



**CHRISWORLD**  
Unique Solutions – Winning Partnerships

**ANNUAL REPORT 2020/21**



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It is pertinent to recall that we were exposed to an exciting business expedition for well over a few years that most others wouldn't have dreamt of. A business operating across logistic operations to support the growth of this sector and how we operate, this moving forward is critical to realising the value of what we have built.

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# About Us

Our story started almost a decade ago, inspired by a vision to add a new dimension to customer service in the logistics industry. Chrisworld commenced operations with 30,000 square feet of warehouse space situated in Kotikawatta, under the parent company Chrisslogix (Pvt) Ltd. The steady growth of this business was the birth of Chrissworld. The company has grown in leaps and bounds over the years and is now an esteemed member of the Chartered Institute of Logistics & Transport, Sri Lanka, managing over half a million square feet of space. Spearheaded by a dynamic and well experienced Board of Executive Directors, each of whom counts between 25 to 35 years' experience in the logistics industry; harnessing from this knowledge and expertise, the organization specializes in the two core areas of warehouse management services and inventory management, servicing clients across multiple verticals and industries.

The multi-faceted team is dedicated in providing and excellent service through the entire process, from detailed planning to smooth implementation, and is

geared in handling niche and specific shipments that require individual attention and effective integration. We provide an end-to-end solution to the client through our range of services which include; storage solutions, both ambient and temperature control; inventory management services, cross docking, distribution, packing, supply chain management consultancy, 3rd party facility management, last mile delivery, project cargo handling, door-to-door solutions, MHE supply and a range of value added services.

Our expertise in an array of services and projects enables us to deliver a unique value proposition to clients, which is not only superior in terms of process but also within project schedules and agreed resources. This is the reason we can pledge to a winning solution that will meet or go beyond your expectations.

## Vision

To provide innovative total logistics solutions across the globe with clear focus on our core values of high quality, respect, integrity and professionalism

## Mission

To be ranked among Sri Lanka's top five "end to end" logistics service providers



## CORPORATE VALUES

### CONNECTED

We invest in insight to get to the heart of our customers' challenges.

We are open and transparent in the way we work.

### COMMITTED

Deeply involved in building relationships – everything we do is with the long-term in mind.

Our dedication to quality is the cornerstone of our success – we get every detail right.

### CREATIVE

We are constantly developing better ways of working.

If we find a better way of working, we act upon it and proactively share it.

### FAIR TRADE

we ensure we do the best and give the best through all our partnerships measuring ourselves against the highest standards of integrity and fiscal responsibility.

### HONESTY

We are guided by solid moral compasses. We stand for what is just and right, and hold ourselves to a high level of ethical standards.

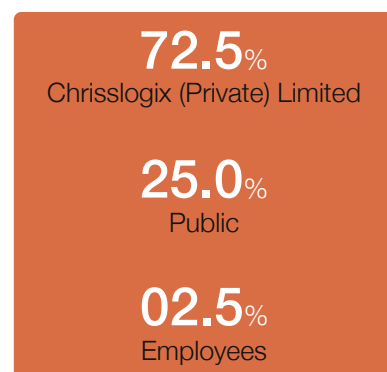
### INTERGRITY

Integrity creates trust. As an organization, collectively, it's our most valuable asset.

Individually, it's the constant choice to infuse every action with honesty, fairness, and respect for clients and colleagues alike.

## GROUP STRUCTURE

The parent Company of CWL is Chrisslogix (Private) Limited, which currently holds 72.5% of ordinary voting shares of the Company. The Group Structure is as follows (Post IPO):



Shareholders of Chrisslogix (Pvt) Limited are Mr. Christopher A.M. Perera, Mr. Sithira Wickramasekera, Mr. S.A.D. Niranjana Suraj and Mr. Laksiri Nonis. The Chriss group also consists of a company in the leisure sector namely Chrissleisure (Private) Limited.

The warehousing business was initially under the parent company and subsequent to incorporation of CWL, the warehousing related 3PL business was fully transferred to CWL in 2017 enable the Company to act as the warehousing arm of the group whilst Chrisslogix operates in the space of freight forwarding and custom clearing activities. At present, CWL provides specialized 3PL services in the space of warehouse management at competitive rates whilst gradually expanding its clientele.

## RESILIENT BUSINESS MODEL

The year 2016 was a challenging year for the entire country, as adverse weather patterns created havoc. The imminent threat to Chrissworld, as with many other organizations and individuals was undeniable. The main warehouse was affected due to the floods and most of the cargo in our storage was unrecoverable. It was a time when clients had to shift towards safer storage. In a moment of fierce determination to rise above the tide, the reset button of Chrissworld was pressed, where every single team member dived into action and committed themselves to uncompromised service. Working together with our clients to recover and revive their business, we managed to find innovative solutions and slowly but steadily got our clients back on track. The obstacle did not stop the team of passionate individuals, who worked hard and smart in building the entire client base Chrissworld is serving now.



## OUR SERVICE OFFERING

As per the business model adopted by CWL, in order to maintain a lean asset base the Company's operations are carried out using rented warehouses. The Company's main functions can be identified under the segments of:

- ⚙️ Inventory Storage – clients are provided with storage facilities only
- ⚙️ Contract Logistics services for cargo – comprehensive service range of storage, handling, distribution and Value-added-services are provided to clients
- ⚙️ Management services – where a company requires expertise services to manage the inventories of its own warehouse, CWL deploys its resources to provide such services
- ⚙️ Consultation and other services – CWL is capable of providing consultation on supply chain management for clients that seek professional advice on planning of storage, handling, transportation etc.

### Provision of Storage and Handling Services

At present, the Company manages around 385,000 sq.ft. of warehousing space in 6 main locations operated within Colombo and Gampaha districts and provides storage, handling and distribution services to its clients. The clientele includes



corporates from telecommunications, manufacturing, FMCG, trading and other sectors. The locations of warehouses have convenient access to Colombo Port, Katunayake International Airport and within close proximity to the Colombo city. The Company ensures that goods are stored as per required quality standards and adequate safety measures are applied in storing and handling by its well trained work force. The leadership team is well-experienced in the business of warehouse management and is committed to provide customized services and solutions as per the demands of the diverse clientele. Revenues are generated in the form of rent income, and handling charges for cargo stored.



## Logistics Support & Value Added Services (VAS)



Whatever your warehousing needs, our footprint and extensive network means we have facilities ready to handle your supply chain, whether at origin or destination. By combining shipping with warehousing and distribution, you benefit from a seamless end-to-end solution with fewer logistics service providers. Complexity is reduced, and you gain speed, control and visibility.

CWL has extended its position to provide logistics support services and value-added services. Key areas in which the Company provides such services include - consultation services, project cargo handling, price marking, packing and product quality checking to name a few. These services are provided to in-house clients or for clients that have their own storage facilities that require expert services. In-house clients also have the benefit of receiving these services according to their requirements under one roof, saving time and resources.

Moving beyond pure warehouse management and transport logistics, we have today established ourselves as an 'end to end integrator for logistics services by providing value added services and logistics support services to our clients. The service scope covers services such as supplier coordination and material call off functions, pre-retails services (price marking, packing, kitting, part assembly, product quality checking etc), site handling for specialized cargo (project cargo handling), export/ import coordination (customs operations & freight solutions).

A warehouse perfectly placed and connected to your sourcing areas can combine materials and goods pre-export, helping you optimise your landside movements and container loads. Our portfolio comprises non-bonded warehouses within ports for easy transfer to/from ships.

Our facilities also offer pit-stop solutions: late localisation and customisation with a wide range of value-added services, all supported by industry-leading Warehouse Management Systems.

When flexibility to minimise go-to-market efforts matter, our specialised services can offer you a competitive advantage (e.g. product customisation, quality controls, re-packing, returns management or product disposal).

## Transportation Management



CWL provide its services as an end-to-end 3PL logistics service provider, the Company also engages in inbound transportation of goods for clients and island wide distribution. Clients enjoy the benefit of a professional and economical service where both storage and transportation are handled by a single party. We utilise cargo specific vehicles, load and route planning methods which could effectively and economically handle specific transportation requirements, ranging from inbound containerized cargo to island wide redistribution. In addition, vehicles could be customized on demand to suit different types of cargo as per the customer requirement. Distribution and Transport related Key Performance Indicators along

with the deployment of GPS tracking control to ensure delivery accuracy and accountability for maximum performance could be integrated into the client's distribution model as and when required.

For a seamless fulfilment solution, combine order processing with distribution services to handle the last leg of your supply chain. We can handle product deliveries via Full Truck Loads (FTL), Less than Truck Loads (LTL) or parcels to suit your requirements; whether that's to DCs, Wholesalers, Shop or end-consumer.

### Full Truck Loads

Benefit from economies of scale and productivity when shipments are large enough to require the

use of the entire truck. Reduce transit time by direct deliveries to final destination and avoid cargo to be handled en route.

### Less than Truck Loads

Take advantage from the transportation of relatively small freight at a fraction of the cost of hiring an entire truck for an exclusive shipment. Reduce handling costs and the risk of damage during transit by configuring shipments with the least amount of handling units possible.

### Last mile Delivery

When speed, individualisation and specialisation of delivery services matters, parcel delivery becomes the most optimal transportation mode.

## Project Cargo Services



When you need to transport cargo that is extra large, heavy and high in value, we offer special project cargo services to handle it. Managing heavy cargo requires special expertise, care and detailing. We offer customized and unique project cargo handling solutions and expertise. Our broad experience and relationship with shipping companies, port authorities, custom agencies and international agencies leads to accurate implementation and finalization of the project. We coordinate safe-storage, transshipment and transportation.

- ⚙ Project planning and project management.
- ⚙ Arranging customs clearance and ensuring safety & legal regulations are met.
- ⚙ Optimizing the safe transportation of your cargo.
- ⚙ Coordinating and supervising transport via air, land and sea.

## CHAIRMAN'S MESSAGE



“

We take pride in our business philosophy of being ethical in our dealings with all our stakeholders

”

### Dear Valued Shareholders,

On behalf of the Board of Directors of Chrissworld Limited, it is my pleasure to present the Annual Report and Audited Financial Statements of the Company for the year ended 31st March 2021 and to welcome Shareholders to the 1st Annual General Meeting of the Company. The downward global economic trend experienced in the preceding year unfortunately worsened during the year under review as the outbreak of the COVID-19 global pandemic unleashed havoc. However, in this back drop your company recorded a profit after tax of Rs. 11.6 million.

The 2020/21 financial year is hard to squeeze into a report

format. Too much has radically changed – in people's day-to-day lives around the world, in the global economy and in logistics at any rate. We at Chrissworld have also grown with this exceptional year, in a way that can only be imperfectly expressed in business figures. Let's take a look back: We started to analyse the risks of the impending pandemic during the first coronavirus outbreaks in China. And our programme Act for Performance began back in January in response to the crisis. A task force developed measures to protect our employees and ensured that we were kept up to date on the current situation in international logistics hubs.

Amid a pandemic that has large impacts on supply chains, customers need flexible and robust solutions. With our integrated approach, we are supporting their end-to-end logistics needs, while controlling the most central assets and offering alternative solutions as borders close, air traffic stops and roads are blocked. I am proud of our employees' outstanding performance in this difficult time – and grateful for the special dedication they have shown under difficult circumstances. Their work has not only maintained industrial supply chains but also helped urgently needed pandemic items and medical equipment get to their destination on time.

I am also pleased that we recognised the many challenges of the coronavirus crisis as an opportunity for change: we swiftly developed new logistics products, accelerated internal decision-making processes and intensified communication in the business. We thus grew even more strongly together as a team despite the forced distance. We will keep many of

these innovations. Despite the global challenges, 2020/21 thus brought us a step forward in many respects. This change can be seen and read in our corporate values. “CONNECTED, COMMITTED, CREATIVE, FAIR TRADE, HONESTY and INTERGRITY” – these traits position us well for the future. We are also making ourselves future-fit with new developments in our digitisation road map, gives us the necessary scope for strategic development.

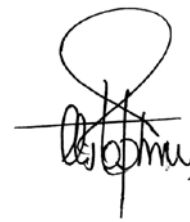
Our strategy is built on three core elements: Firstly, we offer our customers end-to-end digitally enabled transport and logistics services that help them manage their supply chains, sell their products globally, and source from the most competitive suppliers worldwide. For us to deliver superior value to our customers, we have built our land-based logistics and service offerings in a way that seamlessly integrates with our strong, leading and sustainable business practises. This enables us to leverage the commercial synergies inherent in selling land-based logistics services to all our customers. Secondly, we are leveraging on our strong financial and operational synergies and our lower cost as well as higher productivity and asset utilisation. And thirdly, we are building competitive advantage

through technology. We are digitising the interaction with our customers while offering unique digital products. In order to further enhance our service offering, we tied up with a next-generation no-code platform provider, Virtuan as the technology partner to advance and augment our business offerings.

As the world looks forward eagerly to a return to normalcy as vaccinations roll out, it is evident that the demand for warehousing, transportation and related service is set to increase rapidly to levels surpassing those that prevailed prior to the pandemic.

