



2025 ANNUAL REPORT

Visit Our Website www.chrissworld.com

ABOUT US

Our story started over a decade ago in 2012, inspired by the vision to add a new dimension to customer service in the logistics industry of Sri Lanka. Chrissworld 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 by leaps and bounds over the years and is now a member of the esteemed Chartered Institute of Logistics & Transport, Sri Lanka, managing over Two Hundred and fifty thousand square feet of space, spearheaded by a dynamic and a highly experienced Board of Executive Directors, each of whom counts between 25-35 years of experience in the logistics industry. Harnessing from this knowledge and expertise, the organization specializes in the core areas of warehouse & inventory management, Transportation and freight forwarding servicing clients across multiple verticals and industries.

The multi-faceted team is dedicated in providing an excellent service through the entire process, from detailed planning to precise 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 includes; storage solutions, both ambient and temperature control, inventory management, packaging and value added services, 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 enable us to deliver a unique value proposition to clients, which is not only superior in terms of processes 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.



CHRISSWORLD
Unique Solutions - Winning Partnerships



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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



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



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



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



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



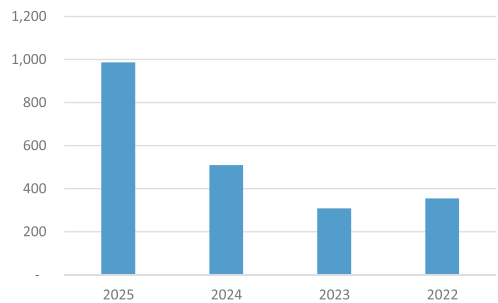
INTEGRITY

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

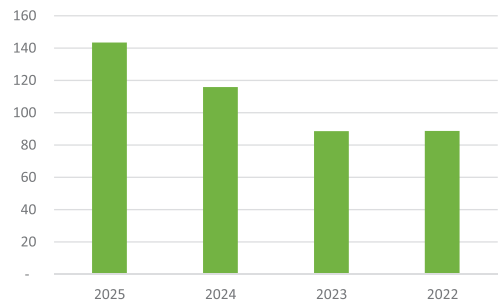
Financial Highlights

| Year Ended 31 March | 2025 | 2024 | Change(%) |
|--|--------------|--------------|-----------|
| Results | | | |
| Revenue | 986,420,454 | 509,757,428 | 93.51% |
| Gross Profit | 143,475,956 | 115,870,714 | 23.82% |
| Net Finance Income / (Expense) | (5,799,933) | 3,974,282 | -245.94% |
| Profit before Tax | 30,032,234 | 32,428,363 | -7.39% |
| Income Tax Expense | 6,665,452 | 10,435,069 | -36.12% |
| Net Profit for the Year | 22,857,905 | 22,840,572 | 0.08% |
| Assets Employed | | | |
| Non-Current Assets | 164,683,344 | 84,399,242 | 95.12% |
| Current Assets | 256,907,363 | 207,150,216 | 24.02% |
| Total Assets | 421,590,707 | 291,549,458 | 44.60% |
| Funds Employed | | | |
| Stated Capital | 78,750,000 | 78,750,000 | 0.00% |
| Retained Earnings | 75,134,618 | 52,276,714 | 43.72% |
| Total Equity | 153,884,618 | 131,026,714 | 17.45% |
| Non-Current Liabilities | 99,853,918 | 27,970,918 | 256.99% |
| Current Liabilities | 167,852,171 | 132,551,826 | 26.63% |
| Total Liabilities | 267,706,089 | 160,522,744 | 66.77% |
| Total Equity and Liabilities | 421,590,707 | 291,549,458 | 44.60% |
| Cash Flow | | | |
| Cash flows from/(used in) Operating Activities | 34,139,481 | 10,576,207 | 222.80% |
| Cash flows from/(used in) Investing Activities | (23,656,779) | (16,738,587) | 41.33% |
| Cash flows from/(used in) Financing Activities | 15,545,593 | 12,311,974 | 26.26% |
| Net increase/(decrease) in Cash & Cash Equivalents | 26,028,295 | 6,149,594 | 323.25% |
| Key Ratios | | | |
| Gross Profit Margin (%) | 15% | 23% | -36.01% |
| Net Profit Margin (%) | 2% | 4% | -48.28% |
| Return on Assets (%) | 5% | 8% | -30.79% |
| Return on Equity (%) | 29% | 29% | 0.08% |
| Current Ratio (x) | 1.53 | 1.56 | -2.06% |
| Earnings per Share (LKR) | 0.78 | 0.73 | 6.25% |
| Net Assets Value per Share (LKR) | 5.13 | 4.37 | 17.45% |

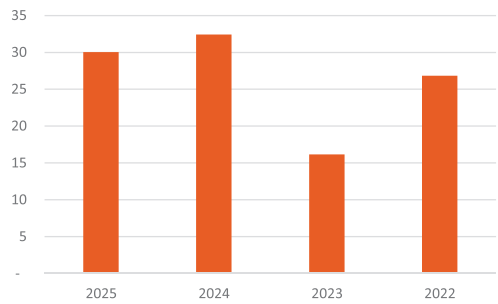
Revenue (LKR Mn.)



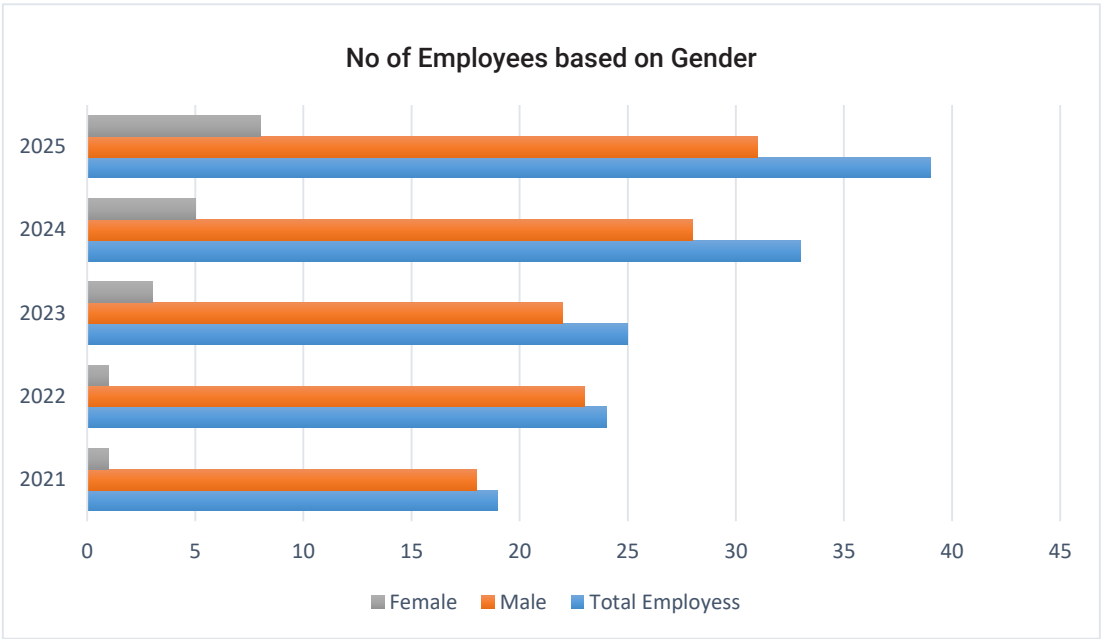
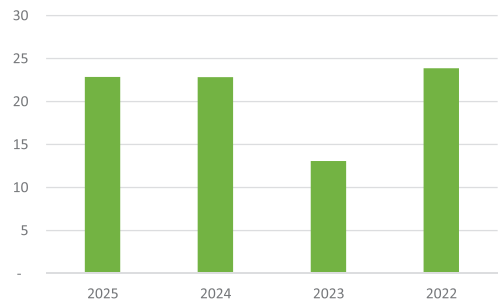
Gross Profit (LKR Mn.)



Profit Before Tax (LKR Mn.)



Profit After Tax (LKR Mn.)



Resilient Business Model

Though as a country we experienced the worst phase of its history during 2019 to 2023, a well planned and a phased recovery was recorded during the year. Sri Lanka's economy showed significant recovery and a growth in 2024, achieving a 5% GDP growth driven by the services and industry sectors, particularly tourism and construction, and surpassing expectations. Macroeconomic stability improved with the country completing external debt restructuring and exiting default status fostering investor confidence and leading to policy consistency. However, challenges remained including recently experienced adverse waves such as tightening local monetary policy due to lack of foreign reserves, import restrictions, high energy prices and geo political tensions, persistent household struggles, high poverty rates and ongoing efforts to boost exports and address structural impediments for sustained medium-term growth. Also, the economy and the business had a negative impact mainly in foreign investments, mega projects and new business establishments during the last year's General and Presidential elections in 2024. However, Chrissworld has recorded a decent growth in its business despite all the market, political and economic challenges experienced as a nation.

The Outlook of global projects are slowing down from 3.3% in 2024 to 2.9% in both 2025 and 2026. The slowdown is expected to be most concentrated in the United States, Canada, Mexico and China with smaller downward adjustments in other economies. Global economic prospects are weakening with substantial barriers to trade, tighter financial conditions, diminishing confidence and heightened policy have uncertainty projected to have adverse impacts on growth stated as above.

Despite all these challenges, the innovative and dynamic leadership, passion and the hard work of our staff across the board helped us to reach our goals and targets during the year. The strategy used by the management was of paramount importance in this regard. The days ahead are bound to be tougher. One could however, be less concerned knowing the repeated ability of the whole team in trying times.

Chrissworld PLC has delivered a stable performance for the year 2025 financial year (FY24/25), through effective implementation of strategic initiatives, which has enhanced its operational alignment with market conditions.

Despite to above facts Chrissworld recorded following results in 2024/25,



Annual Turnover

Rs.986,920,454

Annual Gross Profit

Rs.143,475,956

Net Profit

Rs.23,366,782

Earnings Per Share

Rs.0.78

Due to the outbreak of global & local economic crisis, many industries were drastically paralyzed. However, battling with all challenges Chrissworld was able to record an increased revenue by 94%. YOY to Rs.986 Mn. Over 46% of this revenue was derived from freight forwarding and 44% from Warehouse management fee & Value-added services. Profit after tax (PAT) was recorded as to Rs.22.8 Mn.

OUR JOURNEY

- Commenced operation with a 30,000 Sqft warehouse facility
- Expanded to 60,000 Sqft in 2013
- Added air-conditioned and cold storage facility
- Diversified into agri products, paper and machinery storage
- Installed pallet racking system
- Launched transport and delivery management services
- Reached 100,000 Sqft foot print in 2014
- Operations disrupted for 3 months in 2016 due to heavy flooding in colombo and suburbs

2012 - 2016

2017 - 2018

- Commenced operations post - flood at 3 new locations with total capacity of 90,000 Sqft
- Introduced a food grade warehouse for and international hotel chain in 2018
- Introduced project cargo management as a new product to service portfolio

2019 - 2020

- Expanded storage capacity to 250,000 Sqft
- Commenced services to apparel, confectionery and dairy industry verticals
- Achieved Rs. 200 million revenue milestone with 300% GP growth
- Introduced supply chain consultancy services
- Upgraded to a new WMS for superior customer service

2021 - 2022

- Expanded warehouse capacity to 350,000 Sqft
- Secured contract for break bulk handling for a multinational company in activated carbon business
- Listed in the Colombo Stock Exchange under the SME category in 2021
- Reached Rs. 300 million turnover with 30% growth
- Significantly increased VAS operation

2023 - 2024

- Launched a fully-fledged transport and distribution division
- Commenced freight forwarding services
- Introduced GPS tracking to offer real time information to customers

2024 - 2025

- Obtained ISO 9001:2015 Certification
- Implemented TMS, GPS Tracking and further advancement of our WMS
- Commenced logistics related product trading
- Introduced electric material handling equipment for cargo operations
- Increased racking storage capacity

Our Service Offering

Contract Warehousing

We offer storage and handling, inventory management and related logistics solutions, distribution fulfillment and any other business support in terms of managing clients' inventory.

As a warehousing and distribution specialist that offers a lot more than the ability to store and pack goods, we can administer your business operations in a cohesive package that is measured, managed and above all, understood. We offer a great deal of flexibility, creating convenience for our customers. Our WMS supports customers with real time and accurate information to make affective decisions.



We offer dry and cold storage facilities to multiple industry verticals from FMCG, Telecommunication, Engineering, Energy, Apparel, Electronics, Pharma and Biomedical to over dimensional cargo storage at our product specific warehouses. Well experienced and highly motivated team supported with technology and infrastructure enable us to offer an exceptional service to our clients.

Transportation Management

A specialised transport management team offers tailor made solutions in multiple modes of transportation.

We generally provide our services as an end-to-end 3PL logistics service provider covering inbound transportation and island wide distribution.



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

Clients enjoy the benefit of a professional and economical service where both storage and transportation are handled by a single party. We utilize cargo specific vehicles, load and route planning directed through our TMS (Transport Management Service) software which could effectively and economically handle all transportation requirements, ranging from inbound containerized cargo to island wide re-distribution. In addition, vehicles could be customized on demand to suit different types of cargo as per the customer requirements. 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 through our TMS.

Considering customer convenience, cost competitiveness, efficiency and cargo visibility, we have invested on a TMS software apart from GPS tracking system this year, to add value to our distribution operation which enable us to improve our delivery efficiency, accuracy as well as costs which can be shared among our customers. Moreover, it helps us to maintain the best vehicle mix and optimum capacity utilization which will give us a competitive edge in the market.



Project Cargo Management

Equipped with a professional team, Material handling equipment and safety tools to solve the most demanding challenges of our customers, we have the perfect solutions for all unique requirements, challenges and opportunities of our clients. With years of experience in the industry and tremendous know-how in dealing with logistically challenging cargo and industry-specific requirements, our transportation services are the pinnacle of our project cargo team.

We have the resources to efficiently deliver your cargo to the desired destinations and professionally manage your special project. Regardless of size, weight, complexity or configuration - from concept through delivery. Inland shipments and port operations, we offer comprehensive services that are tailored to customer specific requirements, leveraging our extensive distribution network and strategic partnerships. Our passionate and experienced team always meet given customer deadlines with a systematic and professional approach, added value to our success in project cargo operations.



Freight and custom brokerage Service

Our professional sea freight service includes attentive client service, enhanced paperwork, Ocean -B2B Shipping and Logistics Solutions, Domestic & Worldwide Supply Chain Solutions. Our logistics services encompass a comprehensive door-to-door transportation from the origin Supplier's/ Manufacturer's Premises to the ultimate destination, in addition to port-to-port shipments. When you choose sea freight, you benefit from our partnerships with leading global and regional carriers. We ensure you get the best deals on routes, prices, and schedules tailored to your needs. Enjoy the flexibility in shipping your cargo on your terms and the perfect carrier for your cargo transportation.

We provide a global network that can handle all of your air freight requirements. Shipments with larger dimensions and weights may be transported with ease using our freight connections to major and transit airports. Because of our extensive knowledge of air freight services and operations, we can provide our customers with detailed cargo updates. We can fly single or sophisticated goods to any destination at any time. Using our global network, we can manage and monitor your goods from loading at your supplier's warehouse to unloading at your client's door step.

Our experienced custom brokerage team is capable of handling all types of shipments in all ports of Sri Lanka. We are specialized in BOI and custom clearance processors in both sea and air cargo irrespective of its volumes as we are well experienced with LCLs, FCLs, RORO, Bulk and break-bulk shipment handling.



Supply chain and Logistic Consultancy services

We have gone an extra mile by introducing consultancy services in Logistics and supply chain for our valued customers in order to optimize their logistics and supply chain operations. Our team consist of well experienced and highly professional in-house staff as well as a pool of industry professionals who add value to our customers by re-validating and optimizing their supply chain processes, systems and operations through observations and data analytic software. Our consultancy services

range from warehouse construction, layout planning, infrastructure designs, Revamping projects and related engineered services to process improvements and supply chain operational optimizations strategies and solutions along with transport and distribution optimization plans.



Value added services (VAS)

Our highly trained and experienced staff at a specially designed value-added facility offer wide variety of value-added services to customers which enable them to focus on their key business. Our second value added service center with much improved infra-structure facilities will commence operations by 2025 where our capacities will be doubled from next year. We offer all kinds of value-added services ranging from labeling, packing, stickering, shrink wrapping, tunnel wrapping, bagging, corrugating, etc in house as well as on mobile basis. Our flexibility and experienced staff were able to attract many customers due to their operational excellence.



Trading Hub

Logistics related product trading business is the latest addition to our product portfolio which enable us to extend our business relationship with clients by adding more value to their business. We offer a multiple range of high quality and durable plastic pallets, plastic crates and totes on customer specific requirements. We are planning to introduce a new range of material handling equipment in the coming year at competitive prices.



Chairman's Message



Dear Valued Shareholders,

I am honored to present the Annual Report and Financial Statements of Chrissworld PLC for the year ended 31st March 2025, a year of strong strides toward digital transformation and operational excellence accomplished with key strategic milestones driving the journey to a successful future.

Chrissworld proudly attained ISO 9001:2015 Quality Management System certification, a significant milestone reinforcing its commitment to maintaining stringent quality standards and service excellence. The execution of an integrated suite of advanced digital systems comprising TMS, GPS tracking and an advanced WMS has significantly simplified internal operations, elevated the customer experience and enabled Chrissworld to make data-driven decisions that enhance operational efficiency, support sustainability goals and drive long-term business growth.

With our strategic decision, Chrissworld has diversified its business portfolio by establishing a new logistics-related Trading Hub enabling clients to access seamless end-to-end logistics solutions and reflecting the Company's commitment to broadening its service offerings while creating value-added solutions.

