



SWISSTEK (CEYLON) PLC

An aerial photograph of a city skyline, showing various high-rise buildings and a river. The image is overlaid with a semi-transparent red filter. The text "Levelling Up Building Beyond" is superimposed on the image in a white, sans-serif font.

Levelling Up Building Beyond

INTEGRATED ANNUAL REPORT
2024/25

An aerial photograph of a city at night, showing numerous high-rise buildings and streets. The image is overlaid with a semi-transparent red filter, which is the background color of the entire page. The text is positioned on the right side of the image, over a white rectangular area.

Levelling Up

Building Beyond

Swisstek (Ceylon) PLC, having achieved record profitability, is now poised for its next phase of growth. As a market leader in Tile Adhesive/ Tile Grout and Aluminium and a trailblazer in quality, the Company continues to redefine industry benchmarks in Sri Lanka.

With an evolving market landscape presenting new opportunities, the Company is strategically geared to scale up its operations, enter regional markets, and build a stronger, more diversified presence. This new chapter reflects Swisstek's relentless pursuit of excellence where success is not a destination, but a platform to build beyond, elevate further, and lead with purpose.

CONTENTS



CHAIRMAN'S MESSAGE

PAGE 15



CHIEF EXECUTIVE OFFICER'S REVIEW

PAGE 18

ABOUT THIS REPORT	04
ABOUT US	06
KEY MILESTONES	11

OUR VALUE CREATION STORY

PERFORMANCE HIGHLIGHTS	13
CHAIRMAN'S REVIEW	15
CHIEF EXECUTIVE OFFICER'S REVIEW	18
BOARD OF DIRECTORS	21
SENIOR MANAGEMENT TEAM	24

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGY	26
STAKEHOLDER ENGAGEMENT	28
IDENTIFYING MATERIAL MATTERS	30
OUR STRATEGY	31
OPERATING ENVIRONMENT	32
FINANCIAL CAPITAL	35
MANUFACTURED CAPITAL	38
HUMAN CAPITAL	42
SOCIAL AND RELATIONSHIP CAPITAL	48
INTELLECTUAL CAPITAL	50
NATURAL CAPITAL	54

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE	58
RISK MANAGEMENT	88
ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY	93
STATEMENT OF DIRECTORS' RESPONSIBILITIES	99
CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT	100
REMUNERATION COMMITTEE REPORT	101
AUDIT COMMITTEE REPORT	102
RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT	104
NOMINATION AND GOVERNANCE COMMITTEE REPORT 2024/25	105

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT	110
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	114
STATEMENT OF FINANCIAL POSITION	115
STATEMENT OF CHANGES IN EQUITY	116
STATEMENT OF CASH FLOWS	118
NOTES TO THE FINANCIAL STATEMENTS	119
INVESTOR INFORMATION	170
FIVE YEAR SUMMARY OF FINANCIAL POSITION	173
FIVE YEAR SUMMARY OF INCOME STATEMENT	174
STATEMENT OF VALUE ADDED	175
GRI CONTEXT INDEX	176
NOTICE OF ANNUAL GENERAL MEETING	184
FORM OF PROXY	187
CORPORATE INFORMATION INNER BACK COVER	



ABOUT THIS REPORT

Reporting Scope and Boundary

This Report covers Swisstek (Ceylon) PLC and its subsidiaries for the period 1 April 2024 to 31 March 2025. Entities consolidated include Swisstek Aluminium Ltd and Swisstek Development Ltd. All material operations-manufacturing, R&D, sales, distribution and head-office functions-are within scope, with no restatements of prior-year non-financial data.

REGULATORY AND VOLUNTARY FRAMEWORKS

Regulatory Frameworks

- Colombo Stock Exchange (CSE) Listing Rules, notably Rule 7.5 requiring circulation of the Annual Report to shareholders within five months and online publication.
- Companies Act, SEC Act, Accounting and Auditing Standards Act and sector-specific statutes.

Voluntary Frameworks

- Global Reporting Initiative (GRI) Universal Standards for sustainability disclosures.
- Framework issued by the International Integrated Reporting Council.
- Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2017).
- United Nations Sustainable Development Goals (SDGs) alignment;

Financial Reporting

Our financial disclosures adhere to Sri Lanka's statutory requirements:

- Sri Lanka Accounting Standards (SLFRS/ LKAS) as mandated by the Accounting and Auditing Standards Act No. 15 of 1995;
- Companies Act No. 07 of 2007, stipulating form, content and publication obligations;
- Securities and Exchange Commission Act No. 36 of 1987 and Banking, Insurance and Finance Business Acts governing sector-specific reporting.
- These frameworks ensure our financial statements are prepared on a going-concern basis and provide a faithful representation of Swisstek's financial position, performance and cash flows.

Narrative Reporting

Beyond numbers, the narrative report contextualises our achievements and challenges.

It covers the following:

- Chairman's and CEO's Statements: Articulating strategic outlook and performance highlights
- Business Model and Strategy: Describing how we generate and distribute value
- Stakeholder Engagement: Reporting on our relationships with employees, customers, suppliers and communities

High-quality narrative reporting places strategy at the heart of the report, linking risks, resources and outcomes to facilitate stakeholder understanding of execution and prospects.

Corporate Governance

We comply with the Code of Best Practice on Corporate Governance issued by CA Sri Lanka, covering board composition, director independence, committees, risk oversight and remuneration principles. Meanwhile, the SEC's Corporate Governance Listing Rules mandate disclosures on board structures, board evaluations and related-party transactions for all listed entities. Our Board, through its Audit, Risk and Sustainability Committees, oversees the integrity of financial and non-financial reporting, ensuring alignment with stakeholder interests.

Reporting Frameworks and Standards

We benchmark our disclosures against:

- International Integrated Reporting Framework: Principles-based, multi-capital focus, governing content and structure.
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995: Mandates SLFRS for financial reporting.
- Companies Act No. 07 of 2007: Specifies form, content and publication of annual reports (Section 151 and 166).
- CSE Listing Rules (Rule 7.5): Requires distribution of the annual report to shareholders within five months and hosting on Company/CSE websites.
- United Nations SDGs: Reporting aligned to goals relevant to our operations and impact.

Materiality and Connectivity

We conducted a comprehensive materiality assessment-evaluating financial thresholds, stakeholder feedback and strategic priorities-to focus on topics most critical to value creation. Material matters span operational excellence, product innovation, climate resilience and human capital development, with clear linkage across financial, manufactured, intellectual, human, social and relationship and natural capitals.

Assurance and Governance

- **Financial Assurance:** Messrs KPMG, Chartered Accountants provide an unqualified opinion on our statutory financial statements, applying global audit methodologies and professional scepticism to promote trust in capital markets.
- **Non-Financial Controls:** Internal audit and risk committees oversee data integrity, while planned external assurance will cover selected ESG metrics in upcoming cycles.
- **Board Oversight:** Our Audit, Risk and Sustainability Committees ensure rigorous governance of reporting processes, data quality, and alignment with stakeholder expectations.

Capitals and Value Creation

This Report integrates performance across the six capitals:

- **Financial:** Revenue, profits and value-added distribution.
- **Manufactured:** Production capacity, technology and factory expansions.
- **Intellectual:** R & D investments, patents and new product launches.
- **Human:** Employee development, safety and well-being programs.
- **Social and Relationship:** Stakeholder partnerships, community investments and customer support.
- **Natural:** Resource efficiency, waste recycling and emission reductions under our ESG Policy.

Data Collection and Methodologies

We employ standardised data-collection templates, SAP-based production and ERP systems, and a new energy-metering platform to ensure accuracy. Disclosure metrics follow GRI metadata definitions, TCFD climate-scenario approaches and SASB materiality mapping, with year-on-year consistency.

Forward-Looking Statements

This Report contains forward-looking statements regarding the Group's anticipated financial position and operating results. Such statements are inherently subject to risks and uncertainties, and actual outcomes may differ materially from those expressed or implied. We undertake no obligation to update or revise these forward-looking statements publicly should circumstances change.

Digital Accessibility and Format

An interactive PDF-optimised for screen readers-and a mobile-first web version are available on our website and the CSE portal. Hyperlinked icons connect discussions to capitals, SDGs, KPIs and stakeholder groups for enhanced navigation.

Board Acknowledgment

The Board of Directors affirms its collective responsibility for the integrity of this Report and confirms that, to the best of its knowledge, all material information has been included and presented fairly. This acknowledgment follows the <IR> Framework requirement for a "statement by those charged with governance accepting responsibility for the report" and underscores our commitment to accurate, balanced and transparent reporting



Digital Version



A Dedicated website for Annual Report and Integrated Reporting Information

Stakeholder Feedback and Continuous Improvement

We welcome your insights on every aspect of this Report-as clarity of narrative, robustness of data and usability of our disclosures are all critical to our continuous improvement efforts. Please direct comments or questions to,



General Manager (Finance)

Swisstek (Ceylon) PLC
215, Nawala Road, Narahenpita,
Colombo-5.

ABOUT US



FOR THE PERFECT FINISH

SUMMARY

In the financial year 2024/25, Swisstek (Ceylon) PLC delivered a resilient performance amid a sluggish construction sector, achieving a 51.5% uplift in consolidated revenue to reach Rs. 15.27 Bn, while significantly reducing finance costs and increasing the net profit to Rs. 930 Mn from a net loss of Rs. 113 Mn a year earlier. The Group generated total value added of Rs. 3.9 Bn, which was judiciously distributed across employees, lenders, government and shareholders, underpinning our commitment to balanced stakeholder value creation. Operationally, we optimised financial capital through stringent cost-control strategies-limiting the rise in administration expenses to Rs. 611 Mn despite inflationary pressures-and enhanced sustainability by recycling 100% of cement and silica dust while consuming 81,176 GJ of energy under new metering systems.

INTRODUCTION

Swisstek (Ceylon) PLC is a leading specialist in tile-related construction chemicals and aluminium extrusions, serving domestic and export markets through a robust network of distributors, dealers and dedicated service teams. Over the past year, despite continued economic headwinds and a contraction in the construction sector, our diversified product portfolio and agile operational model enabled us to capture pent-up demand and deliver top-line growth.

Guided by an unwavering focus on cost optimisation, balance sheet resilience and stakeholder inclusivity, we reduced our finance expenses from Rs. 935Mn to Rs. 682 Mn, substantially improving our profit position to Rs. 930 Mn in FY 2024/25. This financial discipline, combined with strategic marketing initiatives and measured expansion into new territories, underpins our long-term ambition to build sustainable frontiers across all business segments.



OUR VISION

To be a leading manufacturer in Sri Lanka's construction industry recognised for Innovation and Sustainability-led solutions in fixing, finishing, and beautifying products and services.



OUR MISSION

To revolutionise the construction landscape in Sri Lanka through relentless dedication to innovation, sustainability, and excellence.

OUR VALUES - INTEGRITY / INNOVATION / ACCOUNTABILITY AND TEAMWORK

Value	Description
Integrity	Integrity is the consistent and unwavering adherence to moral and ethical principles, demonstrated through honest, transparent, and fair actions in all operations and relationships, even when it's not the easiest or most profitable path.
Innovation	At Swisstek Ceylon, innovation is a core guiding principle that drives the pioneering of new ideas, technologies, and approaches to revolutionise the Sri Lankan construction industry, foster continuous improvement, and create sustainable value for all stakeholders.
Accountability	At Swisstek Ceylon, innovation is a core guiding principle that drives the pioneering of new ideas, technologies, and approaches to revolutionise the Sri Lankan construction industry, foster continuous improvement, and create sustainable value for all stakeholders.
Responsibility	At Swisstek Ceylon, teamwork is not merely a value but the fundamental essence of their operations, driving success by fostering collaboration, valuing individual contributions, and amplifying collective strengths to achieve shared goals and build lasting relationships.

INTERNATIONAL STANDARDS

Swisstek operates under the following internationally recognised certifications:

- ISO 9001:2015 (Tile mortar, grout, skim coat)
- SLS 1410:2011 (Tile adhesives and grout range)
- QUALICOAT (Aluminium extrusion finish)

CORPORATE POLICIES


Policy Area	Key Highlights
Quality Policy	Adherence to ISO 9001:2015; continuous process audits and customer feedback loops.
Environmental Policy	Commitment to waste minimisation, energy efficiency and circular-economy practices.
Health and Safety	Regular risk assessments, training programs and zero-tolerance for non-compliance.
Ethics and Compliance	Code of conduct, anti-corruption measures and grievance redressal mechanisms.

OUR PRODUCTS

FINISHING

Tile Adhesive


Manufactured under ISO 9001:2015, Swisstek Tile Adhesive is Sri Lanka's only SLS-certified cementitious adhesive. Independently lab-tested for premium quality, it bonds ceramic/porcelain tiles, granite, marble and more on walls or floors. Special polymer and proprietary binders enhance water resistance, bond strength and long-term durability.



FINISHING

Aqua Shield 2K Waterproofer


A two-component, cementitious waterproofing system blended with graded aggregates and acrylic modifiers. Ideal for concrete slabs, rooftops, balconies, water tanks, pools, retaining walls, bathrooms and kitchens-it forms a seamless, crack-bridging barrier against water ingress.



FINISHING

Skim Coat


A high-build, water-based textured compound for smoothing interior/exterior walls prior to painting. Its fine white finish levels imperfections and offers excellent adhesion and workability, ensuring a flawless substrate for any decorative treatment.



FINISHING

Swisstek SW-101

Swisstek SW-101 is a cutting-edge epoxy resin grout engineered for hygiene-critical environments. Highly resistant to chemicals, abrasion, and impact, it delivers exceptional durability and performance. Its impervious, taint-free surface prevents bacterial entry and is easy to maintain in a sterile condition—making it ideal for kitchens, food processing areas, hospitals, and laboratories.



ABOUT US



FINISHING

Swisstek SW-102

Epoxy Tile Adhesive is a high-performance adhesive formulated to provide exceptional bond strengths. It is designed for use with various types of tiles including ceramic, mosaic, porcelain, and gauged stone tiles. Suitable for walls and floors, and recommended for applications with intermittent water exposure such as showers and tub surrounds.

FINISHING

Grout and Sealer

Available in 20 vibrant colours, Swisstek Tile Grout meets ISO standards and is the island's only SLS-certified grout. Regular independent testing guarantees consistent quality. Our Grout Sealer is a transparent, water-based penetrant that locks out moisture and stains, keeping grout joints crisp and easy to maintain.



FINISHING

Silicone Sealant

Neutral, non-acidic silicone formulated for 100% waterproof joint sealing. With superior tensile strength, mold-resistance and UV stability, it adheres to ceramics, glass, metals and more without discoloration, ensuring leak-proof performance in wet areas..

FINISHING

Quick Flow

A self-leveling, cement-based levelling mortar for thin-bed floor preparation. Just mix with water and pour to create a flat, seamless surface ready for carpets, vinyl, tiles or engineered wood-delivering fast set-up, minimal shrinkage and high compressive strength.



BEAUTIFICATION

Decorative Pebbles

Premium, tumbled aggregates in crystal white, black, ivory, grey and pink. Perfect for exposed-aggregate concrete, aquariums, planters or decorative landscaping, these pebbles add vibrant yet elegant colour accents to interior or exterior spaces.

BEAUTIFICATION

Tile and Marble Cleaner

Heavy-duty, pH-balanced cleaner that restores the natural lustre of ceramic, porcelain and stone tiles post-installation. It removes grout haze, dust and stubborn dirt without harming the substrate or sealants.



ALUMINIUM
FOR THE PERFECT FINISH

ALUMINIUM

Swisstek Aluminium

Swisstek Aluminium is one of the leading commercial and industrial Aluminium extrusion profile manufacturers in Sri Lanka. Using breakthrough innovation and expert capabilities to meet international standards to produce sustainable and high-quality products for residential and architectural requirements.

ALUMINIUM

Roof Master and Profiles

QUALICOAT-certified, pre-painted zinc-aluminium extrusions for roofing, cladding, purlins, gutters, window and door frames. Engineered for high corrosion resistance, precise tolerances and architectural versatility in commercial and residential construction.



WOODEN FLOORING

SWISSPARKETT

Engineered timber floors in sustainable Burma Teak, Indonesian Teak, Merbau and more. Pre-finished with durable UV-cured coatings, sold as floating or glue-down panels, they combine classic aesthetics, dimensional stability and eco-friendly FSC-certified sourcing for luxury interiors.

PRODUCTION FACILITIES



Swisstek (Ceylon) PLC
Balummahara Factory
Complex



Swisstek Aluminium Ltd
Dompe Factory
Complex

ABOUT US

Production Facilities

Facility	Location	Key Outputs	Installed Capacity p.a.	FY 2024/25 Output
Balummahara Plant	Balummahara	Tile adhesives, grout, skim coat, quick-flow mortar, sealers	91,200 MT	56,088 MT
Dompe Factory	Dompe	Aluminium extrusions and window/roofing systems	8,400 MT	6,751 MT
Zinc Aluminium Factory	Weliweriya	Roofing Sheets, Gutters and Accessories	2,100 MT	420 MT

Our Contribution

People

Employee Remuneration: Paid out

Rs. 1,109 Mn to our team, reflecting our commitment to fair compensation and talent retention

Development and Training: Rolled out advanced Learning Management Systems and well-being programs, equipping our associates with critical skills and promoting workplace wellness.

Planet

Energy Management: Consumed **10,214 Mn kWh** of electricity and **159,808 L** of diesel (**42,539 GJ**), under a new metering regime for optimised resource use.

Waste Recycling: Achieved **100%** recycling of cement and silica dust, converting by-products back into the production cycle.

Customers

Maintained a rigorous customer-support platform, delivering on-site training

and **24/7** technical helpline services to uphold industry-leading satisfaction levels.

Suppliers

Supply Chain Spend: Invested **Rs 7.654 Bn** in raw materials and services, underpinning strong, mutually beneficial partnerships across our procurement network.

Value Distribution

Recipient	Amount (Rs '000)	% of Value Added
Employees (Remuneration)	1,401,466	37%
Government (Taxes)	199,714	5%
Lenders (Interest)	682,300	18%
Shareholders (Dividends)	198,447	5%
Retained (Depreciation)	331,196	8%
Retained (Profit)	929,586	25%
Total Value Added	3,742,709	100%

Year	Milestone
1967	Incorporated under Companies Ordinance No. 51
2003	Became part of Lanka Walltiles Group
2010	Company acquired Ceykor Aluminium Industries.
2015	Launched ISO 9001:2015–certified skim coat range
2024	Achieved 12.35% revenue growth and 100% waste recycling

STRATEGY AND OUTLOOK

LOOKING AHEAD, WE WILL:



DEEPEN EXPORTS:

Leverage recent market entry in Maldives to explore new African and Middle Eastern territories.



DIGITAL TRANSFORMATION:

Roll out Sales Force Automation to enhance forecasting and order fulfillment.



GREEN MANUFACTURING:

Invest in renewable energy sources and low-carbon production processes.



PRODUCT INNOVATION:

Accelerate R & D for next-gen eco-friendly formulations and aluminium finishes.

Our focus on financial prudence, stakeholder engagement and sustainable practices positions Swisstek to navigate continued economic uncertainties and capture new frontiers of growth.

KEY MILESTONES

1967

The Company was incorporated as Parquet (Ceylon) Ltd to manufacture mosaic flooring using offcuts of local Teak. Entered into technical collaboration with Bauwerk AG of Switzerland and introduced the brand "SWISSPARKETT" to the local flooring market.

1972

Ventured into the export of mosaic flooring and block Parquet manufactured in local species Teak, Kumbuk and Panakka.

1983

Listed in the Colombo Stock Exchange.

2003

Became a member of the Lanka Walltile Group of Companies.

2009

The main line of business was changed from the manufacture and sale of wooden flooring to the manufacture and sale of Tile Mortar and Tile Grout. The manufacture of wooden flooring was discontinued although imported wooden flooring continued to be sold locally.

2010

The Company acquired Ceykor Aluminium Industries Ltd. expanding its operations to include the manufacture and sale of Aluminium Extrusions.

2011

The Company name was changed from Parquet (Ceylon) PLC to Swisstek (Ceylon) PLC. The name of the subsidiary Ceykor Aluminium Industries Ltd was changed to Swisstek Aluminium Ltd. "SWISSTEK" Brand name was introduced

for Tile Mortar and Tile Grout and used for Decorative Pebbles, Skim Coat and Tile Cleaner products added to the range, subsequently. Imported wooden flooring continues to be marketed locally under the "SWISSPARKETT" Brand name. Aluminium products sold by the subsidiary are marketed under the "SWISSTEK ALUMINIUM" brand name.

2013

Vallibel One PLC became the Company's ultimate parent Company.

2015

Was awarded the ISO 9001 certificate for manufacture of Tile Mortar, by the Sri Lanka Standards Institute. Invested in a Rs. 170 Mn plant to increase the manufacture of Tile Mortar.

2019

Swisstek Aluminium obtained 'QUALICOAT' Certification - the Gold standard for Powder Coated Aluminium. Swisstek timber flooring bags the biggest contract in Sri Lanka for timber flooring from the 'Waterfront' project.

2020

Swisstek Aluminium signs contract with ETEM to sell its system in Sri Lanka. Increase warehouse and logistic capacity. Introduces new products QUICK FLOW and GROUT SEALER to the market together with ladders and Fabricated Doors.

2021

Strengthened e-commerce platform. Swisstek was awarded the timber flooring project at Prime Grand Residencies, Ward Place, Colombo-07.

2022

Swisstek Aluminium became the No. 1 Aluminium Extrusions supplier in Sri Lanka. Swisstek (Ceylon) became the No. 1 Mortar supplier in Sri Lanka. Swisstek (Ceylon) and Swisstek Aluminium recognised a Great Place to Work.

2023

Swisstek entered into Zinc Aluminium roofing products under new Sub brand - Swisstek Roof Master. Expanded the product portfolio in to water proofing solutions with Cementous and silicone-based products.

2024

Continue to hold the market leadership position in the Adhesive and grout market Recognising Swisstek brand among the most loved product brands in Sri Lanka first time ever (LMD readers' most loved product brands 23/24)

2025

Swisstek (Ceylon) PLC implemented the SAP S/4HANA to enhance data accessibility and foster a data-driven culture.

Introduction of new vision, mission and values to Swisstek (Ceylon) PLC.

Maintain the market leader position for Adhesive and Grout.

Most loved product brand list - LMD, 88th position where as last year it was 104th.

Introduction of epoxy based products SW 101 and SW 102.




**OUR VALUE
CREATION STORY**

PERFORMANCE HIGHLIGHTS

		Group		Company	
		2024/25	2023/24	2024/25	2023/24
Financial Performance					
Revenue	Rs. Million	15,269	10,079	3,382	2,873
Gross profit	Rs. Million	3,449	1,884	1,033	750
Operating expenses	Rs. Million	1,750	1,307	479	318
Operating profit	Rs. Million	1,872	778	678	549
Pre-tax profit	Rs. Million	1,251	(77)	571	334
Taxation	Rs. Million	321	35	165	106
Profit for the year	Rs. Million	930	(113)	406	228
GP margin	%	22	19	31	26
OP margin	%	12	8	20	19
Net profit margin	%	6	(1)	12	8
Return on average equity	%	32	(3)	17	10
Financial Position					
Total assets	Rs. Million	13,061	11,081	4,509	4,053
Non-current assets	Rs. Million	4,427	4,269	2,959	2,672
Current assets	Rs. Million	8,635	6,812	1,550	1,381
Shareholders' funds	Rs. Million	3,170	2,349	2,456	2,252
Borrowings	Rs. Million	6,383	6,351	999	929
Gearing ratio	Times	1.21	1.52	0.31	0.20
Interest cover	Times	2.74	0.83	5.76	2.42
Current ratio	Times	1.40	1.33	1.19	1.02
Quick asset ratio	Times	0.57	0.52	0.78	0.68
Investor information					
Earnings per share	Rs.	6.32	(0.51)	2.96	1.67
Dividend per share	Rs.	1.45	0.70	1.45	0.70
Net Asset Value per share	Rs.	26.87	17.52	17.95	16.45
Market value per share at 31st March	Rs.	46.70	19.20	46.70	19.20
Market capitalisation as at 31st March	Rs. Million	6,391	2,614	6,391	2,614
P/E ratio	Times	7.39	(37.63)	15.75	11.50
Dividend pay out	%	22.94	-	48.92	41.94
Dividend cover	Times	4.36	-	2.04	2.38

PERFORMANCE HIGHLIGHTS 2024/25

Non Financial Performance

			2024/25	2023/24
 Human Capital	Total employees	No.	697	600
	Payments to employees	Rs. Million	1,109	665
	Employee retention rate	%	89	86
	Female representation	%	10	9
	New recruits	No.	197	207
	Investment in training	Rs. Million	3	0.42
	Total training hours	Hours	6,874	4,902
	Average training hours/employee	Hours	9.8	8.2
	Workplace injuries	No.	137	24
	Union representation	%	37	43
	 Manufactured Capital	Property, plant and equipment	Rs. Million	3,933
Investment in capex		Rs. Million	433	142
Production volume		MT	62,839	48,176
 Intellectual Capital	R & D Investment	Rs. Million	8	0.28
	New products launched	No.	8	6
	Average length of employee service	Years	12	10
 Social and Relationship Capital	Payments to Suppliers	Rs. Million	7,654	6,611
	Proportional spending to local suppliers	%	50	60
	CSR Beneficiaries	No.	600	400
	Investment in CSR	Rs. Million	4	1
 Natural Capital	Raw material Consumption	MT	43,434	39,358
	Energy consumption	GJ	81,176	59,094
	Energy intensity	GJ per unit	1.30	2.07
	Water consumption	M3	10,004	16,119
	Solid waste generation	MT	28	32
	Carbon Footprint	TCO ₂	2,634	7,129

CHAIRMAN'S MESSAGE



Dear valued shareholder,

It is with great pride that I welcome you to the 58th Annual General Meeting of Swisstek (Ceylon) PLC and present to you our eighth Integrated Annual Report for the financial year ended 31st March 2025.

This year's report, aptly themed "Levelling Up. Building Beyond.", captures the essence of our transformation journey how we are rising from a period of challenge, embracing new possibilities, and positioning ourselves for long-term, sustainable growth. At Swisstek (Ceylon) PLC, we leveraged this improving landscape to level up our performance. The year under review saw the Group returning to growth across several fronts. We recorded a revenue of Rs. 15 Bn, reflecting a growth of 51%, and made considerable strides in operational efficiency, brand strengthening, and stakeholder engagement.

Building on Economic Stability

Sri Lanka's economic recovery gained renewed momentum in 2024/25, underpinned by a combination of structural reforms, improved fiscal discipline, reduced inflationary pressures, and a stabilised exchange rate. These macroeconomic advancements have helped restore investor confidence, enhanced creditworthiness, and contributed to a more stable and predictable operating environment across industries.

The Government's ongoing engagement with multilateral institutions and adherence to fiscal consolidation targets have further strengthened the macroeconomic framework. Foreign reserves have shown improvement, and the lowering of policy interest rates has increased credit availability, providing much-needed liquidity for business expansion and consumer spending.

The construction sector, which had been severely affected by years of economic instability, import restrictions, and dwindling investor appetite, is beginning to show tangible signs of revival. The relaxation of import controls has facilitated access to essential construction materials, helping restart stalled projects and reduce cost pressures on contractors and developers.

“

As we move forward, our focus is on building beyond. We are actively investing in our capabilities, markets, and people to create value beyond traditional boundaries.

”

Levelling Up Performance

The year under review marks a significant milestone in Swisstek's financial journey, with the Group recording its highest-ever profitability of LKR 930Mn a direct outcome of disciplined execution, strategic cost management, and operational efficiency. Despite lingering macroeconomic pressures and a cautious recovery in the construction sector, the Company posted a robust top-line growth while maintaining strong control over working capital and financing costs. Strategic cost management, product innovation, and deeper customer relationships enabled us to significantly reduce our operating losses.

Our financial stability is underpinned by a prudent approach to managing external volatility. Cost optimisation initiatives, combined with selective investment in growth areas, enabled us to strengthen margins and significantly reduce prior-year losses. The outcome is a resilient balance sheet, enhanced cash flows, and the financial capacity to reinvest in innovation and market expansion.

CHAIRMAN'S MESSAGE

Market Leadership

Swisstek (Ceylon) PLC has reaffirmed its position as a market leader in tile mortar, grout, and surface preparation solutions a leadership built on trust, consistency, and product excellence. The brand's deep-rooted presence across Sri Lanka, supported by an extensive dealer network and a strong value proposition, has made it the preferred partner for both commercial projects and residential developments.

We have not only retained market share in our core product categories but also strategically expanded our footprint into adjacent segments and export markets, particularly the Maldives. With renewed construction activity and the lifting of import restrictions, Swisstek is well-positioned to scale up market reach, drive category innovation, and cement its role as a partner of choice in Sri Lanka's rebuilding journey.

Dividends

The Group has declared and paid an interim dividend of Rs. 1.15 per share for the current year. A final dividend of Rs. 0.35 per share has been proposed to be approved by the shareholders at the next annual general meeting.

Building Beyond Today

As we move forward, our focus is on building beyond. We are actively investing in our capabilities, markets, and people to create value beyond traditional boundaries. The recommencement of large-scale projects, combined with increased retail activity, has created a renewed demand for high-quality flooring solutions, an opportunity we are ready to seize.

We are strengthening our presence in export markets, particularly in the Maldives, and are evaluating entry into other regional territories. Our product

portfolio spanning tile mortar, grout, adhesives, and finishing products remains at the heart of our strategy to drive market expansion and value creation.

Working capital discipline, digital integration, and automation are key priorities as we build a leaner, smarter organisation. We are also increasing our focus on ESG integration, making progress in sustainable manufacturing and empowering the communities around our operations.

Our People, Our Strength

Our journey of levelling up would not be possible without the commitment and courage of our people. Throughout this year, our team has demonstrated extraordinary perseverance, skill, and adaptability. We remain deeply invested in their growth, welfare, and engagement.

Strengthening Stewardship

At Swisstek (Ceylon) PLC, our governance philosophy is centred on integrity, transparency, and accountability, forming the cornerstone of our long-term value creation agenda. In a year marked by transformation and recovery, the Board remained actively engaged in providing strategic oversight and ensuring that decisions were aligned with the Company's purpose and stakeholder expectations.

We adopted a forward-looking governance approach, focusing on risk anticipation, agility in policy response, and resilience in performance. The Board and its Committees worked cohesively to strengthen internal controls, oversee prudent financial management, and align operational priorities with emerging market realities. As the Company entered a new phase of growth, we ensured governance remained both a safeguard and a strategic enabler in charting a sustainable path forward.

ESG and Sustainability

Swisstek is committed to levelling up our impact beyond profits, by actively integrating Environmental, Social, and Governance (ESG) considerations into our core strategy. During the year under review, we continued to advance our sustainability agenda with focus on resource efficiency, eco-conscious manufacturing, and community engagement.

We implemented energy-saving measures and waste reduction initiatives across our manufacturing facilities, supporting a transition towards more environmentally friendly operations. Our supply chain and sourcing decisions are increasingly guided by responsible practices, while we continue to seek opportunities to reduce our carbon footprint.

On the social front, we prioritised employee wellbeing, with continued investments in training, engagement, and performance-based rewards. Our CSR outreach supported local communities around our plants, reinforcing our role as a responsible corporate citizen.

Looking ahead, we are working towards establishing more structured ESG targets, enhancing disclosures, and aligning with national and global sustainability goals. We believe that true progress is not only measured by financial metrics, but by the lasting value we create for people, planet, and society.

Future Outlook

The resumption of key infrastructure projects has injected new life into the construction sector. With investor sentiment improving and funding lines gradually reopening, domestic and foreign investment flows are once again beginning to trickle into real estate and infrastructure development.

Private sector-led projects, particularly in tourism-related infrastructure, mixed-use developments, and residential construction, have started to regain momentum. Simultaneously, urban regeneration efforts, such as those in Colombo and secondary cities, are expected to stimulate broader economic activity and generate employment across value chains.

The path to full recovery remains challenging and contingent on sustained reforms and external economic conditions, the current trajectory reflects cautious optimism. If the government continues to maintain macroeconomic discipline and accelerates regulatory reforms to improve the ease of doing business, Sri Lanka is well-positioned to rebuild its growth narrative, with the construction sector poised to play a pivotal role in this transformation.

Governance & Sustainability

Mr. Mahendra Jayasekera, Managing Director, resigned on 1st of April 2025 after more than two decades of dedicated leadership. We take this opportunity to express our sincere appreciation for his invaluable contribution to the growth and success of the Group during his distinguished tenure.

We are pleased to welcome Mr. Daminda Perera as the Chief Executive Officer to the Board. He brings with him a wealth of 21 years of cross-industry experience spanning pharmaceuticals, FMCG, Automotive, Agriculture, Manufacturing and Construction. We look to strengthen and expand our retail footprint in the years ahead.

During the year, Mr. L N D S Wijeyeratne resigned from the Board and we are deeply appreciative of the contributions made by him in guiding the Group.

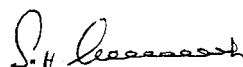
We welcomed Mr. R M M J Ratnayake and Mr. B D S Mendis as the Independent Non-Executive Directors, strengthening industry insights at the Board level and are confident that their skill and expertise will significantly contribute towards the deliberations of the Board.

CSE Rule #9 on Corporate Governance was complied with in keeping with all governance standards, and as part of this process, the Board Committees were reconstituted and director roles were re-designated to align with the updated governance framework. The necessary policies have been published on the corporate website, and a summary of the Groups compliance with Section No. 9 has been included in the Corporate Governance Report.

Gratitude and the Road Ahead

On behalf of the Board, I extend my sincere appreciation to our customers, suppliers, and business partners for their continued trust and collaboration. I also thank my fellow Board members for their wisdom and strategic direction in leading the Company towards its transformative path.

To our shareholders, I thank you for your unwavering support. As we look ahead, we are confident in our path levelling up from a position of resilience and building beyond the limitations of the past. Together, we aim to unlock new horizons of opportunity and deliver enduring value in the years to come.



S. H. Amarasekera
Chairman

29th May 2025

CHIEF EXECUTIVE OFFICER'S REVIEW



It is with pleasure that I present the Annual Report of Swisstek (Ceylon) PLC for the financial year 2024/25. The year under review marked a critical period of transformation and resilience for the Group. As Sri Lanka's economy took its first confident steps towards recovery following a series of crises of recent years, our Group made bold strides forward, capitalising on emerging opportunities while mitigating risks in a volatile environment.

Resilience in a Recovering Economy

As Sri Lanka emerged from the shadows of an economic crisis, our Group demonstrated remarkable resilience, agility, and strategic foresight. The country's economic recovery, though still fragile, has been faster than expected supported by lower interest rates and a modest rebound in construction activity. Against this backdrop, Swisstek strengthened its position as a market leader, leveraging improved conditions to unlock new opportunities for value creation.

During the year the Group achieved a significant increase in top line consolidated revenue growth of 51% to Rs. 15,268 Bn from Rs. 10,078 Bn recorded in the previous year. The Group was successful in turning around by achieving a significant profitability of Rs. 930 Mn from a loss incurred in Rs. 113 Mn. The Group's cost of sales was managed well to achieve an increased gross profit level of Rs. 3,449 Bn marking a 82% increase.

The performance of Swisstek Aluminium has been particularly noteworthy with a remarkable turnaround from a loss of Rs. 113 Mn in the previous year to a profit of similar magnitude this year. This billion-rupee swing did not just boost our financials; it redefined our positioning in the sector, enabling us to gain market leadership position.

Delivering Market Leadership

Amidst subdued sector performance and intense competition, we sustained and strengthened our market dominance in tile adhesives, Grout and surface finishing categories and aluminum products. The successful launch of Swisstek Roof Master zinc aluminium sheets and the steady traction gained by our range of waterproofing and finishing products reflect our strong brand equity and innovation capabilities. These

“

“Amidst subdued sector performance and intense competition, we sustained and strengthened our market dominance in both Tile adhesive, grout and aluminium products.”

”

product wins underscore our ability to read the market and deliver timely, relevant solutions.

Global Expansions

As part of our strategic growth agenda, Swisstek is actively expanding its presence in international markets, with a strong focus on the United States. The U.S. market presents significant potential for high-quality, sustainable aluminium products, and we are aligning our capabilities to meet the regulatory, technical, and design expectations of this key region. Initial groundwork has commenced to establish partnerships, comply with import standards, and identify distribution channels.

In parallel, we are exploring emerging opportunities in East Africa—a region experiencing rapid infrastructure development and growing demand for construction materials. Market assessments and preliminary engagements are underway to evaluate the potential for setting up export channels, collaborations, or even a regional presence to serve the construction and industrial segments more effectively.

We restructured supplier relationships, adopted tighter inventory control, and kept our raw material stocks lean and efficient. This operational discipline has not only ensured continuity but has also improved our margins and delivery responsiveness. While the local environment is improving, the global stage presents fresh challenges. The announcement of 44% tariffs on Sri Lankan exports by the USA is a stark reminder of the volatility we face. As a Group, we will proceed with caution, guided by risk intelligence, while continuing to diversify export markets and invest in product innovation.

Investing in the Future

During the year, the Group undertook a strategic investment in a world-class ERP system, laying the foundation for enhanced operational efficiency and systems integration. Complementing this, targeted investments in warehousing, logistics, and supply chain infrastructure are driving the evolution toward a more agile and seamlessly connected operating model. While still in the early stages, these initiatives have already begun to yield tangible benefits, contributing to one of the Group's strongest financial performances in recent years second only to the exceptional gains recorded from the landmark 2022/23 waterfront flooring project.

Driving Innovation for Market Expansion

During the year, we made significant strides in product innovation, enabling us to increase our footprint in the export market. Different international buyers have unique and specific requirements not just for aluminium profiles but for complete solutions. Our team successfully introduced several innovations, including aluminium applications that are more user-friendly for overseas clients. Notably, we

developed thin-profile (likely referring to slim or lightweight designs) aluminium products that reduce costs while enhancing aesthetic appeal.

Our commitment to continuous improvement led to substantial product development efforts throughout the year. Looking ahead, we are investing in advanced technology to further enhance usability without compromising the visual or functional quality of our products.

Aluminium is not an off-the-shelf product; it's typically specified by architects and adopted based on contractors' familiarity. Therefore, product quality, brand credibility, and market trust are crucial. This year, our products were chosen for several large-scale projects by reputed contractors, builders, and real estate developers validating our value proposition and reinforcing our position in the sector.

Sustainability- Beyond Compliance

Sustainability remains a key priority. While aluminium itself is highly recyclable, its manufacturing process is energy-intensive and can be environmentally harmful, particularly due to the release of sulfuric acid. As such, we have taken strong measures to ensure full compliance with environmental standards. We are proud to report zero complaints from residents near our facilities regarding emissions or environmental damage over the past few years.

We have adopted multiple green initiatives including reusing and recycling aluminium and maximising the use of raw materials recognising that these are finite, non-renewable earth resources. Our focus is to ensure environmental responsibility across the entire value chain.

Empowering Employees Through Experience

Although we did not introduce new employee initiatives this year, our long-standing focus on structured career progression, training, and development continues. Each employee's career path is clearly defined, and progression is planned within the Group framework.

As we diversify into new markets, our team gains exposure to international customer requirements and architectural standards. These experiences not only enhance professional capabilities but also broaden perspectives. Our commitment to talent development is reflected in the low turnover rates at both operational and executive levels.

A Promising Future

Looking forward, we plan to enhance our presence in the mortar and grout sector, with potential expansion into cement under our own brand. This diversification could become a significant growth driver for the Group.

At the same time, we recognise the importance of reducing dependency on the domestic market by proactively seeking export opportunities. However, we remain aware of the competitive global landscape. Most of our exports are currently directed to the USA, and recent economic volatility exacerbated by trade policy shifts has made this market less predictable.

As we chart our course, we will carefully evaluate whether to expand capacity domestically or acquire capacity overseas. Flexibility and strategic foresight will guide our decisions in meeting global demand.

Despite the challenges, we remain confident in the long-term potential of the aluminium sector. Aluminium is a product of the future lightweight,

CHIEF EXECUTIVE OFFICER'S REVIEW

durable, and infinitely recyclable. While the production process poses environmental challenges due to high energy consumption, its life-cycle sustainability makes it an ideal material for modern construction.

Positioned strategically, we believe Swisstek Ceylon PLC is poised for continued success. Our innovation-led approach, commitment to sustainability, and customer-centric mindset will drive future growth.

The year ahead calls for balance between growth and prudence, ambition and caution. We will continue to build on our core strengths while exploring new markets and opportunities. Our focus will remain on driving operational excellence, nurturing talent, and investing in infrastructure and innovation.

Appreciation

I would like to extend my heartfelt gratitude to our employees for their dedication, resilience, and the passion they bring to the Group. Our partners and suppliers have played a vital role in our success, and their continued collaboration and reliability have helped us maintain the highest standards. I am equally thankful to our shareholders, whose trust and belief in our vision provide the strength and stability that drive our growth.

I deeply appreciate the guidance and support of our Board of Directors, whose governance and insights have been instrumental in navigating our strategic direction. I wish to acknowledge our Chairman for his steadfast leadership and commitment. To our valued customers, thank you for your loyalty and confidence in our products, which inspire us to continually raise the bar. A sincere note of appreciation goes to Dr. Tharindu Atapattu, former CEO of Swisstek Aluminium, whose leadership during a challenging period was marked by commitment, and perseverance. Lastly, I wish to sincerely thank Mr. Mahendra Jayasekera, my predecessor, for his exceptional leadership in positioning the Group as an industry leader and for facilitating a smooth transition.

As we look ahead, we do so with a strong sense of purpose, clear strategy, and the collective strength of all those who stand with us.



Daminda Perera
Chief Executive Officer

29th May 2025

BOARD OF DIRECTORS



Mr. S.H. Amarasekera

Chairman - Non-Executive Director

Mr. Harsha Amarasekera, is an eminent legal practitioner in Sri Lanka since 1987, is the Non-Executive Chairman of the Company.

Mr. Harsha Amarasekera, President's Counsel is a leading luminary in the legal profession in Sri Lanka having a wide practice in the Original Courts as well as in the Appellate Courts. His fields of expertise include Commercial Law, Business Law, Securities Law, Banking Law and Intellectual Property Law.

Mr. Amarasekera has extensive experience in the corporate sector being an independent Director and Chairman of several listed Companies.

Total No. of Companies Holding Directorship/Key Management positions: 19

Mr. Amarasekera is the Non-Executive Chairman of C I C Holdings PLC, Sampath Bank PLC, Vallibel Power Erathna PLC, Swisstek Aluminium Ltd, CIC Agri Businesses (Pvt) Ltd and Sampath Centre Limited.

He is also the Non-Executive Co- Chairman of Vallibel One PLC and Rooyal Ceramics Lanka PLC. He serves as the Independent Non-Executive Director of Expolanka Holdings Ltd and Non-Executive Director of Ceylon Hotel Holdings (Pvt) Ltd, EFL Global Logistics (PTE) Ltd, Galle Face Management Company (Pvt) Ltd, Link Natural Products (Pvt) Ltd, Millennium Airlines (Pvt) Ltd, Millennium Investments Lanka (Pvt) Ltd. He is presently the chairman of Colombo Port City Economic Commission.