It is pertinent to recall that we were exposed to an exciting business expedition for well over a few years that most others wouldn't have dreamt of. A business operating across logistic operations to support the growth of this sector and how we operate, this moving forward is critical to realising the value of what we have built. We have learnt decisive lessons in this mission and some of which are so profound that all these expeditions were possible due to our dedicated employees who had been with us during the past years and I thank them for their services throughout. I also thank the CEO and fellow Board members for their insights and contributions. Finally, I thank all our stakeholders and

shareholders who have shared our expedition and look forward to the next phase of our journey with them.



**Christopher Perera**

*Chairman*

*3rd January 2022*

## GROUP CEO'S REVIEW



“  
We are focussed,  
we are aggressive  
and we are always  
optimistic in our  
approach”

It is my privilege and pleasure to welcome you all to the first Annual General Meeting of our Company. Last year has been a challenging for local and international logistics businesses with the Covid-19 pandemic affecting economies of the entire world and still continues to plague some countries, including Sri Lanka. Needless to say, this impact on world trade continues to hamper the progress of all businesses in general, particularly third-party logistics. Chrissworld has weathered the storm to some extent and demonstrated outstanding achievements in many ways. The Company made history at the Colombo Stock Exchange (CSE), being the 1st SME to be listed in the Empower Board of the CSE.

The IPO in April 2021, was a tremendous success and was oversubscribed by more than two times, giving us a great

opportunity to brand ourselves as a leading medium scale 3PL company. We have achieved this in a short period of 8 years and I believe this will help us to be the most successful integrated logistics company in Sri Lanka within a short period of time.

### Financial Results

The company posted a revenue of Rs 264Mn which is year on year growth of 22.3% driven by warehousing segment. Guided by our proactive strategies on operation and quick responses to inquiries the company achieved a GP of 59Mn as opposed to 71Mn of the previous year. Although this is a 16% drop in GP from the previous year, we are satisfied and proud that we achieved these figures through this difficult year. Our performance during the year was our dedicated service and close relationships with all our stakeholders which enabled us to deliver a PAT of Rs 11.6Mn.

The company carried out it's initial Public Offer ( IPO ) of 7,500,000 Ordinary Voting shares at an offer of LKR 7.50 per share in 2021, which successfully raised LKR 56.25 Million.

### Business Overview

We remained focused on protecting our employees, supported our customers and contributed to the societies we are part of by keeping goods flowing throughout the pandemic.

Customers need flexible and robust solution for their requirements. With our integrated approach, we support their end-to-end logistics needs, while

controlling the most central assets and offering tailor made solutions during extreme lockdown periods in the country.

In 2021, we will continue to focus on growing our warehouse and distribution, by expanding our products and services to all relevant business verticals. In addition to that, we expect to join hands with industry veterans to go for more synergizing methodologies with our partners particularly in the warehousing segment. Apart from that we will focus to further strengthen our integrated product offerings to mitigate costs to both the company and our valued customers.

All in all, the past years have been remarkable in many ways. Despite pandemic, the company has shown sustainable growth and managed to retain our client portfolio within the company. It has opened many avenues to explore our logistics business both locally and internationally.

The current performance gives us reason to believe that the investment and strategies adopted during the past years along have worked in our favor giving us the ability to demonstrate our strengths as a trusted, reliable, and dependable warehousing and logistics service provider. We have laid the foundation to enhance our human capital and strong technology

platform for future growth of the company.

This is the only start of the journey, and I sincerely believe that Chrissworld has much more to achieve over the next several years as we surge ahead with our growth plans. We will continue our growth journey focusing on developing our infrastructure, further strengthening our competencies, expand into new markets, developing our technologies, attracting the right resources across the organization, all with the aim of delivering strong, sustainable returns to all our stakeholders.

## Gratitude

Let me also take this opportunity to thank our entire leadership team headed by our chairman and our employees who have worked tirelessly under difficult conditions with sincerity, dedication, and commitment. I am immensely proud of the way they have taken the challenges in these unprecedented circumstances.

I am equally grateful for the ongoing support received from our clients as well as our business partners.



**Suraj Suraweera**

MD/CEO

3rd January 2022



- 1 MR. CHRISTOPHER PERERA (Chairman)
- 2 MR. SURAJ SURaweera (MD/CEO)
- 3 MR. SITHIRA WICKRAMASEKERA
- 4 MR. SHANAKA LANSAKARA
- 5 MR. DILAN NANAYAKKARA
- 6 MR. MELANGA DOOLWALA
- 7 MR. ROHAN LADDUWAHETTY(Absent)

## BOARD OF DIRECTORS

The Board of Directors of the Company comprises of experienced and professional individuals where there are 4 Executive Directors, 1 non-executive non-independent director and 2 non-executive independent directors. The Board is responsible to oversee the business affairs of the Company and provides leadership via formulating business strategies.



### **Mr. Christopher Perera**

- Chairman, Executive Director

Mr Perera counts over 35 years of experience in the shipping & logistics industry. His career started at Hayleys Group in 1986, with ship agency and port operations in the initial period and moving later to feeder agency and freight forwarding. He completed a 20 year service period at Hayleys Group in 2006, after being elevated as Director of Lanka Orient Express Lines (Pvt) Ltd, a feeder agency representing Orient Express Lines, Dubai and as Director of NYK Logistics & Kusuhara Lanka (Pvt) Ltd, a joint venture in freight forwarding between Hayleys, NYK Logistics, Japan and Kusuhara Transportation Company, Japan.

He was the Founder Chairman / Managing Director and majority shareholder of Air Marine Logistics (Pvt) Ltd, incorporated in 2006 to pursue his ambition as an entrepreneur. The Company was developed as a strong customs clearance agency and an

international freight forwarder. Disposing his shares of the Company in 2012, he formed Chrisslogix (Pvt) Ltd, the parent Company of Chrissworld Ltd and has provided strong leadership towards the growth of the group.

Mr Perera was a former Chairman of the Association of Clearing & Forwarding Agents (ACFA) and a former Consultant to Ceylon Freight & Logistics Association (CEYFFA). He was also the former Hon'y General Secretary of the 80 Club of Colombo. His key strengths are in administration, public relations, network building and strategic management.

Pursuing his passion and hobby of Model Railroading, which is one of the world's greatest hobbies, he will be opening Sri Lanka's largest model railway exhibit as a visitor attraction by mid-2021. He was responsible in building a community of model railroaders in Sri Lanka over the last couple of years and is currently the President of the Model Railway Association of Sri Lanka.



### **Mr. S. A. D. Niranjan Suraj**

- Managing Director/ Chief Executive Officer

Mr. Suraj has 29 years of experience in the shipping & logistics industry. Commencing his career in 1992 at Hayleys Group, he was involved in several subsidiaries of the Group covering finance, freight forwarding, shipping, NVOCC and 3PL, during a span of 2 decades. During the period 2006 – 2012 he headed the logistics operations of the FMCG sector of Logiwiz (Pvt) Ltd, a subsidiary of Hayleys.

He holds an Advanced Diploma in Logistics & Transport from the Chartered Institute of Logistics & Transport (UK) and is a member of the Chartered Institute of Logistics & Transport (UK) and Alumni from Indian Institute of Management, Ahmedabad. His key strengths are in logistics management, finance, strategic management and HR management.



### **Mr. Sithira Wickramasekera**

- Senior Executive Director

Mr. Wickramasekera has experience of over 32 years in the fields of exports, trading and logistics. Starting his career in 1989 at Forbes & Walker Ltd, he was a Founder Vice President of Asia Siyaka Commodities Ltd and a Director of Asia Siyaka Warehousing (Pvt) Ltd and was part of a robust team involved in providing modern warehousing solutions for the tea industry of Sri Lanka.

He also heads the leisure segment of the Chriss Group and manages Kirala Island, an island resort on the Bolgoda Lake under Chrissleisure (Pvt) Ltd.

Mr. Wickramasekera holds a Post Graduate Diploma in Business Administration from the University of Colombo and is also a member of the Chartered Institute of Marketing (UK) and of The Chartered Institute of Logistics & Transport.

He is an ardent water sports enthusiast and is the Founder President of the Bolgoda Lake Rowing Club, Vice President of The Amateur Rowing Association of Sri Lanka and serves on the committee of the Canoeing & Kayaking Association of Sri Lanka.



### **Mr. Shanaka Lansakara**

- Executive Director

Mr. Lansakara has over 23 years of broad based senior management level exposure in the logistics and supply chain industry in Sri Lanka and India, with leading players such as Hayleys and Sierra Construction.

He holds an MBA from Manipal University India, BSc Management Business Administration Special Degree from University of Sri Jayewardenepura and Graduate Advanced Diploma in Logistics & Transport from the Chartered Institute of Logistics & Transport (CILT). He is a chartered member of the CILT.

Mr. Lansakara is a visiting lecturer at CINEC Maritime Campus, CINEC Metro Campus since 2013 and also lectures at many leading academic institutes including the University of Sabaragamuwa.



### **Mr. D. Dilan Nanayakkara**

- Non-Executive Non-Independent Director

Mr. Nanayakkara counts almost 2 decades of experience in the logistics industry with special skills in international freight, customs clearance and project cargo handling. He is a professional marketer and has over 13 years of exposure at senior management level.

He holds a Master of Business Administration (MBA) from the British School of Commerce, Cardiff Metropolitan University UK and a national certificate in Computer Application – Certificate level at National Institute of Education. He is a member of the Chartered Institute of Logistics and Transport (CMILT), a member of BNI Sri Lanka/Global and is the current President of the Elite Chapter and the Ambassador for the Pioneer Chapter. He is also a member of the Photographic Society of Sri Lanka.



### **Mr. Melanga A. Doolwala**

Non-Executive Independent Director

Mr. Doolwala has over 18 years of experience in finance, specializing in financial management and strategy, whilst accumulating extensive knowledge and skills in the insurance industry for over 14 years. He held the position of Principal Officer/ GM Finance and Operations of Arpico Insurance PLC, a Subsidiary of Richard Peiris and Company PLC, until February 2021. He is also a director of Omee Products (Private) Limited and AMD Holdings (Private) Limited.

He held management positions at X-ONT Software (Pvt) Ltd and Janashakthi Insurance PLC, and has hands on experience in public issuance of securities, whilst being the principal point of contact with capital market regulators (SEC & CSE), when listing Arpico Insurance PLC in 2014.

Mr. Doolwala holds an MBA from Cardiff Metropolitan University, UK and is an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK and was a member of the Member Engagement Sub Committee of CIMA in 2019 and continues to be actively involved with CIMA, Sri Lanka Division. He has also completed the Licentiate Exams from Insurance Institute of India.



### **Mr. Rohan Ladduwahetty**

- Non-Executive Independent Director

Mr. Ladduwahetty's expertise is in the tea industry of Sri Lanka with over 35 years of hands on experience. His life with tea started at Van Rees Ceylon Ltd, an investment from a private entity in Netherlands that created one of the largest tea traders in Sri Lanka, where he served them for almost 2 decades.

He later moved onto the Almar Group, a traditional rubber exporter, as the Founder CEO of its tea division.

In 2012, Mr. Ladduwahetty formed Ramico International (Pvt) Ltd in partnership with an overseas investor. The Company functions as an exporter of value added tea to various destinations.

## SENIOR MANAGEMENT TEAM



### **Mr. P Jayakody Arachchi** - Manager Marketing

Mr. Jayakody Arachchi is an experienced senior management level professional in logistics, supply chain management and leisure and tourism industries, with a career spanning over 24 years. He has served in leading organizations in the apparel manufacturing industry and food & beverage industry in Sri Lanka.

He holds a Higher National Diploma in Business and Finance (B-TEC) and is also a qualified quality auditor for ISO 9000 Standards series.



### **Mr. Samudra Ratnayake** – Manager Operations

Mr. Ratnayake has been engaged in Logistics and Supply Chain industry with over 09 years' experience including employment in Logiwiz (Pvt) Ltd (Hayleys group). He demonstrates exposure to multiple operations in the logistics industry, multiple clients, and world leading WMS such as SAP warehouse management system etc.

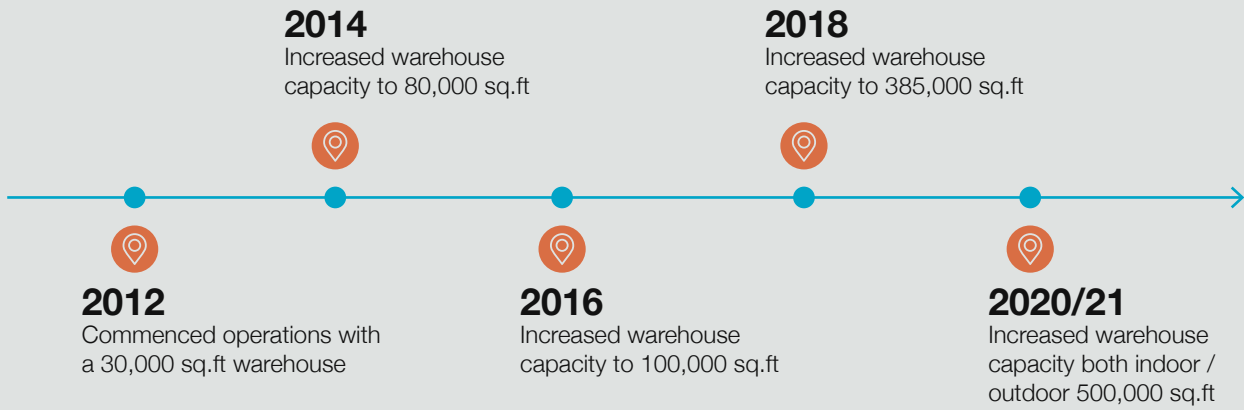
He holds an M.Sc in Logistics and Supply Chain Management from Global Institute of Project Management and a Diploma in Business and Information Technology from the Siksil Institute of Business and Technology.