The successful implementation of these innovations contributed to exceptional revenue growth in the financial year while laying the foundation for even stronger future potential.

Chrissworld's brand equity, market reputation and financial strength have served as a strong foundation for advancing sales and marketing, enabling the Company to attract and secure reputed clients into its portfolio. Clients remain the key drivers of our success and we take pride in serving a portfolio that includes some of Sri Lanka's most prestigious brands. Our policy of partnering with ethical and reputed corporates even at the expense of margins has enabled Chrissworld to earn and build a strong reputation in Sri Lanka's logistics industry.

Through governance innovations, Chrissworld has reinforced its commitment to technology-enabled governance, transparency and sustainability-driven leadership, thereby solidifying its standing as a responsible and forward-looking corporate entity.

No company is greater than its greatest asset – its people. At Chrissworld, our people who form an integral part of the Chrissworld Family have contributed immensely through their hard work, dedication, focus, determination and unwavering will to achieve positive results even under extremely challenging circumstances. Our success is a true testament to their commitment and I extend my utmost respect and gratitude to them for making these achievements possible.

The Board of Directors including the Independent Directors has continued to contribute responsibly and collectively in steering the Company on its progressive journey offering valuable ideas, suggestions and strategies that

have supported the CEO in efficiently and professionally managing both the team and the business. Chrissworld aspires to be 'different in all aspects of our business' and to be recognized and acknowledged as a Company that can be trusted to honor its commitments to stakeholders.

In conclusion, I extend my sincere gratitude to our shareholders for their trust and confidence in us and I look forward with optimism to an even greater year ahead.



Christopher Perera
Chairman
28th August 2025

Group CEO's Review



Dear Valued Stakeholders, Business Partners and Members of the Chrissworld Team,

As we conclude another financial year, I am filled with immense pride and gratitude for the remarkable progress we have achieved as an organization. The year under review has not been without its unique challenges both external and internal, yet our ability to respond with resilience, adaptability and an unwavering commitment to excellence has been nothing short of inspiring. These qualities have enabled us not only to navigate uncertainties with confidence but also to seize new opportunities, strengthen our operational capabilities and deliver sustainable value to our stakeholders.

Over the past year we have accomplished a series of significant milestones that stand as a testament to our strategic vision and the collective dedication of our people. Guided by our unwavering commitment to innovation, we have successfully introduced new services strengthened our presence in existing markets and actively pursued opportunities in emerging sectors. These initiatives have not only expanded our operational footprint but have also enhanced the value we deliver to our clients and

stakeholders. The growth we have achieved during the year under review has reinforced Chrissworld's position as a trusted leader in the logistics industry underscored by a reputation for quality, reliability and customer-centric excellence.

Financial Achievements

During the financial year, the Company recorded a revenue of Rs. 986 Mn, reflecting a remarkable year-on-year growth of 94% compared to the previous year. This outstanding performance was underpinned by the successful execution of several strategic milestones including the reinforcement of stringent quality standards, diversification of our business portfolio and the consistent delivery of service excellence.

The Company recorded a Gross Profit of Rs. 143 Mn for the year under review compared to Rs. 116 Mn in the previous year reflecting a commendable 24% year-on-year growth. This achievement underscores the strength of our business model. The stability of our gross profit performance provides a solid platform for continued re-investment in new ventures, talent development,

infrastructure and advanced technologies ensuring that Chrissworld remains competitive, resilient and strategically positioned to capture future opportunities in a dynamic logistics landscape.

Business Overview

The year under review was a defining chapter in Chrissworld's journey of growth, innovation and resilience. Directed by our strategic vision, we successfully navigated a challenging operating environment while delivering exceptional value to our stakeholders. Our ability to combine service excellence, operational agility and a future-ready mindset has enabled us to strengthen our leadership position in Sri Lanka's logistics and supply chain industry.

The remarkable performance was underpinned by the execution of several strategic initiatives including the reinforcement of stringent quality standards, expansion into new business verticals and the consistent delivery of superior customer service. Our topline growth was further fueled by diversification with the establishment of a new logistics-related Trading Hub enabling clients to access seamless end-to-end solutions and broadening our market reach.

Innovation remained a cornerstone of our strategy in FY 2024/25. The successful implementation of an integrated suite of digital systems comprising Transportation Management System (TMS), GPS Tracking and an Advanced Warehouse Management System (WMS) has significantly simplified internal operations while enhancing visibility and service quality for our customers. These digital investments enable data-driven decision-making support our sustainability agenda and lay a strong foundation for continued operational excellence.

Upholding the highest standards of governance and compliance has remained central to our operations. During the year Chrissworld achieved ISO 9001:2015 Quality Management System Certification, a milestone that reflects our commitment to stringent quality standards and continuous improvement. Additionally, governance innovations focused on technology-enabled oversight, transparent disclosures and sustainability-driven leadership have further strengthened stakeholder confidence in Chrissworld as a responsible and forward-thinking corporate entity.

At the heart of our success are our people, the driving force behind every milestone achieved. Their resilience, dedication and professionalism have enabled us to navigate challenges and seize opportunities with confidence. We remain deeply committed to investing in talent development, fostering a culture of innovation and building a workplace where collaboration, empowerment, and performance excellence thrive.

Our clients remain central to our growth story and we are privileged to serve some of the most reputed brands in Sri Lanka. This stands as a testament to our reputation for reliability and integrity which has reinforced our credibility in the market and positioned us as a trusted long-term logistics partner.

Looking ahead, Chrissworld remains firmly committed to building on the momentum of FY 2024/25. With a diversified business model, strengthened digital capabilities and a customer-centric approach we are well-positioned to capture growth opportunities in both domestic and regional markets. Our focus will remain on driving sustainable growth, enhancing shareholder value and solidifying Chrissworld's reputation as a future-ready logistics leader in Sri Lanka and beyond.



Suraj Suraweera
MD/CEO
28th August 2025

1. MR. CHRISTOPHER PERERA (CHAIRMAN)

2. MR. SURAJ SURAWEEA (MD/CEO)

3. MR. SITHIRA WICKRAMASEKERA

4. MR. SHANAKA LANSAKARA

5. MR. MELANGA DOOLWALA

6. MR. ROHAN LADDUWAHETTY





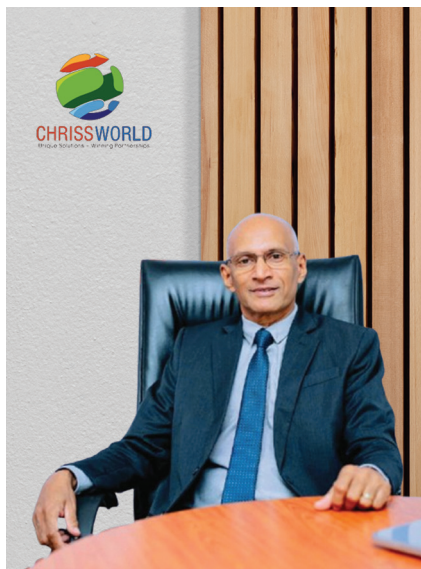
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Board of Directors

The Board of Directors of the Company comprises of experienced and professional individuals where there are 4 Executive Directors 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 39 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 PLC 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.



Mr. Suraj Suraweera
Managing Director/ Chief Executive Officer

Mr. Suraj has 33 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.

Board of Directors



Mr. Sithira Wickramasekera

Senior Executive Director

Mr. Wickramasekera has experience of over 36 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 and one of the pioneers of export of gherkins from 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, Chairman of the Diyawannawa Rowing Academy, 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 27 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 who started his career with setting up Sierra Construction Indian operations.

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 GIZ-Germany, University of Sabaragamuwa, Shipper's academy and also a well-known corporate trainer.

Board of Directors



Mr. Melanga A. Doolwala
Non-Executive Independent Director

Mr Doolwala brings a wealth of experience in finance, operations, and strategic management, underscored by a career spanning over two decades in diverse sectors. His extensive experience extends to board positions at Maharaja Foods PLC where he leads as the Chairman of the Audit Committee, Omeo Products (Pvt) Ltd and AMD Holdings (Pvt) Ltd. He has held Many Senior Management positions at Arpico Insurance PLC, X-Ont Software (Pvt) Ltd and Janashakthi Insurance PLC.

Mr. Doolwala holds an MBA from Cardiff Metropolitan University, UK and is an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK.



Mr. Rohan Ladduwahetty
Non-Executive Independent Director

Mr Ladduwahetty's expertise is in the Tea Industry of Sri Lanka with over 40 Years on hands on experience.

Having completed his education in Business and Finance in the UK, he returned back home in 1985 and joined the prestigious Van Rees Group, an investment from a private entity in Netherlands that created one of the largest Tea Traders in the world.

He later moved onto 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. Samudra Ratnayake
Senior Manager Operations

Mr. Ratnayake has been engaged in Supply Chain industry with over 13 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 at Asia University and a Diploma in Business and Information Technology from the Siksil Institute of Business and Technology in Sri Lanka.



Mr. P. G. Dhanushka Chamara Dushyantha
Manager Operations & Value Added Services

Mr. Dushyantha has been engaged in the Supply chain industry with over 17 years' experience including employment at Hayleys Advantis and Spectra Logistics. He demonstrates exposure to multiple operations in the logistics industry, multiple clients. He has vast knowledge in warehouse management systems including SAP. Moreover, he serves in SAP WMS consultancy for our warehouse clients and is actively engaged in digitalization projects. He holds an Advanced diploma in logistics management from the Natinal Institute of Business Management and the MBA in Logistics and Administration from Kothalawala Defense university.



Mr. W. A. Thilina Ishar Dilhan
Manager Transport & Logistics

Mr. Thilina has been engaged in the Supply chain industry with over 17 years' experience including employment at Hayleys Advantis and DHL Global Forwarding. He demonstrates exposure to multiple operations in the logistics industry, multiple clients. He has vast knowledge in warehouse management systems including SAP and Transport Management System.



Mrs. Ayeshika Madumali
Asst. Manager customer Service

Mrs. Ayeshika Madumali brings over 13 years of experience in the logistics industry. She has a strong network of industry contacts and extensive expertise in handling shipments, documentation and customs clearance.

Over the years, She has gained extensive expertise in handling end-to-end logistics solutions, ensuring operational efficiency and client satisfaction. Currently, she serves as an Assistant Manager in the Freight Division – Customer Service, where she oversees key client relationships and the seamless execution of freight management.

Senior Management Team



Mrs. Umesha Liyanarachchi
Head of Finance

Mrs. Liyanarachchi possesses over 8 years of experience in auditing and accounting. She started her career at 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, Mrs. Liyanarachchi is responsible for accounting and financial reporting activities of Chrissworld.



Mr. Sasith Subhashitha Gunarathne
Compliance and Audit

Mr. Subhashitha Gunarathne is in charge of – Process Development & Optimization/Compliance and Audit at Chrissworld PLC. He holds a BSc. in International Transportation Management and Logistics from Dalian Maritime University (China). With his carrier spanning over 3 years, he has gained in expertise in warehouse operations, process improvement, and ISO compliance. He continues to play a key role in driving operational efficiency, quality systems, and regulatory adherence within the organization.

Company Performance

Economic Value Creation

We at Chrissworld give utmost importance to our shareholders, employees and other stakeholders there by ensuring that the Company's financial capital and the economic performance is sustainable.

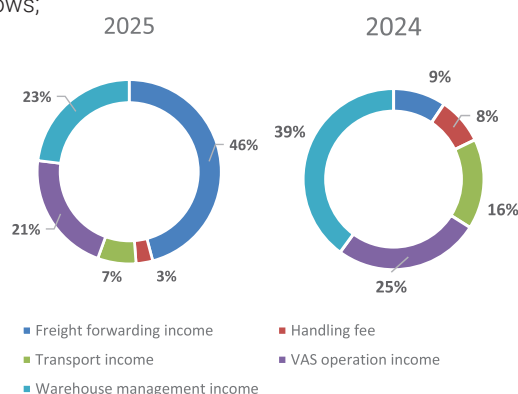
We believe that the success of our organisation depends on creating financial value for our shareholders, economic value to the economy, repayment of borrowing from financial institutions and creating value for our employees.

Management Approach

We have adopted a value creation process that supports the well- being of the economy by ensuring that 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 94%, closing the books at to Rs. 986 million during the year, Revenue from the Company's core businesses which include, freight forwarding income of Rs. 450 million contributed 46% to revenue, warehouse management income of Rs. 226 million, contributed 23% to revenue, while value added services income generated a sum of Rs. 209 million, contributing 21% and the income from transport charges was Rs. 66 million, contributing 7% to the company's revenue. The areas of contribution are as follows;



Gross profits and margins

The Company's Gross Profits increased only by 24% to Rs.143 million despite the 94% increase in revenue.

Direct, Other Costs and Earnings Before Interest and Tax

Direct cost of the Company amounted to Rs. 843 million, a 114% increase from last year. It was mainly due to increase in freight related cost and labour expenses from the previous year During the year administrative expenses amounting to Rs. 91 million was recorded, which was a 19% increase from the previous year. Profit before taxes recorded Rs. 30 million.

Finance income of Rs. 7 million comprises with interest income received during the year.

Taxation

Income tax expenditure of Rs. 6.6 million, decreased by 36% 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 recorded at Rs. 22.8 million maintaining the same level of profitability as the last year.

Cashflow

Cashflow from operating activities

From operating activities Rs. 34 million was generated during the year and it was mainly due to expansion of operating activities.

Cashflow from investment activities

From investment activities Rs. 23 million was used during the year and it was mainly due to purchase of Property Plant and Equipment and Investment in Fixed Deposits.

Company Performance

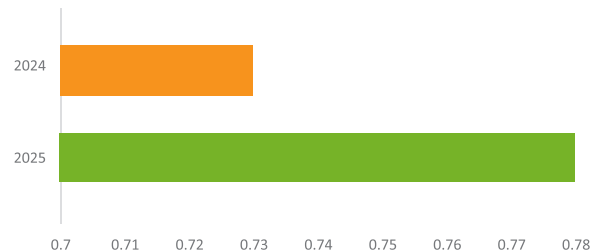
Cashflow from finance and other activities

From financing activities Rs. 15 million was generated during the year and it was mainly due to loans and lease obtained during the year.

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.

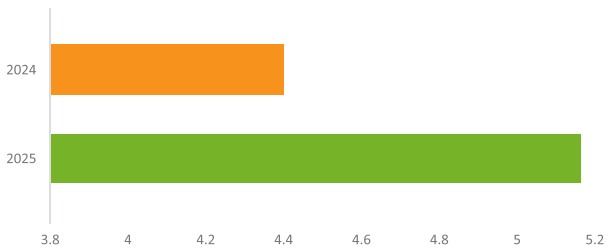
| | 2025 | 2024 |
|--|------------|------------|
| Profit Attributable to Ordinary Shareholders (Rs.) | 23,366,782 | 21,993,294 |
| Weighted Average Number of Ordinary Shares | 30,000,000 | 30,000,000 |
| Basic Earnings Per Share (in Rs.) | 0.78 | 0.73 |



Net Asset per share

The net asset value represents a fund's market value. When expressed at a per- share value, it represents a fund's per unit market value. The per-share value is the price at which investors can buy or sell fund units. Net Asset Value (NAV) is defined as the value of a fund's assets minus the value of its liabilities.

| | 2025 | 2024 |
|--|-------------|-------------|
| Net Asset Value | 153,884,618 | 131,026,713 |
| Weighted Average Number of Ordinary Shares | 30,000,000 | 30,000,000 |
| Net Asset Value Per Share (in Rs.) | 5.13 | 4.37 |



Global Logistics Market Review – 2024–2025

Industry Overview

The global logistics sector remains a cornerstone of trade and supply chain resilience. In 2024–2025, the industry navigated elevated geopolitical risks, regulatory shifts, decarbonization pressures and sharp swings in ocean and air capacity. Despite volatility, demand continued to expand, underpinned by e-commerce growth, resurging air cargo, and network reconfigurations across major carriers.

Market Size & Growth Outlook

Multiple reputable sources reported a wide range for the 2024 global logistics market size due to differing scope and methodology and as per Expert Market Research and Precedence Research its USD 11.26 trillion and 9.98 trillion, CAGR OF 6.3% and 8.36% with a projection of 20.74 and 23.14 trillion in year 2034.

Across sources, the outlook remains positive over the medium term, reflecting persistent e-commerce adoption, trade normalization, and productivity gains from digitalization.

Recent Developments

Ocean shipping disruption in the Red Sea:

From late 2023 through 2024–2025, attacks in the Red Sea forced many carriers to reroute via the Cape of Good Hope, lengthening transit times and raising costs. Analysts highlighted the knock-on effects on schedules and inflation sensitivity.

EU ETS extends to maritime :

The EU Emissions Trading System began pricing CO2 emissions for large ships calling EU ports, phased in through 2026. This is reshaping contract structures and incentivizing alternative fuels and efficiency.

Network realignment – Gemini Cooperation:

Maersk and Hapag-Lloyd launched the Gemini Cooperation in February 2025, pooling 340 vessels (3.7m TEU) across seven trades with 57 services to improve schedule reliability and simplify loops.

M & A consolidation – CMA CGM completes Bollore Logistics

CMA CGM closed the USD 5.2 billion acquisition of Bollore Logistics in 2024, enlarging its integrated logistics footprint across Africa, Europe and Asia.

Air cargo resurgence :

IATA reported record growth for air cargo in 2024, with continued year-on-year demand increases into 2025, as capacity normalized and cross-border e-commerce expanded.

Panama Canal recovery from drought (early 2025):

Following severe 2023–2024 drought restrictions, transits rebounded in FY 2025, though volumes remained below pre-drought averages during the first months of the fiscal year.

