooperation Award:

(in the category of medium manufacturing sector from the Ministry of labour)

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

7) Annual Report Award/Certification:

(in the category of manufacturing Companies turnover up to Rs. 5 Bn from the Institute of Chartered Accountants)

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



Gold award for the Annual Report

8) National Productivity Award:

(in the category of Manufacturing sector – Large Scale)

- Certificate of Commendation - 2019

9) National Cleaner Production Awards:

(in the category of Manufacturing Large – Rubber Industry)

- Bronze Award - 2019

10) Presidential Environment Awards:

(in the category of Rubber Based Products Industries)

- Certificate of Commendation - 2019

11) Presidential Export Award:

Received in 1996 and 1997

12) Social Media Campaign Award:

(in the category of 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 Award:

(from the Institute of Chartered Professional Managers of Sri Lanka)

- Special recognition Award - 2021

AWARDS Won (Contd...)



Receiving an award for the Best Management Practices

14) Awards received by the Managing Director:

- 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.
- Managing Director Mr. Kulatunga Rajapaksa received "Sri Lanka Entrepreneur of the year (hall of fame) Award" from the Federation of Chamber of Commerce and Industry of Sri Lanka, on 11th December, 2017.

The details of four special awards received by the Company are as follows.

Special Award	Area	Given by	Year
1. The Best Ethical Trading Exporter.	Management	National Chamber of Exporters	2021
2. Best Performer in Research and Development Activities	Research and Development	National Chamber of Exporters	2020
3. Excellence in Global Reach Award	Marketing	National Chamber of Commerce	2016
4. CNCI Top Ten Award	Management	Ceylon National Chamber of Industries	2016

CHAIRMAN'S Review



Company received an award for the Best Ethical Trading Exporter and a Silver award for overall performance from NCE and also a Gold award for the Annual Report from CA Sri Lanka for the second consecutive time.

It is my pleasure to present the Annual Report of Samson International Plc for the year ended 31st March 2022, which is our 34th financial year. As you are aware, our Company was incorporated in 1988. During this 34 years, Samson International Plc has been earning foreign exchange from exports and is providing job opportunities to especially neighbouring villagers through value addition.

Despite facing several challenges in the current business environment, our performance improved during the year under review, with our efforts to achieve operational excellence and continues sales growth. I'm pleased to inform you that the Company recorded the highest turnover this year too. The turnover for the current financial year is Rs. 2.8 Bn as against Rs. 2.2 Bn in the previous year resulting an increase of 32%. We have been obtaining continuous sales growth during last four years. We could achieve this sales growth in the mix of Corona pandemic. The profit before tax for the year is 99 Mn. as against Rs. 108 Mn in the previous year. The Company had an adverse impact from the increase in rubber prices and freight charges, exchange losses and increase in finance costs.

I'm happy to see that the Company has achieved a tremendous growth in Certification for Forest Stewardship Council TM (FSCTM C134777) - Chain of Custody products by introducing several new products to the European market. It is also noted that there is a significant growth in both export and local sales. The Company stepped in to expanding the local market with the rubber-related products by appointing distributors and dealers throughout the country and promoting Samson-Rubber brand. The Company will continue to exploit all opportunities

CHAIRMAN'S Review (Contd...)

arising in the control and resistance of Chinese products in the export and local market which resulted from the recent corona epidemic. We continue to practice ethical trading and give the top priority in all markets we operate.

Awards

As an accolade to the company's bullish approach as an exporter and strong presence in the Rubber-related product sector in the global market, Samson International Plc received a Silver award from National Chamber of Exports of Sri Lanka this year having received a Gold award for six consecutive years. We also obtained a special award as the Best Ethical Trading Exporter this year. We also received a special award for the Best Performer in Research and Development Activities last year from National Chamber of Exports of Sri Lanka. We also obtained a special recognition from the Institute of Chartered Professional Managers of Sri Lanka for the Best Management Practices being back to business in the new normal.

Further, we received a Gold award for the Annual report from the Institute of Chartered Accountants of Sri Lanka for the second consecutive years. The annual report of an organization is a yardstick to measure achievement of predetermined objectives and targets within a period of one year. Annual Report has immensely helped us to promote transparency, social responsibility and corporate governance amongst corporates. Recognizing this effort of Samson International, the Company was honoured with the Gold award in the 'Manufacturing Companies' (Turnover up to Rs. 5 billion) category at the recently concluded 56th Annual Report Awards competition. I'm sure that Samson International PLC could Reach Gold in all we do and maintain it which is the theme of this year's annual report.

Operational Review

The operational matters have been explained in detail under Jt. Managing Directors' Operational review on page 30 Further, Corporate Governance, Risk Management, Report of the Directors and Ten-year Financial summary are on pages 116, 139 and 204 respectively.



Awards received from NCE during last seven years

Dividends

The Board of Directors decided to recommend a dividend of Rs. 2.00 per share in the year under review. (Last year - Rs. 2.00 per share)

Appreciation

I would like to especially thank our invaluable and loyal customers for the continuous support given and the Board of Directors for their visionary guidance and the management & every employee of the Company for the dedication and commitment extended to the Company. I would also like to thank specially our bankers and all suppliers for the support given in the midst of difficult time of Corona pandemic. We at Samson International Plc sincerely thank all shareholders and other stakeholders as this could not have been achieved without your continuous support in this difficult period.

We assure them of a bright and better future.

Dr. D. K. Rajapaksa

Chairman/ Jt. Managing Director

Colombo
23rd May 2022

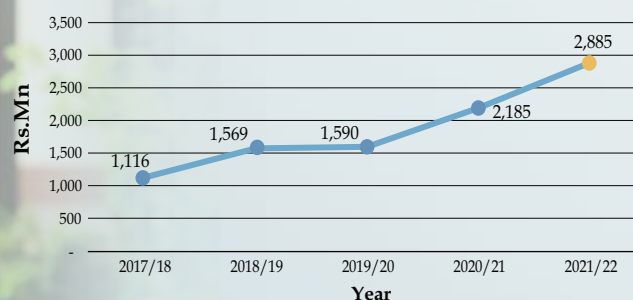
JOINT MANAGING

Directors Operational Review

"Recorded the highest turnover for four consecutive years in the midst of difficult time ..."

It is a pleasure to inform you that the Samson International Plc recorded the highest turnover for the four consecutive year and it is Rs. 2.8 Bn in the current financial year as mentioned in the Chairman's Review. This year, we could increase turnover from Rs. 2.2 Bn to Rs. 2.8 Bn recording an increase of 32%. This achievement was due to diversification of our products in rubber and PVC sectors.

Annual Turnover



The export growth is 33% was achieved by increasing value addition together with product diversification and efforts taken by the marketing department to increase the selling prices due to cost increases in raw materials and logistics. There were many new products we introduced to the export market this year and we would have a greater growth in the near future. We introduced many FSC related products for the European market and it is progressing well. It is remarkable to achieve current sales growth even without taking part in overseas exhibitions during the Corona pandemic period. We could also increase the PVC turnover in all the provinces in Sri Lanka including North. Samson International Plc could continuously achieve this remarkable turnover growth in the midst of Corona pandemic, depreciation in currency and increase in resin prices. Rubber is the major raw material for rubber-related products and imported resin is the major raw material for PVC products. As many other Companies around the world, year 2021/22 has been a challenging financial year for the Company due to the unexpected spread of COVID-19 pandemic prompting

JOINT MANAGING Directors Operational Review (Contd...)

us to make many changes to our regular work arrangements. It has posed us to reevaluate many aspects of our work, workforce, and workplace, while also presenting new risks and opportunities. Samson International Plc maintained a positive outlook throughout the astonishingly challenging financial year. The Company managed to record its highest ever turnover of Rs.2.8 Bn during the year and recorded a profit of Rs. 99 Mn in spite of having many issues during the Corona pandemic. We adhered the guidelines given by health authorities strictly and monitored it regularly.

There have been many issues facing rubber sector at present such as unavailability of raw material locally, high freight charges, delay in shipment clearance, forex shortage, energy crises and ad-hoc labour rules. It is noted that local natural rubber production has dropped by 40% to 75,000 tons. Due to this shortage, exporters and manufacturers are compelled to import natural rubber and latex for their production. Firms like Samson International Plc who do not have adequate exports, are facing serious challenges with inadequate forex. We also face an adverse economic impact from ongoing energy crisis as rubber industries have heavy users and some machines cannot operate economically with frequent power interruption. For the first time, we started mixing in-house and we are saving a significant cost from it and have enhanced the operational efficiency. Further, the capacity of both main rubber factory in Galle and PVC factory in Baddegama was also increased by investing in machinery and stores buildings.

We have strengthened our research and development and continue to obtain professional services from universities and related government institutions. Despite extremely challenging industry conditions, both globally and locally, the Company adopted a long-term view of value creation, investing in innovation, automation, people and its infrastructure. New product development is an ongoing process and is a result of the collective effort of the R&D and marketing teams. During the year we developed nine (previous year - twelve) new products in to the overseas and local markets (Please see page 112). We invest more than Rs. 30 Mn per annum on Research and Development (R&D) activities, which is around 1.5% of our turnover.



JOINT MANAGING Directors Operational Review (Contd...)

We couldn't participate in local and foreign exhibitions this year for seeking new customers. At present our products are available in 33 out of 194 countries and we will pursue to increase our presence further.

ISO 50001 for Energy Management System, ISO 14001 for Environmental Management assert the economic, environmentally, and socially sustainable business practices of Samson International. Special awards for the Best Ethical Trading Exporter this year and Best Performer in Research and Development Activities in the previous year were received from National Chamber of Exports of Sri Lanka. We have enjoyed ISO status for rubber since 1994 and we are the first rubber-related product manufacturing Company to receive the ISO 9001:1994 Quality Management Certificate. We also received the British Standard (BS 1970:2006), TUV Certification and FSCTM (FSCTM C134777) Certification for our products. All raw materials used to manufacture our products conform to the "REACH" regulations of Europe. The Company was awarded the BSCI International Certificate following an evaluation of social responsibility and adherence to international and local laws.

During the year under review, we did not focus on major investments like in the previous year. We were controlling the gearing of the Company during this Corona pandemic period. We did not terminate any single worker due to the decrease in business volume during this period. In the month of December, salaries of executives were reviewed and gave additional increment due to the high cost of living. Further, we gave the highest increment for the staff and workers this year irrespective of the profit and gearing levels.

In the previous year, we invested Rs. 41.2 Mn in Buildings and Rs. 144 Mn in Machinery. This was a right decision we took. If we are going to invest the same in the current financial year, we may have to incur the double of this amount in the current economic conditions.

Future

We also intend to continue aggressive promotions through electronic media for our products for the local market. Therefore, we could expect a greater turnover in the near future.

Meanwhile, R&D has helped us to keep businesses afloat and we will continuously invest in it. As European market exerts pressure on lower prices, we should look for alternatives in Asian, Middle-east and African markets.

In keeping with the government policy towards renewable energy, the Company is in the process of investing Rs. 105 Mn for solar roof project with the assistance of Sunpower Renewables (Pvt) Ltd. This is expected to generate capacity of 751 kW with a monthly income of Rs. 1 Mn. We planted 2600 cinnamon and other plants in our factory land this year. We urge Government intervention to ensure sustainable growth in this difficult period. It is suggested to provide freight rebate and slash fuel duty to encourage exporters. A remittance incentive scheme to exporters could also be established.

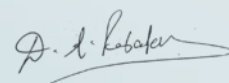
Our effort is to further strengthen our operation, export market, financial management, achieving optimal cost structure and risk management in order to Reach Gold which is our theme of the Annual report this year. We will continue to expand our production capacity to meet the emerging demand for our products. We will provide all training requirements including overseas as done in the past after the country reaches the normalcy from Coronavirus.

We maintain excellent rapport with our neighbours and villagers which seems to be constructive and improving every year. Further, our focus is on contributing to the welfare of rural communities by offering them many more employment opportunities, uplifting their living standards and organizing Corona vaccination for them in our factory premises. Every year we donate rice from the harvest of the Company paddy field to Samurdhi beneficiaries in Bogahagoda.

We would like to thank all the members of management and every employee of the Company for their dedication and commitment to the Company during the year.



D. K. Rajapaksa
Chairman/ Jt. Managing Director



D. D. A. Rajapaksa
Jt. Managing Director

Colombo
23rd May 2022

PROFILES

of the Directors

The Profiles of the Board of Directors of Samson International Plc as at 31st March 2022 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/ Jt. Managing Director

Appointed to the Board on 14th October 1988 (since the inception)

Skills & Experience

Dr. Kulatunga Rajapaksa was the former Chairman and the Group Managing Director of DSI Samson Group (Pvt) Ltd. He has over 59 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

02. Mr. Tissa K. Bandaranayake

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 , Renuka Foods Plc, Renuka Holdings Plc, Micro Holdings (Pvt) Ltd., Harischandra Mills Plc, Brown & Company Plc and Nawaloka Hospitals Plc. He also serves as a consultant to the Board of Directors 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

PROFILES of the Directors (Contd...)

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

MBA, LL.M, LL.B, 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 LL.M from University of Colombo specializing in Company Law, Labour Law and Banking Law.

He is also member of 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 career, 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)

Jt. Managing Director

Appointed to the Board on 01st June 2015 and as Jt. Managing Director on 11th February 2021

Skills & Experience

He Joined DSI Group in 2006 and has been working as the Marketing Director in many DSI clusters spanning across Footwear, Rubber Products, Coir Products, Clay Products bringing local and export revenue to the Group. He is the creator of many successful brands spanning across various product sectors launched in to the market in the local and international arena.

He has more than 13 years Marketing, Management & Information Technology experience in both local and overseas Companies.

He 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.

Other Appointments

He serves as the Managing Director of Samtessi Brush Manufacturers (Pvt) Ltd and a Director of DSI Samson Group (Pvt) Ltd., D. Samson Industries (Pvt) Ltd., Samson Compounds (Pvt) Ltd., Samson Rajarata Tiles (Pvt) Ltd., Samson Insurance Brokers (Pvt) Ltd and Samson Investments (Pvt) Ltd..

Board committees

Related Party Transactions Review Committee

Number of shares held in the Company

Nil

PROFILES of the Directors (Contd...)

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 8 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

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.



PROFILES of the Directors (Contd...)

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 21 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



PROFILES of the Directors (Contd...)

The right people with the right skills

Analysis of Directors' Professional Background:

	Professionally qualified area	No. of Directors on the Board
1	Science	2
2	Engineering	1
3	Finance	2
4	Management	1
5	Marketing	2
6	Law	1
7	Information Technology	2
8	Economics and Geography	1

Service Analysis of Directors as 31st March, 2021:

	Service Category	No. of Directors on the Board
1	0 – 4 Years	3
2	5 – 8 Years	1
3	9– 12 Years	2
4	13– 16 Years	-
5	17– 20 Years	-
6	21 – 24 Years	-
7	25 – 28 Years	-
8	29 – 30 Years	1



Board of Directors

PROFILES

of the Executive Management



Dr. Kulatunga Rajapaksa
PhD (H.C.) University of Sri Jayawardenapura
D. Litt University of Westminster
B. Sc (Hons) University of Peradeniya
Chairman/ Jt. Managing Director
Please refer page No. 33 for the profile



Mr. D. Dilshan A. Rajapaksa
M. Sc. (Australia), B.Sc. Hons (UK), MCIM (UK)
Jt. Managing Director
Please refer page No.34 for the profile



Mr. Priyantha Abeygunawardana
MBA, LLM, LLB, FCA, FCMA, FCCA, MCIM, Attorney-at -Law
Director/ General Manager
Please refer page No. 34 for the profile

PROFILES of the Executive Management (Contd...)

Marketing - Rubber Sector



Mr. Sanjeewa Weerakkodi

MBM, BA (Hons) (Economics), ACIM

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 an Associate Member of the Chartered Institute of Marketing, UK. Previously he worked in a rubber products manufacturing Company registered under BOI for two years.



Mr. Chanuka Jayasinghe

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

Marketing Manager

Mr. Chanuka Jayasinghe is the Marketing Manager for rubber sector. He is responsible for searching new international markets and developing local distribution network for Samson Rubber branded products. He previously worked for Microcells (Pvt) Ltd as a Senior Executive, International Marketing. Chanuka has over five years' experience in marketing rubber products combined with his four years' experience in the hospitality industry in Australia. He possesses a Master's degrees in Professional Accounting from the University of Ballarat, Australia and Business Management from University of Jayawardanapura. He also has a Bachelor's degree in Business Management from the University of Bangalore, India.



Mr. Saminda Madushanka

Marketing Executive

Mr. Saminda Madhusanka joined Samson international Plc on 1st of January 2019. He had 6 years experience as a Marketing Executive in the field of Construction at Geed Technologies (Pvt) Ltd.. He oversees the Local Market.



Mr. Asith Withanawasam

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

Marketing Executive

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

PROFILES of the Executive Management (Contd...)

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 in 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. Janaka Sapukotana
Institutional Sales Manager

Mr. Sapukotana joined Samson International in October 2016 to handle the PVC projects. Previously he worked at Arpitech (Pvt) Ltd. as Sales Executive for 15 years from 2000 to 2016. He studied at Prince of Wales College, Moratuwa. At present, he oversees Water Board and government tenders.

PROFILES of the Executive Management (Contd...)



Mr. Pradeep Indika Somapala
Regional Manager

He has worked 14 years at Kamal PVC Industries (Pvt) Ltd and 2 years at Apex Combine (Pvt) Ltd. He works as the Regional Manager for the Western South. He studied at Vidyadarshi Maha Vidyalaya, Anuradhapura. He has experience working in many provinces in the Island. He joined Samson International PLC in December 2015.



Mr. M. Z. Ziyad
Regional Manager

He has worked 2 years at Kamal PVC Industries (Pvt) Ltd., 1 years 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 joined Samson International PLC in December 2015.

Commercial



Mr Naveendra Kumara

MBA, MAAT, Dip in Business Mgt.

Manager - Commercial

Mr. Navindra Kumara has over 29 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

Executive, Research and Development, Galle and Kalutara Rubber Factories

Mr. Siriwardana has over 27 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.

PROFILES of the Executive Management (Contd...)



Mr. D.K. Dilan Madhushanka

Dip. in Rubber 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 three years from February 2015 to January 2018.

Finance



Mr. Sisira Abeywickrama

B.Sc.(B.Ad.)Sp, ACA

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 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 eight years post qualifying experience as a Chartered Accountant.

Production



Mr. Namal Nishantha

B.Sc., Dip. in Rubber Technology

Assistant General Manager - Production

He is the Assistant General Manager – Production for 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 is 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 Factory

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.

PROFILES of the Executive Management (Contd...)



Mr. M. A. P. Janakantha

Dip. in Engineering Science; Dip. in Rubber Technology

Executive, Production, Baddegama and Kalutara Factories

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 23 years' technical experience, of which 21 years has been at Samson International Plc. At present, he is the Production Executive at the Baddegama and Kalutara factories.



Mr. Himlal Jayaranga

MBA, B.Sc. Engineering (Hons), AMIE

Production Manager

Mr. Jayaranga 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 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.

Quality Assurance



Mr. Kasun Ranasinghe

M.Sc. (Polymer Science & Technology), MBA (UK), B.Sc.

Executive - Quality Assurance

Mr. Kasun is the Head of Quality Assurance department and holds an M.Sc. Degree from the University of Sri Jayewardenapura, MBA from the University of Wolverhampton and a B.Sc. from the University of Colombo. He has joined Samson International Plc in 2019. Previously, he worked as Product-Process Development Executive at ACL Plastics PLC, Ekala for nearly two years and as Assistant Manager Research and Development at Kamal PVC Industries Pvt. Ltd., Ratmalana for one and half years. He studied in Taxila Central collage, Horana and Kalawana National School.

Engineering



Mr. Nilantha Jayalal Gamage

Dip. in Technology; PgDMM

Executive, Engineering

Mr. Nilantha Jayalal holds a National Diploma in Technology from the University of Moratuwa and has completed his Postgraduate Diploma in Manufacturing Management at the University of Colombo. He worked at Brollo Pipes and Profile Ltd, Nigeria, as Mechanical Engineer for two years prior to joining Samson International Plc in 2012. He is the Head of the engineering department.

PROFILES of the Executive Management (Contd...)



Mr. Sudeshpriya Gamage

Dip. in Technology

Executive, Engineering

Mr. Sudeshpriya Gamage joined as 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.

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. She holds a Diploma in Human Resource Management from NIBM and has over 28 years of experience in Human Resource Management.

Logistics



Ms. Piumangani Seneviratne

BMS (Sp) (OUSL), Dip. in Mgt (OUSL)

Manager - Logistics

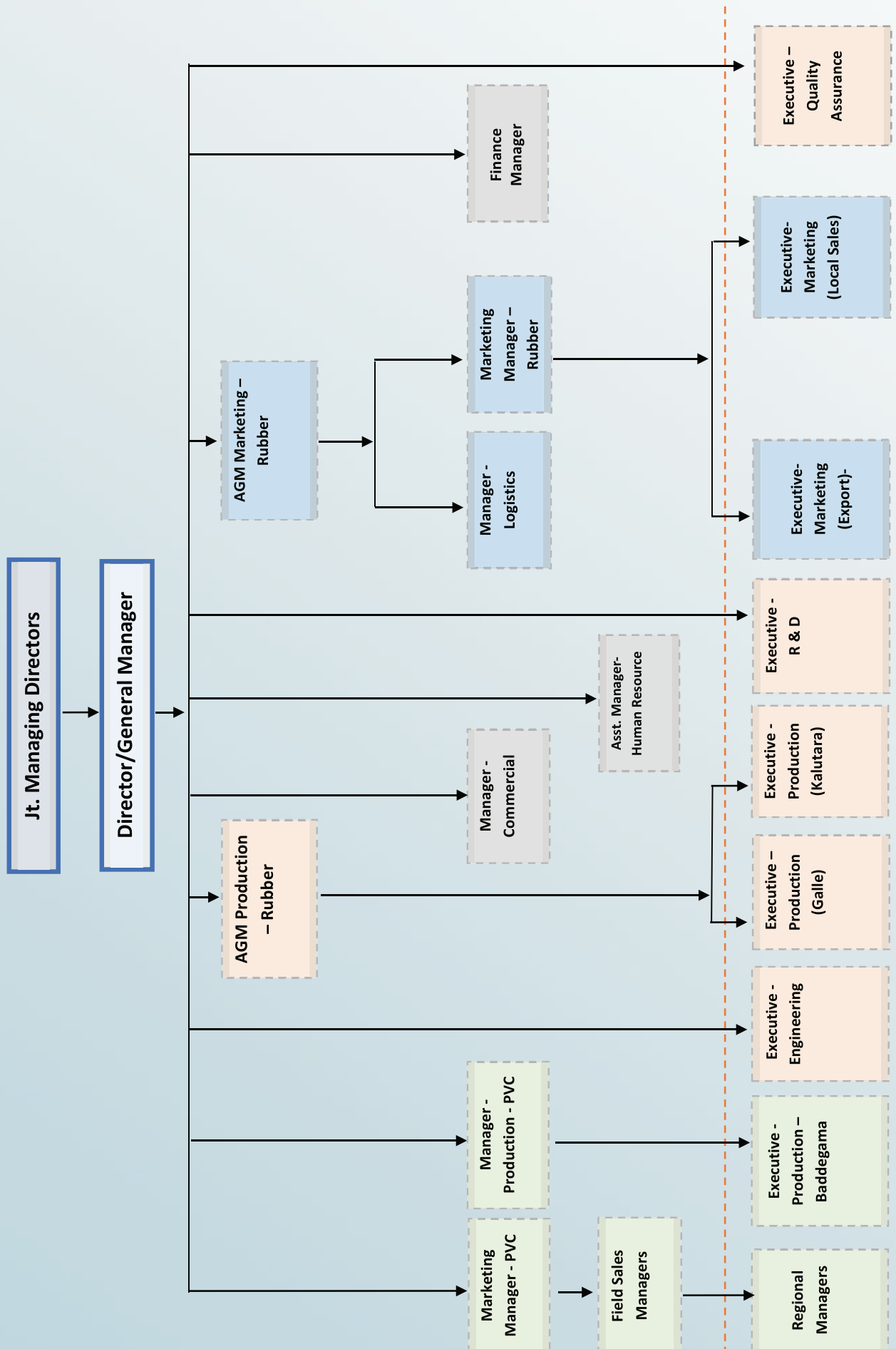
Ms. Seneviratne handles the logistic operations of the rubber sector. She joined Samson International Plc in 1995 and has held several managerial positions in the shipping, export and supply departments. She was in the export department from 1995 to 2010. She holds Bachelor of Management Studies (Special) Degree and a Diploma in Management from the Open University of Sri Lanka.

Analysis of Educational and Professional qualifications of the Executive Management as at 31st March, 2022

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

PROFILES of the Executive Management (Contd...)

Organization Structure



REVIEW

of the External Environment

“Sri Lanka has to face the looming debt repayments, sovereign rating downgrade, pressure on the exchange rate, inflation, availability of essential goods such as fertilizer, cements, medicine and increase in oil prices”.

Sri Lanka Economy

Sri Lankan economy was adversely affected during the Covid pandemic even though a significant control of the COVID-19 epidemic in the country is achieved. As the end of April 2022, Sri Lanka accounted for 663,239 active COVID-19 cases, while recovered individuals totaled 646,15 and fatalities related to COVID-19 amount to 16,503 individuals. Approximately 71% of the total population in Sri Lanka are fully vaccinated. It is understood that contributing to the control of COVID-19 is the responsibility of every citizen as well as every governmental, non-governmental and private institutions.

GDP Growth Statistics

According to the GDP statistics published by the Department of Census and Statistics in Sri Lanka in quarter 3 of 2022, the GDP growth rate for third quarter 2022 indicated a negative growth rate of -1.5%. Agriculture, Industry, Services contributed to the GDP by 1.7%, (- 2.1%), and 1.6%, respectively. However, as per the Central Bank of Sri Lanka, the economy of Sri Lanka is expected to grow by +5.5% in 2022. Further, as per the forecast of International Monetary Fund, Sri Lanka's GDP growth is expected to be 3.3% in 2022. S&P Global Ratings estimates a GDP growth of 2.2% in 2022.

Foreign Currency Reserves

As of 31 December 2021, the Official Reserve Assets in Sri Lanka amounted to USD 3.2 Bn, and the Foreign Currency Reserves amounted to USD 2.8 Bn. From 01st of January 2022 up to 01 February 2022, the Sri Lankan rupee depreciated

against the US dollar by 0.4%. The Sri Lankan rupee appreciated against the Euro by 1.1% and the pound sterling by 0.4% during the same period.

Export Sector

According to the statistics published by the Export Development Board, Sri Lanka's merchandise exports in January-December 2021 amounted to USD 12,475.29 Mn, indicating y-o-y growth of 24.17%. Export Earnings in November 2021 amounted to USD 1,211 Mn, which is a growth of 54.6% compared to November 2020. The export volume index increased by 36% and the unit value index increased by 13.7% in November 2021. Between January-December 2021, 194,495 tourist arrivals were recorded in Sri Lanka, which is a decline of 61.7% compared to the previous year.

Our largest customer is in Germany with whom we have been doing export business since inception of the Company. Sri Lanka exported to Germany goods amounting to Euro 778,138,000 in Jan-Nov 2021, compared to Euro 669,958,000 in the same period of the previous year, indicating an increase of +16.1%.

Import Sector

Sri Lanka merchandise imports for the period January-November 2021 increased to USD 1,765 Mn, indicating a growth of 27.5% y-o-y. In November 2021. However, import volume decreased by 3.1% while the unit value indices increased by 23.6%.

Sri Lanka imports from Germany in Jan-Nov 2021 increased by +11.0% to Euro 238,121,000 compared to Euro 214,495,000 during the previous year. Our largest customer is based in Germany.

Guidelines and regulations

Central Bank Issued new Rules on Conversion of Export Proceeds. According to the new rules published by the

REVIEW of the External Environment (Contd...)

Monetary Board of Sri Lanka, exporters of goods and services are required to convert the residual foreign currency into LKR upon meeting the following authorized payments:

- a) outward remittances in respect of current transactions.
We did outward remittances.
- b) withdrawal in foreign currency notes for travel purposes.
However, we didn't go for foreign travel during the Corona pandemic time.
- c) repayment of foreign currency loans. We settle foreign currency loans every month.
- d) purchases of goods and obtaining services including one month commitments.
- e) investing up to 10% of the export proceeds in Sri Lanka Development Bonds.

In addition to above, mandatory conversion of the residual must be affected by the 7th day of the following month subject to the 180-day rule (which-ever comes first) and we followed it.

Further, on 19 January 2022, the Monetary Board of Sri Lanka decided to adopt the following policy measures with the view to strengthen macroeconomic stability:

1. increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 50 basis points each, to 5.50 per cent and 6.50 per cent. This has an impact on our interest rates.
2. distribute the financing of essential import bills for fuel purchases among the licensed banks in proportion to their foreign exchange inflows.
3. extend the payment of an additional LKR 8.00 per US dollar for workers' remittances paid in addition to the incentive of LKR 2 per US dollar offered under the "Incentive Scheme on Inward Workers' Remittances" until 30 April 2022. This is not applicable to our Company.

The Monetary Board of the Central Bank again decided to increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 100 basis points each, to 6.50 per cent and 7.50 per cent on 03rd March 2022. This will have a greater impact on our interest rates.

The Monetary Board of the Central Bank of Sri Lanka also increased SDFR and SLFR by 700 basis points on 08 April 2022. Now revised SDFR and SLFR are 13.50% and 14.50% respectively. As a result, our finance cost will increase significantly in the year 2022/23.

In the case of Saubhagya relief scheme introduced by Central Bank of Sri Lanka last year, to support the affected businesses during the Corona period, the Company obtained a loan of Rs. 50 Mn under this scheme at an interest of 4%. We have not utilized any leasing facilities to purchase any assets.

Inflation

On year-on-year basis, Colombo Consumer Price Index (CCPI) based headline inflation continuously increased to 29.8% in April 2022 from 18.7% in March. Food inflation increased to 46.6%, while Non-Food inflation increased to 22.0%.

Interest Rate

In mid-January 2022, Sri Lanka has increased its benchmark by 50 bps from 5.00% to 5.50% in Standing Deposit Facility Rate (SDFR) and from 5.50% to 6.50% in Standing Lending Facility Rate (SLFR). In keeping with this policy stance, the Central Bank expected a corresponding increase in interest rates, particularly in deposit rates, thereby encouraging savings, while discouraging excessive consumption, which also fuels imports.

The weekly Treasury bill rate was initially around 8.5% and now it is 24%. We could see upward trend of AWPLR since September 2021 which has increased from 5.75% to around 14% at present. One year Bank Fixed Deposit rates went up to 13%.

Sri Lanka Government debt

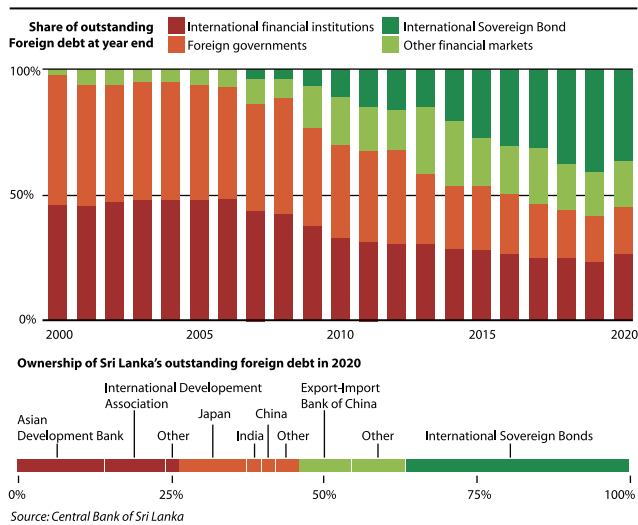
During the ten-year period from 2004 to 2014, the government debt as a percentage of GDP declined from 102% to 71%. During this period, foreign debts reduced from 48% to 30%. However, subsequent five year period ended 2019, this went up to 85% of the GDP. The foreign debts in this period went up from 30% to 42%. During the last five year period, there was no significant change in domestic debts.

The Government introduced some tax cuts at the end of 2019 and it decreased government revenue by about 25% that

REVIEW of the External Environment (Contd...)

leads to a rating downgrade in mid-2020 and locked Sri Lanka out of the world financial markets. But it has continued then to pay its international bond holders and speedily declined its reserves. So Reserves fell from over 4 months to under 1 month by November 2021. Sri Lanka now got into this situation being unable to borrow in international financial markets while continuing to service its debt.

Sri Lanka's foreign debt



Meanwhile, Sri Lanka had hope in China in two ways. China has built a very impressive Port City in Sri Lanka. In 2020 and 2021, Sri Lanka authorized sweeping concessions on taxations and regulations that hugely incentivized or gave better terms of treatment to investors in the port city. There was an expectation then that Sri Lanka's debt repayment problems would be solved because the reserves would be built up by investments to the Port City. However, it did not yet materialize and today Sri Lanka is seeking a more limited assistance of restructuring the other bilateral debt they have with China. With regard to indebtedness, Sri Lanka has about 23% of its international debts with China. However, the most critical debt for Sri Lanka is the severing bonds. This accounts for at least 40% of the international debt. Some are of the view that it is a strategic mistake to expect one country to bail them out and provide these kind of regular tax concessions which are not necessarily optimal for the economy.

As we know, Sri Lanka does not have a source of funding to solve this current debt problem. Therefore, Central Bank has suspended the debt payments and try to restructure the debt like Ecuador, Argentina even did last year and seek to build back the confidence of international markets through appropriate economic reforms, build up the reserves and the ratings. Since there is no one coming to rescue Sri Lanka at this stage, the government of Sri Lanka met with the Managing Director of International Monetary Fund (IMF) Kristalina Georgieva on the 18th of April at IMF Headquarters in Washington DC. The IMF has commended on the steps already taken by us to mitigate the financial situation in Sri Lanka. IMF has assured their fullest support to Sri Lanka and a positive response has also been received to expedite the process to strengthen the support extended towards Sri Lanka. This is perhaps a lesson to learn that we have to govern our country and manage economy better. With bad governance and management, any country cannot be rescued through international help and the cost of trying to attempt such a rescue can be too high.