Date appointed to the Board : 01st September 2018



Mr. L.A.D.N. Perera

Chief Executive Officer/ Executive Director

Mr. Daminda Perera is a dynamic business leader with over 21 years of cross-industry experience spanning pharmaceuticals, FMCG, Automotive, Agriculture, Manufacturing and Construction. Blending ground-level sales expertise with Boardroom Strategy, he has consistently delivered excellence in Strategic Planning, Brand Development, route-to-market optimisation and Operational Leadership.

A multi-award-winning professional, Mr. Daminda has been honored multiple times at Unilever Sri Lanka for marketing innovation, customer development, and leadership - including the prestigious "Marketing Hero" and "Wall of Fame" recognitions. His career reflects a proven track record of driving growth, building high - performing teams and transforming business outcomes across diverse sectors.

He has a Master of Business Administration, specialised in Marketing, Postgraduate diploma in Marketing UK. He is a Member of the Chartered Institute of Marketing UK and a Member of the Sri Lanka Institute of Marketing.

Total No. of Companies Holding Directorship/ Key Management positions: 02

Mr. Daminda serves as the Chief Executive Officer/ Executive Director of Swisstek (Ceylon) PLC and Executive Director of Swisstek Aluminium Ltd.

Date appointed to the Board : 21st May 2025



Mr. J.K.A. Sirinatha

Non-Executive Director

Mr. J K Aravinda Sirinatha holds a Master's Degree in Business Administration, a Bachelor's Degree in Management and has also completed the Intermediate level exams held by the Institute of Chartered Accountants of Sri Lanka. He holds 25 years' experience in the fields of finance, Manufacturing, Supply Chain Management and Sales and Marketing.

Total No. of Companies Holding Directorship/Key Management positions: 05

He serves as Non-Executive Director of LB Managements Services (Private) Ltd, Delmege Freight Services (Private) Ltd and Delmege Air Services Ltd, Ever Paint and Chemical Industries (Private) Limited and Home Base Lanka (Pvt) Ltd.

Date appointed to the Board : 01st January 2014

BOARD OF DIRECTORS



Dr. S Selliah
Non-Executive Director

Dr. Selliah holds an MBBS degree and a Master's Degree (M.Phil) and has over two decades of diverse and extensive experience in serving on the Boards related to varied fields including Manufacturing, Healthcare, Insurance, Banking, Logistics, Packaging, Renewable Power, Plantation, Retail etc. He currently serves on the Boards of many Public listed and Private companies. Has extensive experience on serving on Board sub committees as Chairman or Member which include, Human Resource and Remuneration committee, Investment committee, Strategic Planning committee, Related Party Transaction committee, Nomination and Governance committee, Audit committee, Risk Management committee etc.

Total No. of Companies Holding Directorship/Key Management positions: 13

Dr. Selliah serves on a non executive capacity in the following company Boards. Dr. Selliah is the Chairman of JAT Holdings PLC and serves as a Director of Commercial Bank of Ceylon PLC, Swisstek (Ceylon) PLC, Lanka Walltiles PLC, Lanka Tiles PLC, ACL Cables PLC, Arunodhaya Private Ltd, Arunodhaya Industries (Pvt) Ltd. He is also the Chairman of Cleanco Lanka (Private) Ltd and Vydexa Lanka Power Corporation (Pvt) Ltd and Andysel (Private) Ltd. He also is a director of Arunodhaya Investments (Pvt) Ltd. He has also served on many other Listed Company Boards in the past.

Dr.Selliah has served as a Senior Lecturer in the Faculty of Medicine, University of Kelaniya for many years in the past and served on several committees. He has also been Head of the Department of Physiology for many years during this period at the Faculty. He has also served as a Member of the University Council at the University of Colombo in the past.

Date appointed to the Board : 28th March 2017



Mr. A M Weerasinghe
Non-Executive Director

Founder of Royal Ceramics Lanka PLC in 1990 a Gem Merchant by profession. Mr. Weerasinghe has been in the business field for more than 38 years involved in Real Estate, Construction, Transportation and Hospital Industry, and a Landed Proprietor

Total No. of Companies Holding Directorship/Key Management positions: 16

He serves as Executive Chairman - Rocell Bathware Limited and Non-Executive Chairman of Lanka Ceramic PLC, Lanka Tiles PLC, Lanka Walltiles PLC, Singhe Hospitals PLC, Ever Paint and Chemical Industries (Private) Limited, TradeHuts (Pvt) Ltd, Weerasinghe Gems (Pvt) Ltd, Weerasinghe Property Development (Pvt) Ltd

He is also a Non-Executive Director of Swisstek (Ceylon) PLC, Biscuits and Chocolate Company Ltd

C P Holding (Pvt) Ltd, LC Plantation Projects (Pvt) Ltd, Rocell Properties Limited, Royal Ceramics Distributors (Private) Ltd, Swisstek Aluminium Limited.

Date appointed to the Board: 15th March 2017



Mr. A.S.Mahendra
Non-Executive Director

Mr. A S Mahendra is the Director - Group Marketing of Lanka Walltiles PLC and Lanka Tiles PLC both companies quoted on the Colombo Stock Exchange.

He has 36 years of working experience in the field of Sales and Marketing. He holds an MBA in Marketing from the University of Colombo and a Post Graduate Diploma from the Chartered Institute of Marketing. He is a Chartered Marketer and a Fellow Member of the Chartered Institute of Marketing – UK

Total No. of Companies Holding Directorship/Key Management positions: 04

He serves as Non-Executive Director of Swisstek Aluminium Limited and Vallibel Plantation Management Ltd.

Date appointed to the Board : 30th August 2017.



Mr. K.D.G. Gunaratne
Non-Executive Director

Mr. Gunaratne studied at St. Thomas' College Mt. Lavinia and was a member of the Western Provincial Council during the period 1989 to 2009.

Mr. Gunaratne has held diverse leadership positions in both private and state sector organisations. He previously served as the Vice

Chairman of the National Water Supply and Drainage Board. Mr. Gunaratne presently serves as Chairman of Lanka Hotels and Residences (Pvt) Ltd (Sheraton Colombo).

Total No. of Companies Holding Directorship/Key Management positions: 07

He also holds Directorships on the Boards of Hayleys PLC, Dipped Products PLC, Horana Plantations PLC, College of Fashion and Design and SLIIT International (Pvt) Ltd.

He has served as Independent Non-Executive Director of Lanka Walltiles PLC.

Date appointed to the Board : 30th August 2017



Mr. C.U. Weerawardena
Independent Non- Executive Director

Mr. Chethiya Umagiliya, Currently pursuing his Doctorate in Business Administration from University of Azteca, also holds a Masters in Business Administration (MBA) from the University of Suffolk in the United Kingdom. His professional qualifications are further strengthened by his membership in the Chartered Management Institute (UK) (MCFI), professional memberships in the Financial Management Association (FMA) and Chartered Professional Managers (FCPM). He is also a member of the Chartered Institute of Marketing (CIM).

Mr. Umagiliya holds a multifaceted career, thriving in both corporate and entrepreneurial environments. Currently serving on the board of directors for multiple corporations, his entrepreneurial spirit is further evidenced by his success in building entities across various sectors including that of Gems and Real Estate.

Total No. of Companies Holding Directorship/Key Management positions: 04

He serves as Non-Executive Chairman of Uni Dil Packaging Limited and Uni Dil Packaging Solutions Limited, Independent Non-Executive Director of The Fortress Resorts PLC and Non-Executive Director of Swisstek Aluminium Limited.

Date appointed to the Board : 01st October 2018



Mr. R M J Ratnayake
Independent Non-Executive Director

Mr. Mohan J Ratnayake is a Fellow member of the Chartered Institute of Management Accountants UK and has read for an MBA. He was the Chairman of the Committee which issued Sri Lanka's first internationally listed USD Bond by a corporate entity for Sri Lanka Telecom PLC (SLT), which traded on the Singapore Stock Exchange, for the expansion of SLT and Mobitel. This was when the sovereign had not been rated by International Rating Agencies.

Total No. of Companies Holding Directorship/Key Management positions: 04

Mr Ratnayake currently serves as the Managing Director of Colonial Motors Ceylon Ltd. He is also an Independent Non-Executive Director of ACL Plastics PLC and UB Finance PLC, and a Non-Executive Director of C M Holdings PLC. Mr Ratnayake serves on several Board Sub Committees and Chairs the Audit Committee of ACL Plastics PLC.

He has served on the Board of a State owned entity in the Export Sector and has expertise in the fields of Tea Exports, Tea Plantations, Telecommunications and the Motor Industry. He held the position of Deputy Chairman of a listed Financial Institute falling under the purview of the Central Bank of Sri Lanka and served as the Chairman of Lanka Realty Investments PLC.

Date appointed to the Board : 01st January 2025



Mr. B. D.S. Mendis
Independent Non-Executive Director

Mr. Mendis has a corporate career spanning over 30 years and is an innovative business leader with exceptional strategic, operational, marketing and people development experience and was a Director of Aitken Spence Group Ltd from 2007 to 2022. He has led as the Managing Director, companies in a variety of industries which include Fintech and Financial Services, Freight Forwarding, Logistics, Engineering and held Directorships in companies in ICT, Printing and Packaging, and Real Estate Industries in Sri Lanka. He also has experience working in the Retail industry in the United States.

Mr. Mendis holds a Bachelor of Science Degree (BSc), (Magna Cum Laude) from Slippery Rock University of Pennsylvania, USA, specialising in Marketing and Economics where he won the outstanding Undergraduate Student award in both Marketing and Economics in his final year 1992. He also holds a Master of Business Administration Degree (MBA) specialising in Marketing in 1993 from The University of Texas, USA.

Total No. of Companies Holding Directorship/Key Management positions: 03

Mr. Mendis has served on the Board of Directors of the American Chamber of Commerce in Sri Lanka and currently serves on the Board of The National Council for Child and Youth Welfare and is involved in mentoring and advising local small and medium enterprises.

He serves as an Independent Non Executive Director of Swisstek (Ceylon) PLC, Lanka Walltiles PLC and Vallibel Power Erathna PLC.

Date appointed to the Board : 01st January 2025

SENIOR MANAGEMENT TEAM



Daminda Perera
Director/ Chief Executive Officer



Shirley Mahendra
Director - Group Marketing



Dayal de Silva
General Manager - Timber
Operations



Sajeewani Amarasinghe
General Manager - Finance
Operations



Wajira Nanayakkara
Deputy General Manager - Plant
and Technical



Athula Hewapathirana
Chief Human Resource Officer



Mr. Prasad Keerthirathne
Asst. General Manger - IT



Kaushalya Sudasinghe
Asst. General Manager - Sales



Wijayananda Dissanayake
Head of sales



Kapila Ranatunga
Group Commercial Manager



Anura Ratnayake
Group Business Development -
Manager




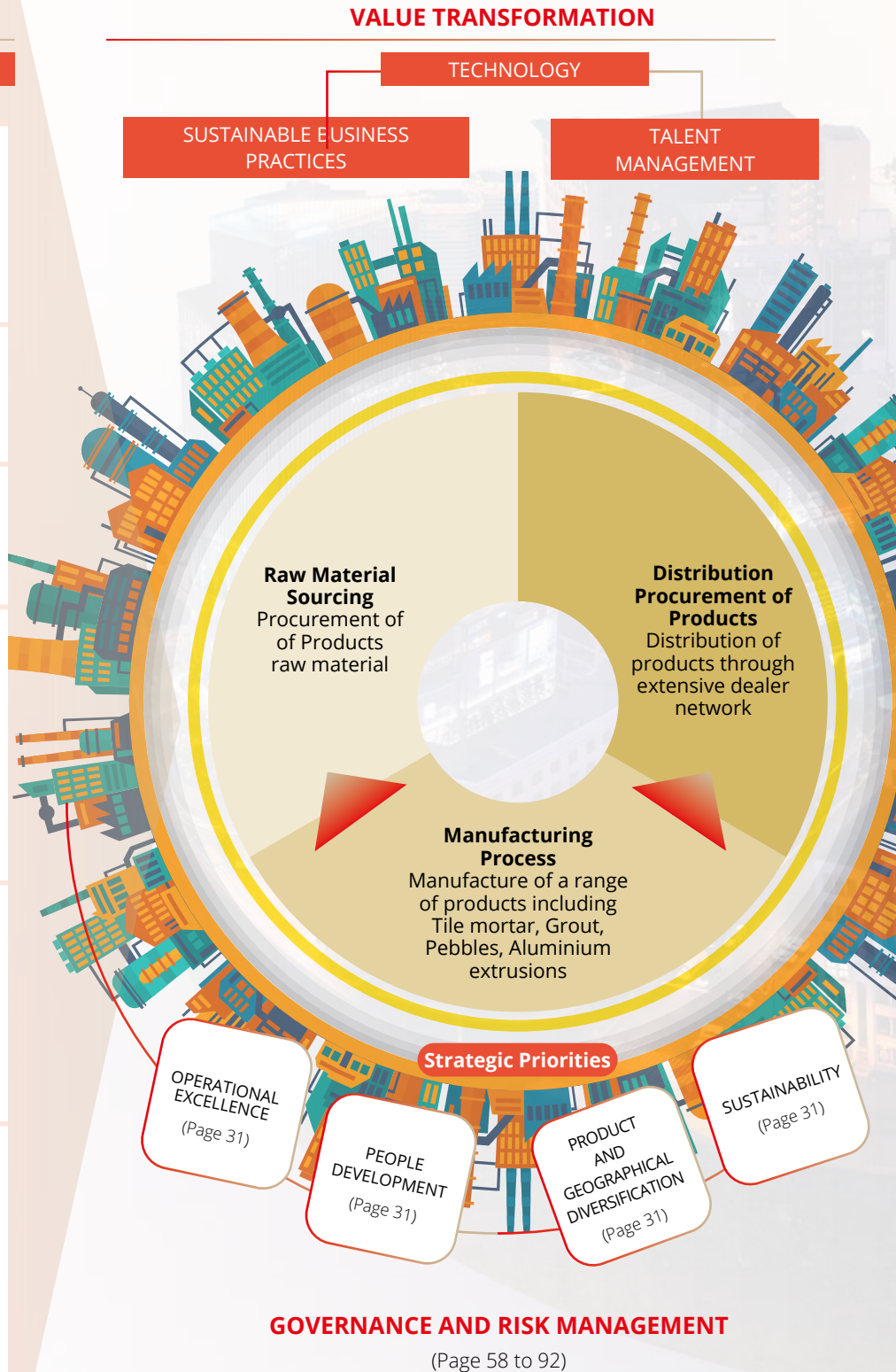
**MANAGEMENT
DISCUSSION AND
ANALYSIS**

STRATEGY

OUR VALUE CREATION MODEL

Our following value creation model depicts how we created sustainable value for our stakeholders by strategically leveraging our capital inputs.

VALUE DRIVERS	
CAPITAL INPUTS	
	Financial Capital Shareholders funds Rs. 3,170 Mn Debt Rs. 6,383 Mn
	Manufactured Capital Manufacturing plants 3
	Human Capital Employees 697
	Social and Relationship Capital Supplier relationships: 507 Distributors: 34 Dealer outlets: 205 Franchisees: 11
	Intellectual Capital Tacit knowledge systems, processes and standards R & D capabilities and brands
	Natural Capital Raw materials: 43,434 MT Water use: 10,004 m³ Energy consumption: 81,176 GJ



VALUE DELIVERED

OUTPUTS

Revenue
Rs. 15,269 Mn

Operating Profit (EBIT)
Rs. 1,872 Mn

Net Assets Per Share
Rs. 26.87

Dividend per share
Rs. 1.45

Payments to employees
Rs. 1,109 Mn

Investment in training and development
Rs. 3 Mn

Payments to suppliers
Rs. 7,654 Mn

Investments in community engagement
Rs. 4 Mn

Effluent discharge
30,493 m3

OUTCOMES



Shareholders

Sustainable returns
(Refer Financial capital on page 28)



Customers

Innovative products
Increased customer convenience
(Refer Social and Relationship Capital Report on page 48)



Employees

Opportunities for career progression and skill development in a dynamic environment
(Refer Human Capital Report on page 42)



Suppliers

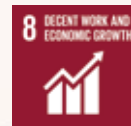
Stronger partnerships
(Refer Social and Relationship Capital Report on page 48)



Community





Mutually beneficial relationships with the communities we operate in
(Refer Social and Relationship Capital Report on page 48)



CONTRIBUTION TO SDG's



STAKEHOLDER ENGAGEMENT

We recognise that our stakeholders are the lifeblood of Swisstek, and maintaining open, ongoing dialogue with them is essential to understanding—and anticipating—their evolving needs and expectations. By embedding formal and informal communication channels into our daily operations—from targeted surveys and focus groups to digital portals and town-hall meetings—we ensure that feedback is continuous, comprehensive and actionable. This 360° engagement not only allows us to address concerns in real time but also supplies the vital insights that underpin our materiality assessments and strategic refinements, enabling us to adapt our business practices and sharpen our long-term direction in alignment with stakeholder priorities.

Stakeholder Engagement Process	Method of Engagement	Frequency	Interest & Expectations	Key Concerns Addressed	Our Response
SHAREHOLDERS & INVESTORS 	<ul style="list-style-type: none"> • AGM & E-AGM • Quarterly Results Calls & Webinars • Investor Portal updates 	Quarterly & Annually	Transparent financial performance; governance; dividends	Profitability, risk management, return on investment	Launched interactive investor webinars with live Q&A; enhanced portal with real-time dashboards and email alerts on CSE disclosures
EMPLOYEES 	<ul style="list-style-type: none"> • Town-hall meetings • Pulse & Engagement Surveys • LMS training modules • Well-being workshops 	Biannual surveys; Monthly	Career development; health & safety; inclusion	Job security, upskilling, workplace wellness	Rolled out digital career-path tool; achieved zero lost-time incidents through expanded EHS training; launched mental-health webinars
CUSTOMERS 	<ul style="list-style-type: none"> • On-site technical workshops • Customer satisfaction surveys • 24/7 AI-chat portal • Dedicated account managers 	Quarterly surveys; Ongoing	Product reliability; technical support; value-for-money	Product performance issues; installation guidance	Reformulated grout for 15% faster setting; deployed AI chat for instant support; produced new best-practice installation guides and e-learning videos
SUPPLIERS & PARTNERS 	<ul style="list-style-type: none"> • Annual supplier conference • E-procurement platform • Joint R&D sessions • Sustainability workshops 	Annual conference; Ongoing	Fair payment terms; quality inputs; ESG alignment	Timely payments, raw-material consistency, ESG compliance	Reduced payment cycles to 14 days; co-developed low-carbon material grades; trained 150 suppliers on ESG best practices; integrated supplier scorecards

Stakeholder Engagement Process	Method of Engagement	Frequency	Interest & Expectations	Key Concerns Addressed	Our Response
COMMUNITIES & NGOS 	• Community liaison forums	Quarterly forums; As needed	Environmental protection; local employment; community investment	Dust, noise, local livelihoods, water access	Installed additional dust filters (100% cement dust recycling); launched vocational apprenticeships; funded community water-well projects
	• CSR project steering committees				
	• Environmental impact assessments				
REGULATORS & INDUSTRY BODIES 	• Compliance briefings & workshops	Semi-annual; As scheduled	Regulatory compliance; standards alignment; sector collaboration	Adherence to SLAS, Companies Act, listing rules	Contributed to draft updates of the National Green Reporting System; fast-tracked approvals for new waterproofing; hosted two successful CEA and CSE audits
	• CSE & SEC consultations				
	• Industry association panels				



IDENTIFYING MATERIAL MATTERS

Swisstek (Ceylon) PLC's materiality process for FY 2024/25 adheres to the International Integrated Reporting Framework's principles of connectivity and materiality, and aligns with the GRI Standards' requirement to disclose topics that reflect the organisation's significant economic, social and environmental impacts, and influence stakeholder assessments and decisions. Through a combination of quantitative analysis, stakeholder dialogue and strategic review, we have identified the material topics across three categories—Economic, Social and Environmental—and mapped them against our six capitals, evaluated their significance to our business, and assessed their importance to external stakeholders.

Category	Material Topic	Financial	Manufactured	Intellectual	Human	Social and Relationship	Natural	Significance to Swisstek	Significance to Stake holders	Corresponding GRI Topic
Economic	Economic Performance	✓						High	High	GRI 201: Economic Performance
	Market Presence	✓						Medium	Medium	GRI 202: Market Presence
	Procurement Practices	✓	✓			✓		Medium	Medium	GRI 204: Procurement Practices
	Indirect Economic Impacts	✓				✓		Low	Medium	GRI 203: Indirect Economic Impacts
	Anti-corruption			✓		✓		High	High	GRI 205: Anticorruption
Social	Occupational Health and Safety				✓	✓		High	High	GRI 403: Occupational Health and Safety
	Training and Education			✓	✓			Medium	Medium	GRI 404: Training and Education
	Diversity and Equal Opportunity				✓			Medium	Medium	GRI 405: Diversity and Equal Opportunity
	Supplier Social Assessment		✓			✓		Medium	Medium	GRI 414: Supplier Social Assessment
	Customer Health and Safety	✓	✓		✓	✓		High	High	GRI 416: Customer Health and Safety
	Non - discrimination				✓			Medium	Medium	GRI 406: Non-discrimination
Environmental	Energy		✓				✓	High	High	GRI 302: Energy
	Water and Effluents						✓	Medium	Medium	GRI 303: Water and Effluents
	Emissions						✓	High	High	GRI 305: Emissions
	Waste						✓	Medium	Medium	GRI 306: Waste
	Environmental Compliance					✓	✓	Medium	Medium	GRI 307: Environmental Compliance
	Supplier Environmental Assessment		✓			✓	✓	Low	Medium	GRI 308: Supplier Environmental Assessment

OUR STRATEGY

As a member of the Lanka Walltiles Group, Swisstek Ceylon has evolved from being a category leader in tile adhesives and aluminium solutions to a diversified manufacturer of construction materials. Guided by a long term strategic roadmap, we have systematically broadened and upgraded our product portfolio to sharpen our competitive edge, capturing unmet demand and unlocking higher value per customer.

With robust R & D, disciplined capital allocation, and a relentless focus on operational excellence, we are now poised to chart new horizons leveraging our proven domestic success to penetrate high potential overseas markets. This outward thrust, underpinned by strategic partnerships and a scalable supply chain platform, will accelerate sustainable growth while reinforcing Swisstek Ceylon’s position as a trusted, innovation driven brand across the global construction ecosystem.

Strategy	Operational Excellence	Product And Geographical Diversification	Inspired And Competent Team	Sustainable Business Operations
Key initiatives	<p>Investment in SAP ERP, boosting manufacturing efficiency, quality, and profitability.</p> <p>Investment in new machinery for the manufacture of Epoxy IDC.</p> <p>Renovations to two factory plants and improvements to access roads.</p> <p>Zero waste policy with greater focus on recycling.</p> <p>Proactive maintenance of machinery.</p>	<p>Strengthening distribution network.</p> <p>Introduction of new products.</p>	<p>Increased variable benefits to enhance compensation packages of employees.</p> <p>Focus on mental wellness.</p>	<p>Recycling waste material for product development.</p>
Resources allocated	Investment in Technology – LKR 80 Mn	Investment in developing dealer network – LKR 7.2 Mn	Investment in training and development – LKR 3.2 Mn Remuneration and benefits – LKR 1,109 Mn	Investment in environmental initiatives
Impact	<p>Operating profit : 1,872 Mn</p> <p>ROCE: 27%</p> <p>Operating margin: 12%:</p>	<p>Customer growth –14% +</p>	<p>89% retention rate</p> <p>Training hours per employee - 10</p> <p>Promotions - 18</p>	<p>Savings in resources such as:</p> <p>Electricity</p> <p>Water</p> <p>Fuel</p>
Challenges	<p>Macro economic variables.</p> <p>Labour shortages.</p>	<p>Slow growth in the construction industry.</p> <p>Higher cost of securing new distribution and dealerships</p>	Higher employee turnover	Climate change and its implications.
Capitals Impacted				
Stakeholders Impacted				
Contributions to SDGs				
Plans for 2025/26	<p>Improved efficiency and planning for operational excellence.</p> <p>Integrating AI and technology for greater efficiency.</p>	<p>Strengthen distributor network for greater penetration levels.</p> <p>Explore new global markets to strengthen international presence .</p> <p>Launch of new DIY product range.</p>	<p>Providing foreign and local training opportunities.</p> <p>Drive inclusion and diversity.</p>	<p>Greater focus on green and sustainable manufacturing practices.</p> <p>Energy efficient processes.</p> <p>Recycling of materials.</p>

OPERATING ENVIRONMENT

The Global Economy

The global economy has shown resilience, navigating a disinflationary phase driven by widespread monetary tightening. While global growth is projected to remain steady at 3.2% in 2024, modest by historical standards. Advanced economies are expected to have expand by 1.8%, while emerging markets and developing economies are forecasted to have grown at 4.2%. Economic activity in major economies has aligned more closely with potential output, contributing to inflation stabilisation. However, disinflationary momentum slowed in early 2024, with goods prices stabilising or declining, while inflation in the services sector remains high due to rising wages recovering from previous inflationary pressures. Despite geopolitical tensions, global trade as a share of GDP has remained stable, though trade patterns are increasingly shifting toward transactions within geopolitical coalitions, signaling a gradual restructuring of global trade dynamics.

Local Economy

Sri Lanka's economic landscape in 2024 reflected a strong and determined recovery, underscoring the country's resilience in the face of recent financial adversity. Following the historic crisis of 2022, which saw dwindling reserves, soaring inflation, and a contraction in output, the nation made tangible progress in stabilising its macroeconomic environment, supported by a combination of international assistance, policy reforms, and improved fiscal management.

A key milestone in the recovery journey was achieved in December 2024, when Moody's Investors Service upgraded Sri Lanka's long-term foreign currency issuer rating from 'Ca' to 'Caa1' with a

stable outlook. This move followed the successful approval of a comprehensive \$12.55 billion external debt restructuring agreement by international creditors. The upgrade signals growing investor confidence, reduced external vulnerabilities, and improved government liquidity conditions. It also reflects the country's efforts in restoring debt sustainability and regaining access to international capital markets.

Economic output grew during the first three quarters of 2024, marking a significant turnaround after six consecutive quarters of negative growth from 2022 through mid-2023. The recovery began gaining traction in the latter half of 2023, with growth momentum strengthening into 2024. Thus the Sri Lankan economy rebounded in 2024, achieving a robust 5.0% real economic growth, after two years of annual contraction. This recovery was steady throughout the year, with all four quarters posting positive. The overall growth is mainly attributable to Industry activities, driven by the revival of manufacturing and construction activities, while Services activities also contributed.

Sectoral performance was mixed but generally positive:

- Industrial Sector:** The standout performer in 2024, the industrial sector expanded by an impressive 10.8%. This was largely driven by the resumption of public infrastructure projects and private sector construction activity, catalysed by the clearance of government arrears and renewed access to development financing. The revival of domestic manufacturing and improvements in energy supply also contributed to industrial growth.
- Services Sector:** The services sector posted moderate growth of 2.6%, reflecting a gradual normalisation of economic activity. A strong rebound in tourism played a central role, with increased arrivals boosting hospitality, food and beverage services, entertainment, and transportation. The revival of the tourism sector not only supported direct services but also had a multiplier effect on small businesses and local economies.
- Agriculture Sector:** Agricultural output recorded a modest 3% growth, constrained by erratic weather patterns and lingering disruptions in supply chains, particularly in the availability of inputs such as fertiliser. Despite these challenges, there was some recovery in key export crops and food production, aided by improved extension services and better access to rural financing.

The external sector also showed signs of improvement. The exchange rate stabilised following a period of volatility, and foreign exchange reserves experienced a gradual buildup strengthening investor sentiment and reducing pressure on the currency. Improvements in remittances and tourism earnings, combined with prudent external debt management, further contributed to external stability.

Inflation

Headline inflation remained low during the first eight months of 2024. Although inflation rose in the initial two months due to agricultural disruptions and new tax policies, it remained in single digits throughout the year, ultimately declining to -1.7% by year-end. This decline was primarily driven by reductions in utility costs, including petroleum, electricity, and water, alongside moderating global commodity prices, an appreciating Rupee, improved supply conditions, subdued demand, and the gradual elimination of monetary financing.

Future Outlook for the Sri Lankan Economy

Sri Lanka's economic outlook for 2025 is cautiously optimistic, underpinned by a strong recovery in 2024 and continued commitment to structural reforms. The country's return to growth, following the severe downturn of 2022, reflects improved macroeconomic stability, restored investor confidence, and international financial support.

Real GDP is projected to grow by 4.5% to 5.5%, driven by industrial expansion, tourism recovery, and modest gains in agriculture. The industrial sector is expected to benefit from revived construction activity and resumed public infrastructure projects, while tourism is poised to grow with rising arrivals and improved air connectivity. Agricultural output will be increased with access to fertiliser and modernisation efforts using technology.

Fiscal consolidation remains a key priority. The government is implementing tax reforms, reducing non-essential spending, and restructuring state-owned enterprises, supported by the IMF and other multilateral partners. These measures are essential to restoring

Interest Rates

In 2024, the Central Bank of Sri Lanka (CBSL) maintained an accommodative monetary policy stance, as inflation remained well below target levels, allowing for cumulative policy rate cuts of 800 basis points since May 2023. The Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were lowered to 7.5% and 8.5%, respectively, while the Overnight Policy Rate (OPR) stood at 8.0%, with reductions implemented in March, July, and November. These cuts contributed to lower commercial bank lending and deposit rates, alongside a nearly 1,000 basis-point decline in 91-day Treasury Bill rates. Monetary conditions further improved following the completion of domestic debt restructuring in September 2023 and a reduction in government borrowing requirements due to fiscal consolidation, creating a more supportive environment for economic recovery.

debt sustainability and maintaining a primary budget surplus. Monetary policy is expected to remain accommodative, with inflation under control and foreign reserves strengthened. A stable exchange rate and easing interest rates are likely to support investment and private sector activity. Sri Lanka's external position will be further bolstered by growing exports, steady remittance inflows, and renewed investor interest. Long-term success, however, depends on sustained reforms, improved governance, and investments in human capital and climate resilience. With continued discipline and global engagement, Sri Lanka has the potential to transition into a more resilient, inclusive, and competitive economy

External Sector

Financial account inflows, coupled with the ongoing suspension of debt servicing, bolstered Sri Lanka's foreign reserves in 2024. Support from development partners, including the International Monetary Fund (IMF) and the Asian Development Bank (ADB), contributed to a balance of payments surplus in the first half of the year. Additionally, increased earnings from tourism and remittances helped strengthen the current account. The trade deficit widened by 19% in the 11-month period up to November as imports rebounded at a faster pace than exports. While garment exports declined due to weak global demand, overall exports grew by 7%, primarily driven by a surge in bunkering and aviation fuel exports, as marine vessels took longer routes to avoid potential attacks in the Red Sea. Meanwhile, imports rose by 10%, following the lifting of all import restrictions except on vehicles, with higher economic activity fueling increased demand for intermediate goods, such as chemicals, plastics, and base metals, and investment goods, particularly machinery and equipment. By the end of 2024, the Sri Lankan Rupee appreciated by 10.7%, with the USD exchange rate settling at Rs. 292.5.

OUTLOOK FOR THE CONSTRUCTION INDUSTRY

As Sri Lanka steps into 2025, the construction sector is emerging from a period of stagnation with signs of cautious optimism. Several converging factors are driving a gradual yet meaningful revival across key segments, positioning the sector as a potential catalyst for broader economic rejuvenation.

OPERATING ENVIRONMENT

Momentum from Housing and Tourism

The resurgence is primarily powered by a high demand for housing, reflecting both demographic shifts and returning consumer confidence. The renewed appetite for homeownership is stimulating activity in residential construction; while growing foreign direct investment particularly in tourism infrastructure such as resorts, mixed-use developments, and hospitality complexes is accelerating momentum in the commercial segment.

PMI Signals Recovery

The Sri Lanka Purchasing Managers' Index (PMI) for construction continues to record values above the neutral threshold of 50, signaling ongoing expansion. This upward trajectory underscores improved sentiment, increased new orders, and a modest revival in employment within the sector.

Public Sector Re-engagement

Government-led initiatives to resume and fast-track stalled housing projects are expected to inject further vitality into the market. By replacing underperforming contractors and expediting approvals, these efforts aim to address both public housing needs and sectoral demand for liquidity and continuity.

Strategic Opportunities Ahead:

The evolving landscape presents strategic opportunities for forward-thinking stakeholders:

- **Public-Private Partnerships (PPPs):** There is scope to leverage PPP models to fund and deliver infrastructure while mitigating fiscal pressures on the government.
- **Green and Resilient Construction:** With global trends favoring sustainability, adopting green building practices and climate-resilient infrastructure can unlock new funding sources and future-proof developments.
- **Digital Transformation:** Embracing construction technologies such as Building Information Modeling (BIM), drones, and project management platforms can improve cost-efficiency, transparency, and speed of delivery.

The Sri Lankan construction sector in 2025 stands at a pivotal juncture. Early signs of revival are real and encouraging, but unlocking the sector's full potential will require targeted policy support, timely payments, regulatory streamlining, and a focus on transformational projects. If these elements align, construction can not only recover but lead a new wave of national development with long-term socioeconomic impact.

FINANCIAL CAPITAL

REVENUE

Prudent Growth through Financial Discipline

In a year marked by accelerated growth and evolving economic dynamics, Swisstek (Ceylon) PLC demonstrated exceptional financial stewardship, steering its financial capital with resilience, foresight, and agility. Financial capital serves as the backbone for the Company's value creation, enabling investments in core manufacturing capabilities, product innovation, and market expansion. The Company maintained a strong balance between leveraging growth opportunities and preserving fiscal integrity, reflected in robust gains across all key performance metrics.

Our capital management approach in FY 2024/25 was centered on optimising the capital structure, managing financial risks prudently, and ensuring liquidity across operational cycles. These efforts underpinned our ability to deliver sustainable stakeholder value, while fortifying our capacity to weather external pressures and seize future opportunities.

KEY PERFORMANCE METRICS

Metric	FY 2024/25	FY 2023/24	YoY Change
Revenue	LKR 15.27 Bn	LKR 10.08 Bn	+51.5%
Net Profit	LKR 929.59 Mn	LKR (112.65) Mn	+925.2%
Total Assets	LKR 13.06 Bn	LKR 11.08 Bn	+17.9%
Total Borrowings	LKR 6.38 Bn	LKR 6.35 Bn	+0.5%
Equity	LKR 3.68 Bn	LKR 2.40 Bn	+53.4%
Operating Profit	LKR 1,872.34 Mn	LKR 778.03 Mn	+140.7%

Operational Highlights and Enhancements

During FY 2024/25, Swisstek undertook several strategic initiatives that significantly strengthened its financial performance:

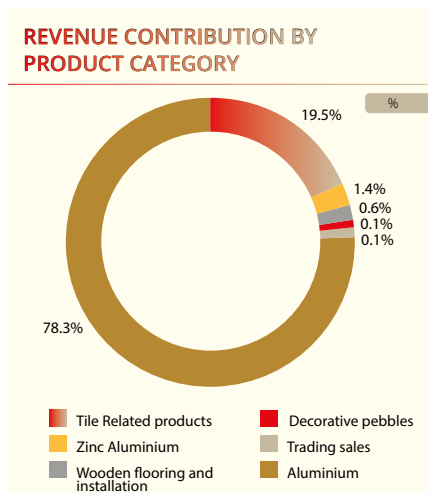
- Expanded capacity and market share in the tile-related product segment, which remained the top revenue contributor.
- Invested in marketing and production for zinc aluminium roofing sheets, resulting in a near threefold increase in revenue.

- Strengthened operational cost controls, resulting in gross margin improvements despite raw material price volatility.
- Reduced reliance on borrowings while enhancing equity through retained earnings.
- Improved working capital position by streamlining receivables and optimising inventory turnover.

These operational levers were vital in translating top-line growth into strong profit outcomes.

FINANCIAL CAPITAL

REVENUE PERFORMANCE AND FINANCIAL RESULTS



Revenue

Consolidated revenue increased significantly to Rs. 15.27 billion, up from Rs. 10.08 billion in FY 2023/24. The increase was driven primarily by robust demand for tile-related products and an extraordinary growth in the zinc aluminum category. The Company was successful in achieving leadership in the zinc aluminum segments driven by the renewed uptick in construction activity and changes within the competitive arena. Thereby the Company was able to secure market leadership status in the zinc aluminum segment.

Cost of Sales

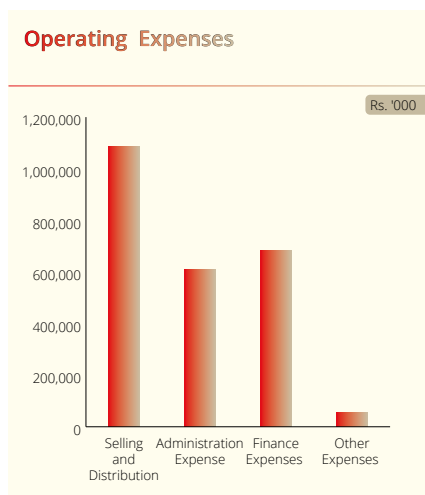
Cost of sales rose to Rs. 11.81 billion, compared to Rs. 8.19 billion the previous year. This increase was consistent with the increase of revenue due to the scale of business expansion.

Gross Profit

Gross profit reached Rs. 3.44 billion, an 83% increase year-on-year. This growth highlights improved production efficiency and cost optimisation strategies initiated by the Company.

Operating Expenses

The Group's operating expenses amounted to Rs. 1.75 billion, up from Rs. 1.31 billion. These expenses reflect increased activity in sales, marketing, and administrative functions to support expanded operations. Increased salaries and other overheads is attributed to the increased administrative expenses.



Operating Profit

Operating profit surged to Rs. 1.87 billion from Rs. 778 million, driven by the successful scaling of high-margin product lines and efficient cost control initiatives.

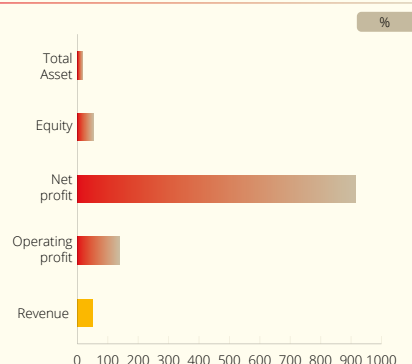
Finance Expenses

Finance expenses decreased to Rs. 682 million, from Rs. 935 million in the previous year. This reduction is a result of lower interest rates and improved debt servicing practices.

Net Profit

Net profit increased significantly to Rs. 929.57 million, from Rs. (112.65) million in FY 2023/24—a testament to the Company's ability to grow earnings faster than expenses.

YoY Growth Outlook



FINANCIAL POSITION: STRENGTH AND STABILITY

Non-Current Assets

Non-current assets increased marginally to Rs. 4.43 billion, up from Rs. 4.27 billion, supported by ongoing capital investment in plant, equipment, and production technology.

Current Assets

Current assets rose to Rs. 8.63 billion from Rs. 6.81 billion, reflecting increased sales volumes and a deliberate buildup of strategic inventory.

Current Liabilities

Current liabilities stood at Rs. 6.15 billion, compared to Rs. 5.10 billion in the previous year. The increase reflects higher activity levels and increased trade payables.

Working Capital

Working capital improved from Rs. 1.71 billion to Rs. 2.48 billion, enhancing the Company's liquidity and flexibility in managing short-term obligations.

Equity

Shareholder equity rose to Rs. 3.68 billion from Rs. 2.39 billion, driven by strong profitability and earnings retention.

Borrowings

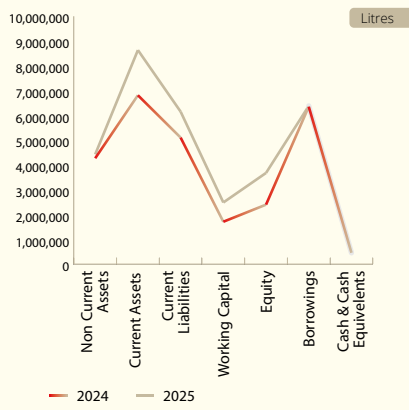
Borrowings increased marginally to Rs. 6.38 billion from Rs. 6.35 billion, indicating stable leverage amidst capital expenditure commitments.

Cash Flow

Cash and cash equivalents were recorded at Rs. - 416 million at year-end, primarily due to inventory increase and timing of receivables collection.

(As per accounts – 2025 this figure is Rs 416,113. This figure is Rs 455,367 in 2024.)

**Financial Position Elements
FY2023/24 Vs FY 2024/25**



SDG ALIGNMENT AND FOCUS AREAS

Swisstek’s capital deployment and operational decisions are increasingly aligned with global sustainability goals. In FY 2024/25, the Company made measurable progress on the following SDGs:

- SDG 8 – Decent Work and Economic Growth: Job creation through expansion and greater engagement across supply chains.
- SDG 9 – Industry, Innovation, and Infrastructure: Capital investments in efficient manufacturing processes and product innovation.
- SDG 12 – Responsible Consumption and Production: Optimisation of material use, reduction in wastage, and enhanced supply chain sustainability.

Through these efforts, Swisstek reaffirmed its commitment to inclusive, sustainable economic growth while creating enduring stakeholder value.

SDG ALIGNMENT AND FOCUS AREAS

Swisstek’s capital deployment and operational decisions are increasingly aligned with global sustainability goals. In FY 2024/25, the Company made measurable progress on the following SDGs:

- **SDG 8 – Decent Work and Economic Growth:** Job creation through expansion and greater engagement across supply chains.
- **SDG 9 – Industry, Innovation, and Infrastructure:** Capital investments in efficient manufacturing processes and product innovation.
- **SDG 12 – Responsible Consumption and Production:** Optimisation of material use, reduction in wastage, and enhanced supply chain sustainability.



Through these efforts, Swisstek reaffirmed its commitment to inclusive, sustainable economic growth while creating enduring stakeholder value.

MANUFACTURED CAPITAL



Enabling Performance Through Infrastructure and Innovation

Swisstek (Ceylon) PLC's manufactured capital is the backbone of our value creation model, encompassing the physical assets, production facilities, and technology platforms that drive our operations. In FY 2024/2025, we focused on optimising existing capacity, enhancing efficiency, upgrading digital infrastructure, and supporting future readiness through strategic investments in systems, plants, and products.

Our approach to managing manufactured capital is based on operational continuity, productivity enhancement, safety, and innovation. These efforts align with our broader goals of customer satisfaction, cost leadership, and sustainability. To that end, we invested in ERP transformation, facility enhancements, product innovation, and material productivity improvements while expanding monitoring and control capabilities across all operational sites. We believe that by maintaining our infrastructure and improving our technology interface, we not only ensure product quality and speed-to-market but also minimise environmental impact, ensure workplace safety, and deliver value to all stakeholders.