Decarbonization milestones – methanol-enabled tonnage:

The first large methanol-enabled container ships entered service on Asia–Europe strings in 2024, signaling accelerated investment in green fuel capabilities and bunkering ecosystems.

Parcel & e-commerce networks shift:

U.S. parcel volumes rose again in 2024, while Amazon Logistics neared USPS volumes, underscoring the power of captive delivery networks and intensifying competition among integrators and postal operators.

Key Growth Drivers

- E-commerce expansion and cross-border parcelization, especially into emerging markets.
- Tech adoption (AI-assisted planning, digital twins, IoT visibility, robotics, and advanced WMS/TMS).

- Infrastructure investment and network redesign (alliances, new terminals, inland connectivity).
- Decarbonization mandates and customer procurement criteria favoring low-emission logistics.

Key Risks & Constraints

- Geopolitical disruptions (Red Sea, tariffs/trade policy shifts) impacting schedules and costs.
- Climate-related chokepoints (canals, rivers) and extreme-weather variability.
- Carbon-cost pass-through and compliance complexity under ETS/other regimes.
- Labor availability, skills gaps, and cyber-security exposures in increasingly digital operations.

Outlook for 2025 and Beyond

Baseline expectations point to steady global trade growth, moderating air cargo expansion, and continued ocean network stability as Red Sea routing normalizes. Companies that double-down on network resilience, data-driven execution, and low-carbon offerings will outperform.



Sri Lanka Logistics Market Review : 2024–2025

Industry Overview

Sri Lanka's logistics sector continues to expand, powered by its strategic geographic location along key maritime and air routes and ambitious infrastructure investments. The recent commissioning of the Colombo West International Terminal (CWIT) marks a new era in the industry's modernization along with the commencement of container transshipment operations with MSC in Hambanthota port.

Strategic Location and Infrastructure.

Colombo West International Terminal (CWIT):

- Launched operations in April 2025, this USD 800 million deep-water terminal is a public-private partnership between Adani Ports & SEZ, John Keells Holdings (JKH), and the Sri Lanka Ports Authority (SLPA) under a 35-year BOT agreement.
- The terminal features a 1,400-meter quay with 20-meter depth, capable of handling approximately 3.2 million TEUs annually.
- CWIT is the first fully automated deep-water terminal in Sri Lanka, designed to significantly improve cargo handling and vessel turnaround efficiency.
- The project has generated local employment and is expected to contribute meaningfully to GDP and trade capacity.

Hambanthota Sea port

- Hambanthota Port remains an active transshipment and vehicle hub, handling over 700,000 vehicles monthly and 600,000 tonnes of bunkering in the latest reported year. The port also made substantial investments, including a \$41 million crane upgrade for its container operations as they launch container transshipment service with MSC on April 2024 along with a dedicated container yard to support its growing transshipment business, solidifying its position as a multipurpose maritime hub.

- Port City Colombo continues progressing as a strategic focal point for economic growth and logistics-led urban expansion.
- The Central Expressway (E04) is under construction, enhancing road connectivity from Colombo to Kandy and stimulating logistics mobility.

Market Size and Growth Outlook

- Projected growth remains strong, with the logistics market expected to reach USD 9.93 billion by 2029, rising at a CAGR of 5.0%.

2024 Highlights

- Port traffic of 7.96 million TEUs
- Air freight: Sri Lanka's airports handled 192,498 metric tons of air cargo, marking a 21.13% growth compared to 2023
- Registered carrier departures: 39,060
- The sector currently contributes 2.5% of GDP (~USD 2 billion) and employs around 40,000–50,000 people, with potential to grow to 8–10% of GDP long-term.

Key Growth Drivers

- Transshipment Services: CWIT, alongside existing facilities, strengthens Colombo's status as a coveted South Asian transshipment hub. Hambantota continues to bolster vehicle transshipment operations for regional car manufacturers apart from new container transshipment services.
- Emerging Trade & Logistics Integration: Port City Colombo and the Central Expressway enhance multimodal linkages and urban-logistics synergies. Regional projects like CWIT and Hambantota offer new trade corridors and storage capacities.
- Technological Advancements: CWIT leads the way as a fully automated terminal. Major 3PLs are adopting solar-powered warehouses, mobile SCM platforms, digital dashboards, and WMS pilots, improving transparency and sustainability.

- Foreign Investment Momentum: Notwithstanding financing shifts, CWIT reflects major capital infusion from global and regional stakeholders. Continued infrastructure-driven FDI is vital for the sector's expansion.

Challenges and Opportunities

Challenges :

- Geopolitical and reputational risks surrounding CWIT surfaced due to U.S. bribery allegations against Adani, affecting funding dynamics and investor sentiment.
- Economic instability, foreign exchange volatility, and delayed regulatory processes pose operational barriers.
- Emerging new Hi tech sea ports in neighboring countries like India and Bangladesh will offer attractive competitive rates.

Opportunities:

- The new terminal and expanded infrastructure offer tangible efficiency gains and competitive advantage.
- Scope for public-private collaboration to enhance customs processes, workforce training, and regulatory clarity.
- Government policy can further enable Sri Lanka as a regional logistics gateway.
- Introduce Automation, AI and other advance technologies available to gain regional competitive advantage

Outlook for 2025 and Beyond

Sri Lanka is fast emerging as a regional logistics powerhouse, bolstered by public-private mega-projects like CWIT and broader infrastructure initiatives such as Port City, Hambantota container terminals and the Central Expressway. Provided that challenges are managed effectively—particularly around governance and investment transparency—the country can continue elevating its role in maritime logistics, urban development, and global trade connectivity.

Corporate Governance

Corporate Governance at Chrissworld PLC 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

Chrissworld PLC 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 Chrissworld PLC 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 its 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.

Board meetings are held in every quarter in a financial year 2024/25 in order to effectively execute the board's responsibilities, while providing information to the board.

As such, the Company has appointed two Non-Executive Independent Directors to the Board namely:

Mr. Melanga A. Doolwala

Mr. Rohan Ladduwahetty

| Names of the Directors | Board Attendance |
|---|------------------|
| Mr. Christopher A.M. Perera Chairperson | 4/4 |
| Mr. Suraj Suraweera Managing Director / Chief Executive Officer | 4/4 |
| Mr. Sithira Wickramasekera Executive Director | 4/4 |
| Mr. Shanaka Lansakara Executive Director | 4/4 |
| Mr. Melanga A. Doolwala Non-Executive Independent Director | 4/4 |
| Mr. Rohan Ladduwahetty Non-Executive Independent Director | 4/4 |

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 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:

| Names of the Directors | Board Attendance |
|--|------------------|
| Mr. Melanga A. Doolwala Chairman of the committee Non-Executive Independent Director | 4/4 |
| Mr. Rohan Ladduwahetty Non-Executive Independent Director | 4/4 |

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 :

| Names of the Directors | Board Attendance |
|--|------------------|
| Mr. Rohan Ladduwahetty Chairman of the committee Non-Executive Independent Director | 1/1 |
| Mr. Melanga A. Doolwala Non-Executive Independent Director | 1/1 |

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 independent directors, together with an executive director as follows :

| Names of the Directors | Board Attendance |
|---|------------------|
| Mr. Melanga A. Doolwala Chairman of the committee Non-Executive Independent Director | 4/4 |
| Mr. Rohan Ladduwahetty Non-Executive Independent Director | 4/4 |
| Mr. Suraj Suraweera Managing Director / Chief Executive Officer | 4/4 |

STATEMENT OF COMPLIANCE ON RELATED PARTY TRANSACTIONS

The Board of Directors declare that the company has complied with the rules applicable on related party transactions as per CSE listing rules.

Human Capital

We remain fully aware that the people are Chrissworld's most valuable asset and investing in their development is paramount to our long-term success, hence set industry best practices to manage them effectively and be competitive in the industry. We always consider employees as our partners and empower them on their capabilities, recognize and reward accordingly. Our Human Capital Management policies focused on optimizing human value to the company by hiring the right talent with needed skill sets, training and development, reward and recognition to increase human productivity. Also recognize that nurturing talent and empowering our employees not only enhance individual capabilities, but also drives collective excellence.

The unique and open culture we practice has given utmost freedom to our employees which they have taken positively, hence we were able to get the best out of our employees. Due respect and equal opportunities the management has given across the company been highly recognized by our employees. Though we couldn't accomplish our annual training and development initiatives towards talent retention due to factors such as economic unrest, we managed to retain our employee turnover ratio far below industry bench mark due to our employee centric initiatives. We always encourage employees towards accomplishing their academic and professional education qualifications, not hesitate to reward and recognize on such achievements.



Key Highlights

we raised employee standard to take them to the next level where we recognized and promoted some of our staff to managerial level considering their contribution to the company. Also, we made new crucial managerial level recruits to bring more focus to ongoing and new business segments. Several high caliber professionals were recruited to fill these positions while a broad-based succession plan made to groom the next level of leaders internally. Our open and unique culture offers fair play and equal opportunities across the board including hiring, promotions and compensation. We were able to maintain 98% employee retention ratio while maintaining the full carder without any layoffs during the year despite adverse economic conditions. As a usual practice we were strict on child labor policy and adhere to same across all sites.



Challenges

In the 21st century we too face common challenges in retaining skilled employees being sought by competitors. We consider heavy human dependency as a risk and a challenge in our part of the work due to various reasons, hence start working towards certain technological upgrades to mitigate same. We had to curtail training budgets during the year to strictly cost control policy implemented due to adverse market and economic conditions of the country.

Employee Benefits

We have created an open-door culture across our facilities offered freedom to our employees under certain guidelines which are highly admired by them. We have



introduced many programs for the employees for self-learning and developing new business concepts which will be duly recognized and rewarded which has shown a good progress. Employee career development is a priority of the company where we encourage them to complete their academic and professional exams which linked to their Appraisals. As to motivate staff towards education,

we offer partial and full sponsorship on professional educational programs and we sponsor for all kind of professional memberships and renewals. Our open culture creates equal opportunities to all levels to perform freely and the remarkable performers will be duly recognized and rewarded. Safety and quality are our priorities which create employee confidence towards their personal safety and security. Our employee rotations towards multi sector operations offers wider exposure to each individual. Our regular gatherings, events and annual excursion, new year and Christmas celebrations creates more opportunities for them to showcase their talents and strengthen staff relationships. We take care of our employees' health via corporate insurance policies considering it as a corporate responsibility.

Way Forward

Though we are in a highly volatile environment mainly due to political and economic unrest, our focus and investment towards human development has unchanged, hence many training programs been identified and career succession plans been developed to uplift our employee standard. Recently obtained ISO certification, newly introduced WMS and TMS system implementation enhanced employee knowledge and create more employee opportunities in respective areas apart from the productivity they experienced during their operations. Our plans on business expansions in 3PL sector continues apart from new strategic diversifications where the existing staff will be given first preference and will surely open up new opportunities to outsiders as well.



Intellectual Capital

Intellectual capital is defined as the intangible assets of an organization, including knowledge, skills, innovative processes, and stakeholder relationships, which collectively contribute to its value and competitive advantage. We Chrissworld has embarked in improving its overall services through structured investments in building its intellectual capital base on key three pillars;

- a) **Human capital;** Enhancing knowledge, skills, creativity and motivation of the employees and managers of our team.
- b) **Structural capital;** Continuous improvements through new process introductions and existing process improvements, systems, technologies and infusing new trends to our organizational culture that supports the effective and efficient delivery of its services to our customers.
- c) **Customer capital;** Building trust, relationships, loyalty and satisfaction of the customers and partners of the company.

Chrissworld PLC has striven to consciously increase knowledge, skills, creativity and motivation of the employees and managers through continuous investment in training and exposing our team to latest trends both in operational and customer service which believes to be an integral part of the overall service deliverability and satisfaction levels of its customers. Hence we have implemented training on key digitization platforms and IoT based (internet of things) real time information accessibility to its customers servicing in key service segments such as inventory management and

distribution management services. Chrissworld PLC with the expansion of its transport and distribution services has implemented a transport management system (TMS) to bring forth the integration of digitization to the next level by sharing information on a ready to access dashboard to the customers in providing visibility of their product movement from any of Chrissworld warehouse locations to customer delivery points, be it to any part of the island. Furthermore, use of GPS – Global Positioning System tools the fleet is optimally managed ensuring the customer gets transparency in all the functions with information to his cargo delivery times, adhering to compliance such as temperature and humidity sensors, route optimization, product safety and overall journey efficiency. Chrissworld is reaping benefits of its newly introduced WMS solution ease out employee efforts and customers via real time accessibility and visibility to their valuable inventory alone company to improve their efficiency via process optimization and new process implementation. Also it ensure our customers consistently receive high quality with dashboards and other critical information for faster and accurate decision making.

Our ISO 9001:2015 Certification – A Milestone in Quality Excellence

On 05th March 2025, we proudly achieved the ISO 9001:2015 Quality Management System (QMS) certification, marking a new chapter in our journey of operational excellence. This accomplishment was driven by the Compliance & Audit Department under the guidance of Mr. Sasith Gunarathne, Company Management Representative, who led the entire process of aligning our systems and practices with the internationally recognized ISO standards.

Achieving the certificate is not the final destination but a stepping stone towards sustaining long-term excellence. Through regular internal audits, management reviews, and performance evaluations, our Compliance & Audit department ensures that the quality management system remains active, effective, and continuously evolving to meet the changing demands of the industry.

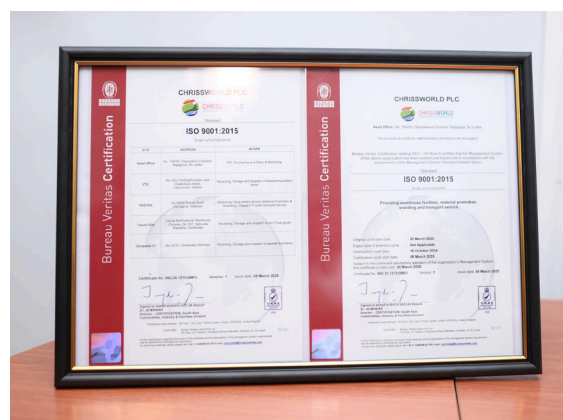
This milestone reinforces our belief that quality is not a one-time achievement but a continuous journey. With



Earning this certification is a testament to our unwavering commitment to quality and continuous improvement. ISO 9001:2015, the most widely recognized standard for quality management, emphasizes consistency, efficiency, and customer satisfaction. By adopting these principles into our daily operations, we have strengthened the foundation of trust with our valued clients and reinforced our position in the industry.

The benefits of ISO implementation extend well beyond compliance. For our customers, it means services delivered with reliability and consistency, faster turnaround times, improved communication, and the assurance that every process within the company is managed with precision and accountability. For the company, it translates into well-structured systems, enhanced efficiency, motivated teams, and a competitive advantage in the marketplace. More importantly, it builds a culture where quality is not just an objective but a shared responsibility across all departments.

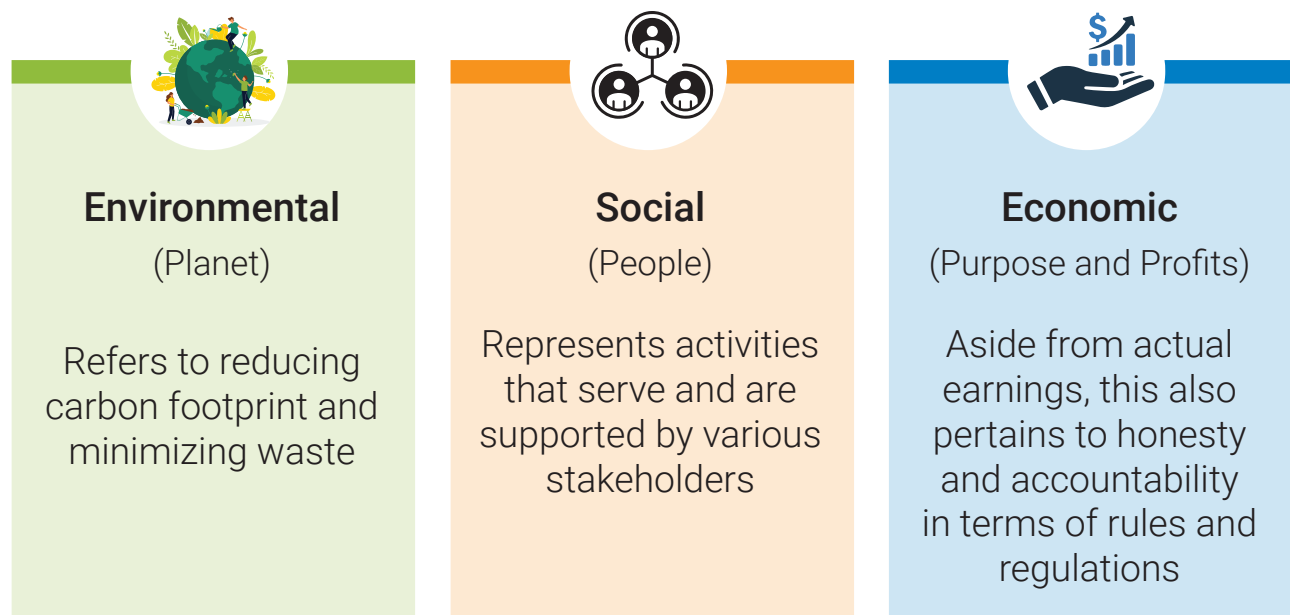
ISO 9001:2015 certification, our company stands better equipped to deliver greater value to customers, drive operational excellence, and secure sustainable growth in the years ahead.



Sustainability Strategy

Sustainability Strategy :

Sustainability is defined as development that provides the needs of the people today while making sure people's needs in the future are also ensured. It has three pillars :



Transport, the top requirement in logistics, is one of the biggest causes of carbon dioxide emissions. But it isn't the only driving force of greenhouse gas production in this industry.