### **Ms. Umesha Liyanarachchi** – Head of Finance

Ms. Liyanarachchi possesses over 2 years of auditing and accounting experience from WIJEYERATNE & COMPANY that provides professional services in the fields of Auditing, Taxation, Management Advisory and Information Risk Management. She holds a B.Sc. (Special) Degree in Accountancy & Business Finance from the Wayamba University of Sri Lanka. At present, Ms. Liyanarachchi is responsible for accounting and financial reporting activities of CWL.

# MILESTONES



# COMPANY PERFORMANCE

## Economic Value Creation

We at Chrissworld give utmost importance to our shareholders, employees and other stakeholders thereby ensuring that the Company's financial capital and the economic performance is sustainable. We believe that the success of our organisation depends on creating financial value for our shareholders, economic value to the economy, repayment of borrowing from financial institutions and creating value for our employees.

## Management Approach

We have adopted a value creation process that supports the well-being of the economy by ensuring that that all our business transactions create positive economic impact. This is strengthened by the Company's focus on having strong financial management, which will eventually increase the economic value. We are committed to create value to our shareholders, which is also demonstrated in the Company's financial statements. A performance centric culture is created for our employees, thus opening avenues for increased efficiency and effectiveness.

## Revenue

The Company's Revenue recorded an increase of 22%, closing the books at to Rs. 264 million during the year, however the increase of direct cost by a margin of 41% to Rs. 205 million this year as opposed to Rs. 145 million the previous year eroded into the revenue and had an adverse effect on profits. Revenue from the Company's core businesses which include, warehouse management income of Rs. 199 million, contributed 76% to revenue, while handling income generated a sum of Rs. 53 million, contributing 20 % ; the income from transport charges was Rs. 9 million, contributing 4% to the company's revenue. The areas of contribution are as follows;

Income Category	Amount	Percentage
Warehouse Management Income	199 Mn	76%
Handling Fee	53 Mn	20%
Transport Charges Income	9 Mn	4%
Other	1 Mn	-

## Profitability

The Company's profitability declined to Rs. 12 million, from the previous year's 17 Million. This was mainly due to the increase in rent expense by 44% in comparison to the previous year and also increase in labour and other operational direct costs.

## Gross profits and margins

The Company's Gross Profits declined only by 17% to Rs. 58 million despite the 22% increase in revenue.

## Direct, Other Costs and Earnings Before Interest and Tax

Direct cost of the Company amounted to Rs. 205 million, a 41% increase from last year. It was mainly due to increase in rent expense to Rs. 40 million, by 44% from the previous year and also increase in labour and other operational direct costs. During the year administrative expenses amounting to Rs. 38 million was recorded, which was a 5% decrease from the previous year. Finance expenses decreased by 28%. Profit before taxes recorded Rs. 14 million, a decrease of 31% mainly due to increase of direct costs.

Other income of Rs. 1.5 million comprises with interest income of Rs. 1 million and others including fair value gain and other income received during the year.

## Taxation

Income tax expenditure of Rs. 2 million, decreased by 30% compared to last year. Taxation has been computed according to the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments.

## Profit After Tax

The Company profit after tax was recorder at Rs. 12 million, a 31% decrease from last year and it was mainly due to 41% increase in direct cost and 31% decrease in PBT.

## Other Financial Review

The company has carried out an Initial Public offer (IPO) of 7,500,000 Ordinary voting shares at an offer price of Rs. 7.50 per share, successfully raising Rs 56.25 million. Accordingly, 30 million Ordinary Voting shares being the entirety of the issued shares post IPO were listed on the empower Board of the Colombo Stock Exchange on May 18, 2021.

## Cashflow

- ⚙️ Cashflow from operating activities

For operating activities Rs. 8 million used for the during the year and it was mainly due

to expansion of operational expenses.

- ⚙️ Cashflow from investment activities

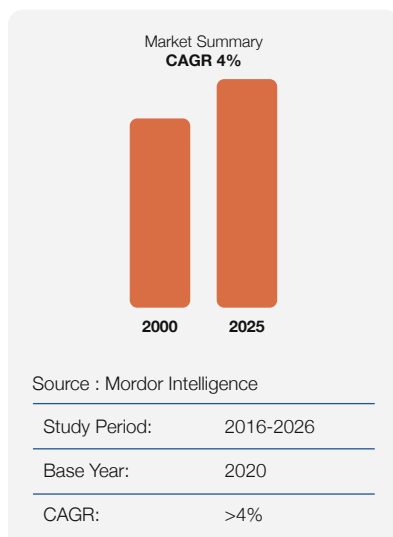
For investment activities Rs. 5 million used for the during the year and it was mainly due to purchase of Property Plant and Equipment.

- ⚙️ Cashflow from finance and other activities

For financing activities Rs. 4 million generated for the during the year.

## LOCAL ECONOMY/ LOCAL LOGISTICS INDUSTRY

### Sri Lanka Freight and Logistics Market Snap shot



### Market Overview

The country's strategic location among the main air navigation routes and marine routes within the Southern Asian region has been making Sri Lanka a lucrative destination for the logistic sector development. During the last 5 years, Colombo Port has been ranked one among Top 50 World Container Ports above other South Asia ports by the World Shipping Council based on the volume of the containers handled. Sri Lankan logistics sector contributes around 2.5% of the nation's GDP (gross domestic product) which represents around USD 2 billion and the industry provides full-time direct employment to over 40,000 people. In addition to the expansion of its seaports, the country also has the highest road density in South Asia, with

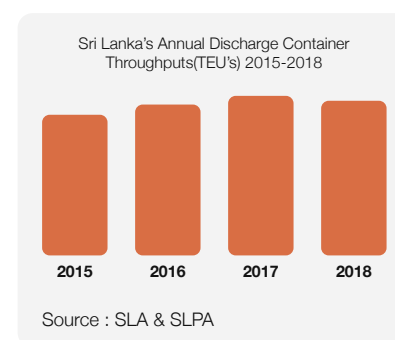
around 174 km of roads per 100 sq km of land, connecting all major seaports and airports. With the growing recognition as a marine engineering hub in the South Asian region and the growing capacity in offshore engineering has also benefitted the country to get more reputation as an emerging logistics hub providing the complete suite of logistic services. Sri Lanka is aiming at becoming a multimodal logistics hub by providing integrated services and facilities through the development of physical, telecommunication, and information technology infrastructure between the air and seaport facilities in the future.

### Key Market Trends

Sea Freight Transport Segment is Anticipated to Drive the Market Growth

The deep-water coastline close to Indian Ocean Shipping Lanes is making the Hambantota port a unique geographical factor that most of its neighboring ports lack and is helping it to handle the world's largest ships. With the strong base of air and sea freight transport segments, Sri Lanka's freight and logistics market has been expanding its business. Colombo Port of Sri Lanka alone has the capacity to handle around 20 million TEUs per annum and registers a throughput of more than 8 million TEUs per

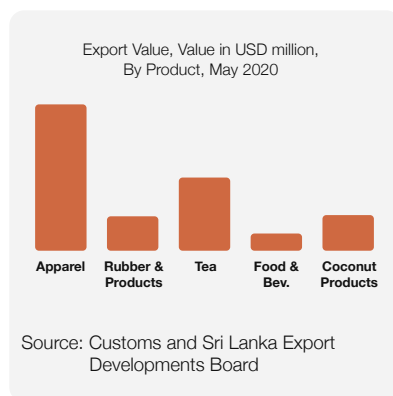
annum, and has been serving 33 major shipping lines. The timely completion of the ambitious Colombo Port Expansion Project would increase the container handling capacity by 12 Million TEUs per year and will become one of the largest container ports in the world.



Improving Export Performance is Anticipated to Drive the Market

Even during the COVID-19 pandemic, the improving month to month export performance is helping the market to stabilize. According to the customs provisional statistics, May 2020 merchandise exports have bounced back to USD 602 million, compared to April which was only USD 277 million indicating a path of recovering faster than anticipated. However, the exports are behind USD 355 million compared to USD 957 million recorded in May 2019. Most of the export products recovered well during May in comparison to the previous month and the two main exports of the country namely tea and apparel registered USD 108 million and

USD 219 million respectively. These segments were followed by rubber and rubber finished products with USD 51 million and coconut products with USD 52 million and became the next high transactions.



## Local Logistics Landscape

Sri Lankan logistics services contribute 2.5% of gross domestic product, which represents around USD 2 billion. Logistics services include container trucking, warehousing, ports and shipping, but exclude domestic transport of passengers, fisheries and interregional domestic cargo transportation.

The total share of logistics in national exports is estimated at 7%. The industry provides full-time direct employment to over 40,000–50,000 people. Around 70% of registered service providers are of local origin while the rest are multinational. Currently, there are 130 shipping agencies and 120 freight

forwarders in associations, and 500+ companies registered with the Merchant Shipping Secretariat (MSS).

The country also has 22 airports, five international airports located in Batticaloa, Katunayaka, Colombo, Hambantota and Jaffna. In its ambitious plan for the future, the country is aiming at becoming a multimodal logistics hub providing integrated services and facilities by developing physical, telecommunication, and information technology infrastructure between the air and seaport facilities in Sri Lanka.

## Transshipment Services

For the last ten years, the Port of Colombo reported a steady growth of 4.5% in container traffic and transshipment volume accounted for more than 75% of the total container quantity.

There are three types of transshipment methods practised in Sri Lanka:

1. Hub-and-spoke (hub/feeder) – between deep-sea and feeder
2. Interlining/intersection – between deep-sea and deep-sea along shipping routes
3. Relay –between deep-sea and large deep-sea as an interface between shipping routes along with the same maritime range but servicing different ports of call.

Sri Lanka is the main

transshipment hub for the Indian subcontinent and other South Asian Countries, mainly to take the best advantage out of the free trade agreements between South Asian countries (SAFTA), Sri Lanka and Singapore, and the country's participation in the Generalized System of Preferences (GSP).

Colombo Port focuses on container trans-shipment largely for the textile industry while Magampura International Port in Hambantota provides services mainly for vehicle transshipment (roll-on/roll-off operations). Japanese, Korean and Indian carmakers use this port for transshipping vehicles built in India, Thailand, Japan and China to markets in Africa, the Middle East, Europe and the Americas.

## Commercial Hub Operation

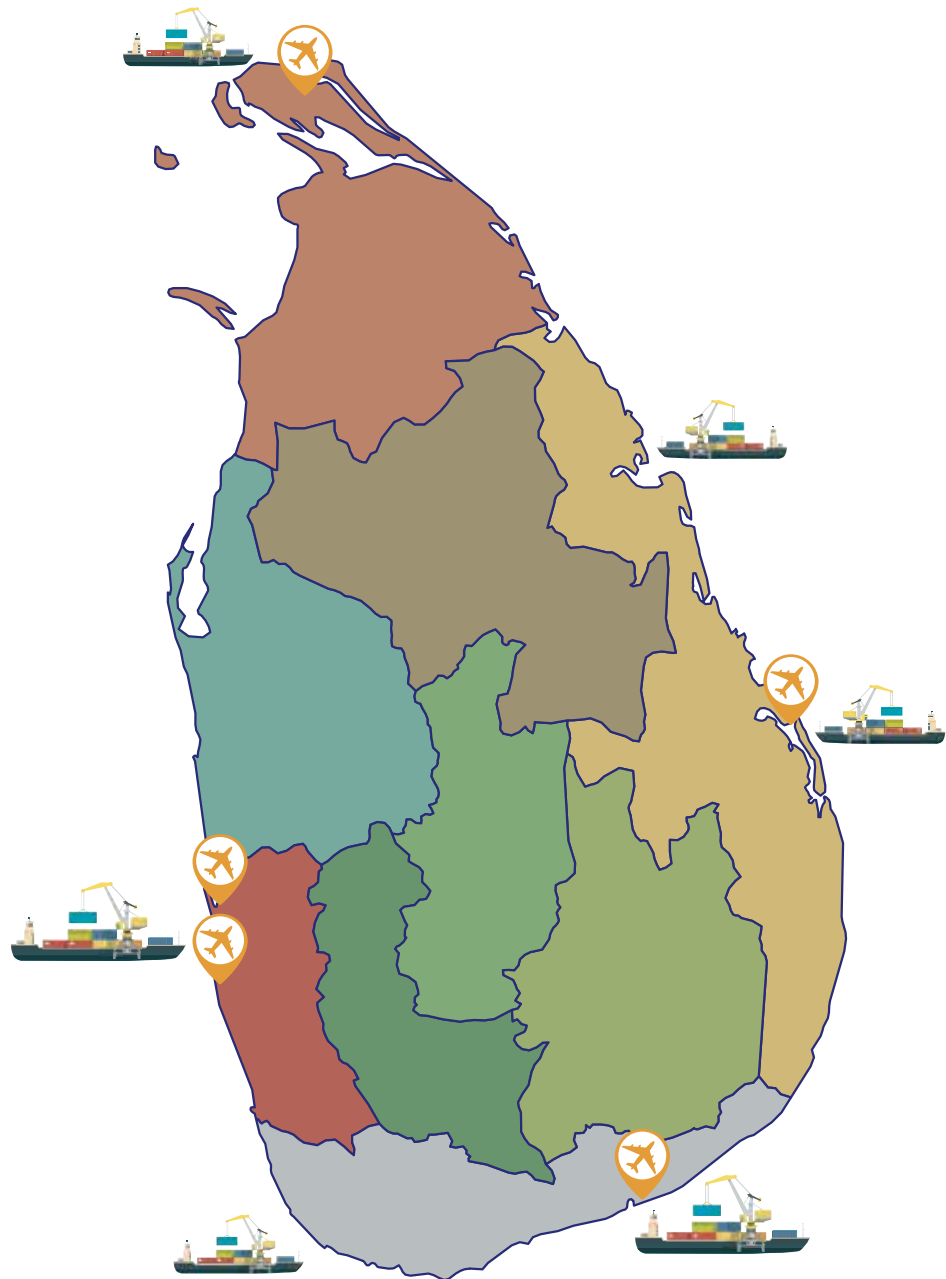
The Indian Ocean is an emerging growth pole and one of the busiest East-West trade corridors. Over ⅔ of global oil shipments and ⅓ of bulk cargo are transported through the Indian Ocean while ⅓ of the global bulk shipping trade, including petroleum products and coal transit across this region are transported through the Indian Ocean.

