

ACME PRINTING AND PACKAGING PLC
(Company No. PQ 196)

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ATTORNEY-AT-LAW, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR IMMEDIATELY.

The highest, lowest and last traded price of the shares during the preceding three months were as follows:

Month	Highest (Rs)	Lowest (Rs)	Last traded (Rs)
October 2025	6.90	6.30	6.70
November 2025	7.00	6.10	6.20
December 2025	6.50	5.90	6.40

Market Price as at the date of the Circular Rs. 7.40 (Closing price)

CIRCULAR TO SHAREHOLDERS

Dear Sir(s)/Madam,

The Board of Directors of ACME Printing and Packaging PLC on 17th September 2025 have decided to issue Five Hundred and Seventy Million (570,000,000) Ordinary Shares by way of a Rights Issue of Shares at a price of Rs.2.50 per share to the holders of the issued Ordinary Shares of the Company as at end of trading on 6th February 2026, (i.e. Record Date) in the proportion of Six (06) New Ordinary Shares for every One (01) existing issued Ordinary Share held by them.

The Board has resolved that in its opinion the consideration for which the shares are to be issued is fair and reasonable to the Company and to all existing shareholders, as required by the Companies Act.

The closing market price per share as at 17th September 2025 i.e. the Rights Issue announcement date was Rs. 7.10 and the closing price as at the last available unaudited financial statements as at 30th September 2025 was Rs. 6.80. Thus, the Board was of the opinion that the issue of Six (06) New Ordinary Shares for every One (01) existing issued ordinary share at Rs. 2.50 per share was fair and reasonable to the Company and all its existing shareholders, on the basis that the Rights Issue will provide the opportunity for the existing shareholders, to invest in new shares of the Company.

1. BACKGROUND

The Company was incorporated on 20th December 1949 and is re-registered under the Companies Act No. 7 of 2007 and is listed on the Colombo Stock Exchange on 25th April 1991 under the Industry Group “Materials” Sector. The principal activity of the Company is the manufacture of a wide range of flexible packaging material for local and export markets. The main industrial sectors serviced are food, confectionary, tea, milk powder, pharmaceuticals and consumer products.

2. PURPOSE AND UTILIZATION OF PROCEEDS OF THE RIGHTS ISSUE

The proceeds from the Rights Issue will be utilized for the following purposes:

Objective	Purpose	Value (Rs)	Indicative timeline for utilization of funds
1	To settle intercompany loans	425.0 Mn	Immediately upon the completion of the rights issue.
2	To settle bank borrowings	175.0 Mn	Immediately upon the completion of the rights issue.
3	To meet the cost of relocating and modernizing the factory premises	475.0 Mn	Before 31 st of March 2026
4	To meet working capital requirements	350.0 Mn	Within 30 days upon the completion of the rights issue.

The above objectives will enable the Company to prevent further losses and support recovery which was presented to the shareholders pursuant to Section 220 of the Companies Act No.07 of 2007 on 17th September 2025 at the Extraordinary General Meeting. Please refer Company's letter dated 25th August 2025 announced to the market on 26th August 2025 via the Circular to Shareholders.

Details of the objectives and benefits to the Company

1. Settlement of Intercompany Loans – Rs. 425 Mn

The Company obtained financial support from related companies, in order to sustain operations. The Company has been unable to repay the loans as per the lending terms. The benefits to the Company of the settlement of the loans will be a stronger balance sheet and to reduce interest payments.

In terms of item 2(B) of the CSE Listing Framework, the major shareholders constituting Lankem Ceylon PLC and Darley Butler & Company Ltd have agreed to a Rights Issue on the understanding that the outstanding of Lankem Ceylon PLC and E B Creasy & Company PLC (Darley Butler & Company Ltd being a fully owned subsidiary of E B Creasy & Company PLC) would be settled on a priority basis given that further equity infusion is being made by these two major shareholders as to their commitment and belief of the future potential of the Company.

The Company has been unable to repay the loans as per the lending terms since the cash generated from operations was insufficient to meet the loan liabilities in totality.

The settlement of intercompany liabilities due to Lankem Ceylon PLC and E.B. Creasy and Company PLC will enable the Company to reduce its debt and position itself to access further working capital if necessary. This will increase/improve production capacity/efficiencies and realign the business model by improving profitability and top line in the future which will have a positive impact on the performance of the Company and the Group as a whole.

The Company confirms that it has complied with Section 9 of the CSE Listing Rules at the time of obtaining and settling the loans from Lankem Ceylon PLC, E.B. Creasy & Co PLC with recommendations by the Related Party Transactions Review Committee and Board approval obtained.