Chrissworld as a responsible entity always aim at reducing the environmental and social impact of its operations, such as emissions, noise, waste and accidents and ensuring the processes are built on and monitored.

Gathering and analyzing data to measure and improve the environmental performance of Chrissworld assets and facilities, adopting green technologies and practices, such as electric operated material handling equipment (MHE), renewable energy such as solar generated lighting systems , Replaced existing warehouse lights with advanced less power consume LED lights, improving fuel efficiency of vehicles and periodic emission testing recycling and waste management are some of the initiatives taken by the company . Also newly introduced WMS and TMS advance software system was to make our operations paperless which lead to reduce our waste to a greater amount. Our new TMS system reduce our overall

emissions by a great number with the best practices such as route optimization, return journey arrangement and optimization of truck utilization. Every mile we traveled equals additional greenhouse gas in the atmosphere. So we greatly reduce carbon footprint by implementing such sound best practices along with ecological initiatives such as converting our diesel forklift fleet to battery operated trucks.

Chrissworld PLC has aligned its CSR projects engaging with customers, suppliers, regulators and communities to promote sustainability awareness and collaboration, by way of engaging in regular training and collaborative functions with regulatory bodies such as local authorities (Grama Niladhari Division), PHIs (Physical Health Inspectors) and initiating community cleaning programs to keep a healthy environment in and around Chrissworld locations. Chrissworld PLC has its sustainability strategy aligned with the corporate strategy and implementing it systematically across the organization.

Key Highlights

- TMS implementation optimized of running mileage, trips as well as the fleet in-return reduced carbon foot print to a great level
- WMS implementation reduce machine travel time reduces carbon foot print
- TMS and WMS creates a paperless environment greatly reduce our waste
- Regular awareness programs and market case studies during weekly floor meetings
- More focus and training on operation and environmental safety
- KPI based maintenance follow-up will ensure a safe and pollution free operation
- Implementation of regular waste management schedules
- Maximum usage of translucent and transparent sheets in newly constructed warehouses to minimize the usage of internal lights
- Upgrade warehouse light systems partly with solar lights and the rest with advanced, less power consume LED lights

Challenges

- Rising transport and operating cost and its impact on profitability
- Complexity in quantifying certain measurements and figures leads the need to go for costly systems
- Internal and external resistance for change management
- Empty miles
- Traffic congestion
- Poor road conditions and lack of infrastructure

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 frame work 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.

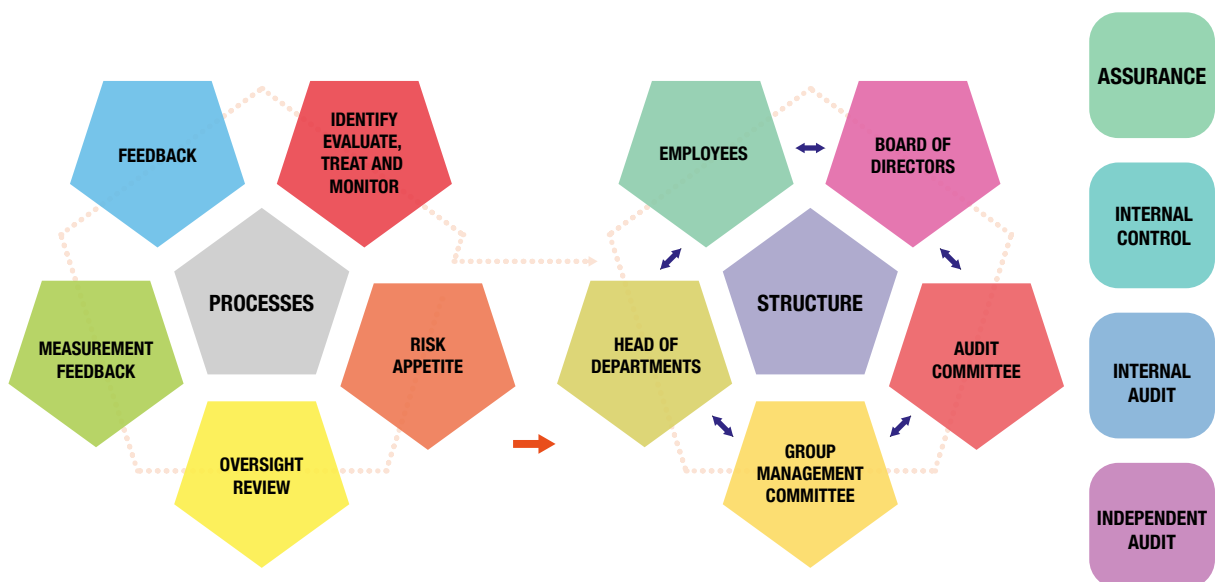
RISK MANAGEMENT FRAMEWORK

A risk cannot be viewed in isolation as it is inter connected and also one aspect might give rise to various other factors. Chrissworld PLC 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.



Risk Management Report

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, we have enhanced our insurance cover 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 without heavy dependence on few 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, Chrissworld PLC 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 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 Chrissworld PLC with required standards or due to commercial disputes. 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, Chrissworld PLC maintains best warehousing practices, conduct on-site reviews with major clients on a quarterly basis, thus any noncompliance is rectified to avoid termination of services and further the processors and compliance entrusted with the ISO certification which is in progress.

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, will have a major impact on the contribution of Logistic sector to national economy.

As per World Bank's bi-annual Sri Lanka Development Update highlights that despite the positive growth and fiscal performance, significant challenges remain. While the economy is recovering, many Sri Lankan are still struggling.

Household incomes, employment, and overall welfare are still well below pre-crisis levels and the poverty rate remained alarmingly high at 24.5 percent in 2024. The labor market continues to struggle, leading to increased emigration as people look for opportunities abroad.

The report underscores that medium-term growth and poverty reduction depend on maintaining macroeconomic stability and implementing key structural reforms amid an increasingly uncertain global environment.

Statement Of Directors' Responsibilities

The Directors are responsible under Sections 150 (1), 151, 152 (1) & 153 of the Companies Act No. 7 of 2007, to ensure compliance with the requirements set out therein to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit & loss of the Company for the financial year.

The Directors are also responsible, under Section 148, for ensuring that proper accounting records are kept to enable, determination of financial position with reasonable accuracy, preparation of financial statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the financial statements presented. The Directors confirm that in preparing the financial statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting standards, Companies Act No 07 of 2007 and the listing rules of the Colombo Stock Exchange. Further, the financial statements provide the information required by the Companies Act and the listing rules of the Colombo Stock Exchange.

The Directors are of the opinion, based on their knowledge of the company, key operations and specific inquiries that adequate resources exist to support the Company on a going concern basis over the next year. These financial statements have been prepared on that basis.

The Directors have taken reasonable measures to safeguard the assets of the Company and, in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

The external Auditors, Messrs Wijeyeratne & Company deemed re- appointed in terms of Section 158 of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on page 45 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the Balance Sheet date have been paid or where relevant, provided for.

sgd
By order of the Board
F. SHAMA ISMAIL
Company Secretary

25th August 2025
Colombo

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 page 20 of the Annual Report.

The Company Secretary functioned as secretary to the Audit Committee.

Meetings

The Committee held 4 meetings 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 judgments 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 2025 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 Wijeyeratne & Company be reappointed as Auditors for the financial year ending 31st March 2026 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.
28th August 2025

Related Party Transactions Review Committee Report

The Related party Transactions Review Committee, appointed by and responsible to the Board of Directors, consists of two independent Non-Executive Directors, Mr. 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 4 meetings during the year 2024/2025.

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 26 to the Financial Statements on page 81 to 82 of this Annual Report.



Melanga A Doolwala

Chairman

28th August 2025

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 had one meeting during the year 2024/2025. 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 Directors and Executive Staff.

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



Rohan Ladduwahetty

Chairman

28th August 2025



WIJEYERATNE & COMPANY
CHARTERED ACCOUNTANTS

Estd 1949

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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 PLC ("the Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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R. Erandi Weerasuriya FCA,BSC(Mgt.Pub)

P.A. Nadeeka Suranjana ACA,Bsc(Acc)Sp
R.G. Saman Ranasinghe ACA,ACMA,CTA



WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

For the matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Actuarial Valuation of Gratuity Obligations

Risk description:

The Company's gratuity obligation is a significant item in the financial statements, requiring complex actuarial assumptions and estimates. The actuarial valuation of gratuity obligations involves judgmental assumptions, including discount rates, salary escalation rates, employee turnover rates, and mortality rates. Due to the sensitivity of these assumptions, even small changes can have a material impact on the valuation of the gratuity obligation. Consequently, this has been identified as a key audit matter

How our audit addressed the key audit matter

- We evaluated the competence, capabilities, and objectivity of the Company's external actuary involved in the valuation process.
- We tested the key assumptions used in the actuarial valuation by comparing them with industry benchmarks and economic forecasts. This included:

- Comparing the discount rate used with our independently derived rate based on the yield of high-quality corporate bonds.
- Assessing the reasonableness of the salary escalation rate by considering the Company's historical data, current salary structures, and expected future economic conditions.
- Evaluating the assumptions related to employee turnover and mortality by comparing them with the Company's historical data and industry standards.

We have also assessed the adequacy of the disclosures made in Note 21 to the financial statements.

Other Information

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 controls 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the company financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements 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, actions taken to eliminate threats or safeguards applied.

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

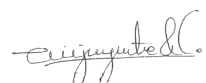
regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 4515.

COLOMBO,
25th AUGUST 2025



WIJEYERATNE & CO.,
Chartered Accountants

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|---------------|---------------|
| | | | |
| Revenue | (05) | 986,420,454 | 509,757,428 |
| Direct cost | | (842,944,498) | (393,886,714) |
| Gross profit | | 143,475,956 | 115,870,714 |
| Other income | (06) | 148,205 | 105,850 |
| Selling and distribution expenses | | (16,437,112) | (10,895,983) |
| Administrative expenses | | (91,354,882) | (76,626,500) |
| Profit from operations | | 35,832,167 | 28,454,081 |
| Finance income | (7.1) | 6,714,711 | 10,221,421 |
| Finance cost | (7.2) | (12,514,644) | (6,247,140) |
| Net finance income | (07) | (5,799,933) | 3,974,282 |
| Profit before tax | (08) | 30,032,234 | 32,428,363 |
| Income tax expense | (09) | (6,665,452) | (10,435,069) |
| Profit for the year | | 23,366,782 | 21,993,294 |
| Other comprehensive income | | | |
| (Loss) / gain on remeasurement of retirement benefit obligation | | (508,877) | 847,278 |
| Total other comprehensive income | | (508,877) | 847,278 |
| Total comprehensive income for the year | | 22,857,905 | 22,840,572 |
| Basic / Diluted earnings per share | (10) | 0.78 | 0.73 |

STATEMENT OF FINANCIAL POSITION

| As at 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|-------------|-------------|
| ASSETS | | | |
| Non current assets | | | |
| Property, plant & equipment | (12) | 36,988,726 | 21,689,778 |
| Capital work-in-progress | (13) | 17,197,220 | 16,261,153 |
| Right-of-use asset | (14) | 57,641,529 | 9,023,413 |
| Intangible assets | (15) | 1,226,007 | 731,469 |
| Other financial assets | (16) | 49,405,445 | 36,355,096 |
| Deferred tax asset | (17) | 2,224,417 | 338,333 |
| | | 164,683,344 | 84,399,242 |
| Current assets | | | |
| Trade and other receivables | (18) | 209,170,528 | 185,234,271 |
| Other financial assets | (16) | 7,043,726 | 15,000,000 |
| Cash & cash equivalents | (19) | 40,693,109 | 6,915,945 |
| Total Assets | | 256,907,363 | 207,150,216 |
| EQUITY & LIABILITIES | | 421,590,707 | 291,549,458 |
| Equity | | | |
| Stated capital | (20) | 78,750,000 | 78,750,000 |
| Retained earnings | | 75,134,618 | 52,276,713 |
| Equity attributable to owners of the company | | 153,884,618 | 131,026,713 |
| Non current liabilities | | | |
| Retirement benefit obligation | (21) | 14,927,866 | 4,874,265 |
| Lease liabilities | (22) | 26,713,377 | - |
| Interest bearing borrowings | (25) | 58,212,675 | 23,096,653 |
| | | 99,853,918 | 27,970,918 |
| Current liabilities | | | |
| Trade and other payables | (23) | 96,981,286 | 100,995,765 |
| Income tax payable | (24) | 6,093,923 | 8,616,662 |
| Interest bearing borrowings | (25) | 22,687,606 | 10,903,328 |
| Lease liabilities | (22) | 32,381,718 | 10,077,302 |
| Bank overdrafts | (19) | 9,707,639 | 1,958,770 |
| | | 167,852,171 | 132,551,827 |
| Total Liabilities | | 267,706,089 | 160,522,744 |
| Total Equity & Liabilities | | 421,590,707 | 291,549,457 |

It is certified that the Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act, No 07 of 2007.



Mrs. T. L. A. Umesha Sachithrani
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 of Directors of Chrissworld PLC;



Mr. C. A. M. Perera
Chairman
Colombo, 25th August 2025



Mr. S. A. D. N. Suraj
Managing Director/
Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY

| For the Year Ended 31 st March | Stated Capital Rs. | Retained Earnings Rs. | Total Equity Rs. |
|---|--------------------------|-----------------------------|------------------------|
| Balance as at 01st April 2023 | 78,750,000 | 29,436,141 | 108,186,141 |
| Total Comprehensive Income | | | |
| Profit for the year | - | 21,993,294 | 21,993,294 |
| Other Comprehensive Income for the year | - | 847,278 | 847,278 |
| Total Comprehensive Income | - | 22,840,572 | 22,840,572 |
| Balance as at 31st March 2024 | 78,750,000 | 52,276,713 | 131,026,713 |
| Balance as at 01st April 2024 | 78,750,000 | 52,276,713 | 131,026,713 |
| Total Comprehensive Income | | | |
| Profit for the year | - | 23,366,782 | 23,366,782 |
| Other Comprehensive Income for the year | - | (508,877) | (508,877) |
| Total Comprehensive Income | - | 22,857,905 | 22,857,905 |
| Balance as at 31st March 2025 | 78,750,000 | 75,134,618 | 153,884,618 |

STATEMENT OF CASH FLOWS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|--------------|--------------|
| Cash flows from Operating Activities | | | |
| Profit before tax | | 30,032,234 | 32,428,363 |
| Adjustment for non-cash income and expenses : | | | |
| Depreciation of property, plant and equipment | (12) | 8,110,746 | 6,429,776 |
| Amortization of right - of - use - assets | (14) | 31,754,384 | 15,432,566 |
| Amortization of intangible assets | (15) | 364,457 | 252,291 |
| Provision for employee benefits | (21) | 9,909,724 | 1,393,932 |
| Loss on disposal of intangible assets | | - | 341,538 |
| Finance costs | (07) | 11,725,086 | 5,810,648 |
| Interest income | (07) | (6,642,052) | (10,247,861) |
| | | 55,222,346 | 19,412,890 |
| Operating cash flows before working capital changes | | 85,254,580 | 51,841,253 |
| Changes in working capital | | | |
| (Increase) / decrease in trade and other receivables | (18) | (23,936,257) | (66,901,268) |
| Increase in trade and other payables | (23) | (4,014,481) | 34,167,646 |
| Gtatuity paid | (21) | (365,000) | - |
| | | (28,315,738) | (32,733,622) |
| Cash flows operating activities | | 56,938,842 | 19,107,631 |
| Interest paid | | (11,725,086) | (5,810,648) |
| Income tax paid | (24) | (11,074,275) | (2,720,776) |
| | | (22,799,361) | (8,531,424) |
| Net cash generated from operating activities | | 34,139,481 | 10,576,207 |
| Cash flows from investing activities | | | |
| Interest received | (07) | 6,642,052 | 10,247,861 |
| Investment in fixed deposits | (16) | (5,094,075) | (12,701,922) |
| Investment in capital work-in-progress | (13) | (936,067) | (5,104,475) |
| Acquisition of property, plant and equipment | (12) | (23,409,694) | (8,642,551) |
| Acquisition of intangible assets | (15) | (858,995) | (537,500) |
| Net cash flows used in investing activities | | (23,656,779) | (16,738,587) |
| Cash flows from financing activities | | | |
| Proceeds received from borrowings | (25) | 62,727,450 | 40,432,550 |
| Repayment of capital portion of borrowings | (25) | (15,827,150) | (12,326,343) |
| Repayment for lease rentals | (22) | (31,354,707) | (15,794,233) |
| Net cash flows generated from financing activities | | 15,545,593 | 12,311,974 |
| Net increase in cash & cash equivalents | | 26,028,295 | 6,149,594 |
| Net cash & cash equivalents at the beginning of the year | | 4,957,175 | (1,192,419) |
| Increase | | 26,028,295 | 6,149,594 |
| Net cash & cash equivalents at the end of the year | | 30,985,470 | 4,957,175 |
| Analysis of cash & cash equivalents at the end of the year | | | |
| Cash & cash equivalents | | 40,693,109 | 6,915,945 |
| Bank overdrafts | | (9,707,639) | (1,958,770) |
| | | 30,985,470 | 4,957,175 |

NOTES TO THE FINANCIAL STATEMENTS

(01) REPORTING ENTITY

1.1 Domicile & legal form

Chrissworld PLC ("the Company") is a Quoted Public Limited Liability Company incorporated and domiciled in Sri Lanka under the provision of Companies Act, No. 07 of 2007 and listed on the Colombo Stock Exchange during 2022. The registered office of the Company and the principal place of business is situated in No. 199/29, Obeysekera Crescent, Rajagiriya.

The Company has changed its status to a Public Company with effect from 30th August 2021.