Key Performance Metrics

Key Indicator	2024/25	2023/24
Production Capacity (MT/year)	99,600	99,600
No. of Suppliers	507	550
Supplier Payments (Rs. Mn)	7,654	6,611
Value of PPE (Rs. Mn)	3,933	3,966
Capex (Rs. Mn)	433	142
Depreciation and Amortisation (Rs. Mn)	249	209
Plant, Machinery and Vehicles (Rs. Mn)	948	984

Our Manufacturing Footprint

Swisstek operates from multiple strategically located sites in the Gampaha district:

- **Ballunmahara (Imbulgoda) Main Plant:** Located on a 6-acre site, this is the core manufacturing hub for tile adhesives, grouts, and skim coat.
- **Weliveriya Plant:** Dedicated to the production of zinc-aluminium roofing products.
- **16-Acre Storage and Distribution Facility:** Located approximately 4 km from the main plant, this site is used for warehousing of finished goods and outbound logistics.

These facilities collectively provide a resilient manufacturing backbone that is scalable, optimised for logistics, and embedded within a well-coordinated supply chain. In addition, Swisstek Ceylon and Swisstek Aluminium operates 1 showrooms and distribution branches across the country, offering nationwide reach and access to customers.

Facility	Type	Location	Function
Ballunmahara Plant	Manufacturing	Imbulgoda	Tile adhesives, skim coat, grout
Weliveriya Plant	Manufacturing	Weliveriya	Zinc-aluminium roofing
Central Warehouse located in 16 acre land	Distribution	4km from Ballunmahara	Storage of finished products
2 Showrooms for Swisstek Aluminum and Swisstek Ceylon	Sales Outlets	Nawala Balummahara	Retail and customer service

Machinery and Equipment

Swisstek’s manufacturing infrastructure includes automated mixing systems, batching lines, specialised extrusion equipment, packaging units, and distribution vehicles.

- During the year, we commissioned a new Epoxy IDC production line to support product innovation, at a cost of LKR 1 million.
- We continued to invest in preventive maintenance, health and safety retrofits, and layout redesigns to support smoother operations.
- The integration of machinery performance with SAP has enabled real-time monitoring of output, efficiency, and downtime.

These investments reinforce productivity and sustainability while ensuring safety, consistency, and compliance.

Asset Category	2024/25 Value (Rs. Mn)
Plant and Machinery	938
ERP and IT Systems	105
Vehicles and Fleet	10
Buildings and Facilities	1,249

Operational Highlights and Enhancements

Key operational enhancements in FY 2024/25 included:

- Epoxy IDC Production Line added to improve product mix.
- Road and roofing upgrades at Ballunmahara and Weliveriya sites.
- Restructuring of warehouse layout to improve storage and dispatch efficiency.
- Efficiency improvements in energy usage, plant flow, and digital monitoring.
- SAP system implemented with LKR 80 million investment.

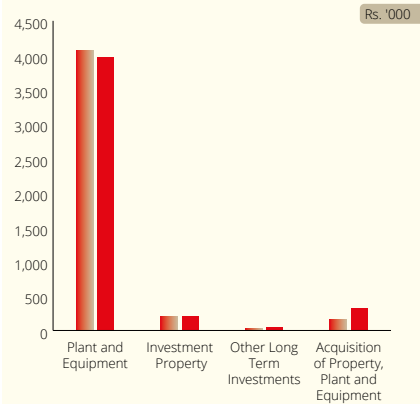
Technological Modernisation and Digital Transformation

The transition to SAP S/4HANA ERP was among the most impactful initiatives for the year. The system ensures synchronised operations across Swisstek and its sister companies, allowing visibility over stock, machinery, materials, and maintenance schedules.

Functional gains:

- Reduced procurement delays via shared spare parts dashboard

Assets and property year on year comparison 2023/2024 and 2024/2025



- Improved supplier coordination
- Dashboard-based production efficiency tracking

Our commitment to smart manufacturing is now embedded in our daily operations and monitored through real-time analytics.

Product Innovation and Value Addition

We introduced new products and expanded into high-value segments:

- Epoxy IDC adhesives for industrial use
- Developed a DIY product line including nail-free adhesives, petroleum-based greases, expansion joint sealants, and galvanised paints
- Market testing, packaging, and approvals for these products were completed in 2024/25
- Commercial launch expected in FY 2025/26

These initiatives represent our shift into consumer-driven, retail-focused offerings, contributing to brand diversification and margin expansion.

MANUFACTURED CAPITAL

Capacity, Assets, and Infrastructure

Metric	2024/25	2023/24
Value of PPE (Rs. Mn)	3,933	3,966
Capital Expenditure (Rs. Mn)	433	142
Depreciation and Amortisation (Rs. Mn)	249	209
Total Production Capacity (MT/year)	99,600	99,600
Number of Suppliers	507	550
Payments to Suppliers (Rs. Mn)	7,654	6,611
Value of Plant, Machinery, Vehicles (Rs. Mn)	948	948

Breakdown of Manufactured Capital

Swisstek's manufactured capital is comprised of:

- Land and Buildings – Production plants, warehouses, and administration units
- Plant and Machinery – Mixing lines, batching machines, and industrial equipment
- Vehicles and Delivery Fleet – Used for inter-facility and final-mile transportation
- IT and ERP Systems – SAP S/4HANA and connected hardware
- Showrooms and Retail Network – 2 locations
- Packaging and Logistics Assets – Warehousing structures and layout systems

Asset Lifecycle and Risk Management

Swisstek has established systems for:

- Routine Preventive Maintenance and safety audits
- Depreciation Management aligned with accounting standards
- Asset Upgrades tied to efficiency improvements and strategic product expansions

Risks include:



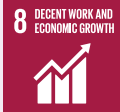





- Machinery breakdowns (mitigated via preventive audits)
- Supply chain disruptions (managed via group-wide ERP visibility)

- Obsolescence (mitigated via digital integration and automation roadmaps)

SDG Alignment and Focus Areas

Swisstek (Ceylon) PLC remains firmly committed to aligning its operations with the United Nations Sustainable Development Goals (SDGs). Our investments in infrastructure, technology, and innovation support not only our strategic business goals but also broader national and global sustainability priorities. As we continue to modernise our operations, integrate advanced digital platforms, and expand our product lines, our alignment with the SDGs ensures that we are contributing meaningfully to inclusive, sustainable development.

In FY 2024/2025, our manufactured capital initiatives supported the following SDGs:

Focus Area	Key Initiative	SDG Alignment
Infrastructure Upgrades	Renovation of plant buildings and logistics routes	
Technology Enablement	Implementation of SAP S/4HANA ERP system	
Product Innovation	Launch of DIY and Epoxy product lines	
Energy and Efficiency	ERP-driven energy efficiency, planning dashboards	
Local Economic Inclusion	Increased sourcing from local suppliers	 
Waste Reduction	Better layout to reduce scrap and packaging waste	 

Looking Ahead: Strengthening Our Manufacturing Advantage

As Swisstek (Ceylon) PLC looks toward FY 2025/2026, our vision for manufactured capital is anchored in long-term resilience, digital excellence, and sustainable growth. Our strategy will be guided by three core pillars: operational agility, technological scalability, and environmental stewardship.

Key priorities for FY 2025/2026 include:

- Full commercial rollout of the DIY product range, supported by tailored packaging systems and showroom engagement.
- Predictive maintenance dashboards within SAP, enabling proactive equipment servicing, improved uptime, and reduced unplanned downtime.
- Solar power feasibility assessments at Ballunmahara and Weliveriya facilities, aligned with our energy transition and carbon footprint reduction goals.
- Automation upgrades in warehousing and internal logistics to increase material handling efficiency and reduce manual workloads.
- Enhanced integration of ESG indicators and SDG alignment into factory-level KPIs, tracked through SAP dashboards.
- Capacity enhancement reviews to accommodate forecasted demand increases, particularly in retail-facing product categories.
- Collaboration with technical partners and sustainability consultants to advance material circularity and energy conservation.

Swisstek is committed to building a smart, resilient, and environmentally aligned manufacturing ecosystem that sustains long-term competitiveness. Our investments in plant, infrastructure, product diversification, and digital transformation reflect a forward-thinking, customer-centric strategy that drives sustainable growth.

As we continue to expand our capabilities and optimise operations, our manufacturing strength will remain a core driver of value creation for all stakeholders.

HUMAN CAPITAL

Investing in People, Enabling Success

At Swisstek (Ceylon) PLC, we believe that our employees are not just a workforce—they are the architects of our success, the custodians of our brand promise, and the drivers of continuous improvement. Every innovation, every milestone, every achievement is a reflection of the dedication, skills, and creativity of our people. Our human capital strategy recognises that nurturing talent is not a one-time effort but an ongoing commitment to building a resilient, skilled, and engaged workforce.

In the fiscal year 2024/2025, we deepened our investment in human capital by focusing on skills development, safety, wellbeing, diversity, inclusion, and leadership capability. This report outlines our human capital governance, initiatives, achievements, and future plans, reflecting our commitment to aligning people strategy with sustainable business growth.



HR Vision, Mission, Commitment and Values

Our human resources vision and mission guide our commitment to nurturing a high-performance, inclusive, and future-ready workforce. We aim to foster a workplace where every employee feels valued, empowered, and inspired to achieve their potential.

HR Element	Statement
Vision	To build a future-ready, inclusive workforce that drives organisational excellence, innovation, and sustainable competitive advantage through strategic talent management.
Mission	To strategically attract, develop, and retain top talent while fostering a culture of inclusion, performance excellence, and continuous growth that directly supports our business objectives and stakeholder value creation.
Commitment	We are committed to creating an equitable workplace where every employee thrives through fair practices, comprehensive development opportunities, holistic wellbeing support, and pathways for professional advancement that unlock individual and organisational potential.
Values	Integrity, Respect, Accountability, Collaboration, Continuous Improvement, Innovation.

HR Governance: Upholding Accountability and Compliance

A robust governance framework ensures consistency, fairness, and transparency across all human capital practices. At Swisstek, HR governance is deeply embedded within the Company's corporate governance structure, providing oversight, compliance, and accountability for human capital management.

In 2024/2025, we strengthened HR governance through:

- A comprehensive HR procedures covering recruitment, selection, onboarding,

training, grievance handling, disciplinary processes, compensation, diversity, health and safety, and separation policies.

- Defined roles and accountability across all levels, with line managers responsible for local compliance, HR managers ensuring policy execution, and the Chief Human Resource Officer reports to the Chief Executive Officer and General Manager - Finance.
- The Chief Human Resource Officer conducts quarterly reviews covering compliance status, grievances, audit findings, disciplinary trends, and updates to labour registration.
- Annual internal audits and compliance reviews aligned with ISO 45001 and Sri Lankan labor laws.
- Formal policy review cycles every three years or when prompted by legal/regulatory updates.

This framework ensures fairness, mitigates risks, and embeds ethical employment practices across the organisation.

Aligning People Strategy with Sustainability and Business Priorities

People strategy is designed to support long-term business sustainability, inclusive growth, and employee wellbeing. During FY 2024/2025, our people-related initiatives focused on creating a supportive, safe, and empowering workplace culture that aligns with our organisational values and strategic objectives.

By embedding these strategic focus areas into our human capital practices, Swisstek continues to cultivate a people-first culture that enhances employee satisfaction, supports operational excellence, and contributes to a responsible and sustainable business model.

Focus Area	Material Topic	Strategic Intent
Talent Attraction & Retention	Recruitment, Retention, Employer Branding	Build a strong employer brand and attract high-quality talent to drive business success
Learning & Development	Upskilling, Leadership Development, Digital Readiness	Foster a future-ready workforce through continuous learning and leadership capacity
Health & Safety	Workplace Safety, Wellness Programs, Mental Health	Promote a safe, healthy, and resilient work environment for all employees
Diversity & Inclusion	Gender Balance, Inclusive Culture	Encourage fairness, equal opportunity, and an inclusive culture at every level
Employee Engagement	Communication, Participation, Recognition	Strengthen employee commitment and trust through meaningful engagement and recognition

Value Transformation 2024/2025

Human capital played a pivotal role in Swisstek’s value transformation journey in FY 2024/2025, underpinning operational resilience, innovation, and competitive differentiation. Our strategic priorities reflected the need to balance operational excellence with employee wellbeing and future readiness.

Key highlights included:

- Integration of **HRIS** to digitise performance, attendance, payroll, and leave management.
- Completion of **100% safety audits** across all operational sites, achieving **zero lost-time injuries**.
- Expansion of the **Spiritual Management Program** to include family-focused wellbeing initiatives.
- Pilot of a **9-box talent assessment model** for succession and talent risk mapping.
- Achieved a **18% voluntary turnover** rate, lower than industry benchmarks.
- Enhanced variable incentive schemes tied to operational KPIs, boosting productivity metrics.

These achievements contributed to stronger employee engagement, operational efficiency, and strategic alignment of human capital initiatives.

Employee Profile and Workforce Composition

Understanding our workforce profile enables targeted strategies for engagement, retention, and succession. As of March 31, 2025, Swisstek employed 697 individuals across manufacturing, aluminium, and administrative operations.

HUMAN CAPITAL

Metric	2024/2025
Total Employees	697
Permanent Employees	74%
Contract Employees	26%
Male Employees	90%
Female Employees	10%
Employees under 35 years	59%
Employees over 35 years	41%

This profile reflects the operational nature of our business and highlights opportunities to enhance gender balance.

Team Profile by Sector, Region, Contract Type, and Gender

Category	Total	Male	Female	Permanent	Contract
Manufacturing (Swisstek Ceylon)	110	96	15	96	14
Manufacturing (Swisstek Aluminium)	518	493	25	361	157
Head Office/Admin	69	42	27	60	9
Western Region	553	486	67	404	149
Central Region	29	22	7	29	0
Other Regions	115	115	0	91	24

This breakdown informs operational workforce planning and diversity monitoring.

Mobility: Facilitating Internal Growth and Flexibility

Internal mobility provides employees with career growth opportunities while ensuring flexibility in meeting organisational needs. In 2024/2025:

- 18 employees were promoted or transferred to new roles or locations.
- Cross-functional project teams allowed exposure to diverse operations.
- A pilot program identified successors for 10 critical roles through developmental assignments and mobility opportunities.

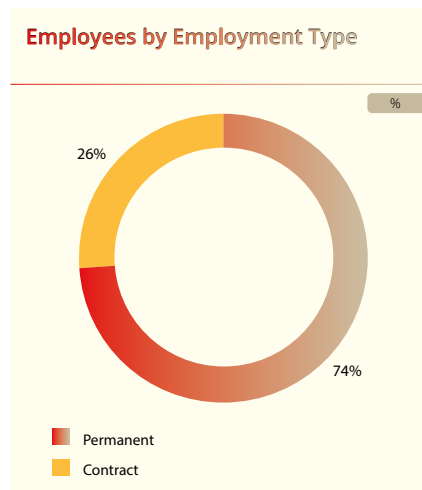
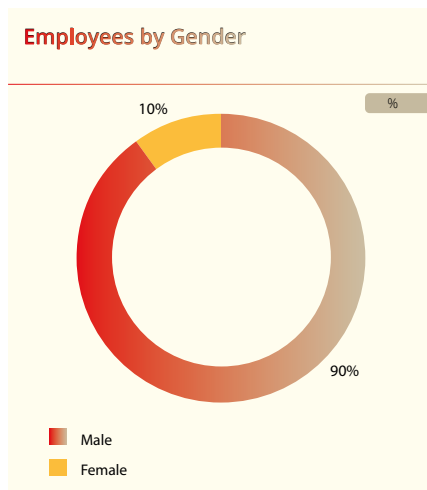
We aim to embed mobility within our succession planning framework.

Recruitment and Turnover: Building and Retaining Talent

Recruitment and retention were key focuses as Swisstek expanded operational capacity in a tight labor market. We prioritised recruitment for technical and operational roles while reinforcing internal retention drivers.

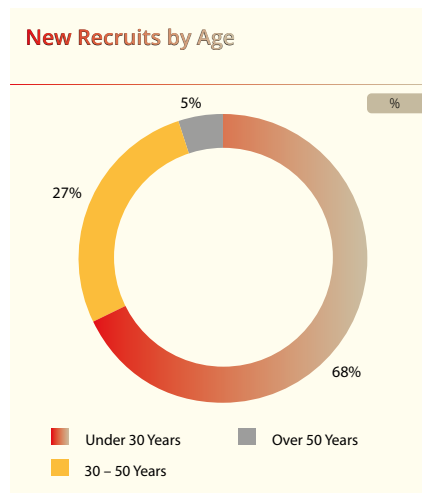
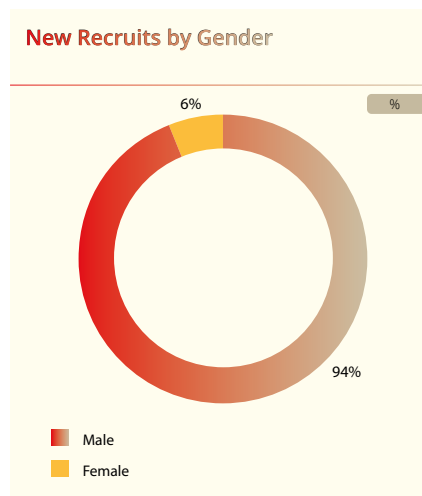
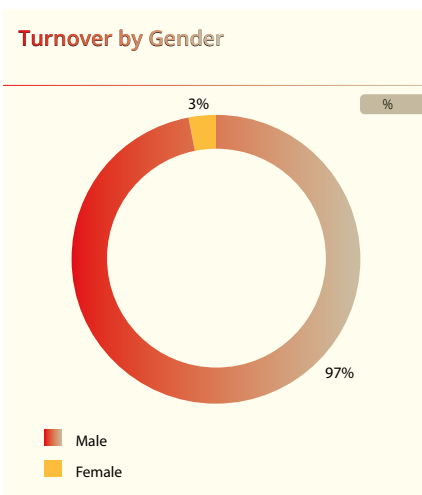
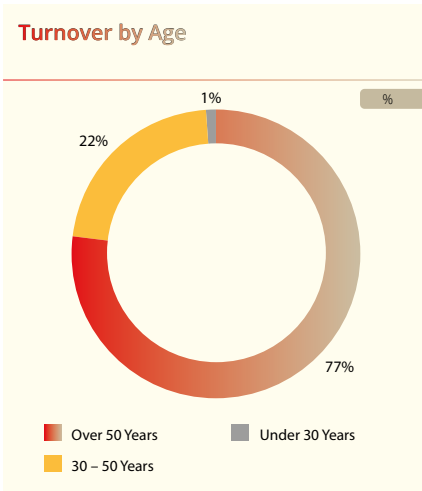
In 2024/2025:

- Recruitment partnerships were strengthened with vocational institutes and universities to source skilled technicians and engineers.
- Job fairs and digital campaigns promoted our employer value proposition of growth, safety, and stability.
- Structured onboarding programs ensured cultural integration and early engagement.
- A **18% voluntary turnover rate** was achieved, lower than industry norms.
- Exit interviews provided actionable insights for retention strategies.



Metric	2024/2025
New Hires Total	197
New Hires Male	186
New Hires Female	11
New Hires under 35	134
Resignations	53
Retirements/Other	10

**Remuneration and Benefits:
Ensuring Fairness and
Competitiveness**



At Swisstek, compensation is designed to attract, motivate, and retain talent while rewarding performance and reinforcing alignment with business goals. We maintain a balanced compensation structure that combines fixed pay with variable incentives tied to productivity, quality, and safety outcomes.

In FY 2024/2025, we:

- Conducted a salary benchmarking study to maintain competitiveness.
- Enhanced incentive schemes to better align rewards with operational KPIs.
- Ensured statutory compliance with minimum wage, EPF, ETF, and gratuity

Component	Detail
Fixed Pay	40% of total compensation
Variable Pay	60% of total compensation
Incentives	Linked to individual KPIs, plant productivity, safety compliance
Benefits	Medical insurance, life insurance, uniforms, PPE, subsidised meals, annual health screening, festival advance

Beyond financial compensation, we expanded recognition, growth opportunities, and wellbeing support as non-financial motivators.

**Learning and Development:
Building Capabilities for the Future**

Continuous learning is central to operational excellence and innovation. We invested 6,874 hours in structured learning across technical, leadership, compliance, and personal development areas.

Highlights include:

- Technical upskilling in tile adhesive formulation, product application, and maintenance.
- ISO 9001 and 45001 compliance training for operational leaders.
- ERP (SAP) training for supervisors and planners.
- Leadership programs on conflict resolution, decision-making, and team building.
- Global exposure through overseas exhibitions and technical forums.
- Our **“Spiritual Management Program”** delivered workshops on mental wellbeing, mindfulness, and holistic wellness.

HUMAN CAPITAL

We introduced mentoring for emerging leaders and plan to launch micro-learning platforms in FY 2025/2026.

Health, Safety and Well-being: Prioritising Protection

Safety is integral to our operations. In FY 2024/2025, we achieved:

- 100% completion of internal and external safety audits.
- Zero lost-time injuries or reportable incidents.
- Mandatory PPE issuance for all operational employees.
- Air extractor systems installed to reduce particulate exposure.
- Orientation safety training for all new hires.
- Fire drills and emergency simulations across sites.

Employee wellbeing was supported through:

- Annual health screenings.
- Access to counseling and stress management resources.
- Awareness sessions on nutrition, ergonomics, and healthy living.

Performance Management, Recognition and Career Progression

Performance management at Swisstek integrates quantitative KPIs and qualitative behavioral assessments. In 2024/2025:

- Annual appraisals were conducted across all roles.
- Quarterly awards recognised excellence in innovation, safety, and quality.

- A peer recognition system enabled colleagues to acknowledge value-driven behaviors.
- Career progression was supported through a broad-grade salary structure enabling lateral and vertical growth.
- Work commenced on implementing a 9-box talent grid for 2025/2026.

Employee Engagement: Building a Positive Culture

Employee engagement is nurtured through shared experiences, transparent communication, and collaborative culture.

Engagement initiatives in 2024/2025 included:

- Annual Employee Sports Day.
- Cultural celebrations fostering inclusivity.
- Town halls with leadership for business updates and QandA.
- Departmental team-building activities.
- Pulse surveys informing improvement initiatives.

Swisstek Aluminium Ltd operates in a unionised environment, fostering structured dialogue between employees and management through established collective bargaining mechanisms. In contrast, Swisstek Ceylon PLC maintains a non-unionised environment, where employee engagement is facilitated through direct communication channels and open-door policies.

Acknowledging Our Commitment

In FY 2024/2025, Swisstek's commitment to people excellence and employer value was recognised through external and internal accolades:

Award/Recognition	Presented By	Significance
Top 100 Most Loved Brands in Sri Lanka	LMD Survey 2024	Recognition of Swisstek's brand strength and positive employer reputation
ISO 45001 Compliance Progress	Internal Audit and Certification Pathway	Acknowledgment of progress toward achieving occupational health and safety certification
Outstanding Employer Award (Internal Recognition)	Swisstek Board and Executive Committee	Celebrating continuous improvement in engagement and industrial harmony

These recognitions reflect both market perception and internal validation of our commitment to a people-centric, values-driven organisation.

Looking Ahead: People Priorities for FY 2025/2026

Looking forward, Swisstek's human capital strategy will deepen investment in people capability, leadership, inclusion, and wellbeing. We recognise the evolving needs of the workforce in a dynamic environment shaped by digitisation, sustainability, and generational shifts.

Priorities include:

- Expanding our digital HR platform to integrate performance, learning, and career dashboards.
- Launching a Leadership Development Academy for supervisors and managers.
- Strengthening technical certification programs in partnership with training institutes.
- Targeted recruitment and mentorship to build diversity in leadership.
- Scaling our wellbeing initiatives covering mental, physical, and financial wellness.
- Institutionalising the 9-box talent review and succession planning framework.

We remain steadfast in building a resilient, adaptable, and inspired workforce, aligned to Swisstek's purpose and strategic ambition.

Swisstek's human capital strategy positions our people at the heart of sustainable value creation. Through continuous investment in skills, wellbeing, engagement, and inclusion, we are building a workforce ready to meet challenges, seize opportunities, and deliver excellence for all stakeholders.



SOCIAL AND RELATIONSHIP CAPITAL



Building Bonds That Sustain Our Growth

Social and relationship capital at Swisstek (Ceylon) PLC refers to the trust-based, mutually beneficial relationships we cultivate with a diverse group of stakeholders including customers, suppliers, distributors, regulators, business partners, and the communities in which we operate. These relationships serve as the foundation for our long-term sustainability, brand equity, and market competitiveness.

In FY 2024/2025, we placed strategic emphasis on building and nurturing meaningful stakeholder connections that reflect our core values of accountability, responsiveness, and mutual respect. From digitising engagement platforms to expanding our CSR footprint, our initiatives were designed to elevate stakeholder experiences and strengthen our brand's social fabric.

Key Performance Metrics

Key Metric	FY 2023/24	FY 2024/25
Number of Active Suppliers	550	507
Local Supplier Share	89%	85%
CSR Investment (LKR Mn)	0.89	4.4
Communities Reached (households)	280	350+
Compliance Incidents	Nil	Nil

Customer Relationship Management

At Swisstek, we believe that customer relationships extend far beyond transactions. Our CRM strategy is built on delivering value, listening to evolving needs, and proactively addressing service concerns. With a diverse and growing customer base ranging from large-scale contractors to individual home builders, we cater to different personas through targeted outreach and service models.

Key Engagements and Enhancements in 2024/25:

- **Customer Experience:** Rolled out post-sales engagement surveys via SAP CRM modules, with a 96% satisfaction rating.
- **Innovation through Feedback:** Insights from 20+ focus groups shaped packaging redesigns and DIY product customisations.
- **Market Expansion:** Introduced dedicated dealer assistance zones and loyalty schemes, contributing to a 14% increase in customer retention.

Community Engagement

We invested LKR 4.2 million in programs that tangibly uplifted communities around our facilities. Our efforts focused on sustainable, impactful initiatives:

- Education: Distribution of 2,500+ school packs; infrastructure improvement in 3 local schools.
- Health and Nutrition: Family assistance packages benefiting 350+ households; nutrition workshops conducted with local health units.
- Environment: Over 300 volunteers participated in clean-up and reforestation events in Gampaha and Weliveriya.

Our goal is to build lasting connections and empower local populations through shared progress.

Regulator Engagement

Swisstek maintains strong and cooperative relationships with regulators, ensuring full adherence to environmental, labour, and industry standards.

Engagement Activities in 2024/25:

- 100% compliance in license renewals, environmental assessments, and industry filings
- Participation in 4 public-private roundtables on environmental standards
- Enhanced internal regulatory compliance tracker in SAP for license, permit, and policy audit timelines

Partnerships and Support to Other Stakeholders

We recognise the value of partnerships in extending our impact:

- Engaged 2 vocational training institutions to train students on Swisstek product applications
- Sponsored 3 major construction trade fairs, showcasing sustainable product innovations
- Collaborated with logistics partners to streamline delivery time across 6 high-demand regions
- Such engagements expand knowledge, encourage innovation, and support industry-wide upliftment.

Future Focus: Strengthening Stakeholder Relationships

In FY 2025/2026, we will continue to evolve our stakeholder engagement model with a strong focus on inclusivity, transparency, and impact:

- Launching a centralised stakeholder engagement portal for CRM, supplier reviews, and CSR tracking
- Extending CSR to vocational education and women empowerment in rural communities
- Integrating stakeholder impact KPIs into management dashboards
- Building an ESG-compliant supplier recognition program
- Expanding our contractor and builder outreach through knowledge-sharing events

We are committed to deepening our relationships, listening more intentionally, and serving with greater purpose. Our focus will also extend to implementing customer and supplier relationship scorecards across divisions, tracking real-time engagement metrics through SAP, and hosting regional stakeholder roundtables to co-create value. Additionally, we plan to launch a 'Swisstek Impact Index' to measure the qualitative and quantitative effect of our stakeholder programs and adjust our approach based on evolving social and environmental dynamics.

Swisstek's success is built not only on infrastructure and innovation but also on the relationships we nurture with people, partners, and communities. Our ability to maintain strong connections and foster stakeholder trust is critical to our brand equity and long-term business success. As we step into a new year, we reaffirm our commitment to inclusivity, responsiveness, and purposeful engagement that empowers all those we serve and collaborate with.

INTELLECTUAL CAPITAL



Harnessing Intellectual Capital for Sustainable Growth

At Swisstek (Ceylon) PLC, intellectual capital lies at the heart of our strategic intent, enabling us to innovate, differentiate, and thrive in a dynamic and competitive business environment. Intellectual capital at Swisstek extends beyond knowledge assets—it encapsulates our brand equity, proprietary processes, technological systems, employee expertise, certifications, partnerships, and culture of continuous learning.

In the fiscal year 2024/2025, Swisstek took decisive strides to deepen its intellectual capital by investing in brand-building initiatives, upgrading enterprise-wide systems, nurturing employee expertise, and embedding process excellence. These efforts are not only strengthening our current performance but are laying a resilient foundation to sustain long-term competitive advantage, adapt to evolving market trends, and deliver superior stakeholder value.

Our intellectual capital initiatives this year were shaped by three core priorities:

1. Driving brand equity through impactful awareness campaigns and product reliability.
2. Institutionalising knowledge via training, digital systems, and process documentation.
3. Building organisational agility through ERP-driven integration, data dashboards, and lean operational practices.

Together, these priorities reinforce our position as a leader in Sri Lanka's finishing solutions and aluminium markets, while aligning with global best practices and sustainability standards.

Building Brand Strength: Our Brand, Brand Value and Awards

A robust brand represents a core pillar of Swisstek's intellectual capital, commanding market trust, customer loyalty, and competitive positioning. During FY 2024/2025, we escalated our

branding efforts with multi-platform campaigns, customer engagement initiatives, and media partnerships aimed at expanding brand reach and awareness.

Notably, Swisstek retained its position among Sri Lanka's Top 100 Most Loved Brands 2024, as recognised by LMD, a testament to the enduring resonance of our brand promise in the local market. Our strategic marketing mix combined mainstream media (TV, radio) campaigns with an intensified focus on digital marketing platforms, resulting in a 35% increase in digital reach and over 2.3 million impressions across targeted online audiences.

Our brand has been increasingly associated with quality, reliability, and innovative product solutions, further reinforced by ongoing customer testimonials and loyalty.

Aspect	Performance FY 2024/25
Brand ranking	Top 100 Most Loved Brands (LMD 2024)
Market share	35% tile adhesive 40% aluminium profiles
Digital reach	2.3 million impressions (35% YoY growth)
Awards	See detailed awards section below

Beyond rankings, the brand's strength underpins our pricing power, sales volumes, and market resilience, offering a platform to introduce product innovations and expand into adjacent markets.

Aligning with Global Goals

We recognise that intellectual capital development must align with global sustainability aspirations and stakeholder priorities. Our strategy integrates contributions to the UN Sustainable Development Goals (SDGs), focusing on education, innovation, sustainability, and decent work.

Value Transformation 2024/2025

This fiscal year marked an important phase of value transformation at Swisstek, aimed at embedding operational excellence, innovation, and knowledge management across the organisation.

Strategic Priorities:



- Deepen brand differentiation through continuous market engagement and customer experience enhancement.
- Expand product portfolio targeting sustainable solutions, DIY segments, and value-added innovations.
- Strengthen human capital with enhanced training programs, cross-functional knowledge sharing, and leadership development.
- Achieve operational integration through full SAP ERP deployment across all business units and functional areas.
- Leverage data and analytics via digital dashboards for improved decision-making and transparency.
- Expand market presence with strategic moves into regional markets, beginning East Africa brand activation initiatives.


Key Highlights:




- Achieved full SAP ERP integration across production plants, distribution centers, and head office.
- Introduced three new product SKUs addressing niche construction and finishing needs.
- Conducted 6,874 hours of structured employee training across technical, leadership, safety, and compliance domains.
- Launched digital dashboards for real-time tracking of KPIs in operations, finance, and HR.
- Established East Africa pre-entry market feasibility studies, preparing the brand for regional expansion.

This transformation journey signifies Swisstek's proactive approach in building intellectual agility and operational excellence to meet evolving industry demands.


OUR BRANDS




FOR THE PERFECT FINISH




ALUMINIUM
FOR THE PERFECT FINISH



INSPIRED BY DESIGN



SOLID WOOD FLOORING



INTELLECTUAL CAPITAL

SDG Impacted	Focus Area	Material Topic
 4 QUALITY EDUCATION	Quality Education	Employee learning and development
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure	Process innovation, digitalisation
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production	Sustainable product innovation
 8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth	Employee welfare, wellbeing

This integrated framework ensures that our intellectual capital not only contributes to financial and operational outcomes but also delivers positive environmental, social, and governance impacts.

Institutionalising Excellence

Swisstek's intellectual capital is embedded within structured frameworks that govern quality, safety, operational standards, and continuous improvement. FY 2024/2025 saw the consolidation of multiple strategic systems:

- ISO 9001:2015 Quality Management System operational across 100% of production facilities.
- SLS Certification for tile adhesive and grout, ensuring product compliance with national standards.
- SAP ERP system deployed enterprise-wide, integrating procurement, finance, HR, and operations.
- Lean management practices institutionalised through Kaizen teams across plants.

Frameworks and Certifications:

System/Certification	2024 Coverage	Scope
ISO 9001:2015	100% factories certified	Quality management
SLS Certification	100% tile adhesives, grouts	Product quality
SAP ERP	Group-wide	Enterprise resource planning
Safety Audit Certification	All manufacturing plants	Occupational health and safety

These frameworks embed knowledge, governance, and best practices as institutional assets that drive Swisstek's operational credibility.

Celebrating Excellence: Awards and Recognitions

FY 2024/2025's intellectual capital achievements were validated by notable recognitions:

- Top 100 Most Loved Brands – LMD 2024
- Quality Excellence Award – Construction Sector 2024
- Best ERP Transformation – ICTA Awards 2024
- ISO 9001:2015 Recertification for Quality Management
- Customer Choice Award for Best Tile Adhesive 2024

These accolades reinforce Swisstek's market leadership, product reliability, and operational integrity.

Leveraging Market Dynamics

Operating in a competitive construction and finishing sector, Swisstek navigates an industry valued at LKR 4.5 billion for tile Adhesive and other finishing products LKR 6.2 billion for aluminium profiles in 2024. Our market shares of 35% estimated market share (adhesive) and ~12% (aluminium) establish us as leading players in Sri Lanka.

The broader construction industry anticipates a 4% CAGR growth (2024–2026), driven by urbanisation, private sector infrastructure, and affordable housing initiatives. However, challenges persist with raw material price volatility, import policy shifts, and evolving customer preferences.

Swisstek’s intellectual capital—anchored in brand trust, product innovation, and operational expertise—positions us to consolidate market share while pursuing new regional opportunities.

Building Knowledge Infrastructure

We strengthened our process knowledge by embedding digital platforms and lean practices across business units:

- Completed ERP migration covering procurement, production, sales, HR, and finance
- Introduced real-time dashboards for KPI monitoring in operations and compliance
- Conducted process Kaizen events across three plants to identify improvement opportunities
- Enhanced documentation and knowledge repositories via ERP integration

Systems and Certifications Matrix:

System/Certification	2024 Coverage	Scope
ISO 9001:2015	100% factories certified	Quality management
SLS Certification	100% tile adhesives, grouts	Product quality
SAP ERP	Group-wide	Enterprise resource planning
Lean Process Reviews	3 plants	Waste reduction, efficiency

Operational Expertise: Capabilities Across Facilities

Operational expertise remains a critical enabler of intellectual capital at Swisstek:

Location	Key Initiatives FY 2024/25
Main Factory	ERP integration, Lean Kaizen rollouts, Safety audit
Aluminium Plant	Process automation introduced in extrusion line
Adhesive Division	R & D trials for high-durability adhesives, energy audits
Distribution Hubs	Digital inventory tracking, CRM pilot in sales team

These initiatives institutionalise operational knowledge, embed best practices, and foster continuous improvement.

Empowering Human Intellectual Capital

Swisstek nurtures employee expertise as a strategic pillar of intellectual capital:

- Delivered 6,874 hours of training spanning technical skills, leadership, lean operations, safety, and compliance.
- Supported overseas exposure visits and exhibitions for key technical and marketing staff.
- Initiated spiritual management programs addressing employee wellness holistically (mind, body, soul).

- Encouraged cross-functional knowledge exchange across tile adhesives, aluminium, and finishing solutions divisions.

This ecosystem of knowledge development sustains a learning culture that fuels innovation and operational excellence.

Looking Ahead: Future Focus Areas

As we chart our intellectual capital agenda for FY 2025/2026, our focus will pivot on:

- Expanding our product innovation pipeline with sustainable and DIY product solutions
- Scaling digital dashboards and data-driven decision-making tools
- Enhancing employee development through structured career paths and mentorship programs
- Exploring regional market expansion opportunities in East Africa and South Asia
- Strengthening intellectual property protections for proprietary formulations

Our commitment remains to nurture intellectual capital as a strategic asset fueling sustainable value creation, market differentiation, and stakeholder trust.

Intellectual capital at Swisstek (Ceylon) PLC is a dynamic engine powering growth, innovation, and long-term resilience. Through ongoing investments in branding, knowledge, systems, and operational expertise, we continue to build a future-ready organisation equipped to deliver sustained stakeholder value.

NATURAL CAPITAL

Stewarding Natural Resources for Sustainable Growth

At Swisstek (Ceylon) PLC, we believe environmental stewardship is fundamental to sustainable value creation. As a business dependent on natural resources such as raw materials, energy, and water, we acknowledge our responsibility to minimise adverse environmental impacts while optimising resource efficiency.

Our Natural Capital strategy integrates sustainable resource management, emissions control, regulatory compliance, and continuous improvement, ensuring our operations align with stakeholder expectations and global sustainability imperatives. In FY 2024/2025, we deepened our environmental initiatives across material efficiency, energy conservation, water stewardship, waste reduction, and emissions management, reinforcing our commitment to protecting natural resources while enhancing business resilience.



Management Approach: Embedding Environmental Stewardship

Swisstek's environmental management approach is underpinned by a comprehensive Environmental Policy, aligned with ISO 14001 environmental management principles and national environmental regulations. Oversight is provided by the Board's Sustainability Committee, which sets environmental priorities, monitors performance, and ensures continuous alignment with evolving regulatory and stakeholder expectations.

Operational accountability resides with plant managers, supported by environmental officers and cross-functional sustainability champions. Environmental KPIs are integrated into operational dashboards, with quarterly reviews by the senior management team. Employees across all levels receive environmental awareness training to embed sustainability in daily operations.

Key pillars of our approach include:

- Sustainable procurement and responsible material sourcing.
- Efficient use of energy and water across production sites.
- Pollution prevention and emissions reduction.
- Waste minimisation and circular economy integration.
- Transparent reporting and regulatory compliance.

Through this multi-layered approach, we aim to mitigate environmental risks, reduce costs, enhance operational efficiency, and deliver long-term stakeholder value.

ISO 14001

ENVIRONMENTAL
MANAGEMENT
PRINCIPLES

Material Consumption: Responsible Use of Raw Materials

Swisstek's material efficiency strategy focuses on reducing virgin material use, increasing recycled content, and minimising waste. Our products—including tile adhesives, grouts, waterproofing compounds, and aluminium extrusions—depend on a range of raw materials.

In FY 2024/2025, our material consumption was as follows:

Material Type	Consumption (MT)
Cement	20,993 MT
Chemicals	715 MT
Sand and Powders	13,314 MT
Aluminium Billets	8,413 MT

To reduce environmental impact, we implemented material optimisation measures across production lines, resulting in 1,420 MT of recycled and reused materials-equivalent to 13% of total material input. This was achieved through:

- Reprocessing off-spec batches.
- Recycling internal waste streams.
- Improving raw material yield per product unit.

We are engaging suppliers to explore low-carbon, low-impact alternatives and sourcing certified materials wherever possible.

1,420 MT
OF RECYCLED AND REUSED MATERIALS

Monetised Natural Capital: Valuing Environmental Performance

Swisstek commenced internal efforts to quantify the financial value of environmental performance improvements in FY 2024/2025. This exercise reinforces the business case for sustainability by translating environmental gains into monetary terms.

Estimated savings include:

AVOIDED VIRGIN MATERIAL PROCUREMENT:
LKR 4.2 MN

WASTE DISPOSAL COST SAVINGS:
LKR 1.6 MN

ENERGY EFFICIENCY SAVINGS:
LKR 2.0 MN

Total estimated environmental cost savings: LKR 7.8 mn

This valuation highlights the tangible economic value of resource efficiency, providing a foundation for future natural capital accounting efforts.

Energy Management: Advancing Energy Efficiency

Energy efficiency remains a priority, balancing cost management with environmental responsibility. Swisstek's energy management initiatives integrate technological upgrades, process optimisation, and behavioral change.

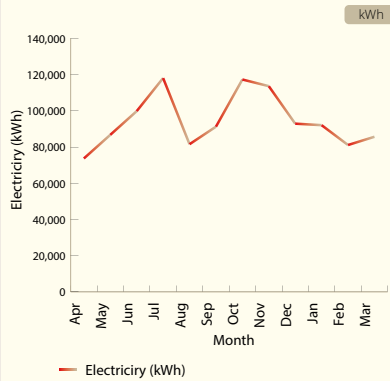
FY 2024/2025 achievements include:

- Reduced energy intensity per output by 3.2%.
- Completed LED retrofitting across all plants, saving 126,000 kWh annually.
- Repaired compressed air system leaks, saving 22,400 kWh annually.
- Initiated solar feasibility studies at the aluminium plant.

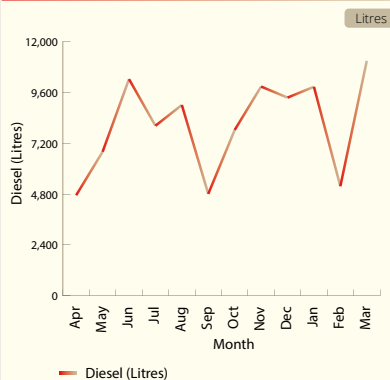
Energy consumption data:

Energy Source	Consumption (GJ)
Electricity	36,770 GJ
Diesel	23,599 GJ
LPG	20,807 GJ

Electricity Usage



Diesel (Litres) vs. Month



NATURAL CAPITAL

Sector	Energy Consumption (Gj)
Tile Adhesive Plant	7500 Gj
Aluminium Plant	73,677 Gj

Swisstek Aluminium Limited has obtained ISO 50001:2018 certification and expanded renewable energy use in FY 2024/2025.

Water and Effluents: Conserving a Precious Resource

Water stewardship is critical to Swisstek's sustainability commitment. We monitor water use, explore reuse opportunities, and ensure compliant discharge.

Water Use Segment	Consumption (m ³)
Tile Adhesive Plant	9,957 m ³
Aluminium Plant	47 m ³

Source	Withdrawal (m ³)
Municipal Supply	454 m ³
Groundwater Wells	9,550 m ³

Effluent management:

- 100% compliance with CEA discharge limits.
- Third-party testing confirmed discharge quality.
- Pilot feasibility for rainwater harvesting at the tile adhesive plant.

We will scale water reuse and rainwater harvesting initiatives in FY 2025/2026.

Management of Waste Disposal: Reducing Environmental Impact

Waste management focuses on minimising landfill dependency through reduction, reuse, and recycling.

Waste Type	Volume (MT)	Disposal Method
General Waste (Non Hazardous)	28 MT	Licensed landfill

Waste segregation awareness and supplier partnerships helped improve recycling rates in FY 2024/2025.