As per corruption perception index published by Transparency International, Sri Lanka has been downgraded from 94 in 2020 to 102 in 2021 out of 180 countries. We earned 37 scores out of 100. The ranking of our competitors India, China, Bangladesh, Pakistan and Indonesia are 85, 66, 147, 140 and 96 respectively. Similarly we noted that ranking of five largest buyers in Germany, United Kingdom, Japan, Canada and South Africa are 10, 11, 18, 13 and 70 respectively.

Ease of doing business ranking

It is noted that Sri Lanka improved the Ease of doing business ranking from 100 to 99 out of 190 countries with a DTF score of 61.8. China has improved it tremendously and India and Pakistan also improved their positions in 2019 compared to the previous year. New Zealand, Singapore and Hong Kong ranked first three places. It is noted that we are behind all countries in the Asia other than Pakistan. The ease of doing business ranking of our competing countries for our rubber products are given on page 49.

REVIEW of the External Environment (Contd...)

DB Rank			DB Score	
2019	2020	Economy	2019	2020
27	21	Thailand	80.1	79.5
43	33	Turkey	75.3	76.8
73	73	Indonesia	68.2	69.6
46	31	China	74.0	77.9
61	56	Kenya	71.0	73.2
77	63	India	67.5	71.0
100	99	Sri Lanka	61.8	61.8
136	108	Pakistan	55.5	61.0

The ranking given for Sri Lanka in each criteria for the calculation of ease of doing business is shown below. In order to encourage foreign investments in to the country, we need to improve each criteria tremendously.

Criteria		Ranking out of 190 countries
1	Starting a Business	85
2	Dealing with Construction Permits	66
3	Getting Electricity	89
4	Registering Property	138
5	Getting Credit	132
6	Protecting Minority Investors	28
7	Paying Taxes	142
8	Trading across Borders	96
9	Enforcing Contracts	164
10	Resolving Insolvency	94

Sri Lanka Economic Outlook for next year

We have to face the looming debt repayments, sovereign rating downgrade, pressure on the exchange rate, inflation, availability of essential goods such as fertilizer, cements, medicine, etc and also pressure from UN Human Rights Council. Oil prices are also expected to be further increased in 2022 due to the war between Russia and Ukraine. All these will add to concerns over the trade balances.

We should therefore introduce implementation of effective structural reforms, along with the picking up of government revenues and a rationalisation of government expenditures and successful management of public debt in the period

ahead for sustainability. Poverty alleviation could be successful if middlemen between the producer and consumer could be eliminated. Financial markets should be more proactive to support the growth ambitions of the government. The relationship between the private sector and the government should be envisioned as being a co-ordinated growth-oriented approach.

From the current resistance for the products from China in the global market and also for the short supply for the products from India due to the Corona Pandemic, we should also exploit all global opportunities through our research and development capabilities.

Global Economic Outlook

The world population is around 8 billion and it is currently growing at a rate of around 1.05% per year and an average increase of 81 million people per year. Last few years, Corona virus spreaded almost every country and the global economy was severely affected. As at 08th March 2022, there were 448 Mn Corona cases (6% of the world population) and 6 Mn of deaths. No of patients recovered in the world are 382 Mn. The number of Corona cases, deaths and recoveries as at end of April 2022 in Sri Lanka are 663,239, 16,503, 646,115 respectively. The mostly affected country from Corona pandemic is given below. This includes the Germany and UK to where we export in large volumes and also India who is our competitor.

	Country	Total Cases	Total deaths	Total Recovered
1	USA	80,979,977	985,914	55,013,011
2	India	42,971,308	515,241	42,406,150
3	Brazil	29,069,469	652,418	27,179,192
4	France	23,071,822	139,451	21,738,104
5	UK	19,245,301	162,147	18,022,989
6	Russia	17,014,818	356,949	14,690,595
7	Germany	15,951,350	124,716	12,525,000

The population, density, land area, urban population % and world share of population in our major exporting and potential countries are given on page 50.

REVIEW of the External Environment (Contd...)

Country	Population 2022	Density (P/Km ²)	Land Area (Km ²)	Urban Pop %	World Share
China	1,439,323,776	153	9,388,211	61%	18.47%
India	1,380,004,385	464	2,973,190	35%	17.70%
United States	331,002,651	36	9,147,420	83%	4.25%
Pakistan	220,892,340	287	770,880	35%	2.83%
Japan	126,476,461	347	364,555	92%	1.62%
Germany	83,783,942	240	348,560	76%	1.07%
United Kingdom	67,886,011	281	241,930	83%	0.87%
France	65,273,511	119	547,557	82%	0.84%
South Africa	59,308,690	49	1,213,090	67%	0.76%
South Korea	51,269,185	527	97,230	82%	0.66%
Canada	37,742,154	4	9,093,510	81%	0.48%
Saudi Arabia	34,813,871	16	2,149,690	84%	0.45%
Australia	25,499,884	3	7,682,300	86%	0.33%
Sri Lanka	21,413,249	341	62,710	18%	0.27%
Netherlands	17,134,872	508	33,720	92%	0.22%
Sweden	10,099,265	25	410,340	88%	0.13%

Source: worldometer

China and India have the highest population in the world. The gap between third (USA) and second highest (India) population is more than 1 billion and it is very much wide. China and India take 36% of the global population. Canada and Australia have the lowest density P/Km² around 4. We noted that our urban population percentage is very low compared to the developed countries.

By looking at the table on right side, Sri Lanka has been far behind from growth of per capita income during the period of last 71 years. Therefore, we need to find the root causes, take corrective actions and right economic policies in the future.

Country	1950	2021 Projected
Japan	90	35,200
Singapore	35	59,500
Korea	54	27,490
Sri Lanka	89	4,100

Japan has 9 times of per capita income of Sri Lanka and Singapore has 15 times. Singapore has more than 2 times of per capita income of Korea.

REVIEW of the External Environment (Contd...)

The GDP, GDP growth %, GDP per capita and share of world GDP in first 15 countries of 2017 are given below.

Country	GDP	GDP growth	GDP per capita	Share of World GDP
United States	\$19.485 trillion	2.27%	\$59,939	24.08%
China	\$12.238 trillion	6.90%	\$8,612	15.12%
Japan	\$4.872 trillion	1.71%	\$38,214	6.02%
Germany	\$3.693 trillion	2.22%	\$44,680	4.56%
India	\$2.651 trillion	6.68%	\$1,980	3.28%
United Kingdom	\$2.638 trillion	1.79%	\$39,532	3.26%
France	\$2.583 trillion	1.82%	\$39,827	3.19%
Brazil	\$2.054 trillion	0.98%	\$9,881	2.54%
Italy	\$1.944 trillion	1.50%	\$32,038	2.40%
Canada	\$1.647 trillion	3.05%	\$44,841	2.04%
Russia	\$1.578 trillion	1.55%	\$10,846	1.95%
South Korea	\$1.531 trillion	3.06%	\$29,958	1.89%
Australia	\$1.323 trillion	1.96%	\$53,831	1.64%
Spain	\$1.314 trillion	3.05%	\$28,175	1.62%
Mexico	\$1.151 trillion	2.04%	\$9,224	1.42%
Sri Lanka	\$87.36 billion	3.31%	\$4,135	0.11%

Source: worldometer

40% of the world GDP is taken by two countries namely United States and China. Although, India take 5th position in GDP ranking, their per capita income is lower than even Sri Lanka. We have noted that we have customers more than 50% in the top 15 GDP countries in the world. GDP of Sri Lanka is USD7.36 billion and per Capita income is USD 4,135.

Impact to the Economy from Russia's invasion of Ukraine
Russia started invasion of Ukraine on 24th February 2022. Due to this war, the global and Sri Lankan economy will adversely affect in the next financial year. Sri Lanka's trade with two warring nations Russia and Ukraine, especially tea exports, are at stake. Lankan tea exporters were concerned with the suspension of services to Russia, a key market. Sri Lanka's exports in 2020 to Russia amounted to \$ 163 million or 1.6% of the total but tea exports amounted most of it at \$ 132 million. Russia is also a key import source with \$ 232

million in 2020. Tea exports to Ukraine were \$ 24 million in 2020 out of total exports of \$ 29 million. Imports from Ukraine amounted to \$ 76 million. The world's three biggest container lines would suspend cargo shipments to and from Russia in response to Western sanctions on Moscow following its invasion of Ukraine. It is noted that Visa Inc. and Master card Inc have blocked multiple Russian financial institutions from their network. Russia's invasion of Ukraine has sent energy prices surging, but the oil-rich Gulf monarchies have so far resisted Western pressure to raise output, prioritising their own strategic and economic interests. The price of a barrel of West Texas Intermediate crude topped to more than \$115 at the beginning of March 2022 which is the highest since 2008. In the midst of adverse impact from Corona pandemic and Russia's invasion of Ukraine, the World Economic Outlook Projections are given on page 52.

REVIEW of the External Environment (Contd...)

	Estimate	Projection	
	2021	2022	2023
World Output	-3.5	5.5	4.2
Advanced Economies	5.0	3.9	2.6
United States	5.6	4.0	2.6
Euro Area	5.2	3.9	2.5
Germany	2.7	3.8	2.5
France	6.7	3.5	1.8
Italy	6.2	3.8	2.2
Spain	4.9	5.8	3.8
Japan	1.6	3.3	1.8
United Kingdom	7.2	4.7	2.3
Canada	4.7	3.1	2.8
Other Advanced Economies	4.7	3.6	2.9
Emerging Market and Developing Economies:	6.5	4.8	4.7
● Emerging and Developing Asia	7.2	5.9	5.8
China	8.1	4.8	5.2
India	9.0	9.0	7.1
ASEAN	3.1	5.6	6.0
● Emerging and Developing Europe	6.5	3.5	2.9
Russia	4.5	2.8	2.1
Latin America and the Caribbean	6.8	2.4	2.6
Brazil	4.7	0.3	1.6
Mexico	5.3	2.8	2.7
Middle East and Central Asia	4.2	4.3	3.6
Saudi Arabia	2.9	4.8	2.8
Sub- Saharan Africa	4.0	3.7	4.0
Nigeria	3.0	2.7	2.7
South Africa	4.6	1.9	1.4

Source: IMF, World Economic Outlook, 2021

Based on the above, the estimated world economy for 2021 is 5.9% and the projected world output for the year 2022 and 2023 are 4.4% and 3.8% respectively. Projected world output of all the countries in advance economies will be on the decline. India and China have the highest growth rate for the year 2021 with 9% and 8.1%. However, as per the Central Bank of Sri Lanka, the economy of Sri Lanka is expected

to grow by +5.5% in 2022. Further, as per the forecast of International Monetary Fund, Sri Lanka's GDP growth is expected to be 3.3% in 2022. S&P Global Ratings estimates a GDP growth of 2.2% in 2022.

Many countries, particularly low-income developing economies, entered the crisis with high debt during the pandemic. The

REVIEW of the External Environment (Contd...)

global community needs to continue working closely to ensure adequate access to international liquidity for these countries.

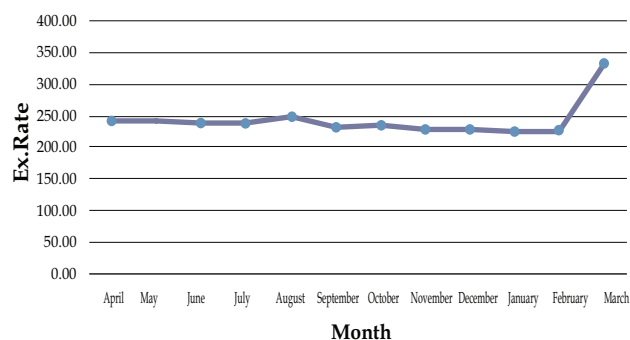
Where sovereign debt is unsustainable, eligible countries should work with creditors to restructure their debt under the Common Framework agreed by the G20.

	Country	% of Government Debts out of GDP
1	USA	98.8
2	Japan	193.4
3	UK	113.8
4	South Africa	23.6
5	Australia	0.1
6	Singapore	109.2
7	India	50.3
8	Russia	14.2
	Sri Lanka	77.7

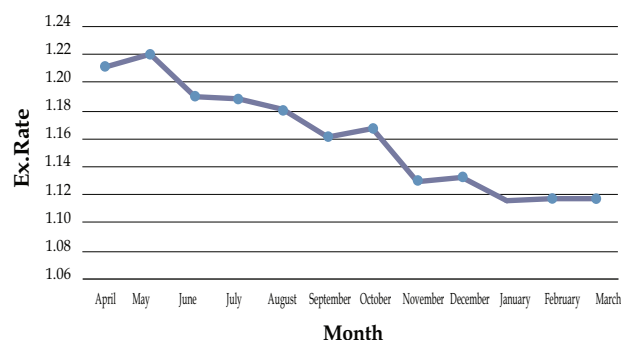
Our debt to GDP percentage is 77.7%. Japan has the highest debt to GDP percentage of 193 and Australia has the lowest of 0.1%. Therefore, we need to increase government revenue through suitable tax increases on a sustained basis, introducing measures to discourage non-essential and non-urgent imports and monetizing the non-strategic and underutilized assets.

Central Bank of Sri Lanka allowed a greater flexibility in the exchange rate with effect from 08th March 2022. The Central Bank was of the view that forex transactions would take place at levels which are not more than Rs. 230 per US dollar. The Central Bank had wanted to closely monitor the developments in the domestic foreign exchange market and make appropriate policy adjustments accordingly. The rupee is trading in the kerb market around LKR 249 to the US dollar. Subsequently and now it is LKR 353.

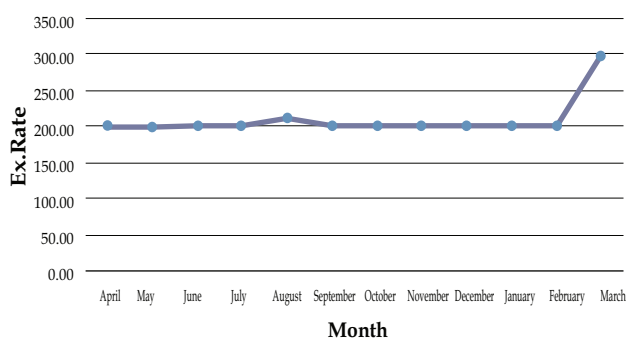
Average Exchange Rate
EUR to LKR (2021/22)



Cross Exchange Rate
EUR to USD (2021/22)



Average Exchange Rate
US\$ to LKR (2021/22)



RUBBER

and PVC Industry

“Sri Lanka prides itself 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 in. Those are rubber industry and the PVC industry. However our core business is the rubber products which are sold in the export market as well as in the local market. PVC products are sold only in the local market.

Rubber Industry

Rubber exporters faced the delay in shipments, shortage of vessels, increased freight rates and clearance from the port without demurrage which has become a common challenge for all businesses even at present. In terms of the ongoing foreign exchange crisis, Companies that do not have over 50% exports are faced with serious challenges with insufficient forex cash flows. Freight has increased around 150% and this has to be borne by the manufacturer in both ways, one during importation and second when exporting. It is suggested to provide freight rebate for certain products and fuel duty concessions to give breathing space for businesses with thin margins such as in India.

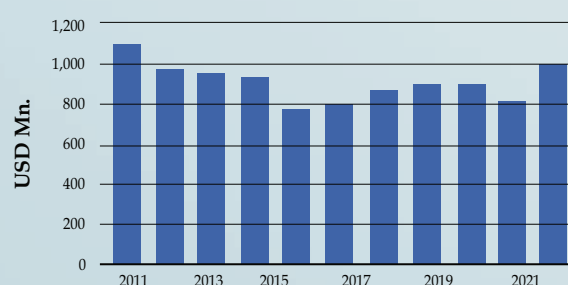
Sri Lanka is renowned for its production of high-quality natural rubber and rubber-based products as the pioneer of the global Natural rubber industry. Products made in Sri Lanka are internationally accepted for their durability and superior quality. Initiated by the planting of 1,919 seedlings in 1876, the Sri Lanka rubber industry has given birth to an outstanding and profitable supply chain. Throughout the years, the industry has paved its way to niche market-based products such as solid tires, sole crepe for shoes, and high-quality surgical gloves and other gloves. 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.

Export earnings from Rubber & Rubber finished products increased by 33.87% to USD 1,092.60 Mn in Jan-Dec 2021. Pneumatic & Retreated Rubber Tyres & Tubes (40.4%) and industrial & surgical gloves (47.11%) accounted for the increase in export earnings from rubber-based products.

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 whilst Samson International Plc earns more than Rs. 1 Bn per year from exports of rubber-related products such as sealing rings, hot water bottles and mats & floorings etc in the last year.

Despite exports crossing \$ 1 billion mark last year, rubber sector is being rattled by regression owing to multiple issues. Therefore, we urge Government to intervene to ensure our survival. Unavailability of raw materials locally, high freight charges both ways in import and exports, clearing shipments, foreign exchange and energy crises, ad-hoc labour rules. We are right now in a position where we are forced to import natural rubber and latex for manufacturing. If we had sufficient raw material available in the local market we could have saved a lot of foreign exchange.

**Rubber-based products sector
2011 - 2021**



RUBBER and PVC Industry (Contd...)

Although rubber and rubber-based product exports last year surpassed \$ 1 billion mark and becoming the second largest earner, local natural rubber production has dropped sharply by 40% to 75,000 tons (75 million kilos) with lack of attention given to replanting efforts. Previously raw rubber was being exported without any value addition, but now there is hardly any that goes out in raw form as all industrialists give a substantial value addition before exporting. Therefore, sufficient replanting efforts should be taken place to ensure production of raw materials necessary for industry development. Two years back, the Government initiated a replanting program in Monaragala with the assistance from France where 5,000 hectares were cultivated and it is benefitted the exporters immensely. Such programs are key for the sustainable development of the sector. Replantation of rubber should be a long-term policy because buyers also ask for short delivery periods. The glove manufactures are full of orders during the post-COVID, but they had now to import latex because of the non-availability.

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.

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. The competent workforce with right attitudes and training will be more productive resulting enhanced earnings and lower turnover making the rubber industry more attractive for employment. The rubber sector needs more investments, private and public, foreign and

local, and thereby common industry infrastructure facilities will improve. Collaboration among industry players in pre-competitive areas will lead to synergistic effects in industry operations.

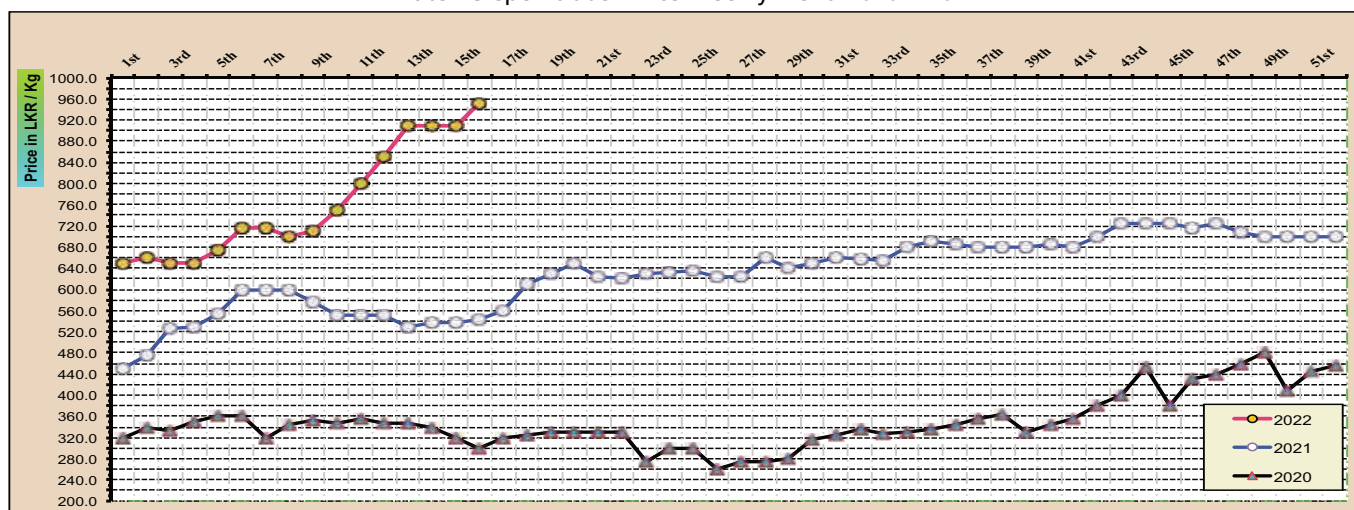
As per the Sri Lanka Rubber Industry Master Plan, an agreed approach to industry growth 25 projects and 10 necessary programs would be implemented across the island with the view to developing rubber cultivation and product manufacturing in identified locations. A part of the ambitious program, Rubber City is a dedicated rubber industrial park that will be established with a satellite network of auxiliary facilities to develop rubber products for niche markets.

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, 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 produces most of these products.

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 goes 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 further 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 Corona situation in Sri Lanka and other competing countries.

RUBBER and PVC Industry (Contd...)

Latex Crepe Rubber Price Weekly Trend 2020 ~ 2022



The above rubber graph indicates that the rubber prices have increased from Rs. 260 in July 2020 to Rs. 960 in April 2022 in an unprecedented way. It has increased by 269% during last one and half years. The crepe price at the end of December in 2019, 2020 and 2021 are Rs. 340, Rs. 460 and Rs. 720 respectively. This rubber price is equivalent to USD 1.90 in 2019, USD 2.30 in 2020 and USD 3.55 in 2021.

Projected outputs (Raw Rubber) in 2024

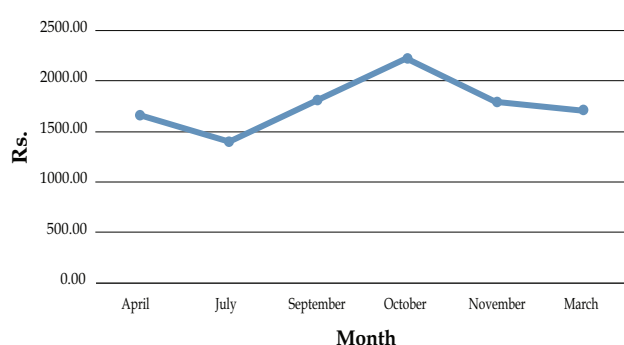
Indicator	Unit	2019	2024
UPSTREAM			
1. Total Rubber Extent	Ha	150,500	169,000
2. Mature Rubber Extent	Ha	97,930	97,000
3. Average Rubber Yield	Kg/Ha	1,042	1,046
4. Raw Rubber Production (Projections at 4% ARP)	MT	102,000	101,070
5. Raw Rubber Export	MT	18,000	15,570
6. Local Raw Rubber Internal Consumption	MT	84,000	85,500
7. Value of Locally Consumed Local Rubber	\$M	273	318
8. Export Income from Raw Rubber	\$M	63	64
9. Total Value of Raw Rubber Produced	\$M	336	382
IMPORTS			
10. Raw Natural Rubber	MT	55,000	65,000
11. Synthetic Rubber (40% for rubber products)	MT	23,000	69,000
12. Semi-Processed Rubber (20% of gross weight)	MT	6,000	7,000
DOWNSTREAM			
13. Total quantity of Rubber(NR+SR) Consumed	MT	168,000	226,500
14. Rubber Products value of exports	\$M	1700	3000
15. Rubber Products value of local sales	\$M	240	300
16. Rubber products – Aggregate Turnover	\$M	1,940	3300
17. Value of rubber wood based products sold	\$M	157	289
18. Total Industry Turnover	\$M	2,433	3,971
LOCAL MARKET FOR PRODUCTS			
19. Value of rubber products imported	\$M	250	275
20. Local market for rubber products	\$M	490	575

RUBBER and PVC Industry (Contd...)

PVC Industry

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 pipes manufacturing Companies too face the delay in shipments, shortage of vessels, increased freight rates and clearance from the port without demurrage. In terms of the ongoing foreign exchange crisis, companies that do not have exports are faced with serious challenges with insufficient forex cash flows to import raw materials. Samson International Plc managed with a great difficulty with the export proceeds of rubber sector to bring back the raw material for PVC sector. During the year, all key players increased the prices more than six times in order to cover their raw material cost. Further, during the Corona pandemic, sales dropped due to closure of hardware shops, provincial restrictions and decrease in disposable income of the consumers. PVC pipes industry also faced a huge challenge due to shortage of fertilizer and cements. This resulted to drop in sales in irrigation pipes and pressure pipes. Further, the number of Water Board tenders also decreased during the Covid-19 pandemic. Construction industry is being severely affected due to the prolonged power cut and shortage of fuel.

Purchase Price per Resin MT in USD (2021/22)



Global Industry - Rubber and PVC

Natural rubber production worldwide in 2020 amounted to almost 13 mn metric tons. This is a significant increase since 2000, when a total of around 6.8 mn metric tons of natural rubber was produced globally. In 2018, 91 percent, or 12.64 million tons of the world's natural rubber was produced in Asia Pacific. In a distant second place, 6.5 percent of the world's natural rubber was produced in Europe, the Middle East, and Africa. During the period of time from 2018 to 2019, the consumption of natural rubber in the end form of tires and tubes was estimated to be 864,000 metric tons worldwide.

During that time period, the consumption of general rubber goods made out of natural rubber was estimated to amount to a further 348,000 metric tons worldwide.

Thailand produced 4.37 million metric tons of natural rubber in 2020, making it the leading producer of natural rubber worldwide. This was followed by Indonesia, which produced 3.04 million metric tons. Both countries experienced production declines in 2020 as a result of the COVID-19 pandemic.

Despite being the largest producers of this commodity, Thailand and Indonesia consumed less than one million metric tons of natural rubber in 2020. In comparison, China consumed 5.4 million metric tons, making it the world's largest consumer of natural rubber by far.

In the case of 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 amounted reached over 14.4 million metric tons in 2020.

The total global production volume of polyvinyl chloride (or PVC for short, and also known as polychlorethene) in 2018 amounted to 44.3 million metric tons. It is forecasted that the global market size of PVC will grow to nearly 60 million metric tons in 2025.

The consumption volume of polyvinyl chloride (PVC) worldwide from 2016 was 42,931.1 thousand tons, and it is forecasted that the volume will increase to 55,715 thousand tons in 2022.



Rubber Plantation

OPERATING Environment

"In the current operating environment, we need not only to earn foreign exchange from our exports but also to save them from our imports. ..."

We are focusing on earning foreign exchange, but we hardly focus to save them. Dollar saving is not considered much any country. In the current operating environment, we need not only to earn foreign exchange from our exports but also to save them from our imports. But all the industries that are manufacturing with industry substitution are saving the dollars. Industries must also be encouraged to save more dollars, then it will give somewhat consolation for the foreign exchange crisis we are in today. In this context, Samson International Plc reviewed all compound formulas and substituted local raw material wherever possible. Example we used rubber instead of SBR. It has been noted that there is an increase in both exports and imports in the country every year.

Workers' remittances are given an enhanced recognition by the Government. Such incentives should also be extended to the export industries which is the only sector that kept the economy afloat for the past two years amidst unprecedented challenges post-COVID. Ad-hoc labour rules in the export market were also uncalled for, insisting on the Government for a long-term holistic approach to address it.

European Union GSP+ is a massive consolation that exporters have. A lot of the 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.

Sri Lanka has signed investment protection agreements with 26 countries. The following free trade agreements were signed.

1. Sri Lanka has signed free trade agreements (FTAs) with India, Pakistan, and Singapore, and is negotiating an FTA with China. The FTAs with India and Pakistan only cover trade in goods. They provide for duty-free entry and duty preferences for manufactured and agricultural goods. This is very useful for Samson International Plc.
2. Sri Lanka is a member of the South Asian Free Trade Area (SAFTA) and the Asia-Pacific Trade Agreement (APTA). This is very useful for Samson International Plc.

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. Anyone can also take the Southern Expressway to reach the city of Galle by one and half hours from Colombo.

Environmental Compliance

Since we are operating in the international market and some of the products are related to food grade, the operating environment is paramount important. In fact some of our buyers send their audit teams annually to verify our operating environment before placing their orders to us. Further, we are facing from global Corona pandemic now. Therefore, we strictly followed the health guidelines given by government institutions to protect from this virus and to meet on time delivery especially to our overseas customers.

From time to time, Public Health Officers carried out PCR tests among our employees and found all of them were negative. We encourage social distancing in the factory. In order to meet the expected environmental objectives, our factories focus in the areas of Environmental Compliance, Sustainability, Carbon Footprints and Renewable Energy Sources.

OPERATING Environment (Contd...)

We are adhering to all regulatory compliances, standards and environmental laws. Our measures to follow these standards and social compliances, in-house and overseas laboratory tests are continuously carried out in order to retain/ grow our market share for our products.

At present we have the following certifications in relation to the operating environment:

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

- British Standard (BS 1970:2012) for hot water bottles
- TUV Certification for hot water bottles
- SGS test reports for sealing rings
- SATRA, UK Certificate for fire retardant mats
- SATRA, UK Certificate for fire retardant floorings
- Electrical Resistant Certificates from Universities

No incident of non-compliance

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.

Company has not paid significant fine for non-compliance with laws and regulations for the use of products and environmental & marketing communications matters

OPERATING Environment (Contd...)

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			

OPERATING Environment (Contd...)

Sustainability

The concept of sustainability is composed of three pillars: Economic, Social and Environmental and also known informally as Profits, People and Planet. In this regard, our practice is the creation and maintaining the conditions on humans and nature that lead to exist in productive harmony. We will achieve this through the aspirational goals of creating zero waste (Through - Reduce, Reuse, Recycle) and by selling products that sustain our resources and the environment. At present our rubber and PVC waste is less than 3% and we recycle these rubber waste and manufacture reclaim for our rubber products. PVC waste is re-used to produce non-pressure pipes. Solid waste generated from our operations are segregated and disposed with minimal environmental damage. A water purification system has been installed and our factory noise level are within the industry & regulatory norms. The Company has the own paddy field and its harvest is distributed among the villagers. Recently, Company 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 Council™ 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 strives to meet the triple bottom line objectives of social, environmental/ ecological and financial.

Carbon Footprints

We focus on reducing their carbon footprint for social and financial reasons. A carbon footprint means that total emissions caused by an individual, event, organization, or product, expressed as carbon dioxide equivalent.

We received ISO 14001 from Sri Lanka Standard Institute. We hope to have continues improvements in this area and have planned to invest much in the future. Since we are dealing with export business we pay much focus on carbon footprints and other environmental aspects.

Renewable Energy Sources

Failure to understand the economic impact of the ongoing energy crisis would have severe adverse impacts on the rubber manufacturing industries, as an industry which has a high energy consumption. Many factories are operated in fuel-based boilers and only very few use firewood. Thus, any shortage in fossil fuel, or power interruptions reflect in huge losses in rubber manufacturing plants. Machine restart is a huge cost and involves high wastage. Therefore, the energy crisis needs to be looked into with serious attention.

In 2019, Sri Lanka got 35% of its electricity from renewables, mainly from hydropower. By 2030, it wants to increase that figure to 70% by facilitating 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. Plan for a second coal plant to be financed by India, were shelved in 2016 after environmentalists filed a legal challenge. Ruling out further coal power contributes to a target to cut Sri Lanka's greenhouse gas emissions 4% from business as usual by 2030 with national investment and up to 10.5% with international support. The government aims to have a carbon neutral electricity generation system by 2050, according to the document submitted to UN Climate Change recently.

Sri Lanka will stop building coal-fired power plants and double the share of its electricity from renewables by 2030

Samson International Plc is in the process of investing Rs. 105 Mn for a solar project with the assistance from Sunpower Renewables (Pvt) Ltd. This covers the roof of our new stores and factory building in Galle. The area to be utilized provisioning walking path for maintenance is 3,400 m². The proposed solar project is expected to generate Capacity of 751 kW. The expected unit generation per month is 85,611 ± 5% kWh. The expected monthly income year 1 -7 is Rs. 1,883,445

OPERATING Environment (Contd...)

and monthly income year 8 - 20 is Rs.1,252,662. We also plan to do the same for our Baddegama and Kalutara plants in the near future.

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

Energy consumption

	Unit	2021/22	2020/21
Non-renewable sources			
Furnace oil	Litres	415,413	383,735
Diesel	Litres	23,590	7,800

Renewable sources

Electricity from CEB	kwh	1,744,663	2,556,517
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We exports our products mostly to the advanced countries. The advanced countries expect more stringent quality, regulatory compliances, standards and environmental laws. Further, Corona virus has disrupted the global supply chain and it is a scale beyond either SARS in China, floods in Thailand or the earthquakes in Japan. Therefore, this year we need to focus on the health guidelines as well. In conclusion, review of operating environment is extremely important for Sri Lanka as well as Samson International Plc.