The members of the Related Party Transaction Review Committee who evaluated the objectives were Mr. K.G. Punchihewa, (Chairman/ Independent Non Executive Director), Mr. A.I. Piyadigama (Member/Independent Non Executive Director) and Mr. P.S. Goonewardene, (Member/Non Executive Director).

Intercompany Loan status as at 30th November 2025

Lender	Purpose	Loan Granted Date	Interest Rate	Loan Granted Amount (Rs)	Capital Repaid (Rs)	Net Capital Outstanding (Rs)	Interest Charged (Rs)	Total Payable (Rs)
E B Creasy & Company PLC	Working capital	1 Oct 22	AWPLR + 2%	134,088,562	-	134,088,562	71,676,114	205,764,676
Lankem Ceylon PLC	Working capital	1 Apr 23	AWPLR + 2%	98,000,000	(33,624,931)	64,375,069	35,628,769	100,003,838
Lankem Ceylon PLC	Working capital	1 Jul 23	AWPLR + 2%	95,000,000	-	95,000,000	29,122,118	124,122,118
				327,088,562	(33,624,931)	293,463,631	136,427,001	429,890,632

There is no security pledged against the above intercompany loans. These balances are overdue as at present. The remaining loan balance payable after the settlement through the Rights Issue shall be settled through the profits earned by the Company.

The Company having considered that Lankem Ceylon PLC holds and E B Creasy & Company PLC (former shareholder) held a significant shareholding in the Company, decided to settle the capital outstanding in full and part of the interest outstanding in respect of Lankem Ceylon PLC and in respect of E B Creasy & Company PLC to settle both the capital outstanding and interest outstanding in full as at 30th November 2025.

2. Settlement of Bank Borrowings – Rs. 175 Mn

The Company is settling HNB (Hatton National Bank) Rs 175 Mn which is the capital of the short term loan obtained. The applicable interest on this loan is settled monthly through ACME Printing and Packaging PLC (APP's) working capital. The Company is giving priority to settle this Bank since they are the only secured bank creditor with immovable property as security. The creditor is not a Related Party of the Company.

Bank	Loan Type	Interest Rate	Loans Obtained Period	Purpose of the Loan	Security Pledged	Original Facility Value – Rs	Outstanding Capital Payable 30 th November 2025 -Rs
Hatton National Bank	Short Term Loans	AWPLR+1%	From 26/06/2025 to 16/09/2025	For Working Capital requirements	Mortgage bond over immovable property situated in Piliyandala factory	200,000,000	200,00,000

The remaining loan balance payable after the settlement through the Rights Issue shall be settled through the proceeds from the sale of the land and buildings in Piliyandala.

3. Relocation and Modernisation of Factory – Rs. 475 Mn

The Company which was established in Piliyandala over the years, has made very limited investment in plant and machinery at this location. Over time the factory location has become inappropriate to run industrial operations. The Company intends to relocate its operations to the Pannala premises which is currently owned by its fully owned subsidiary M/s Acme Packaging Solutions (Private) Limited (APS). The Company will also invest in new machinery to run its entire operation in an efficient manner within its Pannala location. This consolidated operation with new machinery will see the Company run at higher rate of efficiency and with less overheads.

The Company intends to sell the factory premises in Piliyandala. In the event that the sale is made to a related party, the Company would ensure compliance with applicable provisions in the CSE Listing Rules.

Some selected machinery of the Piliyandala factory will be relocated to the Pannala factory premises. The remaining machinery at Piliyandala factory will be disposed of to potential buyers. In addition, new machinery will be imported and installed in the new extension to the Pannala factory. Rs 350 Mn of Objective 3 of the Rights Issue will be allocated to purchase new machinery and ancillary equipment and facilitate the relocation from Piliyandala to Pannala.

The balance Rs 125 Mn of Objective 3 of the Rights Issue will be utilized to fund the extension to the Pannala factory by the Company by way of an equity infusion into APS.

APP will lease out the existing buildings at Pannala for an amount of Rs 1.8 Mn per month, and the new factory building for which the Company will fund Rs 125 Mn as mentioned above will be leased out for an amount of Rs 1.4 Mn per month. The existing machinery of APS in the Pannala factory will be leased out to APP for an amount of Rs 2.8 Mn per month. The lease payments will be made once operations commence from the new premises and will be made from the Company's working capital generated from the new operation. In terms of Section 9 of the CSE Listing Rules the above transaction is carried out at arm's length basis in the ordinary course of business and falls within the threshold of a Recurrent Related Party Transaction.