1.2 Principal activities and nature of operations

The principal activity of the Company is providing Warehouse Management and other logistic services. There were no significant changes in the nature of principal activities of the Company during the financial year under review.

The number of employees at the end of the year was 39 (2024 – 33).

1.3 Ultimate holding company

The Company is a quoted public Company with 73% of the Share Capital held by Chrisslogix (Pvt) Limited.

1.4 Financial year

The Company's financial year ends on 31st March 2025.

1.5 Components of financial statement

The financial statement includes the following components:

- Statement of Profit or Loss and Statement of Comprehensive Income providing the information on the financial performance of the Company for the year under review.
- Statement of Financial Position providing the information on the financial position of the Company as at the year end.
- Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Company.

- Statement of Cash Flows providing the information to the users, the amount of cash and cash equivalents inflows to and outflows from the Company.

- Notes to the Financial Statements comprising material accounting policy information and other explanatory information.

(02) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General

2.1.1 Basis of preparation statement of compliance

The statement of financial position, statement of comprehensive income, statements of changes in equity and cash flows, together with the notes, (the "Financial Statements") thereto have been prepared in accordance with the Sri Lanka Accounting Standards (LKASs and SLFRSs) as laid down by the Institute of Chartered Accountants of Sri Lanka, and in compliance with the requirements of the Companies Act No 7 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

Approval of financial statements by directors

The Financial Statements of the Company for the year ended 31st March 2025 were approved and authorized for issue by the Board of Directors on 25th August 2025.

2.1.2 Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls 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. This has been further set out in the statement of directors' responsibility report in the annual report.

NOTES TO THE FINANCIAL STATEMENTS

2.1.3. Comparative information

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. Further, comparative information is reclassified wherever necessary to comply with the current year presentation.

2.1.4 Basis of measurement

The financial statements of the company have been prepared on the historical cost basis, unless otherwise stated in the relevant section to these financial statements.

2.1.5 Materiality and Aggregation

Each material class of similar item is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 01 on 'Presentation of Financial Statements' and amendments to the LKAS 1 on 'Disclosure Initiative' which was effective from January 01, 2016.

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different nature or function.

2.1.6 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standard and as specially disclosed in the Significant Accounting Policies of the company.

2.1.7 Rounding

Financial information presented in Sri Lankan rupees has been rounded to the nearest thousand, unless indicated otherwise.

The preparation of the company's Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the company's accounting policies, Management has made various judgments. Those which Management has assessed to have the most significant effect on the amounts recognized in the Financial Statements have been discussed in the individual Notes of the related Financial Statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual Notes of the related Financial Statement line items below. The company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 March 2025 is included in the following notes:

- Measurement of defined benefit obligation: key actuarial assumptions – Note 21
- Income Tax (current tax and deferred tax) – Note 24 & 17
- Fair value measurement of financial instruments – Note 32
- Impairment of financial assets: key assumption underlying recoverable amount – Note 3.3.2.3

2.1.8 Going concern

The company has prepared the Financial Statements for the year ended 31st March 2025 on the basis that it will continue to operate as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

In determining the basis of preparing the Financial Statements for the year ended 31st March 2025, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the company and the appropriateness of the use of the going concern basis.

It is the view of the management that there are no material uncertainties that may cast significant doubt on the company's ability to continue to operate as a going concern. In determining the above, significant management judgments, estimates and assumptions including the impact of the current macroeconomic challenges have been considered as of the reporting date and specific disclosures have been made under the relevant notes to the Financial Statements. The Directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future and hence has adopted the going concern basis in preparing and presenting these Financial Statements.

2.1.9 Functional and Presentation Currency

The financial statements are prepared and presented in Sri Lankan Rupees (Rs.).

(03) SIGNIFICANT ACCOUNTING POLICIES.

3.1 Foreign currency transaction and balances

Transactions in foreign currencies are initially recorded by the company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the Statement of Profit or Loss. Tax charges and credit attributable to exchange differences on those monetary items are also recognized in Other Comprehensive Income.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of nonmonetary items measured at

fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognized in OCI or Profit or Loss are also recognized in OCI or Profit or Loss, respectively). In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the company determines the transaction date for each payment or receipt of advance consideration.

Foreign currency differences arising on re-translation is recognized in the Statement of Comprehensive Income.

3.2 Current versus non-current classification

The company presents assets and liabilities in a statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- It does not have a right at the reporting date to defer the settlement of the liability for at least twelve months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

The company classifies all other liabilities as non-current.

3.3 Financial Instruments

3.3.1 Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.3.2 Financial Assets

3.3.2.1 Classification and measurement

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss. (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designed as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This assessment is referred to as the SPPI test and it is performed at an instrument level. The company's financial assets classified under amortized cost includes trade and other receivable and cash and cash equivalents.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL.

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets table

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. The Company did not classify any instrument under this category as of 31 March 2025.

Financial assets at amortized cost These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. The Company's financial assets at amortized cost includes trade receivables, loans to an employees and other investments included under other financial assets.

NOTES TO THE FINANCIAL STATEMENTS

Debt investments at FVOCI These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Company elected to classify irrevocably its listed and non-listed equity investments under this category. The Company did not classify any instrument under this category as of 31 March 2025.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. The Company did not classify any instrument under this category as of 31 March 2025.

3.3.2.2 Business model assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at portfolio levels because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

- transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3.3.2.3 Impairment

For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

In certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.3.2.4 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the trade receivables.

3.3.2.5 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures to recovery of amounts due.

3.3.2.6 Derecognition

- The company derecognizes a financial asset when:
- The contractual rights to the cash flows from the financial asset expire; or
- It transfers the rights to receive the contractual cash flows in a transaction in which either:

NOTES TO THE FINANCIAL STATEMENTS

- Substantially all of the risk and rewards of ownership of the financial assets transferred; or
- The company enters into transactions where by it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risk and rewards of the transferred assets.

In these cases, the transferred assets are not derecognized.

3.3.3 Financial Liabilities

3.3.3.1 Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

3.3.3.2 Derecognition

The company derecognizes a financial liability when its contractual obligations are discharged or Cancelled, or expired. The company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.3.3.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and net amount is reported in the statement of Financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.4

Fair value Measurement

SLFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A Fair value measurement requires an entity to determine all the following:

- 1) The particular asset or liability that is the subject of the measurement.
- 2) For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use.)
- 3) The principal (or most advantageous) market for the asset or liability
- 4) The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorized

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same, to estimate the price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

NOTES TO THE FINANCIAL STATEMENTS

When an asset is acquired or a liability is assumed in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). In contrast, the fair value of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price).

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3.4.1 Determining Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumption and other risks affecting the specific instrument.

- Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

3.5 Taxation

Tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in the Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognized directly in Equity or in Other Comprehensive Income.

(a) Current taxes

Current income tax assets and liabilities for the current and prior periods are measured at the

amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit or Loss.

Provision for taxation is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 and the subsequent amendments thereto. This Note also includes the major components of tax expense and a reconciliation between the Profit Before Tax and Tax Expense, as required by the Sri Lanka Accounting Standard – LKAS 12- Income Taxes.

(b) Deferred taxation

Deferred tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences except;

- Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:
- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that

NOTES TO THE FINANCIAL STATEMENTS

is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognized outside the Statement of Profit or Loss is recognized outside the Statement of Profit or Loss. Deferred tax relating to items recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of sales tax included.
- The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

3.6

Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one accounting year.

3.6.1.

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

3.6.2 Subsequent Costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the company. Ongoing repairs and maintenance are expensed as incurred.

3.6.3 Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment are as follows:

| Type of assets | % |
|------------------------|-----|
| Furniture and fittings | 20% |
| Office equipment | 20% |
| Computer equipment | 20% |
| Motor vehicles | 20% |
| Racking system | 15% |

No depreciation is provided on freehold land.

The depreciation charges are determined separately for each significant part of an item of property, plant and equipment and begin to depreciate when it is available for use and cease on disposal of such assets.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

3.6.4 De-recognition

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognized.

When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is de-recognized.

3.6.5 Impairment of property, plant and equipment

At each reporting date, the Company evaluates whether there are indications that an asset may be impaired. If there is any such indication, or if annual impairment testing is required for an asset, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Estimated future cash flows are discounted to present value using a pre-tax discount rate that incorporates current market assessments of the time value of money and the risks specific to the asset when determining value in use. Impairment losses are recorded in the Statement of Profit or Loss with the exception that impairment losses in respect of previously revalued property, plant and equipment are recorded against the revaluation reserve through the Statement of Other Comprehensive Income to the extent that they reverse a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists,

NOTES TO THE FINANCIAL STATEMENTS

the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss, unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.6.6 Borrowing cost

Borrowing costs are recognized as expense in the year in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that necessarily take substantial period of time to get ready for its intended use or sale, are capitalized as part of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.7 Right – of – use – assets

The company assesses at contract inception whether a contract is or contains a lease. That is, if contract covers the right to control the use of an identified asset for a period of time in exchange for consideration.

3.7.1 Right-of-use assets and Lease liabilities Company as a lease

The company applies a single recognition and measurement approach for all leases, except the Short – term lease and lease of low value assets. The company recognizes lease liabilities to make lease payments and right-of-use-assets representing the right to use the underlying assets.

The company only re-assesses whether a contract is, or contains, a lease subsequent to initial recognition if the terms and conditions of the contract are changed.

3.7.1.1 Right-of-use assets and Lease liabilities

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The company determines its incremental borrowing rate by obtaining interest rates from debt financing arrangements at the inception of the lease period.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

3.7.2. Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.8 Intangible assets

3.8.1 Software

Software acquired by the company is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software is 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

3.9 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists, or when the annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market

assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs to sell an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuous operations are recognized in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset except for the property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets an assessment is made at each reporting date to ascertain as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists the company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

3.10 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.10.1 Defined benefit plans – Gratuity

The employee benefit liability of the company is based on the actuarial valuation carried out by independent actuarial specialists. The actuarial valuations are involved in making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

3.10.2 Defined Contribution Plan

Defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. Obligations for contributions to Employees Provident Fund and Employees Trust Fund covering all employees are recognized as an expense in the statement of comprehensive income as incurred.

3.10.3 Employees' Provident Fund

The company and employees contribute 12% and 8% respectively on the salary of each employee to the Employees' Provident Fund.

3.10.4 Employees' Trust Fund

The company contributes 3% of the salary of each employee to the Employees' Trust Fund. The total amount recognized as an expense to the company for contribution to ETF and EPF is disclosed in the Note 08 to the financial statements.

3.10.5 Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11 Related Party Disclosures

3.11.1 Transactions with Related Parties

The company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard No. 24. The Pricing applicable to such transactions is based on the assessment of the risk and pricing model of the company and is comparable with what is applied to transactions between the company and its unrelated Customers.

3.11.2 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard No. 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 (including executive and non-executive Directors), and their immediate family members have been classified as Key Management Personnel of the company.

STATEMENT OF COMPREHENSIVE INCOME

3.12 Revenue and income

SLFRS 15 – Revenue from contracts with customers

Revenue represents the amounts derived from the construction contracts, sale of goods and provision of services, which fall within the Company's ordinary activities net of trade discounts and turnover-related taxes. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Timing of transferring the goods and services to the customer is determined based on judgments taking into the consideration of the nature of the goods and services that offers to the customers.

A five-step model with reference to SLFRS 15, Revenue from contracts with customers is applied before the revenue is recognized;

- 1) Identify the contract with customers.
- 2) Identify the separate performance obligations
- 3) Determine the transaction price of the contract
- 4) Allocate the transaction price to each of the separate performance obligations and;
- 5) Recognize the revenue as each performance obligation is satisfied.

Accounting judgement, estimate and assumptions

SLFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

NOTES TO THE FINANCIAL STATEMENTS

In determining the transaction price for the revenue contracts, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Services Transferred Over Time

Under SLFRS 15, the Company determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Company recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

The following specific criteria are used for the purpose of recognition of revenue:

Costs incurred that are likely to be recoverable. By considering loss making contracts, a provision is immediately made in profit or loss for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price when the forecast costs are greater than the forecast revenue.

3.12.1 Interest income

Interest income is recognized as it accrues. Interest income is included under finance income in the statement of comprehensive income.

3.13 Expenses recognition

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 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 for the year.

For the presentation of the statement of comprehensive income, the directors are of the opinion that the nature of the expenses method presents fairly the element of the company's performance, and hence, such presentation method is adopted.

3.14 Earnings per share (EPS)

The company presents Basic Earnings per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

3.15 Statement of cash flows

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits and money market investments with a maturity of three months or less.

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard 07-Statement of Cash Flows.

Interest paid are classified as operating cash flows, interests received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting of statement of cash flows.

3.16 Events occurring after the reporting period

All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in respective notes to the financial statements.

3.17 Segment reporting

An operating segment is a component within the company that engage in business activities for which it may earn distinguish revenue and expenses for such segment.

The operating results arising from warehouse management and other logistic activities as a whole is reviewed regularly by the company's Chief Operating Decision Maker to make decisions about resource to be allocated and to assess its performance. The company has only one segment hence no separate disclosure is given for operating segment.

3.18 Stated capital

Stated capital consists solely of ordinary share capital. Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

Incremental costs directly attributable to the issue of new shares other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds.

Dividends on ordinary shares are recognized in equity in the period in which they are approved by the company's shareholders.

3.19 Contingent liabilities and commitments

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard- LKAS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent Liabilities are not recognized in the statement of financial position but are disclosed unless its occurrence is remote.

Details of the commitments and contingencies are given in Note 27 & 28 to the financial statements.

(04) STANDARDS ISSUED BUT NOT YET EFFECTIVE.

4.1 New accounting standards, amendments and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following amendments and improvements are not expected to have a significant impact on the Company's financial statements.

Amendment to LKAS 1: Non-current liabilities with covenants.

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

Amendment to LKAS 16: Lease liability in a sale and leaseback.

The amendments to SLFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application.

Amendment to LKAS 12: International tax reform – Pillar two model rule.

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|--------------------|------------------|
| (05) REVENUE | | | |
| Consultancy fee income | | 1,840,000 | 1,000,000 |
| Freight forwarding income | | 449,513,665 | 46,930,000 |
| Handling fee | | 28,660,058 | 41,853,128 |
| Other sales income | | 958,661 | 4,351,541 |
| Overtime fee income | | 3,048,311 | 4,465,487 |
| Project income | | 909,491 | 2,434,483 |
| Transport income | | 66,093,371 | 80,222,941 |
| VAS operation income | | 209,520,251 | 129,765,727 |
| Warehouse management income | | 225,876,645 | 198,734,122 |
| | | 986,420,454 | 509,757,428 |
| (06) OTHER INCOME | | | |
| Sundry income | | 148,205 | 105,850 |
| | | 148,205 | 105,850 |
| (07) NET FINANCE INCOME | | | |
| (07.1) Finance income | | | |
| Interest income | | 6,642,052 | 10,247,861 |
| Net foreign exchange (loss) / gain | | 72,659 | (26,440) |
| | | 6,714,711 | 10,221,421 |
| (07.2) Finance cost | | | |
| Interest expense on borrowings | | (5,155,440) | (2,978,325) |
| Interest expense on bank overdrafts | | (852,895) | (687,492) |
| Interest cost on lease liability | 22 | (5,716,751) | (2,144,831) |
| Bank charges & surcharges | | (789,558) | (436,492) |
| | | (12,514,644) | (6,247,140) |
| Net Finance Income | | (5,799,933) | 3,974,281 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|--|-------|--------------|--------------|
| (08) PROFIT BEFORE TAX | | | |
| Is stated after charging all expenses including the following: | | | |
| Auditors' remuneration - Audit services | | 553,380 | 240,000 |
| Staff cost | 8.1 | 54,510,460 | 33,366,574 |
| Depreciation of property, plant and equipment | 12 | 8,110,746 | 6,429,776 |
| Depreciation of right of use asset | 14 | 31,754,384 | 15,432,566 |
| Amortization of intangible assets | 15 | 364,457 | 252,291 |
| (08.1) Staff cost | | | |
| Salaries, wages and other benefits | | 46,729,247 | 27,952,521 |
| Defined contribution plans - EPF | | 4,537,889 | 3,216,096 |
| Defined contribution plans - ETF | | 1,134,472 | 804,024 |
| Provision for gratuity | 21.1 | 2,108,851 | 1,393,932 |
| | | 54,510,460 | 33,366,574 |
| (09) TAX EXPENSE | | | |
| Under the provision of the Inland Revenue Act No.24 of 2017 and amendments thereto, the Company is liable for income tax at the rate of 30% on its business income and investment income | | | |
| | Notes | 2025 Rs. | 2024 Rs. |
| (09.1) Tax expense | | | |
| Current income taxes | 09.2 | 8,551,536 | 10,211,089 |
| Deferred tax charge / (reversal) | 09.3 | (1,886,084) | 223,980 |
| | | 6,665,452 | 10,435,069 |
| (09.2) Reconciliation between accounting profit and taxable profit | | | |
| Profit before income tax expenses | | 30,032,234 | 32,428,363 |
| Income from other sources and exempt income | | (6,642,052) | (10,247,861) |
| Aggregated disallowable expenses | | 47,691,882 | 27,495,836 |
| Aggregated allowable expenses | | (49,218,997) | (25,887,234) |
| Assessable income from business | | 21,863,067 | 23,789,104 |
| Assessable income from investment | | 6,642,052 | 10,247,861 |
| Taxable income | | 28,505,119 | 34,036,965 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|-------------|-------------|
|---|-------|-------------|-------------|

(09.2) Reconciliation between accounting profit and taxable profit

| | | | |
|-----------------------------|--|-----------|------------|
| Taxation | | | |
| Income tax at 30% | | 8,551,536 | 10,211,089 |
| Current income tax expenses | | 8,551,536 | 10,211,089 |

(09.3) Deferred tax reversal recognized in comprehensive income

| | | | |
|-----------------------------|----|-----------|-----------|
| Statement of profit or loss | 17 | 1,886,084 | (223,980) |
| | | 1,886,084 | (223,980) |

(10) BASIC / DILUTED EARNINGS PER SHARE

(10.1) 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.