SIL product display Gallery

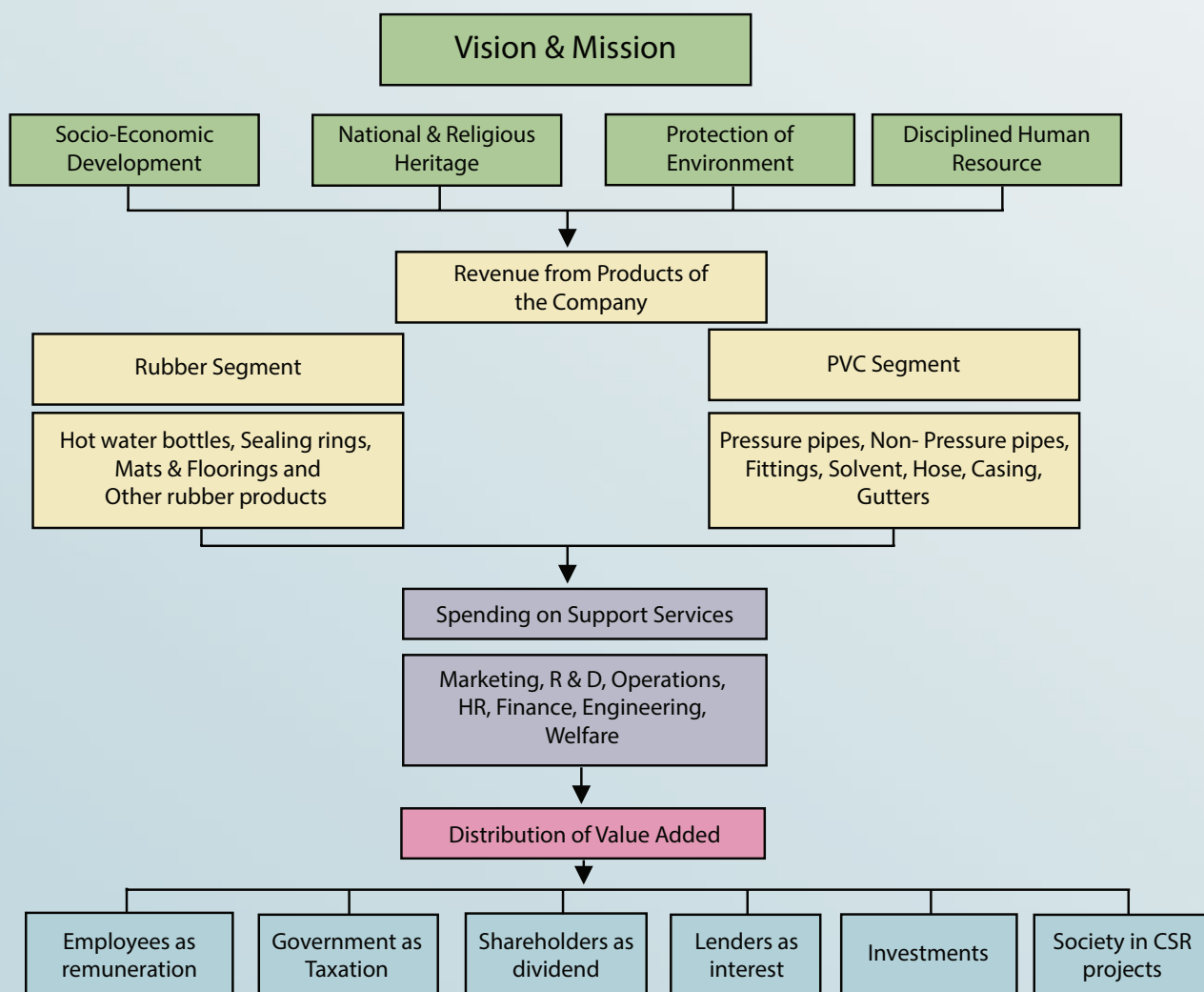
VALUE

Creation and Stakeholder Engagement

"The Company firmly believes that a sustainable business platform cannot be achieved in isolation and we therefore carry out a constructive dialogue and other engagements with all stakeholders..."

Samson International Plc earns revenue from two segments namely rubber and the PVC. The revenue generated from these segments is distributed and shown in the diagram below.

Company revenue distribution diagram



Statement of Value Added and distributed

The Company has been doing value additions continuously since its inception (1988). The Company generated a value addition of Rs. 658 Mn during the year against Rs. 530 Mn in 2020/21 which was shared with the various stakeholders with a portion retained within the Company. The value addition per employee per month in the current year increased by 30% from Rs. 80,229 in the previous year to Rs 104,438 in the current year.

VALUE Creation and Stakeholder Engagement (Contd...)

	2021/22	2020/21	Increased by
Value addition per employee per month	104,438	80,229	30%

62% of the total value additions was distributed to employees and 77% was incurred to purchase material and services.

Statement of value added and distributed

Value Addition

	2021/22 Rs.'000	%	2020/21 Rs.'000	%
Turnover	2,885,189	100	2,185,869	100
Less: Cost of materials and services purchased	2,227,228	(77)	1,655,396	(76)
Total Value additions	657,961	23	530,473	24

Value Distributed

	2021/22 Rs.'000	%	2020/21 Rs.'000	%
To Employees as remuneration and welfare	408,978	62	343,988	65
To Government as taxation	15,495	2	9,552	2
To Shareholders as dividend	8,464	1	4,232	1
To Lenders of capital as interest	66,322	10	17,730	3
To Retain in the business - as depreciation	82,623	13	57,599	11
As Retained profits	76,079	12	97,372	18
	657,961	100	530,473	100

Stakeholder Engagement

We have created 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
Neighbouring communities	Sister companies
Government & industrial regulatory bodies	
Customers, Suppliers & financial institutions	
Associations and certification bodies	

VALUE Creation and Stakeholder Engagement (Contd...)

Stakeholder	Key issues/concerns	Process of engagement	Frequency of engagement
Shareholders	<ul style="list-style-type: none"> • Profit and dividend rate • Sales growth • Sustainability and CSR • Corporate governance 	<ul style="list-style-type: none"> • Annual general meeting • Annual report • Interim financial statements • Press release • Open-door policy 	<ul style="list-style-type: none"> • Annually • Annually • Quarterly • Periodically • Regularly
Neighbouring Communities	<ul style="list-style-type: none"> • Pollution free environment • Job opportunities • Up-lifting living standard • Effective waste management 	<ul style="list-style-type: none"> • Internal investment • Social gathering • CSR • Recycling 	<ul style="list-style-type: none"> • Continuously • Regularly • Regularly • Continuously
Government & industrial regulatory bodies	<ul style="list-style-type: none"> • Statutory compliances • Timely information 	<ul style="list-style-type: none"> • Committee meetings • One –to – one Communication • Regular visits 	<ul style="list-style-type: none"> • Quarterly • Regularly • Regularly
Customers	<ul style="list-style-type: none"> • Product Quality • Compliance with local and international standards and regulations • Price • On time delivery 	<ul style="list-style-type: none"> Exhibitions, Trade association, Advertisement, Customer visits and One – to – one communication 	<ul style="list-style-type: none"> Regularly
Suppliers	<ul style="list-style-type: none"> • Prompt payment • Continuous orders • Price revisions 	<ul style="list-style-type: none"> Supplier meetings, Supplier service evaluations, Supplier registrations, Supplier audits 	<ul style="list-style-type: none"> Regularly and Monthly
Employees	<ul style="list-style-type: none"> • Remuneration • Profit and growth • Occupational health and safety • Career stability and advancement • Welfare and sports activities • Career advancement • Good working condition 	<ul style="list-style-type: none"> Open- door policy, Joint consultative committee, Regular dialogues, Training programmes and HR cluster meetings 	<ul style="list-style-type: none"> Regularly and Monthly
Sister Companies	<ul style="list-style-type: none"> • Good relationship • Mutual understanding and trust • Knowledge sharing 	<ul style="list-style-type: none"> Social gathering and participation of Company events, Group meetings, Group journals, 	<ul style="list-style-type: none"> Regularly and Monthly

VALUE Creation and Stakeholder Engagement (Contd...)

The above one-to-one communication with neighbouring communities arises at the distribution of rice & timber trees ceremony, Covid vaccination program for villagers, attending atavisi Bodhi pooja by all employees, pirith ceremony, helping funeral houses, university students, schools & temples in the village and interact 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 includes environment authority, health department, labour department, water boards to obtain reports, advice & organize training programs with them from time to time.

Needs and expectations of the employees can be identified through suggestion box, join consultative committee, attitude surveys, group newsletters and information obtained with regard to 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.



Distribution of rice from the harvest of Company paddy field to the low income neighbouring community

GOALS and Strategies

"We feel that the size of any problem is nothing compared with our ability to solve them. We neither over estimate any problem nor underestimate our ability..."

Our three year's Strategic plan is prepared annually before the commencement of a financial year. Our eyes are placed in front because it is more important to look ahead than to look back. This year too, we organized this strategic planning meeting at a hotel in Galle adhering to the health guidelines. This strategic plan covers with the critical success factors and a SWOT analysis, Business performance Analysis and PEST 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.

In order to achieve our vision and mission, we have planned to achieve all functional objectives such as finance, customer, internal business process and learning & growth. 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 resource.

Strategic Plan Process



GOALS and Strategies (Contd...)



Business Performance Analysis

Key Strengths

1. Wide product range
2. Strong, loyal and old customer base
3. Being in the business for the last 34 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 low- end products.
2. Unpredictable raw material prices (especially rubber, resin) and exchange rates
3. Adverse climate changes

4. Environmental pollution issues
5. Shortage of skilled workers
6. Unstable political environment
7. 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 continuous sheets.
4. Gaining Chinese markets due to their supply shortage

Material Issues

During the strategic planning meetings, the followings were identified as material issues for the Company (Please see the page 69).



Annual Corporate Planning session at Hotel Hasara

GOALS and Strategies (Contd...)

Material Aspects	Extend of impact or Significance	Aspect Boundary
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

Strategies

Our short and medium- term growth strategies focus on a mix of market penetration, market development, and new product development on routine basis. Over the next three years, we plan to target new export markets and new demographic segments for growth, supported by attractive new products. We look at the diversification strategy whenever an opportunity arises. In the meantime we impose stringent cost control in all our activities. We are also planning to further expand the capacity of both factories and investing in modern machinery.

Long-term Goals

1. Establish a direct market presence in more than 50 countries.
2. Design and manufacture of new products for the global market
3. Achieve the market leadership in our PVC products lines
4. Reach our revenue and profit at a rate more than current industrial norm.
5. Attain forward and backward integration through takeovers and acquisitions.
6. Strive for the uplifting of our community whilst adhering to high ethical standard in business.

GOALS and Strategies (Contd...)

Objectives and Strategies set for 2022/23

Plans for 2022/23	Strategy
1 To buy a Rotocure	Product development
2 To increase the market share by 10% in PVC segment	Market penetration
3 Reduce gearing by 10%	Minimize financial risk
4 Where possible, foreign exchange hedging techniques are applied to minimize the exchange loss risk.	Minimize the exchange risk
5 The Company continuously invests in Research and Development activities	Product development
6 Invest in CPVC production line	Product development
7 The Company continuously carries out environmental audits	Minimize the Operational risk and invests in CSR activities
8 Company will develop ten new products	Product developments
9 Develop our brands to be perceived as high quality products	Market penetration
10 Participate all possible exhibitions in overseas and locally	Market developments
11 Expand in-house mixing facility	Enhance efficiency
12 Sales promotion through electronic media	Market penetration

Objectives set in 2021/22 and extend of achievements :

Plans for 2021/22	Extent of Achievement
1 The Company makes every effort to introduce our products to markets such as the South Africa, USA, Japan and Middle –East	Found customers in Japan and Middle –East.
2 To increase the market share by 15% in PVC segment	Increased by 5%
3 Where possible, forward exchange contracts are entered into for minimizing the exchange risk.	Restrictions from the government
4 The Company continuously invests in Research and Development activities	Done
5 Wherever possible, we hire employees from sister Companies to cover the temporary labour shortages	Done
6 The Company continuously carries out environmental audits and invests in CSR activities	Done
7 Company will develop five new products	Done
8 Develop our brands to be perceived as high quality products to maintain a competitive advantage	Achieved to a larger extent
9 Participate all possible exhibitions in overseas and locally	Non in overseas and one in local exhibition
10 Upgrade in-house mixing facility	Done
11 Sales promotion through electronic media	Done

FINANCIAL

Capital

Key Performance Indicators 2021/22

10.3%

ROCE

Rs. 19.85

Earning per share

Rs. 66 Mn

Finance cost

49%

Gearing



Receiving Gold award for the Annual Report for the second consecutive years

"We received a gold award for the Annual report for the second consecutive years. Annual Report immensely helps us to promote transparency, social responsibility and corporate governance amongst stakeholders"

We would first like to inform you that we obtained a Gold award for the Annual report from the Institute of Chartered Accountants of Sri Lanka for the second consecutive years. We were in the category of 'Manufacturing Companies'

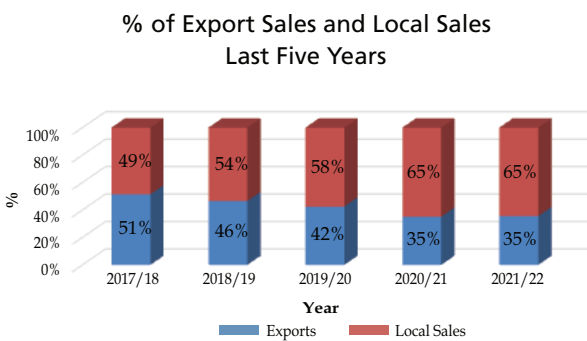
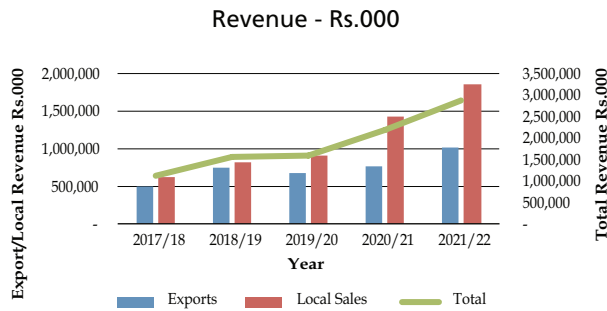
(Turnover up to Rs. 5 billion). Annual Report immensely helps us to promote transparency, social responsibility and corporate governance amongst corporates and stakeholders.

1) Yearly Performance Revenue

The Company recorded a turnover of Rs. 2,885 Mn in the current year as against Rs. 2,185 Mn in the previous year which is an increase of 32%. PVC segment had a growth of 41% and rubber segment had a sales growth of 25% compared to the previous year. Out of the total revenue of Rs 2,885 Mn for the year ended 31st March 2022, 65% was earned from local sales

FINANCIAL Capital (Contd...)

and the balance 35% was from export sales. Our export sales went up by Rs 257 Mn from Rs. 766 Mn in the previous year to Rs. 1,023 Mn in the current year. The increase from export came from sealing rings and hot water bottles. Local sales have been growing tremendously after the Company stepped into the PVC business. Local sales went up by Rs. 442 Mn from 1,419 in the previous year to Rs. 1,862 Mn in the current year.



Gross Profit Margin

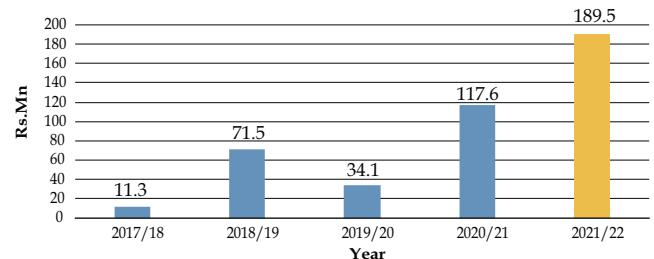
The Company has recorded a gross profit of Rs. 577.3 Mn as against Rs. 407.2 Mn in the previous year. The Gross Profit Ratio in the current year is 20% which was 18.6% in previous year. The main reason for the increase in gross profit ratio was the appreciation of Euro and USD in exports. Further, there were many price increases for the PVC products.

Operational Profit (Profit before Finance cost)

The Operational profit in the current financial year is Rs.189.5 mn as against Rs.117.6 mn in the previous year. We have incurred Rs.155.8 mn for the selling and distribution cost in the current year as against Rs.98.7 mn in the previous year. The main reason for the increase in selling and distribution cost is the increase in transportation cost and sales commissions which are directly related to the sales growth in PVC. Further, during the year we incurred Rs.14.6 Mn for media advertisements on PVC products. The Administrative overhead cost was Rs.232.2

mn during the year under review as against Rs 192.5 mn in the previous year. We recruited more sales reps to expand our market presence for PVC and rubber products.

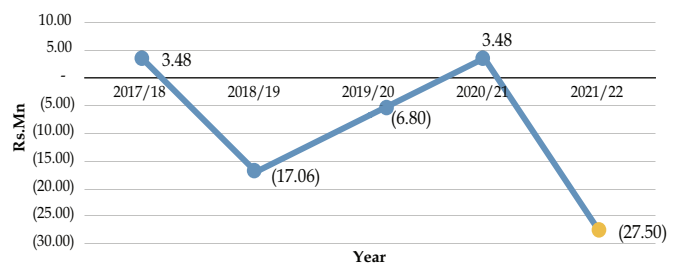
Operational Profit (Profit before finance cost) Rs. Mn



Profit / (Loss) before Taxation

The profit before taxation in the current year is Rs. 99.5 mn as compared to Rs. 108.3 mn in the previous year. Profit s have declined mainly due to increase in finance cost and exchange loss. The finance cost increased by Rs. 48.6 mn from Rs. 17.7 mn in the previous year to Rs. 66.3 mn in the current year. The exchange loss also increased by Rs. 31 Mn. Last year, we earned an exchange gain of Rs. 3.5 Mn and this year we incurred exchange loss of Rs. 27.5 Mn. The interest cover is 2.9 times in the year under review.

Exchange Gain / (Loss) Rs. Mn



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.

The Company incurred an exchange loss of Rs. 27.5 Mn in the year under review. These exchange loss incurred as a result of depreciation of Rupees against foreign currency from month to month when import bills for raw materials were settled. E.g.

FINANCIAL Capital (Contd...)

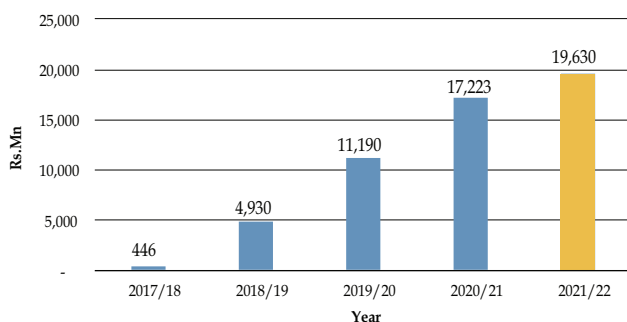
- a) In the month of April 2021, we also incurred an exchange loss of Rs. 4.3 Mn due to depreciation of LKR against USD from 190 to 198.
- b) In the month of August 2021, Rs.14 Mn of exchange loss incurred due to the sudden increase in the USD rate from 201 to 227 for the period from 01st of August 2021 to 31st August 2021.
- c) In the month of January 2022, we also incurred an exchange loss of Rs. 4.7 Mn. This is due to depreciation of LKR against Euro from 230 to 225.
- d) In the month of March 2022, Rs.14 Mn of exchange loss incurred due to the sudden increase in the USD rate from 203 to 298.

Taxation

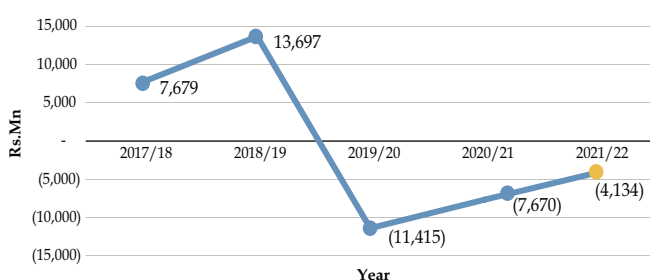
The corporate tax rate on income from local sales is 18%. For the income from exports, it is 14%. The effective rate for the Company is around 17%. (Refer Note 10 of the Financial Statements on page 186 for a detailed explanation).

	2021/22	2020/21
Tax on profit of the year	19,629,524	17,222,750
Deferred tax expense/(Income)	(4,134,064)	(7,670,311)
Total	15,495,461	9,552,440

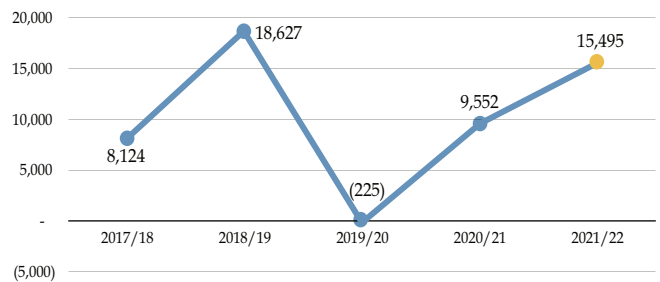
Tax on Profit (Rs.)



Deferred Tax Expense / (Income) (Rs.)



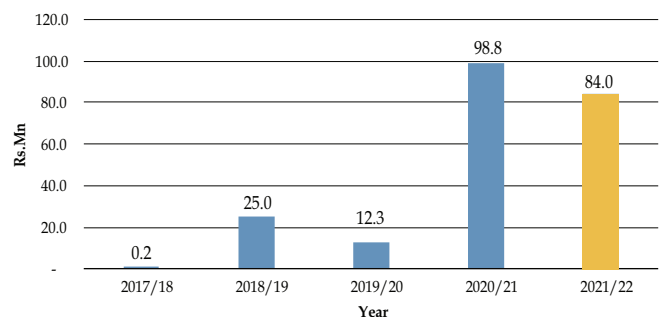
Taxation Rs."000"



Profit for the year

During the year, the Company recorded a Rs. 84.0 Mn profit as against Rs. 98.8 Mn in the previous year. In the year under review, there were exchange losses, increase in rubber prices, resin prices, fuel cost, freight cost, interest rates and shortage of USD which affected the bottom-line. However, we increased selling prices to recover our cost increases whenever possible.

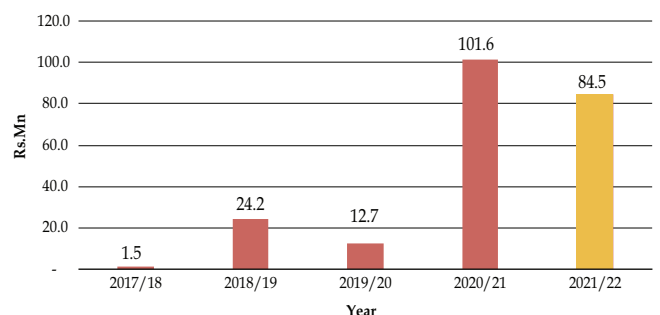
Profit for the Year (after tax) (Rs. Mn)



Total Comprehensive Income

The total comprehensive income for the year is Rs. 84.5 Mn. This total comprehensive income includes the actuarial gain on post-employment benefit liability of Rs. 0.6 Mn and deferred tax on actuarial loss of Rs. 0.1 Mn in the current financial year. The total comprehensive income for the previous year is Rs.101.6 Mn .

Total Comprehensive Income (Rs.Mn)



FINANCIAL Capital (Contd...)

Dividend

The Directors have proposed and approved a final dividend of Rs. 2.00 per share, amounting to Rs. 8.4Mn for the year ended 31st March 2022. 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 2021. In accordance with LKAS in which, the proposed final dividend, subsequent to the reporting date is not recognized as a liability in the Financial Statements as at 31st March 2022. The Company has necessary funds to finance the payment of the final dividend. Dividend will be paid before 09th June 2022 as per the Article.

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. The Board of Directors obtained a Certificate of Solvency from the Auditors, prior to the date of dispatch of the final dividend payment.

The Actual Performance Vs Predetermined Targets (Budgeted)

	Predetermined targets Rs. in "000"	Actual Rs. in "000"	Variance Rs. in "000"
1 Turnover – Rubber segment	1,425	1,522	97
2 Turnover- PVC segment	1,198	1,363	165
3 Total Turnover	2,623	2,885	262
4 Exports	954	1,023	69
5 Local sales	1,669	1,862	193
6 Gross Profit %	18.9%	20.0%	1.1%
7 Net profits (before tax)	152	99.5	(52.5)

Investments

During the year, the Company invested Rs. 66 Mn in fixed assets including investment for a Mill and expansion of stores. Total assets in the current financial year increased by 14%. Net assets value per share as at 31st March 2022 was Rs. 192.75 as against Rs.174.77 as at 31st March 2021.

As at 31st March 2022, the Company had following financial investments.

Investment	Bank	Rs. Mn	Rs. Mn
Fixed Deposits	Bank of Ceylon	10.5	
	DFCC Bank	13.5	24.0
Debentures	Sampath Bank		10.0
Treasury bills			18.4
Total			52.4

FINANCIAL Capital (Contd...)

Working Capital Cycle

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

	2021/2022	2020/2021	Variance
Debt Collection Period (Days)	75	88	13
RM Holding Period (Days)	102	84	-18
WIP Holding Period (Days)	8	13	5
FG Holding Period (Days)	26	26	1
Credit Settlement Period (Days)	-58	-102	-44
Cash Operating Cycle (Days)	211	211	0
Operating Cycle (Days)	154	110	-44

It is noted that the operating cycle has gone up from 110 days in the previous year to 154 days in the current year. This is mainly due to early settlement of creditors such as imported raw material, compounds and rubber. Raw material days went up due to the imports of raw material for stock due to the expected appreciation of USD against LKR. We could maintain the same cash operating cycle of 211 days in the midst of all these difficulties in the country. We have created a sustainable liquidity position as is evident by the working capital ratios and the improved banking facilities to fund our operations.

Cash flows

Cash and cash equivalents have negative balance in both financial years. It has improved marginally from a negative balance of Rs. 66.2 Mn as at 31st March 2021 to a negative balance of Rs.60.2 Mn at the end of the current financial year.

Net cash used for investing activities is Rs. 71.4 Mn for this year. This outflow was led by the investment in Property, plant and equipment. Net cash inflow from financing activities in the year under review was Rs. 209 Mn as against Rs. 192 Mn in the previous year. This has been used to settle working capital loans.

Total Liabilities

Total liabilities of the Company increased by 17% compared to the position as at 31st March 2021. This is mainly due to the increase in sales. This year, sales increased by 32% and the required working capital was obtained through short term loans. The gearing ratio including short-term debts in the current year has gone up to 49% from 41%.

Market Capitalization

The market capitalization of the Company was Rs. 782 Mn, up from Rs. 568.2 Mn in the previous year at the closing price of the share. During the year under review, the highest traded price of the Company's share was Rs. 300.00 while the lowest price was Rs. 132.00. PE ratio for the year ended 31st March 2022 is 9.3 times as against 5.7 times in the previous year.

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 policies 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. 25,000 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

FINANCIAL Capital (Contd...)

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.

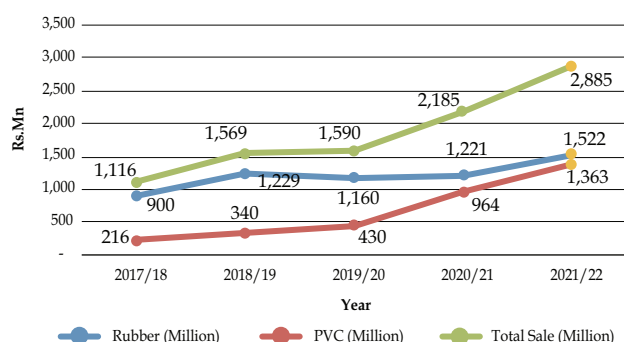
We allow credit only to approved customers, which are reviewed yearly. The credit periods and limits have been established for each customer. We obtain bank guarantees, deposits, post-dated cheques from local debtors and insurance cover for export debtors whenever there is a doubt about recovery. Adequate provision is provided for any long-outstanding dues. Internal auditors review these outstanding balances and give a report to the Audit Committee. Then the Audit Committee and the Board of Directors review and evaluate it and take necessary actions.

Segmental Review

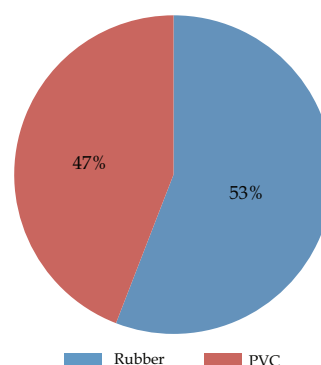
The Rubber segment has a continuous sales growth for the last three years and the PVC segment had the continues sales growth since its inception. This year, PVC segment recorded a sales growth of 41% as against the previous year. Rubber sector has also recorded a 25% growth and the Company recorded sales growth of 32%. The sales analysis segment-wise is given below.

Rs in 000's			
Year ended	Rubber	PVC	Total
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
31st March 2015	994,177	47,579	1,041,756

Turnover - Rubber & PVC



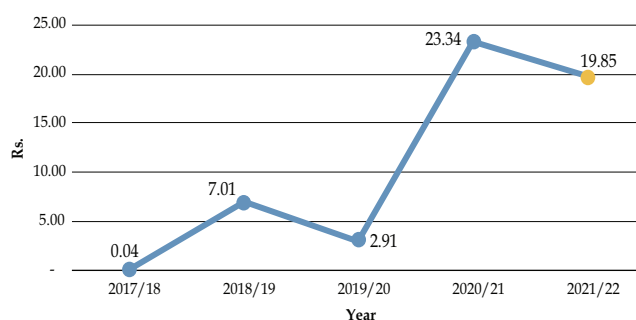
Turnover - Segment wise 2021/22



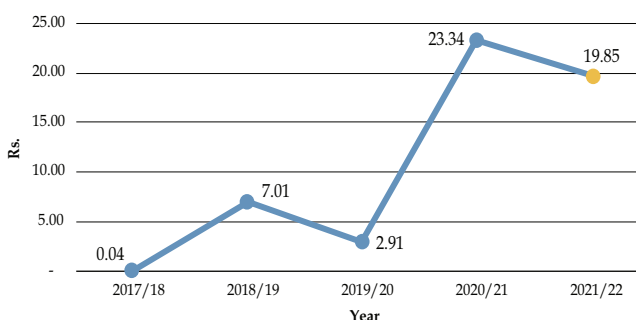
Key Ratios

Earnings per share are Rs. 19.85 in the current year as against Rs. 23.34 in the previous year. The market price as at 31st March 2022 was Rs. 184.75 (last year Rs.134.25). The Return on Capital Employed (ROCE) in the year is 10.3%.

Earning Per Share (EPS)



Market Price per Share in Rs.



The PE ratio for the year is 9.3 times and Dividend pay-out ratio is 10%. The current ratio as at 31st March 2022 and 31st March 2021 are 1.25 and 1.22 respectively. The liquidity ratio as at 31st March 2022 is 0.64 as against 0.69 as at 31st March 2021. The total assets as at 31st March 2022 is Rs. 2,092 Mn. The graphs of Dividend pay-out Ratio, Total assets, ROCE and Market capitalization have also been shown in the Financial Highlights on page 5.

FINANCIAL Capital (Contd...)

2) 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
1 Provision for deferred tax	Potential risk and errors have been eliminated as much as possible when significant management estimates, judgments and uncertainties are involved
2 Management assessment	Assessed and evaluated of material uncertainty the going concern and relating to impact of adequate disclosures have COVID 19 been done in the financial statement

3) Quarterly performance

The Company did well during the last three quarters of the financial year as usual. Many of our products such as hot water bottles, sealing rings and shoe soles have a seasonality in second and third quarter. We had continuous sales growth for PVC products. During last quarter we have made all annual adjustments and provisions. The summarized four-quarter financial summary is shown in page 202. The annual provisions made during the year for gratuity is Rs. 1 mn based on actuarial valuation method.



Annual Report Gold award certificates for last two years

4) Financial Calendar:

	2021/22	2020/21
Interim Reports:		
Quarter ended 30th June	12th August 2021	14th August 2020
Quarter ended 30th September	12th November 2021	11th November 2020
Quarter ended 31st December	11th February 2022	11th February 2021
Quarter ended 31st March	23rd May 2022	25th May 2021
<i>Interim Financial Statements have be published as per rule 7.4 of the Colombo Stock Exchange</i>		
Annual Report:		
	23rd May 2022	25th May 2021
AGM:		
29th Annual General Meeting	-	30th June 2021
30th Annual General Meeting	30th June 2022	-
Date of Dividends Recommended	23rd May 2022	25th May 2021

MANUFACTURED

Capital

Key Performance Indicators 2021/22

Rs. 66 Mn

Capital
expenditure

Rs. 658 Mn

Value
addition

Rs. 5.5 Mn

Turnover
per employee

3

Number of
factories



Rubber - based products for International Market

With a vision to be one of the leading polymer product manufacturers in the region, Samson International, a subsidiary of the DSI Samson Group, commenced its business in 1988. As an export-oriented company, the initial intention of manufacturing 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. This PVC related products include pressure pipes, irrigation pipes, solvent, trunking, fittings and conduits, etc.

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.

The trend setter and the front runner in rubber industry in Sri Lanka, Samson International is the first rubber manufacturing company to obtain ISO 90001 quality certification in the

MANUFACTURED Capital (Contd...)

country. Samson International gives utmost priority to ensure that sustainable and ethical manufacturing practices are followed during its production and delivery processes. In order to ensure this the Company has obtained ISO 14001 certification for environmental management, ISO 50001 certification for energy management and BSCI certification for Business social compliances. Also the company holds the Forest Stewardship Council (FSC) certification to manufacture FSC certified rubber products. We have planned to obtain ISO 18001 on Occupational Health and Safety Management soon.

Last year we mainly focused to expand our capacity level both in rubber factories and PVC factory. We invested Rs. 212 mn in plant and machinery and the stores buildings in order to cater the demand of our products in export and local markets. We aim at versatility with the intention of becoming bigger and bigger, year by year. We continuously invest in technologically advanced machinery, expansion in capacity level and in research and development. This year, we increased the mill capacity and stepped in to mixing process. These investments will place us on a strong footing for the years ahead. We have three factories in Galle, Kalutara and Baddagama.



Galle Factory



Baddegama Factory

MANUFACTURED Capital (Contd...)



Kalutara Factory

Our Product Range

We are able to produce many products for several industries as we have the manufacturing facilities of compress moulding, extrusion, microwave, injection moulding, C pressing and mixing. We invested in presses, extruders and a kneader in the year under review as well in order to increase the current capacity level. Our products are available for Pharmaceutical, Food and packaging, Matting and flooring, Automotive and industry, Construction, Agriculture industries. Our PVC product range covers Construction, Agriculture and irrigation, Electrical, Water tap accessories. Escalating costs of raw materials and intense price competition in the market compelled us to re-engineer our processes to minimize wastage, reduce utility consumption and achieve cost saving.