The Related Party Transaction Review Committee (RPTRC) has recommended to the Board to proceed with the proposed transactions. The RPTRC consists of Messrs. K.G.Punchihewa, A.I.Piyadigama (Independent Non Executive Directors) and P.S.Goonewardene (Non Executive Director) and the members who evaluated the objectives were Messrs. K.G.Punchihewa and A.I.Piyadigama.

The factory in Pannla is located in a specified Industrial Zone. Therefore no new approvals are necessary to conduct industrial manufacturing in this location. However for the new building extension, the Company will be required to obtain necessary local authority and other regulatory approvals listed below.

No	Approval to be taken	Estimated timeline to obtain approvals	Government Regulatory Body	Notes
1	District Factory Inspecting Engineering (DFIE) office clearance for the proposed factory expansion.	02 weeks	Department of Labour	Pre-requisition for the approvals of Urban Development Authority (UDA) and the Ministry of Industry and Entrepreneurship Development
2	Fire safety certificate (with recommendations) for the proposed factory expansion	02 weeks	Municipal Fire Brigade - Kurunegala	
3	Revised Environmental Protection License for the proposed factory expansion	01 month	Central Environmental Authority (CEA)	
4	Building Construction Approval	01 month	Urban Development Authority (UDA)	Pre-requisition for the approvals of Urban Development Authority (UDA) and the Ministry of Industry and Entrepreneurship Development
5	Building Construction Approval	01 month	Ministry of Industry and Entrepreneurship Development	
6	Approval for electrical power supply augmentation	01 month	Ceylon Electricity Board	

The Company is confident of obtaining these approvals as these are all standard building construction approvals being prepared by professional consultants.

The above relocation and modernization of the factory has been decided further to a feasibility study carried out by the Company. At both locations (Piliyandala and Pannala), currently the capacity is underutilized and with the relocation, production will be in one location which will improve productivity and give rise to cost savings. New machinery will reduce waste, improve set up times, improve quality, bring in energy efficiencies and result in less dependency on manual labour. However, the Company will offer employment opportunities to all existing staff who are willing to relocate. For those staff who are not willing to relocate, the Company shall offer a Voluntary Retirement Scheme prescribed by the Department of Labour. The relocation will enable us to utilize expertise and hire skill levels under one production location.

4. Working Capital – Rs. 350 Mn

One of the major issues the Company has faced is the inadequate working capital available to import the necessary raw materials in timely fashion to support its operation. It has been forced to make costly local purchases to support operations, this has resulted in eroded margins and loss of customers because of the delays in supplying materials to the customers. The new working capital raised through the Rights Issue will allow the Company to import raw materials in a timely fashion and maintain better margins. The improved working capital situation will give new customers more confidence in the Company.

Working Capital which will be used for the import/purchase of raw material will enable the Company to improve operational efficiencies and thereby such expansion of production capacity will improve the profit margins of the Company, which in turn will improve shareholder wealth.

The total working capital requirement as per the interim accounts (unaudited) published for 30th September 2025, ACME reported a negative working capital of Rs.637 million. This is primarily due to the Company's short term interest bearing borrowings, which amounted to Rs. 1,222 Mn as of the balance sheet date (30th September 2025). Any further shortfall in the working capital requirement will be bridged through bank borrowings.

Working Capital component of the Rights Issue proceeds of Rs. 350 Mn will be utilized for Raw Material Purchases (Import / Local).

Administration of the Rights Issue Proceeds

The rights issue proceeds will be deposited in the Rights Issue Bank Account (ie. in a current account) and upon the conclusion and finalization of the issue, Objective 1 - settle the related parties and Objective 2- settle the bank loan will be disbursed from the Rights Issue Bank Account immediately whilst the proceeds to be utilized for objectives 3 & 4 would be retained in a REPO Account (expected returned 7% per annum) until the funds are disbursed from the said account. The Company believes there is no considerable foreseeable risk associated with the transaction. This refers to the transaction in reference to investing the Rights Issue funds in a REPO Account.

Benefits to Shareholders & Financial Impact of Each Objective

Objective		Benefit to Shareholders	Impact on Financials / Value Creation
1	Settlement of Intercompany Loans (Rs. 425Mn)	All intercompany loans are on commercial terms, settling the major part of the intercompany loans will ease the Company burden on finance cost.	Lowers debt levels and obligations, improves gearing ratio, enhances credit worthiness.
2	Settlement of Bank Borrowings (Rs. 175Mn)	Reduces high-interest debt and enhances operational efficiency.	Reduces interest expense, improves net cash flows and solvency

3	Relocation & Modernization of Factory (Rs. 475Mn)	Long-term value creation through automation and improved efficiency	Reduces reliance on manual labour, improves productivity and gross margins
4	Working Capital (Rs. 350Mn)	Ensures uninterrupted operations and higher output	Strengthens liquidity, boosts production, helps regain market share