Managing Our Emissions: Toward Low-Carbon Operations

Swisstek recognises the urgency of addressing climate change. FY 2024/2025 milestones included:

- Initiated annual GHG inventory (Scope 1 and 2).
- Achieved 14% reduction in diesel use per output unit.
- Improved air quality via ventilation upgrades.
- Commenced solar feasibility at aluminium operations.

A decarbonisation roadmap will be developed in FY 2025/2026 to set formal emissions reduction targets.

Compliance: Upholding Environmental Obligations

Compliance is foundational to Swisstek's environmental responsibility:

- 100% compliance with environmental licenses and reporting.
- Zero fines or penalties in FY 2024/2025.
- Internal and external environmental audits completed with no major findings.

We monitor evolving regulatory changes to maintain readiness and compliance.







Stakeholder-Specific Environmental Impacts

Swisstek's environmental performance directly influences key stakeholder groups:

Stakeholder	Key Environmental Concerns	Swisstek's Response
Communities	Water quality, emissions	Compliance with CEA discharge standards; monitoring air quality; noise control measures
Customers	Sustainable products	Exploring recycled content; supplier engagement on material sustainability
Regulators	Legal compliance	100% compliance; transparent reporting; timely permit renewals
Investors	Climate risk, efficiency	Energy savings, GHG inventory; decarbonisation roadmap
Employees	Health and safety	Air extractor upgrades; PPE provision; workplace safety monitoring

EMISSIONS	TCO ₂
305-1 Direct (Scope 1) GHG emission	1,067
Energy Indirect (Scope 2) GHG emission	1,417
Energy Indirect (Scope 2) GHG emission	150

SDG Alignment

Focus Area	Material Topic	SDG Alignment
Energy Efficiency	Energy use, Renewable Energy	 Affordable and Clean Energy
		 Climate Action
Water Stewardship	Water use, Effluent Management	 Clean Water and Sanitation
Material Circularity	Material Recycling, Waste Reduction	 Responsible Consumption and Production
Emissions Reduction	GHG Measurement, Emission Control	 Climate Action
Compliance and Reporting	Legal Compliance, Transparency	 Peace, Justice and Strong Institutions

Looking Ahead

Building on FY 2024/2025 achievements, Swisstek’s environmental focus for FY 2025/2026 includes:

- Commissioning solar energy systems at selected sites.
- Establishing formal GHG reduction targets.
- Expanding rainwater harvesting across manufacturing.
- Scaling material circularity and recycling initiatives.
- Pursuing ISO 14001 certification for additional operations.
- Engaging suppliers on upstream sustainability improvements.

We remain committed to embedding environmental sustainability into our operations to ensure long-term resilience and stakeholder trust.

Swisstek (Ceylon) PLC is dedicated to protecting natural capital as an integral part of our business strategy. Through responsible resource management, emissions control, waste reduction, compliance, and stakeholder collaboration, we continue to reduce environmental risks while creating sustainable value for all stakeholders.



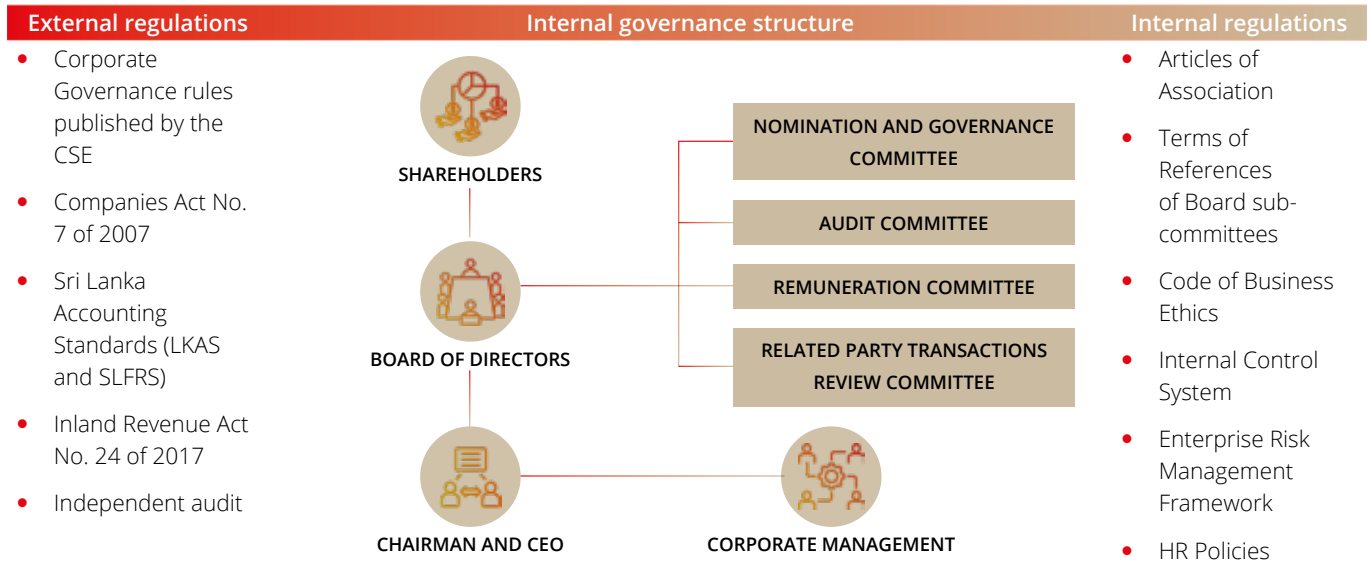
CORPORATE GOVERNANCE

The resilient performance demonstrated by Swisstek (Ceylon) PLC over the past few years stands as a compelling testament to the strength and effectiveness of our corporate governance framework. This resilience is deeply rooted in our unwavering commitment to upholding the highest standards of governance, which we recognise as a cornerstone in building sustainable value for all stakeholders.

We firmly believe that good governance is not merely a compliance requirement but a strategic imperative that drives integrity, ethical conduct, and responsible decision-making across every level of the organisation. As such, we remain resolute in our pursuit of continuous improvement, actively benchmarking our governance practices against global best practices and emerging trends.

In an evolving regulatory and risk landscape, we continue to strengthen our internal controls, enhance board oversight, and cultivate a culture of accountability, transparency, and ethical leadership. These efforts are supported by a robust governance structure that promotes diversity of thought, prudent risk management, and stakeholder inclusivity.

Governance framework

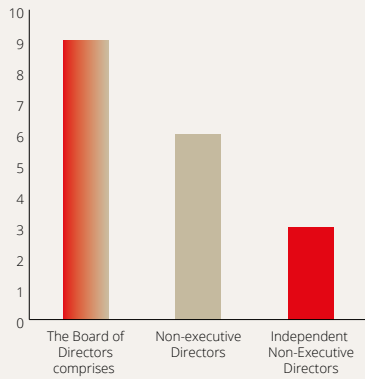


Board composition and expertise

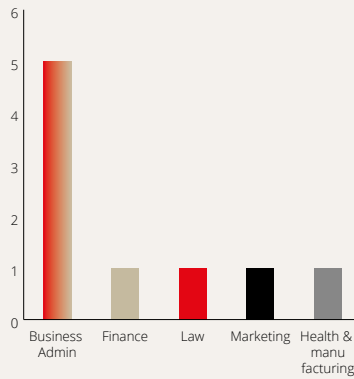
The Board of Directors is ultimately responsible for ensuring that Swisstek (Ceylon) PLC functions within a rigorous and effective governance structure. The Board provides ethical and entrepreneurial leadership, to safeguard stakeholder value creation within a framework of robust and effective controls. The Board is well balanced and competent to discharge their statutory and fiduciary duties, objectively and effectively. Careful consideration has been given to ensure that the Board has the right mix of skills and experience as well as varying perspectives.

The Board comprised of 9 directors of whom 3 were independent non-executive directors as at 31st March 2025. They have been appointed in compliance with the CSE Listing Rules supporting objectivity and performance oversight, particularly in financial and legal matters. All Board members have experience in business roles. The Chairman is a President's Counsel with wide experience in governance and corporate strategy.

Board Composition



Board skill profile

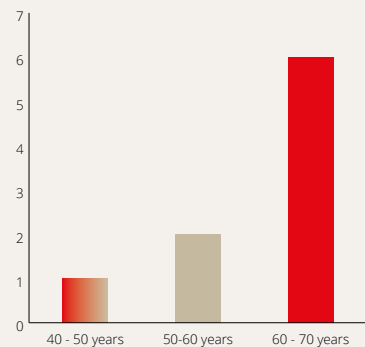


Roles and responsibilities

The roles of the Chairman and Chief Executive have been combined taking into account the business needs of the Group and the skills, experience and vision of the Chairman who is also the largest beneficial shareholder.

While maintaining accountability, the Board has delegated responsibility to relevant Board sub-committees and Management with clearly defined missions and authorities. Accordingly, the Board is supported by 04 sub-committees which have oversight responsibility on specific areas delegated to them, thereby allowing the Board to devote its time to strategic agenda items. The Audit Committee, Remuneration Committee, Nomination and Governance Committee and Related Party Transactions Review Committee assist the Board, as permitted by the listing rules of the CSE.

Diversity of age



100%

Committee	Composition	Areas of oversight
Audit Committee (AC)	01-Chairman - Independent Non-Executive Director 02 Members - Independent Non-Executive Director and Non-Executive Director	<ul style="list-style-type: none"> Compliance with financial reporting requirements, Adequacy and effectiveness of internal controls Adequacy and effectiveness of risk management processes Assessment of the independence and performance of the external auditors Make recommendations to the Board pertaining to external auditors including remuneration and terms of engagement
Remuneration Committee (RC)	01-Chairman - Independent Non-Executive Director 02 Members - Independent Non-Executive Director and Non-Executive Director	<ul style="list-style-type: none"> Considering and recommending to the Board, the broad policy for the remuneration package of Executive Directors, Non-executive directors and Key Corporate Management Recommending and approving total remuneration package including fixed and variable components of the executive directors including the Chief Executive Officer Determining the policy for the terms of employment of the executive Directors

CORPORATE GOVERNANCE

Committee	Composition	Areas of oversight
		<ul style="list-style-type: none"> Monitoring the performance conditions subject to which any long-term incentive awards may be granted under the schemes adopted by the Company and approving grant of long-term incentive awards, such as share appreciation rights and performance shares for Executive Directors and Key Corporate Management. Reviewing the design of all share incentive schemes. Bearing the responsibility for selecting and appointing any remuneration consultants who advises the committee
Nomination and Governance Committee	01-Chairman - Independent Non-Executive Director 02 Members - Independent Non-Executive Director and Non-Executive Director	<ul style="list-style-type: none"> Reviewing Board and Board-level Committee structure, composition, and competencies. Recommending new appointments and re-election of Directors. Ensuring governance-related legal and regulatory requirements of Directors to hold office. Overseeing Board and senior management succession plans.
Related Party Transactions Review Committee (RPTC)	01-Chairman - Independent Non-Executive Director 02 Members - Non-Executive Directors	<ul style="list-style-type: none"> Establishing a policy framework and process to review related party transactions of the Group Ensuring that due process is followed for all related party transactions Determining whether related party transactions to be entered into by the Group require Board or shareholder approval. Ensuring that immediate market and Annual Report disclosures are made in a timely and detailed manner as required by the CSE Listing Rules

The Board's contribution to value creation in 2024/25

<p>Strategy</p> <p>Formulation of the strategic direction to create shared and sustainable stakeholder value. Given the unprecedented operating conditions that prevailed during the year, the Board engaged proactively with the business to ensure continuity of operations amidst volatile business conditions.</p>	<p>Shaping the corporate culture</p> <p>Board members model ethical behaviour in their decisions and actions and their conduct sets the tone for the entire organisation. The Board maintains transparency in board activities and decisions to build trust and accountability.</p>
<p>Risk management</p> <p>The Board assisted by the Audit Committee ensures effective risk management. Effective risk management is underpinned by the Group's risk management framework which has been designed to optimise risk-reward factors.</p>	<p>Stakeholder engagement</p> <p>The Board plays a pivotal role in fostering robust stakeholder engagement, which is crucial for building trust, enhancing reputation, and ensuring long-term success. By establishing clear channels for stakeholder interaction and ensuring regular, honest updates, the Board maintains an ongoing dialogue with all stakeholders.</p>

Meeting attendance

The Board meets monthly to review performance and progress against strategy and to assess risks arising from the operating environment. The agenda and Board Papers for meetings are generally sent 7 working days before the meeting, allowing members sufficient time to review the same.

		Board Meeting	Audit Committee	Related Party Transactions Remuneration Committee	Remuneration Committee	Nomination and Governance Committee *
1	Mr. S H Amarasekera - Chairman	9/10		1/1		
2	Mr. J A P M Jayasekera - Managing Director (Resigned on 1st April '25)	9/10			1/1	
3	Mr. J K A Sirinatha	8/10				
4	Dr. S Selliah	9/10	3/3	4/4		
5	Mr. A M Weerasinghe	7/10				
6	Mr. A S Mahendra	8/10				
7	Mr. K D G Gunaratne	8/10	2/2			
8	Mr. C U Weerawardena	8/10		1/1		
9	Mr. L N D S Wijeyeratne (Appointed 1st Oct '24 and resigned on 31st Dec '24)	2/2	1/1	1/1	1/1	
10	Mr. R M M J Ratnayake (Appointed 1st Jan '25)	3/3	1/1	1/1		
11	Mr. B D S Mendis (Appointed 1st Jan '25)	3/3	1/1	1/1		
12	Mr. J D N Kekulawala (Parent Company Board member)		2/2	2/2		
13	Mr. T G Thoradeniya (Parent Company Board member)		0/2	0/2		
14	Mr. R N Asirwatham (Director of Royal Ceramics Lanka PLC)			1/1		
15	Mr. L A D N Perera - Chief Executive Officer (appointed on 21st May ' 25)				1/1	

*Committee was formed on 01st October 2024. No meetings were held during the period. Decisions were carried out via circular resolutions.

CORPORATE GOVERNANCE

Section A

Code of Best Practice of Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Section Number		Compliance Status	Comment
1. The Company			
A. Directors			
A.1	The Board	Every public company should be headed by an effective Board, which should direct, lead and control the Company.	Compliant
A.1.1	Regular Board Meetings	Frequency of Board meetings. (at least once every quarter)	Compliant
A.1.2	Board Responsibilities	Ensure formulation and implementation of a sound business strategy.	Compliant
		Ensure that the MD/CEO and the management team possess the necessary skills, experience and knowledge for effective implementation of the strategy.	Compliant
		Adapt effective CEO and senior management succession strategy.	Compliant
		Ensure that effective systems are in place to secure integrity of information, internal controls, business continuity and risk management.	Compliant
A.1.2	Board Responsibilities Contd.	Ensure that the company's activities are conducted in compliance with laws, regulations and ethical standards.	Compliant
		Ensure that all stakeholder interests are considered in corporate decisions.	Compliant
		Recognised sustainable business development in corporate strategy, decisions and activities.	Compliant
		Ensure that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.	Compliant
		Fulfill other Board functions that are vital, given the scale, nature and complexity of the business concerned.	Compliant
A.1.3	Compliance with Laws and Access to Independent Professional Advice	Act in accordance with the laws of the country and seek professional advice whenever required.	Compliant
A.1.4	Access to Advice and the Services of a Company Secretary	Advice and Services of the Company Secretary.	Compliant
		The company should obtain appropriate insurance cover as recommended by the nominations committee for board, directors, and key management personnel.	Compliant
A.1.5	Independent Judgment of Directors	Bring Independent judgment on various business issues and standards of business conduct.	Compliant
A.1.6	Dedication of adequate time and effort to matters of the Board and the Company	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.	Compliant

Section Number		Compliance Status	Comment
A 1.7		One third of the directors can call for a resolution to be presented to the board where they feel it is in best interest to the company to do so.	Not Applicable
A 1.8	Training and continuous Development of Directors	Every Director should receive appropriate training when first appointed to the Board and subsequently as necessary.	Compliant
A.2	Chairman and Chief Executive Officer	Chairman and CEO are two different positions and need to be divided responsibilities.	Compliant
A.3	Chairman's Role	The Chairman's role in preserving good Corporate Governance.	Compliant
A.4	Financial Acumen	Availability of sufficient financial acumen and knowledge to offer guidance on matters of finance.	Compliant
A.5	Board Balance	The Board should have a balance of executive and non- Executive Directors.	Compliant
A.5.1		Presence of non- Executive Directors.	Compliant
A.5.2		Independent Directors.	Compliant
A.5.3		Criteria to evaluate "Independence" of Non- Executive Directors.	Compliant
A.5.4		Annual Declaration of Non- Executive Directors.	Compliant
A.5.5		Annual determination of 'Independence' of Non- Executive Directors by the Board.	Compliant
A.5.6		Appointment of an Alternate Directors by a Non-executive/independent Directors.	Not Applicable
A.5.7		Appointment of Senior Independent Director.	Not Applicable
A5.8		Availability of the senior independent director for confidential discussions with other directors.	No senior independent director
A 5.9		Responsibility of Chairman to hold meetings only with Non-executive Directors.	Compliant
A.5.10		Recording of concerns which cannot be unanimously resolved in Board minutes.	Compliant
A.6	Supply of Information	The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.	Compliant
A.6.1		Managements responsibility to provide the Board with appropriate and timely information.	Compliant
A.6.2		Preparation of minutes, agenda and Board papers prior to the Board meetings.	Compliant
A.7	Appointments to the Board; Nomination Committee	There should be a formal and transparent procedure for the appointment of new Directors to the Board.	Compliant
A.7.1		Composition of the Nomination Committee	Compliant
A.7.2		Annual assessment of the board composition against pre-defined criteria of skill and knowledge requirements. Please refer to the Page 105 of the Annual Report for Nomination Committee Report.	Compliant
A.7.3		Succession plan for the Chief Executive Officer and for Key Management Personnel and determine the training and development for those identified for succession.	Compliant
A.7.4		Disclosure of details of new directors to shareholders.	Compliant

CORPORATE GOVERNANCE

Section Number		Compliance Status	Comment
A.7.5		The chairman and members of the nomination committee should be identified in the annual report. Please refer to the Page 105 of the Annual Report.	Compliant
A.7.6		Terms and reference for nomination committees Please refer to the Page 105 of the Annual Report.	Compliant
A.8	Re Election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years. Please refer page 94 of the annual report for details of re-election of Directors.	Compliant
A.8.1		Appointment and re-election of non-Executive Directors. Please refer page 94 of the Annual Report.	Compliant
A.8.2		Election of Directors by the shareholders. Please refer page 94 of the Annual Report.	Compliant
A.8.3		In the event of a resignation of a director prior to completion of his appointed term, the director should provide a written communication to the board of his reasons for resignations.	Compliant
A.9	Appraisal of Board Performance	Board should periodically appraise their own performance.	Compliant
A.10	Disclosure of Information of Directors.	Shareholders should be kept advised of relevant details in respect of Directors.	Compliant
A.10.1		Disclosures on Directors in the annual report.	Compliant
A.11	Appraisal of CEO	The Board should require, at least annually, to assess the performance of the CEO.	Compliant
A.11.1		Setting annual target for MD/ CEO.	Compliant
A.11.2		Evaluation of the performance of the CEO.	Compliant
B.1	Directors Remuneration	Companies should establish a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.	Compliant
B.2	Level and Makeup of Remuneration	The Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully.	Compliant
B.2.1		Presence of a Remuneration Committee. Please refer page 101 for the Remuneration Committee Report.	Compliant
B.2.2		Composition of Remuneration Committee. Please refer page 101 for details of the composition of Remuneration Committee.	Compliant
B.2.3		Ability to consult the Chairman and/ or CEO and to seek professional advice by the committee.	Compliant
B.2.4		Determination of remuneration of Non-Executive Directors.	Compliant
B.2.5		Remuneration packages of Executive Directors.	Compliant
B.2.6		Comparison of remuneration with other Companies.	Compliant

Section Number		Compliance Status	Comment
B.2.7		The remuneration committee should be sensitive to remuneration and employment conditions elsewhere in the company or group of which it is a part, especially when determining annual salary increase.	Compliant
B.2.8		Designing performance – based remuneration of Executive Directors.	Compliant
B.2.9		Executive share options should not be offered at a discount, save as permitted by the listing rules of the Stock Exchange. Shares granted under share option schemes should not be exercisable in less than three years and the remuneration committee should consider requiring directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise.	Not applicable
B.2.10		In designing schemes of performance-related remuneration, remuneration committee should follow the provisions that would enable the company to recover sums paid or withhold a portion of such performance related remuneration and specify the circumstances in which a company may not entitled to do so.	Compliant
B.2.11		The remuneration committee should consider what compensation commitments their chief executive's and executive directors 'contracts of services, if any, entail in the event of early termination.	Compliant
B.2.12		Where the initial contract does not explicitly provide for compensation commitments, remuneration committee should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances.	Compliant
B.2.13 B.2.14		Remuneration of Non-Executive Directors.	Compliant
B.2.15		The chairman and members of the remuneration committee should be listed in the annual report each year. Please refer page 101 for the Remuneration Committee Report.	Compliant
B.2.16		The terms and reference for remuneration committee. Please refer page 101 for the Remuneration Committee Report.	Compliant
B.3	Disclosure of Remuneration	The Company's Annual Report should contain a statement of Remuneration policy and details of Remuneration of the Board as whole.	Compliant
B.3.1 B.3.2		Disclosure of Remuneration.	Compliant
C. Relations with Share Holders			
C.1	Constructive use of the Annual General Meeting (AGM) and Conduct of General Meeting	Boards should use the AGM to communicate with shareholders and should encourage their participation. Please refer page 184 for details of the Annual General Meeting.	Compliant
C.1.1		Companies should arrange for the Notice of the AGM and related papers to be sent to shareholders as determined by statute, before the meeting.	Compliant
C.1.2		Separate Resolution to be proposed for each item.	Compliant
C.1.3		Use of Proxy Votes.	Compliant
C.1.4		Availability of Chairmen of Board Committees at the AGM.	Compliant

CORPORATE GOVERNANCE

Section Number		Compliance Status	Comment
C.1.5		Summary of procedures Governing voting at the General Meeting.	Compliant
C.2		The Board should implement effective communication with shareholders.	Compliant
C.2.1			
C.2.2			
C.2.3		Communication channel to reach shareholders.	
		Company's Communication policy and methodology.	Compliant
C.2.4		The Company should disclose the contact person for such communications.	Compliant
C.2.5		Process to make directors aware of major issues and concerns of shareholders.	Compliant
C.2.6		Person to be contacted on shareholders matters.	Compliant
C.2.7		Formulation of a process for responding to shareholders and disclosure on them.	Compliant
C.3	Major and Material Transaction	Disclosure of all material transactions including related party transactions.	Not applicable
D. Accountability and Audit			
D.1	Financial and Business Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.	
D.1.1		Board responsibility for statutory and regulatory reporting.	Compliant
D.1.2		Declarations by Directors in the Directors' report.	Compliant
D.1.3		Declarations by the Chief Executive Officer and the Group Financial Controller on the financial statements before the approval of the board of directors.	Compliant
D.1.4		Declaration by the Board on going concern of the business.	Compliant
D.1.5		Statements by Directors and Auditors on responsibility for financial reporting.	Compliant
D.1.6		Management Discussion Analysis.	Compliant
D.1.7		Requirement to summon an Extraordinary General Meeting (EGM) to notify serious loss of capital.	Not applicable
D.1.8		Adequate and accurate disclosure of related party transactions.	Compliant
D.2	Risk Management and Internal Control	Risk Internal Controls.	Compliant
D.2.1		Directors to conduct an annual review of Risk Management and internal controls.	Compliant
D.2.1.1		Robust assessment of the principal risks facing the company. Please refer risk management report on page 88 to 90.	Compliant
D.2.1.2		The board should describe the risk management framework, processes, responsibilities and explain in the annual report how they are being managed or mitigated.	Compliant
D.2.1.3 to D.2.1.8		Establishment of a risk committee to oversee risk management, and its composition, duties, authority and the disclosure in the annual report.	Not applicable
D.2.2		Establishment of a risk management framework. Please refer page 89 for the report on risk management.	Compliant

Section Number		Compliance Status	Comment
D.2.2.1		The board should ensure that effective system of internal controls is establish in respect of financial, operational and compliance system, processes, and practices and are monitored regularly. Please refer page 102 for the Audit committee report.	Compliant
D.2.2.2		The need for an internal audit function.	Compliant
D.2.2.3		Audit Committee to ensure carrying out the reviews of the process and effectiveness of risk management and Internal Control.	Compliant
D.2.2.4		Responsibilities of directors in maintaining a sound system of internal control and the contents of the statement of internal control. Please refer page 89 for the directors' statement on internal controls.	Compliant
D.3		Audit Committee.	Compliant
D.3.1		The Board Should establish an Audit Committee. Please refer Audit committee Report on Pages 102 to 103.	Compliant
D.3.2		Duties of the Audit Committee. Terms of reference of the Audit Committee.	Compliant
D.3.3		Disclosure of names of the members of the Audit Committee. The number of meetings held attendance of each director. The scope of work and how its roles and responsibilities were discharged. Names of Directors comprising the Audit Committee are set out on page 102 of the Annual Report.	Compliant
D.4	Risk Committee	The board should establish a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification, rating and management of risk. Audit Committee reviews the effectiveness of risk management of the group.	Compliant
D.5	Related Party Transactions Review Committee	The Board Should establish a procedure to ensure that the Company does not engage in transactions with 'related parties' in a manner that would grant such parties "more favorable treatment" than that accorded to third parties in the normal course of business.	Compliant
D.6		Code of Business Conduct & Ethics.	Compliant
D.7		Corporate Governance Disclosure.	Compliant
D.7.1		Disclosure of compliance with the Corporate Governance Code. Page 62 to 84 set out the manner and extent to which the company has complied with the principles and provisions of the Code of Best Practice on Corporate Governance issued jointly by the SEC and the CA Sri Lanka.	Compliant

CORPORATE GOVERNANCE

Section Number		Compliance Status	Comment
2. Shareholders			
E. Institutional Investors			
E1.1	A listed company should conduct a regular and structured dialogue with shareholders.		Compliant
E.2	Evaluation on Governance Disclosures	Institutional investors should be encouraged to give due weight to the relevant governance arrangements.	Compliant
F. Other Investors			
F.1	Investing/ Divesting Decisions	Individual Shareholders are encouraged to seek independent advice on investing or divesting decisions.	Compliant
F.2	Shareholder Voting	All Shareholders are encouraged to participate at Annual General Meeting and cast their votes.	Compliant
G. Interest of Things and Cybersecurity			
G.1	The Board review the IT environment through its audit committee.		Compliant
H. Environment, Society and Governance (ESG)			
H.1.1 - H.1.5	Disclose the policies and procedures adopted to develop environment, society and Governance (ESG).		Compliant
I. Special Considerations for Listed Entities			
I.1	Establishment and maintenance of policies The board has taken necessary steps for the establishment of policies mentioned under principle I.1.1.		Compliant
I.2	Policy on matters relating to the board of directors		Compliant

Section B

This section covers the Company's extent of adherence to the Corporate Governance Rules set out in Section 9 of the Listing Rules of the Colombo Stock Exchange.

The following table presents the details of the Company's compliance with Section 9 of the CSE Listing Rules on Corporate Governance as at 31st March 2025.

Rule No	Corporate Governance Rule	Status of Compliance
9.2 Policies (Effective from 01/10/2024)		
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website; (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and (f) employees, including policies on trading in the Entity's listed securities (g) Policy on Risk management and Internal controls (h) Policy on Relations with Shareholders and Investors (i) Policy on Environmental, Social and Governance Sustainability (j) Policy on Control and Management of Company Assets and Shareholder (k) Investments (l) Policy on Corporate Disclosures (m) Policy on Whistleblowing (n) Policy on Anti-Bribery and Corruption	Complied
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	No such waivers were granted.
9.2.3	Listed Entities shall disclose in its Annual Report: (i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. (ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	Complied
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Will be provided upon receiving a written request
9.3 Board Committees		
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Complied

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.	Complied
9.3.3 (Effective from 01/10/2024)	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Complied
9.4 Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied
9.4.2	Communication and relations with shareholders and investors (a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. (d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	Complied
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Complied
9.6 Chairperson and CEO		
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director. Consequently, the position of Chairperson and CEO shall not be held by the same individual.	Complied
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of these Rules). Such Market Announcement shall include the following: (a) The reasons for non-compliance (b) The rationale for combining the positions of the Chairperson and CEO	Not Applicable

Rule No	Corporate Governance Rule	Status of Compliance
9.6.3	<p>(c) The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate.</p> <p>(d) The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3.(b) and (c) above.</p> <p>(e) The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.</p>	
9.6.4	Until Listed Entities comply with Rule 9.6.1 above, such Entities shall be required to explain the reasons for non-compliance with Rule 9.6.1 in the Annual Report.	Not Applicable
9.7 Fitness of Directors and CEOs		
9.7.1	<p>The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules:</p> <p>In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.</p>	Complied
9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	Complied
9.7.3	<p>Fit and Proper Assessment Criteria:</p> <p>a) Honesty, Integrity and Reputation</p> <p>A Director or the CEO of a Listed Entity shall not be considered 'fit and proper' if she or he;</p> <p>(i) has been convicted by a competent court of law in respect of a market offence for which he/she has been charged under the SEC Act or Securities Laws outside of Sri Lanka.</p> <p>(ii) in his/her individual capacity or as a part of any business that he/she has been involved in, who/which has had a license or registration that has been cancelled by the SEC or any other regulatory authority.</p> <p>(iii) has been convicted, within or outside Sri Lanka of an offence under any law involving fraud, misappropriation or dishonesty or the conviction of which involved a finding that he/she acted fraudulently or dishonestly.</p> <p>(iv) has been convicted for contravening any provision of any law within or outside Sri Lanka for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies.</p>	Complied
	<p>(v) has been disqualified from acting as a Director or CEO of a company or has been dismissed or requested to resign from any position or office by the SEC in terms of the SEC Act or rules and regulations issued thereunder or any other statutory regulatory body due to mismanagement of funds or an offence which involves the commission of financial fraud.</p> <p>(vi) has been disqualified from acting as a CEO/Key Management Person/Director of a company regulated by the CBSL and/or the Insurance Regulatory Commission of Sri Lanka (IRCSL) as applicable for failure to satisfy the fit and proper assessment criteria issued by the CBSL and/or IRCSL respectively.</p> <p>(vii) has been a Director or the CEO of any Listed Entity which has been delisted by the Exchange in the circumstances specified in Rule 11.3 of these Rules.</p>	

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
	<p>b) Competence and Capability</p> <p>A Director or the CEO of an Entity shall not be considered as 'fit and proper' if she or he;</p> <p>(i) does not possess suitable academic or professional qualifications or necessary skills, competencies and experience which are determined by the Nominations and Governance Committee of the Listed Entity in terms of Rule 9.11.5 of these Rules which are required to efficiently contribute to the business operations of the Entity in his/her capacity as a Director/CEO (as applicable).</p> <p>(ii) has been declared by a court of competent jurisdiction in Sri Lanka or outside Sri Lanka, to be of unsound mind.</p>	
	<p>c) Financial Soundness</p> <p>A Director or the CEO of an Entity shall not be considered as a 'fit and proper person' by the Exchange, if she or he;</p> <p>(i) is an undischarged bankrupt or a person on whose behalf a receiver or manager or liquidator or an equivalent person has been appointed within or outside Sri Lanka.</p> <p>(ii) has been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Sri Lanka or outside Sri Lanka.</p> <p>(iii) has been in a position capable of exercising significant influence in a company that has:</p> <p>(a) been declared bankrupt within or outside of Sri Lanka; or</p> <p>(b) its assets sequestrated for the non-satisfaction of a judgement debt.</p>	
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
9.7.5	<p>Disclosures in the Annual Report of Listed Entities</p> <p>Listed Entities shall include the following disclosures/reports in the Annual Report;</p> <p>a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.</p> <p>b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such noncompliance/s.</p>	Complied
9.8 Board Composition		
9.8.1 (Effective from 01/10/2024)	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
9.8.2 (Effective from 01/10/2024)	<p>Minimum Number of Independent Directors:</p> <p>(a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.</p> <p>(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.</p>	Complied

Rule No	Corporate Governance Rule	Status of Compliance
9.8.3	<p>Criteria for determining independence:</p> <p>A Director shall not be considered independent if he/she:</p> <ul style="list-style-type: none"> (i) has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director. (ii) currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. 	Complied
	<ul style="list-style-type: none"> (iii) currently has/had during the preceding financial year a Close Family Member who is a Director and/or CEO in the Listed Entity. (iv) has a Significant Shareholding in the Listed Entity. 	
	<ul style="list-style-type: none"> (v) has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) is employed in another company or business; <ul style="list-style-type: none"> a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. in which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c. that has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) is a director of another company; <ul style="list-style-type: none"> a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. that has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) has a Material Business Relationship or a Significant Shareholding in another company or business; <ul style="list-style-type: none"> a. in which a majority of the other directors of the Listed Entity are employed or are directors; and/or b. which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c. where the core line of business of such company is in direct conflict with the line of business of the Listed Entity. (ix) is above the age of seventy (70) years. 	
9.8.5	<p>The Board of Directors of Listed Entities shall require:</p> <ul style="list-style-type: none"> (a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein. (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report. (c) If the Board of Directors determines that the Independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof. 	Complied

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
9.9 Alternate Directors		
	<p>If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity:</p> <p>(a) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.</p> <p>(b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Listed Entity.</p> <p>(c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.</p> <p>(d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:</p> <ol style="list-style-type: none"> The exceptional circumstances leading to such appointment; The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director; The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and, A Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. <p>(e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.</p>	Not Applicable
9.10 Disclosures relating to Directors		
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	Complied
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following:	Complied
	<ol style="list-style-type: none"> a brief resume of such Director; his/her capacity of directorship; and, Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. 	
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date there of.	Complied

Rule No	Corporate Governance Rule	Status of Compliance
9.10.4	<p>Listed Entities shall also disclose the following in relation to the Directors in the Annual Report:</p> <ul style="list-style-type: none"> (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID 	Complied
9.11 NOMINATIONS AND GOVERNANCE COMMITTEE (Effective from 01/10/2024)		
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
9.11.3	The Nominations and Governance Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied
9.11.4	<p>Composition</p> <ul style="list-style-type: none"> (1) The members of the Nominations and Governance Committee shall; <ul style="list-style-type: none"> (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. 	Complied Please refer page 105
	<ul style="list-style-type: none"> (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity. 	Complied

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
9.11.5	<p>Functions</p> <p>The functions of the Nominations and Governance Committee shall include the following:</p> <ul style="list-style-type: none"> (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. However, a member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment. (ii) Consider and recommend (or not recommend) the re-appointment/re-election of current Directors taking into account; <ul style="list-style-type: none"> • the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Listed Entity and the discharge of the Board's overall responsibilities; and, • the number of directorships held by the Director in other listed and unlisted companies and other principal commitments. (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity. (iv) Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements. 	
	<ul style="list-style-type: none"> v) Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity. (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities. (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices. (ix) Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same. 	
9.11.6	<p>Disclosures in Annual Report</p> <p>The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.</p> <p>The said report shall include the following;</p> <ul style="list-style-type: none"> (a) the names of the Chairperson and members of the Committee and the nature of directorships held by such members); (b) the date of appointment to the Committee; (c) whether a documented policy and processes are in place when nominating Directors; 	<p>Partially</p> <p>Complied</p>

Rule No	Corporate Governance Rule	Status of Compliance
	<p>(d) whether all directors should be required to submit themselves for re-election at regular intervals and at least once in every three (3) years;</p> <p>(e) a disclosure on Board diversity in the range of experience, skills, age, and gender as an essential factor for effective Board performance;</p> <p>(f) Details to demonstrate effective implementation of policies and processes relating to appointment and reappointment of Directors.</p> <p>(g) The following information regarding directors who are re-elected or being proposed for re-election during the year:</p> <ul style="list-style-type: none"> • Board Committees served on (as a member or Chairperson), • Date of first appointment as a Director, • Date of last re-appointment as a Director, • Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities; and, • Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity. <p>(h) Whether periodic evaluations have been conducted on the performance of the Board of Directors and the CEO of the Entity as specified in Rule 9.11.5 above</p> <p>(i) Processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity;</p>	
	<p>(j) Induction programs/orientation programs conducted for newly appointed Directors on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations, or an appropriate negative statement;</p> <p>(k) Annual update given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations, or an appropriate negative statement.</p> <p>(l) A statement that the Directors of the Listed Entity meet the criteria for determining independence.</p>	Complied
	<p>(m) A statement that the Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity's fail to comply with any provisions of such Rules, a statement explaining the reason for such noncompliance and the proposed remedial action taken for the rectification of non compliance.</p>	Complied
9.12 REMUNERATION COMMITTEE		
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	In progress
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied
9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied
9.12.6	<p>Composition</p> <p>(1) The members of the Remuneration Committee shall; (Effective from 01/10/2024)</p>	Complied

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
	<p>(a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.</p> <p>(b) not comprise of Executive Directors of the Listed Entity.</p>	a) The Committee comprise of three Non-Executive Directors of which three of them are Independent Non-Executive Directors.
	(2) In a situation where both the parent company and the subsidiary are 'Listed Entities', the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary.	2) Not applicable – company has a separate Remuneration Committee.
	(3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	3) The Committee formed on 01st January 2025. is chaired by an Independent Director
9.12.7	<p>Functions</p> <p>(1) The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.</p> <p>(2) The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.</p>	<p>Complied</p> <p>The Remuneration Committee Report on page 101 contains the functions of the Committee.</p>
9.12	<p>Disclosure in Annual Report</p> <p>The Annual Report should set out the following:</p> <p>(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company);</p> <p>(b) A statement regarding the remuneration policy; and,</p> <p>(c) The aggregate remuneration of the Executive and Non-Executive Directors.</p>	<p>Complied</p> <p>Please refer page 101.</p>
9.13 AUDIT COMMITTEE		
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Not Applicable A company has two separate committees in operation to perform the audit and risk functions
9.13.2	The Audit Committee shall have a written term of reference clearly defining its scope, authority and duties.	Complied
9.13.3 (effective from 01/10/2024)	<p>Composition</p> <p>(1) The members of the Audit Committee shall;</p> <p>(a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.</p>	<p>Complied</p> <p>1) The Committee comprises of two Independent Non-Executive Directors and an Non-Executive Director</p>
	(b) not comprise of Executive Directors of the Listed Entity.	Complied
	(2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	Complied

Rule No	Corporate Governance Rule	Status of Compliance
	(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.	Complied
	(4) If both, the Parent Company and the subsidiary are 'Listed Entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary.	4) Not applicable – Company has its own Audit Committee
	(5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied
	(6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Complied
	(7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
9.13.4 (Effective from 01/10/2024)	<p>Functions</p> <p>(1) The functions of the Audit Committee shall include the following:</p> <p>(i) Oversee the Entity's compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.</p> <p>(ii) Review the quarterly results and year-end financial statements of the Entity prior to tabling for the approval of the Board of Directors of the Entity with special reference to:</p> <p>(a) changes in or implementation of major accounting policy changes;</p> <p>(b) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;</p> <p>(c) compliance with accounting standards and other legal requirements;</p> <p>(d) any related party transaction and conflict of interest situation that may arise within the Listed Entity or group including any transaction, procedure or course of conduct that raises questions of management integrity;</p> <p>(e) any letter of resignation from the external auditors of the Listed Entity; and,</p> <p>(f) whether there is reason (supported by grounds) to believe that the Listed Entity's external auditor is not suitable for re-appointment</p> <p>(iii) To make recommendations to the Board pertaining to appointment, reappointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.</p> <p>(iv) Obtain and review assurance received from:</p> <p>(a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Entity's operations and finances; and</p>	Complied

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
	<p>(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Entity's risk management and internal control systems.</p> <p>(v) Review the internal controls in place to prevent the leakage of material information to unauthorised persons.</p>	
	<p>(vi) Oversee 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.</p> <p>(vii) Review and assess the company's risk management process, including the adequacy of the overall control environment and controls in areas of significant risks and updated business continuity plans.</p> <p>(viii) Review the risk policies adopted by the Entity on an annual basis.</p> <p>(ix) Take prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the committee on the basis of the Listed Entity's policies and regulatory requirements.</p> <p>(x) Review the scope and results of the internal and external audit and its effectiveness, and the independence, performance and objectivity of the auditors.</p> <p>(xi) To develop and implement policy on the engagement of the external auditor to supply non-audit services, at minimum taking into account relevant ethical guidance regarding the provision of non-audit services by an external audit firm; and to report to the Board identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps ought to be taken.</p>	
	<p>(xii) if a change of auditor is recommended by the Audit Committee in circumstances where the audit opinion of the immediately disclosed financial period or any period where subsequent disclosure of audit opinion is pending and such opinion carries a modification or an emphasis of matter of going concern, then the Audit Committee report shall include the rationale of the Audit Committee for recommending the removal of the auditor.</p>	
	<p>(xiii) Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of a Listed Entity has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee shall promptly report such matter to the Exchange.</p> <p>(2) Where Listed Entities maintain two (02) separate Committees to carry out the Audit and Risk functions, the terms of reference of such Committees shall, at a minimum, include the respective functions stipulated in Rule 9.13.4 (1) above.</p>	

Rule No	Corporate Governance Rule	Status of Compliance
9.13.5 (Effective from 01/10/2024)	<p>Disclosures in Annual Report</p> <p>(1) The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity. The Audit Committee Report shall set out the manner in which the Entity has complied with the requirements applicable to the Audit Committee during the period for which the Annual Report relates.</p> <p>(2) The Audit Committee Report shall contain the following disclosures:</p> <p>(a) the names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members (or persons in the parent company's committee in the case of group company);</p> <p>(b) The status of risk management and internal control of the Listed Entity and as a Group (where applicable).</p> <p>(c) A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances.</p> <p>(d) An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.</p> <p>(e) whether the Listed Entity has a formal Audit Charter;</p>	Complied
	<p>(f) the manner in which internal audit assurance is achieved and a summary of the work of the internal audit function;</p> <p>(g) Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity;</p> <p>(h) a statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and</p> <p>(i) a statement confirming that the Audit Committee has made a determination of the independence of auditors and the basis of such determination. It shall also contain details on the number of years that the external auditor and the audit partner were engaged. If the external auditor provides non-audit services, explanations must be made of how auditor objectivity and independence are safeguarded taking into consideration fees paid for non-audit services provided by the external auditor and affiliated parties.</p>	