Positioned between the two leading logistic hubs in Singapore

and Dubai, Sri Lanka handles over 25% of the regional container throughput, which makes the development and expansion of commercial logistic hubs an obvious future to the Sri Lankan logistic sector.

Establishment of commercial logistic hubs, which are specific area designated to deal with activities related to transportation, organization, separation, coordination and distribution of goods for national and international transit, on a commercial basis by various operators within a network of logistic parks has been the priority of Sri Lanka.

The country also facilitates cargo consolidation, multi-country consolidation and other ancillary services to meet global requirements.



## CORPORATE GOVERNANCE PRACTICES

Corporate Governance at CWL comprehends promoting corporate impartiality, transparency, accountability and responsibility in directing and controlling the company in the best interest of the stakeholders. All structures, principles and policies are focused on ensuring that the company is governed in a manner that safeguards the best interest of all stakeholders and this report aims to provide details of how this is done in practice.

### COMPANY'S BRIEF AND COMMITMENT TOWARDS CORPORATE GOVERNANCE

We firmly believe that good Corporate Governance is not only fundamental in ensuring that the Company is well managed in the interest of all its stakeholders, but is also essential to attain long term sustainable growth. Corporate Governance is of utmost importance in driving the company towards its high standards of managing the company in an ethical, efficient and effective manner whilst fostering an entrepreneurial culture

### COMPLIANCE WITH CORPORATE GOVERNANCE CODES

CWL practices are consistent with the requirements given in the Code of Best Practice on Corporate Governance issued jointly by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka (SEC) as well as Rule Number 7.6 and 7.10 of Listing Rules issued on Corporate Governance by the Colombo Stock Exchange (CSE). The principles set out in these codes have been adopted by us to shape our corporate governance stance.

### STATEMENT OF COMPLIANCE

We aim to ensure that good corporate governance provides a solid basis for our business, in promoting transparent and ethical business conduct at all levels and add value for our stakeholders. Thus, we continue to be committed to the highest standards of corporate governance across all dimensions of our operations and these standards are encapsulated in our governance policies and documents.

The Board of Directors also wishes to confirm that, to the best of their knowledge and belief, the Company has complied with all requirements under the Companies Act No 07 of 2007 and satisfied all its statutory payment obligations to the Government and other statutory/regulatory bodies.

### GOVERNANCE STRUCTURE

The Governance Structure of CWL allows effective and efficient decision making while interconnecting elements in governance. It is enabled by having the right balance of authority and power throughout the organization. It comprises process and structures which affect the way an organization is directed, managed and monitored and its activities are reported.

### ANNUAL GENERAL MEETINGS

An AGM is held each year as required by the provisions of the companies Act. The Shareholders are allowed to directly communicate with the Board of Directors, it is regarded as the most effective mode of communication with all Shareholders.

## ANNUAL REPORT

The Company's Annual Report is the main document that is used to disclose corporate information to the Shareholders. The Company discloses financial and non-financial information. Further quarterly financial statements, dividend declarations and other required information is published in the CSE website for the reference of all shareholders statements.

## BOARD OF DIRECTORS

The Company's commitment to uphold the highest standards of corporate governance is driven by the Board of Directors which is led by the Chairman. Each Director identifies himself/herself with a duty to act in good faith and in the best interests of the Company. The Board is responsible for the Shareholders for creating and delivering sustainable shareholder value through management of it's business activities.

The Company as a part of its transformation to a public company has identified the importance of good corporate governance practices that would enhance corporate transparency by having a robust system of internal controls, procedures and financial reporting systems.

As such, the Company has appointed two Non-Executive

Independent Directors to the Board namely:

**Mr. Melanga A. Doolwala**

**Mr. Rohan Ladduwahetty**

## ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

Our Company acknowledges and respects the clear distinction between the roles and responsibilities of the Chairman and the Managing Director. This ensures a balance of power and no one person has unconstrained power in decision making and implementation.

## APPOINTMENT OF DIRECTORS

The Nomination Committee recommends the appointment of Directors to the Board. Upon the appointment of a new Director to the Board, the Company informs the Colombo Stock Exchange with a brief resume of the Director, containing the nature of his/ her expertise in relevant functional areas, other directorships held, memberships on Board Committees and the nature of the appointment.

## RE-ELECTION OF DIRECTORS

Directors, except those who are over 70 years of age are

appointed by the Board and are eligible for re-election at the next Annual General Meeting by the shareholders.

## BOARD COMMITTEES

Three Board Committees are established by the Board to assist with discharging its duties and responsibilities effectively and efficiently. Namely the Audit Committee, Related Party Transactions Review Committee and Remuneration Committee. The committees are provided with all essential resources to empower them to undertake their duties in an effective manner. The Company Secretaries act as the Secretary to the committees, and the recorded minutes of each committee meeting are circulated to all directors on completion.

- ⚙ Audit Committee
- ⚙ Remuneration Committee
- ⚙ Related Party Transactions Review Committee

## AUDIT COMMITTEE

Audit Committee comprises of two non-executive independent directors and one non-executive non-independent director where they are empowered to oversee the financial reporting processes, internal controls, internal audit, whistle blowing activities, and assess the independence and performance of external auditors:

The Committee comprises of following directors:

**Mr. Melanga A. Doolwala**

*Non-Executive Independent Director -  
Chairman of the committee*

**Mr. Rohan Ladduwahetty**

*Non-Executive Independent Director*

**Mr. D. Dilan L. Nanayakkara**

*Non-Executive Non-Independent  
Director*

Functions of the Audit Committee include the following:

- ⚙ Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of a Listed Entity, in accordance with Sri Lanka Accounting Standards.
- ⚙ Overseeing of the Entity's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- ⚙ Overseeing the processes to ensure that the Entity's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards.
- ⚙ Assessment of the independence and performance of the Entity's external auditors.
- ⚙ To make recommendations 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.

## REMUNERATION COMMITTEE

The Remuneration Committee of the Company is established to assist the Board and provide guidance the remuneration (cash and non-cash benefits) payable to the executive and non-executive directors of the Company.

The committee constitutes the following non-executive independent directors:

**Mr. Rohan Ladduwahetty -**

*Chairman of the committee*

**Mr. Melanga A. Doolwala**

The remuneration policy of the Company is to maintain a balance between providing a suitable compensation to the employees and their performance for the best interest of the Company and the shareholders. The remuneration packages recommended by the Board will be reviewed by the members of the Remuneration Committee to provide required guidance when required.

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The scope of the committee is

to provide independent review, approval and oversight of related party transactions to ensure such transactions are executed in a transparent manner whilst being compliant with applicable regulations upon listing. The committee comprises of Non-executive and Non-executive independent directors, together with an executive director as follows:

**Mr. Melanga A. Doolwala**

*Non-Executive Independent Director -  
Chairman of the committee*

**Mr. Rohan Ladduwahetty**

*Non-Executive Independent Director*

**Mr. D. Dilan L. Nanayakkara**

*Non-Executive Non-Independent  
Director*

**Mr. S. A. D. Niranjana Suraj**

*Managing Director/ Chief Executive  
Officer*

## HUMAN CAPITAL

As a people centric operation, Human Capital plays a crucial role to our success. Hence, our investments in Human Capital are focused mainly on having the right people, with the right skill set, at the right time. Diversity brings innovative ideas, perspectives and experiences in a welcoming environment where everyone has the opportunity to fully participate. We consider it is vital to respect the individuality of every person working with us and to embrace the opportunities that diversity in the workplace brings. Diversity and an inclusive workplace are critical to our Company and we are taking extensive measures to ensure that the attitudes of openness and inclusivity are embedded at every level. The Company's training and development programs are key policy components of talent retention and ensuring a sustainable competitive advantage.



### KEY HIGHLIGHTS

- ⊗ Equal opportunities to all employees in all areas
- ⊗ Raising the standard of employees to promote them to next level
- ⊗ Zero child labour
- ⊗ Policies adhered to ensuring compliance
- ⊗ Reward, recognition and training
- ⊗ High employee retention ratio

### CHALLENGERS

- ⊗ High cost of industry related training
- ⊗ Increasing competition for skills
- ⊗ High dependency on experience staff

### CURRENT BENEFITS

- ⊗ Medical and workmen compensation insurance policy
- ⊗ Open door culture
- ⊗ Professional membership
- ⊗ Quality and safety rule and regulations
- ⊗ Training and development
- ⊗ Supply Personal protection equipment (safety shoes/ helmets/ jackets etc.)

## WAY FORWARD

We entered 2020/21 with several uncertainties, particularly the outbreak of COVID-19 and its impact on trade and business confidence. However leveraging on the training which the employees have undergone and the open door management practises, we were able to steer ourselves into a positive position. We as a company have several HR initiatives in the pipeline, which while giving our employees tremendous benefits will also ensure their safety and increased rewards and recognition schemes, leadership development and motivation and Knowledge sharing are some of the initiatives which we have ear marked.



## INTELLECTUAL CAPITAL

In order to further enhance its service offering, Chrisslogixx selected a next-generation no-code platform provider, Virtuan as the technology partner to advance its digitization goals. We believe this partnership will provide significant advantages that would augment business operations with custom software and provide competitive advantages to both our business as well as our clients. To be a technology driven business is essential for our future success; ability to provide solutions to our customer needs with the agility, speed and precision are our targets with several planned technology initiatives in the coming years. We are already seeing the benefits of our first initiative, a custom warehouse management solution (WMS) that has fully automated the warehousing operations, enabling our clients to rapidly on-board and conduct business from day one. Our customers can now connect to our WMS remotely to review and perform tasks or inter-connect seamlessly to their systems for a fast and reliable information flow between the warehouses and the business.



# SUSTAINABILITY STRATEGY

Developing a sustainable business is our core strategy and corporate responsibility has long been a belief at CHRISWORLD. It has been a way to connect with the societies in which we operate, a way to positively contribute to the global fight against global warming and most importantly a way to enrich the lives of our stakeholders. Our efforts towards that end have primarily been motivated by our need to become more sustainable in all aspects of the business. The company continues to strategically integrate sustainable practices across all aspects of operations, and also adopts best practices in economic, environmental and social governance in order to provide a better life to all the stakeholders and society.