Production Efficiency

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.

1) Production efficiency ratio:

	2021/22	2020/21
1 Turnover per employee per month - Rs.	462,148	374,357
2 Turnover / total man hours - Rs	2,134	1,685
3 Value additions per employee per month- Rs	108,743	77,580
4 Total rubber compound in Kg/ total direct labour hours (Kg per hour)	3.5	3.4
5 Wages cost per direct employee per month - Rs	46,587	42,223
6 Salary cost per indirect employee per month- Rs	57,464	45,022
7 Total labour cost (including other overheads) per direct employee per month – Rs	51,120	49,297
8 Total labour cost (including other overheads) per indirect employee per month – Rs	64,109	53,055
9 Labour turnover for the year - %	2.0	1.5

MANUFACTURED Capital (Contd...)

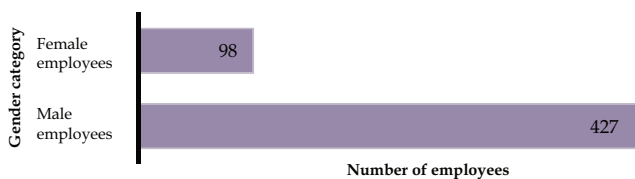


Value addition for export market

2) Analysis of employees 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.

Gender-wise
as 31st March 2022



No. of employees gender-wise is as follows.

	As at 31st March 2022		As at 31st March 2021	
	No	%	No	%
Male employees	427	81	447	81
Female employees	98	19	104	19
Total employees	525	100	551	100

3) Age analysis of the employees:

The age analysis of the employees is as follows:

Age Category	As at 31st March 2022		As at 31st March 2021	
	No	%	No	%
18-20	33	6	47	7
21-30	203	39	219	40
31-40	133	25	142	26
41-55	150	29	138	26
Over 55	6	1	5	1
Total	525	100	551	100

Employees age-wise:

	Workers		Staff		Executive		TOTAL
	Male	Female	Male	Female	Male	Female	
Below 30 years	112	37	50	24	1	0	224
30-50 years	165	16	44	16	19	0	260
Above 50 years	23	2	12	1	1	2	41
TOTAL	300	55	106	41	21	2	525

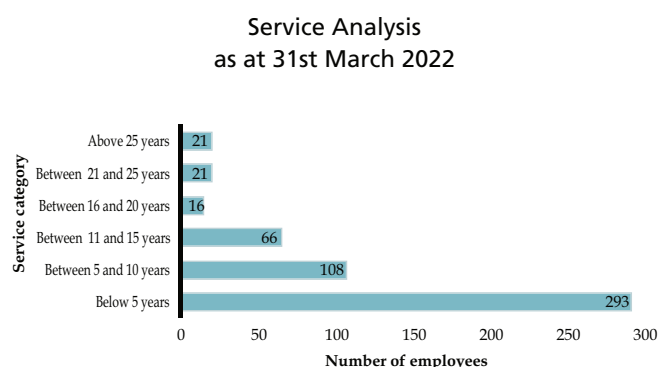
Employees factory-wise:

Galle	209	47	42	30	14	2	344
Baddagama	74	6	62	11	7	0	160
Kalutara	17	2	2	0	0	0	21
TOTAL	300	55	106	41	21	2	525

MANUFACTURED Capital (Contd...)

4) Service Analysis:

There are employees, who started their career in the staff category, have become senior managers and head of the department now. We have a very young and dynamic cadre, e.g., 55% of our employees have worked less than 5 years. 76% of the employees have worked less than 10 years.



On 19th April 2022, the Company felicitation ceremony was held for the long service employees. Cash award, Certificate, Medal and plaque were given to employees who have worked more than 10 years and 25 years.

We have installed meter reading units for each mill, extruder and press lines and monitored them daily. Every month we calculate the energy ratios and compare them with the budget, previous year and other manufacturing Companies in the rubber sector. From time to time, meters were checked by the Ceylon Electricity Board on 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 or CFL bulbs. We invested for a modern generator to operate all machinery in the factory uninterruptedly during the previous year.

Service Category	As at 31st March 2022		As at 31st March 2021	
	No	%	No	%
1 Below 5 years	293	55	322	52
2 Between 5 and 10 years	108	21	107	32
3 Between 11 and 15 years	66	13	61	6
4 Between 16 and 20 years	16	3	19	4
5 Between 21 and 25 years	21	4	22	3
6 Above 25 years	21	4	20	3
Total	525	100	551	100

Energy Efficiency Ratios

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. 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 from it Rs. 1 Mn per month on average throughout next 20 years. We are planning to do the same for other two factories in the near future.

The Central Environmental Authority has renewed our license every year for the last 34 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 help of Industrial Technology Institute, Colombo 7, and passed all these tests to ensure that the prevention of air pollution.

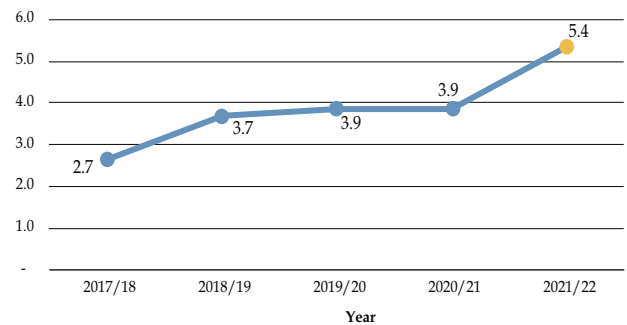
MANUFACTURED Capital (Contd...)

Energy efficiency ratio	2021/22	2020/21
1 Electricity units per MT of rubber compound (Units per MT)	697	668
2 Fuel liters per metric ton of Rubber compound – (Liters per ton)	237	197

Plant and Machinery

During the year the Company invested Rs. 144 mn in plant and machinery as shown under Note number 13 of the Financial Statement on page 188.

Fixed Assets Turnover Ratio (Times)



The above graph indicates that turnover generated by using fixed asset has gone up in current year.

Plant Capacity

Company invested in a modern and hi-tec press line, mixing plant and extruders during the year. The Company built up a modern warehouse for both rubber and PVC factories for increasing the storing capacity. The total capacity for rubber products is 300,000 kg per month and average capacity utilization is 70%. The total capacity for PVC products is 550,000 kg per month and average capacity utilization is 70%.



Opening of mixing plant



Commissioning of a modern mill

MANUFACTURED Capital (Contd...)

Location of Properties

Currently the Company owns the following properties:

Description	Address	Land		Building		Total Market Value of the property
		Extent	Market value Appox	Extent	Market value Appox	
1) Galle factory (Bought during the period from 16/9/91 to 30/11/93)	Akuressa Road, Bogahagoda, Galle.	7 A 3 R 30.5 P	Estimated to be Rs. 266.4 Mn as at to date. (This was valued on 27th September 2018 done by a professional valuer.) During the year the Company bought 13.5 perches of neighboring land for Rs. 1.7 Mn	107,160 Sq ft	Estimated to be Rs. 338 Mn as at to date.	Current value estimated to be Rs. 604.4 Mn.
2) 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. 15 Mn as at to date.	Current value estimated to be Rs. 40 Mn.
3) Baddegama factory (Bought in July 2014)	Gilcroft Estate, Kiribathwila, Ampegama, Baddegama	2 A 2 R 0.11 P	Rs. 20 Mn as at to date. (This was valued on 27th September 2018 done by a professional valuer.)	31,413 Sq ft	Rs. 111.2 Mn as at to date.	Current value estimated to be Rs. 131.2 Mn.
4) Paddy Field, Bogahagoda (Bought in Feb 2002)	Akuressa Road, Bogahagoda, Galle.	1 A 3 R 3 P	Rs. 1.1Mn as at to date (This was valued on 27th September 2018 done by a professional valuer.)	-	-	Rs. 1.1Mn as at to date
Total		12 A 3R 43.11 P	310.8 Mn	144,563	456Mn	Rs. 766.8 Mn (Current estimated Value)

MANUFACTURED Capital (Contd...)

Quality

The responsibility for the quality of the products is assigned to everybody at Samson International Plc and it has not restricted up to the quality department. Quality is checked at every stage or process of the production in order to meet the expectation of the 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. We obtained an SLS certification from the Institute of Standards for PVC products such as Pressure pipes, Solvent, Conduit and trunking every year. For many years now, we have led the way in delivering high-quality, innovative Rubber and PVC products to customers. Business integrity, industry expertise and stakeholder value creation are corporate characteristics strongly associated with our brands.

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.



Quality Inspection

HUMAN Capital

Key Performance Indicators 2021/22

525

No of
Employees

98%

Employee
Retention rate

20

No of Training
Programmes

1,655

Training in
man hours



Team spirit

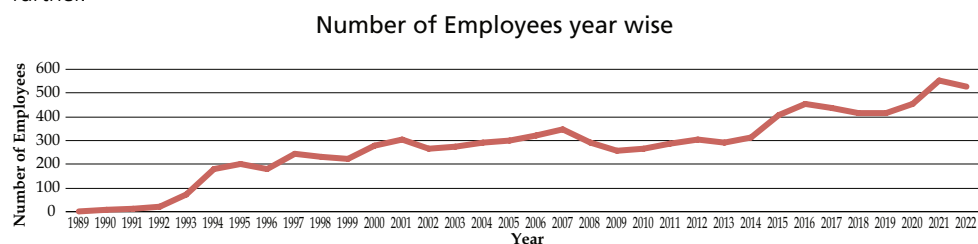
"Having a good employee relations leads to high efficiency, low wastage, generate innovative ideas, decrease in labour turnover & absenteeism and bring goodwill to the Company."

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. Sixty eight years ago, he

envisaged that **"Employer and Employee should work as one family."** As we all are aware, having a good employee relations leads to high efficiency, low wastage, generate innovative ideas, decrease in indirect costs such as high labour turnover, absenteeism and bring goodwill to the Company. The Company takes all possible steps maintain good employee and employer relations. Human resource Department plays a significant role in an organization's uphold and success in this regard. The employee and employer relations are a part of human resources functions which deals in maintaining a harmonious relationship between the employer and the employee.

HUMAN Capital (Contd...)

In our Company, the majority of our employees have been recruited from neighboring villages since 1988, the year in which the Company was incorporated. Now, 525 villagers have been given exposure to work in an international Company and to earn a regular income without migrating to Colombo or other cities in Sri Lanka or abroad. We value each and every one of them. 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.



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

During the year, number of employees by 95 (or 21%) from 456 in the year under review is 525 in the current year. We continue to recruit and maintain a well talented work force; 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 programmes are conducted by industry experts. Our human resources department is dynamic in recruiting and maintaining a well talented work force.

Employee - Employer Relations:

The following procedures are followed by Samson International Plc in order to improve and maintain good relation with our employees.

1) Having good human resource policies

We have a comprehensive human resources policies and procedures which cover recruitments & 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 with 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, nationality, age, social origin, religion, or any other basis.

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

HUMAN Capital (Contd...)

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 employ any person below 18 years of age nor advocate any form of child labour. We avoid to provide overtime of more than 60 hours per month for female workers as required by our national laws.

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 volley ball tournaments. 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 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 an 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. Group's newsletter is published monthly. Employees are given an opportunity 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 having constant dialogue with them, involving them in certain decision-making, 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 which may exist at the work place. 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 a 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 the each section. Director/ General Manager and other senior management discuss the problems & grievances of the workers from each sections and remedial actions are taken. Each month this meeting is held and minutes are circulated to everybody including the Chairman/ Jt. Managing Director. We strictly adhere the government legislations. Adherence to these various legislations helps organization to maintain harmonious employee relationships.

HUMAN Capital (Contd...)

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, gift vouchers to buy DSI shoes, wedding gift, and additional allowance for employees having more than three children. We also helped Corona affected employees by providing accommodation, food and for PCR tests. Please see on page 99 under the “Benefits given to employee when becomes a permanent” for more details.

On 19th April 2022, Chairman/ Jt. Managing Director Dr. Kulatunga Rajapaksa ceremonially opened the Gymnasium for the benefit of employees of the Samson International Plc. This was requested by workers at the joint consultative committee. The Company invested around Rs. 1.5 Mn. Further Jt. Managing Director also opened indoor Badminton court on 19th April 2022 for employees. Please see the pages 91 and 92. Now all employees irrespective of their ranking use it after working hours.

5) Social activities

We provide an opportunity for employees and management to get-together, conducting annual inter-department softball cricket tournament, annual inter- Company volleyball tournament 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, 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. However due to the Covid-19 virus outbreak, we had to postpone the annual get-together and inter department sports events this year.

The inter-department softball men’s and women’s cricket tournament is conducted annually with 13 teams including the employees from Kalutara and Baddegama factories participated. Samson International Plc also conducts inter-company volleyball tournament every year at Company’s volleyball courts. The winners are given Kulatunga Rajapaksa challenge trophy. However, in the year under review, we couldn’t conduct any tournament due to the Corona pandemic.

6) Gain sharing schemes

Sharing savings with employees is another method we use to improve industrial relations in 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 production incentive scheme are a few of such exercises.

7) Equal treatment

Equal treatment to employees without discrimination based on gender, race, ethnicity, religion or social back ground 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. Jt. Managing Directors 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.



Ceremonially opening the factory after new year



Opening the Gymnasium and the Badminton court by the Chairman



Gymnasium used by SIL employees

Our objective is to create an atmosphere for our employees where they can work with happiness, enthusiasm and pride

8) Training

We provide training to employees on technical as well as non-technical 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 programmes, 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 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 programmes conducted in-house, outside and overseas which is designed to develop technical as well as soft skills. Training is an integral component of our



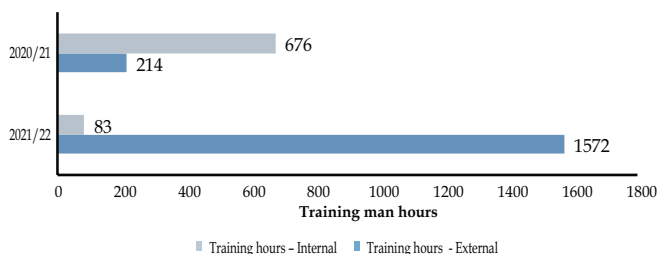
Online training program during the Corona period

business success as well as our strategy to achieve sustainable employee relations. Training programmes 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 the difference, we strive to develop the skills of our staff and workers so that we stand out from our competitions.

During the year, employees underwent many internal and external training programmes. These programmes span on the job, off the job, external, hands on and internal programmes which are designed to enhance knowledge, update skill, 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.

An investment in knowledge always pays the best interest

Training Hours



HUMAN Capital (Contd...)

Description	2021/22		2020/21	
	No of Hours	%	No of Hours	%
Training hours - External	1572	95	214	24
Training hours – Internal	83	5	676	76
Total Training hours	1655	100	890	100

Training Programmes in 2021/22

In-House	No of Participants			Training Hours		
	Total	Male	Female	Total	Male	Female
Chemical Handling	10	10	0	20	20	0
FSC Training	21	8	13	63	24	39
Total	31	18	13	83	44	39
Outside						
First Aid	20	15	5	140	105	35
License to sell	25	22	3	200	176	24
Fire Training	15	15	0	30	30	0
Advanced Course on Practical Application Resource Efficiency and	6	4	2	144	96	48
Cleaner Production (RECP)	0			0		
Responsible care and workplace safety confirmation	4	2	2	32	16	16
Diploma in Professional Human Resource Management	2	1	1	704	352	352
Training on Covid Positive Suspected Patient Management and basic firstaid with life support techniques	2	2		10	10	
Digital Signature and Import Export Procedures	4	2	2	10	5	5
Improving Productivity with 5S	7	5	2	14	10	4
Seminar world standard day 2021	9	6	3	18	12	6
Current Business Environment and Opportunities for joint Collaborations	0			0		
Fire Training	2		2	4		4
Lean Philosophy and Kaizen Mind	29	25	4	116	100	16
Retirement Age and Termination of Employment	8	7	1	40	35	5
Personality Development & Corporate Etiquette	3	2	1	15	10	5
Digital Signature and Customs Procedures	6	6		48	48	
Workshop on Ms Excell for Data Analysis and Logical Problem Solving - Payment	2	1	1	12	6	6
Energy Management System	1		1	3		3
	2	2		32	32	
Total	147	117	30	1572	1043	529
Full Total	178	135	43	1655	1087	568

We provide training facilities to students from universities, technical institutions and private and public accountancy institutions in the Southern province. Samson International Plc is approved training institution for all students who are doing examinations conducted by CA Sri Lanka. In the month of February 2022, we provided one day training program to 40 students from Edith Cowan University with regard to the operation of all functions of the Company.



Training program and factory visit for foreign university students

HUMAN Capital (Contd...)

The number of programmes category wise is as follows

Group	Category	No. of Training Programmes	
		External	Internal
Male	Executive Staff	0	0
	Clerical Staff	3	0
	Workers	1	1
	Total	4	1
Female	Executive Staff	0	0
	Clerical Staff	2	0
	Workers	0	0
	Total	2	0
Male & Female	Executive Staff	2	0
	Clerical Staff	10	1
	Workers	0	0
	Total	12	2
Total Training		18	2

The common mistake humans make in their relationships; they listen half, understand quarter, think zero and react double. Therefore, training is paramount important to rectify it in all levels in each function

Day and night fire drills are organized for each plant. In 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 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 a special T – Shirts (with yellow colour) are given to them to identify and recognize their contribution to the Company.

9) Employee recognition and reward

We recognize all employees for their contribution to organizational performances. Best attendance awardees, awardees for the best innovative ideas, 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 excel in grade five scholarship.

HUMAN Capital (Contd...)



Employees who completed 25 years of service



Receiving awards by the staff and workers for their long service



Best innovative worker



Best attendants awardee

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 leading good industrial relations. However, due to the Corona epidemic, we couldn't organize this event for this year.

10) 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.

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

11) Employee Assistance Programmes

We help employees to deal with their personal 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.

12) Health and safety programme

We implement health and safety programs to safe guard employee health and safety. These results to increase employee cooperation and satisfaction, motivation, 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 implementation of the above Company's safety policy and related practices.

Our employee health, safety and welfare receive constant attention in our decision making process. The services of a part-time 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 authority

and other government departments to protect employees from Coronavirus.

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 programmes 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 programmes on health are conducted to 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 employee content and satisfied. We do design of 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 help of Industrial Technology Institute, Colombo 7, and passed all these tests to ensure that the prevention of air pollution. The Central Environmental Authority has renewed our license every year for the last 34 years continuously without any obstacle.

Labour Turnover:

We use to measure the level and nature of employee relations in the Company through attitude surveys 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, quality of production and services.

It is noted that labour turnover of the Company has increased especially of unskilled workers in some of the months due to the Corona impact. 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.

Employee Retention Rate is 98%

The labour turnover for the year ended 31st March 2022 is as follows:

Labour Turnover Analysis - Month wise

Month	2021/22 (%)	2020/21 (%)
April	1.8	0.0
May	1.8	0.9
June	0.8	0.7
July	2.2	1.6
August	1.8	1.8
September	2.2	2.2
October	2.6	0.4
November	1.6	3.3
December	3.2	0.2
January	2.5	3.8
February	2.3	1.0
March	1.4	1.9
Average	2.0	1.5

Year	Labour Turnover %
2017/18	1.6
2018/19	1.5
2019/20	1.4
2020/21	1.5
2021/22	2.0

Labour Turnover Analysis - Age-wise (2021/22)

	Workers		Staff		Executive		TOTAL
	Male	Female	Male	Female	Male	Female	
Below 30 years	50	23	10	2	0	0	85
30-50 years	20	10	3	1	0	0	34
Above 50 years	0	0	2	0	0	0	2
TOTAL	70	33	15	3	0	0	121

Labour Turnover Analysis - Factory-wise (2021/22)

	Workers		Staff		Executive		TOTAL
	Male	Female	Male	Female	Male	Female	
Galle	55	19	7	3	0	0	84
Baddegama	9	14	8	0	0	0	31
Kalutara	6	0	0	0	0	0	6
Total	70	33	15	3	0	0	121

HUMAN Capital (Contd...)

Analysis on Departmental wise

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

Total Workers Department Wise

	Workers		Staff		Executive		Total
	Male	Female	Male	Female	Male	Female	
Production	223	51	19	6	3		302
Engineering	18		3	2	2		25
IT			1				1
Accounts			10	14	1		25
Marketing			58	4	10		72
Stores	25	1	4			1	31
Planning			2	1			3
Research & Development				1	2		3
Human Resource			2	4		1	7
Administration			1	1			2
Supply			3	3	1		7
Quality Assurance	15	2	2	3	2		24
Transport	7						7
Welfare			1				1
Others	12	1		2			15
Total	300	55	106	41	21	2	525

Promotions:

During the year, we have promoted five male and four female employees. Last year, we promoted five male and five female employees.

Benefits given to employee when becomes a permanent:

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

1. Salary increase
2. Productivity incentives
3. Attendance bonus
4. Annual bonus
5. Medical insurance
6. Death donation
7. Gift vouchers to buy DSI shoes
8. Uniform
9. Wedding gift
10. Transport



Providing financial assistance and prizes to the employees whose children excel in Examinations

11. Company Loan Scheme
12. Additional allowance for employees with more than three children
13. Distribute paddy harvest of the Company at concessionary price
14. Providing financial assistance to the Corona infected employees.
15. Providing financial assistance and prizes to the children of employees who excels G.C.E.O/L and G.C.E. A/L Examinations.

HUMAN Capital (Contd...)

Monthly Incentive paid for employees:

The incentive paid for above employees in gender wise is as follows. The total incentive paid is Rs. 12.1 Mn of which incentives to male is 75%.

	Male Rs.	Female Rs.
Apr-21	611,052.70	138,536.92
May-21	868,404.67	82,421.10
Jun-21	748,775.88	734,003.53
Jul-21	768,784.61	251,864.82
Aug-21	830,537.74	188,937.96
Sep-21	703,618.58	262,892.41
Oct-21	740,632.55	258,862.78
Nov-21	780,193.40	301,091.97
Dec-21	720,101.64	250,939.12
Jan-22	827,578.05	254,752.60
Feb-22	726,503.71	224,252.32
Mar-23	728,578.99	151,226.43
Total	9,054,762.52	3,099,781.96

Introduction of production incentive to employees has been implemented to obtain a higher income to them while improving the 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.



Staff of Galle Factory



Staff of Baddegama Factory



Staff of Kalutara Factory

SOCIAL and Relationship Capital

Key Performance Indicators 2021/22

25

No of CSR
Activities

1%

of the Turnover
for CSR

Rs. 2.2 Bn

Total payments
to suppliers

33

Global Presence
(No of countries)



Covid vaccination programme for neighbouring villagers in the factory premises

The most valuable and real property is the space we occupy in stakeholders' heart.

The Social and Relationship Capital consists of the crucial relationships which form the foundation for our value chain. Social and environmental responsibility has become an integral part of our wealth creation and it is a continuous process. We would therefore like to maintain a strong relationship with our stakeholders such as community,

customers, trade associations, employees, and suppliers which form the foundation to our sustainable journey. We feel that the most valuable and real property is the space we occupy in stakeholders' heart.

1) Our Community

The communities we operate in are vital part for the success in our business. Therefore, we make every endeavor to establish mutually beneficial relationships especially with villagers, temples, government institutions and schools by contributing

SOCIAL and Relationship Capital (Contd...)

towards their development whom we consider as a part of our family. 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. In appreciation of our contribution to the community, for the benefit of villagers, temples, government institutions and schools in the Southern province in particular, initiatives taken on CSR are as follows:

1.1 CSR activities to villagers:

Distribution of paddy to Samurdhi beneficiaries Paddy was distributed to a hundred Samurdhi Dorape beneficiaries at free for the 7th consecutive year at 5kg per person after reaping the harvest from the Company's paddy field to Valikonda region on 12th October 2021 and Kabaragala region on 2nd May 2022. The balance paddy was distributed among the employees at concessionary price. Further a pair of slippers, a rubber mat and a food voucher were also distributed to them. Mr. Kulatunga Rajapaksa, Managing Director and other management staff members participated for this function and distributed it. During the Corona pandemic period, this was distributed by following strict health guidelines. Villagers were extremely happy and appreciate the effort taken by the Company. This created a strong bond between the Company and villagers.



Rice distribution to Valikonda Samurdhi beneficiaries

Donation of Company products to temples, schools, needy people & institutions in the village

Company's rubber mats, hose, other PVC- related and rubber-related products were donated to neighboring schools, temples, 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 which is a part of human resources policy of the Company thereby all employees are motivated and our objective is to create an atmosphere for our employees where they can work with happiness, enthusiasm and pride.

List of Donations made to Temples and Schools in the year 2021/22:

	Date	Description
1	2021-04-08	Donation Cash to Valikonda School.
2	2021-07-10	Donation Rubber Carpets , Rubber Hose, and PVC pipe to Sumangala College, Ankokkawala.
3	2021-07-18	Donation Rubber Carpets & Rubber Hose to Vishnu Devalaya, Devinuwara, Matara.
4	2021-08-06	Donation Rubber Carpets to Janadipathi College.
5	2021-10-08	Donation Rubber Carpets and Water Tank to Kabaragala Temple.
6	2021-10-09	Donation Rubber Carpets and Rubber Hose to Heenatigala Temple.
7	2021-10-11	Donation Cash to Velikonda Temple.
8	2021-10-12	Donation Paddy to Samurdhi Members Valikonda.
9	2021-12-15	Donation Rubber Carpets and Mat to Pushparama Viharaya Lanumodara, Habaraduwa.
10	2022-01-18	Donation Mats to Nagadeepa Viharaya.
11	2022-03-09	Donation PVC Carpets to threeweeler drivers in Galle town area.

We have made donations in cash, kind and our products to deserving institutions throughout the country



Donation of a water tank to Siri Vijesiriwardnaramaya, Kabaragala, Galle

SOCIAL and Relationship Capital (Contd...)



Donation of Company products to Pusparama Viharaya, Habaraduwa



Donation of Company products to Vishnu devalaya, Devinuwara, Matara



Donation of Company products to Nagadeepa Purana Viharaya, Jaffna



Donation of Rubber mats to Sumangala Vidyalaya, Ankokkawala, Galle



Donation of cash to Sandassanaramaya, Valikonda, Galle



Donation of mats to Janadipathi Collage, Galle



Donation of
Company products
to Heenatigala
Temple, Galle



Donation of three-wheel mats to Three-wheel Association, Galle

SOCIAL and Relationship Capital (Contd...)

Income generation activities for poor, elderly, disabled and house-bound people:

There are 48 trimming operation centers in proximity to the factory. We have arranged these trimming operations and assigned to

- a) Elderly and poor disabled people who are unable go to a factory for work
- b) 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 34 years. 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 48 trimming operation centers work more than 200 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 help 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 are generated and paid them out the sales proceeds of exports and local sales. These trimming centers enable them to earn an income while being at home.

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.

2) Our Customers

Of the 194 countries in the world, our products are available in 33 countries which cover 17% of the total number of countries in the world. Please see Our Products 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. However, we couldn't attend to any overseas trade exhibitions this year due to the Corona pandemic. We did our sales promotion activities through zoom facility during this period. We participated Jaffna

We have arranged income generation activities for poor, elderly, disabled and house-bound people in the neighbouring villages

International Trade Fair 2022 to exploit the customers for our rubber and PVC-related products.



Jaffna International Trade Fair in January 2022

We are aware that a great opportunity has arisen for us due to the current resistance for the products from China who is our main competitor for many products. Further there is a short supply for the rubber products from India due to the widespread of Corona pandemic. We would take every possible steps to exploit those opportunities through our research and development capabilities.

During the year, three new overseas customers joined the Company. Two 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 15 years. We received a Silver award from the National Chamber of Exporters of Sri Lanka on 25th February 2022. Further, we also obtained a special award as the Best Ethical Trading Exporter this year.

SOCIAL and Relationship Capital (Contd...)

Customer Complaints

Year	Number of Customer complaints
2012/13	29
2013/14	14
2014/15	17
2015/16	12
2016/17	14
2017/18	12
2018/19	25
2019/20	16
2020/21	10
2021/22	11

The numbers of customer complaints we received for the last ten years are shown in the table above. During the year the number of customer complaints remained in the previous year level in spite of having a greater amount of turnover.

The objective of the Company is to have continuous reduction in customer complaints year by year. Therefore, the target for each year is to have a lessor number of customer complains 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 trainings. We also invest in modern lab equipment every year.

3) Trade associations

We have obtained the member of the following associations and their services in order to meet the challenges in the business and also as a mitigating tool.

1. National Chamber of Exporters (NCE)
2. Sri Lanka Association of Manufacturers & Exporters of Rubber Products (SLAMERP)
3. Sri Lanka Chamber of Small & Medium Industries (SLCSMI)
4. Plastic & Rubber Institute (PRI)
5. Ceylon National Chamber of Industries (CNCI)
6. Fullerton Industrialists and Investors Association – Kalutara
7. Employers' Federation of Ceylon

We participate in the award competitions organized by above institutions.

4) Employees

Employees commence their daily chores after reciting the five precepts. Liquor is not allowed even in outings and get-to-gathers organized by the company and other special occasions such as the annual cricket and volleyball tournaments. We have Tamil and Muslim employees who follow their religion without having any obstacles and maintain a strong relationship.

**Employees commence
their daily chores after
reciting the five precepts**

SOCIAL and Relationship Capital (Contd...)

On the first working day after new year, machinery in all three factories are switched on during the Pirith ceremony and all employees have traditional meals with the top management simultaneously after wishing each other for the new year. Traditional customs and practices are usually observed by employees who presented betel leaves to the Managing Director and pay last obeisance to him. All employees including the top management presents betel leaves to the Managing Director and Managing Director gives cash (first ganu denu) to employees at the end of the new-year ceremony. The Company has a Buddhist Association comprising workers and staff members from each section. They organizes all religious activities of the Company.

Each employee including workers is given a chance to donate either in kind or cash which is a part of human resources policy of the Company

In order to maintain a strong relationship with the employees of the other sister companies in the Group, we organized and participated inter-Company Volleyball tournament for the fourth consecutive time at Samson International Volley ball court on 01st February 2020. The winners were given Kulatunga Rajapaksa Challenge Trophy for the men and women tournaments. In this tournament, there were 17 teams from the Group. However, in this year we couldn't conduct this tournament due to the Corona Pandemic.

5) Suppliers

Our major supplier is Samson Compounds (Pvt) Ltd. who provides compounds to 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 evaluation with the major supplier and inform our ranking to them monthly. For other suppliers, we carry out semi-annual survey for their services and regular one - to - one communication. We frequently visit suppliers locations and our Quality Assurance Department inspects the quality of all raw material 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 depending on one compound supplier, we have gone in to backward integration and invested more than Rs. 60 Mn for a mixing plant during the beginning of the year. The Company maintain an excellent relationship with the reputed manufacturer for PVC taps in Malaysia.

The Company owes to the bank Rs. 788 Mn as at March 31, 2022. (Rs. 505 Mn as at March 31, 2021). We have received the banking facilities from well-established banks and their fitch credit ratings in 2021 (latest) are as follows:

Bank	Rating
Hatton National Bank	AA-(lka)/stable
Bank of Ceylon	AA-(lka)/stable
Commercial Bank	AA-(lka)/stable
People's Bank	AA-(lka)/stable
DFCC Bank PLC	A+(lka)/ stable
Seylan Bank	A(lka)/ stable

DSI Group has the fitch rating of AA (lka)/stable.

NATURAL Capital

Key Performance Indicators 2021/22

ISO 14001

Environment
Management
System

Rs. 105 Mn

Total Investment
on Solar
Project

341

Organic Paddy
harvest in
“kuruni”

2,600

No of
Cinnamon plants
planted



Galle Factory & paddy field

“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”.

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. During the year, we planted a 2600 cinnamon and fruit plants in the Galle factory land and we will expect to absorb 16 tons of Carbon Dioxide per year. Further, we distribute paddy harvest from our Company paddy field to

Samurdi beneficiaries every year. 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.



Cinnamon plantation

NATURAL Capital (Contd...)

The Company also invested Rs. 105 Mn to install solar panel on the roof of the Galle factory buildings in collaboration with a reputed solar panel installation Company. This will have a Solar PV Capacity of 751 kW and it would generate 85,611 units per month with a monthly income of Rs.1.8 Mn for 20 years. At present, we consume 80,000 units for our production by incurring at an average of Rs. 1.4 Mn per month. Chairman/Jt. Managing Director Dr. Kulatung Rajapaksa ceremonially opened this solar project on 19th April 2022. We will expect to install the same in Baddegama and Kalutara factories.



Opening of Solar project in Galle factory

Environment Policy

"Samson International Plc 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 & continual improvement process"

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 will open direct employment avenues for neighboring villages of the plantation estates.

We have obtained ISO 50001 on Energy Management and ISO 14001 on Environmental Management for several years in addition to the following certificates for our products in order to protect our customers and the environment.

- Forest Stewardship Council™ – Chain of Custody (FSCTM-COC) Certification
- SATRA, UK Certificate for fire retardant mats
- SATRA, UK Certificate for fire retardant floorings
- Electrical Resistant Certificates from Universities
- British Standard (BS 1970:2012) for hot water bottles
- TUV Certification for hot water bottles

We use non- hazardous chemicals under REACH certification for our all products.

The Company gives high priority to produce FSCTM (FSCTM C134777) (Forest Stewardship Council™) products and we have so far produced twelve such products. They are hot water bottles, jar sealing rings, V' Straps, bath mats, flip flop sheets, gum boots, menstrual cups, seed trays, foldable cups and rubber strips. These FSCTM (FSCTM C134777) products are manufactured by using rubber from organic plantations. We adopt the 3R method of Reduce- Reuse- Recycle in waste rubber and water management. 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 single-side printed documents, while common reports are made available for sharing among users.

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.