Specific Risks Associated with Each Objective

Objective	Risks
Intercompany Loan Settlement	No risk
Bank Borrowing Settlement	No risk
Factory Relocation	<ul style="list-style-type: none"> • Inability to obtain the necessary regulatory approvals on time • Unexpected weather conditions could impact the completion of the building extension • Currency fluctuations may impact the price of the new machineries and disruptions in global supply chain could delay the importing of the machineries • Difficulty in finding skilled labour if existing staff are not willing to relocate • Inability to capture the market could result in under-utilisation of the capital expenditure incurred in a timely manner.
Working Capital Use	Risk of over-ordering raw materials and increasing stock holdings and operational inefficiencies. Currency risk which is of macro economic nature could impact the Company's raw material import cost and the ultimate product profitability.

Emphasis of Matter on Going Concern in relation to Audited Financial Statements as at 31st March 2024 & 31st March 2025

The auditors have placed an Emphasis of Matter, because of serious loss of capital, as per Section 220 of the Companies Act No.07 of 2007. Contents of the Circular to Shareholders issued for the EGM held on 17th September 2025, addressed the remedies that the Right Issue will address. All the key measures specified in the objectives of the Right Issue is being driven by the Company's requirement to make the Company competitive and return the Company to profitability.

Post the Rights Issue, the serious loss of capital situation will be addressed and the Company will carry out an interim audit to confirm the new position. The Company will then write to the Colombo Stock Exchange to have its shares transferred out of the Watch List.

Assessment of Company's Financial position in relation to Emphasis of Matter post Rights Issue

	Before Rights Issue 30.09.2025 (Rs Mn)		Effects of the Rights Issue Proceeds (Rs Mn)		After utilizing for proposed Objectives in Rights Issue (Rs Mn)		Emphasis of Matter – Resolved/Not Resolved	
	Company	Group	Company	Group	Company	Group	Company	Group
Net Loss for the six months ended 30.09.2025	133	165	133	165	133	165	Not Resolved	Not Resolved
Working Capital (CA – CL)	(637)	(1,236)	788	189	438	(286)	Resolved	Not Resolved
Stated Capital	835	835	2,260	2,260	2,260	2,260	Resolved	Resolved
Reserves	521	656	521	656	521	656	Resolved	Resolved
Accumulated Losses	(1,525)	(2,175)	(1,525)	(2,175)	(1,525)	(2,175)	Not Resolved	Not Resolved
Net Equity	(169)	(684)	1,256	741	1,256	741	Resolved	Resolved
Serious Loss of Capital	Yes	Yes	No	Yes	No	Yes	Resolved	Not Resolved

Note: Emphasis of Matter highlighted by the Auditors is a result of the Company's Serious loss of capital situation. After the conclusion of the Rights Issue, the Company's Serious Loss of capital situation will be resolved and accordingly the Company will start generating profits and the working capital situation will also be positive. The Company's subsidiary Acme Packaging Solutions (Private) Limited (APS) which is also in the same line of business will now become only a facility provider to APP. APS will generate a lease/rental income from APP which would enable them to cover their entire overheads, further to which their financial position will also improve and start making reasonable profits which in turn would eventually resolve the Group's position.

There is no significant movement in working capital, as both the intercompany loans (including capital and interest payable) and the HNB borrowing are classified under current liabilities in the balance sheet of Acme Printing and Packaging PLC. The only factor affecting the movement in working capital is the investment made for the relocation and modernization of the factory.

In terms of Rule 7.5(d) (ii) (A) 9 of the CSE Listing Rules the Company has written to the Securities and Exchange of Commission of Sri Lanka (SEC) and obtained approval for the Group Companies/Director to subscribe to the Rights Issue vide the SEC's letter dated 10th December 2025.

If the Rights Issue is fully subscribed, the Company's serious loss of capital will be rectified. This will be confirmed via an interim audit carried out by the Company's external auditors and

communicated to the market via the CSE in terms of the CSE Listing Rules. The shares of the Company shall be accordingly transferred out of the Watch List as stipulated in the CSE Listing Rules to the Main Board. In the event of an under-subscription, the Company's ability to resolve the serious loss of capital will be negatively impacted. However, this will be negated from the proposed sale of the land and buildings in Piliyandala.

Accumulated losses will not be rectified at the point of completing the Rights issue, however the Company's serious loss of capital situation will be resolved. The Company will then be able to execute its operational plans and the future earnings will reduce the Accumulated losses.