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE		
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied
9.14.2	<p>Composition</p> <p>(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.</p> <p>(2) If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.</p>	<p>Complied</p> <p>1) The Committee comprises of three Non-Executive Directors of which two of them are Independent Non Executive Directors.</p> <p>Not Applicable -Company has its own Related Party Transaction Review Committee.</p>
9.14.3	<p>Functions</p> <p>(1) Listed Entities shall have a Related Party Transactions Review Committee which shall be responsible for reviewing the Related Party Transactions as set out herein.</p> <p>(2) The objective of these Rules on Related Party Transactions is to ensure that the interests of shareholders as a whole are taken into account by a Listed Entity when entering into Related Party Transactions. These Rules further provide specific measures to prevent Directors, C EOs or Substantial Shareholders taking advantage of their positions.</p> <p>(3) When applying these Rules on Related Party Transactions, the objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality.</p> <p>(4) The Related Party Transactions Review Committee shall establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.</p>	<p>Complied</p> <p>The RPT Review Committee Report sets out the functions of the Committee.</p>
9.14.4	<p>General Requirements</p> <p>(1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.</p> <p>(2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.</p> <p>(3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.</p> <p>(4) If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not:</p> <p>(a) be present while the matter is being considered at the meeting; and,</p> <p>(b) vote on the matter.</p>	Complied

Rule No	Corporate Governance Rule	Status of Compliance
	<p>Review of Related Party Transactions by the Related Party Transactions Review Committee</p> <p>(1) Subject to the exemptions given in terms of Rule 9.14.10, the Related Party Transactions Review Committee shall review in advance all proposed Related Party Transactions.</p> <p>(2) In the event of any material changes to a previously reviewed Related Party Transaction in terms of Rule 9.14.5 (1) above, such proposed material changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction.</p>	
	<p>(3) The Related Party Transactions Review Committee shall be provided with all the facts and circumstances of the proposed Related Party Transaction by the senior management to facilitate the review of a Related Party Transaction. Such information shall include where applicable:</p> <ul style="list-style-type: none"> (i) the Related Party's relationship to the Listed Entity and interest in the transaction; (ii) the material facts of the proposed Related Party Transaction, including the proposed aggregate value of such transaction; (iii) the benefits of the proposed Related Party Transaction to the Listed Entity; (iv) the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed Related Party Transaction is on terms that are comparable to the terms generally available to an unaffiliated third party under the same or similar circumstances, or to employees generally. 	
	<p>(4) In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the Related Party Transactions Review Committee shall take into account the following, among other factors it deems appropriate:</p> <ul style="list-style-type: none"> (i) the facts and circumstances made available to it as set out above, (ii) the views of the Chairperson of the Board of Directors and the Chairperson of the Nominations and Governance and/or Audit Committee of the impact of the proposed Related Party Transaction on a director's independence (if the related party is a director, a close family member of a director or an entity in which a director is a partner, shareholder or executive officer); and (iii) whether the Related Party Transaction requires immediate market disclosure, as set out in these Rules. 	
	<p>(5) No Director shall participate in any discussion of a proposed Related Party Transaction in which he or she is a Related Party, except that the Director, at the request of the Committee, may participate in discussions for the express purpose of providing information concerning the Related Party Transaction to the Committee. Where deemed necessary considering the issues of potential conflict, which were presented to the Committee, the Committee may recommend the creation of a special committee to review and approve the proposed Related Party Transaction.</p> <p>(6) If a Related Party Transaction will be ongoing (a Recurrent Related Party Transaction), the Related Party Transactions Review Committee may establish guidelines for the senior management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on an annual basis, shall review and assess ongoing relationships with the Related Party to determine whether they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.</p>	

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
9.14.6	<p>Shareholder Approval</p> <p>(1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transactions:</p> <p>(A) If a non-recurrent transaction;</p> <p>(i) Any Related Party Transaction of a value equal to, or more than:</p> <p>(a) one third (1/3) of the Total Assets of the Entity as per the latest Audited Financial Statements of the Entity; or</p> <p>(b) one third (1/3) of the Total Assets of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other nonrecurrent transactions entered into with the same Related Party during the same financial year.</p> <p>(ii) If the Listed Entity acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Entity or its associates.</p>	<p>Complied</p> <p>No requirement arose for the FY 2024/25</p>
	<p>(B) If a recurrent transaction;</p> <p>Any recurrent Related Party Transaction of a value equal to, or more than:</p> <p>(i) one third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity; or</p> <p>(ii) one third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same financial year; And;</p>	
	<p>(iii) the transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favourable to the Related Party than those generally available to the public.</p> <p>(2) In relation to Rules 9.14.6 (1) (A) (i) (b) and 9.14.6 (1)(B) (ii) above, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.</p> <p>(3) If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.</p>	
9.14.7	<p>Disclosures</p> <p>(1) Immediate Disclosures</p> <p>A Listed Entity shall make an immediate Market Announcement to the Exchange;</p> <p>(a) of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or</p> <p>(b) of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.</p>	<p>Complied</p> <p>No requirement arose for FY 2024/25</p>

Rule No	Corporate Governance Rule	Status of Compliance
	<p>Listed Entities shall disclose subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the financial year.</p> <p>The Market Announcement to the Exchange shall include:</p> <ul style="list-style-type: none"> (i) the date of the transaction or the period where applicable (ii) the name of the relevant Related Party (iii) the relationship between the Listed Entity and the Related Party 	<p>Complied</p> <p>No requirement arose for FY 2024/25</p>
	<ul style="list-style-type: none"> (iv) details of the transaction including the amount, relevant terms of the transaction and the basis on which the terms were arrived at (v) the rationale for entering into the transaction (vi) the following statement: <ul style="list-style-type: none"> “The Related Party Transactions Review Committee of the Entity is of the view that the transaction/s is/are on normal commercial terms, and is/are not prejudicial to the interests of the Entity and its minority shareholders and the Related Party Transaction Review Committee is/is not (delete as applicable) obtaining an opinion from an independent expert prior to forming its view on the transaction.” (vii) the aggregate value of the Related Party Transactions for the financial year with the particular Related Party whose transaction is the subject of the announcement and the aggregate value of all non-recurrent Related Party Transactions for the same financial year. 	
9.14.8	<p>Disclosures in the Annual Report</p> <ul style="list-style-type: none"> (1) In the case of Non-recurrent Related Party Transactions: if the aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets of the Listed Entity, whichever is lower, as per the latest Audited Financial Statements the following information must be presented in the Annual Report. (2) In the case of Recurrent Related Party Transactions: if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity must disclose the aggregate value of recurrent Related Party Transactions entered into during the financial year in its Annual Report. The name of the Related Party and the corresponding aggregate value of the Related Party Transactions entered into with the same Related Party must be presented. (3) The Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: <ul style="list-style-type: none"> • The names of the Directors comprising the Committee; • A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated its comments/ observations to the Board of Directors. • The policies and procedures adopted by the Committee for reviewing the Related Party Transactions 	<p>Complied</p> <p>No disclosures for FY 2024/25</p>

CORPORATE GOVERNANCE

Rule No	Corporate Governance Rule	Status of Compliance
	(4) An affirmative declaration by the Board of Directors in the Annual Report that these Rules pertaining to Related Party Transactions have been complied with or if the Entity has not entered into any Related Party Transaction/s a negative statement to that effect.	
9.14.9	<p>Acquisition and Disposal of Assets from/to Related Parties</p> <p>(1) Except for transactions set out in Rule 9.14.10, Listed Entities shall ensure that neither the Listed Entity nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Entity without obtaining the approval of the shareholders of the Entity by way of a Special Resolution.</p> <p>An asset is substantial if its value or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets of the Entity as per the latest Audited Financial Statements.</p> <p>(2) If a transaction requires shareholder approval as set out in Rule 9.14.9(1) above, such approval shall be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.</p>	Not Applicable
	<p>(3) Rule 9.14.9(1) does not apply to:</p> <ul style="list-style-type: none"> • a transaction between the Listed Entity and a wholly owned subsidiary. • a transaction between wholly owned subsidiaries of the Listed Entity. • a takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended). • any transaction entered into by the Listed Entity with a Bank as principal, on arm's length terms and in the ordinary course of its banking business. 	
	<p>(4) The members of the Related Party Transactions Review Committee should obtain 'competent independent advice' from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under consideration. A person who is in the same group of the Listed Entity or who has a Significant Interest in or Financial Connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice.</p> <p>(5) The competent independent advice obtained in terms of Rule 9.14.9 (4) above should be circulated with the notice of meeting to obtain the shareholder approval as set out in Rule 9.14.9 (1) above.</p>	
	<p>(6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include:</p> <ul style="list-style-type: none"> (a) the key assumptions, conditions or restrictions that impact the estimate value; (b) the different valuation methodologies considered and employed in valuing the subject asset/s and justification for adopting one or more of them in the valuation; (c) the sources of information relied upon for the valuation; (d) the identity of individuals participating in the valuation assignment and their qualifications; (e) statement confirming the independence of the parties participating in the advice; 	

Rule No	Corporate Governance Rule	Status of Compliance
	(f) a statement as to whether the transaction is on usual commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders as a whole.	
9.16 ADDITIONAL DISCLOSURES		
	<p>The following declarations by the Board of Directors to be included in the Annual Report:</p> <ul style="list-style-type: none"> (i) They have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested; (ii) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so; (iii) they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; (iv) disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations. 	Complied

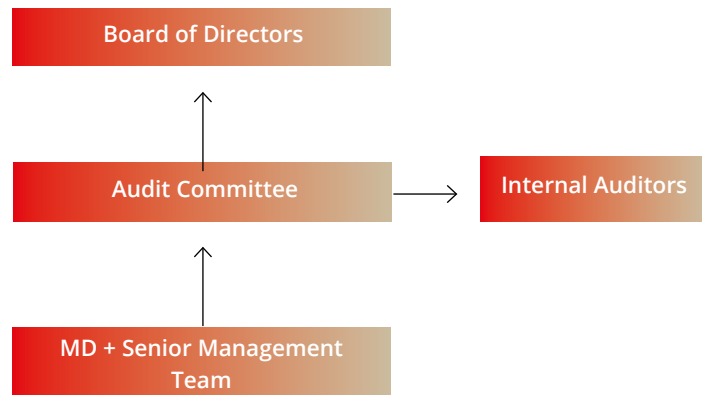
RISK MANAGEMENT

At Swisstek, effective risk management is at the heart of our operational strategy, ensuring resilience, stability, and sustainable growth in a dynamic market environment

Our robust framework continuously scans for emerging threats, stress tests multiple scenarios, and embeds clear risk appetites into every decision. This vigilance has safeguarded liquidity, secured critical raw material pipelines, and enabled timely pivots toward higher margin product segments as market dynamics evolved. The results speak for themselves: sustained profitability, solid cash flows, and above market returns that have created enduring value for customers, employees, and most visibly our shareholders. In essence, our proactive approach to risk has not merely shielded Swisstek from turbulence; it has powered our ability to consistently deliver strong stakeholder value.

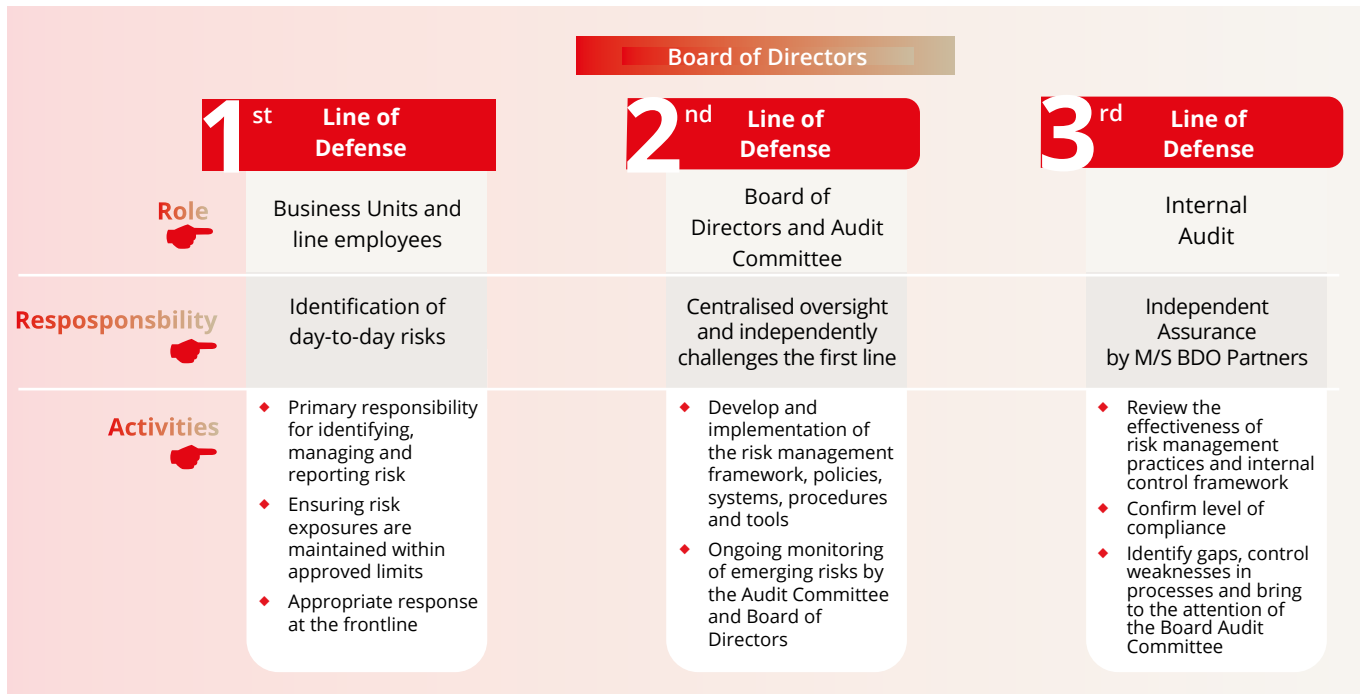
Risk governance

In today's fast moving landscape, systematically identifying and neutralising risk is vital to safeguarding our continuity and future growth. Ultimate accountability rests with the Board of Directors, who set the Group's risk agenda and ensure resources are deployed efficiently. Independent assurance is provided by our Internal Audit partner, Deloitte Partners, whose regular reviews test the strength of our control environment and feed actionable recommendations to the Committee. Senior Management, in turn, supplies the Board with frequent, data rich updates so that emerging threats are promptly detected, quantified, and addressed. Together, these layers form a rigorous governance structure that keeps risk firmly within appetite while supporting long term value creation.



Our approach to risk management

Risk and opportunity are inherently interconnected, and taking calculated risks is an integral part of our business approach. We define ourselves as 'risk aware,' operating within a comprehensive risk management framework that systematically identifies, evaluates, and mitigates risks that could affect our strategic goals, service delivery, and assets. While risk cannot be entirely eliminated, our established systems and procedures enable us to identify and understand these risks clearly, allowing for effective management aimed at minimising their potential



Principal Risks in 2024/25

Amid the normalisation of the national economic environment and stabilisation of interest and exchange rates, the Company strategically prioritised enhancing its business capabilities and product portfolio to secure a competitive advantage and expand market share. Concurrently, the risk management framework was dynamically recalibrated to proactively address emerging risks aligned with these shifting macroeconomic and market conditions.

Macro-economic vulnerabilities	M	Link to strategy: Operational Excellence
<p>Following the intense turbulence of 2022–23, Sri Lanka’s economy has begun to stabilise. A successful sovereign debt restructuring, the build up of foreign exchange reserves, and tighter fiscal discipline have helped normalise interest rates and steady the rupee. Inflation has receded to single digits, restoring a measure of predictability to operating conditions.</p>	<p>Impact</p> <ul style="list-style-type: none"> Easing finance costs improve bottom line leverage, but prudent liquidity management remains essential. 	<p>Mitigation</p> <ul style="list-style-type: none"> Rebalance the debt portfolio toward medium tenor, fixed rate facilities to lock in today’s favourable rates. Reinvest interest savings into capacity upgrades and R & D. Monitoring economic trends and outlook on an ongoing basis, giving due consideration when formulating Strategic Corporate plans. Pursuit of growth opportunities in exports markets, where possible to allow a natural hedge. Product diversification through develop development of new innovative products.

RISK MANAGEMENT

Macro-economic vulnerabilities

H

Link to strategy: Operational Excellence

(Contd.)

Impact	Mitigation
<ul style="list-style-type: none"> Raw material costs moderating as currency volatility subsides, gradually rebuilding gross margin headroom. 	<ul style="list-style-type: none"> Reinvest interest savings into capacity upgrades and R & D. Review and renegotiate supplier contracts to capture price resets. Maintain selective forward cover to protect against any renewed FX swings Development of a range value-added products Timely price revisions in consideration of demand dynamics

Global aluminium prices

H

Link to strategy: Operational Excellence

Although international aluminium prices have been less volatile in 2024/25 than during the recent commodity super cycle, even modest swings can still compress margins in a highly competitive market for extruded profiles

Impact	Mitigation
<ul style="list-style-type: none"> Passing higher input costs through to customers is difficult, given intense industry competition; any upswing in aluminium prices therefore squeezes selling price headroom and profitability. 	<ul style="list-style-type: none"> Track LME price movements daily and update rolling cost forecasts. Optimise working capital cycles especially raw material inventory turns to limit the cash flow effect from price rises. Use selective, short tenor hedge contracts and supplier price lock agreements where commercially attractive. Drive process efficiencies and scrap rate reductions to offset unavoidable cost increases.

Competition

H

Link to strategy: Product and Geographical Diversification

Intensified competition due to oversupply of (aluminium) and competition from cheaper alternatives (tile related products). However, restrictions on the imports of tiles and aluminium products, have augured well for local manufacturers such as ourselves offering opportunities for growth.

Impact	Mitigation
<ul style="list-style-type: none"> Pressure on volumes and margins through price competition. 	<ul style="list-style-type: none"> Development of a range of value-added products which command a higher margin Leverage on the network of Group companies to pursue increased penetration Expansion of distribution channels to increase accessibility to market. Pursuit of growth opportunities in exports markets through new customers acquisitions and increased penetration

Human resource risk	M	Link to strategy: Product and Geographical Diversification
<p>Sri Lanka's ongoing out migration of skilled professionals is tightening the local talent pool, making it harder and costlier to retain critical expertise and maintain institutional knowledge.</p>	<p>Impact</p> <ul style="list-style-type: none"> Loss of skilled workers impact our productivity and efficiency. Difficulties in attracting new skilled labour 	<p>Mitigation</p> <ul style="list-style-type: none"> Introduced targeted retention packages that blend competitive remuneration and long term incentive plans. Promoting a positive work culture

Innovation Diversification	M	Link to strategy: Product and Geographical
<p>Capability to anticipate and mitigate risks by innovating and delivering value-added products aligned with shifting consumer trends.</p>	<p>Impact</p> <ul style="list-style-type: none"> Evolving customer demands and the market is a risk that may impact our profitability 	<p>Mitigation</p> <ul style="list-style-type: none"> Retain qualified and experienced talent to operate R & D center Enhancement of employee product knowledge and R & D skills through training and increased exposure

Innovation Diversification	M	Link to strategy: Product and Geographical
<p>Capability to anticipate and mitigate risks by innovating and delivering value-added products aligned with shifting consumer trends.</p>	<p>Impact</p> <ul style="list-style-type: none"> Evolving customer demands and the market is a risk that may impact our profitability 	<p>Mitigation</p> <ul style="list-style-type: none"> Retain qualified and experienced talent to operate R & D center Enhancement of employee product knowledge and R & D skills through training and increased exposure

Product quality	L	Link to strategy: Operational Excellence
<p>Ensure consistent product quality to minimise operational risks and uphold customer trust.</p>	<p>Impact</p> <ul style="list-style-type: none"> Decline in product quality will impact reputation, profitability and growth 	<p>Mitigation</p> <ul style="list-style-type: none"> Conform to certifications Stringent product testing at own laboratories Quality control processes throughout the value chain Monitoring of customer complaints

RISK MANAGEMENT

Machine breakdowns

L

Link to strategy: Operational Excellence

Machinery and equipment failures pose a significant risk of production disruptions.

Impact

- Affects continuity of operations and profitability

Mitigation

- All plant and machinery is purchased from reliable suppliers.
- Regular upkeep and maintenance of plant and machinery

Climate change implications

M

Link to strategy: Sustainable Operations

The implications of climate change, if not adequately addressed, pose significant risks to the business, as natural disasters and erratic weather patterns can disrupt operations across multiple economic sectors..

Impact

- Natural resource depletion is a risk faced all over the world which can eventually impact our immediate environment as well operations.

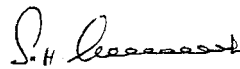
Mitigation

- Driving environmentally friendly, sustainable initiatives
- Use of recycled aluminium

Statement on the Adequacy of Risk Management and Internal Controls

The Board affirms that a robust, continuously monitored risk management and internal control framework is in place, designed to minimise potential threats and their impact on the Company and its operations. All identified risks highlighted through both internal assessments and independent external reviews were considered by the Board, and corrective measures were implemented where necessary.

The Board further confirms that the financial statements contained in this report have been prepared in full compliance with applicable accounting standards and regulatory requirements, with due consideration given to all relevant risk factors. No significant uncertainties have been identified that could threaten the Group's status as a going concern or materially affect its financial stability.



S H Amarasekera
Chairman

29th May 2025



L A D N Perera
Director/ CEO

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Swisstek (Ceylon) PLC is pleased to present herewith the Annual Report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as 'the Group') for the year ended 31st March 2025 as set out on page 110 to 175.

This Annual Report of the Board on the affairs of the Company contains the information required in terms of the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and is guided by recommended best practices.

Formation

Swisstek (Ceylon) PLC is a public limited liability company which was incorporated under the Companies Ordinance No.51 of 1938 as a public company on 12th day of July 1967. Pursuant to the requirements of the Companies Act No. 7 of 2007, the Company was re-registered on 6th June 2008 and bears registration No. PQ 155.

Principal activities of the Company and review of performance during the year

The main activity of Swisstek (Ceylon) PLC, is the manufacture and sale of Tile Grout, Mortar and Skim Coat and start new production plant to produce Zink Aluminium products. The Chairman's Review describes the Company's affairs and mentions important events, which took place during the year under review.

Principal activities of the subsidiaries are given in Note 31 to the Financial Statements on page 166.

This Report together with the Financial Statements, reflect the state of affairs of the Company.

Financial Statements

The Financial Statements of the Company duly signed by two Directors on behalf of the Board and the Auditors are given on pages 110 to 169.

Summarised Financial Results

	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	15,268,675	10,078,519	3,382,152	2,872,648
Profit for the year	929,586	(112,651)	405,675	228,400

Independent Auditors' Report

The Report of the Independent Auditors on the Financial Statements of the Company is given on page 110.

Accounting Policies

The Accounting Policies adopted by the Company in the preparation of the Financial Statements are given on pages 119 to 135 which are consistent with those of the previous period.

Directors

The names of the Directors who held office as at the end of the accounting period and upto date are given below and their brief profiles appear on pages 21 to 23

Executive Directors

Mr. J A P M Jayasekera
Managing Director/Director
(Resigned on 01.04.2025)

Mr. L A D N Perera
Director/ Chief Executive Officer
(Appointed on 21.05.2025)

Non - Executive Directors

Mr. S H Amarasekera
Chairman

Dr. S Selliah

Mr. A M Weerasinghe

Mr. J K A Sirinatha

Mr. A S Mahendra

Mr. K D G Gunaratne

Independent Non-Executive Directors

Mr. C U Weerawardena

Mr. R M M J Ratnayake

Mr. B D S Mendis

Redesignation of Board Members

Mr. S. H. Amarasekera, Mr. K D G Gunaratne and Dr S Selliah were redesignated as Non-Executive Directors of the Company with effect from 1st January 2025. Mr. Amarasekera, Mr. Gunaratne and Dr Selliah previously served as Independent Non-Executive Directors of the Company.

Resignations of Board Members

Mr. J A P M Jayasekera - Director/ Managing Director, resigned from the Board and Company on the 1st of April 2025.

Mr L N de Silva Wijeyeratne - Independent Non-Executive Director tendered resignation with effect from 31st December 2024

Appointments of Board Members

Mr L N de Silva Wijeyeratne was appointed as an Independent Non-Executive Director effective 1st October 2024, however he resigned with effect from 31st December 2024.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Mr. R M M J Ratnayake and Mr. B D S Mendis were appointed as Independent Non Executive Directors with effect from 1st January 2025. Mr. L A D N Perera was appointed as Executive Director with effect from 21st May 2025.

Re-Elections of Board Members

Mr. S. H. Amarasekera and Mr. K D G Gunaratne retire by rotation at the Annual General Meeting in terms of Articles 103 and 104 of the Articles of Association and being eligible are recommended by the Directors for re-election.

Mr. R M M J Ratnayake, Mr. B D S Mendis and Mr. L A D N Perera being Directors appointed to the Board since the last Annual General Meeting will retire in terms of Article 110 of the Articles of Association and being eligible are recommended by the Directors for re-election by the shareholders.

Fit and Proper Assessment of Directors

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, Declarations have been obtained from the continuing Directors confirming that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year under review and as at the date of such Declarations.

Directors appointed during the year satisfied the Fit and Proper Assessment Criteria upon their appointment date

The Fit and Proper Assessment Criteria of the newly appointed Directors/ Managing Director were reviewed and recommended by the Nomination and Governance Committee as at their appointment dates

Additional disclosures pertaining to Directors

(i) Material Business relationships
None of the Directors or close family members have any material business relationships with other Directors of the Company

(ii) Other directorships held by the Directors

Other directorships held by Directors are disclosed on pages 21 to 23

(iii) Criteria for determining Independence of Directors

In terms of section 9.8.3 of the Listing Rules, all Non Executive Directors have submitted declarations of their Independence/Non Independence in conformity with Appendix 9A of the Rules.

In terms of the criteria specified there in, the Board has determined that. Mr. C U Weerawardena, Mr. R M M J Ratnayake and Mr. B D S Mendis meets the criteria for an Independent Director and would continue to be so during the ensuing year until their independence is impaired against any of the criteria set out in Rule 9.8.3 for which an immediate market announcement would be made.

Directors of Subsidiary Companies

Swisstek Aluminium Limited

Mr. S H Amarasekera
Mr. A M Weerasinghe
Mr. J A P M Jayasekera (Resigned on 1st of April 2025)
Mr. A S Mahendra
Mr. T G Thoradeniya
Mr. C U Weerawardena
Mr. S M Liyanage
Mr. L A D N Perera (Appointed on 21st May 2025)

Swisstek Development Ltd

Mr. K D A Perera
Mr. J A P M Jayasekera
(Resigned on 1st of April 2025)
Mr. A M Weerasinghe

Swisstek Investment (Pvt) Ltd

Mr. J A P M Jayasekera
(Resigned on 1st of April 2025)
Mr. A M Weerasinghe

Interests Register

The Company maintains an Interests Register in terms of the Companies Act, No. 7 of 2007,

All related party transactions which encompasses the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interests Register in due compliance with the applicable rules and regulations of the relevant Regulatory Authorities.

The Directors declare that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2025.

The relevant interests of Directors in the shares of the Company as at 31st March 2025 as recorded in the Interests Register are given in this Report under Directors' shareholding.

Directors' Remuneration

The Directors' remuneration is disclosed in Note 31.3 to the Financial Statements on page 168.

Directors' Interests in Contracts

The Directors' interests in contracts are included with the related party disclosures in Note 31 to the Financial Statements.

The Company carried out transactions

in the ordinary course of its business at commercial rates with related entities.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs. The Directors are of the view that these financial statements have been prepared in conformity with requirements of the Sri Lanka Accounting Standards, the Companies Act No.7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

Independent Auditors Company

Messrs KPMG, Chartered Accountants served as the Auditors during the year under review and also provided non audit/ consultancy services.

A total amount of Rs 925,000/- (2024 – Rs 810,000/-) is payable by the Company to the Auditors for the year under review.

A fee of Rs. 305,670/- (2024 – Rs. 265,800/-) is also payable to the Auditors for tax compliance services provided during the year.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 28th May 2025 recommended that they be re-appointed as Auditors. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Based on the declaration provided by Messrs KPMG, Chartered Accountants and to the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditor and provider of tax related services), or interest in, the Company,

which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by The Institute of Chartered Accountants of Sri Lanka as at the reporting date.

Group

The audits of subsidiary companies are handled by firms of Chartered Accountants in Sri Lanka or their respective countries of incorporation. Details of payments to such audit firms on account of audit fees and for permitted non audit services, are set out in Note 10 to the Financial Statements on page 138.

Stated Capital

The Stated Capital of the Company is Rs.368,256,000/- represented by 136,860,000 Shares. (2024 - Rs.368,256,000/- represented by 136,860,000 shares). There were no changes in the Stated Capital of the Company during the year.

Directors' Shareholding

The relevant interests of Directors in the shares of the Company as at 31st March 2025 and 31st March 2024 are as follows.

	Shareholding as at 31/03/2025	Shareholding as at 31/03/2024
Mr. S H Amarasekera	-	-
Mr. J A P M Jayasekera*	460,999	135,000
Dr. S Selliah	-	-
Mr. J K A Sirinatha	-	-
Mr. A M Weerasinghe	263,142	263,142
Mr. A S Mahendra	-	-
Mr. K D G Gunaratne	-	-
Mr. C U Weerawardena	-	-
Mr. R M M J Ratnayake	-	-
Mr. B D S Mendis	-	-
Mr. L A D N Perera**	-	-

* Resigned on 01.04.2025

** Appointed on 21.05.2025

Shareholders

There were 3,200 shareholders registered as at 31st March 2025 (3,428 shareholders as at 31st March 2024). The details of distribution are given on page 170 of this Report.

Major Shareholders, Distribution Schedule and other information

Information on the twenty largest shareholders of the Company, distribution schedule of the number of shareholders, percentage of shares held by the public, market values per share as per the Listing Rules of the Colombo Stock Exchange are given on page 170 to 172 under Investor Information.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Reserves

The movement of reserves during the year are given under the Statement of Changes in Equity on page 116 (Statement of Changes in Equity).

Property, Plant and Equipment

The book value of property, plant and equipment as at the balance sheet date amounted to Rs. 2,134 Mn (2024 – Rs. 2,183 Mn)

The extents, locations, valuations and the number of buildings of the Company's land holdings are given below:

Land holdings

	No. of buildings	Land in Extent (perches)	Valuation Rs. '000
Factory Complex, Belummahara, Belummahara, Imbulgoda	19	984.50	1,006,933
No:334/5, Colombo Road, Belummahara, Imbulgoda	-	20.00	12,831
No: 288/26, Colombo Road, Belummahara, Imbulgoda	-	81.60	59,131
No: 177/6, New Kandy Rd., Weliveriya	1	84.50	129,123
Land at Belummahara	-	0.96	814
Warehouse-Nedungamuwa, Ratupaswela	8	2,446.00	545,110
	28.00	3,617.56	1,753,941

The movement of fixed assets during the year is given in Note 13 to the financial statements.

Details and movements of property, plant and equipment are given under Note 13 to the Financial Statements on page 141 to 145.

Capital Expenditure

The total capital expenditure during the year amounted to Rs. 102,891 Mn compared to Rs. 79 Mn incurred in the previous year. Details of movement in property, plant and equipment and capital work-in-progress are given under Note 13.1 to the financial statements.

Investments

Details of the Company's quoted and unquoted investments as at 31st March 2025 are given in Notes 14 to the Financial Statements on page 147.

Public Holding

3,190 (30.1371%), (2024 – 3,418 (30.375%)) of the issued shares of the Company are held by the public

Donations

During the year, neither the Company nor any of its subsidiaries made any donations.

Risk Management

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company. The Directors review this process through the Audit Committee.

Specific steps taken by the Company in managing the risks are detailed in the section on Risk Management on page 88 to 92.

Statutory Payments

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of, and in respect of employees of the Company and all other known statutory dues as were due and payable by the Company as at the reporting date have been paid or, where relevant provided for, except for certain assessments where appeals have been lodged.

Contingent Liabilities

Except as disclosed in Note 34 to the Financial Statements on page 169, there were no material Contingent Liabilities as at the reporting date.

Dividends

The Directors have recommended a final dividend of Cents 35 per share for the year ended 31st March 2025 on the 27th of May 2025 subject to the concurrence of the shareholders. The requisite resolution will be put forth to the shareholders at the Annual General Meeting to be held on 30th June 2025 for their approval.

An interim dividend of Rs.1.15 per share for the year ending 31st March 2025 was declared by the Board on 4th March 2025. The Dividend was paid to the Shareholders by the 3rd of April 2025 in accordance with the timelines set out in the Listing Rules.

Corporate Governance

The Corporate Governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity, and commitment of the Board of Directors, Management, and employees.

The Corporate Governance Statement on pages 58 to 87 explains the measures adopted by the Company during the year.

The Board of Directors confirms that the Company has complied with Section 7 of the Listing Rules on Continuous Listing Requirements and Section 9 of the Listing Rules on Corporate Governance (as applicable) during the Financial year and as at the end of the reporting date.

The Directors further declare that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31st March 2025.

The Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and the Nominations and Governance Committee function as Board Sub-Committees. The committees were last reconstituted on the 1st of January 2025. These Committees comprise Directors who possess the requisite qualifications and experience, and the composition of the said Committees is as follows.

Audit Committee

Mr. Mohan Ratnayake
Independent Non-Executive Director
- Chairman

Mr. Dinesh Mendis
Independent Non-Executive Director

Mr. Gamini Gunaratne
Non-Executive Director

Related Party Transactions Review Committee

Mr. Dinesh Mendis
Independent Non-Executive Director
- Chairman

Mr. Mohan Ratnayake
Non-Executive Director - Chairman of the Board

Dr. Sivakumar Selliah
Non-Executive Director

Remuneration Committee

Mr. Dinesh Mendis
Independent Non-Executive Director - Chairman

Mr. Harsha Amarasekera-
Non-Executive Director - Chairman of the Board

Mr. Chethiya Weerawardena
Independent Non-Executive Director

Nomination and Governance Committee

Mr. Mohan Ratnayake
Independent Non-Executive Director
- Chairman

Mr. Harsha Amarasekera-
Non-Executive Director - Chairman of the Board

Mr. Chethiya Weerawardena
Independent Non-Executive Director

Policies maintained by the Company

In line with Section 9.2 of the Listing Rules on corporate Governance, the Company has established the following policies which are disclosed in the company website www.swisstekceylon.com

- a) Policy on the matters relating to the Board of Directors
- (b) Policy on Board Committees
- (c) Policy on Corporate Governance, Nominations and Re-election
- (d) Policy on Remuneration
- (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- (f) Policy on Risk management and Internal controls
- (g) Policy on Relations with Shareholders and Investors
- (h) Policy on Environmental, Social and Governance Sustainability
- (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures
- (k) Policy on Whistleblowing
- (l) Policy on Anti-Bribery and Corruption

The Company would be reviewing and updating the policies to align with corporate requirements on a regular basis. There were no changes to the policies during the year.

The Company believes in effective communication and relations with shareholders and investors and brings to the attention of the Board any major issues and concerns of the stakeholders. The Company maintains a Board approved Policy on shareholders and investors relation with shareholders and investors for such. The policy defines the process to make all Directors aware of major issues and concerns of shareholders in the event such instances occur.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Company has appointed the following officer for any communication with shareholders/investors

Ms. S U Amarasinghe
General Manager (Finance)

Corporate Social Responsibility

The Company continued its Corporate Social Responsibility Program.

Environmental Protection

After making adequate enquiries from the management, the Directors are satisfied that the Company operates in a manner that minimises the detrimental effects on the environment and provides products and services that have a beneficial effect on the customers and the communities within which the Company operates.

Events Occurring After the Reporting Date

As disclosed in Note 35 to the financial statements there are no other material events as at the date of the auditor's report which require adjustment to or disclosure in the financial statements.

Going Concern

The Board of Directors have made an assessment of the Group's ability to continue as a going concern. The Financial Statements have been prepared on the going concern basis because the Board of Directors have assessed the sources of funding available and growth plans. In assessing the appropriateness of the use of going concern basis of accounting in the preparation of financial statements.

Annual General Meeting

SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING - AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The "Special Business" set out as Item 2 of the Notice of Annual General Meeting contains amendments to certain Articles of the Articles of Association of the Company, as recommended by the Directors, to be adopted by way of a Special Resolution. The salient amendments proposed are :

- (a) Article 43 is introduced to facilitate meetings of shareholders to be held in addition to physical meetings as per the present Article; by means of audio or audio and visual communication; thereby providing the Board to have the option to determine whether a General Meeting of shareholders would be held as a physical meeting, electronic meeting or as a hybrid meeting.
- (b) Currently, the minimum number of Directors shall not be less than three (03) or more than eleven (11). The recent amendments to Listing Rules require the minimum number to be increased to five (05). Whilst the Directors have proposed that the maximum number of Directors be increased to 14. The proposed amendment to the number of Directors is to be in line with the new Rule, and the amendment as proposed by the Board.
- (c) The Listing Rules have introduced provisions relating to the circumstances under which / the period for which an Alternate Director may be appointed. The proposed amendment to the provisions relating to Alternate Directors is to align the existing provisions with the Listing Rules.
- (d) Additional methods were brought in, to serve notice on shareholders.
- (e) Further provision in terms of the Listing Rules that publication by advertisement must be done in all

three languages in national daily newspapers is proposed to be incorporated. Publication of notice was further enhanced if permitted by law, to be done via the official website of the Company and/or the official website of the Colombo Stock Exchange so long as the Company is listed on the Colombo Stock Exchange.

The Notice of the Fifty Eighth (58th) Annual General Meeting appears on page 184.

This Annual Report is signed for and on behalf of the Board of Directors by

By Order of the Board
Swisstek (Ceylon) PLC



S H Amarasekera
Chairman



P W Corporate Secretarial (Pvt) Ltd
Secretaries

29th May 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act No. 7 of 2007 to prepare Financial Statements for each financial year, which give a true and fair view of the statement and affairs of the Company as at the end of the financial year and the income and expenditure of the Company for the financial year.

The Directors are also responsible to ensure that the Financial Statements comply with any regulations made under the Companies Act which specified the form and content of Financial Statements and any other requirement which apply to the Company's Financial Statements under any other law.

The Directors consider that the Financial Statements presented in this Annual Report have been prepared using appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and in compliance with the Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records which disclose the financial position of the Company with reasonable accuracy and enable them to ensure that the financial statements have been prepared and

presented as aforesaid. They are also responsible for taking measures to safeguard the assets of the Company and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors' continue to adopt the going-concern basis in preparing the financial statements. The Directors' are making inquiries and reviews of the Company's business plan for the Financial Year 2024/25 including cash flows and borrowing facilities and consider the Company has adequate resources to continue in operation.

By Order of the Board
Swisstek (Ceylon) PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

29th May 2025

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

The financial statements are prepared in compliance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 7 of 2007 and any other applicable statutes to the extent applicable to the Company. There are no departures from the prescribed accounting standards in their adoption. The accounting policies used in the preparation of the financial statements are appropriate and are consistently applied, except where otherwise stated in the notes accompanying the financial statements.

The Board of Directors and the management of our Company accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements were made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs. To ensure this, the Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The financial statements were audited by M/s. KPMG, Chartered Accountants. The independency of the external auditor has been assessed by the Audit Committee and the Board and have been determined as independent.

The Audit Committee of our Company meets periodically with the internal auditors and the external auditors to review the manner in which these auditors are performing their responsibilities and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the external auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

It is also declared and confirmed that the Company has complied with and ensured compliance by the auditors with the guidelines for the audit of Listed Companies.

It is also confirmed that the Company is compliant to the Code of Best Practice in Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.



S U Amarasinghe
General Manager (Finance)



L A D N Perera
Chief Executive Officer

29th May 2025

REMUNERATION COMMITTEE REPORT

Role of the Remuneration Committee

The Remuneration Committee of the Parent entity Royal Ceramics Lanka PLC functioned as the Remuneration Committee of the Company until 30th September 2024. A separate Remuneration Committee was formed for Swisstek (Ceylon) PLC effective from 1st October 2024.

Composition of the Remuneration Committee

The Committee was last reconstituted on 1st January 2025. The current committee members are as follows.

Mr. B D S Mendis

Chairman Independent Non-Executive

Mr. S H Amarasekera

Committee Member - Non Executive

Mr. C U Weerawardena

Committee Member Independent Non-Executive

The following Directors also held membership in the committee during the year and ceased upon reconstitution.

Mr. S H Amarasekera

Non-Executive Director

Mr. R N Asirwatham

Independent Non-Executive Director of Royal Ceramics Lanka PLC

Mr. L N De S Wijeyeratne

Independent Non-Executive Director

Dr. S Selliah

Non-Executive Director

Mr. K D G Gunaratne

Non-Executive Director

The Managing Director attends the Committee meeting by invitation. The Company Secretary P W Corporate Secretarial (Pvt) Ltd. is the secretary of the Remuneration Committee.

The above Committee members possess vast experience in the fields of Business Management, Human Resources

Management, Labour Relations and Labour Law. Hence the Committee has adequate expertise in remuneration policy and business management to deliberate and propose necessary changes and improvements to meet the roles and responsibility of the Committee.

Meetings

The Remuneration Committee met once for the year. The attendance of the members at the meeting is as follows.

1. Mr. S H Amarasekera	1/1
2. Mr. R N Asirwatham	1/1
3. Mr. L N De S Wijeyeratne	1/1
4. Dr. S Selliah	
5. Mr. K D G Gunaratne	

Functions Performed by the Remuneration Committee

- Evaluating and recommending the remuneration payable to the Board, Managing Director and the Key Management Personal of the Company to the Board to make the final determination. Based on that, the aggregate remuneration paid to Executive and Non-Executive Directors for the last financial year is given on Page 168 of the Annual Report under key management remuneration.
- Ensuring that the Board complies with the Companies Act in relation to Directors remunerations, especially the requirements of section 216. And it also ensures that employees are adequately compensated based on their performance and contribution for the period under review and future potential.
- Constructing a specific remuneration policy and remuneration framework that enables the Company to attract and retain a high quality and representative staff in its operations

and do this inter alia with reference to appropriate market rates where these are relevant and benchmarking specific categories where required.

- Ensuring internal equity and fairness in and between the various pay categories and building incentives in the cost of employment structure to encourage and reward excellent performance, on objectively defined criteria.
- Ensuring that staff costs are within the budget set by the Board and are sustainable over time.

Remuneration Policy

The Group's remuneration policy aims to attract, motivate and retain a highly qualified and experienced executive team while ensuring competitive rewards aligned with industry standards. Compensation packages are structured to reflect each employee's expertise and contributions, considering business performance and shareholder returns.

Disclosure on Director Remuneration

The aggregate amount of remuneration paid to the Directors of the Company during the year is disclosed in Note 31.2 of the Financial Statements in this Annual Report.

Conclusion

The Committee is satisfied that it has performed the responsibilities that were delegated to it by the Board for the year under review and the necessary objectives were achieved for the year under review.



B D S Mendis

Chairman - Remuneration Committee

29th May 2025

AUDIT COMMITTEE REPORT

Role of the Audit Committee

The Audit Committee of Lanka Walltiles PLC functioned as the Committee of the Company until 30th September 2024, and a separate Audit Committee was formed for Swisstek (Ceylon) PLC effective from 01st October 2024.

The Audit Committee is a Sub-Committee of the Board, to which it is accountable. The function of the Audit Committee is defined in the Audit Committee Charter. Primarily it is to assist the Board in its oversight of the integrity of the Financial Statements of the Company, to assess the adequacy of the risk management framework of the Company, assess the independence and the performance of the Company's external audit function and internal audit functions and review compliance of the Company with legal and regulatory requirements.

Composition of the Audit Committee

The Audit Committee comprised of the following three Non-Executive Directors of the Board.