NATURAL Capital (Contd...)

The details of present sustainability measures of work – stream of the Company is as follows.

Sustainability work – stream	Causes / Consequences	Examples of sustainability measures from the case study	Monetary savings (yes/No)
Emission Management	<ul style="list-style-type: none"> Exhaust gases from boiler, generator, etc Emission from manufacturing process e.g – Dust, Fumes 	<ul style="list-style-type: none"> Use dust extractors & collectors Use fume extractors Use pelatise chemicals 	Yes
Noise Management	<ul style="list-style-type: none"> Noise generated out of machinery operations e.g : Air compressors, power generators, banburies mills – heavy duty machines 	<ul style="list-style-type: none"> Replace reciprocating air compressors with screw type which save energy cost Use proper exhaust “silencers” for generator outlet maintain heavy machinery with proper lubrication 	Yes
Water Management	<ul style="list-style-type: none"> Waste water from manufacturing processes 	<ul style="list-style-type: none"> In-house waste water treatment Re-use for gardening and cooling purposes 	Yes
Waste Management	<ul style="list-style-type: none"> Solid waste discharged from manufacturing process 	<ul style="list-style-type: none"> Recycle reject rubber waste and get reclaim rubber from the process Recycle rubber flash and get buffing dust for the process Waste segregation and recycle through government approved Recyclers while generating income 	Yes
Chemical Management	<ul style="list-style-type: none"> Chemical discharged from rubber products manufacturing process 	<ul style="list-style-type: none"> Comply to REACH standards. Eliminate Polycyclic Aromatic Hydrocarbons (PAHs) from manufacturing processes. 	Yes
Energy Management	<ul style="list-style-type: none"> Energy waste 	<ul style="list-style-type: none"> Maximum demand control, staggered basis starts and shut down of machinery. Power factor correction, power usage analysis and recording 	Yes

INTELLECTUAL Capital

Key Performance Indicators 2021/2022

- 13**
No of new Rubber Products
- Rs. 33 mn**
Investment in R & D
- 10**
No of Product brands
- 10**
No of Products in pipeline

For more info contact
076 998 0459

THREE WHEEL MAT
Four Stroke | Two Stroke

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Our brands

"We fundamentally believe that success comes from innovative products and processes, high quality manufacturing in all our products to the markets around the globe..."

The intellectual of the Company includes organizational capitals, tacit knowledge, systems and processes and Strength of our brands. It is not possible to assign monetary values to most internally generated intangible assets. However they need to be considered as drivers of the value creation

process of the Company. The collective knowledge, expertise and experience of our employees provide a considerable contribution to our intellectual capital and also gives 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 data base of tacit, accumulated knowledge, including highly specialized expertise in the core business domain, capital management and risk management. Company also conducts a competition for innovative ideas among the employees. Innovation starts even from the factory workers and recognize them well. Last year we

INTELLECTUAL Capital (Contd...)

received fourteen innovative ideas and cash awards and certificates were granted for five best ideas by the Managing Director in the presence of all employees. Our Chairman/ Managing director has worked from the inception of Samson International Plc (34 years) and DSI Group over 60 years. Professionally qualified areas and Service Analysis of our Directors and Executive Management as at 31st March 2022 are given below.

Analysis of Directors' Professional Background:

	Professionally qualified area	No. of Directors on the Board
1	Science	2
2	Engineering	1
3	Finance	2
4	Management	1
5	Marketing	2
6	Law	1
7	Information Technology	2
8	Economics and Geography	1

Service Analysis of Directors

	Service Category	No. of Directors on the Board
1	0 – 4 Years	3
2	5 – 8 Years	1
3	9– 12 Years	2
4	13– 16 Years	-
5	17– 20 Years	-
6	21 – 24 Years	-
7	25 – 28 Years	-
8	29 – 30 Years	1

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

Research and development capabilities

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. Last year, 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. Samson International Plc with Samson Compounds (Pvt) Ltd. signed an agreement with the Chemical & Process Engineering Dept, University of Moratuwa, on for Research & Development activities in rubber products. From time to time, we obtain services from University of Ruhuna, University of Colombo and Rubber Research Institute. Commercialized products developed by our R&D during last three years for PVC and Rubber products are on page 112.

INTELLECTUAL Capital (Contd...)

Rubber Product



Discussion on new product

Industry	2021/22	2020/21	2019/20
Pharmaceutical	Pharmaceutical rubber bung	<ul style="list-style-type: none"> • Anti-microbial hot water bottle • Disinfectant mat 	<ul style="list-style-type: none"> • Cosmetic Bottle Lid Insert • Eco Razer
Food and packaging	Soap container	<ul style="list-style-type: none"> • Coconut oil dropper 	<ul style="list-style-type: none"> • Caprolactam free Bottle Cap • Fat Resistant Jar Sealing Ring
Matting and flooring	Honeycomb continues mat Food grade mat Dual colour yoga mat	Mini's car mat for export Mat	<ul style="list-style-type: none"> • Bubble design Yoga market
Automotive and industry	Batch off machine rubber roller High pressure moulded autoclave beading Natural rubber tube for garment industry	<ul style="list-style-type: none"> • Boat roller • Rubber bumper • Rubber pengle 	<ul style="list-style-type: none"> • Convoluted hose • Natural Rubber Tube
Construction	Rubber beading for Aluminum partition Neoprene profile	<ul style="list-style-type: none"> • Generator vibration pad 	<ul style="list-style-type: none"> • Industrial Plug • L Profile
Agriculture	Fertilizer hose Flower pot	<ul style="list-style-type: none"> • EPDM Hose 	<ul style="list-style-type: none"> • Long Root • Trainer • Seed Tray Larg • Pod
Raw material			<ul style="list-style-type: none"> • Reclaim Rubber

PVC Product

Industry	2021/22	2020/21	2019/20
Pressure Pipes	<ul style="list-style-type: none"> • Expanding pipe range above 160mm 		
Electrical	<ul style="list-style-type: none"> • Floor trunking • SLS certified trunking • SLS Certified Conduite 	<ul style="list-style-type: none"> • Trunking 	
Hose	<ul style="list-style-type: none"> • Customized colour hose 		<ul style="list-style-type: none"> • Clear Hose for shoe industry
Non-pressure Pipes		<ul style="list-style-type: none"> • Gutters 	

INTELLECTUAL Capital (Contd...)



We know that innovation always plays a role in staying ahead of competition.

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. Research and Development section of the SIL is concerned about following sequences when new products are developed. Every year, our R&D department develop about ten new products. The success rate in the commercial production and customer acceptance is more than 80%. At present, we have about 50 rubber-related products which are given below.

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

Pharmaceutical Industry:

- 1) Hot water bottles
- 2) Power webs & Flex bars
- 3) Period cups
- 4) Heel grounders
- 5) Pharmaceutical rubber bung

Food and packaging Industry:

- 6) Food grade jar sealing rings
- 7) Scrapers
- 8) Bottle caps
- 9) Mover bands
- 10) Rubber bands
- 11) Pallet bands
- 12) Tube rings
- 13) Soap container

Bath ware Industry:

- 14) Bath mats
- 15) Tub mats
- 16) Head rests

INTELLECTUAL Capital (Contd...)

Foot ware Industry:

- 17) V straps
- 18) Shoe soles

Matting and Flooring Industry:

- 19) Household mats
- 20) Continuous mat rolls
- 21) Industry mats and Staircase mats
- 22) Gymnasium mats
- 23) Pool mats
- 24) Flooring
- 25) Specialty mats (Fire retardant and Electrical resistant mats)
- 26) Solid top mats

Automotive Industry:

- 27) Three-wheeler mats
- 28) Truck mud flaps
- 29) Battery clips
- 30) Rubber wiser
- 31) Batch off machine rubber roller
- 32) High pressure moulded autoclave beading
- 33) Natural rubber tube for garment industry
- 34) Natural rubber tube for Garment industry

Irrigation and Agriculture Industry:

- 35) Pipe joining rings
- 36) Garden hose
- 37) Soka hose
- 38) Fertilizer hose
- 39) Flower pot

Construction Industry:

- 40) Beadings and Profiles
- 41) Conveyor belts
- 42) Rubber ramps
- 43) Road humps
- 44) D-Bumpers
- 45) Pylon
- 46) Door stoppers
- 47) Corner guards
- 48) Rubber bumper
- 49) Rubber beading for Aluminum partition
- 50) Neoprene profile



Our products

INTELLECTUAL Capital (Contd...)



Our products

We have the following PVC product categories.

- 1) Pressure pipes,
- 2) Agriculture & irrigation pipes,
- 3) Conduits & trunking,
- 4) Fittings,
- 5) PVC hose,
- 6) Solvents,
- 7) Gutters

Branding

Since our humble beginning as a contract manufacturer in 1988, we have managed to build a diversified portfolio of multiple brands in our 34 year history. Our brands include SIL, Decosil, DSI rubber parking accessories, Mayura Yoga, Samson Agro, Rubber Ceylon, Samson Rubber and Samson PVC. Furthermore, we are the authorized distributor for Jopex range of taps and fittings in Sri Lanka.

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. Company has engaged in extensive brand promotion activities by using social media channels and also started selling our products both locally and internationally through ecommerce platforms.

Significant investments were made in promoting Samson PVC and Samson Rubber brands in the local market through both radio and TV commercials which resulted in significant sales growth. Further we have used social media platforms to promote Mayura Yoga, Samson Rubber parking Accessories and DECOSIL brands. Mayura yoga mats which is the only 100% natural rubber yoga mat manufactured in Sri Lanka has seen considerable market growth during the year.

In addition to advertising Samson PVC products in electronic media, we have also carried out promotional activities through articles in newspapers, journals and also through printing colanders, dealer boards, branded rubber products and point of sales materials. This has been the reason for the increase of selling and distribution cost in the year under consideration. Further, we have print "Samson PVC" brand name on this year's uniforms.

Also during the financial year, we have started selling our rubber products through our PVC distribution channel under the brand name Samson Rubber which has seen a significant sales growth and developing it to a major player in the local rubber market. Also have started advertising these products in the electronic media.

CORPORATE Governance



Receiving Best Ethical Trading Exporter Award from NCE

"Good Governance and Ethical Business Practices related to Products and Services in International Trade are concepts that are increasingly recognized by Buyers, Shareholders and other 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. 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. A transparent and good governance system will undoubtedly

lead towards enhancing profitability and long-term sustainability.

Our Corporate governance policies have the clear description of duties and 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. Good Governance and Ethical Business Practices related to Products and Services in International Trade are concepts that are increasingly recognized by Buyers, Shareholders and other Stakeholders. We are committed to a culture that values ethical behaviour and integrity. Our approach to governance is based on the belief that high quality Corporate governance supports long term value creation.

CORPORATE Governance (Contd...)

Business Ethics

All employees of Samson International Plc are bound to adhere to business ethics in order to promote good corporate governance 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 the Environment, and Society, in order to have a competitive advantage in international markets. In this regard, we were able to obtain a special award from National Chamber of Exporters as the Best Ethical Trading Exporter this year. We also obtained a special recognition from the Institute of Chartered Professional Managers of Sri Lanka for the Best Management Practices.

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 price-sensitive 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.

Role of the Chairman:

Role of the both Chairman and Jt. Managing Director is carried out by Dr. D. K. Rajapaksa who has been in the business since inception of the Company for 34 years. Functions of Chairman and one of the Jt. Managing Directors are vested in one person as the Board in of the opinion that it is the most appropriate arrangement for Samson International PLC considering the depth knowledge, experience and maturity of Dr. D. K. Rajapaksa. The Board has also appointed Mr. D.D.A. Rajapaksa as other Jt. Managing Director.

The Chairman is responsible for leading the Board and ensures 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. The CEO (Director/ General Manager) 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.

Role of the Board of Directors

The Board of the Company 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 and to this end, inter alia, 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 to them for the overall management of the Company.

The Board approves all material contracts, investments, disposal fixed assets, annual revenue budgets, strategies and long term plans in line with technological developments, major capital project, acquisition, financial structure, quarterly accounts and shareholder communications, system of internal control and risk management, senior management structure and their responsibilities and succession plan. They are also responsible to protect the untarnished reputation of the Company from employees.

Our Board agenda includes the following items.

- Confirmation of previous minutes
- Matters arising from the previous meeting
- Review of financial performance
- Approval of interim and annual financial statements
- Review of quarterly internal audit report
- Ratification of senior management appointments
- Debtors age analysis

CORPORATE Governance (Contd...)

- 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

The Board has delegated responsibility to the Director/ General Manager who is also the Chief Executive Officer for planning and guiding the business towards meeting set objectives. As previously stated, there is a clear demarcation of responsibilities and authority between the Chairman and the Chief Executive Officer/ General Manager, 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.

The Attendance of the Board of Directors:

Name of Director	Status	25th May 2021	12th Aug 2021	12th Nov 2021	11th Feb 2022	No of Attendance
Mr. D K Rajapaksa	E	✓	✓	✓	✓	4/4
Mr. T K Bandaranayake	NE/I	✓	✓	✓	✓	4/4
Mr. D G P S Abeygunawardana	E	✓	✓	✓	✓	4/4
Mr. D D A Rajapaksa	E	✓	✓	✓	✓	4/4
Mr. D C J Rajapaksa	NE	✓	✓	✓	✓	4/4
Ms I Malwatte	NE/I	✓	✓	✓	✓	4/4
Mr. D N S Rajapaksa	N	✓	✓	✓	✓	4/4

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

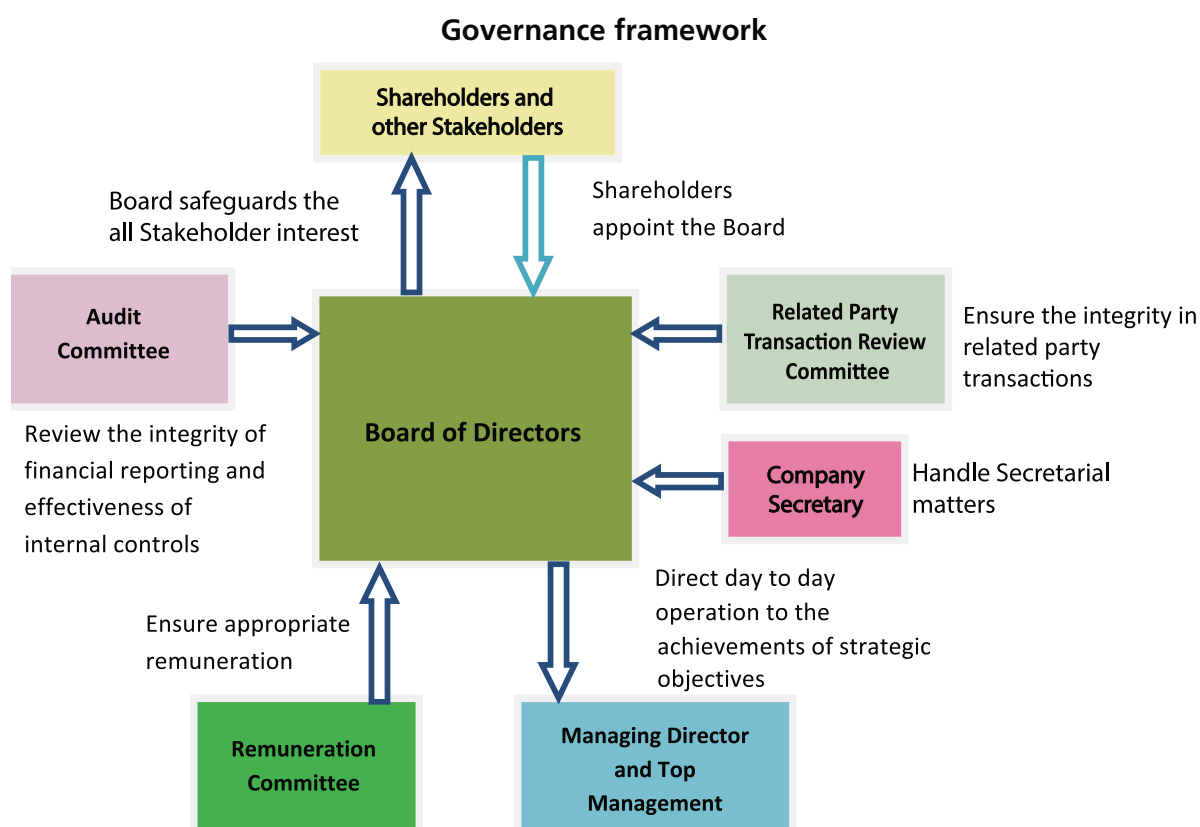
The Attendance of Audit Committee, Remuneration Committee and Related Party Transactions Review Committee:

The attendance of the Audit Committee Report, Remuneration Committee Report and Related Party Transaction Review Committee are on page 152, 154 and 156 respectively with their individual committee reports.

Statement of Compliance

Samson International PLC is fully-compliant with the Code of Best Practice on Corporate Governance issued in year 2017 jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka as well as the Rules on Corporate Governance published by the Colombo Stock Exchange.

CORPORATE Governance (Contd...)



Governance Structure

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

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

CORPORATE Governance (Contd...)

Code of Best Practice on Corporate Governance:

There are two ways that we adopt the Corporate Governance Practices. Namely,

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

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

- | | |
|-----------------------------------|--|
| A. Directors | E. Institutional Investors |
| B. Directors' Remuneration | F. Other Investors |
| C. Relationship with Shareholders | G. Internet of things and Cyber security |
| D. Accountability and Audit | H. Environment, Society and Governance (ESG) |

Fundamental aspects of Corporate governance are described in the below table.

- 3) The Code of Best Practice on Corporate Governance issued in year 2017 jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka:

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 4 are Non-Executive Directors. The three Executive Directors are the two Jt. Managing Directors 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 discharge of their collective duties and also approves policies, governance structures and the delegation of authority to provide a conducive business environment for 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 against pre-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 2022, the Board held 4 scheduled meetings. The following Board Sub Committees met quarterly: Board Audit Committee Board Related Party Transactions Review Committee However, 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

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(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	<p>The Board has delegated responsibility to the Director/ General Manager for planning and guiding the business towards meeting set objectives and reviews it regularly.</p> <p>The Board also reviews the performance of Key Management personnel and their skills, experience and knowledge to implement strategy.</p>	Complied
(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	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 reviews our compliance statements in addition to verifications carried out by our internal audit assistant.	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 Party Transactions Review Committee are in place in order to uphold the interests of these key stakeholders.	Complied

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(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 fulfill its functions in line with the laws, regulations and good governance practices adopted by the Company.	Complied.
(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	<p>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.</p> <p>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.</p>	Complied.

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(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 of adequate time and effort of the Directors	A.1.	<p>The Board of Directors were 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.</p> <p>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.</p>	Complied
(15) Training for 7 Directors	A.1.	Both Managing Directors recommend directors to attend training sessions/ seminars.	Complied
A.2 DIVISION OF RESPONSIBILITIES BETWEEN CHAIRMAN AND MANAGING DIRECTOR			
(16) Conducting the business of the Board separately; to the executive responsibilities of the management of the Company	A.2	Functions of Chairman and one of the Jt. Managing Directors are vested in one person as the Board is in the opinion that it is the most appropriate arrangement for Samson International PLC considering the depth knowledge, experience and maturity of Dr. D. K. Rajapaksa. The Board has also appointed Mr. D.D.A. Rajapaksa as other Jt. Managing Director and Director/ General Manager plays the CEO role.	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 proceedings are conducted according to the Agenda. The papers for discussion and the Agenda are circulated Seven (07) days prior to the meeting.	Complied
A.4 FINANCIAL ACUMEN			
(19) Availability of financial acumen and knowledge to offer guidance on matters of finance	A.4	<p>Financial acumen has been a key attribute of the successful careers of the following Directors</p> <p>Mr. T.K. Bandaranayake</p> <p>Mr. D.G.P.S. Abeygunawardana</p> <p>Their profiles are on the pages 33 and 34</p>	Complied

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
A.5 BOARD BALANCE			
(20) Non Executive Directors of sufficient caliber and number	A.5.1 & A.5.2	The Board comprises the 4 Non-Executive Directors and 3 Executive Directors who are the two Jt. Managing Directors 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 calibre. 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 2021/22.	Complied
(23) Annual evaluation of independence	A.5.5	The Board makes an annual evaluation of 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 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 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, without Executive Directors being Present	A.5.9	Chairman met Non-Executive Directors without the Executive Directors being present, on a need basis.	Complied

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(27) Recording of Directors' concerns in Board Minutes	A.5.10	<p>Board Minutes are prepared in order to record any concerns of the Board as a whole or those of individual Directors regarding matters placed for their 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.</p> <p>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.</p>	Complied
A.6 SUPPLY OF RELEVANT INFORMATION			
(28) Provision of appropriate and timely information	A.6.1	<p>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.</p> <p>As described above, they also have the right to seek independent professional advice at the Company's expense and copies of advice obtained in this manner are circulated to other Directors who request it.</p>	Complied
(29) Chairman to ensure all Directors are properly briefed on issues arising at Board meetings	A.6.1	<p>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.</p> <p>A separate Board paper is prepared highlighting the items which need to be completed and need follow-up action of the previous meetings.</p> <p>This is taken up immediately after confirmation of Minutes.</p>	Complied
(30) Board papers and agenda to be circulated 7 days prior to meetings.	A.6.2	<p>As described above, Board papers are generally circulated 7 days before the meeting. There is provision for circulation of urgent papers within a shorter time frame and also for approval of matters by circulation, but such instances are the exception and not the rule.</p>	Complied
A.7 APPOINTMENTS TO THE BOARD			
(31) Formal and transparent procedure for new Appointments through an established Nomination Committee	A.7.1	<p>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.</p>	Complied

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(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
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 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 following retire and offer themselves for re-election: Mr. D.G.P.S. Abeygunawardana, Mr. D.D.A Rajapaksa, Mrs. I. Malwatte and 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 his reasons for resignation. There is no resignation during the year.	Complied
A.9 APPRAISAL OF BOARD PERFORMANCE			
(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

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(39) Appraisal of Board Sub Committees	A.9.2	The Board Sub Committees follow the same process.	Complied
(40) Disclosure of the method of appraisal of the Board and Board Sub Committee Performance	A.9.3	As explained in A.9.1 & A.9.2 above	Complied
A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS			
(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 33 to 37, details of whether a Director is Executive, Non- Executive / or Independent, Non Independent are given on page 33 to 37, related Party Transactions are given on page 196 under note 27 Membership of Board Sub Committees is given on page 152 to 155 and attendance at Board Meetings and Board Sub Committee meetings are given on pages 118, 152, 154 & 156.	Complied
A.11 APPRAISAL OF CHIEF EXECUTIVE OFFICER / 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 2021/22.	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' REMUNERATION REMUNERATION 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 154.	Complied

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(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 in formulating 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 MAKE UP OF REMUNERATION			
(48) Remuneration for Executive Directors should attract, retain and motivate	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 takes into account market practices and seeks professional advice when 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
(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

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(53) Early termination of Directors	B.2.7	Not applicable to the Board except for the Jt. MDs 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 REMUNERATION			
(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 154. The aggregate remuneration to Executive and Non-Executive Directors are given in Note No.08 to the Financial Statements on page 185. Names of the Directors of the Board & Remuneration Committee are disclosed on pages 07 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 Review is translated into Sinhala each year.	Complied
(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

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(61) Circulation of Notice of AGM and related documents to shareholders	C.1.4	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
(62) Summary of procedures governing voting at the AGM	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 SHAREHOLDERS			
(63) Channel to reach all shareholders of the Company	C.2.1	The AGM is also a key forum for contact with shareholders and the Company has a proud history of well attended AGMs where shareholders 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 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

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
C.3 MAJOR AND MATERIAL TRANSACTIONS			
(69) Disclosure of major transactions	C.3.1	During the year 2021/22, 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 AND AUDIT			
ASSESSMENT OF THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE			
(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. Chairman's Review is given on pages 27 to 29. Jt. Managing Directors' Review is given on pages 30 to 32. Financial capital is given on pages 71 to 78.	Complied
(71) Presence of a balanced and understandable assessment of Company's financial position, performance and prospects in the Annual report	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, company has complied with the requirements of the Companies Act No 07 of 2007 and requirement of Sri Lanka Accounting Standards and Securities and Exchange Commission.	Complied
(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 (one of the Jt. MDs & Director/ General Manager) have signed the Financial Statements on behalf of the Board.	
(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 158 to 163 contains the declarations as required by the Code.	Complied

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
(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 the Auditors which includes a statement about their reporting responsibilities are provided on pages 157 & 164 respectively.	Complied
(76) Include a Management Discussion & Analysis	D.1.6	The Management Discussion and Analysis is given on pages 71 to 115 (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 was not occurred	Complied
(78) Related Party Transactions	D.1.8	There is an approved documented process identifying related parties, type of related party transaction and the mechanism to ensure that no favourable 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 a 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 198.	Complied
D.2 RISK MANAGEMENT AND INTERNAL 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

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
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 152 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 158 to 163 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 TRANSACTIONS REVIEW COMMITTEE			
(85) Related Party Transactions	D.4.1	Company is adhering to LKAS 24 and Transactions entered into with related parties during the year is disclosed in note 27 to the financial statements (page 198).	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 155.	Complied

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
D.5 CODE OF BUSINESS CONDUCT AND 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 GOVERNANCE DISCLOSURES			
(89) Disclosure of adherence to Corporate Governance	D.6.1	The Corporate Governance Report given on pages 116 to 138 provides information regarding Corporate Governance practices in the Company which are in compliance with the Code of Best Practice on Corporate Governance issued jointly by the Securities Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.	Complied
E. SHAREHOLDERS – INSTITUTIONAL 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 GOVERNANCE DISCLOSURES			
(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.	
F. OTHER INVESTORS			
F.1 INVESTING / DIVESTING DECISION			
(93) Individual shareholders are encouraged to do 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, provide sufficient information to enable retail investors to make informed judgments regarding the performance of the Company. Shareholders can contact, the Company Secretary for further information if required.	Complied

CORPORATE Governance (Contd...)

Principle	SEC & CA Sri Lanka Code Reference	Compliance & Implementation	Status
F.2 SHAREHOLDER VOTING			
(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 CYBERSECURITY			
(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 116 to 151.	Complied

2. 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
- Independent Directors
- Disclosures 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 4 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 There are 2 Independent Directors and 4 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.

CORPORATE Governance (Contd...)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status
7.10.3(a)	Disclosure relating to Directors	<p>a. The Board shall make a determination annually as to the independence or non independence of each Non-Executive Director</p> <p>b. Names of independent Directors should be disclosed in the Annual Report</p>	<p>Compliant</p> <p>All Independent, Non-Executive Directors have submitted declarations for their independence.</p> <p>Compliant This was disclosed on page 07.</p>
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 33.
7.10.3(d)	Disclosure relating to Directors	Upon appointment of a new Director to the Board, a brief resume of each Director should 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
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	<p>The Annual Report should set out:</p> <p>a. Names of Directors comprising the Remuneration Committee</p> <p>b. Statement of remuneration policy</p> <p>c. Aggregate remuneration paid to Executive & Non-Executive Directors</p>	<p>Compliant</p> <p>Compliant</p> <p>Compliant</p>
7.10.6	Audit Committee	The Company shall have an Audit Committee	Compliant

CORPORATE Governance (Contd...)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status
7.10.6.(a)	The composition of Audit Committee	<p>a. Shall Comprise Non-Executive Directors, a majority of whom can be independent</p> <p>b. Chief Executive officer and the chief Financial Officer should attend Audit committee meetings</p> <p>c. The Chairman of the Audit committee or One member should be a member of a professional Accounting body</p>	<p>Compliant</p> <p>Compliant</p> <p>He is a member of Institute of Chartered Accountants of Sri Lanka</p>
7.10.6.(b)	Audit Committee functions	<p>Overseeing of the</p> <p>(i) Preparation, Presentation and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards.</p> <p>(ii) Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements</p> <p>(iii) Processes to ensure that the internal controls and risk management are adequate, to meet the requirements of the Sri Lanka Auditing Standards.</p> <p>(iv) Assessment of the independence and performance of the external auditors.</p> <p>(v) 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</p>	<p>Compliant Audit Committee oversees the integrity of the financial statements.</p> <p>Compliant Audit Committee oversees the requirement of the Companies Act and other regulations.</p> <p>Compliant Audit Committee oversees effectiveness of internal control and risk management.</p> <p>Compliant Audit Committee oversees independence and performance of the external auditors.</p> <p>Compliant Audit Committee makes such recommendations.</p>

CORPORATE Governance (Contd...)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status
7.10.6.(c)	Disclosure in the Annual Report relating to Audit Committee	<p>a. Names of Directors comprising the Audit Committee.</p> <p>b. The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination.</p> <p>c. The Annual Report shall contain a Report of the Audit Committee setting out the manner of compliance of the function.</p>	<p>Compliant</p> <p>Compliant</p> <p>Compliant</p>
9.2.2	Disclosure relating to Related Party Transactions Review Committee	Combination of non-executive directors and independent non-executive directors	<p>Compliant</p> <p>The Committee comprises of two Independent Non-Executive Directors, one Non-Executive Director</p>
9.2.3		<p>Separate Committee to be formed for the Company or the Listed Parent's Committee to be used.</p> <p>Function of the Committee</p>	<p>Compliant</p> <p>A separate Related Party Transactions Review Committee was formed for the Company.</p> <p>Compliant</p> <p>The Related Party Transactions Review Committee Report sets out the functions of the Committee on page 155.</p>
9.3.2. (c)	Disclosure in the Annual Report	The Annual report shall contain a Report of the Related Party Transactions Review committee in the prescribed manner.	<p>Complied</p> <p>Please refer Related Party Transactions Review committee report on page 155.</p>

RISK

Management



A fire training programme

"We organized vaccination for 5,000 of our employees and villagers with all three vaccines in the factory premises. This not only prevented spread of Corona virus but also built up a strong relationship with the surrounding villagers."

In March 2020, the Company like others faced the interruption of the operation and business due to the Covid-19 virus which we had not heard and anticipated previously. Many employees affected from this Corona virus even though we controlled it effectively.

In addition to this, any organization could arise other risks from the business activities. Samson International Plc reviews and assesses these risks on a regular basis. We proactively identify the risk, assess it and respond to it by allocating required resources. This risk could be analyzed in to risk identification, risk assessment, risk response and risk reporting methodologies under five risk categories namely Macroeconomic, Competitor and Market, Operational, Financial and Others. The risk management process has been designed to ensure identification of any situation or circumstance that would adversely affect the achievement of the Company's objectives. In this risk management process, the following steps are taken.

RISK Management (Contd...)

- 1) The Group Directors reviews Company's risk profile and provide guidance on required risk responses on a monthly basis at the time reviewing the monthly accounts.
- 2) 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.
- 3) 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.
- 4) Further Corporate Finance and Group Treasury also advise on a regular basis.

The following risk management objectives are also reviewed at a strategic level.

- 1) To identify the Company's significant risks and formulate the Company's risk appetite and ensure that business profile and the plans are consistent with it.
- 2) To optimize risk/ return decisions by taking them as closely as possible to the business.
- 3) To ensure that business growth plans are properly supported by effective risk infrastructure.
- 4) To manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions.
- 5) To help employees for control and co-ordination of risk taking across the business.

Corona pandemic

The Company faced the interruption of the operation and business due to the Covid-19 virus which we had not heard previously. With regard to preventive measures for Covid-19, occupational health and safety systems has become more important than ever before to limit the spread of the Covid-19 pandemic and to provide a reasonable balance between personal safety and commitment to work. Our regular business operations were interrupted due to the pandemic and the Company took all precautions to protect our employees from the virus and steps were put in place to face and minimize the

risk to employees. Following steps were taken to minimize the spread of covid-19 within the factory premises.

- 1) Public Health Inspectors (PHI) conducted random PCR tests on selected samples and all of them were tested negative.



Carring out PCR tests

- 2) We managed to vaccinate all of our employees and all villagers with all three vaccines including booster. Vaccination was carried out at the factory and we were able to organize around 5,000 vaccines to everybody in surrounding villagers. We obtained a special recognition on this process from the Institute of Chartered Professional Managers of Sri Lanka for the Best Management Practices being back to business in the new normal.
- 3) Work arrangements were made to ensure the personal distance.
- 4) Wearing masks were made compulsory while machines were installed to measure temperature of employees when entering to the organization premises.
- 5) Controls were put in place to limit the visitors and outsiders coming to the premises.
- 6) Factory premises were regularly sanitized.
- 7) Washing and sanitizing facilities were provided to workers and procedures were put in place to prevent social gathering.

Year	No of Corona infected employees
2020/21	-
2021/22	101
Total employees	525

RISK Management (Contd...)

- 8) We strictly follow all procedures and systems advised by health authorities and other government departments to protect employees from Coronavirus.
- 9) As a preventive measures of Covid-19 epidemic situation, in-house controls have been implemented such as, Face Mask, Hand Wash as well as Dis-infection mat developed by ourselves.
- 10) The Company also decided to cancel all the regular social events such as annual get together, volleyball and cricket tournaments and felicitation ceremony to prevent social gatherings. As a result of above controls and strictly following the guidelines issued by the health authorities, the company was able to continue its operations even during lockdown periods to full fill all its orders and bringing in much needed foreign currency to the country.
- 11) Further employees with family members who has been infected with the virus were provided with a pack of dry rations during the quarantine period. Also disinfectant mats were provided to schools and religious institutions in the community to control the spread of the virus.
- 12) The company also quickly adopted remote work arrangements and got most of the office staff to work from home which has helped us to maintain the social distancing. All systems of the company including its ERP system was upgraded in order to have remote access and all necessary staff was

provided with laptop computers and internet access. All meetings and team discussions were arranged online by using Zoom platform to maintain the social distancing.

