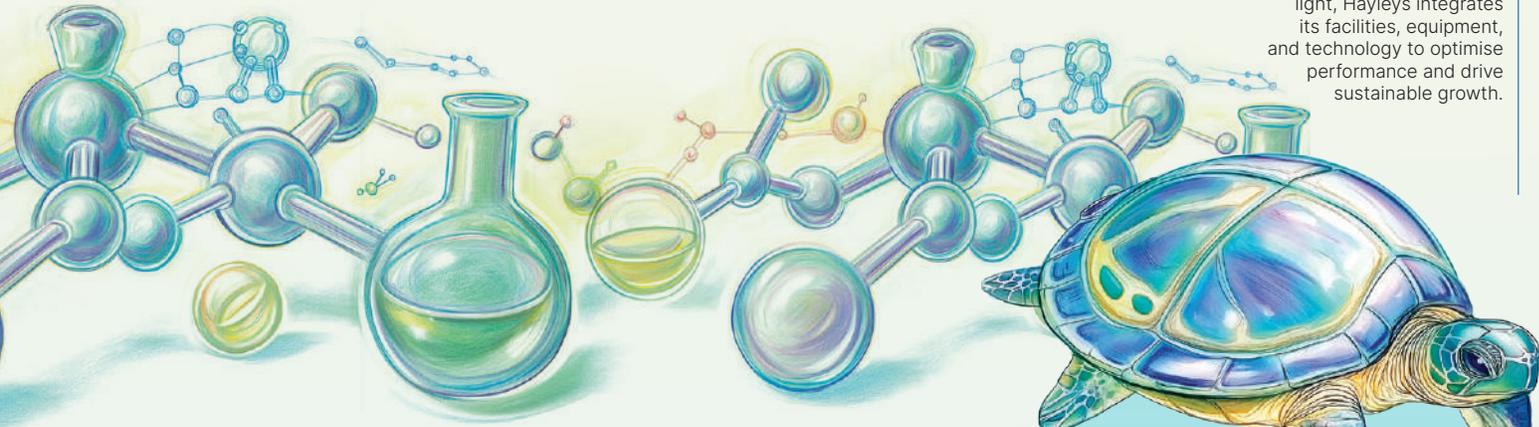


# Manufactured Capital

## POWERING PERFORMANCE AND BUILDING POSSIBILITIES

Manufactured capital forms the backbone of a diversified and manufacturing-focused group such as us, enabling operational excellence, driving innovation across sectors, and sustaining the high standards of quality and scale that define its industry leadership.

Just as luciferin and luciferase interact precisely to produce light, Hayleys integrates its facilities, equipment, and technology to optimise performance and drive sustainable growth.



MANUFACTURED CAPITAL AS A STRATEGIC DRIVER

**PORTFOLIO OPTIMISATION**

→ Facilitates the production of an array of high-quality, customised and sustainable products across diverse business verticals

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**CUSTOMER CENTRICITY**

→ Cater to dynamic and rapidly shifting needs of customers through innovative and improved product capabilities

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**NURTURING INSPIRED TEAMS**

→ Offers employees with efficient, safe, and well-equipped work environments fostering productivity, well-being, and pride in their work.

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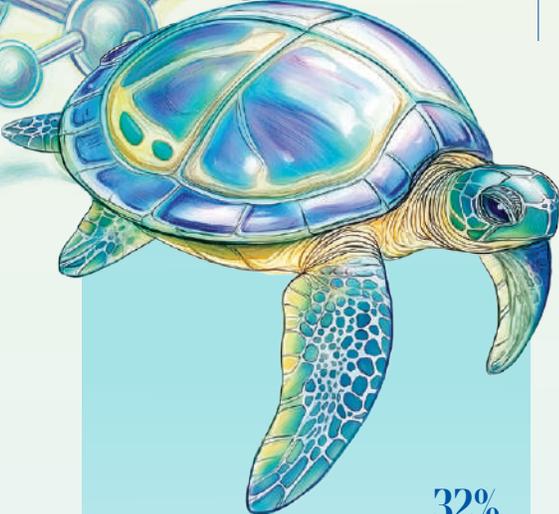
**INCLUSIVE BUSINESS MODELS**