Minimum Subscription to Satisfy Each Objective

Objective	Total Funds Required (Rs Mn)	Minimum Funds Required (Rs Mn)
Intercompany Loan Settlement	425	425
Bank Borrowing Repayment	175	175
Factory Relocation	475	475
Working Capital	350	350
Total	1,425	1,425

The Company expects the Rights Issue to be subscribed in full. However, in the event there is a shortfall if any in fulfilling the aforesaid objectives due to Rights Issue being undersubscribed, the Company will resort to borrowings and repayment of such borrowings shall be through the proposed sale of the land and buildings of the Company in Piliyandala. The Company is of the view that even if the Rights Issue is under-subscribed, the financial situation of the Company will improve by the subscription of the minimum Rs 700 Mn by the two main shareholders from their entitlement of Rs 1,044.66 Mn, the debt levels itself will be reduced and it would then be feasible to resort to bank borrowings to cover the shortfall and there is a further possibility of cash generation by the sale of the Acme Printing and Packaging PLC property in Piliyandala to successfully mitigate any shortfall from the Rights Issue.

The Rights Issue proceeds will be utilized solely for the aforementioned purposes and would not be utilized for any other purpose.

The Company will comply with Section 9 of the CSE Listing Rules as may be applicable.

The Company does not foresee any deviation from the identified objectives. However, if the Company does not utilize the funds for the stated Rights Issue objectives and proposes to use same for another objective, such change will be subject to necessary market announcements being made by the Company and obtaining shareholder approval.

In the event the risk materializes the Company will disclose this information to the CSE immediately. Upon the conclusion of the agreed period the Company will provide details regarding alternative action for the use of unallocated funds and obtain shareholder approval for same.

The Public holding of the Company as at 30th September 2025 was 25.14%. In the event only the two main shareholders of the Company subscribe for their Rights partly up to the value of Rs.700 Mn and none of the other shareholders take up the rights, the public holding will be 6.76%. To increase the public holding, the two major shareholders may decide to sell part of their shareholding in the market.

Approvals from other Regulators other than the CSE and the Regulators mentioned under Objective 3 will not be required for the proposed Right Issue and its objectives.

3. DISCLOSURE IN THE INTERIM FINANCIAL STATEMENTS AND THE ANNUAL REPORTS

As per the latest audited financial statements of the Company, for the financial year ended 31st March 2025 contains an Emphasis of Matter on Going Concern.

The reasons which caused such impact on the financial statements are:

- In terms of sales consumption, nearly 90% of the Company's revenue comes from the food and beverage sector. The recent severe economic crisis, coupled with a reduction in disposable income among end customers, resulted in a significant decline in volumes within this sector. This decline also impacted the volume of business serviced especially for the confectionery industry which was the Company's main target market. To sustain the market share, the Company was compelled to offer price reductions to major customers, which led to a substantial decrease in profit margins during the last financial year.
- Furthermore, in the last few financial years the Company experienced substantial losses due to lower efficiency conventional machinery, resulting in the loss of several major orders. This was a contributing factor to the drop in the revenue.

The proposed/ongoing action plan to address this issue to rectify same are:

- Expansion of Product Lines: The Company will introduce new product lines to diversify its offerings and attract a broader customer base.
- Focus on Large Orders: Efforts are being made to secure large quantity orders to boost profitability.
- Focus on Sustainable Practices: Promoting and highlighting eco-friendly packaging solutions.
- Exploration of new Markets – Identify emerging markets with increasing demand for high quality flexible packaging, through market research.
- Regaining Market Share in Pharmaceutical Industry – The Company has successfully regained some market share during the current financial year.
- Quality Improvement: Investments are being made to strengthen the Company's internal quality assessment teams and to provide technical training to the staff, ensuring the delivery of high quality, defect free products.

The proposed Rights Issue of shares is one of the initiatives recommended by the Board in this regard.

Enforcement Action

As per Rule 7.5(d)(ii)(A)(4) of the CSE Listing Rules, the shares of the entity were transferred to the Watch List with effect from 20th September 2024, due to an Emphasis of Matter on Going Concern in the audited financial statements of the Annual Report for the year ended 31st March 2024. The Emphasis of Matter on Going Concern is also indicated in the audited financial statements of the Annual Report for the year ended 31st March 2025.

In accordance with Rule 7.5(d)(ii)(A)(5)(c), the Company is committed to making every possible effort to enhance its negative working capital and improve its net asset position on or before 31st August 2026. According to Rule 7.5(d)(ii)(A)10(a) of the Listing Rules of the Colombo Stock Exchange, if the Emphasis on Matter on Going Concern is not resolved within a period of 15 months from the date of transferring the shares of the entity to the Watch List, the CSE could initiate further enforcement actions by suspending the trading of shares. However, the Company had submitted an application to the Securities and Exchange Commission of Sri Lanka (SEC) requesting a deferment from such trade suspension and have been granted approval until 31st August 2026 on 10th December 2025.