Internal Control

Internal and external audits are crucial in the risk management process. Reports on these audits are reviewed and action taken to manage any risks that have been identified. Significant audit findings by the Auditors are immediately reviewed by the Board appointed Audit Committee. The Company's system of internal controls covers all policies and procedures, enabling significant strategic and operational risks to be managed. The internal audit team meets with the Finance Department every quarter share information and exchange perspectives. Issues identified at these discussions as being a potential risk are immediately subjected to a fuller investigation. 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 changed Messrs. Earnest and Young, outsourced internal auditor this year who has rendered their services to us for more than 10 years. New auditor, T&D Associates was selected by the audit committee after evaluating the proposals given by the firms of Chartered Accountants. Further, engagement partner in our external audit was rotated with a new partner as per the audit practices followed by the Messrs. Edirisinghe & Company.



RISK Management (Contd...)

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 2022	Risk Ranking as at 31st March 2021
Macroeconomic Risk				
1) Market Specific Characteristics Risk	Seasonality period generates a substantial proportion of revenue and operating profit during the third financial quarter. Adverse trading in this relatively short period is likely to impact significantly the full year's results.	Financial and manpower planning takes into account expected peak period and the business is run accordingly. Contacting sister companies to obtain excess workers. Increase attendance bonus during the peak time. Maintain a buffer stock	Medium	Medium
2) Foreign Exchange rate Risk	Depreciation of the rupee value and loss of exchange in conversion in relation to export proceeds, import payments and foreign currency debt transactions.	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 Lanka's socioeconomic and political environment has an impact on the local sales	Management reviews prices in comparison to inflation and negotiates with suppliers for lower prices and credit terms. Export grade two products to low-end markets such as India & Pakistan	Low	Low

RISK Management (Contd...)

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2022	Risk Ranking as at 31st March 2021
Competitor and Market Risk				
4) Risk of Competition	Risk of losing our market share and sales growth to Chinese low quality products and to other substitute products.	<p>Ensuring high standards of quality in the eyes of the customer and branding all our products.</p> <p>Participate in trade fairs both local and foreign to attract new customers.</p> <p>Identify the products which are in the decline stage of the Product life cycle and take corrective action.</p> <p>Sourcing new markets and developing new products.</p> <p>Make necessary investments to upgrade the facilities.</p> <p>Corporate plan is prepared every three years and monitored closely.</p> <p>Increasing productivity and efficiency in order to ensure our prices remain competitive.</p> <p>Carrying out Research and Development activities to identify needs.</p> <p>The provision of various value added services for our key customers.</p> <p>Export PVC- related products where there is high demand. e.g., PVC hose</p>	High	High
5) Technological risk	Risk of low productivity and high maintenance costs compared to the products manufactured by competitors.	<p>Frequent visits of overseas exhibitions and continuous investment in modern machinery.</p> <p>Continuous competitor analysis is carried out.</p> <p>Investing in Research and Development activities throughout the year.</p> <p>Investing in ERP system, hardware and developing software in-house.</p>	Medium	Medium

RISK Management (Contd...)

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2022	Risk Ranking as at 31st March 2021
Competitor and Market Risk contd...				
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.	<p>Maintenance of highest ethical standards at all times in all business activities and make compliance audit as part of internal audit scope.</p> <p>Proper adherence to the statutory, health and safety concerns by obtaining appropriate quality certification standards.</p> <p>Continuous review of customer comments in order to exceed customer expectations and ensure quality standards are adhered to and improved upon.</p> <p>The Company plays a corporate citizen role through CSR initiatives.</p>	Low	Low
7) Product Risk	<p>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.</p>	<p>The Company's plant and machinery are rigorously maintained and upgraded whenever necessary.</p> <p>Established quality control measures as well as product testing through sampling are performed on all product lines.</p> <p>The in-house Quality Surveillance Unit tests samples of new products or components from external suppliers before order placement.</p>	Low	Low

RISK Management (Contd...)

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2022	Risk Ranking as at 31st March 2021
Operational Risk				
8) Process Risk	Internal process failures, shortage of foreign currency, fraud, pilferage and breakdown of internal controls	<p>The Company sources its products and services from approved suppliers</p> <p>Outsource internal audit to reputed audit firm to review and report on the adequacy of the financial and operational controls to the Audit Committee.</p> <p>Systems and procedures are in place to ensure compliance with internal controls, which are monitored and reviewed for their continued efficiency and effectiveness.</p> <p>Provide focused and structured training to staff at all levels to familiarize themselves with processes and procedures.</p> <p>Steps are taken to increase export sales.</p>	Medium	Medium
9) Supply Chain Risk	Risk of non-availability of raw materials and excessive prices.	<p>Establishing relationships with many global and local suppliers for raw materials and commodities in order to reduce over dependency on a single supplier/brand.</p> <p>Store raw materials when the prices are low and enter into forward contracts for raw material purchases.</p> <p>Consume energy in the most efficient way.</p> <p>Re-order level and economic order quantity are established.</p>	Medium	Medium
10) Inventory Risk	Risk of having non-moving stock	<p>Identifying slow-moving stocks and sell them in a different market.</p> <p>Offering discount for bulk orders.</p>	Medium	Medium

RISK Management (Contd...)

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2022	Risk Ranking as at 31st March 2021
Operational Risk contd...				
11) People Risk	Risk of losing skilled and trained human capital	<p>Provide focused and structured training to staff at all levels to aid personal and professional development.</p> <p>Establish career development programmes and succession plans in order to retain and motivate them.</p> <p>Maintaining good relationships with employees through regular dialogue.</p> <p>Top priority is given to automation of manual work.</p>	Medium	Medium
12) Fraud, Compliance and Internal Controls Risk	As the business grows in size and geographical scope, the potential for fraud and dishonest activity by our suppliers, customers and employees increase.	<p>Clear behavioral guidance given to employees through operational manuals.</p> <p>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.</p> <p>Regular update and new introduction of relevant policies and procedures.</p> <p>Whistle-blower policy.</p> <p>Periodical review of the internal controls by outsourced consultants.</p>	Low	Low

RISK Management (Contd...)

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2022	Risk Ranking as at 31st March 2021
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.	<p>All such assets are insured against all identifiable risks.</p> <p>The relevant insurance policies are subject to a comprehensive annual review, with modifications made as deemed necessary.</p> <p>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.</p> <p>Provisioning is also made against obsolete inventory, warranty claims and doubtful debtors.</p>	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.	<p>Create awareness of statutory obligations at all levels.</p> <p>Seek advice from external consultants on all matters relating to litigation and contracts.</p> <p>Product liability insurance is taken for hot water bottles.</p> <p>Have a central record room to keep all our important documents for 10 years.</p> <p>Continuous dialogue with statutory bodies to meet updated reporting requirements.</p>	Low	Low
15) Global Virus Risk (such as Corona)	Having global Corona pandemic, there is an adverse impact to our sales and also purchase of raw materials and employee attendance which result in unfavorable cash flows.	<p>Strictly followed guidelines given by health authorities.</p> <p>Educate in the workers about the virus impact.</p> <p>Carry out PCR tests on random samples.</p> <p>Maintain buffer stocks for both RM & FG.</p>	High	High

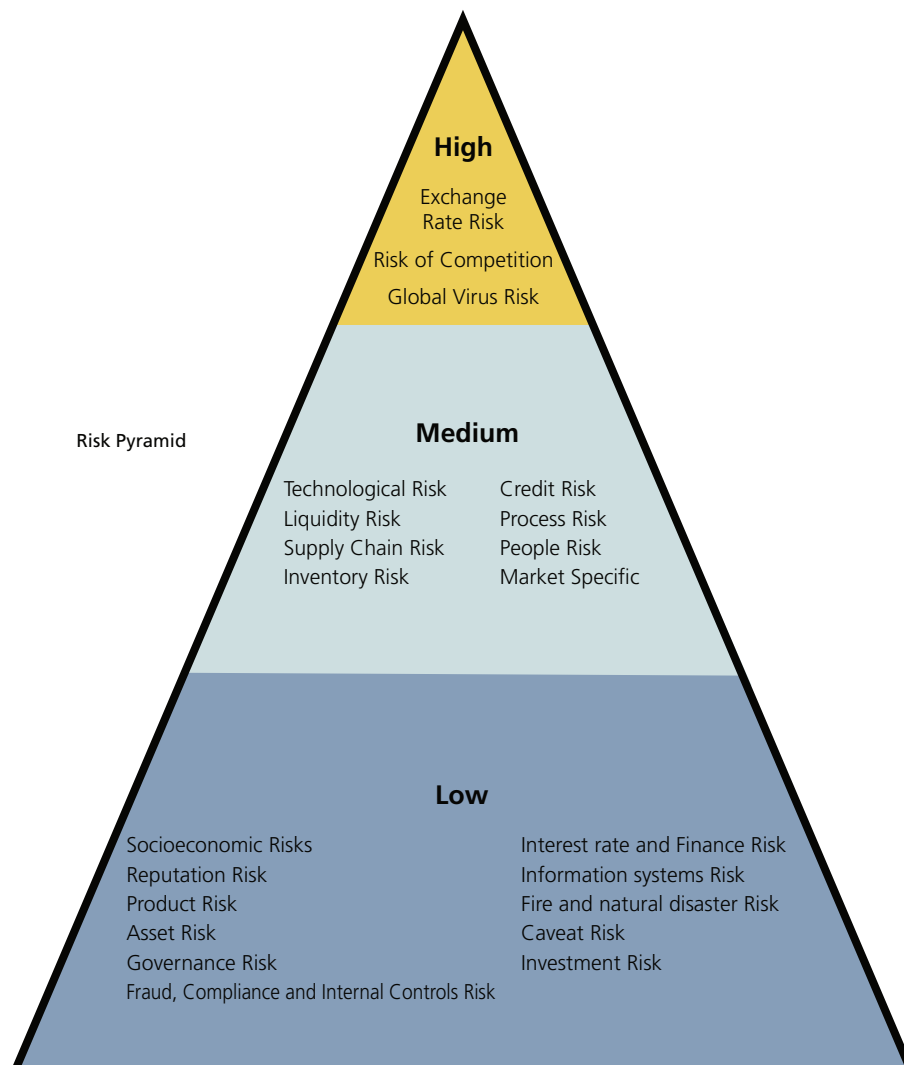
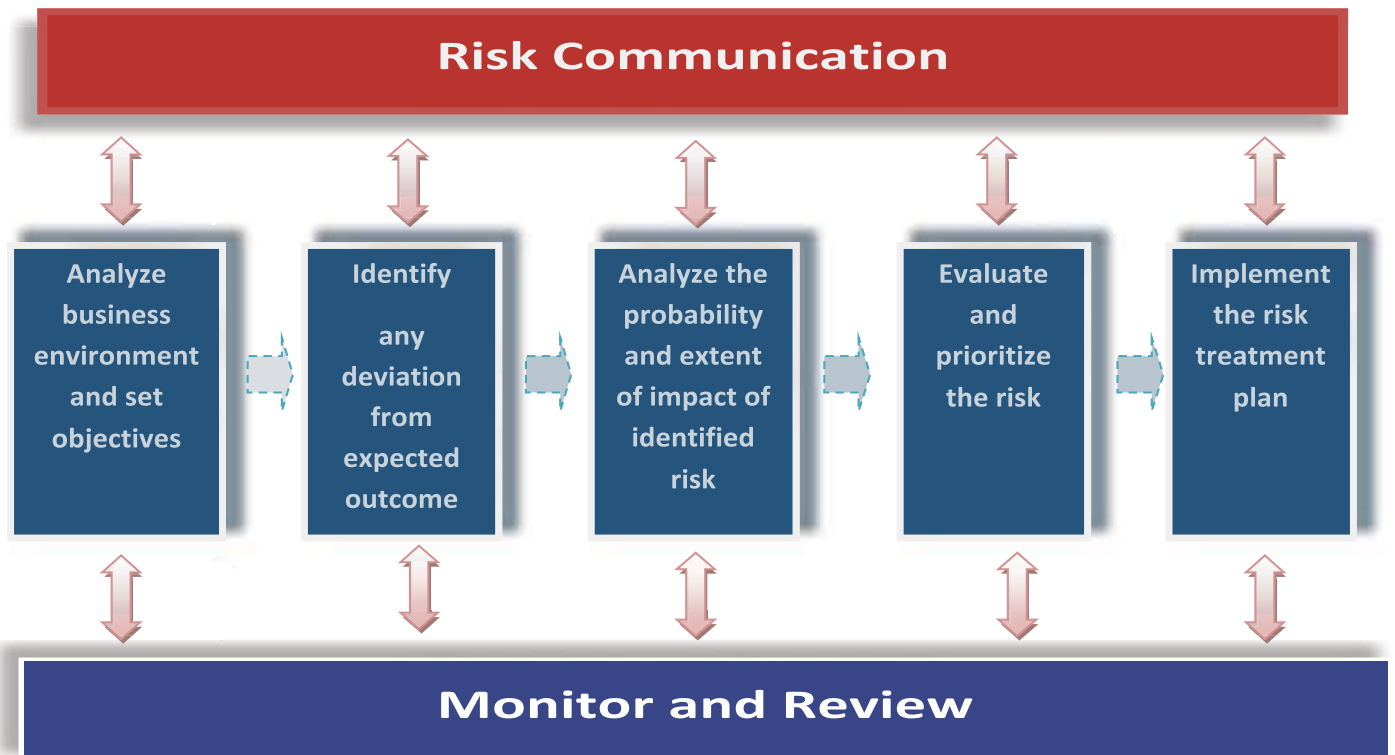
RISK Management (Contd...)

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2022	Risk Ranking as at 31st March 2021
Financial Risk				
16) Credit Risk	Risk arising due to default of payment. Higher credit risk may adversely impact both liquidity and profitability.	<p>Following stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit.</p> <p>Credit is allowed only for the approved customers which is reviewed yearly.</p> <p>Obtaining bank guarantees, deposits, post- dated cheques from local debtors and insurance cover for export debtors whenever there is a doubt about recovery.</p> <p>Closely monitoring the debtor balances and laying down action plans accordingly.</p>	Medium	Medium
17) Interest rate and Finance risk	Inability to satisfy debt repayments and obtain the best interest rates.	<p>To have adequate facilities for obtaining loans and borrowings in foreign currency to bring down finance charges.</p> <p>Funding of long- term assets through equity and long- term loans.</p> <p>To have adequate short term borrowing facilities available at all times.</p> <p>An average gearing is maintained (49%).</p>	Low	Low
18) Investment Risks	<p>New projects/Capital expenditures involve high risks and uncertainties in terms of delays and cost overruns.</p> <p>Failure of major projects will affect profitability, capital structure and reputation.</p>	<p>Conduct a PESTEL analysis and feasibility study before initiating the projects.</p> <p>Board approval should be received for all investments.</p> <p>Post-evaluation of the projects is carried out for each investment.</p>	Low	Medium

RISK Management (Contd...)

Risk identification	Risk assessment	Risk Management	Risk Ranking as at 31st March 2022	Risk Ranking as at 31st March 2021
Financial Risk contd...				
19) Liquidity Risk	Inadequate liquidity can have an adverse impact on ongoing operations, marketing and investment in new products and brands.	<p>The liquidity position of the Company is regularly reviewed and reported to the Board.</p> <p>Projected net borrowings are covered by committed banking facilities and a healthy industry-related gearing ratio is maintained.</p> <p>The Company's good relationships and facilities with many banks and other sources of finance ensure reliable access to funds.</p>	Medium	Medium
Other Risk				
20) Information systems risk	To minimize risk associated with data security, hardware & communication and software.	<p>Data back-ups stored in off- site locations.</p> <p>Maintaining of spare servers.</p> <p>Vendor agreements for support service and regular maintenance.</p>	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	<p>Obtaining comprehensive insurance cover for fire and natural disasters.</p> <p>Fire safety drills and training is given to ensure the occurrence of fire is kept to a minimum.</p> <p>The Company is equipped with fire fighting equipment at all strategic locations in the factory.</p>	Low	Low

RISK Management (Contd...)



RISK Management (Contd...)



Fire training programmes



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, who is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and former Senior Partner of Messrs Ernst & Young. The other member is Mrs. I. Malwatta.

The Role of the Audit Committee

The functions of the Audit committee are in line with the requirement of the Securities & Exchange Commission of Sri Lanka, Companies Act, No. 7 of 2007, and the best practices of Corporate Governance. These included, inter alia, ensuring the effectiveness of internal controls and procedures for financial reporting purposes and the integrity of financial statements as well as the independence of the external auditors.

The Audit Committee was responsible for the following:

1. 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.
2. 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.

3. Reviewing the financial reporting system to ensure the accuracy and timelines of the financial statements produced.
4. Reviewing and ensuring the adequacy and effectiveness of the Company's internal control systems and risk management practices.
5. Oversight on the compliance by the company with the requirements of the statutory and regulatory framework. Compliance is monitored quarterly through 'Company Reports'.
6. Making recommendations to the Board of Directors on the appointment/ re-appointment and the remuneration of the external auditors based on their performance.
7. 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:

Name of Director	Status	25th May 2021	12th Aug 2021	12th Nov 2021	11th February 2022	No of Attendance
Mr. T. K. Bandaranayake	NE/I	✓	✓	✓	✓	4/4
Mrs. I. Malwatta	NE/I	✓	✓	✓	✓	4/4

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

AUDIT Committee Report (Contd...)

The attendance of CEO and Finance Manager in the Audit Committee meetings by invitation is as follows.

Name of Director	Status	25th May 2021	12th Aug 2021	12th Nov 2021	11th February 2022	No of Attendance
Mr. D. G. P. S. Abeygunawardana	CEO /GM	✓	✓	✓	✓	4/4
Mr. A. P. Sisira Kumara	Finance Manager	✓	✓	✓	✓	4/4

Internal Audit Function

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.

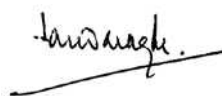
In order to strengthen the internal controls, the Audit Committee decided to change Messrs. Earnest and Young, the outsourced internal auditor this year who has rendered their services to us for more than 10 years. A new auditor, T&D Associates, Chartered Accountants, was selected by the audit committee after evaluating the proposals given by three firms of Chartered Accountants. Further, the engagement partner in the external audit was rotated with a new partner as per the audit practices followed by the Auditors, Messrs. Edirisinghe & Company, Chartered Accountants.

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 2023, subject to the approval of the shareholders at the Annual General Meeting at a fee to be determined by the management.



T. K. Bandaranayake
Chairman
Audit Committee

Colombo
23rd May 2022

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.

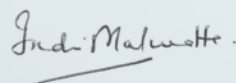
Role of the Committee:

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 185.

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.



I. Malwatta
Chairperson
Remuneration Committee

Colombo
23rd May 2022

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 33 to 35 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.

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 (CFM's) 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.
6. 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 pages 196 to 199.

REPORT OF THE RELATED Party Transactions Review Committee (Contd...)

Details of Meetings held:

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 2021	12th Aug 2021	12th Nov 2021	11th February 2022	No of Attendance
Mr. T.K. Bandaranayake	NE/I	✓	✓	✓	✓	4/4
Mrs. I. Malwatta	NE/I	✓	✓	✓	✓	4/4
Mr. D.D.A. Rajapaksa	E	✓	✓	✓	✓	4/4

"E" = Executive, "NE" = Non- Executive, "I" = Independent

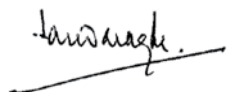
The attendance of CEO and Finance Manager in the Related Party Transaction Review Committee meetings is as follows.

Name of Director	Status	25th May 2021	12th Aug 2021	12th Nov 2021	11th February 2022	No of Attendance
Mr. D.G.P.S. Abeygunawardana	CEO/ GM	✓	✓	✓	✓	4/4
Mr. A.P. Sisira Kumara	Finance Manager	✓	✓	✓	✓	4/4

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.



T. K. Bandaranayake

Chairman

Related Party Transactions Review Committee

Colombo

23rd May 2022

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 as 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 the 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 167 to 199 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.

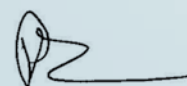
As required by Section 56 (2) of the Companies Act and the Articles of Association of the Company, the Board of Directors has authorized the payment of dividends, being satisfied based on information available to it that the Company would satisfy the Solvency Test after such distributions in accordance with Section 57 of the Companies Act No. 07 of 2007. Accordingly, the Board of Directors has signed the Certificate of Solvency. 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 able to satisfy the Solvency Test immediately after the distribution.

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 164 of this Annual Report.

On behalf of the Board



D. K. Rajapaksa
Jt. Managing Director



D. G. P. S Abeygunawardana
Director / General Manager

Colombo
23rd May 2022

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 2022, which was approved by the Directors at a meeting held on 23rd May 2022.

Samson International Plc is a public limited liability Company, incorporated in Sri Lanka on 14th October 1988 and re-registered 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 in the Colombo Stock Exchange of Sri Lanka on 24th July 1992 and the Company was converted into a public 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 of 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 171 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 Jt. Managing Directors' operational review together with the Financial Statements highlight the Company's performance during the period under review and the state of affairs as at 31st March 2022.

Turnover

Turnover of the Company is Rs.2,885 Mn in 2021/22 as compared to Rs. 2,185 Mn in the last year.

Turnover by segment:

Rs in 000'

Segment	2021/22	2020/21
Rubber-related items	1,521,634	1,221,374
PVC-related items	1,363,555	964,495
Total	2,885,189	2,185,869

REPORT OF THE Board of Directors (Contd...)

Profits:

Rs in 000'

	2021/22	2020/21
Profit for the year (after payment of all expenses, making provision for known liabilities and depreciation on property, plant and equipment)	99,519	108,361
Tax on profits	(15,495)	(9,552)
Profit after taxation	84,024	98,808
Actuarial gain/(loss) on Post-Employment Benefit Liability	624	3,352
Diferred tax on Actuarial gain / (loss)	(103)	(556)
Total Comprehensive income net of tax	84,544	101,604

Retained Earnings:

Rs in 000'

	2021/22	2020/21
Balance brought forward	520,181	422,809
Profit for the year	84,024	98,808
Other Comprehensive income	520	2,796
Final dividend	(8,465)	(4,232)
Balance carried forward	596,260	520,181

Segment Reporting

The revenue and results of the Company Segment-wise is provided in Note 28 to the Financial Statements on page 199.

Taxation

Under of the Inland Revenue Act No (IRA) 24 of 2017, tax profit on export sales, local sales and interest income are taxed at the rate of 14%, 18% and 24% respectively for the year in 2021/22.

Investments in Property, Plant & Equipment

During the year 2021/22, the Company invested Rs. 66 Mn (2020/21 -Rs.212 Mn) in Property, plant & equipment. The total investments in Property, plant & equipment including Capital work-in-progress as at 31st March 2022 amounted Rs. 1,146 Mn as opposed to Rs. 1,080 Mn as at 31st March 2021. The information relating to the movement in Property, plant & equipment is given in Note 13 to the Financial Statement on page 188.

Stated Capital & Reserves

Stated Capital

The movement of the stated capital is as follows:

	2021/22	2020/21
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 193 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.

REPORT OF THE Board of Directors (Contd...)

Reserves

The Group reserves as at 31st March were as follows:

Rs in 000'

	2021/22	2020/21
General reserves	110,000	110,000
Revenue reserves	596,260	520,181
Total reserves	706,260	630,181

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 33 and 37.

- 1) Dr. D. K. Rajapaksa (Chairman/ Jt. Managing Director)
- 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 (Jt. 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. C. J. Rajapaksa who 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 are given on page 118 under Corporate Governance.

Directors' interest in shares

Directors' holdings of ordinary shares in the Company are given below:

	No of Shares as at 31.03.2022	No of shares as at 31.03.2021
Dr. D. K. Rajapaksa	11,159	10,959
Mr. T. K. Bandaranayake	Nil	Nil
Mr. D. G. P. S. Abeygunawardana	110	110
Mr. D. D. A. Rajapaksa	Nil	Nil
Mr. D. C. J. Rajapaksa	Nil	Nil
Ms. I. Malwatte	Nil	Nil
Mr. D. N. S. Rajapaksa	8,297	8,297
Total	19,566	19,366

REPORT OF THE Board of Directors (Contd...)

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 2022 is given in Note 8 to the Financial Statements on page 185 of this Report, as required by Section 168 (1) (f) of the Companies Act No. 07 of 2007. Directors' remuneration for the financial year 2021/22 is Rs. 41,084,839 (last year 28,602,048).

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 152 and 153, which forms part of the Annual Report.

Remuneration Committee

Ms. I. Malwatte	Chairperson, Independent, Non -Executive Director
Mr T.K. Bandaranayake	Independent, Non- Executive Director

The Report of the Remuneration Committee is given on page 154, which forms a part of the Annual Report.

Related Party Transactions Review Committee

Mr T. K. Bandaranayake	Chairman, Independent, Non- Executive Director
Mr D.D. A. Rajapaksa	Executive Director
Ms. I. Malwatte	Independent, Non -Executive Director

The Report of the Related Party Transaction Review Committee is given on pages 155 and 156, which forms part of the Annual 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 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 to retain them with the Company as long as possible. The number of persons employed by the Company at year-end was 525 (last year 551).

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

REPORT OF THE Board of Directors (Contd...)

thereafter reported to the Board. The Statement on Directors' responsibility for financial reporting of the Company is set out on page 157 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.

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.

Donations

The total amount of donations in cash was Rs 155,726 in the year 2021/22 (2020/21 – Rs. 252,055) which has been 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 which 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. 2.01 Bn and 50% of the total assets is Rs. 1,046 Mn. The Company has not bought any assets or undertaken any liabilities greater than Rs. 1,046 Mn 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 05 and in the Ten-year summary on page 204 of this Annual Report.

The twenty major shareholders and percentages held by each one of them as at 31st March 2022 are given on page 218 of the Annual Report.

Public holding of shares in the Company

As at 31st March 2022, the public held 43.393% (in 2020/21- 43.395%) 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.

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 business, 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. The Directors are responsible for the formulation and implementation of overall business strategies, 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 116 and 138 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 2022. The Auditor's Report on the Financial Statements is given on page 164 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.

REPORT OF THE Board of Directors (Contd...)

Auditor's Remuneration and Independence

The Company paid audit fees to the external auditors for the year 2021/22 amounting to Rs. 555,950 (2020/21 - Rs. 485,692). 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 year-end 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 are 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 167 to 199 of the Annual Report.

Secretaries

P W Corporate Secretarial (Pvt) Ltd. continues to work as Secretaries 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 to recommend a dividend of Rs. 2.00 per share based on the profit of 2021/22. (Dividend for 2020/21 is Rs. 2.00 per share). This is to be paid before 09th June 2022.

The Company maintains a consistent dividend policy in line with profitability and market expectations. The total dividends declaration for the financial year will amount to Rs. 8.4 mn.

Notice of Meeting

Details of the Annual General Meeting are given in the Notice of Meeting on page 220.

30th Annual General Meeting

The 30th Annual General Meeting of the Company will be held by way of electronic means on 30th June, 2022 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.

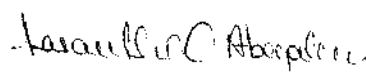
For and on behalf of the Board of Directors,



D. K. Rajapaksa
Chairman/ Jt. Managing Director



D. G. P. S Abeygunawardana
Director / General Manager



P W Corporate Secretarial (Pvt) Ltd.
Secretaries

Colombo
23rd May 2022

INDEPENDENT

Auditor's Report



Edirisinghe & Co.
Chartered Accountants
45, Braybrooke Street
Colombo 02
Sri Lanka

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E: info@bakertilly.lk
W: www.bakertilly.lk

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, 2022, 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 a summary of significant accounting policies.

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, 2022, 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 ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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.

Partners: P.P. Edirisinghe FCA ACIM MBA Ms. M.K.K. Karunaratne FCA ACMA P.K.A.M. Alahakoon ACA MAAT
S.A. Harischandra ACA ACMA CGMA MBA Bcom (Sp.)
Consultants: A.T.P. Edirisinghe FCA FCMA (UK) A.D. Jayasena FCA

Edirisinghe & Co., trading as Bakertilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

INDEPENDENT Auditor's Report (Contd...)

EDIRISINGHE & CO.
Chartered Accountants

Other Information

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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.

INDEPENDENT Auditor's Report (Contd...)

EDIRISINGHE & CO. Chartered Accountants

- 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 ethical requirements in accordance with the Code of Ethics 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, related safeguards.

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

23rd May 2022

STATEMENT

of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 31ST MARCH		2022	2021
	NOTE	Rs.	Rs.
Revenue	06	2,885,189,070	2,185,869,312
Cost of sales		(2,307,891,309)	(1,778,637,433)
Gross profit		577,297,761	407,231,879
Other income	07	250,505	1,628,015
Distribution cost		(155,867,481)	(98,679,909)
Administrative expenses		(232,184,804)	(192,576,437)
Profit from operations	08	189,495,981	117,603,548
Finance income	09.1	3,844,538	8,487,545
Finance cost	09.2	(93,821,067)	(17,730,315)
Net finance cost		(89,976,529)	(9,242,770)
Profit before income taxation		99,519,452	108,360,778
Income tax expense	10	(15,495,462)	(9,552,440)
Profit for the year		84,023,990	98,808,338
Other comprehensive income / (expense), net of tax:			
Items that will not be reclassified subsequent to the Statement of Profit or loss			
Actuarial gain / (loss) on post employment benefit liability		623,977	3,352,534
Deferred tax on actuarial gain/(loss)		(103,463)	(556,446)
Items that will be reclassified subsequent to the Statement of Profit or loss		-	-
Total other comprehensive income / (expense), net of tax:		520,514	2,796,088
Total comprehensive income for the year, net of tax		84,544,504	101,604,426
Basic earnings per share	11	19.85	23.34
Dividends per share	12	2.00	1.00

All values are in rupees, unless otherwise stated. Figures in brackets indicate deductions.


The significant accounting policies and notes on pages 171 to 199 are an integral part of these financial statements.

STATEMENT

of Financial Position


AS AT 31ST MARCH		2022	2021
	NOTE	Rs.	Rs.
Assets			
Non current assets			
Property, plant and equipment	13	538,754,211	567,016,021
Work-in-progress	13.1	18,815,157	7,088,110
Intangible assets	14	5,973,939	3,581,156
Financial assets at fair value through profit and loss	15	10,000,000	5,000,000
Financial assets at amortized cost	16	18,411,656	17,578,097
Deferred tax assets	17.1	8,722,180	8,160,139
		600,677,143	608,423,523
Current assets			
Inventories	18	729,844,790	527,559,236
Trade and other receivables	19	663,282,189	652,638,801
Cash and cash equivalents	20	98,309,058	41,094,577
		1,491,436,037	1,221,292,614
Total assets		2,092,113,180	1,829,716,137
Equity and liabilities			
Equity			
Stated capital	21	109,600,211	109,600,211
General reserve		110,000,000	110,000,000
Retained earnings		596,260,112	520,181,128
Total equity		815,860,323	739,781,339
Non current liabilities			
Deferred tax liability	17.2	34,766,797	38,235,357
Retirement benefit obligation	22	52,602,974	49,164,034
		87,369,771	87,399,391
Current liabilities			
Trade and other payables	23	386,259,673	485,025,236
Short term borrowings	24	788,283,166	504,763,812
Income tax payable		14,340,247	12,746,359
		1,188,883,086	1,002,535,407
Total liabilities		1,276,252,857	1,089,934,798
Total equity and liabilities		2,092,113,180	1,829,716,137

The significant accounting policies and notes on pages 171 to 199 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 167 to 199 were approved by the board of directors and were signed in Colombo on 23rd May 2022 its behalf by:


D. K. Rajapaksa
Jt. Managing Director


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 2021				
Balance as at 01st of April 2020	109,600,211	110,000,000	422,809,189	642,409,400
Profit for the year	-	-	98,808,338	98,808,338
Other comprehensive income	-	-	2,796,088	2,796,088
Dividends paid	-	-	(4,232,487)	(4,232,487)
Balance as at 31st March 2021	109,600,211	110,000,000	520,181,128	739,781,339
For the year ended 31 March 2022				
Balance as at 1st April 2021	109,600,211	110,000,000	520,181,128	739,781,339
Profit for the year	-	-	84,023,990	84,023,990
Other comprehensive income	-	-	520,514	520,514
Dividends paid	-	-	(8,465,520)	(8,465,520)
Balance as at 31st March 2022	109,600,211	110,000,000	596,260,112	815,860,323

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 171 to 199 are an integral part of these financial statements.

STATEMENT of Cash Flows

FOR THE YEAR ENDED 31ST MARCH		2022	2021
	NOTES	Rs.	Rs.
CASH FLOW FROM OPERATING ACTIVITIES			
Profit /(Loss) before taxation		99,519,452	108,360,778
Adjustment for :			
Depreciation	13	82,623,489	57,599,343
Amortization of intangible assets	14	927,964	871,836
(Profit) / loss on available for sale financial assets		-	79,350
(profit) on disposal property plant and equipment	02	-	(206,017)
Exchange (gain) / loss on borrowings		14,415,326	3,954,436
Provision for retirement benefit obligation	22	5,929,880	8,884,076
Interest income	09.1	(3,844,538)	(5,002,740)
Interest cost	09.2	64,124,096	16,655,125
Profit before working capital changes		263,695,669	191,196,187
Changes in Working Capital :			
Increase in inventories	18	(202,285,554)	(258,069,154)
Decrease / (increase) in trade and other receivable	19	(10,643,389)	(296,808,033)
Increase / (decrease) in trade and other payable	23	(98,765,563)	326,794,321
Cash (used in) / generated from operations		(47,998,837)	(36,886,679)
Interest paid	09.2	(64,124,096)	(16,655,125)
Income tax paid		(18,035,636)	-
Retiring gratuity paid	22	(1,866,963)	(3,146,785)
Net cash generated from operating activities		(132,025,532)	(56,688,589)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13	(66,088,726)	(219,183,898)
Proceed from the disposal of assets	13	-	460,000
Purchase of intangible assets	14	(3,320,747)	-
Proceed from the disposal of/ (Investment in) debentures	15	(5,000,000)	15,000,000
Investment in treasury bills	16	(833,559)	(1,176,304)
Interest income	09.1	3,844,538	5,002,740
Net cash used in investing activities		(71,398,494)	(199,897,462)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(8,465,520)	(4,232,487)
Proceeds from short term borrowings	24	1,897,478,231	1,023,525,872
Repayment of short term borrowings	24	(1,679,515,719)	(827,536,235)
Net cash generated from / (used in) financing activities		209,496,992	191,757,150)
Net decrease in cash and cash equivalents		6,072,966	(64,828,901)
Cash and cash equivalents at the beginning of the year		(66,265,412)	(1,436,511)
Cash and cash equivalents at the end of the year	20	(60,192,446)	(66,265,412)

All values are in Rupees, unless otherwise stated. Figures in brackets indicate deductions.

