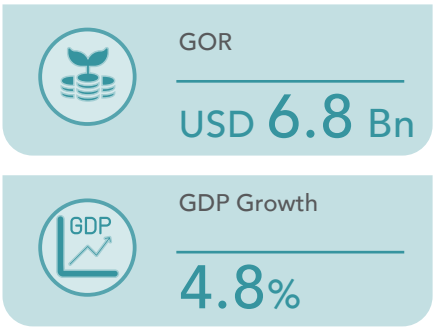
ECONOMIC LANDSCAPE /COUNTRY REPORT

As a globally diversified manufacturer and marketer of activated carbon solutions, the Group operates across multiple economic environments that influence manufacturing competitiveness, raw material availability, customer demand and investment decisions. The geographic diversity of our operations provides resilience against country-specific economic cycles while enabling us to capture opportunities across both emerging and developed markets.

This section provides an overview of the economic conditions prevailing within the Group's principal manufacturing hubs and key market regions during the year under review. The analysis is based on publicly available economic data and estimates available up to 31 December 2025.





MANUFACTURING

Sri Lanka – Core Manufacturing Hub

Sri Lanka continued its post-crisis recovery during 2025 supported by macroeconomic stabilisation measures, IMF-backed reforms, easing inflation and improved fiscal management. Lower interest rates, improved currency stability and recovering investor confidence contributed to a more favourable operating environment for export-oriented manufacturers.

For the Group, these developments supported greater planning certainty, improved financing conditions and enhanced competitiveness within its largest manufacturing base. While global geopolitical developments continued to create uncertainty within energy and logistics markets, strengthened macroeconomic fundamentals improved the country's overall resilience.

Indicator	2023	2024	**2025**	Trend
GDP Growth	-2.3%	5.0%	5.0%	Sharp recovery → Stable growth
Inflation	17.0%	1.5%	1–2%	Significant moderation
Policy Rate	15.0%	8.0%	7.75%	Continued easing
Exchange Rate (LKR/USD)	324	293	300–320	Improved stability

INDONESIA & THAILAND – REGIONAL MANUFACTURING AND SOURCING HUBS

Indonesia and Thailand continued to play an important role within the Group's regional manufacturing network, providing production flexibility, sourcing diversification and strategic access to ASEAN markets.

Indonesia

Indonesia maintained stable economic growth supported by domestic demand, infrastructure development and exports. Controlled currency depreciation continued to support export competitiveness while preserving manageable import costs. The country remains strategically important to the Group's manufacturing operations and raw material sourcing initiatives, including the continued development of sustainable charcoal supply chains.

Indicator	2023	2024	**2025**	Trend
GDP Growth	5.05%	5.03%	5.11%	Stable and resilient growth
Inflation	2.61%	1.57%	2.92%	Controlled and low
Interest Rate	6.00%	6.00%	4.75%	Monetary easing
Exchange (IDR/USD)	15,416	15,859	16,200	Mild depreciation

Thailand

Thailand's recovery continued to be supported by tourism, exports and industrial activity. Stable inflation, moderate interest rates and a relatively stable currency environment supported manufacturing competitiveness and regional supply chain integration.

Indicator	2023	2024	**2025**	Trend
GDP Growth	1.9%	2.5%	2.4%	Moderate recovery
Inflation	1–2%	0.4%	-0.1%	Low and stable
Interest Rate	2.5%	2.25%	2.0%	Moderating
Exchange Rate (THB/USD)	34	35	35–36	Stable range

KEY MARKETS

United States, United Kingdom and Australia

These developed markets continued to represent important end-user markets for the Group's activated carbon solutions. Economic activity across these regions remained broadly supportive despite varying growth trajectories, elevated interest rates and ongoing geopolitical uncertainties.

Environmental regulation, water treatment requirements, industrial purification needs and sustainability-related investments continued to support long-term demand for activated carbon applications across multiple sectors.

Market	GDP Growth	Inflation
United States	2.0–2.3%	~3%
United Kingdom / Europe	1.0–1.5%	3–4%
Australia	~2.5%	3–4%

United States

The United States economy demonstrated resilience during the year supported by consumer demand, industrial activity and infrastructure investment. Demand across water treatment, environmental purification, industrial processing and air quality applications remained supportive for activated carbon products.

United Kingdom and Europe

Economic growth remained moderate amid elevated energy costs and tighter monetary conditions. Nevertheless, increasingly stringent environmental standards and regulatory requirements continued to support demand for purification and filtration solutions across industrial and municipal sectors.

Australia

Australia maintained stable economic growth supported by infrastructure investment, mining activity and environmental sector demand. Activated carbon applications across mining, water treatment and industrial processing continued to support market opportunities.

China – An Important Reference Market

China continues to influence global activated carbon industry dynamics through its position as a major producer, consumer and exporter of activated carbon products. The country remains an important reference market for global pricing trends, competitive supply conditions and evolving customer requirements.

While economic growth expected to be moderated to 4.5% in 2026 , industrial production, exports and policy support measures continued to sustain activity across key sectors. China also remains a strategically important market within the rapidly expanding battery materials and energy storage ecosystem.

OUR OUTLOOK

While economic conditions varied across regions during the year under review, the Group continued to benefit from its diversified manufacturing footprint across Asia and broad market presence across developed economies. This geographic diversification enhances resilience against country-specific economic challenges while positioning the Group to capitalise on long-term growth opportunities arising from environmental regulation, water treatment demand, industrial development and the accelerating adoption of energy storage technologies.