Contingencies and Litigation

There is at present pending before the Supreme Court an appeal by the Company against a Judgment given in the District Court in favour of the Commercial and Industrial Workers Union on behalf its members (employees) for the continuation of a Non-Recurring Cost of Living Gratuity (NRCOLG) payment, calculated in terms of a Collective Agreement that has been repudiated.

There are no material contingent liabilities as at 30th September 2025 as per the available financial statements as at 30th September 2025.

Financial Information

The Company has not declared a dividend during the financial years ended 2021/2022, 2022/2023 and 2024/2025.

The Company confirms that the proposed objectives of the Rights Issue will not amount to a major transaction under the Companies Act No.07 of 2007, and item 1(F) of the CSE Listing Framework. The Rights Issue Proceeds will be utilized solely for the aforementioned purposes and would not be utilized for any other purpose.

The Company has suffered losses (after tax) as per the latest audited and interim (unaudited) financial statements of the Company.

The Total Comprehensive losses incurred by the Company for the financial year ended 31st March 2025 was Rs. 274 Mn while the Total Comprehensive loss at the end of the 2nd quarter ended 30th September 2025 was Rs. 133 Mn.

Disclosure in the Interim Financial Statements and the Annual Reports

The Company will disclose the information as per the following template through the Interim Financial Statements and Annual Reports from the date of raising funds through the proposed Rights Issue until the objectives are achieved and funds are fully utilized.

Disclosure regarding status of utilization of Rights Issue proceeds as at (dd-mm-yyyy)								
Objective Number	Objective as per circular	Amount allocated as per circular in LKR	Proposed date of utilization as per circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of proceeds utilized against allocation (B/A)	Clarification if not fully Utilized including where funds are invested (eg. Whether lent to related party etc)
1	Settlement of Intercompany Loans	425,000,000	Immediate					
2	Settlement of Bank Borrowings	175,000,000	Immediate					
3	Relocation & Modernization of Factory	475,000,000	31 st March 2026					
4	Working Capital	350,000,000	Within 30 days upon completion of Rights Issue					

In the event the funds raised through the Rights Issue of shares have been fully utilized by the Listed Entity as disclosed in the Circular to shareholders between two financial periods, the Entity shall disclose such fact in the immediately succeeding Annual Report or the Interim Financial Statement, whichever is published first.

4. MAJOR SHAREHOLDERS

Set out below is the information pertaining to the twenty major shareholders of the Company as at 31st December 2025

<u>NO</u>	<u>NAME</u>	<u>SHAREHOLDING</u>	<u>PERCENTAGE</u> (%)
1.	LANKEM CEYLON PLC	51,131,655	53.82
2.	DARLEY BUTLER & CO LTD	18,512,680	19.49
3.	CLOVIS COMPANY LIMITED	2,364,295	2.49
4.	MR. U.G.J. CHAMINDA	1,179,327	1.24
5.	MRS. S. VASUDEVAN	984,751	1.04
6.	HATTON NATIONAL BANK PLC/ SRI DHAMAN RAJENDRAM ARUDPRAGASAM	800,000	0.84
7.	PEOPLE S LEASING AND FINANCE PLC/ L.P.HAPANGAMA	770,000	0.81
8.	MR. S. PARAMANATHAN	700,000	0.74
9.	MR. C.N. PAKIANATHAN	681,535	0.72
10.	DR. H.S.D. SOYSA JOINT - 1 : MRS. G. SOYSA GOWRI	598,150	0.63
11.	UNION COMMODITIES (PVT) LTD	584,754	0.62
12.	MR. K. NEROOZAN	544,982	0.57
13.	MR. P.D. JAYASINGHE	500,000	0.53
14.	MR. M.H.A. KAMIL	494,416	0.52
15.	MR. L.A. MALLAWARACHCHI	425,000	0.45
16.	MR. R.V.D. PIYATHILAKE JOINT - 1 : MR. R.V.D.C.G. RAJAPAKSE RAJAPAKSE VITHANAGE DON CHAMIL GAYANATH	394,331	0.42
17.	DR. S.P. JAYAWARDENA	378,975	0.40
18.	PEOPLE'S LEASING & FINANCE PLC/ MR.W.P.C.M.NANAYAKKARA	300,000	0.32
19.	MS. J. THARSHANA	300,000	0.32
20.	HNB INVESTMENT BANK (PVT) LTD/ MR. SUBRAMANIAM VASUDEVAN	250,000	0.26

5. UNDERWRITING AGREEMENT

The Company has not entered into any Underwriting Agreement in relation to the Rights Issue.