The significant accounting policies and notes on pages 171 to 199 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 23rd May 2022.

1.5 Number of employees

The number of employees of the Company at the end of the year was 525. (2020/21 - 551 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.

NOTES to the Financial Statements (Contd...)

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 interpretations effective for the year

The following amendments and improvements to the standards did not have any impact on the amounts recognised 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: <ul style="list-style-type: none"> - SLFRS 3 Business Combinations (Reference to the Conceptual Framework). - LKAS 37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract). - LKAS16 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: <ul style="list-style-type: none"> - 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 on page 180.

NOTES to the Financial Statements (Contd...)

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 the 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 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 below. 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 de-recognition 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

NOTES to the Financial Statements (Contd...)

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.

Right-of-use assets

The Company recognises 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".

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 amortised cost using the effective interest method.

Short term and low value leases

The Company has elected to not recognise 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 recognises 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.

NOTES to the Financial Statements (Contd...)

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 Derecognition

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 Cash Generating Unit (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

NOTES to the Financial Statements (Contd...)

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

The subsequent measurement of financial assets depends on their classification as follows:

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 or 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 31 March 2022, 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

NOTES to the Financial Statements (Contd...)

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 Credit - 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

Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety 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 Effective Interest Rate (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.

NOTES to the Financial Statements (Contd...)

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 benefits

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

NOTES to the Financial Statements (Contd...)

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

NOTES to the Financial Statements (Contd...)

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.

3.10 Related part 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 Earning 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 on page 199 to the financial statements.

04. Critical Accounting Estimates, Assumptions and Judgments

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 (PPE) 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

NOTES to the Financial Statements (Contd...)

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.

05. 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
Operational process risk
Finance and interest rate risk
Foreign exchange rate 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	2022 Rs.	2021 Rs.
Trade receivables	591,234,392	522,633,270
	591,234,392	522,633,270

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	2022 Rs.	2021 Rs.
Trade receivables from related parties	69,209,864	87,751,329
Trade receivables - others	522,024,528	434,881,941
	591,234,392	522,633,270

Amounts due from related companies were given on normal credit terms.

NOTES to the Financial Statements (Contd...)

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	2022 Rs.	2021 Rs.
Domestic	354,816,662	396,529,613
Export	236,417,730	126,103,657
	591,234,392	522,633,270

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	2022 Rs.	2021 Rs.
Carrying amount		
Trade Creditors - Related Companies	51,716,848	120,573,811
Trade Creditors - Direct Import	153,916,059	201,808,478
Trade Creditors - Other	74,675,554	71,561,077
Customer advances	25,070,363	22,143,597
Customer guarantee deposits	23,579,265	21,164,702
Expenses Creditors	50,640,533	44,587,232
Statutory payables	6,661,051	3,186,339
Bank borrowings - Overdrafts	158,501,504	107,359,989
Bank borrowings - Short Term Borrowings	629,781,662	397,403,823
Income tax payable	14,340,247	12,746,359
	1,188,883,086	1,002,535,407

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	2022		2021	
	USD	EUR	USD	EUR
Foreign currency advances paid	239,697	-	136,672	111,470
Trade and other receivables	158,834	388,913	69,196	395,495
Cash and cash equivalents	230,995	1,721	22,750	42,683
Short term borrowings and other payable	(117,760)	-	(862,256)	-
Gross statement of financial position exposure	511,766	390,634	(633,638)	549,648

NOTES to the Financial Statements (Contd...)

5.3.2 The following significant exchange rates were applicable during the year:

	Average rate		Reporting date spot rate	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
USD	205.22	199.83	299.00	197.62
EUR	238.26	233.64	334.03	229.87

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 both liquidity and profitability.	<p>The following stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit.</p> <ul style="list-style-type: none"> 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. 	Medium
5.4.2 Operational process Risk	Internal process failures, fraud, pilferage and breakdown of internal controls	<ul style="list-style-type: none"> a) The Company sources its products and services from approved suppliers. 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) Carrying out mandatory preventive maintenance programs. 	Medium

NOTES to the Financial Statements (Contd...)

Risk identification	Risk assessment	Risk Management	Risk Ranking
5.4.3 Financing and Interest rate risk	Inability to satisfy debt repayments and obtain the best interest rates.	<ul style="list-style-type: none"> a) To have adequate facilities for obtaining USD loans and borrowings in foreign currency to bring down finance charges. 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. 	Low
5.4.4 Foreign Exchange rate Risk	Depreciation of the rupee value and loss of exchange in conversion in relation to export proceeds, import payments and foreign currency debt transactions.	<ul style="list-style-type: none"> a) Exchange rate movements are taken in to consideration before conversion and pricing. b) Practicing effective hedging techniques. c) Continuous evaluation of the impact of Central Bank regulations. 	High
5.4.5 Investment/ Project Management 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.	<ul style="list-style-type: none"> a) Conduct a PESTEL analysis and feasibility study before initiating the projects. b) Board approval should be received for all investments. c) Post-evaluation of the projects is carried out for each investment. 	Low
5.4.6 Liquidity Risk	Inadequate liquidity can have an adverse impact on ongoing operations, marketing and investment in new products and brands.	<ul style="list-style-type: none"> a) The liquidity position of the Company is regularly reviewed and reported to the Board. 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. 	Medium

NOTES to the Financial Statements (Contd...)

FOR THE YEAR ENDED 31ST MARCH		2022	2021
	NOTE	Rs.	Rs.
06. Revenue			
Sale of goods	06.1	2,885,189,070	2,185,869,312
		2,885,189,070	2,185,869,312
6.1 - Composition of Revenue			
Export turnover		1,023,410,490	766,266,841
Local turnover		1,861,778,580	1,419,602,471
		2,885,189,070	2,185,869,312
07. Other Income			
Other income		250,505	1,501,348
Fixed asset disposal gain		-	206,017
Fair value gain on financial instruments		-	(79,350)
		250,505	1,628,015
08. Profit from operations is stated after charging all expenses including following:			
Cost of purchase		1,777,921,675	1,410,901,150
Employee benefit expenses	08.1	403,060,849	341,344,676
Other overheads		12,744,505	13,547,819
Depreciation		82,623,489	57,599,343
Amortization of intangible assets		927,964	871,836
Export expenses		43,654,636	22,877,330
Machinery maintenance		32,578,537	23,612,765
Sub contract wages		17,947,472	17,611,787
Auditors remuneration - Assurance services		555,950	485,692
Auditors remuneration - Non assurance services		77,000	77,000
Others		323,851,517	180,964,381
Total cost of purchase, distribution and administrative expenses		2,695,943,594	2,069,893,779
8.1 Employee Benefit Expenses			
Directors emoluments		41,084,839	28,602,048
Bonus and other allowances		4,116,684	6,310,027
Salaries, wages, overtime and other staff costs		326,321,239	275,577,034
Post employment benefit - Gratuity		5,929,880	8,884,076
EPF and ETF		25,608,207	21,971,491
		403,060,849	341,344,676

NOTES to the Financial Statements (Contd...)

FOR THE YEAR ENDED 31ST MARCH		2022	2021
	NOTE	Rs.	Rs.
9. Net Finance Income			
9.1 Finance Income			
Interest income from fixed deposit		1,150,560	1,464,178
Interest income from foreign currency deposits		472,073	371,506
Interest income from treasury bills		939,855	1,009,392
Interest income from debentures		1,187,500	2,074,551
Interest income - Staff loans		94,550	83,113
Foreign exchange gain		-	3,484,805
		3,844,538	8,487,545
9.2 Finance Cost			
Interest expenses on bank borrowings		53,400,271	10,564,840
Interest on long term loans		2,198,071	1,075,190
Foreign exchange loss		27,498,900	-
Overdraft interest		10,723,825	6,090,285
		93,821,067	17,730,315
Net finance cost		(89,976,529)	(9,242,770)
10. Income Tax Expenses			
Income tax provision for the year	10.1	19,629,526	17,882,962
(Over) /under provision in previous years		-	(660,211)
Origination and reversal of temporary differences of deferred tax assets and liabilities	17	(4,134,064)	(7,670,311)
		15,495,462	9,552,440
10.1 Reconciliation between Income Tax Expenses and the Accounting Profits			
Profit before income tax		99,519,452	108,360,778
Tax effects of:			
– Total disallowable expenses		90,270,699	67,607,310
– Total allowable expenses		(72,442,455)	(69,792,254)
Taxable income / (taxable loss) from ordinary activities		117,347,696	106,175,835
Income not part of adjusted business profit / (loss)		(3,844,538)	(5,129,407)
Adjusted business profit / (loss)		113,503,158	101,046,428
Tax loss claimed on adjusted business profit		-	-
Taxable business profit		113,503,158	101,046,428
Interest on fixed deposits and treasury bills		3,372,465	4,631,234
Total taxable income		116,875,623	105,677,662
Total taxable income			
Taxable @ 24%		3,372,465	4,631,234
Taxable @ 14%		40,260,905	35,422,304
Taxable @ 18%		73,242,253	65,624,124
Income tax expenses			
Tax @ 24%		809,392	1,111,496
Taxable @ 14%		5,636,528	4,959,123
Taxable @ 18%		13,183,606	11,812,342
Tax for the year		19,629,526	17,882,961

NOTES to the Financial Statements (Contd...)

FOR THE YEAR ENDED 31ST MARCH	2022 Rs.	2021 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		
Profit for the year	84,023,990	98,808,338
Profit attributable to equity holders of the Company	84,023,990	98,808,338
Number of Ordinary Shares Used as the Denominator		
Weighted average number of ordinary shares in issue	4,232,771	4,232,771
Weighted average number of ordinary shares for earnings per share	4,232,771	4,232,771
Basic earnings per share (Rs.Cts)	19.85	23.34
12. Dividend Per Share		
Amounts used as numerator		
Dividends paid	8,465,520	4,232,487
Number of ordinary shares used as the denominator		
Weighted average number of ordinary shares in issue	4,232,771	4,232,771
Dividend per share (Rs. Cts.)	2.00	1.00

NOTES to the Financial Statements (Contd...)

13. Property, Plant and Equipment

Cost/Valuation	Balance as at 01.04.2021 Rs.	Additions Rs.	Transferred Rs.	Disposals Rs.	Balance as at 31.03.2022 Rs.
Freehold assets					
Freehold land	26,216,755	2,176,000	-	-	28,392,755
Buildings	255,829,142	9,336,237	-	-	265,165,379
Plant and machinery	587,471,374	25,212,605	4,805,697	-	617,489,676
Machine accessories	154,820,978	6,711,866	2,087,916	-	163,620,760
Furniture and fittings	1,726,585	-	-	-	1,726,585
Office equipment	22,254,355	3,836,860	194,497	-	26,285,712
Motor vehicles	24,742,824	-	-	-	24,742,824
	1,073,062,013	47,273,569	7,088,110	-	1,127,423,692
ACCUMULATED DEPRECIATION					
Freehold assets					
Freehold land	-	-	-	-	-
Buildings	112,728,938	13,414,066	-	-	126,143,004
Plant and machinery	258,109,351	53,897,662	-	-	312,007,013
Machine accessories	114,618,779	10,033,610	-	-	124,652,389
Furniture and fittings	1,054,229	80,249	-	-	1,134,478
Office equipment	10,281,450	1,938,676	-	-	12,220,126
Motor vehicles	9,253,245	3,259,226	-	-	12,512,471
	506,045,992	82,623,489	-	-	588,669,481
WRITTEN DOWN VALUE					
Freehold assets					
Freehold land	26,216,755		-	-	28,392,755
Buildings	143,100,204		-	-	139,022,375
Plant and machinery	329,362,023		-	-	305,482,663
Machine accessories	40,202,199		-	-	38,968,371
Furniture and fittings	672,356		-	-	592,107
Office equipment	11,972,904		-	-	14,065,586
Motor vehicles	15,489,579		-	-	12,230,353
Net book value	567,016,021		-	-	538,754,211
13.1 WORK IN PROGRESS					
Cost/ valuation					
Buildings	-	15,651,580	-	-	15,651,580
Office & General Equipment	194,497	-	(194,497)	-	-
Plant & machinery	4,805,697	-	(4,805,697)	-	-
Mould & Accessories	2,087,916	3,163,577	(2,087,916)	-	3,163,577
	7,088,110	18,815,157	(7,088,110)	-	18,815,157

NOTES to the Financial Statements (Contd...)

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	2022 Rs.	2021 Rs.
Furniture and fittings	1,038,913	126,413
Motor vehicles	7,316,657	3,206,692
Office equipment	7,316,657	2,518,157
Plant and machinery	56,186,503	7,038,230
Machine Accessories	30,496,601	17,913,819
Total	102,355,331	30,803,311

(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. 258 Mn as at 27th September 2018. Paddy field at Akuressa Road Bogahagoda was valued at Rs. 1.1Mn. PVC factory at Gilcroft Estate, Kiribathwila, Ampegama, Baddegama was purchased in 2014/15 and its market value is Rs. 20 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 & 17 Perches	94,900 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	25,191 Sq ft
Paddy Field	Akuressa Road, Bogahagoda, Galle.	-	-	-
Total			12 Acres 2 Roods & 20.11 Perches	124,541 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 September 2018.

NOTES to the Financial Statements (Contd...)

As at 31st March	2022 Rs.	2021 Rs.
14. Intangible Assets		
Cost		
Balance at the beginning of the year	8,812,172	8,812,172
Additions during the year	3,320,747	-
Balance at the end of the year	12,132,919	8,812,172
Amortisation		
Balance at the beginning of the year	5,231,016	4,359,180
Charge for the year	927,964	871,836
Balance at the end of the year	6,158,980	5,231,016
Net book value	5,973,939	3,581,156

15. Financial Assets at Fair Value through Profit and Loss

Quoted debentures	Note 15.1	10,000,000	5,000,000
		10,000,000	5,000,000

15.1. Quoted Debentures	No of Debentures	Market Price Rs. Cts	Market Value As at 31.03.2022 Rs.	Market Value As at 31.03.2021 Rs.
Commercial Bank PLC	-	-	-	-
Seylan Bank	100,000	100.00	10,000,000	-
Sampath Bank	-	-	-	5,000,000
			10,000,000	5,000,000

As at 31st March	2022 Rs.	2021 Rs.
16. Financial Assets at Amortized Cost		
Investment in treasury bills	18,411,656	17,578,097
	18,411,656	17,578,097

Based on available Auction market information, the fair value of investments in treasury bills equals to its carrying value as at 31 March 2022.

17. Deferred Tax Assets and Liabilities

17.1 Deferred tax assets		
Balance at the beginning of the year	8,160,139	11,227,026
Recognized in profit and loss	665,504	(2,510,441)
Recognized in other comprehensive income	(103,463)	(556,446)
Balance at the end of the year	8,722,180	8,160,139

NOTES to the Financial Statements (Contd...)

As at 31st March	NOTE	2022 Rs.	2021 Rs.
17.2 Deferred tax liabilities			
Balance at the beginning of the year		38,235,357	48,416,109
Recognized in profit and loss		(3,468,560)	(10,180,752)
Balance at the end of the year		34,766,797	38,235,357
Net deferred tax liability		26,044,617	30,075,218
17.3 Composition of net deferred tax liability is as follows;			
Deferred tax liability on Property, plant and equipment		34,766,797	38,235,357
Deferred tax asset on retirement benefit obligation		(8,722,180)	(8,160,139)
		26,044,617	30,075,218
18. Inventories			
Raw materials		498,251,155	325,617,220
Work-in-progress		53,492,140	63,926,546
Finished goods		163,558,584	128,796,189
Stationery, consumable maintenance and energy		19,892,600	15,148,209
		735,194,479	533,488,164
Provision for inventories		(5,349,689)	(5,928,928)
		729,844,790	527,559,236
18.1 Movements on the provision for inventory is as follows:			
Balance at the beginning of the year		5,928,928	5,928,928
Provision / (reversal) for inventory impairment		(579,239)	-
Balance at the end of the year		5,349,689	5,928,928
19. Trade and Other Receivables			
Trade receivables - Local		286,275,676	311,186,186
Trade receivables - Foreign		236,417,730	126,103,657
Trade receivables - Related parties	19.1	69,209,864	87,751,329
Less: Specific Provision for doubtful trade receivables		(668,878)	(2,407,902)
Trade receivables - net		591,234,392	522,633,270
Other receivables		1,140,038	1,102,465
Deposits and prepayments		4,774,329	13,445,557
Advances		65,483,482	107,492,664
VAT receivable		-	7,314,897
NBT receivables		649,948	649,948
		663,282,189	652,638,801

NOTES to the Financial Statements (Contd...)

As at 31st March	NOTE	2022 Rs.	2021 Rs.
19.1 Trade Receivables - Related parties			
D. Samson Industries (Pvt) Ltd.		44,663,579	65,806,844
Samson Engineers (Pvt) Ltd.		4,224	97,245
Samson Trading (Pvt) Ltd.		22,782,082	18,417,865
Samson Rubber Products (Pvt) Ltd.		-	1,032,653
Samson Compounds (Pvt) Ltd.		1,432,469	1,822,047
Samson Rubber Industries (Pvt) Ltd.		20,074	23,450
Samson Rajarata Tiles Pvt) Ltd.		161,276	86,540
Samson Reclaime Rubbers Ltd.		146,160	700
D. Samson & Sons (Pvt) Ltd.		-	454,985
Samson Bikes Ltd.		-	9,000
		69,209,864	87,751,329
19.2 Movement in provision for doubtful trade receivables			
Balance at the beginning of the year		2,407,902	2,828,970
Provision / (reversal) for the year		(2,407,902)	-
Written off during the year		668,878	(421,068)
Balance at the end of the year		668,878	2,407,902

As of 31st March 2022, Trade Receivables of Rs 577,585,340/- (as of 31st March 2021 was Rs. 469,035,905/-) were fully performing.

As of 31st March 2022, Trade Receivables of Rs.53,597,365 (as of 31st March 2021 was Rs. 45,492,078/-) 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:

3 to 6 months	6,148,060	38,975,711
over 6 months	7,500,991	14,621,654
	13,649,051	53,597,365

As of 31 March 2022, trade receivables of Rs 668,878 (as of 31 March 2021 Rs 2,407,902/-) 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.

19.3 Analysis of current financial instruments by category			
Financial assets at amortized cost			
Trade and other receivables excluding prepayments, statutory payments and advances		592,374,430	523,735,735
Cash and cash equivalents	Note 20	98,309,058	41,094,577
		690,683,488	564,830,312
Financial liabilities at amortized cost			
Trade and other payables (Excluding statutory liabilities and advances)	Note 23	330,948,994	438,530,598
Borrowings	Note 24	788,283,166	504,763,812
		1,119,232,160	943,294,410

NOTES to the Financial Statements (Contd...)

As at 31st March		2022	2021
	NOTE	Rs.	Rs.

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	591,234,392	522,633,270
		591,234,392	522,633,270

The maximum exposure to credit risk for trade receivables at the end of the reporting period by type of counterparty is as follows:

Trade receivables from related parties	19.1	69,209,864	87,751,329
Trade receivables - others		522,024,528	434,881,941
		591,234,392	522,633,270

Amounts due from related companies were given on normal credit terms.

20. Cash and Cash Equivalents

Cash at bank	74,183,332	17,130,559
Cash on hand	122,416	110,523
Short term fixed deposits	24,003,310	23,853,495
	98,309,058	41,094,577

20.1 For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

Cash at bank	74,183,332	17,130,559
Cash on hand	122,416	110,523
Short term deposits	24,003,310	23,853,495
Bank overdrafts	(158,501,504)	(107,359,989)
	(60,192,446)	(66,265,412)

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

NOTES to the Financial Statements (Contd...)

As at 31st March		2022	2021
	NOTE	Rs.	Rs.
22. Retirement Benefit Obligation			
Movement in the Present Value of Defined Benefit Obligation			
Balance at the beginning of the year		49,164,034	46,779,277
Current service cost		4,590,062	4,206,148
Past service cost		(2,593,305)	-
Interest cost		3,933,123	4,677,928
Actuarial (gain) / loss on obligation		(623,977)	(3,352,534)
Benefit paid		(1,866,963)	(3,146,785)
Balance at the end of the year		52,602,974	49,164,034
The expenses is recognised in the following line items in the Statement of Profit or Loss.			
For the year ended 31st March			
Cost of sales		3,557,928	5,330,446
Administrative expenses		2,371,952	3,553,630
Balance at the end of the year		5,929,880	8,884,076

As at 31st March 2022, 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 accounting provision of the Company as at 31st March 2022 has been determined based on the recommendation on this report.

During the year (2021/22), gratuity liability were adjusted to reflect the new legal requirement in the country regarding the retirement age. As a result of the plan amendment, the company's defined benefit obligation decreased by Rs. 2,593,305. A corresponding past service cost was recognised in the profit or loss during the year 2021/22.

Changes in the retirement age reflects below

	2022	2021
Male	60 years	55 years
Female	60 years	50 years

22.1 Actuarial assumptions:

Salary incremental rate	13.00%	7.00%
Rate of discount	15.00%	8.00%
Staff turnover rate	5% to 48%	5% to 48%

Salary increment rate increased by 6% 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 02 March 2022.

Staff turnover rate varies ranging from 5% to 48% per annum based on the category on the age limit.

Provision has been made for the retirement benefit obligation in conformity with LKAS 19 - Employee Benefits

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 2022, sensitivity analysis has been carried out as follows;

NOTES to the Financial Statements (Contd...)

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	49,485,408
1% Decrease	As per Note 22.1	As per Note 22.1	56,070,122
As per Note 22.1	1% Increase	As per Note 22.1	56,082,995
As per Note 22.1	1% Decrease	As per Note 22.1	49,423,707
As per Note 22.1	As per Note 22.1	10% Increase	52,787,552
As per Note 22.1	As per Note 22.1	10% Decrease	52,394,268

As at 31st March	NOTE	2022 Rs.	2021 Rs.
22.3 Distribution of employee benefit obligation over future working lifetime			
Within the next 12 months		6,308,395	9,582,574
Between 1 and 2 years		8,911,053	12,560,240
Between 3 and 5 years		7,585,361	11,167,173
Beyond 5 years		29,798,165	15,854,047
		52,602,974	49,164,034

23. Trade and Other Payables

Trade creditors - Related Companies	23.1	51,716,848	120,573,811
Trade creditors - Direct Import		153,916,059	201,808,478
Trade creditors - Other		74,675,554	71,561,077
Customer advances		25,070,363	22,143,597
Customer guarantee deposits		23,579,265	21,164,702
Expense creditors		50,640,533	44,587,232
Statutory payables		6,661,051	3,186,339
		386,259,673	485,025,236

23.1 Trade Creditors - Related Companies

D. Samson Industries (Pvt) Ltd.	314,557	464,417
Samson Reclaim Rubbers Ltd.	-	145,400
Samson Rubber Products (Pvt) Ltd.	1,265,440	1,801,054
Samson Group Corporate Services (Pvt) Ltd.	1,194,156	930,431
Samson Compounds (Pvt) Ltd.	42,017,956	117,045,470
D S I Welfare shop	10,704	-
Mount Spring Water (Pvt) Ltd.	31,381	19,989
D S I factory outlet	-	2,000
D Tech (Pvt) Ltd.	438,575	89,645
Samtessi Brush Manufacturers (Pvt) Ltd.	-	42,660
D.Samson & Sons (Pvt) Ltd.	277,725	-
Samson Engineers (Pvt) Ltd.	150,650	32,744
Samson Manufacturers (Pvt) Ltd.	16,360	-
DSI Samson Group (Pvt) Ltd.	5,999,343	-
	51,716,848	120,573,811

24. Short Term Borrowings

Bank overdrafts	158,501,504	107,359,989
Other short term borrowings	629,781,662	397,403,823
	788,283,166	504,763,812

NOTES to the Financial Statements (Contd...)

24.1 - Securities for the above facilities are as follows:

Nature of Asset	Nature of the Loan Facility	Bank/Institution	Securities
Inventory	Overdraft	Hatton National Bank PLC	Finished Good Stocks & Debtors and Promissory note Rs. 14.30 Mn
Confirmed order confirmation	Packing Credit Loan	Hatton National Bank PLC/ DFCC Bank	Confirmed Order Confirmation.
Inventory	Overdraft	Seylan Bank PLC	Finished Good Stocks & Debtors.
Fixed deposit	Overdraft	Bank Of Ceylon	Fixed deposit of Rs. 4,000,000/-.
Inventory	Overdraft	Bank Of Ceylon	Raw Material Stocks
Financial assets	Overdraft	DFCC Vardhana Bank PLC	Treasury bills of Rs. 18,976,264/-
Inventory	Overdraft	Commercial Bank PLC	Finished Good Stocks & Debtors.
Inventory	Overdraft	Nations Trust Bank PLC	Raw Material Stocks.

As at 31st March	NOTE	2022 Rs.	2021 Rs.
24.2 Other short term borrowings			
Balance at the beginning of the year		397,403,823	197,459,750
Obtained during the year		1,897,478,231	1,023,525,872
Exchange gain/loss		14,415,326	3,954,436
Repayments during the year		(1,679,515,719)	(827,536,235)
Balance at the end of the year		629,781,662	397,403,823

25. Commitments and Contingencies

There were no commitments and contingencies existing as at the reporting date.

26. Events Occurring after the Reporting date

'No circumstances have arisen, since reporting date, which would require adjustments to, or disclosure, in the financial statements other than disclosed below:

'At the Board meeting held on 23rd May 2022, final dividend of Rs. 2.00 per share amounting to Rs. 8.4 Mn has been proposed for the year ended 31st March 2022 by the Board of the Directors..

27. Related Party Disclosures

Details of significant related party disclosures are as follows:

27.1 Parent and ultimate controlling party

Company does not have an identifiable parent of its own.

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, 2022 is given in note 8.1 to the financial statements.

Dr. D.K. Rajapaksa - (Chairman/ Jt. Managing Director)

Mr. T.K. Bandaranayake

Mr. D.G.P.S. Abeygunawardana - (Director/ General Manager)

Mr. D.D. A. Rajapaksa - (Jt. Managing Director)

Mr. D.C.J. Rajapaksa

Ms. I. Malwatte

Mr. D.N.S Rajapaksa

NOTES to the Financial Statements (Contd...)

27.3 Transactions with Key Management Personnel of the Company

27.3.1 Key Management Personnel Compensation

For the year ended 31 March	2022 Rs.	2021 Rs.
Short-term employee benefits	41,084,839	28,602,048
	41,084,839	28,602,048

The Company has not incurred any amount as termination benefits or post employment benefits on account of the key managerial personnel during the year.

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 Company	Relationship
Samson Plantations (Pvt) Ltd	Director

Mr. D.D.A Rajapaksa who is a director of the company is also holding directorships in the following Companies within the Group.

Name of Company	Relationship
Samtessi Brush Manufacturers (Pvt) Ltd.	Managing Director
Samson Insurance Broker (Pvt) Ltd	Director
Samson Investments (Pvt) Ltd.	Director
D. Samson Industries (Pvt) Ltd.	Director
Samson Compounds (Pvt) Ltd.	Director
DSI Samson Group (Pvt) Ltd	Director
Samson Rajarata Tiles (Pvt) Ltd	Director

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 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.	Managing Director
Samson Apparel Makers (Pvt) Ltd.	Director

NOTES to the Financial Statements (Contd...)

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 31 March 2021 audited financial statements, which required additional disclosure in the 2021/22 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 2020/21 revenue	Terms & condition
D. Samson Industries (Pvt) Ltd.	Affiliate	Sales	468,715,990	21.4%	Terms equivalent to those that prevail at arm's length transaction
		Settlement	(488,236,082)	-22.3%	
		Purchases	(1,473,313)	-0.1%	
Samson Compounds (Pvt) Ltd.	- do -	Sales	10,380,625	0.5%	Terms equivalent to those that prevail at arm's length transaction.
		Settlement	604,066,820	27.6%	
		Purchases	(550,190,134)	-25.2%	

27.5.1 Transaction with other related companies

Company	Relationship	Nature of Transactions in 2022			Balance as at 31/03/2022
		Sales Rs.	Purchases Rs.	Settlement Rs.	
Samson Rubber Industries (Pvt) Ltd.	Affiliate	839,719	(1,007,655)	164,561	20,074
Samson Engineers (Pvt) Ltd.	- do -	99,584	(1,069,771)	759,261	(146,426)
D Samson & Sons (Pvt) Ltd.	- do -	-	(2,182,750)	1,905,025	(277,725)
Samson Group Corporate Services (Pvt) Ltd.	- do -	-	(4,587,125)	4,323,400	(1,194,156)
Samson Rajarata Tiles (Pvt) Ltd.	- do -	630,436	139,138	(416,562)	439,552
Samson Reclaim Rubbers Ltd.	- do -	731,450	(1,010,981)	570,391	145,460
Samson Rubber Products.	- do -	-	(10,118,756)	10,654,370	(232,787)
Samson Trading (Pvt) Ltd.	- do -	86,549,478	-	(82,185,262)	22,782,081
Mount Spring Water (Pvt) Ltd.	- do -	-	(114,550)	103,158	(31,381)
Samson Bikes (Pvt) Ltd.	- do -	-	-	-	-
D Tech (Pvt) Ltd.	- do -	-	(2,609,195)	2,260,265	(438,575)
DSI Welfare Shop.	- do -	-	(351,364)	340,660	(10,704)
DSI Samson Group (Pvt) Ltd.	- do -	-	(41,588,859)	35,589,516	(5,999,343)
Samtessi Brush Manufacturers (Pvt) Ltd.	- do -	-	(21,330)	21,330	-
Samson Manufacturers (Pvt) Ltd.	- do -	-	(16,360)	-	(16,360)

There were no other related party transactions other than disclosed above.

NOTES to the Financial Statements (Contd...)

27.6 Outstanding amounts due from and to related parties are disclosed in Note 19.1 and 23.1 respectively.

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.

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.

Description	(Rs.'000)					
	Rubber Segment		PVC Segment		Company	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Total turnover	1,521,634	1,221,374	1,363,555	964,495	2,885,189	2,185,869
Segmental expense	(1,430,873)	(1,149,099)	(1,264,820)	(919,166)	(2,695,693)	(2,068,265)
Profit / (loss) from operations	90,761	72,275	98,735	45,329	189,496	117,604
Geographical segment						
Europe	833,520	615,537	-	-	833,520	615,537
Australia and New Zealand	23,950	19,065	-	-	23,950	19,065
America / Canada	30,127	19,639	-	-	30,127	19,639
Africa and Middle-East	57,812	55,448	-	-	57,812	55,448
Asia / Sri Lanka	576,225	511,685	1,363,555	964,495	1,939,780	1,476,180
Total	1,521,634	1,221,374	1,363,555	964,495	2,885,189	2,185,869
Financial Position segment						
Property, plant and equipment	207,700	263,886	331,054	303,130	538,754	567,016
Inventories	319,968	255,071	409,877	272,488	729,845	527,559
Trade and other receivables	470,876	337,562	192,406	315,076	663,282	652,638
Trade and other payables	122,811	277,656	263,448	207,369	386,259	485,025

COUNTRY

Profile

296

Public Quoted
Companies

Rs.3,827 Bn

Market
Capitalization

8 Mn

Work
Force

92%

Literacy
Rate



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 \$ 3,682 and a population of approximately 22 million in 2020. 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.

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.

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

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 Mn. Of which, about 45% engaged in service sector, 29% in agriculture sector and 26% in industry sector.

1	Land area	:	65,610 sq km
2	Commercial capital	:	Colombo
3	Climate	:	Tropical (10c – 32 c)
4	Population	:	21.2 mn
5	Labour force	:	8 mn
6	Languages	:	Sinhala, Tamil and English as the link language.
7	Currency	:	Sri Lankan Rupee
8	Legal system	:	Roman- Dutch and English
9	Literacy rate	:	92%
10	Main Religions	:	Buddhism, Christian, Islam, Hindu

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. 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.