The Committee was last reconstituted on 1st January 2025.

Mr. R M M J Ratnayake

Chairman - Independent Non-Executive

Mr. K D G Gunaratne

Committee Member - Non-Executive

Mr. B D S Mendis

Committee Member - Independent Non-Executive

The following Directors also held membership in the committee during the year and ceased upon reconstitution.

Mr. L N D S Wijeyeratne

Mr. K D G Gunaratne

Dr. S Selliah

Mr. J D N Kekulawala

Mr. T G Thoradeniya

The Managing Director and the General Manager – Finance attend the meetings at the invitation of the Audit Committee. The Company Secretary functions as the Secretary to the Audit Committee. Representatives of the Company, external auditors and internal auditors also attend Audit Committee meetings by invitation.

The Audit Committee has the required expertise in finance, law and business management to deliberate Audit Committee matters and recommend necessary action to be taken.

Meetings

The Audit Committee met 04 times during the year. The attendance of the members at the meeting is as follows.

Mr. J D N Kekulawala	2/2
Dr. S Selliah	3/3
Mr. T G Thoradeniya	0/2

Mr. L N D S Wijeyeratne	1/1
Mr. K D G Gunaratne	2/2
Mr. R M M J Ratnayake	1/1
Mr. B D S Mendis	1/1

Functions performed by the Audit Committee

- The Committee reviewed the provisional financial statements that were published for financial year 2024/25 and the audited financial statements of financial year 2024/25. It reviewed the preparation, presentation and adequacy of disclosures in the financial statements of the Company, in accordance with Sri Lanka Accounting Standards. It also reviewed the Company's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- The Committee reviewed the internal audit reports. The internal audit function is carried out by M/s. Deloitte Associates. The Internal audits are done on a process based audit framework to improve process performance and control.
- The Committee reviewed the external auditors' report and management letter for the last year. All recommendations proposed by the external auditors were discussed with the senior partner and recommendations proposed were duly carried out by the Management. In addition the Audit Committee reviewed external auditors and the engagement partner's relationships with the Company, and assessed that the external auditors are independent.
- The Non-Audit Services provided by the External Auditor were also reviewed and the Committee was of the view that such services did not impair with their independence and were not within the category of services identified as restricted under the guidelines for listed companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.
- The Audit Committee in conjunction with the Managing Director of the Company reviewed the Company's disclosure controls and procedures and internal control over financial reporting.
- The Audit Committee reviewed the Company's framework and practices with respect to risk assessment and risk management, including discussing with Management of the Company's major financial risk exposures and the steps that have

been taken to monitor and control such exposures.

- g. The Audit Committee reviewed the Company's arrangement for the confidential receipt, retention and treatment of complaints alleging fraud, received from any sources and pertaining to accounting, internal controls or other such matters and assured the confidentiality to whistle-blowing employees. It also reviewed the Company's procedures for detecting and preventing fraud and bribery and receiving reports on non-compliance and reviewed the procedure for receiving and dealing with Non-Compliance with Laws and Regulations (NOCLAR) referred by Professional Accountants.
- h. Performed other activities related to this Charter as requested by the Board of Directors. Oversaw special investigations as needed. Reviewed and assessed the adequacy of the committee Charter annually and requested board approval for proposed changes, and ensured appropriate disclosure as may be required by law or regulations.

Corruption. Training programs were conducted to ensure awareness, and confidential procedures were in place for independent investigations of whistleblowing reports.

Conclusion

The Committee is of the opinion that the Company is in compliance with the relevant legal and regulatory requirements including financial reporting requirements, CSE Rules, Companies Act and SEC Act and other relevant reporting related regulations and requirements.

The Audit Committee remains committed to upholding the highest standards of corporate governance, financial integrity, and risk management. Through diligent oversight and proactive engagement with stakeholders, the Committee continues to enhance transparency and accountability in all financial and operational aspects of the Company.



R M M J Ratnayake
Chairman - Audit Committee

29th May 2025

Compliance

Representations and assurances were obtained from M/s. KPMG, Chartered Accountants, and the management team on the entities finances and operations including assurances regarding provisions for possible liabilities. Compliance reports were reviewed to ensure adherence to statutory requirements, including CSE Rules, Sri Lanka Financial Reporting Standards, and the Companies Act No. 07 of 2007. Regular updates on HR and legal compliance matters were also obtained.

Ethics and Good Governance

The Committee emphasized ethical standards among employees, reinforcing policies on Business Conduct, Whistleblowing, and Anti-Bribery &

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORTY

The Related Party Transactions Review Committee of Lanka Walltiles PLC functioned as the Committee until 30th September 2024. The RPTRC of the Company was formed by the Board on 01st October 2024 in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange to ensure compliance with those Rules facilitating independent review, approval and oversight of Related Party Transactions of the Company.

Purpose of the Committee

The purpose of the RPTRC of the Company is to conduct an independent review approval and oversight of related party transactions of Swisstek (Ceylon) PLC and to ensure that the Company complies with the rules set out in the Listing Rules. The primary objectives of the said rules are to ensure that the interests of the shareholders as a whole are taken into account when entering into related party transactions and to prevent Directors, Key Management Personnel or substantial shareholders from taking advantage of their positions. To exercise this purpose the Committee has adopted the related party transaction Policy which contains the Company's Policy governing the review, approval and oversight of related party transactions.

Responsibilities of the Related Party Transactions Review Committee

The following are the key responsibilities set out in the Charter for RPTRC;

- Ensure that the Company complies with the rules set out in the Listing Rules
- Subject to the exceptions given in the Listing Rules, review in advance all proposed related party transactions
- Perform other activities related to the Charter as requested by the Board
- Have meetings every fiscal quarter and report to the Board on the Committee's activities
- Share information with the Audit Committee as necessary and appropriate, to permit the Audit

Committee to carry out its statutory, regulatory and other responsibilities with regard to related party transactions.

- Review the Charter and Policy at least annually and recommend amendments to the Charter and Policy to the Board as and when determined to be appropriate by the Committee.

Composition of the Committee

The Committee was last reconstituted on 1st January 2025. The current committee members are as follows.

Mr. B D S Mendis

Chairman - Independent Non Executive

Mr. R M M J Ratnayake

Committee Member Independent Non Executive

Dr. S Selliah

Committee Member Non Executive

The following Directors also held membership in the committee during the year and ceased to be members upon reconstitution.

Mr. J D N Kekulawala

Independent Non-Executive Director (Parent Company Board Member)

Mr. T G Thoradeniya

Non-Executive Director

Mr. L N De S Wijeyeratne

Independent Non-Executive Director

Mr. C U Weerawardena

Independent Non Executive Director

The Managing Director and the General Manager (Finance) attend meetings by invitation and the Company Secretary functions as the Secretary to the Committee.

The Committee members possess vast experience in business management and financial expertise to perform the duty of the Committee successfully.

Meetings

The Committee held four meetings during the year and the attendance of the members at the meeting are as follows.

Dr. S Selliah	4/4
Mr. J D N Kekulawala	2/2
Mr. T G Thoradeniya	0/2
Mr. L N De S Wijeyeratne	1/1
Mr. C U Weerawardena	1/1
Mr. B D S Mendis	1/1
Mr. R M M J Ratnayake	1/1

The minutes of the Committee meeting were tabled at Board meeting, for the review of the Board.

Review of Related Party Transactions

The Committee reviewed all related party transactions of the Company for the financial year 2024/25.. In terms of Rule 9.14 of the Listing Rules of the Colombo Stock Exchange on related party transactions there were no none-recurrent related party transactions entered into during the course of the financial year with an aggregate value that exceeded the lower of 10% of the equity or 5% of the assets. There were no recurrent related party transactions carried out during the financial year ended 31st March 2025, the aggregate value of which exceeded 10% of the revenue.

In the opinion of the Committee, the terms of these transactions were not more favourable to the related parties than those generally available to the public. The details of related party transactions entered into during the year are given in Note 31.2 to the Financial Statements, on page 168 of this Annual Report.

Declaration

A declaration by the Board of Directors on compliance with the rules pertaining to Related Party Transactions appears on the report of the Board of Directors on page 166 of this Annual Report.



B D S Mendis

Chairman - Related Party Transactions Review Committee

29th May 2025

NOMINATION AND GOVERNANCE COMMITTEE REPORT 2024/25

Composition

The Nomination and Governance Committee of Swisstek (Ceylon) PLC was established on October 1, 2024, by the Board of Directors. The primary purpose of the Committee is to ensure that the Board has the appropriate balance of skills, experience, knowledge, and independence to function effectively. Additionally, the Committee evaluates the required diversity to serve the best interests of the Company and ensures the Board's composition supports this diversity.

The Committee was last reconstituted on 1st January 2025. The Committee now comprises two Independent Non-Executive Directors and one Non-Executive Director, in compliance with Section 9.11 of the CSE Listing Rules.

As of March 31, 2025, the Committee consists of the following members:

Name of Director	Directorship Status
Mr. R M M J Ratnayake (Chairman)	Independent Non-Executive
Mr. S. H. Amarasekera	Non-Executive
Mr. C U Weerawardena	Independent Non-Executive

The following Directors functioned as Members of the Committee intermittently during the year and ceased upon reconstitution

- Mr. K D G Gunaratne
- Mr. S H Amarasekera
- Dr. S. Selliah

The NGC operates under a Board approved Terms of Reference (TOR) defining its scope, authority, duties and matters. All members are Non-Executive Directors and maintain independence, free from business, operational, personal, or other relationships that may compromise their unbiased judgment. The Chairman is an Independent Non Executive Director. PW Corporate Secretarial (Private) Limited serves as the Secretary to the Committee.

There were no meetings held during the period, matters were carried out primarily via Circular Resolutions. The Committee has evaluated the appointments of 02 Directors during the period under review.

The Committee will hold regular meetings from the financial year 2025/26.

Functions of the Committee

1. Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. However, a member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.
2. Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements.
3. Establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity
4. Consider and recommend (or not recommend) the re-appointment/re-election of current Directors taking into account; the combined knowledge, experience, performance and contribution made by the

Director to meet the strategic demands of the Listed Entity and the discharge of the Board's overall responsibilities; and, the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.

5. Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO/Managing Director of the Entity to ensure that their responsibilities are satisfactorily discharged.
6. Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity.
7. Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
8. Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/ international best practices.
9. Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.
10. Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.

NOMINATION AND GOVERNANCE COMMITTEE REPORT 2024/25

Role of the Nomination and governance Committee

The main role of the Committee is to ensure that Directors/KRPs of the Company are fit and proper persons to hold office as per the criteria set out in the Listing Rules of the Colombo Stock Exchange and other relevant Statutes. The Company strives to maintain Board diversity in the range of experience, skills, age, and gender which are essential factors for effective Board performance; the profiles of the Directors capturing details are available on page 21 to 23 of this report.

The NGC's TOR's have been formulated in line with Section 9 of the Colombo Stock Exchange rules on Corporate Governance and on Fitness and Propriety. TOR's are reviewed annually by the Board and appropriate changes made as needed to reflect compliance requirements and best practices.

The Policy for Board of Directors Selection, Appointment, Nomination, Re-Election, and Continuation outline the procedures for nominating and appointing directors to the Board. As set out in its TOR, the NGC assists the Board of Directors in fulfilling its oversight responsibility;

The Company is in the process of formulating structured Induction programs/ orientation programs to be conducted for newly appointed Directors as well as on a continuous basis on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations. However the CEO/Managing Director provides an overview of the operational and governance structure as well as organisational awareness on company matters to the Board Members at each meeting.

The Committee updates the Board on Processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity. During the year, there were no major issues reported. The Company ensures Independent Directors are informed through a structured communication framework, including regular Board and Committee meetings, with detailed agendas and relevant documents shared in advance. Directors receive periodic updates on key financial, operational, and strategic matters, with direct access to senior management. Special briefings address critical issues, and a secure online portal provides ongoing access to important updates.

Activities 2023/24

Pursuant to Article 110 of the Company's Articles of Association, the NGC carried out a fit and proper assessment of new Board Members - Mr. R M M J Ratnayake and Mr. B D S Mendis. Accordingly, the 02 new Directors were deemed Fit and Proper and as such eligible for re-election at the 1st Annual General Meeting following their appointment. Accordingly, shareholders will be invited to re-elect them at the upcoming Annual General Meeting.

In Terms of Article 103 of the Articles of the Association of the company, 1/3rd of the Directors are subject to retirement by rotation annually. Accordingly Mr. S. H. Amarasekera and Mr. K D G Gunaratne will be subject to retirement by rotation at the oncoming Annual General Meeting

Disclosed in terms of Corporate Governance Rules 9.11.6 (g) - Information of Directors who are proposed to be re-elected at the Annual General Meeting 2025.

Name of Director	Date of first Appointment	Date of last re-appointment		
Mr. R M M J Ratnayake Chairman - Audit Committee Member - Related Party Transactions Review Committee	01.01.2025	1st re-appointment	Directorships/ Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities appear under profiles of each Director appearing on page 21 to 23.	None of the Directors have any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity
Mr. B D S Mendis Chairman - Related Party Transactions Review Committee and Remuneration Committee Member - Audit Committee	01.01.2025	1st re-appointment		
Mr. S. H. Amarasekera Member - Remuneration Committee	01.09.2018	2022		
Mr. K D G Gunaratne Member - Audit Committee	30.08.2017	2021		

Declaration

The Committee diligently adheres to the corporate governance standards outlined in the Listing Rules of the CSE, ensuring full compliance with each provision.

Declarations were submitted by Board Members under Appendix 9A of the Listing Rules and following this review, it was ascertained that the Independent Directors of the Board, namely Mr. C U Weerawardena

Mr. R M M J Ratnayake and Mr. B D S Mendis effectively met the criteria for assessing independence.

In terms of Section 9.7.4 of the Listing Rules, declarations have been obtained from the 9 Directors as at 31st March 2025 confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation. The committee confirms that the Directors of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.

The Committee has evaluated the performance of Board of Directors of the Entity to ensure that their responsibilities are satisfactorily discharged and will continue to improve such evaluation processes in line with the Company requirements in future.



R M M J Ratnayake

Chairman

Nomination and Governance Committee

29th May 2025





FINANCIAL
STATEMENTS

INDEPENDENT AUDITOR'S REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF SWISSTEK (CEYLON) PLC

Report on the Audit of the Financial statements

Opinion

We have audited the financial statements of Swisstek (Ceylon) PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025, statement of profit or loss and other 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 policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and its 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 Group 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 Company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Inventories

Refer to the accounting policies in "Note 3.7 to the financial statements: Inventories" and "Note 17 to the financial statements: Inventories".

Risk Description	Our response
<p>The Group has recognized a total provision of Rs. 117 Mn in relation to the total inventory valued at Rs. 5,215 Mn - as at 31 March 2025.</p> <p>As discussed in Note 3.7, management judgment is applied to the cost of manufactured products in order to accurately reflect the manufacturing costs incurred in bringing them to their current condition and physical location. This primarily relates to the assessment of direct labor costs incurred, manufacturing overheads to be absorbed and other relevant production costs.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding and assessing the design, implementation and operating effectiveness of the Group's key controls relating to the assessment of inventory valuation and inventory provisioning. ➤ Performing the observations of inventory physical verifications in order to verify the existence and identify any damaged, obsolete inventory.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D. Corea Dharmaratne



Risk Description	Our response
<p>A risk surrounding the carrying value of inventory when compared to the net realizable value as a result of inadequate provisioning has also been identified. Establishing a provision for slow-moving, obsolete and damaged inventory involves estimates and judgments, taking into account forecast sales and historical usage information.</p> <p>We identified assessing the carrying value of inventories as a key audit matter because of the inherent risk that the Group's inventories may become obsolete or may be sold at prices below their carrying values and because the judgment exercised by management in determining the appropriate provision for inventories involves management's bias.</p>	<p>On a sample basis, we have performed the following:</p> <ul style="list-style-type: none"> ▶ Agreeing the cost of raw materials to third party supplier invoices. ▶ For work in progress and finished goods, we obtained the bill of material and tested the underlying costs within each stock item. We challenged the key assumptions concerning overhead absorption by assessing the appropriateness of costs included in the calculation. ▶ Checked the parameters and system accuracy of computation of weighted average cost with the assistance of IT audit specialist. ▶ Assessing the net realizable value (NRV) on a sample basis of stock items by agreeing their subsequent sales price to customer invoices to ensure that the items are held at the lower of cost and NRV. ▶ Obtaining an understanding of the movements in the inventory for the year and evaluating the adequacy of the provision for non-moving and slow-moving inventory. ▶ Assessing whether the Group's policies had been consistently applied and the adequacy of the Group's disclosures in respect of the judgment and estimation made in respect of inventory provisioning.

Recoverability of Trade Receivables

Refer to the accounting policies in "Note 3.3 to the financial statements: Impairment" and "Note 18 to the financial statements: Trade and other receivables".

Risk Description	Our response
<p>As disclosed in Note 18 to the financial statements, the Group has recognized trade receivables balance of Rs. 2,597 Mn - as at 31 March 2025, after provision for impairment of Rs. 55 Mn.</p> <p>The Group's customers operate in a number of sectors, having different credit profiles. SLFRS 9 – "Financial Instruments" ECL Model takes into account judgment in setting the assumptions such as forward-looking probability of default (PD), loss given default (LGD), macroeconomic scenarios including their weighting and judgments over the use of data inputs required.</p> <p>We identified impairment of trade receivables as a key audit matter for our audit, as it requires management to exercise subjective judgment in making assumptions and estimates for the assessment of provision for impairment of trade receivables.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding and assessing the design, implementation and operating effectiveness of management key internal control over the credit control and approval processes. ▶ Testing the adequacy of the provisions for impairment recorded against trade receivable balances, based on 'Expected Credit loss' model as per 'SLFRS 09', as well as the reasonability of the model methodology. ▶ Assessing the adequacy of the Group's disclosures regarding the degree of judgments and estimation involved in arriving at the allowance for impairment losses of trade receivables.

INDEPENDENT AUDITOR'S REPORT



Fair value of investment property

Refer to the accounting policies in "Note 3.6 to the financial statements: Investment Property" and "Note 16 to the financial statements: Investment Property".

Risk Description	Our response
<p>The fair value of the investment property amounted to Rs. 203 Mn as at 31 March 2025.</p> <p>Management's assessment of fair value of investment property was determined on valuations performed by a qualified independent property valuer in accordance with recognized industry standards.</p> <p>Estimating the fair value is a complex process which involves a significant degree of judgment and estimates in respect of perch price of the land, value per square feet, diversity of locations and nature of the property.</p> <p>We identified assessing the fair value of investment property as a key audit matter due to the complexity of the valuation method, subjectivity of the significant judgments and estimations involved.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶ Assessing the objectivity, independence, competence and qualifications of the external valuer. ▶ Obtaining and inspecting the valuation reports prepared by independent valuer engaged by the Company. ▶ Assessing the reasonableness of the data and appropriateness of the key assumptions used against externally published market comparable or industry data where available. ▶ Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting 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 Group'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 and Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud



or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 3707.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

29th May 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March,	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Revenue	6.	15,268,675	10,078,519	3,382,153	2,872,648
Cost of sales		(11,819,871)	(8,194,400)	(2,348,960)	(2,122,911)
Gross profit		3,448,804	1,884,119	1,033,193	749,737
Other income	7.	173,966	200,543	123,033	117,505
Administrative expenses		(610,661)	(455,345)	(178,401)	(121,784)
Selling and distribution expenses		(1,084,644)	(840,002)	(289,377)	(191,054)
Other expenses	8.	(55,122)	(11,282)	(10,765)	(4,931)
Results from operating activities		1,872,343	778,033	677,683	549,473
Finance income	9.1	60,918	79,845	10,402	11,673
Finance cost	9.2	(682,300)	(935,333)	(117,579)	(227,178)
Net finance cost		(621,382)	(855,488)	(107,177)	(215,505)
Profit/(Loss) before tax	10.	1,250,961	(77,455)	570,506	333,968
Income tax expense	11.	(321,375)	(35,196)	(164,829)	(105,568)
Profit/(Loss) for the year		929,586	(112,651)	405,677	228,400
Other comprehensive income/(loss) :					
Items that will not be reclassified to profit or loss					
Gain on revaluation of land and buildings		-	404,000	-	188,018
Remeasurements of defined benefit liability	24.2	(11,055)	(16,587)	(3,901)	(7,027)
Deferred tax on Other Comprehensive Income	11.1	2,601	(95,581)	1,170	(54,297)
Other comprehensive income/(loss) for the period		(8,454)	291,832	(2,731)	126,694
Total comprehensive income for the period		921,132	179,181	402,946	355,094
Profit/(Loss) Attributable to:					
Equity holders of the parent		865,176	(69,837)	405,677	228,400
Non controlling interest		64,410	(42,814)	-	-
Profit/(Loss) for the year		929,586	(112,651)	405,677	228,400
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		857,444	201,155	402,946	355,094
Non controlling interest		63,688	(21,974)	-	-
Total comprehensive income/(loss) for the year		921,132	179,181	402,946	355,094
Basic earnings/(loss) per share	12	6.32	(0.51)	2.96	1.67

The notes on Page 119 to 169 are an integral part of the financial statements.

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	Group		Company	
		2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Assets					
Property, plant and equipment	13	3,932,818	3,966,654	2,134,208	2,182,971
Capital work-in-progress	13.1	15,468	360	5,816	360
Intangible assets	13.2	105,154	32,411	78,601	149
Right to use of asset	13.3	113,440	10,705	-	-
Investment in subsidiary	14	-	-	536,988	286,988
Unquoted equity shares	15	56,667	56,667	-	-
Investment property	16	203,000	202,000	203,000	202,000
Non current assets		4,426,547	4,268,796	2,958,613	2,672,468
Inventories	17	5,099,084	4,158,185	535,854	463,791
Trade and other receivables	18	3,029,517	2,120,422	657,843	548,204
Contract assets	19.1	-	30,033	-	30,033
Amounts due from related parties	20	53,754	48,409	64,066	61,689
Short term investment	21.3	36,332	-	36,332	-
Cash and cash equivalents	21.1	416,113	455,367	255,986	277,103
Current assets		8,634,800	6,812,416	1,550,081	1,380,820
Total assets		13,061,347	11,081,212	4,508,694	4,053,288
Equity					
Stated capital	22	368,256	368,256	368,256	368,256
Reserves	23	1,002,005	1,002,005	748,707	748,707
Retained earnings		1,800,278	978,954	1,339,501	1,135,002
Equity attributable to owners of the company		3,170,539	2,349,215	2,456,464	2,251,965
Non controlling interest		507,338	48,958	-	-
Total equity		3,677,877	2,398,173	2,456,464	2,251,965
Liabilities					
Retirement benefits obligation	24	105,111	78,621	33,427	23,955
Lease liability	25.4	63,501	12,391	-	-
Deferred tax liability	11.2	358,334	239,272	428,237	424,441
Loans and borrowings	25.2	2,706,997	3,248,823	289,163	-
Non current liabilities		3,233,943	3,579,107	750,827	448,396
Trade and other payables	26	2,284,423	1,792,720	503,043	362,522
Loans and borrowings	25.1	917,735	518,471	80,004	17,413
Short term loans	27	2,206,420	2,190,838	476,882	682,829
Amounts due to related parties	28.1	127,106	169,383	-	8,343
Lease liability	25.4	45,709	3,454	-	-
Tax payable		125,428	51,722	88,487	53,285
Bank overdrafts	21.2	442,706	377,344	152,987	228,535
Current liabilities		6,149,527	5,103,932	1,301,403	1,352,927
Total liabilities		9,383,470	8,683,039	2,052,230	1,801,323
		13,061,347	11,081,212	4,508,694	4,053,288

The notes on Page 119 to 169 are an integral part of the financial statements.

Figures in brackets indicate deductions

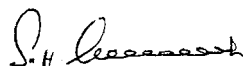
It is certified that the financial statements have been prepared in compliance with the requirements of Companies Act No.7 of 2007.



S U Amarasinghe
General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved for and on behalf of the Board of Directors :



S H Amarasekera
Chairman



L A D N Perera
Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY

GROUP	Stated capital	Revaluation reserve	Capital redemption reserve	General reserve	Retained earnings/ (losses)	Total	Non-controlling	Total equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01 April 2023	368,256	699,449	121	19,842	1,156,195	2,243,863	70,931	2,314,794
- Profit for the year	-	-	-	-	(69,837)	(69,837)	(42,814)	(112,651)
Other comprehensive income								
- Defined benefit plan actuarial gains/ (losses)	-	-	-	-	(15,381)	(15,381)	(1,206)	(16,587)
- Gain on revaluation of land	-	376,743	-	-	-	376,743	27,257	404,000
- Deferred tax on other comprehensive income	-	(94,150)	-	-	3,779	(90,371)	(5,210)	(95,581)
	-	282,593	-	-	(11,602)	270,991	20,841	291,832
Transactions with owners of the Company								
- Dividend paid (Note 22.1)	-	-	-	-	(95,802)	(95,802)	-	(95,802)
Balance as at 31 March 2024	368,256	982,042	121	19,842	978,954	2,349,215	48,958	2,398,173
- Profit for the year	-	-	-	-	865,176	865,176	64,410	929,586
Other comprehensive income								
- Defined benefit plan actuarial gains/ (losses)	-	-	-	-	(10,152)	(10,152)	(903)	(11,055)
- Deferred tax on other comprehensive income	-	-	-	-	2,421	2,421	181	2,601
Proceeds on issues on shares to minority shareholders (Note 14.1)	-	-	-	-	(7,731)	(7,731)	(722)	(8,454)
Transfer of Control to the Non Controlling Interest (Note 14.1)	-	-	-	-	-	-	64,537	64,537
	-	-	-	-	162,326	162,326	330,155	492,481
Transactions with owners of the Company								
- Dividend paid (Note 22.1)	-	-	-	-	(198,447)	(198,447)	-	(198,447)
Balance as at 31 March 2025	368,256	982,042	121	19,842	1,800,278	3,170,539	507,338	3,677,877

The notes on Page 119 to 169 are an integral part of the financial statements.
 Figures in brackets indicate deductions

COMPANY	Note	Rs. '000	Stated capital	Rs. '000	Revaluation reserve	Rs. '000	Capital redemption reserve	Rs. '000	General reserve	Rs. '000	Retained earnings/(losses)	Rs. '000	Total equity	Rs. '000
Balance as at 01 April 2023		368,256	597,131	121	19,842	1,007,323	1,992,673							
- Profit/(Loss) for the year		-	-	-	-	228,400	228,400							
Other comprehensive income														
- Defined benefit plan actuarial gains/(losses)		-	-	-	-	(7,027)	(7,027)							
- Gain on revaluation of land and buildings		-	188,018	-	-	-	188,018							188,018
- Deferred tax on other comprehensive income		-	(56,405)	-	-	2,108	(54,297)							(54,297)
		-	131,613	-	-	(4,919)	126,694							126,694
Transactions with owners of the Company														
- Dividend paid (Note 22.1)		-	-	-	-	(95,802)	(95,802)							(95,802)
Balance as at 31 March 2024		368,256	728,744	121	19,842	1,135,002	2,251,965							
- Profit/(Loss) for the year		-	-	-	-	405,677	405,677							
Other comprehensive income														
- Defined benefit plan actuarial gains/(losses)		-	-	-	-	(3,901)	(3,901)							(3,901)
- Gain on revaluation of land and buildings		-	-	-	-	-	-							-
- Deferred tax on other comprehensive income		-	-	-	-	1,170	1,170							1,170
		-	-	-	-	(2,731)	(2,731)							(2,731)
Transactions with owners of the Company														
- Dividend paid (Note 22.1)		-	-	-	-	(198,447)	(198,447)							(198,447)
Balance as at 31 March 2025		368,256	728,744	121	19,842	1,339,501	2,456,464							

The notes on Page 119 to 169 are an integral part of the financial statements.

Figures in brackets indicate deductions

STATEMENT OF CASH FLOWS

As at 31st March	Notes	Group		Company	
		2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Profit/(Loss) before taxation		1,250,961	(77,455)	570,506	333,968
Adjustments For;					
Depreciation of Property Plant and Equipment	13	233,825	209,210	72,475	72,697
Amortization	13.2	8,307	6,562	728	95
Inventory write off		2,963	1,739	2,963	1,739
Inventory provision	17.1	41,781	8,217	360	3,192
Interest income	9.1	(10,815)	(35,716)	(10,402)	(11,673)
Provision on retirement benefit obligation	24.1	23,678	16,863	7,031	4,376
Interest expense		675,307	914,953	110,585	206,797
(Profit)/Loss on sale of property, plant and equipment	7	(258)	(21,803)	-	-
(Gain)/ Loss on revaluation of investment property	16	(1,000)	(7,533)	(1,000)	(7,533)
Provision for impairment of trade receivables	18	10,378	(3,802)	7,442	(5,127)
Exchange loss / (gain)		(43,109)	(27,919)	6,994	16,210
Changes in;					
- Trade and other payables	26	561,168	791,522	128,084	43,431
- Amounts due to related parties	28	(42,277)	(77,971)	(8,343)	(25,890)
- Inventories	17	(985,642)	426,478	(72,423)	70,893
- Trade and other receivables	18	(919,473)	(340,355)	(117,851)	16,058
- Amounts due from related parties	20	(5,345)	(41,254)	(2,377)	(54,535)
- Contract Asset	19.1	30,033	2,310	30,033	2,310
Cash generated from/(used in) operating activities		830,482	1,738,046	725,573	667,009
Loan interest paid		(692,345)	(1,198,579)	(108,106)	(214,356)
Lease interest paid	13.3.2	(8,717)	(3,042)	-	-
Income tax paid		(126,005)	(82,353)	(124,660)	(68,314)
Gratuity payment	24	(8,243)	(3,831)	(1,459)	(318)
Net cash generated from/(used in) operating activities		(4,828)	450,241	481,347	384,021
Cash flows from investing activities					
Acquisition of property, plant and equipment	13	(187,976)	(129,664)	(23,710)	(47,669)
Addition to Intangible Asset	13.2	(81,049)	(12,650)	(79,180)	-
Addition to Construction Work In Progress	13.1	(15,108)	(1,217)	(5,456)	(1,217)
Proceeds on disposal of property, plant and equipment		-	22,315	-	-
Investment in Subsidiary		-	-	(250,000)	-
Short Term Investments	21.3	(36,332)	-	(36,332)	-
Net cash generated from/(used in) investing activities		(320,465)	(121,216)	(394,678)	(48,886)
Cash flows from financing activities					
Dividend paid		(198,447)	(95,802)	(198,447)	(95,802)
Interest income	9.1	10,815	35,716	10,402	11,673
Loan Obtained		7,549,986	9,167,822	2,744,622	1,811,501
Repayment of borrowings		(7,676,965)	(9,221,629)	(2,598,815)	(1,994,933)
Proceeds on issue of shares to minority shareholders		557,018	-	-	-
Lease payment	13.3.2	(21,728)	(5,731)	-	-
Net cash generated from/(used in) financing activities		220,679	(119,624)	(42,238)	(267,561)
Net increase/(decrease) in cash and cash equivalents		(104,614)	209,401	54,431	67,573
Cash and cash equivalents at the beginning of the year		78,021	(131,378)	48,568	(19,005)
Cash and cash equivalents at the end of the year	21	(26,593)	78,023	102,999	48,568
Cash and cash equivalents at the end of the year					
Cash and cash equivalents	21.1	416,113	455,367	255,986	277,103
Bank overdraft	21.2	(442,706)	(377,344)	(152,987)	(228,535)
Cash and cash equivalents at the end of the year		(26,593)	78,023	102,999	48,568

The notes on Page 119 to 169 are an integral part of the financial statements.

Figures in brackets indicate deductions

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Swisstek (Ceylon) PLC (the “Company”) is a public limited liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company is listed on the Colombo Stock Exchange of Sri Lanka. The address of the Company’s registered office is No.215, Nawala Road, Narahenpita, Colombo 05.

The Consolidated Financial Statements of Swisstek (Ceylon) PLC as at and for the year ended 31st March 2025 encompass the Company and its subsidiaries (together referred to as the “Group”).

Descriptions of the nature of the operations and principal activities of the Company, and its Subsidiaries are given on note 3.1.

Lanka Walltiles PLC is the immediate parent of Swisstek (Ceylon) PLC and the ultimate parent is Vallibel One PLC.

The financial statements of all Companies in the Group are prepared for a common financial year, which ends on 31 March.

2. BASIS OF PREPERATION

2.1 Statement of compliance

The Consolidated financial statements of the Group comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with the material accounting policies and notes to the financial statements. The

financial statements of the Group have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs), laid down by the Institute of Chartered Accountants of Sri Lanka. These financial statements, except for information on cash flows, have been prepared following accrual basis of accounting.

The Board of Directors is responsible for the preparation and presentation of the financial statements and further, financial statements of the Group have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

The financial statements were authorized for issue by the directors on 30th May 2025.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following:

- Fair Value through Other Comprehensive Income (FVOCI) financial assets are measured at fair value.
- The liability for defined benefit obligation is actuarially valued and recognized at the present value of the defined benefit obligation.
- Land and building measured at cost at the time of acquisition and subsequently at revaluation.

- Investment property is measured at fair value.

2.3 Functional and presentation currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Group’s functional currency. All financial information presented in Sri Lankan Rupees have been given to the nearest thousand, unless stated otherwise.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with SLFRSs requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are described in the following notes:

NOTES TO THE FINANCIAL STATEMENTS

Note 11.2 –	Deferred tax
Note 13 –	Property Plant and Equipment
Note 24–	Retirement benefits obligation
Note 16 –	Investment Property
Note 18 –	Impairment of Trade Receivables
Note 6 –	Revenue Recognition

- For a non-Financial asset, the valuation premise that is appropriate for the measurement (Consistently with its highest and best use).
- The principal (or most advantageous) market for the asset or liability.
- 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.

entity measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises 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.

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).

2.5 Measurement of Fair Value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

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 transactions between market participants at the measurement date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date which takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- The particular asset or liability that is the subject of the measurement

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other 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 to 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

2.5.1 Determination of 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately, unless they are immaterial.

2.7 Going Concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future and confirms that they do not intend either to liquidate or to cease operations of the Group. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group continue to be prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these Consolidated Financial Statements and have been applied consistently by the Group, unless otherwise stated.

3.1 Basis of Consolidation

The consolidated financial statements (referred to as the "Group") comprise the financial statements of the Company and its subsidiaries prepared in terms of Sri Lanka Accounting Standard (SLFRS-10) Consolidated Financial Statement and share of profit or loss.

Swisstek Aluminium Limited manufactures and sells aluminium extrusions and allied products through a network of dealers and distributors.

Swisstek Development Ltd is operates as a property holding company known for its strategic investments and development projects.

Subsidiaries are disclosed in note 14 to the consolidated financial statements.

3.1.1 Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

As per the requirements of Sri Lanka Accounting Standard (SLFRS 3) - Business Combinations when the Group acquires a business it assesses the financial assets and liabilities assumed under classifications or designations on the basis of the contractual terms, economic conditions, its operating or accounting policies and other pertinent conditions exist at the acquisition date as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable and other contractual arrangements.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred plus the recognized amount of

NOTES TO THE FINANCIAL STATEMENTS

any non-controlling interests in the acquire plus if the business combination achieved in stages, the fair value of the pre-existing interest in the acquire less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

The goodwill arising on acquisition of subsidiaries is presented as an intangible asset.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired exceed the cost of the acquisition of the entity, the surplus, which is a gain on bargain purchase is recognised immediately in the consolidated income statement.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 Non-controlling interest

Non-controlling interests are measured at their proportionate share of acquirer's identifiable net assets at the date of acquisition. Changes in the group interest in a

subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in statement of profit or loss and other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

3.3 Financial instruments

(a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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.

(b) Classification and subsequent measurement

Financial assets

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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 amortised cost if it meets both of the following conditions and is not designated 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 on the principal amount of outstanding.

Financial assets - Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level 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 realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group'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.

Financial assets - Assessment

whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

NOTES TO THE FINANCIAL STATEMENTS

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Derecognition Financial assets

The Group derecognises 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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises 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 recognised at fair value.

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

(c) Impairment policy

(i) Non-derivative financial assets Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- Financial assets measured at amortised cost;
 - Contract assets.
- The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the

Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit

losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion

thereof. For individual customers, the For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely

NOTES TO THE FINANCIAL STATEMENTS

independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Property, plant and equipment

3.4.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and buildings are stated at fair value.

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 labour, any other costs directly attributable to bringing the assets to a working condition for their intended use.

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

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

A revaluation of land and building is done when there is a substantial difference between the fair value and the carrying amount of the land, and is undertaken by professionally qualified valuers every 3 years.

Increases in the carrying amount on revaluation are credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same individual asset are charged against revaluation

reserve directly in equity. All other decreases are expensed in profit and loss.

3.4.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit and loss as incurred.

3.4.3 Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within “other income” in profit or loss.

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 derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.4.4 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost/valuation, less its residual value. Fully depreciated property, plant and equipment are retained in the financial statements until such time when they are no longer in use. Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Leased assets are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Group will have ownership by the end of the lease term. Land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The estimated useful lives for the current and comparative periods are as follows. Estimates in respect of certain item of property, plant and equipment were revised with effect from 1 April 2014.

The estimated useful lives for the assets are as follows.

Description of the asset	Estimated useful lifetime
Buildings	5 to 50 years
Plant and machinery	5 to 20 years
Factory Electrification	5 to 20 years
Furniture and fittings	5 to 10 years
Motor vehicles	5 years
Office Equipment	4 to 5 years
Road way	25 years
Tools and Equipment	2 to 5 years

3.4.5 Intangible assets

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply of goods or services, or for administrative purpose.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably in accordance with LKAS 38 -“Intangible Assets”. Accordingly, these assets are stated at cost less accumulated amortization and accumulated impairment losses in the statement of financial position.

3.4.5.1 Computer Software

Computer software are amortised over their estimated useful economic life on a straight-line basis. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful lives for the current and comparative periods is 5 years.

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

De-recognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.5 Leases

Recognition and initial measurement (As a lessee)

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand- alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the

NOTES TO THE FINANCIAL STATEMENTS

lease and non-lease components as a single lease component.

The Group recognises 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 remeasurements of the 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, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- ▶ fixed payments, including in-substance fixed payments;
- ▶ variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- ▶ amounts expected to be payable under a residual value guarantee; and
- ▶ the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is

a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, 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.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost

of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and capitalized borrowing cost.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property on transfer. Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognized immediately in profit or loss.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value, after making the due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less than estimated cost of completion and the estimated cost necessary to make the sale.

The cost of inventory is determined on the basis of weighted average. In

the case of manufactured products, cost includes direct expenditure and appropriate proportion of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

3.8 Trade and other receivables

Trade and other receivables are stated at their estimated realisable amounts.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.10 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of financial position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment later than one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

3.10.1 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated

reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the liability. Unwinding of discount is recognized as finance cost.

3.10.2 Employee benefits

3.10.2.1 Defined benefit plan

Defined Benefit Plan is a post-employment benefit plan other than Defined Contribution Plan. The liability recognized in the statement of financial position in respect of Defined Benefit Plan is the present value of the defined benefit obligation at the statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries, using projected unit credit method, as recommended by LKAS 19, "Employee Benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in the note 24 to the Financial Statements. This liability is not externally funded and the item is grouped under non-current liabilities in the statement of financial position. However, under the Payment of

NOTES TO THE FINANCIAL STATEMENTS

Gratuity Act No. 12 of 1983 the liability to an employee arises only on completion of five years of continued service.

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 Group 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.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in staff expenses in profit or loss.

3.10.2.2 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 (EPF) and Employees Trust Fund (ETF) covering all employees are recognised as an expense in profit or loss as incurred.

The Group and employees contribute 12% and 8% respectively of the salary of each employee to the

Employees' Provident Fund managed by the Central Bank of Sri Lanka. The Company contribute 3% of the salary of each employee to the Employees' Trust Fund managed by Central Bank of Sri Lanka.

3.10.2.3 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 recognised for the amount expected to be paid if the Group 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 Commitments and contingencies

Commitments and contingent liabilities of the Group are disclosed in the respective Notes to the Financial Statements.

3.12 Trade and other payables

Trade and other payables are stated at their cost.

3.13 Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of

call in arrears. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

3.14 Statement of profit or loss and other comprehensive income

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive Income, the function of expenses method is adopted, as it represents fairly the elements of Group performance.

3.15 Revenue recognition

3.15.1 Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
1 Sale of Manufacturing and Trading Goods.	The Group engaged in varieties of sale of goods in Tile related products, Decorative pebbles and Trading sales of Aluminum and Fiber Cement.	The revenue is recognized based on the identified performance obligation. The transaction price is allocated to performance obligations and recognized the revenue in point in time upon analysis of each sale of goods.
2 Sale of Timber with installation services	The Group supply Timber to customers with installation services embedded in the contract.	The supply of Timber is recognized at the point of deliver the goods to the customer and the revenue for installation services is recognized over installation period for the transactions that consumes a significant time period for installation. The revenue is recognized at a point in a time either for the transactions which consumes an insignificant installation period or for the transactions where the installation services provided on the same day of delivery of goods.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the asset.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movement are in a net gain or net loss position.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost

3.15.2 Other Income

3.15.2.1 Rental income

Rent income from investment property is recognized in profit or loss on a straight-line basis over the term of the lease.

- Interest income from loans granted
- Interest expense from borrowings
- Interest expense arising from leases

3.15.2.2 Commission income

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the commission made by the Group.

- Foreign exchange gain / (loss)

Interest income or expense is recognised using the effective interest method.

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

3.15.2.3 Finance income and expenses

The Group's finance income and finance cost include:

NOTES TO THE FINANCIAL STATEMENTS

of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.15.3 Expenses

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

Provision have also been made for impairment of financial assets, all known liabilities and depreciation on property, plant and equipment.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to the income statement in the year in which the expenditure is incurred. The profit earned by the Group is before income tax expense and after making provision for all known liabilities and for the depreciation of property, plant and equipment.

3.16 Taxation

3.16.1 Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to

items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

3.16.2 Current Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The provision for income tax on the Group's operation is based on the elements of income and expenditures reported in the Financial Statements and computed with in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statements.

3.16.3 Deferred Taxation

Deferred tax is recognised using the reporting method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting

purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized based on the level of future taxable profit forecasts and tax planning strategy.

3.17 Events after the reporting period

The materiality of the events after the reporting date has been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements wherever necessary.

3.18 Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

3.19 Segmental reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and tax assets and liabilities. Inter-segment transfers are based on fair market prices. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

The Group comprises the following main business segments;

- a) **Tile related products:** This Segment includes tile related products such as Tile Adhesive, Grout, Skim coat, water proofer and Grout Sealer of Swisstek (Ceylon) PLC.
- b) **Wooden flooring and installation:** This segment includes the Swissparkett Branded Wooden Flooring.
- c) **Aluminium:** This segment comprises the Zinc Aluminium Products of Swisstek (Ceylon) PLC and Aluminium Products of Subsidiary company - Swisstek Aluminium
- d) **Other:** This segment includes the Trading Products such as Tile Cleaner, Silicon Sealant and Decorative Pebbles of Swisstek (Ceylon) PLC

3.20 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged. The relevant details are disclosed in the respective notes to the Financial Statements.