The Company's major shareholders Lankem Ceylon PLC and Darley Butler and Company Limited will take up their rights partly up to the value of Rs. 700 Mn which has been agreed mutually between the company and such shareholders. The company's action plan in the event the Rights Issue is under subscribed has been clarified in the paragraph immediately after 'Minimum Subscription to Satisfy each Objective' under Section 2 of the Circular.

6. SHARES

The existing issued ordinary shares of the Company consists only of Ordinary Voting Shares and the shares to be issued by the Company by way of the Rights Issue will also be of the same class of shares (i.e. Ordinary Voting Shares).

The basis of allotment of new Ordinary shares shall be as follows:

Number of Ordinary Shares held by a shareholder as at end of trading on the record date x 6.

In calculating the number of shares to be provisionally allotted the shares held by a shareholder as at the record date in the CDS and the Shareholders' Register maintained by the Registrars of the Company will not be aggregated. However, if a shareholder holds shares with multiple stockbrokers, the shares held with multiple stockbrokers will be aggregated for calculation purposes, and the shares provisionally allotted will be uploaded proportionately to the respective CDS accounts held with each broker. The company has obtained in-principle approval from the Colombo Stock Exchange (CSE) for the Rights Issue.

7. STATUS OF THE NEW SHARES

The new ordinary shares provisionally allotted to you will, upon due acceptance and payment, rank paripassu in all respects with existing issued ordinary shares of the Company and will qualify for all dividends declared, only after the final allotment which shall be after the date of acceptance and payment.

8. ADDITIONAL RIGHTS

Shares provisionally allotted and not subscribed for as at the last date of acceptance and payment, for which payment has not been duly and validly received by the Company and where applications have been rejected, such shares will be deemed to have not been accepted and such unaccepted shares will be allotted at the same price to existing shareholders who apply for additional rights and if further unsubscribed shares remain thereafter, such shares shall not be taken up by the existing major shareholders and will not be offered to an outside third party and the unsubscribed shares will be treated as cancelled.

On an oversubscription in respect of additional rights, the additional rights will be allotted pro-rata, based on the rights entitlement of each shareholder and the residue will also be allotted on a pro-rata basis by the Directors. In the event of the issue being undersubscribed, the additional rights will be allotted based on the additional rights requested for by the shareholders.

9. REFUNDS

Refunds in respect of rejected/partly rejected applications for Rights shall be paid as expeditiously as possible but not exceeding ten (10) Market Days from the last date of acceptance and payment. Applicants will be entitled to interest (the last quoted Average Weighted Prime Lending Rate (AWPLR) published by the Central Bank of Sri Lanka plus 5%.) on refunds not made within this period. Refunds will be made by way of cheque, unless the applicant has provided accurate and complete details of his/her bank account in the application. In which event the Company shall make such payment thereto, SLIPS and a payment advice shall be issued to the applicant. Cheque payments will be dispatched to shareholders by ordinary mail

10. EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting of the shareholders of the Company will be convened in terms of the attached Notice of Meeting, on 3rd February 2026 at 10.00 a.m. and will be conducted as a Virtual

Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01 (in keeping with the guidelines issued by the Colombo Stock Exchange (CSE) in respect of virtual meetings and as per the Articles of Association of the Company) at which the members will be requested to consider and if thought fit to pass the Resolutions necessary to give effect to the foregoing proposal of the Directors.

The Notice of Meeting, Form of Proxy and the Registration Form for Online Meeting Participation will be dispatched via post to the Shareholders. However the Circular to Shareholders and the said documents will be uploaded on the website of the Colombo Stock Exchange. <https://www.cse.lk> and the website of the Company <https://www.acmelk.com>.

Shareholders who wish to participate at the aforesaid meeting through Audio/Video and visual means are kindly requested to complete and return the Registration Form attached to this Circular, to reach the Registered Office of Acme Printing and Packaging PLC, No.98, Sri Sangaraja Mawatha, Colombo 10 or via e-mail to sameera.g@acmelk.com at least three (3) market days prior to the date of the Meeting.

Upon receipt of the duly completed Registration Form the Company will email Virtual Meeting Attendance login information to the eligible shareholders or their duly nominated proxies to enable them to join the meeting.

If a Shareholder/Proxy holder intends joining the Virtual EGM via a smart phone, it is necessary for him/her to download the “Zoom Mobile App” onto his/her smart phone.