FOUR-QUARTER

Financial Summary

PROFIT AND LOSS ACCOUNTS	For the Quarter ended 30th June		For the Quarter ended 30th September		For the Quarter ended 31st December		For the Quarter ended 31st March	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited
Revenue								
Export	218,672	135,490	267,438	188,903	306,364	230,340	230,939	211,534
Local	286,408	205,531	589,915	384,172	483,499	402,662	501,941	427,238
Total revenue	505,080	341,021	857,352	573,074	789,862	633,002	732,879	638,771
Cost of sales	(414,662)	(281,104)	(701,398)	(461,532)	(615,224)	(504,759)	(573,073)	(531,244)
Gross profit	90,418	59,917	152,434	111,542	174,639	128,242	159,807	107,527
Other operating income	1,014	1,638	863	1,984	989	1,949	1,231	1,060
Exchange gain / (loss)	2,555	3,234	(16,439)	(1,698)	(6,894)	1,486	(6,722)	464
Selling & distribution cost	(26,887)	(14,041)	(41,241)	(26,717)	(52,230)	(27,864)	(35,209)	(30,058)
Administrative expenses	(50,506)	(37,011)	(53,947)	(48,158)	(58,599)	(50,069)	(70,905)	(57,339)
Operating profit	16,594	13,737	45,192	36,954	57,905	53,745	48,204	21,654
Finance costs	(10,543)	(4,136)	(14,402)	(3,214)	(20,015)	(4,347)	(19,286)	(6,034)
Profit before income tax	6,051	9,601	26,660	33,740	37,890	49,398	28,918	15,621
Income tax expense	(1,895)	(3,373)	(6,086)	(9,436)	(6,279)	(3,458)	(1,236)	6,714
Profit for the period	4,156	6,228	20,573	24,304	31,612	45,939	27,682	22,334
BALANCE SHEETS	As at 30th June		As at 30th September		As at 31st December		As at 31st March	
	2021	2020	2021	2020	2021	2020	2021	2020
	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited	Rs. '000 Unaudited
Assets								
Non-current assets								
Property plant & equipment	559,864	399,643	562,718	427,392	553,158	481,706	557,570	574,104
Financial assets at amortized cost	17,984	16,402	17,984	16,402	18,412	17,579	18,412	17,578
Financial assets at fair value through profit and loss	10,000	18,655	10,000	20,339	10,000	20,464	10,000	5,000
Intangible assets	3,364	4,236	3,146	4,018	2,928	3,800	5,974	3,581
Deferred tax assets	8,451	11,877	8,543	11,981	8,844	8,037	8,723	8,160
	599,663	450,813	602,391	480,132	593,342	531,586	600,679	608,423
Current assets								
Inventories	814,856	297,751	689,676	244,366	654,162	313,400	729,845	527,559
Trade & other receivables	640,444	346,278	975,669	442,767	936,743	501,176	663,283	652,641
Income tax refund due	-	10,535	-	-	-	-	-	-
Cash and cash equivalents	53,009	54,872	64,514	106,624	37,241	43,042	98,310	41,095
	1,508,309	709,436	1,729,859	793,757	1,628,146	857,618	1,491,438	1,221,295
Total Assets	2,107,972	1,160,249	2,332,250	1,273,889	2,221,488	1,389,204	2,092,117	1,829,718
Equity and liabilities								
Stated capital	109,600	109,600	109,600	109,600	109,600	109,600	109,600	109,600
General reserves	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Retained earnings	515,871	426,667	540,398	446,581	570,248	506,312	596,259	520,181
Total equity	735,471	646,267	759,998	666,181	789,848	725,912	815,859	739,781
Liabilities								
Non-current liabilities								
Long-term loans	-	-	40,687	25,000	39,798	50,000	33,629	47,222
Deferred tax liabilities	38,808	58,743	37,802	47,180	39,141	30,038	34,767	38,235
Retirement benefit obligations	50,915	49,507	51,470	49,917	53,279	50,230	52,603	49,164
	89,723	108,250	129,959	122,097	132,218	130,268	120,999	134,621
Current liabilities								
Trade and other payables	517,830	233,649	425,110	159,685	439,730	207,872	386,264	485,028
Short-term borrowings	574,916	110,832	849,156	216,225	687,362	214,714	596,153	350,182
Bank overdrafts	175,672	61,251	148,377	99,379	145,546	94,509	158,502	107,360
Income tax Payables	14,359	-	19,650	10,322	26,784	15,929	14,340	12,746
	1,282,777	405,732	1,442,293	485,611	1,299,422	533,024	1,155,259	955,316
Total liabilities	1,372,500	513,982	1,572,252	607,708	1,431,640	663,292	1,276,258	1,089,937
Total equity and liabilities	2,107,972	1,160,249	2,332,250	1,273,889	2,221,488	1,389,204	2,092,117	1,829,718

TEN - YEAR

Economic Summary

Economic Indicators		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GDP Indicators:											
GDP growth	Percent	3.70	(3.60)	2.3	3.2	3.1	4.4	4.0	4.9	3.4	9.1
GDP (current prices)	Rs. billion	16,809	14,973	15,016	14,450	13,289	11,839	11,183	10,448	9,592	8,732
GDP (current prices)	USD billion	81.0	80.7	84.0	88.9	87.2	81.3	80.5	79.3	74.3	68.4
GDP per capita (USD) Growth	Percent	3.20	(1.5)	1.6	2.2	(3.1)	(0.21)	0.58	5.9	7.7	7.2
GDP per capita (market prices)	Rs "000"	758.0	683.0	688.0	667.0	603.0	558.4	533.0	503.0	466.0	427.0
GDP per capita (market prices)	USD	3,815.0	3,682.0	3,852.0	4,102.0	3,956.0	3,835.0	3,843.0	3,821.0	3,609.0	3,351.0
Fiscal policy Indicators :											
Budget deficit	Per cent of GDP	-12.2	-11.1	-6.8	-5.3	-5.5	-5.4	-7.4	-5.7	-5.9	-6.5
Monetary policy Indicators :											
12 month T-Bill yield (year - end)	Percent	8.2	5.0	8.4	10.4	8.9	10.2	7.3	6.0	8.3	11.7
Prime lending rate (year - end)	Percent	8.6	5.8	9.7	12.2	11.6	11.5	7.4	6.4	10.1	14.4
M2b money supply growth	Percent	13.2	23.4	7.0	17.6	16.7	18.4	15.2	13.3	16.7	17.6
Other Economic Indicators:											
Inflation annual average (CCPI 2006/07 = 100)	Percent	6.0	4.6	4.3	4.3	7.3	4.0	4.8	3.3	6.9	7.6
Unemployment rate	Percent	5.1	5.5	4.8	4.1	4.2	4.4	4.6	4.3	4.4	4.0
All share index (year - end)	Points	12,226	6,774	6,129	5,643	6,369	6,228	6,894	7,299	5,913	5,643
Population	Million	22.1	21.9	21.8	21.6	21.4	21.2	21.0	20.8	20.5	20.3
External Sector Indicators:											
Export USD	Billion	12.4	10.0	11.9	11.8	10.5	10.3	10.5	11.1	10.4	9.8
Import USD	Billion	20.6	16.0	19.9	22.2	20.3	19.4	18.9	19.4	18.0	19.2
Balance of payments	Percent of GDP	-4.0	2.2	-2.7	-1.1	2.4	2.4	2.3	4.3	1.5	0.3
Current account balance	USD billion	-3.3	-2.2	-1.8	-2.8	-2.3	-1.9	2.0	2.0	-2.5	-4.0
Current account % of GDP	Per cent	-4.0	-1.3	-2.2	-3.2	-2.6	-2.4	2.4	2.5	-3.8	-6.7
Foreign Currency Indicator :											
Exchange rate (annual average)	Rs/ USD	198.88	199.83	178.78	162.54	152.46	145.6	135.9	130.5	129.1	127.6
	RS/ Euro	200.43	33.64	200.14	197.80	171.73	161.2	150.8	173.5	171.5	164.0
	Rs/ Yen	1.70	1.80	1.64	1.59	1.35	1.3	1.1	1.2	1.3	1.6
	Rs/ INR	2.50	2.72	2.53	2.55	2.34	2.2	2.1	2.1	2.2	2.4
Exchange rate change USD (annual average)	Percent	6.70	1.7	9.9	6.6	4.7	7.1	4.2	1.1	1.2	15.4
Rubber Sector Information:											
Production	Kg mn	76.9	82.6	74.8	102	83.1	79.1	88.6	98.6	130.4	152.0
Total extent	Hectares '000'	139.0	137.0	138.0	150.5	137	136.0	135.0	134.0	134.0	131.0
Yield	Kg/ hectares	603.0	774.0	950.0	1,042	809	851.0	950.0	889.0	1,247.0	1,459.0
Average price :											
Colombo Auction	Rs/ Kg	460.70	281.10	288.50	286.50	336.70	239.30	248.20	286.10	376.90	416.60
Export (FOB)	Rs/ kg	540.70	363.90	332.30	374.90	343.50	294.30	342.00	362.80	389.80	420.70

TEN - YEAR

Financial summary

Year ended 31st March	2021/22 Rs.'000	2020/21 Rs.'000	2019/20 Rs.'000	2018/19 Rs.'000	2017/18 Rs.'000	2016/17 Rs.'000	2015/16 Rs.'000	2014/15 Rs.'000	2013/14 Rs.'000	2012/13 Rs.'000
Income Statement :										
Turnover-Rubber	1,521,634	1,221,374	1,160,566	1,229,609	900,474	1,057,269	982,878	994,177	952,561	973,858
Turnover-PVC	1,363,555	964,495	429,636	339,736	215,975	192,228	195,460	47,579	-	-
Total Turnover	2,885,189	2,185,869	1,590,203	1,569,345	1,116,449	1,249,498	1,178,339	1,041,756	952,561	973,858
Profit before taxation	99,519	108,360	12,086	43,635	16,973	65,972	59,299	42,675	62,969	51,077
Taxation	(15,495)	(9,552)	225	(18,627)	(8,124)	(23,074)	(4,152)	(7,853)	(8,491)	4,438
Profit after taxation	84,024	98,808	12,311	25,007	8,849	42,899	55,146	34,822	54,478	55,515
Total comprehensive income	84,544	101,604	12,738	24,189	10,172	43,732	51,043	35,362	56,107	55,515
Balance Sheet :										
Capital and reserves										
Stated capital	109,600	109,600	109,600	109,600	109,600	109,600	109,600	109,600	105,752	105,752
Capital reserves	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Revenue reserves	596,260	520,181	422,809	418,537	334,488	332,781	297,515	254,937	231,119	185,152
Shareholders funds	815,860	739,781	642,409	638,137	554,088	552,381	517,115	474,537	446,871	400,904
Non current liabilities										
Deferred tax	34,767	38,235	48,416	59,691	51,918	33,092	14,948	17,229	11,149	8,831
Retirement benefit obligation	52,603	49,164	46,779	40,078	33,701	29,701	27,195	19,570	15,130	14,528
Total Equity & Non Current Liabilities	903,230	827,180	737,604	737,907	639,707	615,175	559,258	511,336	473,150	424,263
Assets Employed										
Current assets	1,491,436	1,221,292	713,640	721,311	594,336	610,232	612,043	539,103	424,020	402,853
Current liabilities	(1,188,883)	(1,002,535)	(440,970)	(457,344)	(375,527)	(412,118)	(419,505)	(384,890)	(180,975)	(168,845)
Working capital	302,553	218,757	272,670	263,967	218,809	198,114	192,538	154,213	243,045	234,008
Property, plant & equipment	572,265	585,845	428,453	440,271	377,993	370,369	313,554	312,654	179,751	190,255
Investment	28,412	22,578	36,481	33,669	42,905	46,691	53,166	44,468	50,354	-
Total Assets less Current Liabilities	903,230	827,180	737,604	737,907	639,707	615,175	559,258	511,336	473,150	424,263
Financial Ratios :										
Earnings per share (Rs.)	19.85	23.34	2.91	5.91	2.09	10.13	13.03	8.69	14.16	14.43
Net profit (%)	2.9	4.5	1	3	0.79	3.43	4.67	3	6	6
Dividends (rs. '000)	8,465	8,465	4,233	8,465	5,291	8,466	8,466	8,466	7,696	7,696
Dividends per share (Rs.)	2.00	2.00	1.00	2.00	1.25	2.00	2.00	2.00	2.00	2.00
Others										
Market price per share (Rs.)	184.75	134.25	72.10	98.90	88.10	105.00	104.00	88.20	82.20	90.00
Price earnings ratio (Times)	9.31	5.75	24.78	10	42	8	12	6	6	17
Net assets per share (Rs.)	192.75	174.77	151.77	130.50	130.90	122.17	112.10	116.13	104.18	91.75
Annual sales growth (%)	32	37	1	6	(11)	9	9	(2)	1	34
Quick assets ratio (Times)	0.64	0.69	1.01	0.99	1.10	1.03	0.96	1.60	1.53	1.26
Fixed asset turnover ratio (Times)	5.36	3.86	3.85	3.50	3.15	3.90	3.49	5.53	5.31	4.95

FOREIGN

Currency Financial Statements

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH	In Euro (Major Export Currency)		In USD (Major Import Currency)	
	2022	2021	2022	2021
Revenue	12,109,414	9,355,715	14,059,005	10,938,644
Cost of sales	(9,686,440)	(7,612,727)	(11,245,938)	(8,900,753)
Gross Profit	2,422,974	1,742,989	2,813,068	2,037,892
Other income	1,051	6,968	1,221	8,147
Distribution cost	(654,191)	(422,359)	(759,514)	(493,819)
Administrative expenses	(974,502)	(824,244)	(1,131,395)	(963,701)
Operating Profit	795,333	503,354	923,380	588,518
Finance income	16,136	36,327	18,734	42,474
Finance cost	(393,776)	(75,887)	(457,173)	(88,727)
Net Finance Income	(377,640)	(39,560)	(438,439)	(46,253)
Profit before taxation	417,693	463,794	484,940	542,265
Income tax expense	(65,036)	(40,885)	(75,507)	(47,803)
Profit for the year	352,657	422,908	409,434	494,462

BALANCE SHEET AS AT	In Euro (Major Export Currency)		In USD (Major Import Currency)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
ASSETS				
Non Current Assets				
Property, plant and equipment	2,466,681	1,971,032	2,869,224	2,188,387
Work in progress	30,835	-	35,867	-
Intangible assets	15,579	21,263	18,121	23,608
Financial assets at fair value through profit and loss	21,751	95,881	25,301	106,454
Financial assets at amortized cost	76,470	78,320	88,949	86,957
Deferred tax assets	35,499	53,610	41,292	59,522
	2,646,816	2,220,107	3,078,755	2,464,928
Current Assets				
Inventories	2,184,968	2,295,033	2,440,952	2,669,564
Trade and other receivables	1,985,696	2,839,165	2,218,335	3,302,494
Cash and cash equivalents	294,312	178,773	328,793	207,947
	4,464,976	5,312,971	4,988,080	6,180,005
Total Assets	6,263,249	7,959,787	6,997,034	9,258,760
EQUITY AND LIABILITIES				
Stated capital	328,115	476,792	366,556	554,601
General reserve	329,312	478,531	367,893	556,624
Retained earnings	1,785,050	2,262,936	1,994,181	2,632,229
Total Equity	2,442,476	3,218,260	2,728,630	3,743,454
Non- Current Liabilities				
Deferred tax liability	104,083	166,335	116,277	193,479
Retirement benefit obligation	157,480	213,878	175,930	248,781
	261,563	380,212	292,207	442,260
Current Liabilities				
Trade and other payables	1,156,362	2,109,998	1,291,838	2,454,333
Short term borrowings	2,359,917	2,195,866	2,636,399	2,554,214
Income tax payable	42,931	55,450	47,961	64,499
	3,559,211	4,361,315	3,976,198	5,073,046
Total Liabilities	3,820,773	4,741,527	4,268,404	5,515,306
Total Equity And Liabilities	6,263,249	7,959,787	6,997,034	9,258,760

GLOBAL

Reporting Initiative (GRI) G4

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
Organisational 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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Independent Assurance Report

To the Board of Directors of Samson International PLC on the Integrated Report- 2021/22

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-2021/22 ("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 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 2022.

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:

01. Interviewing the Company's relevant personnel to understand the process for collection, analysis, aggregation and presentation
02. Reviewing and validation of the information contained in the Report

GLOBAL Reporting Initiative (GRI) G4 (Contd...)

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 2022 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:

- 01 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 2021 and 31st March 2022.
- 02 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

23rd May 2022

Partners: P.P. Edirisinghe FCA ACIM MBA Ms. M.K.K. Karunaratne FCA ACMA P.K.A.M. Alahakoon ACA MAAT
S.A. Harischandra ACA ACMA CGMA MBA Bcom (Sp.)
Consultants: A.T.P. Edirisinghe FCA FCMA (UK) A.D. Jayasena FCA

Edirisinghe & Co., trading as Bakertilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

GLOBAL Reporting Initiative (GRI) G4 (Contd...)

Samson international Plc voluntarily adopted Global Reporting Initiative (GRI) G4 'In accordance' core Guidelines during the financial year 2015/16 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 Analysis			
G4-1	Statement from the Chairman	Chairman's Review	27
Organization profile			
G4-3	Name of the organization.	Samson International Plc / Corporate Information	07
G4-4	Primary brands, products, and/or services.	Our Products and Intellectual Capital	17,110
G4-5	Location of organization's headquarters.	Corporate Information	07
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	23
G4-7	Nature of ownership and legal form.	Corporate Information and Investor Information	07,215
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Our Products	23,24, 25
G4-9	Scale of the reporting organization.	Corporate Information and Investor Information	07,215
G4-10	Total work force by employment type, employment contract, and region, broken down by gender.	Human Capital	87
G4-11	Percentage of employees covered by collective bargaining	Human Capital - Recognition of Joint consultative committee	89
G4-12	Organizations supply chain	Social and Relationship Capital	106
G4-13	Significant changes during the reporting period regarding size structure and ownership	Investor Information	215
G4-14	Addressing the Precautionary principles/approach	Risk Management, Social and Relationship Capital	139,101
G4-15	List of Charters, principles or other initiatives	Review of operating enviroment	58
G4-16	List of Memberships of association	Social and Relationship Capital	105

GLOBAL Reporting Initiative (GRI) G4 (Contd...)

GRI Index No.	Description	Reported Section	Page No.
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Identified Material Aspects and Boundaries

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G4-18	Process for defining report content.	About this report	02
G4-19	Material aspect identified for report content.	Report of the Board of Directors Financial and Operational Highlights	158 05
G4-20	Aspect boundary for identified material aspects within the organization.	Managing Director's Operational Review Review of Operating Environment	30 58
G4-21	Aspect boundary for identified material aspects outside the organization.	Chairman's Review, Goals and Strategies	27,67
G4-22	Restatements of information provided in the previous reports.		-
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Stakeholder engagement

G4-24	List of stakeholder groups engaged by the organization.	Value creations & stakeholder engagement	64
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Value creations & stakeholder engagement	64
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Value creations & stakeholder engagement	65
G4-27	Key topics and concerns that have been raised through stakeholder engagement.	Value creations & stakeholder engagement	65

Report Profile

G4-28	Reporting period	Year ended 31 March 2022	
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G4-31	Contact point for questions regarding the report or its contents.	Corporate Information	07
G4-32	Compliance with GRI G4 Guidelines, GRI Content Index and External Assurance Report.	GRI G4 Audit Report	207
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GLOBAL Reporting Initiative (GRI) G4 (Contd...)

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Governance			
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for decision-making on economic, environment and social impacts	Corporate Governance	116
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Ethics and integrity			
G4-56	The values, principles , standards and norms of behaviour	About us & Corporate milestones	04,09
Specific Standard Disclosures			
Category: Economic			
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G4-EC1	Direct economic value generated, distributed and retained.	Value creations & stakeholder engagement	63
		Statement of Value Added and distrubuted	64
G4-EC2	Financial implications and other risks and opportunities for the organization’s activities due to climate change.	Notes to the Financial Statements - Note 05	181
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Aspect	Indirect Economic Impacts		
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Aspect	Materials		
G4-EN1	Materials by weight or volume	Financial and Operational Highlights	05
G4-EN2	Percentage of materials used that are recycled input Materials	Financial and Operational Highlights	05
Aspect	Energy		
G4-EN3	Energy consumption within the organization	Review of Operating environment	62
G4-EN4	Energy consumption outside the organization	Review of Operating environment	62
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GLOBAL Reporting Initiative (GRI) G4 (Contd...)

GRI Index No.	Description	Reported Section	Page No.
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G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Natural Capital	107
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Natural Capital	107
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Aspect	Effluents and Waste		
G4-EN23	Total weight of waste by type and disposal method	Financial and Operational Highlight and Manufactured Capital	05,79
G4-EN29	Compliance Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Review of operating envirimnt	58

Category: Social

● Labor Practices and Decent Work

Aspect	Employment		
G4-LA1	Total number and rate of new employee hires and employee turnover by age group gender and region.	Human Capital	79
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant location of operation.	Human Capital	79
Aspect	Labour/Management Relations		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Human Capital	79
Aspect	Occupational Health and Safety		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programmes.	Human Capital	79
G4-LA6	Type of injury and rates of injury, occupational disease, lost days and absenteeism, and total number of work-related fatalities, by region and by gender.	Human Capital	79

GLOBAL Reporting Initiative (GRI) G4 (Contd...)

GRI Index No.	Description	Reported Section	Page No.
Aspect	Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Human Capital	79
● Human Rights			
Aspect	Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Human Capital	79
Aspect	Child Labour		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour.	Human Capital	79
● Society			
Aspect	Anti-Corruption	Risk Management	
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Risk Management	139
Aspect	Compliance		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Review of operating environment	58
● Product Responsibility			
Aspect	Product and Service Labelling		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Our Products	17
Aspect	Marketing Communications		
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Review of operating environment	58
Aspect	Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Review of operating environment	58

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	: 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. Jt. Managing Director	: Joint Managing Director
27. CGU	: Cash Generating Unit

INVESTOR Information

“While valuing the patronage of all our shareholders, the Company has made every endeavors to ensure equitable treatment to all our shareholders irrespective of the number of shares they hold. Therefore, the active participation of shareholders at the Annual General Meeting is encouraged”.



Last Annual General Meeting

The Board seeks Annual General meeting to communicate with investors and all shareholders are encouraged to participate. The chairman of audit and remuneration committee will be 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 2021 - 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

INVESTOR Information (Contd...)

Submission of audited accounts to CSE

The audited income statement for the year ended 31st March 2022 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. 782 Mn at 31st March 2022 (Rs. 568 Mn as at 31st March 2021). Further, Float adjusted market capitalization is Rs. 339.3 Mn as at 31st March 2022. The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (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.

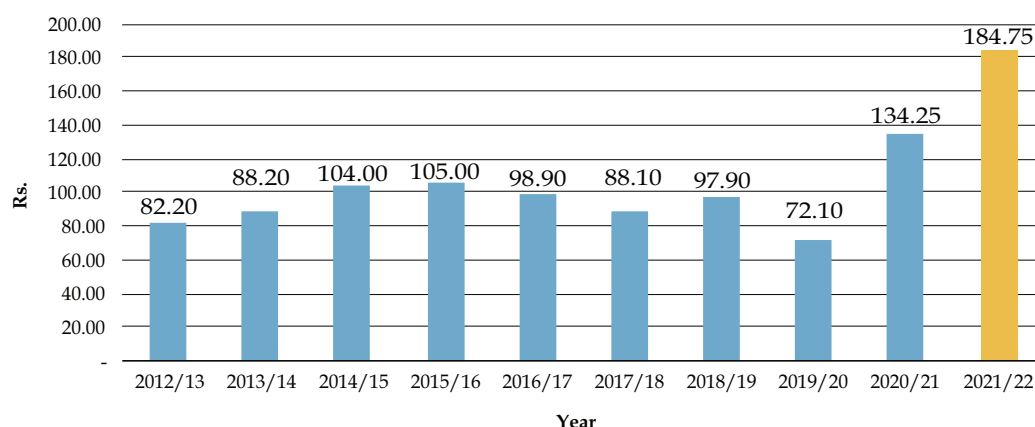
As at	31.03.2022	31.03.2021
Public Shareholding (%)	43.393%	43.395%
Public Shareholders as at 31.03.2022	1,222	1,252
Float adjusted market capitalization Rs.	339,308,339.75	246,240,276.00

Market Value of the Company's Ordinary Shares

Market Value per share	2021/22 Rs.	Date	2020/21 Rs.	Date	Increased by Rs.
Highest Price	300.00	01.02.2022	194.50	08.01.2021	105.50
Lowest Price	132.00	22.04.2021	72.00	17.06.2020	60.00
Closing	184.75	30.03.2022	134.25	31.03.2021	50.50

Share Information	2020/21 Quarterly information				For the year	
	Q1	Q2	Q3	Q4	2021/22	2020/21
High (Rs.)	234.50	217.00	254.00	300.00	300.00	194.50
Low (Rs.)	132.00	150.00	163.00	165.00	132.00	72.00
Closing (Rs.)	180.00	189.50	202.00	184.75	184.75	134.25
Market capitalization (Rs in Mn)	762.0	802.1	855.0	782.0	782.0	568.2

Market Price per Share (Rs.) as at 31st March



INVESTOR Information (Contd...)

Analysis of Shareholders based on number of shares held as at 31st March 2022

As at 31st March 2022

No of Shares held	No of Shareholders	% of Shareholders	Total holding	% of total holding
1-1,000	1,133	91.7	120,063	2.8
1,001 – 10,000	84	6.8	223,222	5.3
10,001-100,000	12	1.0	289,853	6.9
100,001 – 1,000,000	4	0.3	1,241,623	29.3
1,000.000 & Over	2	0.2	2,358,010	55.7
Total	1,235	100	4,232,771	100

DSI Group has invested more than 57% of the stake of the Company as at 31st March 2022.

As at 31st March 2021

No of Shares held	No of Shareholders	% of Shareholders	Total holding	% of total holding
1-1,000	1,165	92.1	127,705	3.1
1,001 – 10,000	82	6.4	232,722	5.5
10,001-100,000	12	1.0	291,842	6.9
100,001 – 1,000,000	4	0.3	1,241,623	29.3
1,000.000 & Over	2	0.2	2,338,879	55.2
Total	1,265	100	4,232,771	100

Analysis of Shareholders category-wise as at 31st March 2022

As at 31st March 2022

Category	No of Shareholders	% of Shareholders	Total holding	% of total holding
Individual- Local	1,178	95.4	460,855	10.9
Institutional-local	49	4.0	3,656,285	86.4
Individual – foreign	8	0.6	115,631	2.7
Institutional- foreign	-	-	-	-
Total	1,235	100	4,232,771	100

It is noted that 95.4% of the number of shareholders are Sri Lankan individuals which represent 10.9% of the stake of the Company as at 31st March 2022. 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 2021

Category	No of Shareholders	% of Shareholders	Total holding	% of total holding
Individual- Local	1,211	95.7	477,327	11.3
Institutional-local	46	3.7	3,639,812	86.0
Individual – foreign	8	0.6	115,631	2.7
Institutional- foreign	-	-	-	-
Total	1,265	100	4,232,771	100

INVESTOR Information (Contd...)

Twenty Major Shareholders as at 31st March 2022

No Shareholder	No of		No of		No of Shares	
	Shares as at	%	Shares as at	%	Increased by	% Inc. by
	31.03.2022		31.03.2021			
1 D.S.I Samson Group (Pvt) Ltd	1,325,306	31.311	1,325,306	31.311	-	-
2 Seylan Bank PLC / Senthilverl Holdings (Pvt) Ltd	1,032,704	24.398	1,013,573	23.946	19,131	2%
3 D. Samson Industries Limited	603,633	14.261	603,633	14.261	-	-
4 D. Samson & Sons (Private) Limited	301,782	7.130	301,782	7.130	-	-
5 Sampath Bank PLC / Dr T. Senthilverl	230,000	5.434	230,000	5.434	-	-
6 Samson Rubber Industries (Private) Ltd	106,208	2.509	106,208	2.509	-	-
7 Mr Sanger GMBH	86,484	2.043	86,484	2.043	-	-
8 Mr A H Munasinghe	33,117	0.782	33,117	0.782	-	-
9 Mr K G Piyasena	25,278	0.597	25,278	0.597	-	-
10 Samson Manufacturers Limited	24,369	0.576	24,369	0.576	-	-
11 Mr H Tanigawa	22,506	0.532	22,506	0.532	-	-
12 Mrs. V Saraswathi & Mr. S Vasudevan	19,848	0.469	19,848	0.469	-	-
13 Mr C N Pakianathan	18,416	0.435	21,524	0.509	(3,108)	-14%
14 Mr U I Suriyabandara	14,204	0.336	12,944	0.306	1,260	10%
15 Mrs D R Wimalasena	11,600	0.274	11,741	0.277	(141)	-1%
16 Miss D D G Rajapaksa	11,522	0.272	11,522	0.272	-	-
17 Mr D R Rajapaksa	11,350	0.268	11,350	0.268	-	-
18 Mr D K Rajapaksa	11,159	0.264	11,159	0.264	-	-
19 Mr D M Rajapaksa and Dr D B D Rajapaksa	10,000	0.236	10,000	0.236	-	-
20 Miss N.E.Rajapaksa	8,412	0.199	8,412	0.199	-	-
Total of 20 Major Shareholders	3,907,898	92.325	3,890,756	91.920	17,142	0.4%
Other 1,215 Shareholders as at 31/03/2022	324,873	7.675	-	-	-	-
Other 1,245 Shareholders as at 31/03/2021	-	-	342,015	8.080	-	-
Total Shareholdings of the Company	4,232,771	100.000	4,232,771	100.000	-	-

Public Holdings

As at 31st March 2022, the public held 43.393% (in 2020/21 – 43.395%) of the shares of the Company. The number of public shareholders as at 31st March 2022 and 31st March 2021 are 1,222 and 1,252 respectively.

The shares of Seylan Bank PLC/ Dr Thirugnanasambander Senthilverl have been treated under public and a declaration to Colombo Stock Exchange was done.

No of Share transactions

	2021/22	2020/21
No of Transactions	3,054	1,348
No of Shares Traded	179,890	168,562

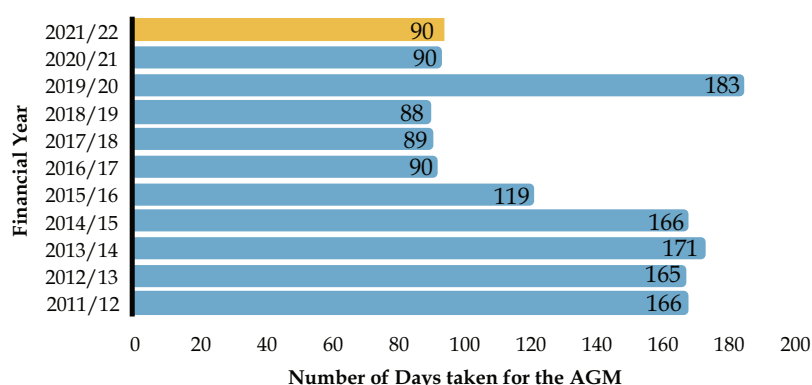
The Value of shares traded during the year under review was Rs.35,041,663 as against Rs. 20,389,415 in 2020/21.

INVESTOR Information (Contd...)

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

Number of Days taken for the AGM from the balance sheet date



Last year AGM

Twenty ninth Annual General Meeting of Samson International PLC was held by way of electronic means on 30th June, 2021 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 2021 and the Report of the Auditors thereon.
2. Mr. D K Rajapaksa who was 76 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 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. T K Bandaranayake".
4. Re-elected Mr. N. S. Rajapaksa who retired by rotation in terms of Article 95 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 2022 and up to the date of the next AGM.

NOTICE of Meeting

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of Samson International PLC will be held by way of electronic means on 30th June, 2022 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:

1. 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 2022 and the Report of the Auditors thereon.
2. To appoint Mr. D K Rajapakse who is 77 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 77 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".
3. To appoint Mr. T K Bandaranayake who is 79 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 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. T K Bandaranayake".
4. To re-elect Mr. D C J Rajapaksa who retires by rotation in terms of Article 88 (i) of the Articles of Association, as a Director of the Company
5. 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.
9. To authorize the Directors to determine donations for the year ending 31st March 2023 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

Colombo.
23rd May 2022

- Notes:-
1. 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.
 2. A proxy need not be a shareholder of the Company.
 3. 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.
 4. For more information on how to participate by virtual means in the above virtual meeting, please refer Registration Process enclosed herewith.

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NOTES

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FORM of Proxy

*I/We..... holder of NIC No.
of.....being a *Shareholder /Shareholders of Samson International PLC, do hereby appoint
holder of NIC No..... ofor failing him/her*

Mr. D K Rajapaksa	of Colombo or failing him*
Mr. D D A Rajapaksa	of Colombo or failing him*
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	of Colombo or failing him*
Ms. I Matwatte	of Colombo or failing her*
Mr. N S Rajapaksa	of Colombo

as *my/our Proxy to represent me/us*, to speak and vote for *me/us on *my/our behalf at the Thirtieth ANNUAL GENERAL MEETING OF THE COMPANY to be held on 30th June 2022 at 3.00 p.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

		FOR	AGAINST
1.	To appoint Mr. D K Rajapakse who is 77 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 77 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".	<input type="checkbox"/>	<input type="checkbox"/>
2.	To appoint Mr. T K Bandaranayake who is 79 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 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. T K Bandaranayake".	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect Mr. D C J Rajapaksa who retires by rotation in terms of Article 88 (i) of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4.	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.	<input type="checkbox"/>	<input type="checkbox"/>
5.	To authorize the Directors to determine donations for the year ending 31st March 2023 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed thisday of Two Thousand and Twenty Two.

*Signature/s

Note: 1) *Please delete the inappropriate words.
2) Instructions as to completion are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The 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).
3. 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.
4. 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 info@samsonint.com / agm@samsonint.com by 03.00 p.m on 28th June 2022.



SIL Flag

DSI සැමසන් සමූහ ව්‍යාපාරයේ තේමා ගීතය

යුග යුග වන්දනීය වේ
සිරිසැප නන්දනීය වේ
සියරට දේ සිරිසැප දේ
සිහිකැර වන්දනීය වු
සැමසන් පිතෘ නාමයෙන්
යමු ජය වේ //

භාරපති වී දිලි දිලි විත් කළුවර ආකාසේ
දවස්පති වී නැගී නැගී යමු හෙට ඉඳිවන ලෝකේ

වාසිය පමණක් සොයා සිටී
ජාතිය පිරිහෙයි ගරා වැටී
දේසෙට වැඩ ඇති දේට රැවී
ජාතික හෙළකම පාමු අපි

දේස විදේසෙහි නාමේ රැඳී
පේද නොවන රන්දාමේ අපි //

තරග වැදී විත් උනන් පරදවන නිපැයුම් රණ මඬලේ
පණට වඩා ලැදී මිනිස්කමට අප නොමැත නිශා දෙන්නේ

උත්සාහය උක් ගසක් වෙති
එහි අප නුදුටුව රසක් නැති
දෑසක එළියෙන් හමුව නිති
ලෝකෙට පහනක් වෙමුව අපි

සාමූහිකව බැඳී පවුරු ඉමේ
බිළස්අයි පුරවැසියෝ අපි //

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