3.21 Statement of cash flows

The cash flow statement has been prepared using the 'indirect method' in accordance with Sri Lanka Accounting Standard - LKAS 7 on 'Statement of Cash Flows'. Cash and cash equivalent comprise cash in hand and deposits held at call with

banks net of bank overdraft and short term fixed deposits. that are readily convertible to known amount of cash and subject to an insignificant risk of change in value.

Interest received and dividends received are classified as investing cash flows, while dividend paid is classified as financing cash flows and interest paid is classified under the operating cash flows for the purpose of presentation of Cash Flow Statement. Bank overdrafts that are repayable on demand and forming an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of the Statement of Cash Flows.

3.22 New Accounting Standards issued but not effective as at the Reporting date.

A number of new standards are effective for annual periods beginning on or after 01 January 2025 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. General requirements for disclosure of sustainability related financial information (SLFRS S1) and climate related disclosures (SLFRS S2)

In June 2023 the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 and IFRS S2. During the year, CA Sri Lanka issued the localized standards based

NOTES TO THE FINANCIAL STATEMENTS

on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Company from 01 January 2025. No financial impact is expected on the Company except for additional disclosures.

4. FINANCIAL RISK MANAGEMENT OVERVIEW

In the course of its business, the Group is exposed to a number of risks arising from its use of financial instruments, including:

- ▶ Credit risk – See Note 29.1.1
- ▶ Liquidity risk - See Note 29.1.2
- ▶ Market risk (currency risk and interest rate risk) - See Note 29.1.3

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in

which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

4.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group is exposed to credit risk on trade and other receivables.

Trade and other receivables

The creditworthiness of each customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk.

4.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are

settled by delivering cash or another financial asset. The Group'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 risking damage to the Group's reputation.

4.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

Interest rate risk

The principal risk to which non – trading portfolios are exposed is the loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates

4.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's 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 behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

Requirements for appropriate segregation of duties, including the independent authorisation of transactions;

- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

NOTES TO THE FINANCIAL STATEMENTS

5 SEGMENT INFORMATION

Information about reportable segments for the year ended 31 March 2025;

For the year ended 31 March	Tile related products	Wooden flooring and installation	Aluminium	Other	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total segment revenue	2,977,055	97,855	12,158,774	34,991	15,268,675
Total segment cost of sales	(1,986,568)	(49,995)	(9,753,566)	(29,742)	(11,819,871)
Segment gross profits	990,487	47,860	2,405,208	5,249	3,448,804
Other income	-	-	-	173,966	173,966
Administration expenses	(119,065)	(3,914)	(486,283)	(1,399)	(610,661)
Distribution expenses	(211,482)	(6,951)	(863,725)	(2,486)	(1,084,644)
Other expenses	(10,747)	(353)	(43,896)	(126)	(55,122)
Net finance cost	(121,156)	(3,982)	(494,820)	(1,424)	(621,383)
Profit before tax	243,910	8,017	996,167	2,867	1,250,961
Income tax expense	(62,661)	(2,060)	(255,918)	(736)	(321,375)

Information about reportable segments for the year ended 31 March 2024;

For the year ended 31 March	Tile related products	Wooden flooring and installation	Aluminium	Other	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total segment revenue	2,565,026	135,006	7,322,649	55,838	10,078,519
Total segment cost of sales	(1,944,135)	(64,890)	(6,140,529)	(44,846)	(8,194,400)
Segment gross profits	620,891	70,116	1,182,120	10,992	1,884,119
Other income	-	-	-	200,543	200,543
Administration expenses	(111,366)	(5,862)	(335,693)	(2,424)	(455,345)
Distribution expenses	(174,468)	(9,183)	(652,553)	(3,798)	(840,002)
Other expenses	(4,589)	(242)	(6,351)	(100)	(11,282)
Net finance cost	(196,797)	(10,357)	(644,050)	(4,284)	(855,488)
Profit before tax	304,979	16,054	(405,127)	6,639	(77,455)
Income tax expense	(96,404)	(5,074)	68,381	(2,099)	(35,196)

The segment assets and liabilities and capital expenditure for the year ended are as follows.

As at 31 March 2025	Tile related products	Wooden flooring and installation	Aluminium	Other	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets	4,316,095	141,868	8,541,654	50,730	13,061,347
Liabilities	1,964,565	64,576	7,331,239	23,090	9,383,470
Capital expenditure	23,659	53	151,323	-	175,034

As at 31 March 2024

Assets	3,772,596	198,565	7,046,008	82,126	11,081,212
Liabilities	1,675,700	88,244	6,882,598	36,497	8,683,039
Capital expenditure	47,617	52	81,995	-	129,664

6. REVENUE

For the year ended 31st March	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tile related products	2,977,055	2,565,026	2,977,055	2,565,026
Zink aluminium	207,512	52,984	207,512	52,984
Wooden flooring and installation	97,855	135,006	97,855	135,006
Decorative pebbles	19,869	21,788	19,869	21,788
Trading sales	15,017	33,599	15,017	33,599
Fiber cement	105	451	105	451
Aluminium	11,951,262	7,269,665	64,740	63,794
	15,268,675	10,078,519	3,382,153	2,872,648

For the year ended 31st March	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
6.1. Disaggregation of revenue based on timing				
Revenue recognized in pointing time	15,170,820	9,943,513	3,284,298	2,737,642
Revenue recognized in over time	97,855	135,006	97,855	135,006
	15,268,675	10,078,519	3,382,153	2,872,648

For the year ended 31st March	Notes	Group		Company	
		2025	2024	2025	2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
7. OTHER INCOME					
Gain/(Loss) on disposal of property, plant and equipment		258	21,803	-	-
Increase in fair value of investment property		1,000	7,533	1,000	7,533
Rent income		23,778	27,516	21,789	24,495
Sales commission		72,678	70,634	72,678	70,634
Sundry income		76,252	73,057	27,566	14,843
		173,966	200,543	123,033	117,505
8. OTHER EXPENSES					
Provision for obsolete and slow moving inventory	17.1	41,781	8,217	360	3,192
Inventory write off		2,963	1,739	2,963	1,739
Provision for impairment of trade receivables		10,378	1,326	7,442	-
		55,122	11,282	10,765	4,931

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
For the year ended 31st March				
9. NET FINANCE COST				
9.1 Finance income				
Interest income	10,815	35,716	10,402	11,673
Foreign exchange gain	50,103	44,129	-	-
	60,918	79,845	10,402	11,673
9.2 Finance cost				
Interest expenses on short term borrowings	628,153	810,984	92,243	149,515
Finance lease interest	8,717	3,042	-	-
Bank overdraft interest and charges	38,436	100,926	18,342	57,282
Foreign exchange loss	6,994	20,381	6,994	20,381
	682,300	935,333	117,579	227,178
Net finance Income / (cost) recognized in profit or loss	(621,382)	(855,488)	(107,177)	(215,505)

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
For the year ended 31st March				
10. PROFIT BEFORE TAXATION				
Is stated after charging all expenses including the following:				
Directors' emoluments	16,256	17,317	7,059	5,693
Auditors' remuneration - Company auditors	925	811	925	811
- Subsidiary Auditors	698	1,070	-	-
Non audit Services	2,575	2,707	593	2,058
Salaries, wages and other related cost	1,109,227	665,458	282,827	154,431
Defined benefit plan cost - Retirement gratuity	23,678	16,863	7,030	4,376
Defined contribution plan cost - EPF and ETF	64,031	48,670	15,412	13,276
Depreciation on property plant and equipment	203,381	203,209	72,745	72,697
Provision/ (Reversal) Obsolete Inventory	41,781	8,217	360	3,192
Provision/ (Reversal) of Impairment of Trade Receivables	10,378	(3,801)	7,442	(5,127)
Amortization of Intangible Assets	8,307	6,562	728	95

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
For the year ended 31st March				
11. INCOME TAX EXPENSE/(REVERSAL)				
Current Tax Expenses				
Current tax expense	201,689	102,934	161,400	94,214
Deferred tax (reversal)/ charge for the year (Note 11.1)	121,663	(71,887)	4,966	7,733
Under/ (over) provision	(1,977)	4,149	(1,537)	3,621
	321,375	35,196	164,829	105,568

The Inland Revenue (Amendment) Act No.45 of 2022, the Company is liable to pay tax at the rate of 30% of its entire taxable profit.

According to Board of Investment of Sri Lanka Law No. 04 of 1978, Swisstek Aluminium Limited which is a subsidiary of Swisstek (Ceylon) PLC has entered into an agreement with BOI on 27th August 2009, where it was entitled to a tax exemption on its profits and income for a period of five years and it was thereafter liable to income tax on such profits and income at the rate of 20%.

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
For the year ended 31st March				
Reconciliation of the accounting profit and the income tax expense				
Profit/ (Lost) before taxation	1,250,961	(77,455)	570,506	333,968
Aggregate disallowed expenses and income	543,480	804,443	210,150	119,035
Aggregate allowed Items	(482,329)	(369,342)	(242,654)	(138,960)
Current year tax losses utilized	(572,667)	-	-	-
Taxable Income	739,445	357,645	538,002	314,043
Taxable income liable at 20% tax rate	201,443	43,600	-	-
Taxable income liable at 30% tax rate	538,002	314,045	538,002	314,043
Income tax at 20%	40,289	8,720	-	-
Income tax at 30%	161,400	94,214	161,400	94,214
Total Income Tax Expense for the year	201,689	102,934	161,400	94,214
Effective Tax rate	16%	(133%)	28%	28%
11.1 Movement in deferred tax balance during the year				
Balance at the beginning of the year	239,272	215,578	424,441	362,411
(Reversed)/originated during the year	121,663	(71,887)	4,966	7,733
Originated during the year - recognised in other comprehensive income	(2,601)	95,581	(1,170)	54,297
Balance at the end of the year	358,334	239,272	428,237	424,441

NOTES TO THE FINANCIAL STATEMENTS

11.2 Deferred tax provision / reversal for the year

Deferred tax assets and liabilities are attributable to the following:

As at 31st March	Group				Company			
	2025		2024		2025		2024	
	Temporary Difference	Deferred Tax	Temporary Difference	Deferred Tax	Temporary Difference	Deferred Tax	Temporary Difference	Deferred Tax
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Deferred tax assets								
Employee benefits	105,111	24,365	78,621	18,120	33,427	10,028	23,955	7,186
Inventory provision	116,580	25,952	74,799	17,560	26,365	7,910	26,005	7,802
Provision for impairment receivable of trade receivables-Collective	55,025	12,647	44,647	9,828	16,429	4,929	8,987	2,696
Leased Liability	109,210	21,842	-	-	-	-	-	-
Tax losses 11.3	1,434,869	286,973	2,007,536	391,695	-	-	-	-
	1,820,796	371,779	2,205,606	437,203	76,221	22,867	58,947	17,684
Deferred tax liabilities								
Property, plant and equipment - Other than Land	(1,371,264)	(315,099)	(1,232,479)	(284,450)	(408,467)	(122,540)	(379,541)	(113,862)
Right to use of asset	(113,440)	(22,688)	-	-	-	-	-	-
Investment Property	(165,940)	(49,783)	(164,940)	(49,482)	(165,940)	(49,783)	(164,940)	(49,482)
Land carried at Revaluation	(1,145,253)	(342,543)	(1,145,253)	(342,543)	(929,271)	(278,781)	(929,271)	(278,781)
	(2,795,896)	(730,113)	(2,542,672)	(676,475)	(1,503,678)	(451,104)	(1,473,752)	(442,125)
Net deferred tax asset/ (liability)	(975,099)	(358,334)	(337,066)	(239,272)	(1,427,457)	(428,237)	(1,414,805)	(424,441)

Deferred tax asset as at the reporting date have been tested for recoverability based on the estimated future taxable income of the company in line with approved business plans and budgets covering the period of six years and management is of the view that taxable losses can be set off in future. These tax losses under the Inland Revenue Act No. 24 of 2017 can be carry forward up to six years. These deferred tax assets are from Swisstek Aluminium.

11.3 Tax Losses

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at the beginning of the year	2,007,536	1,485,660	-	-
Tax losses recognized during the year	-	521,876	-	-
Tax losses set-off during the year	(572,667)	-	-	-
Balance at the end of the year	1,434,869	2,007,536	-	-

12. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

As at 31 March,	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
Profit/(Loss) attributable to ordinary shareholders	865,176	(69,837)	405,677	228,400
Weighted average number of ordinary shares (Numbers)	136,860,000	136,860,000	136,860,000	136,860,000
Earnings/(Loss) per share (Rs.)	6.32	(0.51)	2.96	1.67
Weighted average number of ordinary shares				
Issued ordinary shares	136,860,000	136,860,000	136,860,000	136,860,000
Effect of shares issued during the year	-	-	-	-
Weighted average number of ordinary shares in issue during the year	136,860,000	136,860,000	136,860,000	136,860,000

13. PROPERTY, PLANT AND EQUIPMENT

- (a) The lands and buildings have been revalued by an Independent Chartered valuer, Mr. D.G.Newton, on 31 March 2024 on contractor's method as follows. The said valuation has been incorporated in the financial statements and the surplus arising from the revaluation was recognized under reserves and in 2025, a reassessment of the valuation was performed by the same valuer and no significant changes to the revalued carrying amount as at 31 March 2025.
- (b) The entire land is classified as property plant and equipment since the portion of the land held for company's use and the land on which investment property is situated is not clearly demarcated and cannot be sold separately.
- (c) The carrying amount of the lands if carried at cost is as follows.

	Land in Extent (perches)	Carrying value as at 31.03.2025	Carrying value as at 31.03.2024
	Rs '000	Rs '000	Rs '000
Swisstek (Ceylon) PLC			
Factory Complex, Belummahara, Imbulgoda	984.50	1,381	1,381
No:334/5, Colombo Road, Belummahara, Imbulgoda	20.00	5,753	5,753
No: 288/26, Colombo Road, Belummahara, Imbulgoda	81.60	38,080	38,080
No: 177/6, New Kandy Rd., Weliweriya	84.50	37,961	37,961
Land at Nedungamuwa	2,446.00	285,648	285,648
Land at Belummahara	0.96	814	814
	3,617.56	369,637	369,637
Swisstek Aluminium Limited			
Pahala Dompe, Lot-1 in Plan No-3458	97.17	10,727	10,727
Pahala Dompe, Lot-2 in Plan No-3458	1,495.10	176,000	176,000
Pahala Dompe, Lot-3 in Plan No-3458	85.20	4,000	4,000
Pahala Dompe, Lot-4 in Plan No-3458	144.80	19,281	19,281
Pahala Dompe, Lot-1 in Plan No-5790	112.00	9,485	9,485
	1,934.27	219,493	219,493

NOTES TO THE FINANCIAL STATEMENTS

13 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(d) The carrying amount of the buildings if carried at cost is as follows,

	Extent/floor Area	No. of buildings	Cost Rs '000	Accumulated depreciation Rs '000	Carrying value as at 31.03.2025 Rs '000	Carrying value as at 31.03.2024 Rs '000
Swisstek (Ceylon) PLC						
Factory Complex, Belummahara, Imbulgoda	62,530 Sq.ft.	18	248,803	47,988	200,815	205,791
Factory Complex, Belummahara, Imbulgoda - Crushing Plant 2 and other additions	7,000 sq.ft	1	39,304	10,745	28,560	29,346
No: 177/6, New Kandy Rd., Weliweriya	27,170 Sq.ft.	1	80,563	18,939	61,624	63,235
Building at Nedungamuwa	55,362 Sq.ft	6	171,677	16,529	155,147	158,581
			540,347	94,202	446,146	456,953
Swisstek Aluminium Limited						
Building at Pahala Dompe, Dompe	173,965 Sq.ft	23	731,659	126,415	605,244	619,877
			731,659	126,415	605,244	619,877

(e) Land and Building carried at revalued amount.

	Type of property	No. of buildings	Extent	Valuation Technique	Significant unobservable input:price/ acre/range	Carrying value as at 31.03.2025	Fair Value 31.03.2025
Swisstek (Ceylon) PLC Address							
Factory Complex, Belummahara, Imbulgoda	Land	-	984.5 Perches	Market based evidence	Rs. 800,000/- per perch	787,600	787,600
No: 288/26, Colombo Road, Belummahara, Imbulgoda	Land	-	81.6 perches	Market based evidence	Rs. 725,000/- per perch	59,131	59,131
No:334/5, Colombo Road, Belummahara, Imbulgoda	Land	-	20 Perches	Market based evidence	Rs. 650,000/- per perch	12,831	12,831
No: 177/6, New Kandy Rd., Weliweriya	Land	-	85.0 Perches	Market based evidence	Rs. 600,000/- per perch	51,000	51,000
Land at Nedungamuwa	Land	-	2,446.0 Perches	Market based evidence	Rs. 100,000/- to 175,000/- per perch	387,533	387,533
Land at Belummahara	Land	-	0.95 Perches	Market based evidence	Rs. 848,000/- per perch	814	814
Factory Complex, Belummahara, Imbulgoda	Buildings	18	62,530 sq.ft	Contractors Method	Rs. 750/- to 4,500/- per sq.ft.	219,333	219,333
No: 177/6, New Kandy Rd., Weliweriya	Building	1	27,170 Sq.ft.	Contractors Method	Rs. 2,850/- to 3,350/- per sq.ft.	78,123	78,123
Nadungamuwa, Ratupaswela	Building	8	50,085 Sq.ft	Depreciated replacement cost	Rs. 750/- to 3,250/- per sq.ft.	157,575	157,575
						1,753,941	1,753,941

	Type of property	No. of buildings	Extent	Valuation Technique	Significant unobservable input:price/acre/range	Carrying value as at 31.03.2025	Fair Value 31.03.2025
Swisstek Aluminium Limited							
Lot-1 in Plan No-3458	Land	-	97.17 Perches	Market based evidence	Rs. 125,000/- Per perch	10,910	10,910
Lot-2 in Plan No-3458	Land	-	1495.1 Perches	Market based evidence	Rs. 85,000/- Per perch	235,093	235,093
Lot-3 in Plan No-3458	Land	-	85.2 Perches	Market based evidence	Rs. 85,000/- Per perch	6,507	6,507
Lot-4 in Plan No-3458	Land	-	144.8 Perches	Market based evidence	Rs. 30,000/- Per perch	3,903	3,903
Lot-1 in Plan No-5790	Land	-	112 Perches	Market based evidence	Rs. 125,000/- Per perch	12,580	12,580
Buildings at Pahala Dompe, Dompe	Buildings	23	173,965 Sq.ft	Contractors Method	1,250/- to 7,500/- per Sq.ft	794,897	794,897
						1,063,890	1,063,890

The above properties are revalued and recorded under freehold land and buildings. Fair Value measurement disclosure for revalued land based on un-observable inputs are as follows,

- (A) Quoted Price (unadjusted) in active markets for identical assets or liabilities (Level -1).
- (B) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices) (Level -2)
- (C) Input for the assets or liability that are not based on observable market data (that is, unobservable inputs) (Level -3).

Description of Valuation Techniques.

Market Approach The Selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets making appropriate adjustments for any differences in the nature, size, location or condition of the specific property.

Cost Approach

The market Value of a property is estimated as a function of the current cost to purchase or replace the property. Adjustments to new replacement cost are made to account for depreciation to determine the market value of the property.

Income Approach

The income approach is specifically used to evaluate properties in commercial real estate, that is, properties that are income-generating are most suitable under the income approach. Investors that evaluate the value of a property using the income approach need to pay attention to the condition of the property as at the time it is being rented.

The income approach converts future amounts to a single discounted amount taking into account, inter alia, risk and uncertainty. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Depreciated Replacement Cost Approach Depreciated replacement cost of an asset is the current cost to replace the asset less accumulated depreciation. It is the cost company spends to acquire the current replacement asset and deduct the accumulated depreciation to reflects with the current asset condition. It is simply the replacement cost less depreciation which already deduct from current asset.

NOTES TO THE FINANCIAL STATEMENTS

PROPERTY, PLANT AND EQUIPMENT (CONTD.)

13

Description Group	Freehold Land	Buildings	Plant and Machinery	Machinery under Lease	Machinery under Electrification	Furniture and Fittings				Motor Vehicles	Office Equipments	Road Way Equipments	Tools and Equipments	Total
						Rs. '000	Rs. '000	Rs. '000	Rs. '000					
Cost/ Revaluation														
As at 31 March 2023	1,326,772	1,123,311	1,898,823	35,640	70,141	29,109	87,711	21,059	61,905	4,732,567				
Additions during the year	-	24,455	66,410	-	699	5,624	-	12,849	6,400	13,228	129,665			
Transfers from CWIP	-	19,463	10,166	-	3,805	-	-	-	-	-	33,434			
Disposals	-	-	-	-	-	-	(26,570)	-	(771)	(27,341)				
Transfers	33,485	-	-	-	-	-	-	-	-	33,485				
Revaluation reversal of Cost	-	(85,208)	-	-	-	-	-	-	-	(85,208)				
Revaluation Gain/(Loss)	207,651	196,349	-	-	-	-	-	-	-	404,000				
As at 31 March 2024	1,567,908	1,278,370	1,975,399	35,640	74,645	34,733	61,141	90,945	74,362	5,220,602				
Additions during the year	-	14,162	87,260	25,035	166	10,779	1,274	15,552	4,601	16,205	175,034			
Disposals	-	-	-	(26,104)	-	-	-	-	-	-	(26,104)			
As at 31 March 2025	1,567,908	1,292,532	2,062,659	34,571	74,811	45,512	62,415	106,497	32,060	90,567	5,369,532			
Accumulated depreciation														
As at 31 March 2023	-	59,828	887,907	16,180	17,838	17,356	69,141	53,342	777	40,399	1,162,768			
Charge for the Year	-	30,758	116,356	11,802	6,609	3,933	5,668	6,317	902	20,864	203,209			
Disposals/Transfers	-	-	-	-	-	-	(26,570)	(252)	-	-	(26,822)			
Revaluation reversal of depreciation	-	(85,208)	-	-	-	-	-	-	-	-	(85,208)			
As at 31 March 2024	-	5,378	1,004,263	27,982	24,447	21,289	48,239	59,407	1,679	61,263	1,253,947			
Charge for the Year	-	37,231	120,852	2,177	6,971	4,792	3,942	11,122	754	15,540	203,381			
Disposals	-	-	-	(20,614)	-	-	-	-	-	-	(20,614)			
As at 31 March 2025	-	42,609	1,125,115	9,545	31,418	26,081	52,181	70,529	2,433	76,803	1,436,714			
As at 31 March 2024	1,567,908	1,272,994	971,137	7,658	50,199	13,444	12,902	31,538	25,780	13,098	3,966,654			
As at 31 March 2025	1,567,908	1,249,923	937,544	25,026	43,393	19,431	10,234	35,968	29,627	13,764	3,932,818			

Property, plant and equipment of the group consists of fully depreciated assets with a value of Rs. 652,085,131/- (2024 - Rs.611,132,554/-) as at the year end.

13 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Description Company	Freehold	Buildings	Plant and Machinery	Factory Electrification	Furniture and Fittings	Motor Vehicles	Office Equipments	Road Way Equipments	Tools and Equipments	Total
	Land	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/ Revaluation										
As at 31 March 2023	1,098,977	464,202	485,514	34,236	12,494	50,177	20,730	21,059	22,229	2,209,618
Additions during the year	-	10,867	25,395	699	227	-	3,109	6,400	970	47,669
Transfers from CWIP	-	17,413	10,166	3,806	-	-	-	-	-	31,384
Transfer From Investment										
Property	33,485	-	-	-	-	-	-	-	-	33,485
Revaluation reversal of Cost	-	(43,056)	-	-	-	-	-	-	-	(43,056)
Revaluation Gain/(Loss)	166,447	21,572	-	-	-	-	-	-	-	188,018
As at 31 March 2024	1,298,909	470,998	521,075	38,741	12,721	50,177	23,839	27,459	23,199	2,467,118
Additions during the year	-	1,847	7,498	166	985	1,274	5,727	4,601	1,613	23,711
As at 31 March 2025	1,298,909	472,845	528,573	38,907	13,706	51,451	29,566	32,060	24,812	2,490,829
Accumulated depreciation										
As at 31 March 2023	-	27,568	138,738	17,772	5,693	33,957	13,389	776	16,615	254,508
Charge for the Year	-	15,488	37,300	4,216	1,764	5,668	2,712	903	4,646	72,697
Revaluation reversal of depreciation	-	(43,056)	-	-	-	-	-	-	-	(43,056)
As at 31 March 2024	-	-	176,038	21,988	7,457	39,625	16,101	1,679	21,261	284,149
Charge for the Year	-	17,813	38,752	4,577	1,692	3,942	3,144	754	1,798	72,472
As at 31 March 2025	-	17,813	214,790	26,565	9,149	43,567	19,245	2,433	23,059	356,621
As at 31 March 2024	1,298,909	470,998	345,037	16,753	5,264	10,552	7,738	25,780	1,939	2,182,971
As at 31 March 2025	1,298,909	455,032	313,783	12,342	4,557	7,884	10,321	29,627	1,753	2,134,208

Property, plant and equipment of the company consists of fully depreciated assets with a value of Rs.109,978,788/- (2024- Rs.80,729,665/-) as at the year end.

There were no items of property, plant and equipment pledged as securities for liabilities as at the reporting date other than the ones disclosed in Note 25.3 of these financial statements.

There were no restrictions existed on title of property, plant and equipment of the Company and Group as at the reporting date.

There was no temporary idle property, plant and equipment as at the reporting date.

There was no compensation receivable from third parties for items of property, plant and equipment that were impaired, lost or given up as at the reporting date.

There were no property, plant and equipment retired from active use at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
As at 31st March				
13.1 Capital work - in - progress				
Balance as at the beginning of the year	360	33,794	360	31,744
Cost incurred during the year	15,108	-	5,456	-
During the year transferred to PPE	-	(33,434)	-	(31,384)
Balance as at 31 March	15,468	360	5,816	360
The capital work in progress as at the reporting date includes costs incurred during the financial year in relation to buildings under construction at Swisstek (Ceylon) PLC and Swisstek Aluminium Limited.				
13.2 Intangible Assets				
Cost				
As at 01 April	55,728	43,078	1,355	1,355
Additions during the year	81,050	12,650	79,180	-
As at 31 March	136,778	55,728	80,535	1,355
Accumulated amortization				
As at 01 April	23,317	16,755	1,206	1,111
Amortization for the Year	8,307	6,562	728	95
As at 31 March	31,624	23,317	1,934	1,206
Net book value	105,154	32,411	78,601	149
13.3 Right of use assets				
Set below, are the carrying amounts of the right if use assets and liabilities and the movements during the year.				
As at 1 April	10,705	16,083	-	-
Additions	148,980	-	-	-
Net Derecognitions	(9,450)	-	-	-
Less: Depreciation Charge	(36,795)	(5,378)	-	-
As at 31 March	113,440	10,705	-	-
13.3.1 Following are the amounts recognized in profit or loss				
Depreciation charge of right-of-use assets	36,795	5,378	-	-
Interest expense on lease liabilities	8,717	3,042	-	-
Total amount recognized in profit or loss	45,512	8,420	-	-
13.3.2 Following are the amounts recognized in statement of cash flow				
Lease payment	21,728	5,731	-	-
Lease Interest paid	8,717	3,042	-	-
Total amount recognized in statement of cash flow	30,445	8,773	-	-

	No of shares As at 31-03- 2025	Holding %	Cost As at 31-03- 2025	No of shares As at 31-03- 2024	Holding %	Cost As at 31-03- 2024
			Rs.000			Rs.000
14. INVESTMENT IN SUBSIDIARY						
Swisstek Aluminium Ltd	145,067,842	67.99%	479,784	122,340,570	87.38%	229,784
Swisstek Development (Pvt) Limited	5,720,350	100%	57,204	5,720,350	100%	57,204
			536,988			286,988

During the year Board of Directors of Swisstek Aluminium Ltd approved a Rights Issue of shares at Rs.11 per share in the proportion of 16 shares for every 29 shares held by a shareholder, with right of renunciation. to raise a sum of Rs. 849,121,026/- to be utilized for capacity expansion and to reduce the gearing levels. whereby Swisstek (Ceylon) PLC was provisionally, allotted 67,498,246 Rights shares with the right of renunciation.

Considering the cash flow forecasts, Swisstek (Ceylon) PLC accepted the rights in respect of 22,727,272 shares only, and invested a sum of Rs.249,999,992/- in 22,727,272 ordinary shares of Swisstek Aluminium Ltd, on 28th March 2025. The remaining rights entitlement of Swisstek (Ceylon) PLC was offered to and renounced in favour of the ultimate parent entity, Vallibel One PLC.

As of 28th March 2025. Swisstek Aluminium Ltd received subscription amounting to Rs. 807,017,629/- in respect of 73,365,266 shares, and as per the terms of the Rights Issue, 73,365,266 shares were allotted by the subsidiary, thereby increasing its Stated Capital to Rs. 1,409,064,609/- represented by 213,376,121 shares.

14.1 TRANSFER OF CONTROL TO THE NON CONTROLLING INTEREST

In March 2025, the Group transferred an additional control 19.39 percent interest in Swisstek Aluminium Limited, decreasing its ownership from 87.38 to 67.99 percent. The carrying amount of Swisstek Aluminium Limited's net assets in the Group consolidated financial statements on the date of the transfer was Rs. 1,702,707 ('000)

As at 31st March,

	2025 Rs '000
Carrying amount of NCI transfer (Rs. 1702,707 x 19.39%)	(330,155)
Consideration received from NCI	492,481
A increase in equity attributable to owners of the Company	162,326
Details of The Right Issue	
Shares held by Swisstek (Ceylon) PLC on Swisstek Aluminium Limited	
Before the Right Issue	(No. of Shares) 122,340,570
Renounced rights entitled by Swisstek (Ceylon) PLC	(No. of Shares) 67,498,246
Accepted Rights by Swisstek (Ceylon) PLC	(No. of Shares) 22,727,272
Rights renounced in favor of Vallibel One PLC	(No. of Shares) 44,770,974
Value of a right	(Rs. Per Share) 11.00
Investment made in Swisstek Aluminium Limited by Swisstek (Ceylon) PLC	(Rs. 000) 250,000
Investment made in Swisstek Aluminium Limited by Vallibel One PLC	(Rs. 000) 492,481
Investment made in Swisstek Aluminium Limited by other minority shareholders	(Rs. 000) 64,537
Total Value of Investment made in Swisstek Aluminium Limited through the right issue	(Rs. 000) 807,018

In addition to the dilution of ownership due to the partial subscription of rights by the parent (Swisstek (Ceylon) PLC), the Group recognized an increase of Rs. 64,537 in NCI attributable to the full subscription of 5,867 shares by existing minority holders. This contribution was recognized directly in equity under NCI without any impact on profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March,	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
15. OTHER LONG TERM INVESTMENTS				
CP Holding (Private) Limited	56,667	56,667	-	-
	56,667	56,667	-	-

Above Investment in 16.67% of CP Holdings (Private) Limited has been designated as investment in FVOCI. The balance reflects the recent sale price of remaining non-quoted investments. The investment has been designated the investments in FVOCI because these represent investments that the Group intended to held for the long term for strategic purpose. No strategic investments were disposed during 2024/2025, and there were no transfer of any cumulative gain or loss within these equity investment.

As at 31st March,	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
16 INVESTMENT PROPERTY				
Cost/ Revaluation				
Balance as at 1 April	202,000	226,735	202,000	226,735
Investment property completed during the year	-	1,217	-	1,217
Transfer of Investment property during the year	-	(33,485)	-	(33,485)
Change in fair value	1,000	7,533	1,000	7,533
Balance as at 31 March	203,000	202,000	203,000	202,000

Investment property consists of a retail tiles sales centre and three stores/warehouses. These are leased to Lanka Tiles PLC (LT), Lanka Walltiles PLC (LW) and Royal Ceramic Lanka PLC (RCL).

Rental income earned from investment properties by the Group/Company amounted to Rs.21.8 Mn (2023/24) - Rs. 24.5 Mn). Direct operating expenses incurred amounted to Rs. 7.2Mn

The carrying amount of Investment Property is the fair value of the property as determined by a registered independent valuer Mr. D.G.Newton on 31 March 2025.

Address	Type of property	Occupying party	Extent	Cost	Date of Valuation	Fair Value 2025	Fair Value 2024
Factory Complex, Belummahara, Imbulgoda	Tile Stores	LT /LW	26,000 sq.ft	5,663	31-Mar-25	120,071	119,480
Factory Complex, Belummahara, Imbulgoda	Sales center	LT /LW/ RCL	4,900 sq.ft	14,053	31-Mar-25	42,025	41,818
Factory Complex, Belummahara, Imbulgoda	Open Shed	LW	3,400 sq.ft	6,277	31-Mar-25	11,215	11,160
Factory Complex, Belummahara, Imbulgoda	Warehouse	RCL	5,000 sq.ft	11,067	31-Mar-25	29,689	29,542
				37,060		203,000	202,000

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of Land and investment property, as well as the significant unobservable inputs used.

Group 2025	Location	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
-------------------	----------	---------------------	---------------------------------	---

Swisstek (Ceylon) PLC Investment property

Factory Complex	Belummahara	Investment method	A reasonable rent that the property could fetch in its existing use is estimated on the basis of rent paid to comparable properties. The rent amount per month is determined by adopting rates from Rs.58 to Rs.85 per Sq.ft. The net income determined is capitalized at an "years purchase" estimated based on the type of property, its existing use and the rate of return on investment expected from the type of property is 22.	The estimated fair value would increase/decrease if expected market rentals get high/low.
-----------------	-------------	-------------------	---	---

Property plant and equipment

Land and building	Belummahara	Contractor's method	Considering the location, extent and site characteristics the land value is determined by adopting rates from Rs. 350,000 to Rs. 650,000 per perch. The building value is determined by adopting rates from Rs. 250 to Rs. 2500 per sq.ft.	The estimated fair value would increase/decrease if the market value of the land or building gets high/low.
-------------------	-------------	---------------------	---	---

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
As at 31st March,				
17 INVENTORIES				
Spares and consumables	287,594	266,601	53,881	27,365
Raw material	2,449,403	2,142,093	371,819	343,850
Work in progress	978,975	682,952	1,754	24,028
Finished goods	1,499,692	1,117,686	134,765	70,901
Goods in transit	-	23,652	-	23,652
Less: Provision for obsolete and slow moving items - (Note17.1)	116,580	(74,799)	(26,365)	(26,005)
	5,099,084	4,158,185	535,854	463,791
Note 17.1 - Provision for obsolete and slow moving items				
Balance as at 1 April	74,799	66,582	26,005	22,813
Provision made/(reversal) during the year	41,781	8,217	360	3,192
Balance as at 31 March	116,580	74,799	26,365	26,005

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
As at 31st March,				
18 TRADE AND OTHER RECEIVABLES				
Trade receivables - Others	2,326,705	1,620,430	352,147	341,742
- Related parties (Note 18.1)	325,815	251,542	236,767	196,722
	2,652,520	1,871,972	588,914	538,464
Less : Provision for impairment of trade debtors	(55,025)	(44,647)	(16,429)	(8,987)
Deposits, advances, prepayments and other recoverables	432,022	293,097	85,358	18,727
	3,029,517	2,120,422	657,843	548,204
18.1 Trade receivables - Related parties				
Uni Dil Packaging Ltd.	17	89	17	89
Lanka Tiles PLC	231,785	234,239	192,182	181,974
Lanka Swisstek (Pvt) Limited	49,417	-	-	-
Royal Ceramics Lanka PLC	44,568	16,153	44,568	14,659
Lanka Ceramics PLC	28	1,061	-	-
	325,815	251,542	236,767	196,722
19 CONTRACT ASSET AND LIABILITIES				
19.1 Contract Assets				
As at 1st April	30,033	32,343	30,033	32,343
During the year recognized/(derecognized)	(30,033)	(2,310)	(30,033)	(2,310)
As at 31st March	-	30,033	-	30,033

The contract assets primarily relate to company's rights to consideration for work completed but not billed at the reporting date on supply of timber. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
As at 31st March,				
20 AMOUNT DUE FROM RELATED PARTIES				
Swisstek Aluminium Limited	-	-	9,971	13,100
Lanka Walltiles PLC	11,052	10,576	11,052	10,576
Royal Ceremics Lanka PLC	2,436	6,690	2,436	6,690
Lanka Tiles USA Inc.	28,833	29,554	28,833	29,554
Rocel Bathware Ltd	496	1,589	496	1,589
Lanka Tiles PLC	10,937	-	10,937	-
Swisstek Development (Pvt) Limited	-	-	341	180
	53,754	48,409	64,066	61,689

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
As at 31st March,				
21 CASH AND CASH EQUIVALENTS				
21.1 Favorable Balances				
Cash in hand	2,473	600	750	600
Cash at banks	413,640	454,767	255,236	276,503
	416,113	455,367	255,986	277,103
21.2 Unfavorable Balance				
Bank overdrafts	(442,706)	(377,344)	(152,987)	(228,535)
Cash and cash equivalents for the purpose of Cash flow statement	(26,593)	78,023	102,999	48,568
21.3 Short Term Investments				
Fixed Deposits	36,332	-	36,332	-
	36,332	-	36,332	-

	2025		2024	
	No. of Shares	Rs.000	No. of Shares	Rs '000
As at 31st March,				
22 STATED CAPITAL - COMPANY				
Balance as at 1st April	136,860,000	368,256	136,860,000	368,256
Balance as at 31st March	136,860,000	368,256	136,860,000	368,256

	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
As at 31st March,				
22.1 Dividend paid;				
Rs. -/30 per 136,860,000 ordinary shares	41,058	-	41,058	-
Rs. 1/15 per 136,860,000 ordinary shares	157,389	-	157,389	-
Rs. -/20- per 136,860,000 ordinary shares	-	27,372	-	27,372
Rs. -/50- per 136,860,000 ordinary shares	-	68,430	-	68,430
	198,447	95,802	198,447	95,802

The holders of the ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share individual present at meeting of the shareholders or one vote per share in the case of a poll.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March,		2025	2024	2025	2024
		Rs '000	Rs '000	Rs '000	Rs '000
23	RESERVES				
a)	Revaluation reserve (23.1)				
	As at 1 April	982,042	699,449	728,744	597,131
	Net of deferred tax effect on land and building	-	282,593	-	131,613
	As at 31 March	982,042	982,042	728,744	728,744
b)	Capital redemption reserve (23.2)	121	121	121	121
c)	General reserve (23.3)	19,842	19,842	19,842	19,842
	Total	1,002,005	1,002,005	748,707	748,707

23.1 The revaluation reserve relates to property, plant and equipment which has been revalued by the Group.

23.2 The capital redemption reserve is created for the purpose of repurchasing shares back from shareholders. This fund is not used to distribute dividend or any other purpose

23.3 The general reserves relates to retained earnings set aside by the group.

As at 31st March,		Group		Company	
		2025	2024	2025	2024
		Rs '000	Rs '000	Rs '000	Rs '000
24	EMPLOYEE BENEFITS				
	Movement in present value of the defined benefit obligation				
	Defined benefit obligation at 1 April	78,621	49,002	23,955	12,870
	Current service cost and interest (24.1)	23,678	16,863	7,030	4,376
	Actuarial (gain)/ losses in other comprehensive income (24.2)	11,055	16,587	3,901	7,027
	Payment during the year	(8,243)	(3,831)	(1,459)	(318)
	Defined benefit obligation at 31 March	105,111	78,621	33,427	23,955
24.1	Expenses recognized in profit or loss				
	Current service cost	13,850	8,171	4,036	2,188
	Interest cost	9,828	8,692	2,994	2,188
		23,678	16,863	7,030	4,376
24.2	Actuarial (gain)/loss recognized in other comprehensive income				
	Actuarial (gain) or loss	11,055	16,587	3,901	7,027
		11,055	16,587	3,901	7,027

NOTES TO THE FINANCIAL STATEMENTS

Company		2025		2024	
Increase/ (Decrease) in discount rate	Increase/ (Decrease) in salary increment rate	Effect on charge to the Statement of profit or loss and other comprehensive income	Effect on employee benefit obligation	Effect on charge to the Statement of profit or loss and other comprehensive income	Effect on employee benefit obligation
		Rs.000	Rs.000	Rs.000	Rs.000
1%	*	2,634	(2,634)	2,199	(2,199)
-1%	*	(3,012)	3,012	(2,552)	2,552
*	1%	(3,054)	3,054	(2,602)	2,602
*	-1%	2,722	(2,722)	2,282	(2,282)

Subsidiary		2025		2024	
Increase/ (Decrease) in discount rate	Increase/ (Decrease) in salary increment rate	Effect on charge to the Statement of profit or loss and other comprehensive income	Effect on employee benefit obligation	Effect on charge to the Statement of profit or loss and other comprehensive income	Effect on employee benefit obligation
		Rs.000	Rs.000	Rs.000	Rs.000
1%	*	2,771	(2,771)	3,014	(3,014)
-1%	*	(3,007)	3,007	(3,362)	3,362
*	1%	(3,241)	3,241	(3,558)	3,558
*	-1%	3,041	(3,041)	3,244	(3,244)

	Group		Company	
	2025	2024	2025	2024
As at 31 March,	Rs '000	Rs '000	Rs '000	Rs '000
25 LOANS AND BORROWINGS				
Movement in interest bearing loans and borrowings				
Balance at the beginning of the year	3,767,294	228,847	17,413	45,808
Loans obtained during the year	382,500	3,654,039	382,500	-
Repayments made during the year	(525,062)	(115,592)	(30,746)	(28,395)
Balance at the end of the year	3,624,732	3,767,294	369,167	17,413
25.1 Amount falling due within one year	917,735	518,471	80,004	17,413
25.2 Amount falling due after one year	2,706,997	3,248,823	289,163	-

25.3 Bank loans

Lender	Interest rate	Security	Group				Company			
			2025		2024		2025		2024	
			Amount payable within one year	Amount payable after one year	Rs. '000	Rs. '000	Amount payable within one year	Amount payable after one year	Rs. '000	Rs. '000
Nations Trust Bank PLC	AWPLR (repriced quarterly)	Primary MB over tocks and Book Debts of SAL for Rs. 600 MN.	250,500	163,342	71,250	413,842	-	-	-	-
Seylan Bank PLC	AWPLR+ 1%	MB No CBG/SM/19/009 for Rs.660 over stock and debtors	300,000	489,872	275,000	789,872	-	-	-	-
Commercial bank	AWPLR+ 1.4%	Solar Panel Equipment	31,320	39,079	31,320	70,399	-	-	-	-
DFCC Bank	AWPLR+ 1.4%		-	-	140,901	1,974,710	-	-	17,413	-
DFCC Bank	AWPLR+ 1%	Mortgage Bond for Rs. 1,500 Mn over stock and Debtors with an insurance policy over stocks assigned in favour of the Bank.	227,920	1,680,000						
DFCC Bank	Fixed Rate 10%		21,612	34,911						
DFCC Bank	0 %		6,379	10,632						
Bank of Ceylon	AWPLR+ 1%	Mortgage over Land, Building, Plant and Machinery owned by Swisstek(Ceylon) PLC	80,004	289,163			80,004	289,163		
			917,735	2,706,999	518,471	3,248,823	80,004	289,163	17,413	-

There are no covenants placed by the loan providers for the above mentioned loans.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
25.4 Lease liability				
Balance at the beginning of the year	15,845	21,576	-	-
Lease Additions	115,093	-	-	-
Lease Interest	8,717	3,042	-	-
Less: Payments	(30,445)	(8,773)	-	-
Balance as at end of the year	109,210	15,845	-	-
Amount payable within 12 months	45,709	3,454	-	-
Amount payable after 12 months	63,501	12,391	-	-
	109,210	15,845	-	-
26 TRADE AND OTHER PAYABLES				
Trade payables				
'- Others	1,501,264	1,365,107	221,750	170,518
'- Related parties (Note 26.1)	1,844	859	23,729	30,010
	1,503,108	1,365,966	245,479	200,528
EPF / ETF payable	12,097	2,210	1,905	2,210
Bank loan interest payable	16,650	33,688	4,213	1,734
Accruals and other payables	702,585	364,170	201,463	131,364
VAT/SSCL/WHT payable	49,983	26,686	49,983	26,686
	2,284,423	1,792,720	503,043	362,522
26.1 Trade Payables - Related parties				
Swisstek Aluminium Ltd	-	-	21,885	29,151
Unidil Packaging Ltd.	1,844	859	1,844	859
	1,844	859	23,729	30,010
27 SHORT TERM LOANS				
Balance at the beginning of the year	2,190,838	5,783,092	682,829	837,866
Loans obtained during the year	7,167,486	5,513,783	2,362,122	1,811,501
Repayments made during the year	(7,151,904)	(9,106,037)	(2,568,069)	(1,966,538)
Balance at the end of the year	2,206,420	2,190,838	476,882	682,829

Short Term loans have been obtained for Working capital financing from BOC (AWPLR+1.00%), UNION BANK (AWPLR+2.00%), DFCC BANK (AWPLR+1.25%) and SEYLAN BANK (AWPLR+0.5%) banks and are repayable within 3 to 6 months.