“Mutually beneficial relationships with all our stakeholders enable us to share information while providing opportunity to enhance social well being”



## KEY HIGHLIGHTS

- ⚙ On-going focus on safety of surroundings
- ⚙ Maintain close relationship with warehouse owners
- ⚙ Zero hazardous discharge to environment
- ⚙ Proper waste management
- ⚙ Continuous investment in our corporate social responsibility initiatives

## CHALLENGERS

- ⚙ Rising cost and its impact on stakeholders' affordability

## WAY FORWARD

- ⚙ Continuous improvements to the waste management process
- ⚙ Maintaining close relationship with local authorities
- ⚙ On-going focus on community engagement initiatives

## SOME ACTIVITIES TAKEN PLACE DURING THE YEAR

- ⚙ Financial support was provided to contract and 3rd party employees and their families during the lockdown period.
- ⚙ Ensuring no pay cuts for manpower labourers during the pandemic

# RISK MANAGEMENT REPORT

## ENTERPRISE RISK MANAGEMENT PROCESS

### OVERVIEW

Risk arises in all our business activities. Risk, in our context, is the component, which has the potential to negatively affect business or an organization. Its' significance is measured in terms of the probability of occurrence. Therefore an integrated risk management framework has become a mandatory existence, which provides the guide line for managing risks. Managing risk is a key aspect of the Board's stewardship obligations and a component of the 'performance' dimension of Enterprise Governance. The risk management framework illustrates our approach to risk management, reflecting the risk management process, the structure in place to administer the process and sources of

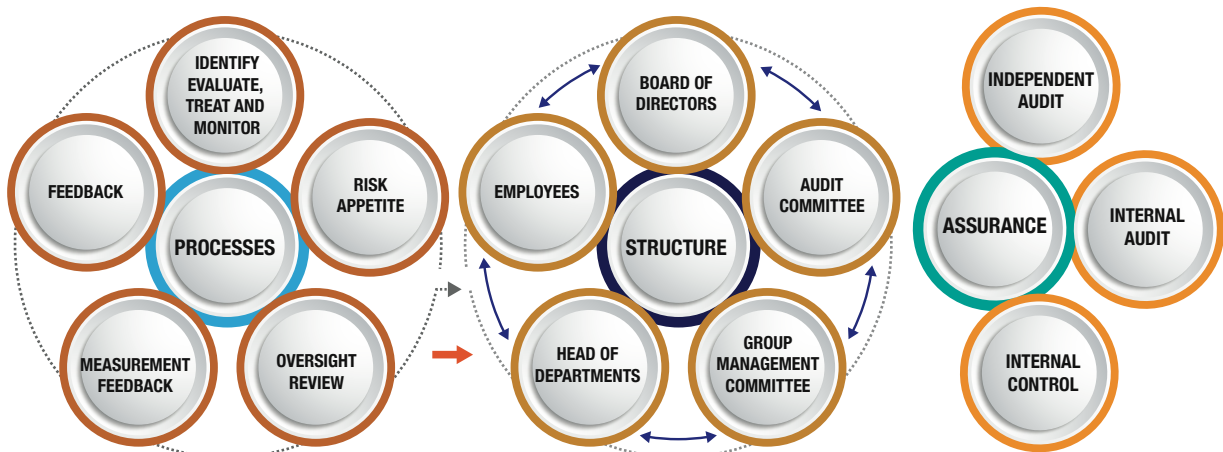
comfort with regard to its effectiveness.

### RISK MANAGEMENT FRAMEWORK

A risk cannot be viewed in isolation as it is inter connected and also one aspect might give rise to various other factors. CWL has a structured risk management process to address different risk categories: Strategic, Operational, Compliance and Financial. The Board is responsible for ensuring effective risk management and recognizes that the proper management of risk is a core leadership function that must be practiced throughout the Organization.

Internal Audit process coordinates the identification and documentation of control risk areas throughout the Company, enhancing the risk management system and monitoring its effectiveness at regular intervals. In addition,

during the year-end, the External Auditor issues a Management Letter and informs the Group Management Committee, Audit Committee and the Board of Directors of the outcome of these evaluations. These outcomes are taken into account in the continuing enhancement of our risk management system. Further the Audit Committee constantly evaluates risk, its impact and measures taken to manage risk. The principal aim of the company's risk management governance structure and system of Internal Control is to manage business and operational risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. We have put in place a number of key policies, processes and independent controls to provide assurance to the Board on the integrity of our reporting and effectiveness of our systems of Internal Control and risk management.



## RISKS RELATED TO THE 3PL INDUSTRY

Supply/ Demand fluctuation – Entire logistics industry is driven by the supply and demand created for goods since the industry links the providers and end users to fulfill their requirements. 3PL service providers are also a part of this chain hence the storage and handling operations have a direct impact from the demand and supply. These fluctuations have an impact on returns of the business and businesses that have the flexibility in cost structures are able to better manage any downside risks.

Loss/ damage to the cargo – it is natural that stored or transit cargo could be lost or damaged due to intentional or natural disasters. Possible causes could be by theft, negligence in handling, damage due to fire, floods etc. As 3PL service providers are responsible for proper management of third-party cargo, such losses create negative monetary and reputational impact. In order to mitigate these risks, service providers resort for insurance policies that adequately cover the losses while internal security and procedural controls are implemented to prevent intentional threats.

## RISKS RELATED TO BUSINESS OPERATIONS OF THE COMPANY

Fluctuation in Volumes Stored/ Handled – It is an inherent feature in the warehousing business that volumes handled do fluctuate according to the requirements of clients. As a result, the revenues of the Company are subjected to inconsistency. Having a broader clientele covering different industry verticals could mitigate this revenue volatility. In addition, given that the company has outsourced key resources such as man power, it provides the flexibility to reduce such costs when there are drops in volumes.

Third party Owned warehouses – All of the warehouses used by the Company are obtained on rent basis. Therefore, in the event a landlord requires the warehouse to be returned, CWL is required to seek another suitable premise to move the cargo. This could lead to a disruption to business until another property is obtained on rent basis and stocks moved to the new location, which also incur additional costs of loading, unloading and transportation. As per the rent agreements, a termination clause is provided which require 3 months' notice to be given by the landlord to the Company which enables the Company to effectively plan for alternatives and to minimize

the extra costs. Potential discontinuation of services obtained by clients within the period of agreement – Clients that obtain storage and related facilities could discontinue the services obtained by them due to a non-compliance by CWL with required standards or high rates. In such circumstances the Company would lose corresponding revenues from such clients.

To ensure compliance standards required by the regulators or clients are properly followed, CWL maintains best warehousing practices, conduct on-site reviews with major clients on a quarterly basis, thus any noncompliances are rectified to avoid termination of services.

## MACROECONOMIC RISKS

Contraction in economies – since logistics is a support service for effective operation of manufacturing and trading activities, drops in demand for goods, raw material etc. due to economic recession has a direct impact on the business. This could lead to lower level of cargo storage and reduction in inventory handling operations. These types of risks are not within the control of the Company; however a persistent economic recession can cause long term revenue declines and shrink the margins.

## IMPACT OF COVID-19 PANDEMIC ON WORLD ECONOMY

The impact of COVID 19 outbreak on the world economy is yet to be known, although International Monetary Fund anticipates a 3.5% contraction in the global economy in 2020 (International Monetary Fund Report - World Economic Outlook Update – January 2021). As already evidenced, the pandemic has delivered a hit to the demand for goods/ materials thus logistics companies are directly affected as their major exposure is to manufacturing and trading clients. Amidst the lock downs and disruptions to businesses worldwide, logistics service is still a key to maintain the supply of essential goods such as medicines, medical equipment, and foods to different parts of the globe. In such circumstances, 3PL logistics companies are adopting various strategies in response to the uncertainties by focusing on essential services as mentioned herein and cost reductions to ensure businesses are continued. On the other hand, clients would seek for multiple locations to store goods to avail themselves for alternate access to goods in the event a particular area is not accessible due to a lockdown. CWL has also experienced the negative impact due to the Pandemic where results in the FY 2020/21 have been below the budgeted levels. Overhead Cost management is a key measure adapted by

the Company to manage this situation and reduce the impact on net earnings. However, as the entire world is adjusting to 'new normalcy' and recent developments in vaccination programs, CWL expects economic activities to recover gradually from 2021 onwards, resulting better performance achieved by the Company.

## RISKS RELATED TO THE IPO AND SECONDARY MARKET TRADING

Nonexistence of Prior Market for the Shares: Prior to the IPO there has been no public market for the Company's Shares. There can be no assurance that an active trading market for the Shares will develop or if developed, will be sustained, or that the market price of the Shares shall not decline below the Share Offer Price. The Share Offer Price may not be indicative of the market price for the Company's Shares after completion of the IPO. SME sector company investment considerations - It is a general perception that the risk is greater for a relatively smaller size business as compared to a company with a significant capital investment, asset base and a market presence etc. As such, potential for success for a company classified as a SME is evaluated taking into consideration of quantitative factors such as capital/ assets

base, market share etc. and the qualitative factors such as strengths of the management, business development strategy, Corporate Governance structures etc. Therefore, investors are advised to make an appropriate assessment of these factors and associated risks when making an investment decision. From the Company's perspective, the qualified and vastly experienced management team is a key strength that will enable continuing efforts to acquire new clients, therefore will assist them to sustain business operations in the long run in a successful manner. In addition, with the full revenue recognition from its services as detailed in Section 6.3.1 of the Prospectus, the financial position is also gradually improving, which will take the Company towards stability in the long run. Price Volatility in the Secondary Market: The price of the Shares may fluctuate due to and not limited to the following; Variations in operating results, changes in the operating environment, and transitions in the regulatory front, strategic alliances or acquisitions, industrial or environmental laws, macroeconomic factors, and external events. Price of Shares may follow General Applicant sentiment prevalent in the market at any given time. In addition, the price of the Shares in the market will fluctuate as a result of share trading volumes.

## LOGISTICS MARKET REVIEW

Logistics is the management of the flow of activities between the point of origin and the point of consumption. The Logistics Industry includes many segments that are inter-related and cater to the movement of goods and information between the provider and the receiver. Logistics management is a sub part of supply chain management and consists with main functions of procurement, transportation, warehousing and distribution of goods to meet the requirements of the provider and the 'end user'. Each of these key segments has multifold activities that involve many stakeholders such as manufacturers, transporters (Road, Rail, Water and Air), freight forwarders, warehousing and value-added service providers. These services connect individuals and firms to markets inside and outside the borders hence play an important role by contributing to economic development worldwide.

### Snapshot of the Industry – Global and Sri Lanka



### Global Logistics Market Review

The global contract logistics market contracted by 3.3% in 2020, ending a decade-long growth streak. The global contract logistics market is projected to grow at a real 2020-2025 CAGR of 5.1%, and the CRT for 2025 shows the market will be 24% larger when compared with 2019, signifying a robust rebound

from the economic effects of the pandemic.

This report provides an extensive assessment of the current state of the contract logistics market, including market growth rates for 2021 through to 2025, analysis of warehousing trends and developments and comparative profiles of leading contract logistics providers.

The report analyses the effects

of M&A on its development and argues that the largest contract logistics players will look very different from today as investment activity and strategic imperatives drive investment activity on a global basis.

Further change will also be driven by the wide-ranging technological development the logistics industry continues to see, with the report showing that the development of robotics, sensors, 3D printing and wearable devices amongst others will have as profound an effect on operations as the fallout from the COVID-19 pandemic.

The global contract logistics market was dealt a number of blows during the COVID-19 pandemic, notably from the closure of retail and manufacturing locations as public health measures were implemented causing consumer demand to vanish. As the market size forecasts show, however, the rebound is expected to be strong.

The rapid growth we expect to see in the market over the next five-years will be accompanied by an even quicker pace of technological change, and alongside this, 3PLs will have to react to increased demand for more sophisticated and responsive services.

## Key Findings

- ⚙ The global contract logistics market contracted 3.3% in 2020
- ⚙ Momentum has returned to the market in 2021, the publisher forecasts 6.5% growth this year
- ⚙ The COVID Recovery Tracker shows the market will be 2.9% larger at the end of 2021, compared to pre-pandemic levels
- ⚙ Rapid technological change and demand for more sophisticated and responsive services will drive growth, alongside recoveries in manufacturing and consumer confidence
- ⚙ By 2025, a global contract logistics market 24% larger than before COVID-19 is forecasted
- ⚙ Shifting demands and the need for greater sophistication are likely to drive renewed M&A activity in the market in the years ahead
- ⚙ The global warehousing market was valued at approx. \$245 Billion in 2020, and it is forecasted to grow at a CAGR of 7 percent between 2020 and 2024 to touch the \$326 billion mark by the end of 2024. There is high warehouse market maturity in regions like Europe,

North America, and some parts of APAC like Australia and Singapore because of advanced technology appropriation and steady supply climate. Moreover, regions like India and China are predicted to be the future growth-oriented markets in the warehousing industry due to the surge in manufacturing facilities, container ports, and the growth of the e-commerce industry. In India, the e-commerce industry is expected to reach from \$97 billion in 2020 to \$143 billion in 2024.

- ⚙ Talking about the market and industry trends for warehousing, Europe and North America are considered superior warehousing suppliers due to their well-equipped technology framework and umpteen arrays of services that they offer to their users. On the other hand, growing countries like Brazil, India, China, and Japan witness medium maturity because of 3pl warehouses and poor enactment of technology.
- ⚙ The most prominent warehouse management functions include AGV, AGV, pick to light and voice coordinated picking, which is rising as most stockroom occupiers are obliging their conveyance places (DC)

towards quicker reaction times and space-saving. To enhance service offerings, the warehouse service providers are also offering value-added solutions, including packaging, labeling, and palletizing.

- ⚙ COVID-19 has impacted the warehouse intelligence market. Brazil, had a downfall in warehouse growth. In the Asia-Pacific region, the problem of labor shortage has arisen due to lockdown norms and mobility restrictions. Europe has witnessed a notable rise in the demand for warehouses storing indispensable items and cold storage facilities. Indeed, the U.S. and Canada have got affected due to COVID-19 but, due to their robust framework and crisis management policy, the effect will only be temporary.
- ⚙ India, China, Bangladesh, and some regions in Asia are facing partial lockdown and night curfew that have a negative impact on the warehouse market. Whereas, UAE is facing limited restrictions. Few Middle-East countries are under lockdown. The same goes for New Zealand and Australia, where operations have got renewed since the COVID-19. Due to the outcomes of exchange and duty boundaries between the U.S., and China, worldwide

manufacturing production rose by 3.6 percent a year ago somewhat lower than the earlier year. With the growth of the e-commerce industry, the demand for warehouse space has had a boost especially in developing countries like India.