→ Enables scalable, efficient production that can integrate small-scale suppliers, create diverse employment opportunities

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**STRATEGIC ESG INTEGRATION**

→ Efficient manufacturing processes which support resource optimisation and waste reduction goals



32%

of our Revenue derived from manufacturing-based Sectors

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Drives bold innovation through agile manufacturing infrastructure

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Rs. 93.73 bn

Manufacturing Assets (18% of Assets)

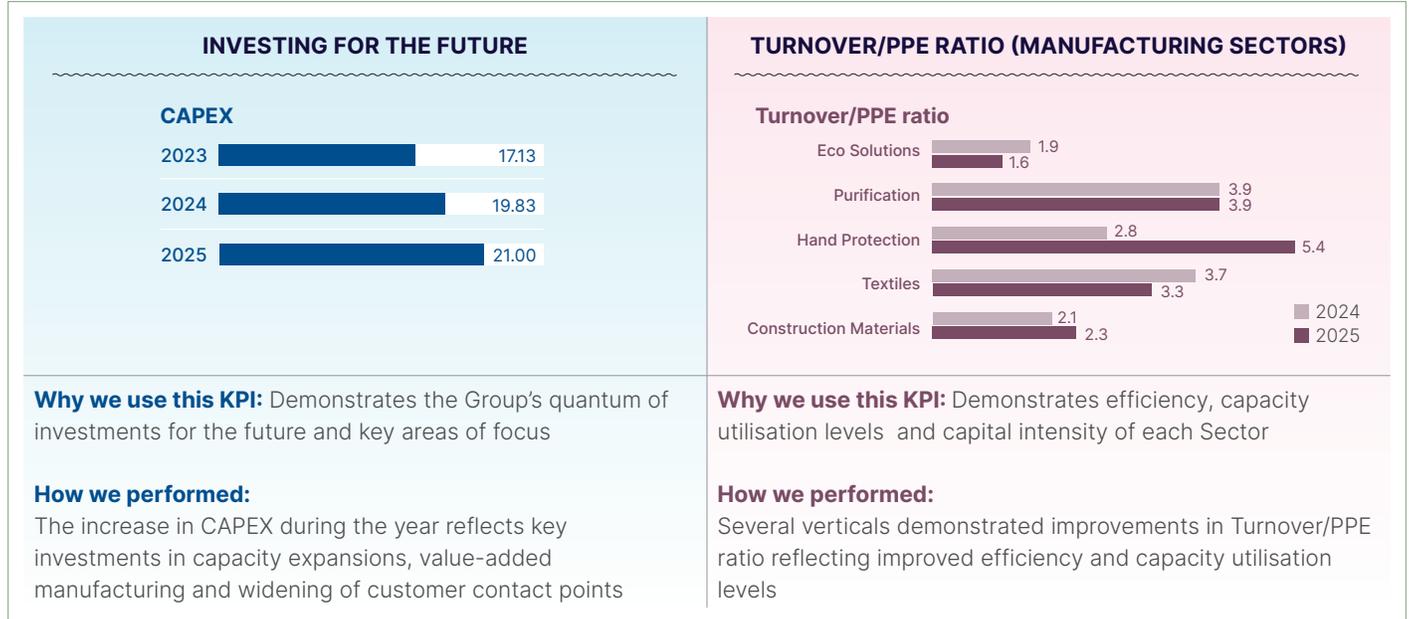
Represents buildings, manufacturing facilities, vessels and vehicles

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Drives operational efficiency and optimisation of resources