The weighted average number of ordinary shares in issue during the previous year are adjusted for events that have changed the number of ordinary shares in issue without a corresponding changes in the resources.

| | 2025 Rs. | 2024 Rs. |
|--|-------------|-------------|
| Profit attributable to Ordinary Shareholders (Rs.) | 23,366,782 | 21,993,294 |
| Weighted Average Number of Ordinary Shares | 30,000,000 | 30,000,000 |
| Basic and Diluted Earnings per Share (Rs.) | 0.78 | 0.73 |

(10.2) Diluted earnings per share

The calculation of diluted earning per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effect of all diluted ordinary shares.

There were no potentially dilutive ordinary shares outstanding at any time during the year and previous year. Therefore, Diluted Earnings per Share is same as Basic Earnings per share shown above.

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | 2025 Rs. | 2024 Rs. |
|---|-------------|-------------|
|---|-------------|-------------|

(11) DIVIDEND PER SHARE

The following dividend was proposed by the Board of Directors and approved by the shareholders during the Annual General Meeting.

| | | |
|--|---|---|
| Dividend for the year (Rs.) | - | - |
| Weighted average number of ordinary shares | - | - |
| Dividend per share (Rs.) | - | - |

Company have not declared dividend for the financial year 2022/23 or 2023/24.

(11.1) No interim or final dividend was declared or paid by the company during the financial year ending 31st March 2025 and 31st March 2024.

(12) PROPERTY, PLANT & EQUIPMENT

| | Cost | | | |
|----------------------|---------------------------------|------------------|---------------------------------|---------------------------------|
| | As at 01st April 2024 Rs. | Additions Rs. | Disposals / Transfers Rs. | As at 31st March 2025 Rs. |
| Furniture & fittings | 9,525,873 | 979,605 | - | 10,505,478 |
| Office equipment | 6,616,989 | 5,900,877 | - | 12,517,866 |
| Computer | 7,012,668 | 597,688 | - | 7,610,356 |
| Motor vehicle | 4,191,100 | - | - | 4,191,100 |
| Machinery | 10,152,801 | 3,901,940 | - | 14,054,741 |
| Racking system | 3,454,198 | 12,029,584 | - | 15,483,782 |
| | 40,953,629 | 23,409,694 | - | 64,363,323 |

| | Accumulated Depreciation | | | |
|----------------------|---------------------------------|-------------------------------|--------------------|---------------------------------|
| | As at 01st April 2024 Rs. | Charge for the year Rs. | On Disposal Rs. | As at 31st March 2025 Rs. |
| Furniture & fittings | 6,013,132 | 1,540,186 | - | 7,553,318 |
| Office equipment | 4,299,799 | 1,432,901 | - | 5,237,751 |
| Computer | 2,838,443 | 1,315,291 | - | 4,153,734 |
| Motor vehicle | 684,814 | 832,221 | - | 1,517,035 |
| Machinery | 4,327,664 | 2,260,792 | - | 6,588,456 |
| Racking system | 1,100,000 | 729,355 | - | 1,829,355 |
| | 19,263,851 | 8,110,746 | - | 27,374,597 |
| Carrying value | 21,689,778 | | | 36,988,726 |

NOTES TO THE FINANCIAL STATEMENTS

- (12.1) Property, Plant & Equipment included fully depreciated assets that are still in use having a gross amount of Rs. 7,357,935/- (2023/24 - Rs. 7,357,935/-).
- (12.2) During the financial year, the Company purchased Property, Plant and Equipment aggregate value of Rs. 23,409,694/- for cash.
- (12.3) There is no permanent fall in the value of Property, Plant and Equipment which require a provision for impairment.
- (12.4) There were no restrictions existed on the title to the Property, Plant and Equipment of the Company as at the reporting date.
- (12.5) There were no capitalized borrowing costs related to the acquisition of Property, Plant and Equipment during the year (2023/24 - Nil).
- (12.6) The company reviewed the carrying values of property, plant and equipment as at the reporting date especially the potential impact the current economic crisis.
- Current economic crisis could have impact on the company's assets and determined that no impairment is necessary, after evaluating their business continuity plans and is satisfied the steps taken to safeguard the assets.
- (12.7) There were no assets pledged by the company as security for facilities obtained.(2023/24 - Nil).

| For the Year Ended 31 st March | 2025 Rs. | 2024 Rs. |
|---|-------------|-------------|
|---|-------------|-------------|

(13) CAPITAL WORK-IN-PROGRESS

| | | |
|--|--------------|------------|
| Balance at the beginning of the year | 16,261,153 | 11,156,678 |
| Add : Expense incurred during the year | 12,565,167 | 5,104,475 |
| | 28,826,320 | 16,261,153 |
| Less : Capitalized during the year | (11,629,100) | - |
| Balance at the end of the year | 17,197,220 | 16,261,153 |

(14) RIGHT-OF-USE ASSETS

Cost

| | | |
|-------------------------------------|-------------|------------|
| Balance as at beginning of the year | 60,495,715 | 60,495,715 |
| Additions | 80,372,500 | - |
| Balance as at the end of the year | 140,868,215 | 60,495,715 |

Accumulated Amortization

| | | |
|---|------------|------------|
| Balance as at the beginning of the year | 51,472,302 | 36,039,736 |
| Charge for the year | 31,754,384 | 15,432,566 |
| Balance at end of the year | 83,226,686 | 51,472,302 |
| Carrying value at the end of the year | 57,641,529 | 9,023,413 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|------------------|----------------|
| (15) INTANGIBLE ASSETS | | | |
| Cost | | | |
| Balance as at the beginning of the year | | 1,087,764 | 1,233,339 |
| Additions | | 858,995 | 537,500 |
| Disposal | | - | (683,075) |
| Balance as at the end of the year | | 1,946,759 | 1,087,764 |
| Accumulated Amortization | | | |
| Balance as at the beginning of the year | | 356,295 | 445,542 |
| Charge for the year | | 364,457 | 252,291 |
| Disposal | | - | (341,538) |
| Balance as at the end of the year | | 720,752 | 356,295 |
| Carrying Value at the end of the year | | 1,226,007 | 731,469 |
| Software in intangible assets mainly consists of warehouse management system and transport management system acquired by the company. | | | |
| There were no intangible assets pledged by the company as security for facilities obtained.(2023/24 - Nil). | | | |
| Intangible Assets included fully amortized assets that are still in use having a gross amount of Rs. 60,000 as at 31 st March 2025 (2023/24 - 60,000). | | | |
| (16) OTHER FINANCIAL ASSETS | | | |
| Investment in fixed deposits | | | |
| Non-current - Matured after one year | 16.1 | 49,405,445 | 36,355,096 |
| Current - Matured within one year | 16.2 | 7,043,726 | 15,000,000 |
| | | 56,449,171 | 51,355,096 |
| 16.1 Investment in fixed deposits - Non-current | | | |
| Nations trust bank PLC | | 33,650,000 | 33,650,000 |
| Sampath bank PLC | | 15,755,445 | 2,705,096 |
| | | 49,405,445 | 36,355,096 |
| 16.2 Investment in fixed deposits - Current | | | |
| LB finance PLC | | 7,043,726 | 15,000,000 |
| | | 7,043,726 | 15,000,000 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|-------------|-------------|
|---|-------|-------------|-------------|

(17) DEFERRED TAX ASSETS / (LIABILITIES)

| | | | |
|--|------|-----------|-----------|
| Balance as at the beginning of the year | | 338,333 | 562,313 |
| Deferred tax (charge) / reversal resulting from the reversal and origination of temporary difference | 17.1 | 1,886,084 | (223,980) |
| Balance as at the end of the year | | 2,224,417 | 338,333 |
| (17.1) Recognised in Profit or Loss | | | |
| Deferred tax (charge) / reversal resulting from the reversal and origination of temporary difference | | 1,886,084 | (223,980) |
| | | 1,886,084 | (223,980) |

(17.2) Deferred tax assets / (liabilities) arising from :

| | 2025 | | 2024 | |
|--|-----------------------------|---|-----------------------------|---|
| | Temporary difference Rs. | Tax effect on temporary difference Rs. | Temporary difference Rs. | Tax effect on temporary difference Rs. |
| Deferred tax provision; | | | | |
| Deferred tax liabilities | | | | |
| On property, plant and equipment / Intangible assets | (8,966,709) | (2,690,013) | (4,800,377) | (1,440,113) |
| Deferred tax assets | | | | |
| On retirement benefit obligation | 14,927,865 | 4,478,360 | 4,874,265 | 1,462,280 |
| On right-of-use asset / Lease liability | 1,453,566 | 436,070 | 1,053,890 | 316,167 |
| Net deferred tax asset | 7,414,722 | 2,224,417 | 1,127,778 | 338,333 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | | Notes | 2025 Rs. | 2024 Rs. |
|---|---|-------|-------------|-------------|
| (18) | TRADE AND OTHER RECEIVABLES | | | |
| | Trade debtors | 18.1 | 106,820,267 | 91,117,289 |
| | Warehouse rent deposits | | 31,304,720 | 39,409,164 |
| | Amounts due from related parties | 18.2 | 51,609,554 | 45,542,357 |
| | Prepayments | | 2,202,121 | 996,344 |
| | Other receivables | 18.3 | 17,233,866 | 8,169,117 |
| | Balance as at the end of the year | | 209,170,528 | 185,234,271 |
| (18.1) | Trade debtors | | | |
| | Age analysis of trade debtors | | | |
| | 0 - 30 Days | | 65,300,409 | 64,051,816 |
| | 31 - 90 Days | | 32,380,740 | 26,282,711 |
| | Less than one year | | 8,440,319 | - |
| | More than one year | | 698,799 | 782,762 |
| | | | 106,820,267 | 91,117,289 |
| (18.2) | Amounts due from related parties | | | |
| | Chrisslogix (Pvt) Ltd | | 41,295,894 | 35,228,697 |
| | Chrissleisure (Pvt) Ltd | | 10,313,660 | 10,313,660 |
| | | | 51,609,554 | 45,542,357 |
| (18.3) | Other receivables | | | |
| | Accrued investment income | | 12,822,311 | 6,600,000 |
| | Advance payments paid | | 903,390 | - |
| | BDI bond | | 40,090 | 40,090 |
| | Bank guarantee | | 500,000 | 500,000 |
| | Container Deposit Receivable | | 546,000 | - |
| | Insurance Receivable | | 562,674 | - |
| | Medical insurance recovery | | 414,109 | 171,785 |
| | Other Receivables | | 145,375 | 145,375 |
| | Refundable deposit | | 54,000 | 75,200 |
| | Staff loan | | 1,245,917 | 636,667 |
| | | | 17,233,866 | 8,169,117 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | | Notes | 2025 Rs. | 2024 Rs. |
|---|--|-------|------------------------|---------------------------|
| (19) | CASH & CASH EQUIVALENTS | | | |
| (19.1) | Favourable balances | | | |
| | Cash in hand | | 95,114 | 1,409,842 |
| | Cash at banks | | 20,830,822 | 5,339,881 |
| | Money market savings account | | 19,767,173 | 166,222 |
| | | | 40,693,109 | 6,915,945 |
| (19.2) | Unfavourable balances | | | |
| | Bank overdrafts | | (9,707,639) | (1,958,770) |
| | | | (9,707,639) | (1,958,770) |
| | Cash & cash equivalents for the purpose of statement of cash flows | | 30,985,470 | 4,957,175 |
| (20) | Stated capital | | | |
| | | | 2025 | 2024 |
| | | | No of Shares Rs. | Value of Shares Rs. |
| | Balance as at the beginning of the year | | 30,000,000 | 78,750,000 |
| | Balance as at the end of the year | | 30,000,000 | 78,750,000 |
| (20.1) | The company's stated capital consist with fully paid ordinary shares which provides entitlement to its holders to receive dividends as declared from time to time and to vote per share at a meeting of the company. | | | |
| (21) | RETIREMENT BENEFIT OBLIGATION | | | |
| | Balance as at the beginning of the year | | 4,874,265 | 4,327,611 |
| | Loss recognised in profit or loss | 21.1 | 2,108,851 | 1,393,932 |
| | Gain recognised in other comprehensive income | 21.2 | 508,877 | (847,278) |
| | Net Gratuity payments made/received for those transferred | | 7,800,873 | - |
| | Payments made during the year | | (365,000) | - |
| | Balance as at the end of the year | | 14,927,866 | 4,874,265 |
| | The gratuity liability as at 31st March 2024, amounting to Rs.4,874,265/- was based on actuarial method. | | | |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | 2025 Rs. | 2024 Rs. |
|---|-------------|-------------|
|---|-------------|-------------|

(21.1) Loss recognised in profit or loss

| | | |
|----------------------|-----------|-----------|
| Current service cost | 1,523,939 | 788,066 |
| Interest cost | 584,912 | 605,866 |
| | 2,108,851 | 1,393,932 |

(21.2) Gain recognised in other comprehensive income

| | | |
|----------------|---------|-----------|
| Actuarial gain | 508,877 | (847,278) |
| | 508,877 | (847,278) |

(21.3) Accounting judgements, estimates and assumptions

The Management tested several scenarios based calculations on possible changes of the assumptions due to the prevailing macroeconomic conditions. Based on those calculations, the management has concluded that there is no material impact to retirement benefit obligation liability of the company.

The principal assumptions used in determining the cost of employee benefits were :

| | 2025 | 2024 |
|--|----------|----------|
| Discount rate | 10% | 12% |
| Expected annual average salary increment | 10% | 10% |
| Staff turnover factor | 16% | 20% |
| Retiring age | 60 Years | 60 Years |

(21.3.1) The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. In the absence of a deep market in long term corporate bonds in Sri Lanka, the discount rate has been derived, and approximation of a long term interest rate of a 10% p.a. (2024/25 - 12% p.a) has been used to discount future liabilities. All assumptions are reviewed at each reporting date.

(21.4) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and the expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes in the respective assumption that may occur at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

(21.4) Sensitivity Analysis

| As At / For the Year Ended 31 st March | 2025 | | 2024 | |
|---|---------------|-------------------------------|---------------|-------------------------------|
| | PVODBO Rs. | Benefit / (Expense) Rs. | PVODBO Rs. | Benefit / (Expense) Rs. |
| 1% Increase in discount rate | 14,376,629 | 551,236 | 4,684,338 | 189,927 |
| 1% Decrease in discount rate | 15,529,675 | (601,809) | 5,080,327 | (206,062) |
| 1% Increase in salary increment rate | 15,585,544 | (657,679) | 5,104,557 | (230,292) |
| 1% Decrease in salary increment rate | 14,314,753 | 613,112 | 4,658,648 | 215,617 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Statement of Financial Position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

(22) LEASE LIABILITY

The company occupies lease hold properties to carry out warehouse operations.

| | 2025 Rs. | 2024 Rs. |
|---|--------------|--------------|
| Balance as at the beginning of the year | 10,077,302 | 25,871,535 |
| Leases acquired during the year | 80,372,500 | - |
| Interest expense recognised in profit or loss | 5,716,751 | 2,144,831 |
| Repayments made during the year | (37,071,458) | (17,939,064) |
| Net liability at the end of the year | 59,095,095 | 10,077,302 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|-------------|-------------|
|---|-------|-------------|-------------|

(22.1) Lease Liabilities included in the Statement of Financial Position

| | | |
|---|------------|------------|
| Payable between one year and five years | 26,713,377 | - |
| Payable within one year | 32,381,718 | 10,077,302 |
| | 59,095,095 | 10,077,302 |

(22.2) Amounts recognised in profit or loss

| | | |
|---|------------|------------|
| Interest on lease liabilities | 5,716,751 | 2,144,831 |
| Recognised in finance cost | 5,716,751 | 2,144,831 |
| Depreciation - Right-of-use assets | 31,754,384 | 15,432,566 |
| Recognised in direct cost | 31,754,384 | 15,432,566 |
| Total Amount recognised in Profit or Loss | 37,471,135 | 17,577,397 |

(22.3) Amounts Recognised in Statement of Cash Flows

| | | |
|-------------------------------|------------|------------|
| Payment for lease liabilities | 37,071,458 | 17,939,064 |
|-------------------------------|------------|------------|

(22.4) Maturity analysis – contractual undiscounted cash flows

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

| | 2025 Rs. | 2024 Rs. |
|--------------------|-------------|-------------|
| Less than one year | 26,713,377 | 10,077,302 |
| One to five years | 32,381,718 | - |
| | 59,095,095 | 10,077,302 |