- ⚙ According to warehouse market analysis of regional outlook, warehouse market size stands at \$77 billion with an anticipated growth rate of 7-8 percent annually during 2020-2023 period. LATAM'S market size holds at \$12 billion with a growth rate of around 6-7 percent annually. On the other hand, Europe's market size is \$47 billion, with an annual growth of 2-4 percent. MEA stands at \$12 billion at the rate of 6-7 percent annually. APAC's market is valued at \$97 billion with the highest growth rate of 9-10 percent annually.
- ⚙ The key warehousing intelligence market trends include drop shipping that will increase substantially in the coming years that can enhance profit margin.

# AUDIT COMMITTEE REPORT

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meetings and responsibilities of the Committee.

## Purpose

The purpose of the Audit Committee is to:

- ⚙ Assist the Board of Directors in fulfilling its overall responsibilities for the financial reporting process.
- ⚙ Review the system of internal control and risk management procedures.
- ⚙ Monitor the effectiveness of internal audit function.
- ⚙ Review the Company's process for monitoring compliance with laws and regulations.
- ⚙ Assess the independence and performance of the Company's external auditors.
- ⚙ Make recommendations to the Board on the appointment of external auditors, their remuneration and their terms of appointment.

## Composition

The Audit Committee consisted of two Independent Non-Executive Directors namely, Mr. Melanga A Doolwala – Chairman and Mr Rohan Ladduwahetty. Their brief profiles are given on pages 16 to 19 of the Annual Report.

The Company Secretary functioned as secretary to the Audit Committee.

## Meetings

The Committee held 1 meeting during the year under review. The Managing Director, the Finance Manager were generally invited to attend audit committee meetings. The key management personnel and the external auditors were invited to attend the audit committee meetings when their presence was considered necessary. Minutes of the meetings were tabled at meetings of the Board to ensure that all Directors were kept informed of the activities.

## Financial Statements and Related Disclosures

The Committee, in line with its responsibility to oversee the Company's process of financial reporting, reviewed the following areas to the extent it deemed necessary and appropriate, in discussion with the external auditors and the management:

- I. Significant financial issues and judgements made in connection with the preparation of the Company's Financial Statements.
- II. Consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards (SLFRS/LKAS).
- III. Requirements of the Companies Act No 07 of 2007.

The Audit Committee has reviewed the Annual Financial

Statements for the year ended 31st March 2021 before their issuance.

## External Auditors

The Audit Committee met with the External Auditors, reviewed the Audited Financial Statements and discussed all matters of relevance and significance. The Committee ensured that the non-audit services provided by the External Auditors did not impair their independence and objectivity and such services were assigned in a manner to prevent any conflict of interest. The Audit Committee has recommended to the Board of Directors that Dinitway Partners be reappointed as Auditors for the financial year ending 31 March 2021 subject to approval of shareholders at the next Annual General Meeting.

## Conclusion

The Audit Committee is satisfied regarding the reliability of financial reporting of the company, that the assets are safeguarded and that all relevant laws, rules, regulations, code of ethics and standards of conduct have been followed.



**Melanga A Doolwala**

*Chairman – Audit Committee  
Colombo, Sri Lanka.*

*3rd January 2022*

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two independent Non Executive Directors, Melanga A Doolwala, Mr Rohan Ladduwahetty.

## THE OBJECTIVES OF THE COMMITTEE

1. To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs" Other than those exempted by the CSE listing rules on the Related Party Transactions) of Chrissworld PLC are carried out and disclosed in a manner consistent with CSE Listing rules.
2. To advise and update the Board of Directors on related party transactions of Chrissworld PLC on quarterly basis.

3. To ensure compliance with the CSE listing rules on Related Party Transactions.
4. To review policies and procedures of Related Party Transactions of Chrissworld PLC
5. To ensure shareholders interests are protected and that fairness and transparency are maintained.

## POLICIES AND PROCEDURES ADOPTED BY THE COMMITTEE

Head of Finance is responsible for reporting the information set out under 'Appendix 9 A' of the listing rules with regard to each related party transactions proposed to be entered into by the Company with the exception of information listed in the section 9.5 of the

listing rules for the committee to review and to grant approval or disapproval.

The Committee held 1 meeting during the year 2020/2021. Committee was appointed at the time of listing the company. Committee had advised the board and the management on the policies and procedures to be adopted in the forthcoming year.

The directors have disclosed the transactions with related parties in terms of Sri Lanka Accounting Standard (LKAS 24). All details of such related party transactions entered into during the year are given in Note 22 to the Financial Statements on page 64 to 65 of this Annual Report.

All details of such related party transactions entered in to during the year are given in Note 22 to the Financial Statements on pages 64 to 65 of this Annual Report.



**Melanga A Doolwala**

*Chairman*

*3rd January 2022*

## REMUNERATION COMMITTEE REPORT

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two independent Non Executive Directors Mr Rohan Ladduwahetty, Mr Melanga A Doolwala. Committee is chaired by Mr Rohan Ladduwahetty.

The Committee did not have any meeting during the year 2020/2021. Committee was appointed at the time of listing the company.

The Remuneration Committee will review on the existing structure of the remuneration and will recommend the following to the Board of Directors:

1. Policy on remuneration of the Executive Staff.

The committee will take into account the competitive environment in the 3PLDOMAN in determining the salary structure.



**Mr Rohan Ladduwahetty**

*Chairman*

*3rd January 2022*



**Dinitway Partners**

CHARTERED ACCOUNTANTS

Address > 7 1/2, Devanampiyathissa Mawatha,  
Colombo - 10  
Tel. > +94 112 670 515  
E-Mail > dinitway@sitnet.lk  
dinitway3@gmail.com

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHRISSWORLD PLC

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of CHRISSWORLD LTD, which comprise the statement of financial position as at March 31, 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2021, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard.

### 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.

### 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 Standard, and for such internal controls as the management determines are 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, the 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 misstatement, 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 internal controls of the Company.

- ⚙ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ⚙ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- ⚙ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that

achieves fair presentation.

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.

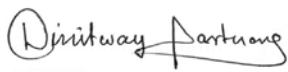
We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

## Report on Other Legal and Regulatory Requirements

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 5084



**DINITWAY PARTNERS**

*CHARTERED ACCOUNTANTS*

*Colombo.*

*July 27, 2021.*

# STATEMENT OF COMPREHENSIVE INCOME

As at 31st March

	Notes	2021	Restated 2020
		Rs.	Rs.
Revenue	3	264,172,785	215,992,411
Direct Cost	4	(205,287,296)	(145,259,091)
<b>Gross Profit</b>		<b>58,885,490</b>	<b>70,733,320</b>
Other Income	5	1,542,622	392,910
Selling and Distribution Expenses	6	(1,360,213)	(1,305,327)
Administrative Expenses	7	(38,987,723)	(41,174,615)
<b>Profit / (Loss) from Operation</b>		<b>20,080,174</b>	<b>28,646,288</b>
Finance Expenses	8	(5,712,688)	(7,883,568)
<b>Profit / (Loss) before Tax</b>		<b>14,367,486</b>	<b>20,762,721</b>
Taxation	9	(1,950,543)	(2,801,960)
<b>Profit / (Loss) after Tax</b>		<b>12,416,943</b>	<b>17,960,761</b>
<b>Other Comprehensive Income (expenses)</b>			
Actuarial Gain / Loss on retirement benefit obligation		(766,045)	-
<b>Total Comprehensive Income</b>		<b>11,650,898</b>	<b>17,960,761</b>
<b>Earnings Per Share</b>	10	<b>0.55</b>	<b>0.80</b>

The notes annexed form an integral part of these financial statements.  
 Figures in brackets indicate deductions.

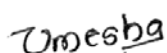
# STATEMENTS OF FINANCIAL POSITION

As at 31st March

	Notes	2021 Rs.	Restated 2020 Rs.
<b>ASSETS</b>			
<b>Non Current Asset</b>			
Property, Plant & Equipment	11	8,464,693	5,320,412
Intangible Asset	12	378,720	24,000
Investment in Unit Trust	13	3,155,258	7,370,350
Deferred Tax Asset	18	65,847	-
<b>Total Non Current Assets</b>		<b>12,064,519</b>	<b>12,714,761</b>
<b>Current Asset</b>			
Trade Debtors and Other Receivables	14	104,528,188	75,445,633
Cash at Bank	15	4,214,319	2,802,410
<b>Total Current Assets</b>		<b>108,742,507</b>	<b>78,248,043</b>
<b>TOTAL ASSETS</b>		<b>120,807,025</b>	<b>90,962,804</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	16	22,500,000	22,500,000
Retained Earnings		890,217	(10,760,681)
<b>Total Equity</b>		<b>23,390,217</b>	<b>11,739,319</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
Retirement Benefit Obligation	17	2,411,693	980,150
Deferred Tax Liability	18	-	33,563
Bank Loans	19	14,255,068	13,866,833
Amount Due to Related Party	20	9,633,785	14,860,088
<b>Total Non Current Liabilities</b>		<b>26,300,546</b>	<b>29,740,634</b>
<b>Current Liabilities</b>			
Trade Creditors & Other Payables	21	45,781,612	36,481,255
Income Tax	9	2,049,954	-
Bank Overdraft	15	23,284,697	13,001,596
<b>Total Current Liabilities</b>		<b>71,116,263</b>	<b>49,482,851</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>120,807,025</b>	<b>90,962,804</b>

The notes annexed form an integral part of these financial statements.

These financial statements have been prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007.



**Manager - Finance**

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board,



**Chairman**

Colombo, 30 April 2021



**Managing Director / CEO**

## STATEMENT OF CHANGES IN EQUITY

*For the year ended 31st March*

	Stated Capital Rs.	Retained Earnings Rs.	Total Equity Rs.
<b>Balance as at 31st March 2019</b>	<b>6,000,000</b>	<b>(25,721,441)</b>	<b>(22,489,838)</b>
Issue of Shares	16,500,000	-	16,500,000
Profit / (Loss) for the period	-	17,960,761	17,960,761
Dividend Paid	-	(3,000,000)	(3,000,000)
<b>Balance as at 31st March 2020</b>	<b>22,500,000</b>	<b>(10,760,681)</b>	<b>8,970,922</b>
Profit / (Loss) for the period	-	11,650,898	11,650,898
<b>Balance as at 31st March 2021</b>	<b>22,500,000</b>	<b>890,217</b>	<b>20,621,820</b>

The notes annexed form an integral part of these financial statements.  
 Figures in brackets indicate deductions.

# STATEMENTS OF CASH FLOWS

As at 31st March

	Note	2021 Rs.	2020 Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) Before Taxation		14,367,486	20,762,721
<b>ADJUSTMENTS FOR</b>			
Gratuity Provision		665,100	397,800
Depreciation / Amortization		1,969,417	1,172,234
<b>Operating Profit before Working Capital Changes</b>		<b>17,002,003</b>	<b>22,332,754</b>
(Increase) / Decrease in Trade Debtors		(29,082,555)	(45,969,479)
Increase / (Decrease) in Amount Due to Related Party		(5,226,303)	4,869,783
Increase / (Decrease) Trade Creditors & Other Payables		9,300,756	16,731,018
<b>Cash Generated from (used in) Operations</b>		<b>(8,006,099)</b>	<b>(2,035,925)</b>
Taxes Paid		-	-
Gratuity Payment		-	(344,250)
<b>Net Cash from (used in) Operating Activities</b>		<b>(8,006,099)</b>	<b>(2,380,175)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Issue of Shares		-	16,500,000
Acquisition of Property, Plant and Equipment		(5,468,418)	(3,332,768)
<b>Net Cash from (used in) Investment activities</b>		<b>(5,468,418)</b>	<b>13,167,232</b>
<b>CASH FLOWS FROM FINANCE &amp; OTHER ACTIVITIES</b>			
Net movement in Investment in Unit Trust		4,215,091	(7,370,350)
Loan Obtained During the Year		2,400,000	6,500,000
Loan Repayment Made During the Year		(2,011,765)	(1,658,480)
<b>Net Cash from (used in) Financing Activities</b>		<b>4,603,326</b>	<b>(2,528,830)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(8,871,191)</b>	<b>8,258,227</b>
Cash & Cash Equivalents at the Beginning of the Year		(10,199,186)	(18,457,413)
<b>Cash &amp; Cash Equivalents at the End of the Year</b>		<b>(19,070,378)</b>	<b>(10,199,186)</b>
<b>Analysis of Cash &amp; Cash Equivalents</b>			
Cash & Bank Balances	15	4,214,319	2,802,410
Bank Overdraft		(23,284,697)	(13,001,596)
		<b>(19,070,378)</b>	<b>(10,199,186)</b>

The notes annexed form an integral part of these financial statements.  
 Figures in brackets indicate deductions.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2021

## 1. CORPORATE INFORMATION

### 1.1. General

Chrissworld Limited is a Public Limited company incorporated in Sri Lanka. The registered Office of the Company is in the District of Colombo and the principal place of business is situated in no. 199/29, Obeysekara Crescent, Rajagiriya.