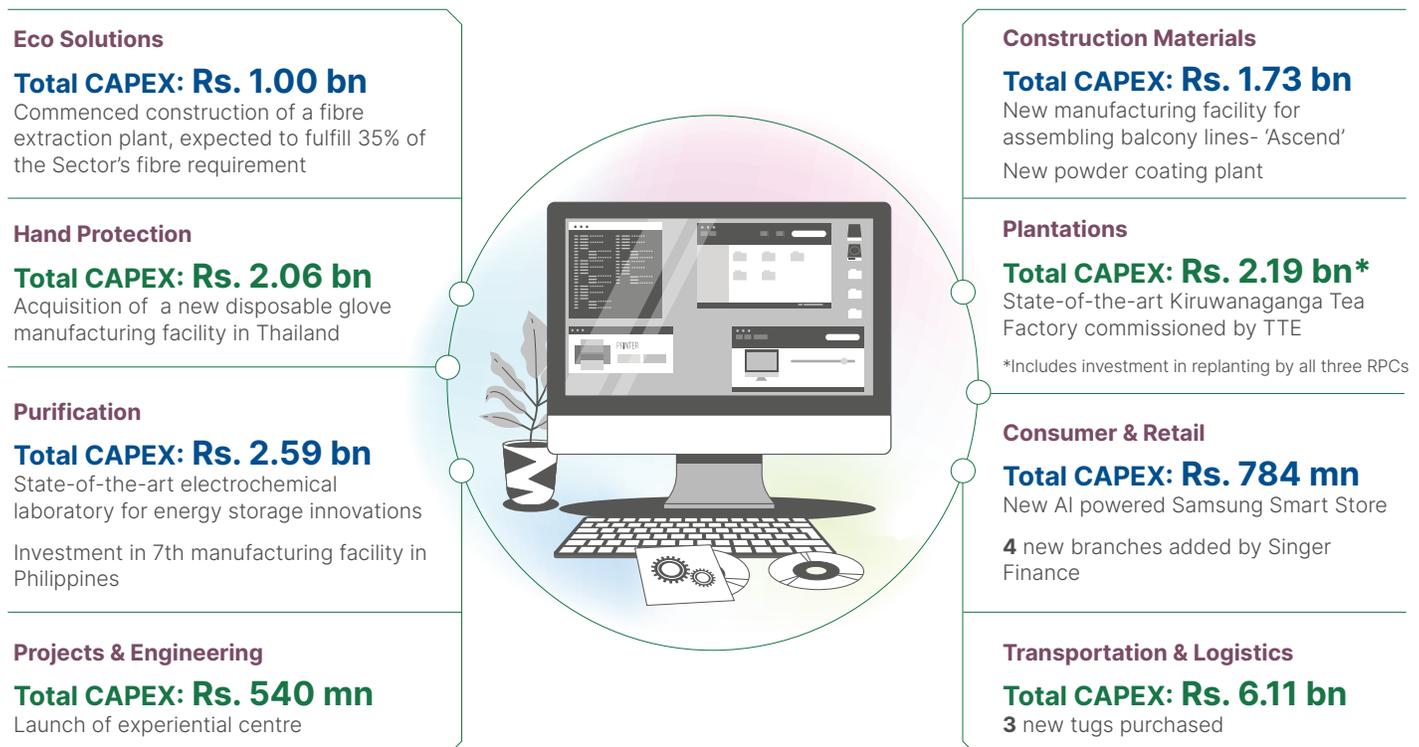
## MEASURING PROGRESS

### Manufactured Capital- Our KPIs



## INVESTING FOR THE FUTURE

The Group's growth aspirations were reflected in its CAPEX investments during the year with ongoing efforts to strengthen production capabilities across our diverse verticals. Total additions to PPE for the year amounted to Rs. 22.03 bn reflecting improvements in technology, factory upgrades, new facilities and capacity enhancements. Key investments for the year included the following:



# Manufactured Capital

## PROFILE OF MANUFACTURED CAPITAL

The Group's extensive manufacturing footprint spans 95 facilities in Sri Lanka, Thailand, Indonesia, India and Bangladesh, with the first facility in the Philippines currently under construction by the Purification Sector. Meanwhile, B2C sectors such as Consumer & Retail and Projects and Engineering operate island-wide networks of customer contact points. Please refer the note 13 of the Financial Statements for the accounting policy pertaining to the measurement and recognition of these assets. The Group's manufacturing footprint is summarised below:

 <p><b>ECO SOLUTIONS</b> Manufacturing of fibre-based products</p> <p><b>12</b> manufacturing facilities in Sri Lanka <b>1</b> manufacturing facility in India</p> <p><b>Rs. 4.55 bn</b></p>	 <p><b>HAND PROTECTION</b> Manufacturing a range of household, industrial and medical gloves</p> <p><b>5</b> manufacturing facilities in Sri Lanka <b>2</b> manufacturing facilities in Thailand</p> <p><b>Rs. 11.80 bn</b></p>	 <p><b>PURIFICATION</b> Manufacturing coconut-shell based activated carbon</p> <p><b>2</b> facilities in Sri Lanka <b>2</b> facilities in Indonesia <b>2</b> facilities in Thailand</p> <p><b>Rs. 8.28 bn</b></p>
 <p><b>TEXTILES</b> Fabric knitting, dyeing, printing and brushing - cotton and polyester</p> <p><b>3</b> manufacturing facilities in Sri Lanka</p> <p><b>Rs. 12.47 bn</b></p>	 <p><b>CONSTRUCTION MATERIALS</b> Manufacture of Aluminium extrusions</p> <p><b>2</b> manufacturing facilities in Sri Lanka</p> <p><b>Rs. 4.10 bn</b></p>	 <p><b>PLANTATIONS</b> Manufacture of tea, rubber and tea extracts</p> <p><b>49</b> factories</p> <p><b>Rs. 3.03 bn</b></p>
 <p><b>AGRICULTURE</b> <b>13</b> manufacturing facilities and plants in Sri Lanka</p> <p><b>2</b> facilities in Bangladesh</p> <p><b>Rs. 2.65 bn</b></p>	 <p><b>LEISURE</b> Hotels and resorts</p> <p><b>4</b> resort properties in Sri Lanka and Maldives <b>5</b>-star city hotel</p> <p><b>Rs. 12.61 bn</b></p>	 <p><b>INDUSTRY INPUTS, POWER &amp; ENERGY</b> Industrial Inputs, Power &amp; Energy</p> <p><b>6</b> mini hydro plants <b>1</b> solar plant <b>3</b> wind-power plants</p> <p><b>Rs. 3.56 bn</b></p>
 <p><b>TRANSPORTATION &amp; LOGISTICS</b> Sri Lanka's largest mega distribution centre</p> <p><b>21</b> Vessels</p> <p><b>Rs. 22.25 bn</b></p>	 <p><b>CONSUMER &amp; RETAIL</b> Manufacturing, financing and marketing consumer durables Island-wide network of <b>405</b> Singer outlets and <b>56</b> Singer Finance branches</p> <p><b>Rs. 4.06 bn</b></p>	 <p><b>PROJECTS &amp; ENGINEERING</b> Fentons 2 inventory warehouse, branches and solar infrastructure</p> <p><b>Rs. 2.92 bn</b></p>
 <p><b>TEA EXPORTS</b> <b>2</b> manufacturing facilities in Sri Lanka</p> <p><b>Rs. 886.10 mn</b></p>	 <p><b>OTHERS</b> Head office building</p> <p><b>Rs. 589.70 mn</b></p>	



Newly-commissioned Kiruwanaganga Tea Factory of Talawakelle Tea Estates PLC

### MANUFACTURING EFFICIENCY

Our key manufacturing sectors have consistently sought to drive manufacturing and operational efficiencies through initiatives such as productivity maintenance, Lean and Six Sigma among others. These initiatives have enabled the Group to curtail costs while enhancing efficiency and reducing waste

Sector	Turnover/ PPE ratio
Eco Solutions	1.6
Hand Protection	5.4
Purification	3.9
Textiles	3.3
Construction Materials	2.3

#### Adequacy of Manufactured Capital for future plans

Investments in Manufactured Capital in recent years has focused on capacity expansions and value-added product capabilities. These investments have positioned the Group to cater to emerging customer requirements and widen potential sources of Revenue.

### WAY FORWARD

#### Priorities for 2025/26

- Geographical diversification of manufacturing capabilities
- Strengthening capabilities for manufacturing value-added products
- Manufacturing capabilities enabling backward integration