Similarly, if the Shareholder/Proxy holder wishes to join the meeting via a desktop computer, the link could be opened by downloading the “Zoom Desktop App” to the respective desktop computer (compatible web browser: Google Chrome)

Further, if shareholders are unable to participate at the Meeting and wish to raise any queries, such queries could be sent in writing to the Company or via e-mail, as mentioned above, not less than three (3) market days before the date of the Meeting. This is in order to enable the Company to compile the queries and forward same for the attention of the Board of Directors so that same could be addressed at the meeting.

If you are unable to be present at this Extraordinary General Meeting to be held on 3rd February 2026, you are kindly requested to complete and return the Form of Proxy to reach the Registered Office of the Company, No.98, Sri Sangaraja Mawatha, Colombo 10 or by email (sameera.g@acmelk.com) not less than 48 hours before the time appointed for the Meeting so that your proxy can represent you thereat and exercise your vote in accordance with your directions.

11. PROVISIONAL LETTER OF ALLOTMENT AND DIRECT DEPOSITS TO CDS

Upon receiving approval of the Shareholders for the resolution pertaining to the Rights Issue at the Extraordinary General Meeting the Rights Shares will be provisionally allotted to shareholders registered as at the Record Date which is the 2nd market day from and excluding the date of the EGM. Accordingly, the date of Entitlement of the Rights Issue will be as at end of trading on 6th February 2026 (i.e. Record Date) and the Provisional Letter of Allotment will be dispatched/made available to shareholders of the Entity within 5 Market Days from and excluding the Record Date. Rights Entitlements of those shareholders registered with the Central Depository Systems (Pvt) Limited (CDS) as at the date of Entitlement, will be directly deposited with the CDS within 3 market days from and excluding the Record Date. The shares held via the CDS and Share Ledger will not be

amalgamated. Application for additional shares will be permitted. The last date for acceptance and payment will be the 12th market day from and excluding the date of dispatching / making available the Provisional Letter of Allotment for shareholders subscribing for their rights via the CDS and shareholders who hold shares via the share ledger and application for additional shares.

Shareholders would be required to strictly comply with the application procedure set out in the Provisional Letter of Allotment in respect of acceptance renunciation and applying for additional Rights.

The Provisional Letter of Allotment will enable renunciation only to the Central Depository Systems (Pvt.) Ltd., (CDS) only up to the 9th market day from and excluding the date of dispatching/making available the Provisional Letter of Allotment (this will only be applicable to those shareholders whose Entitlement is not deposited with CDS).

Keeping in line with the Directive issued by the Securities & Exchange Commission of Sri Lanka by Circular No.8/2010 dated 22nd November 2010 and Central Depository Systems (Pvt.) Ltd., Circular No.13/2010 dated 30th November 2010, the shares allotted by this Rights Issue would be directly deposited to the CDS Account of each shareholder. The direct deposit of shares to the respective shareholders CDS Accounts, will be completed within 10 market days from the last date of acceptance and payment. The relevant shareholders will be notified of such direct deposit within two (2) market days of the direct deposit.

Shareholders who do not possess CDS Accounts are advised to open such an account immediately through any one of the Trading participants of the CSE or any one of the registered Custodian Banks. In the event of the non-availability of the CDS Account Numbers, the new shares to be allotted, will only be registered in the Share Ledger maintained by the Company and you will not be entitled to a share certificate and thereby it would not be possible to trade with the new securities until such time the shareholder opens a CDS account and informs the Registrars of the CDS account number in writing. Such shares will be deposited with the CDS on a weekly basis.

In the event a Shareholder does not receive the Provisional Letter of Allotment dispatched via post, such shareholder may contact, during Office hours, the *Managers & Registrars to the Issue*, S S P Corporate Services (Private) Limited, on Telephone Nos. 2573894, 2576871, 2573898, 4369778 and 4369306 for assistance.

12. LISTING

Approval in principle has already been obtained from the Colombo Stock Exchange to issue and list the new Securities. Trading of the “Rights” shall commence on the fourth (4th) Market Day (i.e. 19th February 2026) from and excluding the date of dispatch/making available the Letters of Provisional Allotment. Such trading shall continue throughout the period of renunciation to the CDS.


The listing of the securities by the Colombo Stock Exchange will in no way be reflective of the merits of the issue. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements or omissions made, opinions expressed or reports included.

13. GENERAL

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, attorney-at-law or other professional advisor immediately.

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief that there are no other facts the omission of which would render any statement in the circular misleading.

BY ORDER OF THE BOARD
ACME PRINTING & PACKAGING PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED

A handwritten signature in blue ink, appearing to read 'J. R. M.', is written over a horizontal blue line.

MANAGERS & REGISTRARS TO THE ISSUE
NO.101, INNER FLOWER ROAD,
COLOMBO 3.

13th January 2026