### 1.2. Principal activities and nature of operations

The principal activity of the Company is providing Warehouse Management and related logistic services.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Basis of Preparation

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

These financial statements are prepared on the historical cost basis in accordance with Generally Accepted Accounting Principles and the Sri Lanka Accounting Standards. No adjustment is made for inflationary factors affecting these accounts.

The said financial statements are presented in Sri Lankan Rupees (LKR) which is the company's functional currency.

### Comparative Information

Where necessary, comparative figures have been adjusted to confirm with the changes in the presentation in the current year.

### 2.2. Going Concern

When preparing the financial statements the Management has assessed the ability of the Company to continue as a going concern. The Management has its reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company does not foresee a need for liquidation or cessation of operations, taking into account all available information about future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

### 2.3. Taxation

#### Current Taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial

statements and computed accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and its subsequent amendments.

### 2.4. Financial Instruments

#### (i) Financial Assets

#### (a) Trade and Other Receivable

Trade and other receivable are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2021

### (b) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

### (ii) Financial Liabilities

#### (a) Trade and Other Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

#### (b) Liabilities and Provisions

All known liabilities as at the balance sheet date have been included in the financial statements. 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 benefits will be required to settle the obligation.

## 2.5. Assets and Basis of their Valuation

### 2.5.1. Property, Plant and Equipment

#### (a) Cost

Property, Plant and Equipment are stated cost less accumulated depreciation and any accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

#### (b) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of Property, Plant and Equipment. All other expenditure is recognized in the Income Statement as an expense as incurred.

#### (c) De-recognition

An item of Property, Plant and Equipment is derecognized upon disposal when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of asset is calculated as the difference between the net disposal proceeds and the carrying amount.

#### (d) Depreciation

Depreciation is recognized in Profit and Loss on a straight line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment.

Leased assets are depreciated over the shorter of the lease terms and other useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease period, Freehold land is not depreciated.

Depreciation is calculated on a straight line basis over the useful life of the assets.

The estimated useful life of asset is as follows:

Assets Category	Depreciation Rate
Furniture & Fittings	20%
Office Equipment	20%
Computer Equipment	20%
Motor Vehicle	20%

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2021

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

### 2.6. Income Statement

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria

are used for the purpose of recognizing of revenue.

### 2.7. Expenditure Recognition

- (a) Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit/(loss) for the year.

### 2.8. Events occurring after the Reporting Period

The directors monitor events closely and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post balance sheet events as appropriate.

### 2.9. Contingent Liabilities

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

## 3. REVENUE

	2021	2020
As at 31st March	Rs.	Rs.
Warehouse Management Income	199,619,691	215,992,411
Handling Fee	53,639,267	-
Transport Charges Income	9,498,439	-
Other Sales Income	578,769	-
Project Income	817,219	-
Brokering Income on freight	19,400	-
	<b>264,172,785</b>	<b>215,992,411</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 4. DIRECT COST

	2021	2020
	Rs.	Rs.
Electricity	1,889,002	2,204,370
Forklift Hire Charges & Maintenance	6,034,995	5,983,908
Fuel Expenses for Warehouse	565,296	979,074
Generator Hiring Charges	510,000	252,000
Meal Expenses	392,123	291,545
Night Operation Allowance	229,048	526,519
Other Direct Expenses	275,092	150,364
Pest Control Charges	580,943	309,327
Project Expenses	641,363	-
Rent Expenses	130,438,384	90,083,183
Salary & Wages-Labour	34,608,829	22,296,528
Sales Promotion and Commission	4,477,824	3,350,485
Security Charges	8,208,449	5,666,056
Staff Incentive for Warehouse	441,246	649,699
Storage Charges	-	32,350
Transport Charges	7,290,125	6,049,142
Unloading Charges-Handling	3,668,670	728,500
Vehicle Hire Charges	3,600,000	4,200,000
Warehouse Maintenance	1,180,568	1,506,040
Water	255,339	-
	<b>205,287,296</b>	<b>145,259,091</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 5. OTHER INCOME

	2021	2020
	Rs.	Rs.
Interest Income - Savings A/C	157,910	118,466
Sundry Income	107,779	-
Fair Value Gain on Unit Trust Investment	224,909	120,350
Interest Income - Intercompany Loan	852,048	
Exchange Gain	-	624
Rowing Boat Sales	199,975	153,469
	<b>1,542,622</b>	<b>392,910</b>

### 6. SELLING & DISTRIBUTION EXPENSES

	2021	2020
	Rs.	Rs.
Advertising	-	27,300
Bad debts write off	574,881	-
Travelling & Transport	214,665	133,350
Vehicle Maintenance	180,953	373,907
Business Promotion	95,581	273,555
Subscriptions	294,134	16,750
NBT	-	480,465
	<b>1,360,213</b>	<b>1,305,327</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 7. ADMINISTRATIVE EXPENSES

	2021	2020
	Rs.	Rs.
Amortization	12,000	12,000
Audit Fees	70,000	50,000
Bonus	-	705,000
Charity & Donation	116,215	80,000
Computer Maintenance & Internet Charges	1,176,793	446,362
Depreciation	1,957,417	1,160,234
Entertainment	117,834	224,494
EPF	1,314,510	1,291,271
ETF	328,628	322,818
Gratuity Expense	665,100	397,800
Insurance-Medical & Warehouse Insurance	346,048	113,968
Insurance-Vehicle	156,119	-
Legal Fees	-	132,160
Medical Expenses	470,272	451,782
Miscellaneous	24,138	312,800
Office Rent Expenses	634,000	192,000
Parking Charges Expenses	-	2,140
Penalty	-	6,133
Printing, Postage & Stationery	898,118	689,380
Professional Charges	197,500	235,500
Project Expenses	-	142,170
Registration Fees	-	35,000
Renovation and Office Maintenance	71,530	938,240
Secretarial Fees	193,500	136,000
Shared Services	13,442,519	15,391,951
Staff Salaries	11,633,804	11,201,190
Staff Welfare	666,900	1,509,580
Stamp Duty Charges	63,491	264,320
Sundry Expenses	-	78,210
Business Promotions	250,000	-
Telephone	719,931	533,753
Travelling Allowance & Charges	3,236,500	3,635,631
Water	224,857	482,727
	<b>38,987,723</b>	<b>41,174,615</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 8. FINANCIAL EXPENSES

	2021	2020
	Rs.	Rs.
Bank Charges	43,979	283,200
Exchange Loss	17,505	-
Loan Interest	5,144,891	6,484,809
Overdraft Interest	506,314	1,115,559
	<b>5,712,688</b>	<b>7,883,568</b>

### 9. TAXATION

Taxation has been computed according to the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

#### 9.1 Reconciliation of Accounting Profit to Income Tax Expense

For the year ended 31 March,	2021	2020
	Rs.	Rs.
Profit / (Loss) before Tax	14,367,486	20,762,721
Non Business Income	(157,910)	(238,816)
Disallowable Expenses	2,868,566	1,880,661
Allowable Expenses	(2,085,430)	(2,178,569)
<b>Adjusted Business Profit</b>	<b>14,992,712</b>	<b>20,225,997</b>
Other Income	157,910	118,466
Fair value gain on unit trust	224,909	-
Tax Losses Utilized	(395,980)	(20,344,463)
<b>Taxable Income</b>	<b>14,979,551</b>	<b>-</b>
<b>Total Tax Liability</b>	<b>2,049,954</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

For the year ended 31 March,	2021	2020
	Rs.	Rs.
<b>9.2 Taxation</b>		
Current Income Tax Expense	2,049,954	-
Deferred Tax Charge / (Reversal) during the Year (Note 18)	(99,410)	2,801,960
<b>Total Tax Expense / (Reversal) on Profit or Loss</b>	<b>1,950,543</b>	<b>2,801,960</b>

### 9.3 Tax Losses

Tax Losses brought forward	395,980	20,740,443
Tax Losses utilized during the Year	(395,980)	(20,344,463)
<b>Tax Losses carried forward</b>	<b>-</b>	<b>395,980</b>

## 10. EARNINGS PER SHARE

### Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2021	2020
	Rs.	Rs.
Profit Attributable to Ordinary Shareholders (Rs.)		
Weighted Average Number of Ordinary Shares	12,416,943	17,960,761
Basic Earnings Per Share (in Rs.)	22,500,000	22,500,000
	<b>0.55</b>	<b>0.80</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 11. PROPERTY, PLANT & EQUIPMENT

	Balance As at 01.04.2020 Rs.	Additions during the year Rs.	Disposals during the year Rs.	Balance As at 31.03.2021 Rs.
<b>(a) Cost / Valuation</b>				
<b>Free Hold Assets</b>				
Furniture & Fittings	3,274,989	2,822,534	-	6,097,523
Office Equipment	2,996,353	787,966	-	3,784,319
Computer	1,086,593	1,348,698	-	2,435,291
Motor Vehicle	180,000	-	-	180,000
Machinery	-	142,500	-	142,500
	<b>7,537,935</b>	<b>5,101,698</b>	<b>-</b>	<b>12,639,633</b>

	Balance As at 01.04.2020 Rs.	Charge for the year Rs.	Disposals for the year Rs.	Balance As at 31.03.2021 Rs.
<b>(b) Depreciation</b>				
<b>Free Hold Assets</b>				
Furniture & Fittings	1,027,216	940,427	-	1,967,643
Office Equipment	936,662	674,485	-	1,611,148
Computer	247,646	300,504	-	548,150
Motor Vehicle	6,000	36,000	-	42,000
Machinery	-	6,000	-	6,000
	<b>2,217,524</b>	<b>1,957,417</b>	<b>-</b>	<b>4,174,941</b>

Carrying Value	As at 01.04.2020 Rs.	As at 31.03.2021 Rs.
<b>Written Down Value</b>	<b>5,320,412</b>	<b>8,464,692.90</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 12. INTANGIBLE ASSET

	2021	2020
	Rs.	Rs.
Opening Balance	24,000	36,000
Additions during the year	366,720	-
Amortization for the Period	(12,000)	(12,000)
<b>Closing Balance</b>	<b>378,720</b>	<b>24,000</b>

#### Additions during the year

Chrissworld Website Development Rs.366,720.00

### 13. INVESTMENT IN UNIT TRUST - GUARDIAN ACUITY MONEY MARKET FUND

	2021	2020
	Rs.	Rs.
Balance as at 01.04.2020		7,370,350
Total Investments made during the period	4,224,909	-
Units redeemed during the period	(8,440,000)	-
<b>Balance as at 31.03.2021</b>	<b>3,155,258</b>	

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 14. TRADE DEBTORS AND OTHER RECEIVABLES

	2021	2020
	Rs.	Rs.
Trade Debtors	65,267,837	41,220,865
Income Receivable	-	1,169,540
Pre-Paid Rent	-	1,040,808
Warehouse Rent Deposits	25,706,327	18,573,046
WHT Receivable	982,541	922,515
BDI Bond	40,090	100,090
Chriss Leisure (Pvt) Ltd	433,670	5,496,734
Chriss Leisure (Pvt) Ltd-Loan	5,860,938	6,418,107
Chrisslogix (Pvt) Ltd	4,956,949	-
Staff Loan	15,000	-
<b>Other Receivables</b>		
Water Refundable deposit	21,200	21,200
Boat sales Receivable -Sri Lanka Army	-	370,729
Advance Received	-	125,000
Prepayments	360,475	-
Preliminary Expenses - CSE Listing	883,160	-
	<b>104,528,188</b>	<b>75,458,633</b>

### 15. CASH & CASH EQUIVALENTS

	2021	2020
	Rs.	Rs.
<b>Favorable Balances</b>		
Sampath Bank-5070 3100 0049 (USD)	9,126	8,386
Sampath Bank-1070 5757 9119 Lien (S/A)	4,125,185	2,717,275
Cash in Hand	80,008	76,749
	<b>4,214,319</b>	<b>2,802,410</b>
<b>Unfavorable Balances</b>		
Sampath Bank -007010000666(C/A)	(23,284,697)	(13,001,596)
	<b>(23,284,697)</b>	<b>(13,001,596)</b>
<b>Net Cash and cash Equivalents for cash flow purposes</b>	<b>(19,070,378)</b>	<b>(10,199,186)</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 16. STATED CAPITAL

Company Registration No	PV93260PB
Date of Incorporation	6/26/2013
Date of Conversion to Public Limited Company	1/23/2020

Shareholders	No of Shares	Consideration
M/S Chrisslogix (Private) Limited	21,750,000	21,750,000
Mr.Don Dilan Lasitha Nanayakkara	375,000	375,000
Mr. Lansakara Mudiyansele Shanaka Nilaksha Lansakara	375,000	375,000
	<b>22,500,000</b>	<b>22,500,000</b>

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### 17. RETIREMENT BENEFIT OBLIGATION