(23) TRADE AND OTHER PAYABLES

| | | | |
|----------------------|------|------------|-------------|
| Trade payables | 23.1 | 72,971,012 | 62,483,642 |
| Accrued expenses | 23.2 | 15,583,842 | 35,335,441 |
| Other payables | 23.3 | 4,099,128 | 109,112 |
| Advances received | | 659,733 | - |
| SIM card deposit | | 13,000 | 13,000 |
| Rent deposit payable | | 3,654,570 | 3,054,570 |
| | | 96,981,286 | 100,995,765 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|--|-------|--------------|-------------|
| (23.1) Trade payables | | | |
| Age analysis of trade payables | | | |
| 0 - 30 Days | | 36,033,424 | 48,093,214 |
| 31 - 90 Days | | 30,420,943 | 11,443,583 |
| Less than one year | | 5,578,680 | 474,570 |
| More than one year | | 937,966 | 2,472,274 |
| | | 72,971,012 | 62,483,642 |
| (23.2) Accrued expenses | | | |
| Audit fee payable | | 450,000 | 240,000 |
| Container Deposit Payable | | 603,783 | - |
| EPF payable | | 607,779 | 471,183 |
| ETF payable | | 91,167 | 70,677 |
| Other accrued expenses | | 1,463,902 | 18,363,249 |
| PAYE payable | | 403,484 | 91,008 |
| SSCL payable | | 1,117,079 | 1,941,956 |
| Unidentified Deposits | | 26,293 | - |
| VAT payable | | 8,122,028 | 11,696,382 |
| WHT payable | | 2,698,329 | 2,460,986 |
| | | 15,583,844 | 35,335,441 |
| (23.3) Other payables | | | |
| Dividend payable | | 13,096 | 13,096 |
| Salary & wages payable | | 4,086,032 | 96,016 |
| | | 4,099,128 | 109,112 |
| (24) INCOME TAX PAYABLE | | | |
| Balance at the beginning of the year | | 8,616,662 | 1,126,348 |
| Add : Provision for the year | | | |
| Income tax | 9.2 | 8,551,536 | 10,211,089 |
| | | 17,168,198 | 11,337,437 |
| Less : Payment made during the year | | | |
| Income tax | | (10,965,162) | (2,592,142) |
| WHT | | (109,113) | (128,634) |
| Balance at the end of the year | | 6,093,923 | 8,616,662 |

NOTES TO THE FINANCIAL STATEMENTS

| For the Year Ended 31 st March | Notes | 2025 Rs. | 2024 Rs. |
|---|-------|-------------|-------------|
|---|-------|-------------|-------------|

(25) INTEREST BEARING BORROWINGS

| | | | |
|--|------|--------------|--------------|
| Amounts payable between one year and five years | | | |
| Long term loan payables | 25.1 | 58,212,675 | 23,096,653 |
| | | 58,212,675 | 23,096,653 |
| Amounts payable within one year | | | |
| Long term loan payables | 25.1 | 22,687,606 | 10,903,328 |
| | | 22,687,606 | 10,903,328 |
| (25.1) Term loans | | | |
| Balance at the beginning of the year | | 33,999,981 | 5,893,774 |
| Add: Obtained during the year | | 62,727,450 | 40,432,550 |
| Less: Repayments made during the year | | (15,827,150) | (12,326,343) |
| Balance at the end of the year | 25.2 | 80,900,281 | 33,999,981 |
| | | | |
| Payable within one year | | 22,687,606 | 10,903,328 |
| Payable between one year and five years | | 58,212,675 | 23,096,653 |
| | | 80,900,281 | 33,999,981 |

(25.2) Analysis of loans and borrowings and assets pledged as securities

| Lending institution | Loan No | Rate of interest | Maturity | Loan value | Amount outstanding as at 31.03.2025 Rs. | Amount outstanding as at 31.03.2024 Rs. |
|------------------------|--------------|------------------|------------|------------|---|---|
| Nations trust bank PLC | 640110002638 | 12.66% | 26.06.2025 | 10,000,000 | - | 6,542,697 |
| LOLC Lease | 640110002611 | 12.66% | 26.06.2028 | 28,672,550 | 22,375,258 | 26,283,951 |
| Sampath Bank PLC | G3-03-003CXR | 24% | 10.07.2025 | 1,760,000 | 354,323 | 1,173,333 |
| Sampath Bank PLC | 316264002658 | 11% | 29.08.2028 | 15,000,000 | 12,812,500 | - |
| Sampath Bank PLC | 316265000414 | 11.43% | 13.02.2029 | 25,000,000 | 23,958,200 | - |
| | 316265000423 | 12.50% | 28.12.2027 | 21,400,000 | 21,400,000 | - |
| | | | | | 80,900,281 | 33,999,981 |

NOTES TO THE FINANCIAL STATEMENTS

(26) RELATED PARTY DISCLOSURE

The Company carries out transactions with parties who are defined as related parties by LKAS 24 "Related Party disclosures", the details of which are reported below. The transactions were carried out in the ordinary course of the business and arms length in nature.

(26.1) Recurrent Related Party Transactions

| Name of the Company | Names of Directors | Nature of Interest | Nature of the Transaction | 2025 | 2024 |
|---|-----------------------|--------------------|---|-----------|--------------|
| Chrisslogix (Pvt) Ltd | Mr. C. A. M. Perera | Parent Company | Receivable as at 01st April | 5,461,176 | (8,775,068) |
| | Mr. S. A. D. N. Suraj | | Services Provided / (Received) | (674,105) | 14,236,244 |
| | Mr. S. Wickramasekera | | Shared Services | - | 2,400,000 |
| | Mr. P. M. L. Nonis | | Administration & Management Fee | - | 10,800,000 |
| | | | Business Development and Marketing Expenses | - | 4,800,000 |
| | | | Cash Payments | - | (18,000,000) |
| | | | Receivable / (Payable) as at 31st March | 4,787,071 | 5,461,176 |
| Aggregate Value of Related Party Transactions During the Year | | | Services Provided / (Received) | (674,105) | 32,236,244 |
| Aggregate Value of Related Party Transactions as a % of Net Revenue | | | Services Provided / (Received) | -0.07% | 6.32% |
| Chrissleisure (Pvt) Ltd | Mr. C. A. M. Perera | Common Directors | Balance as at 01st April | 1,460,997 | 4,591,585 |
| | Mr. S. A. D. N. Suraj | | Services Provided | - | (3,130,588) |
| | Mr. S. Wickramasekera | | Balance as at 31st March | 1,460,997 | 1,460,997 |
| | Mr. H. D. Kodagoda | | | | |
| Aggregate Value of Related Party Transactions During the Year | | | Services Provided | - | (3,130,588) |
| Aggregate Value of Related Party Transactions as a % of Net Revenue | | | Services Provided | 0.00% | -0.61% |

NOTES TO THE FINANCIAL STATEMENTS

(26.2) Non-Recurrent Related Party Transactions

| Name of the Company | Names of Directors | Nature of Interest | Nature of the Transaction | 2025 | 2024 |
|--------------------------|-----------------------|--------------------|-------------------------------|-------------|--------------|
| Chrisslogix (Pvt) Ltd | Mr. C. A. M. Perera | Parent Company | Balance as at 01st April | 29,767,521 | 35,054,950 |
| | Mr. S. A D. N. Suraj | | Loans Given | 4,900,000 | 9,000,000 |
| | | | Gratuity -Transferred Staff | 7,800,873 | - |
| | Mr. S. Wickramasekera | | Settlement | (6,633,676) | (14,287,429) |
| | Mr. P. M. L. Nonis | | Balance as at 31st March 2024 | 35,834,718 | 29,767,521 |
| Chrissleissure (Pvt) Ltd | Mr. C. A. M. Perera | Common Directors | Balance as at 01st April | 8,852,663 | 433,670 |
| | Mr. S. A. D. N. Suraj | | Loans Given | - | 8,418,993 |
| | Mr. S. Wickramasekera | | Repayment of Loans | - | - |
| | Mr. H. D. Kodagoda | | Balance as at 31st March | 8,852,663 | 8,852,663 |

(26.3) Non- Recurrent Related party transactions exceeding 10% of the Equity or 5% of the Total Assets of the entity as per latest audited Financial Statements, whichever is lower (CSE Ruling 9.3.2 (a))

| Name of the Company | Relationship | Nature of Interest | Amount Rs | As a % of | As a % of |
|-----------------------|----------------|--------------------|-----------|-----------|-----------|
| Chrisslogix (Pvt) Ltd | Parent Company | Loans Given | 4,900,000 | 1% | 3% |

(26.4) Terms and conditions of Related Party Transactions

The terms and conditions of the transactions with related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non related entities on an arm's length basis. The loans given to related party are no more favourable than those available for ordinary loan transactions.

NOTES TO THE FINANCIAL STATEMENTS

(26.5) Non Recurrent Related Party Transactions

During the year there was an instance where aggregated non-recurrent related party transactions exceeded the threshold which required the disclosure in Financial Statements as per Section 9 of the Listing Requirements of the Colombo Stock Exchange. Accordingly, the required disclosure is given in note 26.3 to the Financial Statements.

During the year there were no other non-recurrent related party transactions which exceeded the threshold stipulated in section 9 of the listing requirements, other than individual transaction disclosed in the note 27 to the Financial Statements.

(26.6) Recurrent Related Party Transactions

During the year there were no recurrent related party transactions that exceeded the thresholds that required the immediate market disclosure or shareholder approval as required under Section 9 of the Continuing Listing Requirements of the Colombo Stock Exchange.

(26.7) Compensation of Key Management Personnel

According to 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 board of directors (including executive Non - executive directors) have been classified as key management personal of The company.

(26.8) Transactions, Arrangements and Agreements Involving 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) dependants 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.

(26.9) Loans to Directors

No loans have been given to the Directors of the Company.

(26.10) Terms and Conditions of the Transactions with KMPs

The terms and conditions of the transactions with Key Management Personnel and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non Key Management Personnel related entities.

NOTES TO THE FINANCIAL STATEMENTS

(27) CAPITAL COMMITMENTS

There were no material capital expenditure approved by the Board of Directors as at 31st March 2025.

(28) CONTINGENT LIABILITIES

There were no material Contingent Liabilities outstanding as at the reporting date, which require adjustments to or disclosures in the Financial Statements.

(29) LITIGATIONS AND CLAIMS

Based on the available information, the Management is of the view that there are no material litigation or claims that could have material impact on the financial position on the Company except disclosed below.

LANKA BHOOMI ARAKSHAKA (PVT) LTD has instituted legal action for winding-up case against Chrissworld PLC in the High Court of the Western Province, Colombo (Case No:CHC 17/2025/Co), in relation to the non payment of debts amounting to Rs.638,400/= due to the dispute. The case is currently pending, and the trial has been fixed for 30th May 2025. The company is assessing the potential impact of this matter and will make appropriate provisions, if required, based on legal advice received.

The Company is a party to a legal dispute (Case No: DMR/2896/23) initiated by Kayjay Agencies (Pvt) Ltd, relating to alleged losses arising from an incident of pilferage of goods stored at a warehouse in Gonawala on 25 January 2022. Kayjay Agencies (Pvt) Ltd has claimed damages amounting to Rs. 2,814,718.31 alleging breach of contractual obligations and negligence by the Company.

The Company's legal counsel has formally denied liability for the claim, stating that the loss occurred while Kayjay Agencies (Pvt) Ltd was engaged as the site security service provider, and that the Company has suffered direct losses of Rs. 1,260,578.38 from the same incident. The Company intends to pursue legal action to recover its losses and will resist any litigation initiated by Kayjay Agencies (Pvt) Ltd, including claiming substantive damages and punitive costs.

Based on legal advice and management's assessment, a provision has been recognised in these financial statements in respect of this matter. The balance of the claim, for which the outcome cannot be reliably estimated, is disclosed as a contingent liability in accordance with LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(30) EVENTS AFTER REPORTING PERIOD

All material events after the date of the Statement of Financial Position have been considered when financial statements were prepared. The Company is negotiating a term loan for a sum of Rs.25mn from Sampath Bank PLC by pledging 5,000,000 shares of the Company owned by CHRISSLOGIX (PRIVATE) LIMITED, the major shareholder of the Company (being a related party) as additional security.

(31) COMPARATIVE FIGURES

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

NOTES TO THE FINANCIAL STATEMENTS

(32) FAIR VALUES OF FINANCIAL STATEMENTS AND ITS CLASSIFICATION

(32.1) Accounting Classifications and Fair Values

The following table shows the categories of the financial assets and financial liabilities under SLFRS 9 including their levels in the fair value hierarchy of the company.

| Financial assets and liabilities by categories in accordance with SLFRS 9 | | | | | Fair Value | | | |
|---|--------------------|---|---------------------------------------|-------------|--------------|--------------|----------|-------------|
| Notes | Amortized cost Rs. | Fair value through other Comprehensive income Rs. | Fair value through profit or loss Rs. | Total Rs. | Level 01 Rs. | Level 02 Rs. | Level 03 | Total Rs. |
| As at 31st March 2025 | | | | | | | | |
| Non current financial assets | | | | | | | | |
| Other financial assets | | | | | | | | |
| (16) | 49,405,445 | - | - | 49,405,445 | 49,405,445 | - | - | 49,405,445 |
| | | | | | | | | |
| Current financial assets | | | | | | | | |
| Other financial assets | | | | | | | | |
| (16) | 7,043,726 | - | - | 7,043,726 | 7,043,726 | - | - | 7,043,726 |
| (18) | 106,820,267 | - | - | 106,820,267 | 106,820,267 | - | - | 106,820,267 |
| (18) | 51,609,554 | - | - | 51,609,554 | 51,609,554 | - | - | 51,609,554 |
| (19) | 40,693,109 | - | - | 40,693,109 | 40,693,109 | - | - | 40,693,109 |
| | | | | | | | | |
| | | | | | | | | |
| Non current financial liabilities | | | | | | | | |
| (25) | 58,212,675 | - | - | 58,212,675 | 58,212,675 | - | - | 58,212,675 |
| (22) | 26,713,377 | - | - | 26,713,377 | 26,713,377 | - | - | 26,713,377 |
| | | | | | | | | |
| Current financial liabilities | | | | | | | | |
| (23) | 72,971,012 | - | - | 72,971,012 | 72,971,012 | - | - | 72,971,012 |
| (25) | 22,687,606 | - | - | 22,687,606 | 22,687,606 | - | - | 22,687,606 |
| (22) | 32,381,718 | - | - | 32,381,718 | 32,381,718 | - | - | 32,381,718 |
| (19) | 9,707,639 | - | - | 9,707,639 | 9,707,639 | - | - | 9,707,639 |
| | | | | | | | | |
| 137,747,975 | | | | | 137,747,975 | | | |

NOTES TO THE FINANCIAL STATEMENTS

| Financial assets and liabilities by categories in accordance with SLFRS 9 | | | | | Fair Value | | | |
|---|--------------------|---|---------------------------------------|-------------|--------------|--------------|----------|------------|
| Notes | Amortized cost Rs. | Fair value through other Comprehensive income Rs. | Fair value through profit or loss Rs. | Total Rs. | Level 01 Rs. | Level 02 Rs. | Level 03 | Total Rs. |
| As at 31 st March 2024 | | | | | | | | |
| Non current financial assets | | | | | | | | |
| Other financial assets | | | | | | | | |
| (16) | 36,355,096 | - | - | 36,355,096 | 36,355,096 | - | - | 36,355,096 |
| - Fixed deposits | 36,355,096 | - | - | 36,355,096 | | | | |
| Current financial assets | | | | | | | | |
| Other financial assets | | | | | | | | |
| (16) | 15,000,000 | - | - | 15,000,000 | 15,000,000 | - | - | 15,000,000 |
| Trade debtors | 91,117,289 | - | - | 91,117,289 | 91,117,289 | - | - | 91,117,289 |
| Receivable from related parties | 45,542,357 | - | - | 45,542,357 | 45,542,357 | - | - | 45,542,357 |
| Cash & cash equivalents | 6,915,945 | - | - | 6,915,945 | 6,915,945 | - | - | 6,915,945 |
| | 158,575,591 | - | - | 158,575,591 | | | | |
| Financial Assets Measured at Fair Value | | | | | | | | |
| Non current financial liabilities | | | | | | | | |
| (25) | 23,096,653 | - | - | 23,096,653 | 23,096,653 | - | - | 23,096,653 |
| Lease liabilities | - | - | - | - | - | - | - | - |
| | 23,096,653 | - | - | 23,096,653 | | | | |
| Current financial liabilities | | | | | | | | |
| (23) | 62,483,642 | - | - | 62,483,642 | 62,483,642 | - | - | 62,483,642 |
| Interest Bearing Borrowings | 10,903,328 | - | - | 10,903,328 | 10,903,328 | - | - | 10,903,328 |
| Lease Liabilities | 10,077,302 | - | - | 10,077,302 | 10,077,302 | - | - | 10,077,302 |
| Bank Overdrafts | 1,958,770 | - | - | 1,958,770 | 1,958,770 | - | - | 1,958,770 |
| | 85,423,042 | - | - | 85,423,042 | | | | |

NOTES TO THE FINANCIAL STATEMENTS

(33) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Introduction and overview

The Company has exposure to the following risks arising from financial instruments;

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

This note presents qualitative and quantitative information about the company's exposure to each of the above risks, the company's objectives, policies and procedures for measuring and managing risk and the company's management of capital. Further, quantitative disclosures are included throughout these financial statements.

Risk Management Framework

The Board of Directors has the overall responsibilities for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyses the risk faced by the company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the company's activities.

The Audit Committee oversees how management monitors compliance with their risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The Audit Committee is assisted in its oversight role by Internal Audit department. Internal Audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(33.1) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investments and deposits with bank.

The company is exposed to credit risk from its investing and financing activities, including deposits with banks and other financial assets.

Management of credit risk includes the following components

The company does an extensive and continuous evaluation of credit worthiness of its customers / financial institutions by assessing external credit ratings (if available) or historical information about default rates and change the credit limits and payment terms where necessary.

Impairment of financial assets

The company has a well-established credit control policy & process to minimize credit risk. company has established policies & procedures to ensure that the company held cash and cash equivalents of Rs. 40.69Mn at 31st March 2025 (2024 - Rs.6.9 Mn), which represents its maximum credit exposure on these assets.

The cash and cash equivalents are held with banks, which are rated A (Ika), based on fitch ratings.

However, management also considers the default risk of the industry in which customers operate, as this factor may have an influence on credit risk. Each new customer is analysed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. The company's review includes external ratings, when available and in some cases bank references.

(33.1) Credit Risk (Continued)

NOTES TO THE FINANCIAL STATEMENTS

Exposure to Credit Risk

The net carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows ;

| As At 31 st March | 2025 Rs. | 2024 Rs. |
|---------------------------------|--------------------|--------------------|
| Trade debtors | 106,820,267 | 91,117,289 |
| Receivable from related parties | 51,609,554 | 45,542,357 |
| Other financial assets | 56,449,171 | 51,355,096 |
| Cash & cash equivalents | 40,693,109 | 6,915,945 |
| Total | 255,572,101 | 194,930,687 |

Cash at banks

The Company held cash at banks of Rs. 47.64 Mn. as at 31st March 2025 (2023/24: Rs. 20.34 Mn.), which represents its maximum credit exposure on these assets.

Respective credit ratings of banks with Company cash balances held are as follows;

| Bank | Credit Rate | Cash at Bank 2025 Rs. | 2024 Rs. |
|-------------------------------|-------------|-----------------------------|-------------------|
| Commercial Bank of Ceylon PLC | AA - (lka) | 9,296 | 17,796 |
| LB Finance | A - (lka) | 7,043,726 | 15,000,000 |
| Sampath Bank | AA - (lka) | 17,681,597 | 565,161 |
| HNB Bank | A (lka) | 19,770,917 | 3,591,059 |
| NTB Bank | A (lka) | 3,136,185 | 1,162,361 |
| | | 47,641,721 | 20,336,377 |

NOTES TO THE FINANCIAL STATEMENTS

(33.2) Liquidity risk

Liquidity risk is the risk of facing difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or affecting the Company's reputation.

The Company also monitors the level of expected cash inflows from trade and other receivables together with expected cash outflows on trade and other payables.

The following are the contractual maturities of financial liabilities at its Carrying Value ;

| | Carrying Amount Rs. | Contractual Cash Flows | | | |
|-----------------------------|------------------------|------------------------|--------------------|---------------------|----------------------|
| | | Total Rs. | 0 - 30 Days Rs. | 31 - 90 Days Rs. | More than 90 Days |
| Trade payables | 72,971,012 | 72,971,012 | 36,033,424 | 30,420,943 | 6,516,645 |
| Interest bearing borrowings | 80,900,281 | 80,900,281 | 2,360,569 | 4,035,158 | 74,504,554 |
| Lease liability | 59,095,095 | 59,095,094 | 2,698,476 | 5,396,953 | 50,999,665 |
| Bank overdrafts | 9,707,639 | 9,707,639 | 9,707,639 | - | - |
| Total | 222,674,028 | 222,674,027 | 50,800,109 | 39,853,054 | 132,020,864 |

| | Carrying Amount Rs. | Contractual Cash Flows | | | |
|-----------------------------|------------------------|------------------------|--------------------|---------------------|----------------------|
| | | Total Rs. | 0 - 30 Days Rs. | 31 - 90 Days Rs. | More than 90 Days |
| Trade payables | 62,483,642 | 62,483,642 | 48,093,214 | 11,443,583 | 2,946,845 |
| Interest bearing borrowings | 33,999,981 | 33,999,980 | 2,833,332 | 5,666,664 | 25,499,985 |
| Lease liability | 10,077,302 | 10,077,302 | 4,484,766 | 4,484,766 | 1,107,770 |
| Bank overdrafts | 1,958,770 | 1,958,770 | 1,958,770 | - | - |
| Total | 108,519,695 | 108,519,695 | 57,370,082 | 21,595,013 | 29,554,600 |

(33.3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises two types of risks;

- Foreign exchange risk
- Interest risk

NOTES TO THE FINANCIAL STATEMENTS

(33) FINANCIAL RISK MANAGEMENT (CONTINUED)

(33.3.1) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company carefully monitored the implications and took preventive measures to early settle the liabilities when ever possible.

Sri Lanka Rupee has been depreciated significantly due to changes of exchange rate policy to free float status by the Central Bank of Sri Lanka (CBSL).

(33.3.2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's debt obligations with floating rates.

The Company manages its interest rate risk by monitoring interest rate fluctuations to enable necessary back-up plans to be ready in advance to mitigate the risk and by ensuring that the import loans are settled within a shortest possible period by improving the working capital cycle and negotiating best possible rates with the Banks.

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

The following details demonstrate the sensitivity to a reasonably possible change in the interest rate with all other variables held constant. 1% increase or decrease is used when reporting interest rate risk and represents management's assessment of the reasonably possible change in interest rates.

The impact on the Company's Profit before tax due to the change in the interest rate is as follows;

| Variable-Rate Instruments | Favorable Rs. | Un-Favorable Rs. |
|-----------------------------|------------------|---------------------|
| Import Loans | | |
| 2024/25 | | |
| Interest Rate (1% movement) | 117,251 | (117,251) |
| 2023/24 | | |
| Interest Rate (1% movement) | 58,106 | (58,106) |

(33.4) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

NOTES TO THE FINANCIAL STATEMENTS

(33.4) Operational risk (Continued)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management within the company. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas :

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Risk mitigation, including insurance when this is effective.
- Requirements for reporting of operational losses and proposed remedial action.
- Training and professional development.
- Ethical and business standards.
- Diversification of business activities.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. Capital consists of stated capital and reserves of the company. The Board of Directors monitors the return on capital, which the company defines as a result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the company may issue new shares, have a right issue or buy back of shares.

Company's debt to equity ratio at 31st March was as follows;

| As at 31st March | 2025 | 2024 |
|-----------------------------|-------------|-------------|
| Interest Bearing Borrowings | 90,607,919 | 35,958,751 |
| Total Equity | 153,884,618 | 131,026,713 |
| Equity and Debts | 244,492,537 | 166,985,464 |
| Gearing Ratio | 37% | 22% |

SUMMARISED FINANCIAL INFORMATION

| Year ended 31 st March | 2025 Rs. '000 | 2024 Rs. '000 | 2023 Rs. '000 | 2022 Rs. '000 |
|--|------------------|------------------|------------------|------------------|
| Results | | | | |
| Revenue | 986,420,453.86 | 509,757,427.59 | 308,603,867.00 | 355,084,364.00 |
| Gross Profit | 143,475,955.56 | 115,870,713.59 | 88,530,688.00 | 88,685,721.00 |
| Finance/Other Income | 6,714,711.29 | 10,221,420.94 | 5,200,885.00 | 1,931,279.00 |
| Finance Expenses | (12,514,644.00) | (6,247,140.16) | (3,643,523.00) | 2,075,408.00 |
| Profit before Tax | 30,032,233.57 | 32,428,363.19 | 16,156,502.00 | 26,828,529.00 |
| Income Tax Expense | (6,665,451.60) | (10,435,069.42) | (3,639,600.00) | (1,940,062.00) |
| Other Comprehensive Income/(Expenses) | (508,877.00) | 847,278.00 | 558,835.00 | (1,018,279.00) |
| Net Profit for the Year | 22,857,904.98 | 22,840,571.77 | 13,075,737.00 | 23,870,188.00 |
| As at 31st March | | | | |
| Assets Employed | | | | |
| Non-Current Assets | 164,683,343.92 | 84,399,241.65 | 68,439,770.00 | 57,696,794.00 |
| Current Assets | 256,907,362.64 | 207,150,215.65 | 146,653,574.00 | 156,129,609.00 |
| Total Assets | 421,590,706.56 | 291,549,458.30 | 215,093,344.00 | 213,826,403.00 |
| As at 31st March | | | | |
| Funds Employed | | | | |
| Stated Capital | 78,750,000.00 | 78,750,000.00 | 78,750,000.00 | 78,750,000.00 |
| Retained Earnings | 75,134,617.75 | 52,276,712.77 | 29,436,141.00 | 22,360,405.00 |
| Total Equity | 153,884,617.75 | 131,026,712.77 | 108,186,141.00 | 101,110,405.00 |
| Non-Current Liabilities | 99,853,918.26 | 27,970,917.60 | 12,260,081.00 | 50,862,554.00 |
| Current Liabilities | 167,852,171.21 | 132,551,826.81 | 94,647,122.00 | 61,853,444.00 |
| Total Liabilities | 267,706,089.47 | 160,522,745.41 | 106,907,203.00 | 112,715,998.00 |
| Total Equity and Liabilities | 421,590,707.22 | 291,549,458.18 | 215,093,344.00 | 213,826,403.00 |
| As at 31st March | | | | |
| Cash Flow | | | | |
| Cash flows from/(used in) Operating Activities | 34,139,481.00 | 10,576,207.11 | 49,909,846.00 | 30,722,557.00 |
| Cash flows from/(used in) Investing Activities | (23,656,779.00) | (16,738,586.81) | (48,179,052.00) | (13,572,699.00) |
| Cash flows from/(used in) Financing Activities | 15,545,593.00 | 12,311,973.99 | (24,985,759.00) | 23,983,066.00 |
| Net increase/(decrease) in Cash & Cash Equivalents | 26,028,295.00 | 6,149,594.29 | (23,254,965.00) | 41,132,924.00 |
| As at 31st March | | | | |
| Key Ratios | | | | |
| Gross Profit Margin (%) | 15% | 23% | 29% | 25% |
| Net Profit Margin (%) | 2% | 4% | 4% | 7% |
| Return on Assets (%) | 5% | 8% | 6% | 11% |
| Return on Equity (%) | 30% | 35% | 24% | 47% |
| Current Ratio (x) | 1.53 | 1.56 | 1.55 | 2.52 |
| Debt-to-Equity Ratio (%) | 97% | 35% | 32% | 18% |
| Earnings per Share (LKR) | 0.76 | 0.76 | 0.44 | 0.80 |
| Net Assets Value per Share (LKR) | 5.13 | 4.37 | 3.61 | 3.37 |

SHARE INFORMATION

Stock Exchange Listing

The Issued Ordinary Shares of the company are listed with the Colombo Stock Exchange.

Symbol - CWL.N0000

ISIN - LK0463N00006

Market Sector - Transportation (Under Empower Board)

Distribution of Shareholding

| NO. OF SHARES HELD | AS AT 31ST MARCH 2025 | | | AS AT 31ST MARCH 2024 | | |
|---------------------|-----------------------|-------------------|-------------|-----------------------|-------------------|-------------|
| | NO.OF HOLDERS | NO.OF SHARES | % | NO.OF HOLDERS | NO.OF SHARES | % |
| 1 - 1,000 | 633 | 161,238 | 1% | 608 | 161,496 | 1% |
| 1,001 - 10,000 | 304 | 1,219,874 | 4% | 301 | 1,163,098 | 4% |
| 10,001 - 100,000 | 111 | 3,482,408 | 12% | 110 | 3,236,748 | 11% |
| 100,001 - 1,000,000 | 14 | 3,386,480 | 11% | 16 | 3,688,658 | 12% |
| OVER 1,000,000 | 2 | 21,750,000 | 73% | 1 | 21,750,000 | 73% |
| TOTAL | 1064 | 30,000,000 | 100% | 1036 | 30,000,000 | 100% |

Twenty Major Shareholders

| NAME | NO.OF SHARES |
|--|--------------|
| CHRISSLOGIX (PVT) LTD | 16,750,000 |
| SAMPATH BANK PLC/ CHRISS LOGIX PVT LTD | 5,000,000 |
| BANK OF CEYLON A/C CEYBANK UNIT TRUST | 775,000 |
| MR. LANSAKARA MUDIYANSELAGE SHANAKA NILAKSHA LANSAKARA | 385,000 |
| MR. DON DILAN LASITHA NANAYAKKARA | 374,952 |
| BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND | 362,896 |
| MR. YOOSUF LEBBE FAROOK | 254,750 |
| MR. SAMARAPPULLIGE SUNIL LAKSHMAN PERERA | 222,458 |
| MR. RANDIKA DILSARA WIJESINGHE | 160,415 |
| MR. FIRTHOUSE MARINA AHAMED | 143,000 |
| DFCC BANK PLC/B.R. FERNANDO | 133,302 |
| MR. UYANA KUMARAGE SUDEEPA MADHUSANKHA WIJESINGHE | 127,534 |
| PEOPLE'S LEASING & FINANCE PLC/MRS.S.M.PERUMAL | 118,241 |
| MR. HARISHMAN SOMASKANDARASA | 112,000 |
| PEOPLE'S LEASING & FINANCE PLC/C.D.KOHOMBANWICKRAMAGE | 109,932 |
| MR. WARNAKULASOORIYA DEHIWALA ARACHCHIGE MANOJ ASANKA COSTA | 107,000 |
| MR. HEWA KODIPPILIGE OLIVER | 100,000 |
| MR. DINESH NIROSH PRADEEP RATHNAYAKE | 100,000 |
| CITIZENS DEVELOPMENT BUSINESS FINANCE PLC/D.A.C. GOONETILEKE | 96,537 |
| MR. DAN PATHIRANA | 88,140 |

Director's Shareholding

| NAME | NO.OF SHARES |
|-----------------------------|--------------|
| MR. CHRISTOPER A. M. PERERA | 19,686 |
| MR. S. A. D. NIRANJAN SURAJ | NIL |
| MR. SITHIRA WICKRAMASEKERA | NIL |
| MR. SHANAKA LANSAKARA | 385,000 |
| MR. MELANGA A.DOOLWALA | NIL |
| MR. ROHAN LADDUWAHETTY | NIL |

Share Price Movement

| NAME | 2025.03.31 | 2024.03.31 |
|-----------------------|------------|------------|
| HIGHEST PRICE LKR | 14.50 | 11.90 |
| LOWEST PRICE LKR | 9.50 | 8.50 |
| CLOSE PRICE LKR | 10.20 | 10.50 |
| LAST TRADED PRICE LKR | 10.20 | 10.60 |
| | | |
| | | |

Forms

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Fifth (5th) Annual General Meeting (Post Listing) of CHRISSWORLD PLC will be held at the NHCO Upskill Centre, 5th Floor, "RNH HOUSE", 622-B, Kotte Road, Sri Jayawardenepura, Kotte on Monday 29th September 2025 at 3.00 p.m. for the following purposes:

1. To receive and consider the Report of the Directors for the year ended 31st March 2025
2. To receive and consider the Financial Statements of the Company for the year ended 31st March 2025 together with the Auditors' Report thereon
3. To re-elect Mr. Sithira Wickramasekera who retires by rotation at the Annual General Meeting in terms of Article 84 of the Articles of Association as a Director of the Company.
4. To re-elect Mr. Lansakara Mudiyanseelage Shanaka Nilaksha Lansakara who retires by rotation at the Annual General Meeting in terms of Article 84 of the Articles of Association as a Director of the Company.
5. The Auditors of the Company, Messers Wijeyeratne & Company Auditors have consented to act as Auditors of the company for the year 2025/2026 and accordingly to be re-elected and to authorize the directors to determine the remuneration of the Auditors.

sgd
By order of the Board
F. SHAMA ISMAIL
Company Secretary

29th August 2025
Colombo

Form of Proxy

I/We*.....of.....
being a shareholder/
 shareholders* of of **Chrissworld PLC** hereby appoint,
 ofwhom failing.

| | |
|--|----------------|
| CHRISTOPHER ANGELO MELVILLE PERERA | or failing him |
| SURAWEEERA 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 at NHCO Upskill Centre, 5th Floor, "RNH HOUSE", 622-B, Kotte Road, Sri Jayawardenepura, Kotte on Monday 29th September 2025 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 for the year ended 31 st March 2025 together with the Auditors' Report thereon | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To receive and consider the Financial Statements of the Company for the year ended 31 st March 2025 together with the Auditors' Report thereon | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To re-elect Mr.Sithira Wickramasekera who retires by rotation at the Annual General Meeting in terms of Article 84 of the Articles of Association as a Director of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To re-elect Mr. Lansakara Mudiyanseelage Shanaka Nilaksha Lansakara who retires by rotation at the Annual General Meeting in terms of Article 84 of the Articles of Association as a Director of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To authorize the Directors to determine the remuneration of the Auditors, Messrs Wijeyerathna & Company who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.07 of 2007. | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this.....day of.....Two Thousand and Twenty-Five.

.....
 Signature of Shareholder

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

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 cwagm@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 :

CORPORATE INFORMATION

| | |
|-----------------------|---|
| NAME OF THE COMPANY | CHRISSWORLD 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 Melanga A Doolwala (Non-executive Independent Director) Mr Rohan Ladduwahetty (Non- executive Independent Director) |
| COMPANY SECRETARY | Ms SHAMA ISMAIL MOHAMED -A ttorney At Law and Registered Company Secretary - RCS1000087 168/5 Elvitigala Mawatha, Colombo 08 |
| COMPANY REGISTRAR | CENTRAL DOPOSITORY SYSTEMS PRIVATE LIMITED 04-01 West, block, World trade center echelon square, Colombo 01 |
| EXTERNAL AUDITORS | WIJEYERATNE & COMPANY, CHARTERED ACCOUNTANTS 'RNH HOUSE' 622/B, Kotte Road, Kotte. |
| TAX CONSULTANT | DINITWAY PARTNERS, CHARTERED ACCOUNTANTS 7 ½ Devanampiyatissa Mawatha, Colombo 10 |
| BANKERS | SAMPATH BANK PLC COMMERCIAL BANK PLC NATIONS TRUST BANK PLC HATTON NATIONAL BANK PLC |
| LAWYERS | Ms SHAMA ISMAIL MOHAMED –ATTORNEY AT LAW AND REGISTERED COMPANY SECRETARY –RCS1000087 168/5 Elvitigala Mawatha, Colombo 08 |
| ACCOUNTING YEAR | 1 st April to 31 st March |
| TAX IDENTIFICATION NO | 174932603 |
| LEGAL STATUS | Incorporated under the Companies Act no. 7 of 2007 Date of Incorporation 30 th 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 30 th August 2021 and the Company Registration No is PQ 00244471. |



Visit Our Website **www.chrissworld.com**