	2021	2020
	Rs.	Rs.
Balance as at 01.04.2020	980,150	926,600
Provision made during the year (Note 17.2)	1,431,543	397,800
Payment made during the year	-	(344,250)
<b>Closing Balance as at 31.03.2021</b>	<b>2,411,693</b>	<b>980,150</b>

#### 17.1 Movement of Retirement Benefit Obligation

Balance as at 1st April	980,150	926,600
Current Service Cost	577,187	397,800
Interest Cost	88,312	-
Actuarial(Gain)/ Loss	766,045	-
Paid during the Year	-	(344,250)
	<b>2,411,693</b>	<b>980,150</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 17.2 Amount Recognized in the statement of Profit and Loss and Other Comprehensive Income

	2021	2020
	Rs.	Rs.
Current Service Cost (Profit or Loss)	577,187	-
Interest Cost (Profit or Loss)	88,312	-
Actuarial(Gain)/ Loss (Other Comprehensive Income)	766,045	-
	<b>1,431,543</b>	<b>-</b>

## 18. DEFERRED TAX ASSETS / (LIABILITIES)

		2021	2020
	Note	Rs.	Rs.
Balance as at 01 April		33,563	(2,768,397)
(Charge) / Reversal for the Year		(99,410)	2,801,960
<b>Balance as at 31 March</b>	<b>18.1</b>	<b>(65,847)</b>	<b>33,563</b>

### 18.1 The Analysis of Deferred Tax Assets and Liabilities

Deferred Tax Assets		
Originating from deferred tax asset/Liability (net)	(65,847)	89,000
From Business Losses Carried Forward	-	(55,437)
	<b>(65,847)</b>	<b>33,563</b>

The Company has recognized Deferred Tax Asset/ Liability by utilizing the available brought forward tax losses & temporary differences between the carrying amount of Assets and Liabilities for financial reporting purposes and the amount used for taxation purposes at the rate of 14% the adjustments have been made to the financial statements retrospectively from 01st April 2019.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 19. INTEREST BEARING BORROWINGS

	Note	2021 Rs.	2020 Rs.
Sampath Bank 10Mn	18.1	6,394,629	7,448,727
Sampath bank 6.5 Million loan	18.2	5,860,938	6,418,107
Sampath Bank 2.4Mn Loan	18.3	1,999,500	-
		<b>14,255,068</b>	<b>13,866,833</b>

#### 19.1 Non Current Liabilities - Sampath Bank 10Mn Loan

Balance as at 01.04.2020	7,448,727	9,025,313
Repayments made during the year	(1,054,097)	(1,576,587)
<b>Balance as at 31.03.2021</b>	<b>6,394,629</b>	<b>7,448,727</b>

#### 19.2 Non Current Liabilities - Sampath bank 6.5 Million loan

Balance as at 01.04.2020	6,418,107	-
Loan Obtained During the Year	-	6,500,000
Repayments made during the year	(557,168)	(81,893)
<b>Balance as at 31.03.2021</b>	<b>5,860,938</b>	<b>6,418,107</b>

#### 19.3 Non Current Liabilities - Sampath Bank 2.4Mn Loan

Balance as at 01.04.2020	-	-
Loan Obtained During the Year	2,400,000	-
Repayments made during the year	(400,500)	-
<b>Balance as at 31.03.2021</b>	<b>1,999,500</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 20. Amount Due to Related Party

	2021	2020
	Rs.	Rs.
Loan Payable -Mr Suraj	9,633,785	9,633,785
Chrisslogix (Pvt) Ltd	-	5,226,303
	<b>9,633,785</b>	<b>14,860,088</b>

### 21. Trade Creditors & Other Payables

	2021	2020
	Rs.	Rs.
Accrued Expenses	5,124,946	1,871,678
Trade Creditors	34,246,902	29,321,684
WHT Payable	1,691,761	1,691,761
EPF Payable	185,900	293,700
EPF Payable	27,885	44,055
Audit Fee Payable	70,000	50,000
Salary & Wages Payable	1,155,672	-
Dividend Payable	-	3,000,000
Other Payable	24,975	208,378
SIM card Deposit	13,000	13,000
Rent Deposit Payable	3,240,570	-
	<b>45,781,611</b>	<b>36,494,256</b>

### 22. RELATED PARTY DISCLOSURE

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard "LKAS 24" -Related Party Disclosures, the details of which are reported below.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 22.1 Transactions with Related Companies

For the Year Ended 31 March			2021	2020
Company	Nature	Relationship	Rs.	Rs.
Chrisslogix (Pvt) Ltd	Loans Given	Parent Company	4,956,949	-
	Services Provided	Parent Company	6,389,944	5,226,303
	Interest Charged	Parent Company	66,722	-
	Management Fee paid	Parent Company	13,442,519	15,391,951
	Warehouse Income	Parent Company	172,781,296	157,774,922
Chrissleisure (Pvt) Ltd	Loan Given	Common Directors	-	6,500,000
	Interest charged	Common Directors	724,990	-
	Services Provided	Common Directors	1,458,497	5,496,734

### 22.2 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard LKAS- 24 " Related Party Disclosures" , Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors have been classified as Key Management Personnel of the Company and transactions with Key Management Personnel are disclosed as follows.

For the year ended 31 March,	2021	2020
	Rs.	Rs.
Loan Taken from Director - Mr.S.A.D.N.Suraj	9,633,785	9,633,785

### 22.3 Transactions, Arrangements and Agreements involving Key Management Personnel (KMP) and their Close Family Members (CFM)

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include;

- (a) the individual's domestic partner and children;
- (b) children of the individual's domestic partner; and
- (c) dependents of the individual or the individual's domestic partner

CFM are related parties to the entity. There were no transactions with CFM during the year.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31st March

### 23. CONTINGENT LIABILITIES

There were no material contingent liabilities existing at the reporting date.

### 24. EVENTS AFTER REPORTING DATE

The company has carried out an Initial Public offer (IPO) of 7,500,000 Ordinary voting shares at an offer price of LKR 7.50 per share, successfully raising LKR 56.25 Million. Accordingly, 30 Million Ordinary Voting shares being the entirety of the issued shares post IPO were listed on the empower Board of the Colombo Stock Exchange on May 18, 2021.

#### Impact from COVID19 outbreak

The outbreak of COVID-19 in the last quarter of the financial year has caused disruption to many local and global business and economic activities. The Company has been closely monitoring the impact of the pandemic on the Company's business operations as at year end and also in the immediate future. Commencing from February 2020 this global health hazard had an adverse impact on many of the Company's operations. Most of the back-office operations of the Company continued to function remotely and/or in the work places as required. Company has implemented all possible measures for the safety of the staff employed in all locations operating, adhering to Government and health authority guidelines and rules.

### 25. COMPARATIVE FIGURES

The Company has consistently applied the accounting policies with those adopted in the previous financial year. The presentation and classification of the financial statements of the previous period, have been adjusted, where relevant, for better presentation.

### 26. DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## CORPORATE INFORMATION

### NAME OF THE COMPANY

CHRISWORLD PLC

### REGISTERED OFFICE

199/29 Obeysekara Crescent  
Rajagiriya.

### BUSINESS ADDRESS

199/29 Obeysekara Crescent  
Rajagiriya

### BOARD OF DIRECTORS

#### Mr Christopher A M Perera

(Chairman)

#### Mr Suraj Suraweera

(Chief Executive Officer/ Managing  
Director)

#### Mr Sithira Wickramsekera

(Senior Executive Director)

#### Mr Shanaka Lansakara

(Executive Director)

#### Mr Dilan Nanayakkara

(Non executive/ Non independent  
Director)

#### Mr Melanga A Doolwala

(Non-executive Independent  
Director)

#### Mr Rohan Ladduwahetty

(Non- executive Independent  
Director)

### COMPANY SECRETARY

Ms SHAMA ISMAIL MOHAMED  
- Attorney At Law And  
Registered Company Secretary -  
SEC1025/93

168/5 Elvitigala Mawatha,  
Colombo 08

### EXTERNAL AUDITORS / TAX CONSULTANT

DINITWAY PARTNERS,  
CHARTERED ACCOUNTANTS  
7 ½ Devanampiyatissa Mawatha  
Colombo 10

### BANKERS

SAMPATH BANK PLC  
No 10, Sir James Pieris Mawatha,  
Colombo 02

### COMMERCIAL BANK PLC

Commercial House,.  
No 21,. Sir Razik Fareed  
Mawatha,. P.O. Box 856,.  
Colombo 01. Sri Lanka.

### LAWYERS

Ms SHAMA ISMAIL MOHAMED  
– ATTORNEY AT LAW AND  
REGISTERED COMPANY  
SECRETARY – SEC1025/93  
168/5 Elvitigala Mawatha,  
Colombo 08

### ACCOUNTING YEAR

1st April to 31st March

### TAX IDENTIFICATION NO

174932603

### LEGAL STATUS

Incorporated under the  
Companies Act no. 7 of 2007  
Date of Incorporation 30th August  
2021.

A Public Limited Liability  
Company listed on the Colombo  
Stock Exchange

The company was re- registered  
under the Companies Act No 7 of  
2007 on 30th August 2021 and  
the Company Registration No is  
PQ 00244471

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the First (01st) Annual General Meeting (Post Listing) of CHRISWORLD PLC will be held as a virtual meeting on Monday 31st January 2022 at 3.00 p.m. for the following purposes:

- 1) To receive and consider the Report of the Directors and the Financial Statements of the Company for the year ended 31st March 2021 together with the Auditors' Report thereon
- 2) To re-elect Mr. Sithira Wickramasekera who retires by rotation as a Director of the Company in terms of Section 84 of the Articles of Association of the Company
- 3) To re-elect Mr. Rohan Ladduwahetty who retires by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association as a Director of the Company.
- 4) To re-elect Mr. Melanga Asiri Doolwala who retires by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association as a Director of the Company.
- 5) To re-elect Mr. Lansakara Mudiyanseelage Shanaka Nilaksha Lansakara who retires by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association as a Director of the Company
- 6) To inform the shareholders that Mr. Don Dilan Lasitha Nanayakkara who retires by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association of the Company has indicated that he will not be available for re-election and accordingly he ceases to be a Director of the Company
- 7) To authorize the Directors to determine the remuneration of the Auditors, Messers Dinithway Partners who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.07 of 2007.

sgd

By order of the Board

**F. SHAMA ISMAIL**

*Company Secretary*

*4th January 2022*

*Colombo*

## FORM OF PROXY



I/We.....of.....  
 .....being a member/members of  
 Chrissworld PLC hereby appoint..... of..... whom failing.

CHRISTOPHER ANGELO MELVILLE PERERA	or failing him
SURAWEERA ARACHCHIGE DON NIRANJAN SURAJ	or failing him
SITHIRA WICKRAMASEKERA	or failing him
ROHAN LADDUWAHETTY	or failing him
MELANGA ASIRI DOOLWALA	or failing him
LANSAKARA MUDIYANSELAGE SHANAKA NILAKSHA LANSAKARA	or failing him

as my/our proxy to represent me/us and\* speak/vote on my/our behalf at the Annual General Meeting of the Company to be held as a "Virtual Meeting" Monday 31st January 2022 at 3.00 p.m. and at any adjournment thereof and at every poll which may be taken in consequence of the above said meeting. I/We the undersigned hereby authorize my/our Proxy to vote on my/our behalf in accordance with the preference indicated below:

- Please delete the inappropriate words

	For	Against
1) To receive and consider the Report of the Directors and the Financial Statements of the Company for the year ended 31st March 2021 together with the Auditors' Report thereon	<input type="radio"/>	<input type="radio"/>
2) To re-elect Mr. Sithira Wickramasekera who retires by rotation as a Director of the Company in terms of Section 84 of the Articles of Association of the Company	<input type="radio"/>	<input type="radio"/>
3) To re-elect Mr.Rohan Ladduwahetty who retires by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association as a Director of the Company.	<input type="radio"/>	<input type="radio"/>
4) To re-elect Mr. Melanga Asiri Doolwala who retires by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association as a Director of the Company.	<input type="radio"/>	<input type="radio"/>
5) To re-elect Mr. Lansakara Mudiyanseelage Shanaka Nilaksha Lansakara who retires by rotation at the Annual General Meeting In terms of Article 91 of the Articles of Association as a Director of the Company	<input type="radio"/>	<input type="radio"/>
6) To authorize the Directors to determine the remuneration of the Auditors, Messrs. Dinithway Partners who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.07 of 2007.	<input type="radio"/>	<input type="radio"/>

Signed on this .....day of .....Two Thousand and Twenty two.

.....  
 Signature/s

## Instructions for Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company/Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association.
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his appointor.
5. Duly filled Forms of Proxy should be sent to reach the Company Secretary via e-mail to cwl.agm@chrisworld.com or by post to the registered address of the Company, Chrissworld PLC No: 199/29, Obeysekera Crescent , Rajagiriya, Sri Lanka not less than forty eight (48) hours before the time fixed for the meeting.

Please provide the following details (mandatory):

NIC/PP/Company Registration No. of the Shareholder/s : .....

Folio No : .....

E.mail address of the Shareholder/(s) or proxy holder  
(other than a Director appointed as proxy) : .....

Mobile No : .....

Fixed Line : .....