As at 31 March,	Group		Company	
	2025 Rs '000	2024 Rs '000	2025 Rs '000	2024 Rs '000
28 Amounts due to related companies				
28.1 Amount due to related companies				
Lanka Tiles PLC	62,379	119,187	-	8,343
Delmage Forsyth and Co. Ltd.	-	27,938	-	-
Lanka Walltiles PLC	42,469	-	-	-
Vallibel One PLC	22,258	22,258	-	-
	127,106	169,383	-	8,343

29 Financial Risk Management

29.1 Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

29.1.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arise principally from the Group's receivables from customers.

Carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows;

As at 31 March,	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Carrying value				
Trade Receivable	2,652,520	1,871,972	588,914	538,464
Contract Assets	-	30,033	-	30,033
Amounts due from related parties	53,754	48,409	64,066	61,689
Cash and cash equivalents	413,640	454,767	255,236	276,503

NOTES TO THE FINANCIAL STATEMENTS

Management of Credit Risk

Trade and Other Receivables

The group has a well-established credit control policy and process to minimize credit risk. Customers are categorized according to the segments and credits limit have been fixed as per the bank guarantees given by the respective customer. Transactions will be started only when the company receives the bank guarantees from the customers and further invoicing will be done only for the customers whose outstanding balance do not exceed the credit limit.

Impairment losses

The aging of trade receivables at the reporting date that were not impaired was as follows;

As at 31st March,	Group				Company			
	2025		2024		2025		2024	
	Gross Balance Rs. '000	Impairment Rs. '000	Gross Balance Rs. '000	Impairment Rs. '000	Gross Balance Rs. '000	Impairment Rs. '000	Gross Balance Rs. '000	Impairment Rs. '000
Carrying value								
Below 30 days	1,637,77	(960)	1,180,763	(665)	399,299	(333)	374,904	(148)
30 - 45 days	583,206	(1,036)	274,412	(1,136)	112,686	(258)	76,966	(642)
46 - 60 days	104,050	(183)	106,780	(860)	17,452	(40)	11,920	(769)
Over 61 days	327,489	(52,846)	336,034	(41,986)	59,477	(15,798)	74,674	(7,428)
	2,652,520	(55,025)	1,897,989	(44,647)	588,914	(16,429)	538,464	(8,987)

The movement in the provision for impairment in respect of trade and other receivables during the year was as follows.

As at 31st March,	Impairment	
	Group	Company
	Rs. '000	Rs. '000
Balance at 31 March 2023	48,449	14,114
Impairment loss recognised/(reversed)	(3,802)	(5,127)
Balance at 31 March 2024	44,647	8,987
Impairment loss recognised	10,378	7,442
Balance at 31 March 2025	55,025	16,429

29.1.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 risking damage to the Group's reputation. Due to the current uncertain economic condition in Sri Lanka, the interest rates has been slightly increased and as a result of that the Company has exposed to a risk that significantly affects.

The following are the contractual maturities of financial liabilities, including estimated interest:

The maturity analysis of Liabilities - Group	Carrying value	Current	Non Current	Upto 5 years	Above 5 years
	Rs. '000	Upto 1 year Rs. '000	Upto 2 years Rs. '000	Rs. '000	Rs. '000
As at 31 March 2025					
Bank overdrafts	442,706	442,706	-	-	-
Long term borrowings	3,624,732	1,018,685	1,055,730	1,949,038	-
Short term borrowings	2,206,420	2,449,127	-	-	-
Lease liability	109,210	50,737	24,766	45,721	-
Trade and other payable	1,519,758	1,519,758	-	-	-
Amounts due to related parties	127,106	127,106	-	-	-

The maturity analysis of Liabilities - Group	Carrying value	Current	Non Current	Upto 5 years	Above 5 years
	Rs. '000	Upto 1 year Rs. '000	Upto 2 years Rs. '000	Rs. '000	Rs. '000
As at 31 March 2024					
Bank overdrafts	377,344	377,344	-	-	-
Long term borrowings	3,767,294	591,058	641,354	2,555,398	2,194,849
Short term borrowings	2,190,838	2,497,555	-	-	-
Lease liability	15,845	3,852	4,250	14,089	-
Trade and other payable	1,399,654	1,399,654	-	-	-
Amounts due to related parties	169,383	169,383	-	-	-

The maturity analysis of Liabilities - Company	Carrying value	Current	Non Current	Upto 5 years	Above 5 years
	Rs. '000	Upto 1 year Rs. '000	Upto 2 years Rs. '000	Rs. '000	Rs. '000
As at 31st March 2025					
Bank overdrafts	152,987	152,987	-	-	-
Long term borrowings	369,167	88,804	176,389	208,197	-
Short term borrowings	476,882	529,339	-	-	-
Trade and other payable	249,692	249,692	-	-	-
Amounts due to related parties	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

The maturity analysis of Liabilities - Company	Carrying value	Current	Non Current	Upto 5 years	Above 5 years
	Rs. '000	Upto 1 year Rs. '000	Upto 2 years Rs. '000	Rs. '000	Rs. '000
As at 31st March 2024					
Bank overdrafts	228,535	228,535	-	-	-
Long term borrowings	17,413	19,851	-	-	-
Short term borrowings	682,829	778,425	-	-	-
Trade and other payable	202,262	202,262	-	-	-
Amounts due to related parties	8,343	8,343	-	-	-

As per the information of Fitch Rating Sri Lanka, the credit ratings of our financial institutions are BOC(AA-),COM(AA-), DFCC(A), SEYLAN(A+), SAMPATH(AA-), UB(BBB-), HNB(AA-) and NTB(A).

29.1.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc.; will effect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns.

(i) Currency Risk

The risk that the fair value or future cash flows of a financial instrument fluctuation due to changes in foreign exchange rates. The Group is exposed to currency risk on sales, purchases, borrowings and investments that are denominated in a currency other than the functional currency which is Sri Lankan Rupees (LKR). Since The Sri Lankan Rupee witnessed a significant depreciation against the US Dollar and Euro.

The risk is minimized by hedging the currency either by hedge Internally by a matching sales and purchases or matching assets and liabilities of the same currency and amounts.

The principal exchange rates used by the Group for conversion of foreign currency balances and transactions, for the year as follows :

The maturity analysis of Liabilities - Company	Average rate	Closing rate	
		Selling	Buying
Currency			
U. S. Dollar	296.32	300.58	292.07

Sensitivity Analysis

A strengthening or weakening of Sri Lankan Rupees as indicated below, against the major foreign currencies as at 31st March 2025 would have increased/(decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Increase/(Decrease) in Principal Exchange rates	Effect on Profit before Tax		Effect on Equity net of Tax	
	Strengthen	Weakening	Strengthen	Weakening
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 31.03.2025				
U. S. Dollar (5% Movement)	11,235	(11,235)	7,865	(7,865)
(10% Movement)	22,470	(22,470)	15,729	(15,729)
(15% Movement)	33,705	(33,705)	23,594	(23,594)
(20% Movement)	44,940	(44,940)	31,458	(31,458)

Increase/(Decrease) in Principal Exchange rates	Effect on Profit before Tax		Effect on Equity net of Tax	
	Strengthen	Weakening	Strengthen	Weakening
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 31.03.2024				
U. S. Dollar (5% Movement)	11,154	(11,154)	7,808	(7,808)
(10% Movement)	22,308	(22,308)	15,615	(15,615)
(15% Movement)	33,462	(33,462)	23,423	(23,423)
(20% Movement)	44,616	(44,616)	31,231	(31,231)

29.1 Financial Risk Management (Contd.)

(ii) Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Considering the current economic uncertainties of the country the group expose to a higher interest rate risk.

At the end of the reporting period the interest rate profile of the Group's/company's interest-bearing financial instruments as reported to the management of the company was as follows;

	Group		Company	
	Nominal amount		Nominal amount	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Variable rate instruments				
Financial liabilities	(6,273,859)	(6,335,476)	(999,036)	(928,776)
	(6,273,859)	(6,335,476)	(999,036)	(928,776)

A reasonable possible change of 600 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant.

NOTES TO THE FINANCIAL STATEMENTS

	Impact on Profit before tax			
	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Variable rate instruments				
200 bp increase	(125,477)	(126,710)	(19,981)	(18,576)
400 bp increase	(250,954)	(253,419)	(39,961)	(37,151)
500 bp increase	(313,693)	(316,774)	(49,952)	(46,439)
600 bp increase	(376,432)	(380,129)	(59,942)	(55,727)
200 bp decrease	125,477	126,710	19,981	18,576
400 bp decrease	250,954	253,419	39,961	37,151
500 bp decrease	313,693	316,774	49,952	46,439
600 bp decrease	376,432	380,129	59,942	55,727

	Effect on Equity net of Tax			
	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Variable rate instruments				
200 bp increase	(93,242)	(72,262)	(14,208)	(6,112)
400 bp increase	(186,484)	(144,524)	(28,416)	(12,224)
500 bp increase	(233,105)	(180,655)	(35,520)	(15,280)
600 bp increase	(279,725)	(216,786)	(42,624)	(18,335)
200 bp decrease	93,242	72,262	14,208	6,112
400 bp decrease	186,484	144,524	28,416	12,224
500 bp decrease	233,105	180,655	35,520	15,280
600 bp decrease	279,725	216,786	42,624	18,335

Capital management

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

The company's debt to adjusted capital ratio at the end of the reporting period was as follows.

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
	Total liabilities	9,383,472	8,683,918	2,052,231
Less: cash and cash equivalents	416,113	455,367	255,986	277,103
Net debt	8,967,359	8,228,551	1,796,245	1,524,217
Total equity	3,677,874	2,398,173	2,456,464	2,251,965
Net debt to equity ratio at 31 March	2.44	3.41	0.73	0.68

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

30 CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENT**30.1 Carrying amount of Financial Instrument**

The Carrying amount of financial assets and liabilities, shown in the Statement of Financial Position, are as follows.

Group	Note	Amortised	Financial assets	Other financial	Total
		Cost	FVOCI	liabilities	
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
2025					
Financial Assets					
Trade receivables	18	2,597,495	-	-	2,597,495
Amounts due from related parties	20	53,754	-	-	53,754
Other investment FVOCI	15	-	56,667	-	56,667
		2,651,249	56,667	-	2,707,916
Short term investments	22	36,332	-	-	36,332
Cash and cash equivalents	21.1	413,640	-	-	413,640
		3,101,221	56,667	-	3,157,888
Financial Liabilities					
Loans and borrowings	25	-	-	3,624,732	3,624,732
Short term loans	27	-	-	2,206,420	2,206,420
Trade and other payables	26	-	-	1,519,758	1,519,758
Amounts due to related parties	28.1	-	-	127,106	127,106
Lease Liability	25.4	-	-	109,210	109,210
Bank overdraft	21.2	-	-	442,706	442,706
		-	-	8,029,932	8,029,932

Group	Note	Amortised	Financial assets	Other financial	Total
		Cost	FVOCI	liabilities	
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
2024					
Financial Assets					
Trade receivables	18	1,827,325	-	-	1,827,325
Amounts due from related parties	20	48,409	-	-	48,409
Contract assets	19.1	30,033	-	-	30,033
Other investment FVOCI	15	-	56,667	-	56,667
		1,905,767	56,667	-	1,962,434
Cash and cash equivalents	21.1	454,762	-	-	454,762
		2,360,529	56,667	-	2,417,196

NOTES TO THE FINANCIAL STATEMENTS

Group	Note	Amortised	Financial assets	Other financial	Total
		Cost	FVOCI	liabilities	
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial Liabilities					
Loans and borrowings	25	-	-	3,767,294	3,767,294
Short term loans	27	-	-	2,190,838	2,190,838
Trade and other payables	26	-	-	1,399,654	1,399,654
Amounts due to related parties	28.1	-	-	169,383	169,383
Lease Liability	25.4	-	-	15,845	15,845
Bank overdraft	21.2	-	-	377,344	377,344
		-	-	7,920,358	7,920,358

Company	Note	Amortised	Other financial	Total
		Cost	liabilities	
		Rs. '000	Rs. '000	Rs. '000
2025				
Financial Assets				
Trade receivables	18	572,485	-	572,485
Amounts due from related parties	20	64,066	-	64,066
		636,551	-	636,551
Short term investments	22	36,332	-	36,332
Cash and cash equivalents	21.1	255,236	-	255,236
		928,119	-	928,119
Financial Liabilities				
Loans and borrowings	25	-	369,167	369,167
Short term loans	27	-	476,882	476,882
Trade and other payables	26	-	249,692	249,692
Bank overdraft	21.2	-	152,987	152,987
		-	1,248,728	1,248,728

Company	Note	Amortised	Other financial	Total
		Cost	liabilities	
		Rs. '000	Rs. '000	Rs. '000
2024				
Financial Assets				
Trade receivables	18	529,477	-	529,477
Amounts due from related parties	20	61,689	-	61,689
Contract Asset	19.1	30,033	-	30,033
		621,199	-	621,199
Cash and cash equivalents	21.1	276,503	-	276,503
		897,702	-	897,702

	Note	Amortised	Other financial	Total
		Cost	liabilities	
Company		Rs. '000	Rs. '000	Rs. '000
Financial Liabilities				
Loans and borrowings	25.2	-	17,413	17,413
Short term loans	27	-	682,829	682,829
Trade and other payables	26	-	202,262	202,262
Amounts due to related parties	28.1	-	8,343	8,343
Bank overdraft	21.2	-	228,535	228,535
		-	1,139,382	1,139,382

The group does not anticipate the fair value of the above to be significantly different to their carrying values and considers the impact as not material for the disclosure.

30.2 Fair value Hierarchy for Assets Carried at fair value

The table below analyses non financial assets measured at fair value at the end of the reporting period, by the level of the fair value hierarchy.

Further for current year the fair value disclosure of lease liability is also not required.

	Note	Level 1	Level 2	Level 3	Total
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Group 2025					
Investment property	16	-	-	203,000	203,000
Freehold land and building	13	-	-	3,010,674	3,010,674
Unquoted Equity Shares	15	-	-	56,667	56,667
Group 2024					
Investment property	16	-	-	202,000	202,000
Freehold land and building	13	-	-	2,856,985	2,856,985
Unquoted Equity Shares	15	-	-	56,667	56,667
Company 2025					
Investment property	16	-	-	203,000	203,000
Freehold land and building	13	-	-	1,771,754	1,771,754
Company 2024					
Investment property	16	-	-	202,000	202,000
Freehold land and building	13	-	-	1,769,907	1,769,907

NOTES TO THE FINANCIAL STATEMENTS

31 RELATED PARTIES

Details of transactions with related parties in the ordinary course of business are set out below:-

31.1 Transactions with related companies

Name of the Company	Relationship	Nature of the Transaction	Group		Company	
			2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
a.	Lanka Walltiles PLC	Parent company				
		Sales commission income	12,871	12,092	12,871	12,092
		Warehouse rental income	6,740	6,612	6,740	6,612
		Management fee Reimbursement	2,105	2,064	2,105	2,064
		Reimbursement of expenses	(15,416)	(253)	(885)	(253)
		Microsoft licence fees	(193)	(189)	(193)	(189)
		SAP Expenses	(27,160)	-	(27,160)	-
		Settlement of Outstandings	24,209	718	24,209	718
		Receipts of Outstandings	(45,230)	(13,979)	(17,211)	(13,979)
		Sale of goods	80	1,938	-	1,938
		Outstanding Balance as at 31st March 2025	(31,417)	10,576	11,052	10,576
b.	Lanka Tiles PLC	Related company				
		Tile mortar sales	757,493	774,016	757,493	774,016
		Tile grout Sales	101,820	79,408	101,820	79,408
		Decorative pebbles, Skim coat & Tile Cleaner	89,187	108,756	89,187	108,756
		Purchase of Goods	(10)	(48,352)	-	(44,268)
		Receipts of Outstandings	(1,020,285)	(1,182,709)	(1,020,285)	(1,087,880)
		Operational & administration expenses	(14,205)	(14,058)	(10,090)	(8,505)
		Management Fees Reimbursement	7,250	7,112	7,250	7,112
		SAP Technical Fees Reimbursement	(606)	(704)	(606)	(704)
		Reimbursement of Transport expense	12,223	9,974	12,222	9,974
		Rent Income	25,491	14,949	25,491	14,949
		Computer Maintenance Fees Charged	(4,075)	(3,997)	(4,075)	(3,997)
		Sales commission income	59,588	50,986	59,588	50,986
		Sale of goods - Aluminium	41,539	200,492	-	-
		Finance Cost	(6,047)	(5,932)	(6,047)	(5,932)
		Settlement of Outstandings	17,550	93,842	17,540	84,530
		Loan Interest Expenses	(1,622)	(1,908)	-	-
		Outstanding Balance as at 31st March 2025	180,343	115,052	203,118	173,631
c.	Royal Ceramic Lanka PLC	Related company				
		Sale of Goods	221,849	96,480	221,849	96,480
		Sales commission income	10,946	13,657	10,946	13,657
		Reimbursement of Security Expenses	1,020	984	1,020	984
		Warehouse rental income	7,107	8,111	5,038	4,942
		Purchase of goods	(181)	-	-	-

Name of the Company	Relationship	Nature of the Transaction	Group		Company	
			2025	2024	2025	2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
		Administration expenses	(300)	(222)	(14)	(23)
		Settlement of Outstandings	300	222	14	23
		Receipts of Outstandings	(216,580)	(111,220)	(213,198)	(105,580)
		Outstanding Balance as at 31st March 2025	47,004	22,843	47,004	21,349
d.	Rocell Bathware Ltd. Related company	Commission on Sales	2,354	4,867	2,354	4,867
		Receipts of Outstandings	(3,448)	(5,162)	(3,448)	(5,162)
		Outstanding Balance as at 31st March 2025	496	1,589	496	1,589
e.	Unidil Packaging Ltd Related company	Settlement of Outstandings	11,355	-	11,355	-
		Purchase of corrugated boxes	(12,412)	(11,792)	(12,412)	(11,792)
		Outstanding Balance as at 31st March 2025	(1,827)	(770)	(1,827)	(770)
f.	Swisstek Aluminium Ltd Subsidiary company	Sale of Goods	-	-	5,991	-
		Rent Income	-	-	3,193	6,386
		Purchase of goods	-	-	(69,054)	(68,473)
		Settlement of Outstandings	-	-	64,007	78,420
		Outstanding Balance as at 31st March 2025	-	-	(11,914)	(16,051)
g.	Lanka Ceramic PLC Related company	Sale of goods	-	4,281	-	-
		Rent income	486	1,520	-	-
		Administration expenses	-	(159)	-	-
		Reimbursement of operational expense	140	424	-	-
		Receipts of Outstandings	(1,659)	(2,536)	-	-
		Outstanding Balance as at 31st March 2025	28	1,061	-	-
h.	Lanka Tiles USA Inc. Related company	Transfer of Funds	-	32,561	-	32,561
		Foreign Exchange loss of Outstanding	(721)	(3,007)	(721)	(3,007)
		Outstanding Balance as at 31st March 2025	28,833	29,554	28,833	29,554
i.	Lanka Swisstek Ltd. Related company	Sales of goods	48,279	-	-	-
		Reimbursement of Expenses	1,138	-	-	-
		Outstanding Balance as at 31st March 2025	49,417	-	-	-
j.	Swisstek Development Ltd Subsidiary Company	Reimbursement of Administration expenses	-	-	161	168
		Outstanding Balance as at 31st March 2025	-	-	341	180

NOTES TO THE FINANCIAL STATEMENTS

All the transactions entered with these related parties are priced on arm's length basis under normal commercial terms & conditions.

31.2 Transactions with key management personnel

According to LKAS 24 "Related Party Disclosure", 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) have been classified as Key Management Personnel of the Company and the Group. Following transactions have been occurred with the key Management Personnel during the period.

(i) Loans given to directors

No loans have been given to the directors of the group.

(ii) Key management personnel compensation

	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Director fees	11,622	13,794	2,425	2,170
Salary and allowances	4,634	3,523	4,634	3,523
	16,256	17,317	7,059	5,693

This note should be read in conjunction with Notes 17, 18, 24 and 26 to these Financial Statements.

32 NON CONTROLLING INTEREST

The following table summarises the information relating to subsidiary that has material Non Controlling Interest (NCI).

31st March	Swisstek Aluminium Ltd	
	2025 Rs. '000	2024 Rs. '000
NCI percentage	32.01%	12.62%
Non current assets	2,018,160	2,011,820
Current assets	7,115,769	5,487,828
Non current liabilities	(2,553,022)	(3,315,886)
Current liabilities	(4,878,199)	(3,792,827)
Net assets	1,702,708	390,934
Carrying amount of NCI	545,037	49,336
Revenue	11,945,042	7,264,795
Profit	510,378	(339,258)
OCI	(5,723)	165,138
Total comprehensive income	504,655	(174,120)
Profit allocated to NCI	64,410	(42,814)
OCI allocated to NCI	(722)	20,840
Cash flows from operating activities	(62,271)	8,255
Cash flows from investing activities	(22,858)	(5,992)
Cash flows from financing activities	65,057	15,636
Net increase (decrease) in cash and cash equivalents	(20,072)	17,898

33 CAPITAL EXPENDITURE COMMITMENTS

There were no material capital commitments as at the reporting date.

34 COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies.

35 EVENTS AFTER THE REPORTING DATE

Subject to the approval of the shareholders at the Annual General Meeting, on 30th June 2025 by circular resolution, the Board of Directors has recommended the final dividend of Thirty Five Cents (Rs.0.35) per share for the year ended 31st March 2025.

Other than above there are no material events occurred after the reporting date that require adjustment or disclosure in the financial statements.

INVESTOR INFORMATION

25 MAJOR SHAREHOLDERS OF THE COMPANY AS AT 31ST MARCH 2025

NO	NAME	31.03.2025		31.03.2024	
		SHAREHOLDING NUMBER	%	SHAREHOLDING NUMBER	%
1	LANKA TILES PLC	65,425,900	47.805	65,425,900	47.805
2	LANKA WALLTILES PLC	15,706,250	11.476	15,706,250	11.476
3	ROYAL CERAMICS LANKA PLC.	9,413,065	6.878	9,413,065	6.878
4	PEOPLE'S LEASING and FINANCE PLC/MR. IRESH SRIDAS GURUSINGHE	1,349,433	0.986	530,732	0.390
5	MRS. M.J. NIHARA	1,087,100	0.794	643,442	0.470
6	ARUNODHAYA INDUSTRIES (PRIVATE) LIMITED	1,000,000	0.731	1,000,000	0.730
7	ARUNODHAYA (PRIVATE) LIMITED	1,000,000	0.731	1,000,000	0.730
8	ARUNODHAYA INVESTMENTS (PRIVATE) LIMITED	1,000,000	0.731	1,000,000	0.730
9	ANDYSEL PRIVATE LIMITED	1,000,000	0.731	1,000,000	0.730
10	MR. U.M. BANDARA	865,000	0.632	-	-
11	PEOPLE'S LEASING and FINANCE PLC/MR. K.A.D.R.M.K. KARIYAPPERUMA	828,095	0.605	-	-
12	DEUTSCHE BANK AG-NATIONAL EQUITY FUND	790,072	0.577	-	-
13	CITIZENS DEVELOPMENT BUSINESS FINANCE ACCOUNT NO. 01	770,759	0.563	-	-
14	MRS. M.S. JAYEWARDENE	630,000	0.460	630,000	0.460
15	MR. A.A. PAGE	625,000	0.457	625,000	0.460
16	MRS. S. VASUDEVAN	624,152	0.456	914,073	0.670
17	DR. A.A.M. DHARMADASA	604,429	0.442	604,429	0.440
18	PEOPLE'S LEASING AND FINANCE PLC/DR. K.A.P. GUNAWARDHANA	600,000	0.438	-	-
19	DFCC BANK PLC A/C 1	597,889	0.437	-	-
20	MR. O. SENANAYAKE and MR. D.R.PIERIS,MR. S.P.PERERA	531,805	0.389	-	-
21	DFCC BANK PLC A/C NO .02	521,965	0.381	-	-
22	DIALOG FINANCE PLC/M.I.I.IBRAHIM	500,000	0.365	-	-
23	MRS. F.S. SABRY	500,000	0.365	-	-
24	MR. L.C.D. PEIRIS	500,000	0.365	-	-
25	SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	475,000	0.347	-	-
SUB TOTOAL		106,945,914	78.142	98,492,891	71.969
OTHER 3,175 SHAREHOLDERS		29,914,086	21.858	38,367,109	28.03
TOTAL		136,860,000	100.000	136,860,000	100.000

SHARE DISTRIBUTION AS AT 31ST MARCH 2025

Size of Shareholdings Number	Shareholders Number	Shares Number	Holdings %
1-1,000	1,820	463,656	0.339
1,001-10,000	907	3,638,150	2.658
10,001-100,000	387	12,452,461	9.099
100,001-1,000,000	81	27,323,985	19.965
1,000,001 and Over	5	92,981,748	67.939
Total	3,200	136,860,000	100.000

ANALYSIS OF SHAREHOLDING AS AT 31ST MARCH 2025

Type	No. of share Holders	Holding	%
Local Individuals	2,970	26,820,495	19.597
Local Institutions	216	109,233,880	79.814
Foreign Individuals	11	120,620	0.088
Foreign Institutions	3	685,005	0.501
Total	3,200	136,860,000	100.000

DIRECTORS' AND CEO'S SHAREHOLDING AS PER THE LIST DATED 31ST MARCH 2025

No	Names of Directors	No of Shares	%
1	Mr. A M Weerasinghe	263,142	0.19
2	Mr. J A P M Jayasekera (resigned w.e.f. 01.04.2025)	460,999	0.34
3	Dr. S Selliah	-	-
4	Mr. J K A Sirinatha	-	-
5	Mr. A S Mahendra	-	-
6	Mr. K D G Gunaratne	-	-
7	Mr. S H Amarasekera	-	-
8	Mr. C U Weerawardena	-	-
9	Mr. R M M J Ratnayake	-	-
10	Mr. B D S Mendis	-	-

INVESTOR INFORMATION

Share Prices for the Year	As of 31/03/2025	As of 31/03/2024
Highest during the year (Rs.)	48.00 (26-03-2025)	20.80 (07-07-2023)
Lowest during the year (Rs.)	18.10 (03-09-2024)	13.00 (22-05-2023)
Closing Price (Rs.)	46.60 (28-03-2025)	19.10 (28-03-2024)

Number of Transactions during the year	29,618
Number of Shares traded during the year	81,135,272
Value of shares traded during the year (Rs.)	2,599,444,107.90

PUBLIC HOLDING

- The Percentage of shares held by the Public as at 31st March 2025 – 30.1371%
- No of public shareholders representing the above percentage- 3,190
- The float adjusted market capitalization as at 31st March 2025 is Rs. 1,922,047,010.40

The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said Option.

FIVE YEAR SUMMARY OF FINANCIAL POSITION

As at 31st March,	Group				
	2025 Rs. '000	2024 Rs.000	2023 Rs.000	2022 Rs.000	2021 Rs.000
Assets					
Property, plant and equipment	4,061,726	3,977,718	3,614,292	3,410,725	2,940,743
Intangible Assets	105,154	32,411	26,323	24,749	4,199
Other Long Term Investment	56,667	56,667	56,666	56,667	56,667
Investment property	203,000	202,000	226,735	211,985	147,200
Non current assets	4,426,547	4,286,796	3,924,016	3,704,126	3,148,809
Inventories	5,099,084	4,158,185	4,594,619	2,848,174	1,597,285
Trade and other receivables	3,029,517	2,120,422	1,793,908	3,559,029	1,553,544
Contract Assets	-	30,033	32,343	29,343	40,165
Tax Receivables	-	-	-	-	4,294
Amounts due from related parties	53,754	48,409	7,155	4,789	14,675
Cash and cash equivalents	452,445	455,367	559,431	575,657	217,164
Current assets	8,634,800	6,812,416	6,987,456	7,016,992	3,427,125
Total assets	13,061,347	11,081,212	10,911,472	10,721,118	6,575,935
Equity					
Stated capital	368,256	368,256	368,256	368,256	368,256
Reserves	1,002,005	1,002,005	719,412	796,942	796,941
Retained Earnings	1,800,278	978,954	1,156,195	1,989,932	1,533,341
Equity attributable to owners of the company	3,170,539	2,349,215	2,243,863	3,155,130	2,698,538
Non controlling interest	507,338	48,956	70,931	204,676	182,392
Total equity	3,677,877	2,398,173	2,314,794	3,359,806	2,880,930
Liabilities					
Retirement benefits Obligation	105,111	78,621	49,002	49,052	45,509
Lease liability	63,501	12,391	16,270	21,576	23,623
Deferred tax liability	358,334	239,272	215,578	369,555	331,816
Loans and borrowings	2,706,997	3,248,823	119,132	494,071	249,469
Non current liabilities	3,233,943	3,579,107	399,982	934,254	650,417
Trade and other payables	2,284,423	1,792,720	1,333,428	2,124,998	1,015,086
Contract liabilities	-	-	-	3,836	28,033
Loans and borrowings	917,735	518,471	109,715	223,819	184,558
Short term loans	2,206,420	2,190,838	5,783,092	3,445,118	1,455,136
Amounts due to related parties	127,106	169,383	247,354	40,679	2,705
Lease liability	45,709	3,454	5,306	4,083	2,247
Tax payable	125,428	51,722	26,992	104,557	26,043
Bank overdrafts	442,706	377,344	690,809	479,968	330,781
Current liabilities	6,149,527	5,103,932	8,196,696	6,427,058	3,044,589
Total liabilities	9,383,470	8,683,039	8,596,678	7,361,312	3,695,006
Total equity and liabilities	13,061,347	11,081,212	10,911,472	10,721,118	6,575,935
Shares in issue at end of the year *	136,860,000	136,860,000	136,860,000	136,860,000	136,860,000
Shares in issue at end of the year	136,860,000	136,860,000	136,860,000	136,860,000	136,860,000
Net Assets per share at the end of the year *	26.76	17.52	16.40	23.05	19.72
Market price per share at the end of the year	46.70	19.10	14.30	22.80	21.60
Market capitalization at the end of the year	6,391.36	2,614.03	1,957.10	3,120.41	2,956.18

FIVE YEAR SUMMERY OF INCOME STATEMENT

For the year ended 31 March,	Group				
	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000
Revenue	15,268,675	10,078,519	8,970,025	9,534,168	5,393,229
Cost of Sales	(11,819,871)	(8,194,400)	(6,754,901)	(7,393,190)	(3,874,454)
Gross Profit	3,448,804	1,884,119	2,215,124	2,140,978	1,518,775
Other Income	173,966	200,543	189,078	126,109	91,336
Administration Expenses	(610,661)	(455,345)	(351,255)	(319,409)	(190,494)
Distribution Expenses	(1,084,644)	(840,002)	(776,648)	(686,842)	(410,451)
Other Expenses	(55,122)	(11,282)	(13,093)	(30,759)	(34,173)
Results from operating activities	1,872,343	778,033	1,263,206	1,231,077	974,993
Net Finance Cost	(621,382)	(855,488)	(2,042,130)	(88,550)	(221,837)
Profit/(Loss) before Tax	1,250,961	(77,455)	(778,924)	1,142,527	753,156
Tax expense	(321,375)	(35,196)	76,233	242,988	(112,666)
Profit/(Loss) for the year	929,586	(112,651)	(702,691)	899,539	640,490
Other comprehensive income/ (loss)					
Gain on revaluation of land and buildings	-	404,000	-	-	128,005
Defined benefit plan actuarial gains/ (losses)	(11,055)	(16,587)	12,131	5,181	(6,555)
Deferred tax on other comprehensive income	2,601	-	(80,733)	(983)	45,190
Other comprehensive income for the period	(8,454)	291,832	(68,603)	4,198	166,640
Total comprehensive income/ (loss) for the period	921,132	179,181	(771,292)	903,737	807,130

STATEMENT OF VALUE ADDED

For the year ended 31st March	Group					
	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000
Sales	15,268,675	10,078,519	8,945,000	9,534,169	5,393,229	4,634,962
Other Income	173,966	200,543	127,908	129,109	91,336	99,339
Less:						
Cost of materials and services bought in	(11,699,932)	(8,260,248)	(6,716,171)	(6,921,275)	(3,680,856)	(3,606,828)
Value added	3,742,709	2,018,814	2,356,737	2,742,003	1,803,709	1,127,473
Distribution of Value Added						
Employees as remuneration	1,401,466	938,859	731,924	676,316	460,151	373,918
Government as taxes	199,714	107,083	120,125	226,814	35,416	64,369
Lenders of capital as interest	682,300	855,489	1,682,160	78,809	221,837	377,783
Shareholders as dividends	198,447	95,802	273,720	424,862	193,596	-
Retained in the business as						
- Depreciation	331,196	134,233	250,392	191,995	232,219	143,630
- Profits / (losses)	929,586	(112,652)	(701,583)	1,143,206	660,490	167,773
Total	3,742,709	2,018,814	2,356,737	2,742,002	1,803,709	1,127,473

GRI CONTENT INDEX

Statement of use	Swisstek (Ceylon) PLC has reported in accordance with the GRI Standards for the period 01st April 2024 to 31st December 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	[Titles of the applicable GRI Sector Standards]

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	6-11				
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4				
	2-4 Restatements of information	4				
	2-5 External assurance	110-113				
	2-7 Employees	42				
	2-8 Workers who are not employees	44				
	2-9 Governance structure and composition	58-61				
	2-10 Nomination and selection of the highest governance body	58-61				
	2-11 Chair of the highest governance body	58-61				
	2-12 Role of the highest governance body in overseeing the management of impacts	59				
	2-13 Delegation of responsibility for managing impacts	58				
	2-14 Role of the highest governance body in sustainability reporting	58-61				
	2-15 Conflicts of interest	58-61				
	2-16 Communication of critical concerns	58-61				
	2-17 Collective knowledge of the highest governance body	59				
	2-18 Evaluation of the performance of the highest governance body	58-61				
	2-19 Remuneration policies	-			Not disclosed due to confidentiality	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-20 Process to determine remuneration	59				
	2-21 Annual total compensation ratio	-		Not disclosed due to confidentiality		
	2-22 Statement on sustainable development strategy	26-27				
	2-23 Policy commitments	60				
	2-24 Embedding policy commitments	58-61				
	2-25 Processes to remediate negative impacts	58-61				
	2-26 Mechanisms for seeking advice and raising concerns	58-61				
	2-27 Compliance with laws and regulations	58-61				
	2-28 Membership associations	58				
	2-29 Approach to stakeholder engagement	28				
	2-30 Collective bargaining agreements	42-45				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30				
	3-2 List of material topics	30				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	175				
	201-2 Financial implications and other risks and opportunities due to climate change	31-34				
	201-3 Defined benefit plan obligations and other retirement plans	42-47				
	201-4 Financial assistance received from government	-		No assistance received from government		
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-		Not Applicable	Remuneration offered above minimum wage without gender bias	

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	202-2 Proportion of senior management hired from the local community	-		Not Applicable	All managers are hired from the local community.	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	38-41				
	203-2 Significant indirect economic impacts	32				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	14				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-		Not Applicable	No such Legal actions for anticompetitive behavior, antitrust, and monopoly practices.	
	207-4 Country-by-country reporting			Not Applicable	Operating only locally	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	55				
	301-2 Recycled input materials used	55				
	301-3 Reclaimed products and their packaging materials	55				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	54				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	55				
	302-2 Energy consumption outside of the organization	-		Not Applicable		
	302-3 Energy intensity	55				
	302-4 Reduction of energy consumption	55				
	302-5 Reductions in energy requirements of products and services	55-56				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	56				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	56				
	303-2 Management of water discharge-related impacts	56				
	303-3 Water withdrawal	56				
	303-4 Water discharge	56				
	303-5 Water consumption	56				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	-		Not Applicable		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-		Not Applicable		
	304-2 Significant impacts of activities, products and services on biodiversity	-			No such incidents reported in FY 24/25	
	304-3 Habitats protected or restored	-			No such incidents reported in FY 24/25	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-			No such incidents reported in FY 24/25	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	57				
	305-2 Energy indirect (Scope 2) GHG emissions	57				
	305-3 Other indirect (Scope 3) GHG emissions	57				
	305-4 GHG emissions intensity	57				
	305-5 Reduction of GHG emissions	57				
	305-6 Emissions of ozone-depleting substances (ODS)	-		Not Applicable		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not Applicable		
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	56				
	306-2 Management of significant waste-related impacts	56				
	306-3 Waste generated	56				
	306-4 Waste diverted from disposal	56				
	306-5 Waste directed to disposal	56				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	48-49				
	308-2 Negative environmental impacts in the supply chain and actions taken	48-49				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	45				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	45				
	401-3 Parental leave	45				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	44				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	42-47				
	403-2 Hazard identification, risk assessment, and incident investigation	42-47				
	403-3 Occupational health services	42-47				
	403-4 Worker participation, consultation, and communication on occupational health and safety	42-47				
	403-5 Worker training on occupational health and safety	42-47				
	403-6 Promotion of worker health	42-47				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42-47				
	403-8 Workers covered by an occupational health and safety management system	42-47				
	403-9 Work-related injuries	42-47				
	403-10 Work-related ill health	42-47				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45-46				
	404-2 Programs for upgrading employee skills and transition assistance programs	45				
	404-3 Percentage of employees receiving regular performance and career development reviews	45				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	45				
	405-2 Ratio of basic salary and remuneration of women to men	-		Not disclosed due to confidentiality		
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-		No incidents reported in 2024/25		
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	42-47				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	-		No incidents reported in 2024/25		
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-		No incidents reported in 2024/25		
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	-		No incidents reported in 2024/25		
	413-2 Operations with significant actual and potential negative impacts on local communities	-		No incidents reported in 2024/25		
	414-2 Negative social impacts in the supply chain and actions taken	-		No incidents reported in 2024/25		
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	48-49				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-		No incidents reported in 2024/25		
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	49				
	417-2 Incidents of non-compliance concerning product and service information and labeling	-		No such incidents reported in 2024/25		
	417-3 Incidents of non-compliance concerning marketing communications	-		No such incidents reported in 2024/25		
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	30				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-		No such incidents reported in 2024/25		

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty Eighth (58th) Annual General Meeting of Swisstek (Ceylon) PLC will be held on 30th June 2025 at 2.00 p.m. at 'The Winchester', The Kingsbury Hotel, 48, Janadhipathi Mawatha, Colombo 01 for the following purposes:

1. ORDINARY BUSINESS

- 1.1 To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31st March 2025 and the Report of the Auditors thereon.
- 1.2 To declare a Final Dividend of Cents Thirty Five (Rs.0.35) per Ordinary share for the year ended 31st March 2025 as recommended by the Board of Directors.
- 1.3 To re-elect Mr. Shiran Harsha Amarasekera, who retires by rotation in terms of Articles 103 and 104 of the Articles of Association, as a Director of the Company.
- 1.4 To re-elect Mr. Kalupathiranalage Don Gamini Gunaratne, who retires by rotation in terms of Articles 103 and 104 of the Articles of Association, as a Director of the Company.
- 1.5 To re-elect as a Director, Mr. Ratnayake Mudiyansele Mohan Joseph Ratnayake who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 110 of the Articles of Association.
- 1.6 To re-elect as a Director, Mr. Balapuwaduge Dinesh Shamindra Mendis who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 110 of the Articles of Association.
- 1.7 To re-elect as a Director, Mr. Liyana Arachchige Daminda Nishantha Perera who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 110 of the Articles of Association.
- 1.8 To re-appoint Messrs KPMG, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.
- 1.9 To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.

2. SPECIAL BUSINESS

- 2.1 To consider and if thought fit, to pass the following resolution as a Special Resolution:
'IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended:
 - (1) by the deletion of Article 43 in its entirety and the substitution therefor of the following new Article 43 ;
"METHODS OF HOLDING GENERAL MEETINGS
 43. (1) *A General Meeting of shareholders may be held -*
 - (i) by a number of shareholders who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; (hereinafter sometimes referred to as the Physical General Meeting); or
 - (ii) by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting (hereinafter sometimes referred to as Electronic General Meeting); or
 - (iii) by a meeting held both physically and electronically (called Hybrid General Meeting); or
 - (iv) by means of a resolution in writing signed by not less than Eighty-Five per centum (85%) of the Shareholders who would be entitled to vote on a resolution at a meeting of Shareholders, who together hold not less than Eighty-Five per centum (85%) of the votes entitled to be cast on that resolution.
 - (2) The Board shall determine whether a General Meeting is to be held as a Physical General Meeting as referred to in 43(1)(i) or held as an Electronic General Meeting as referred to in 43(1)(ii) or held as a Hybrid General Meeting, both physically and electronically, as referred to in 43(1)(iii) or by a Resolution in writing as referred to in 43(1)(iv).

- (3) The Board shall specify in the notice calling the General Meeting whether the meeting will be physical or electronic or hybrid or by a Resolution in writing. Such notice shall also specify (as applicable) the time, date, and place and/or electronic platform(s) of the General Meeting, as it is determined.
- (4) (i) When conducting an Electronic General Meeting, the Board shall enable persons to simultaneously attend by electronic means, with no shareholder necessarily in physical attendance at the Electronic General Meeting. The shareholders or their proxies present shall be counted in the quorum for, and entitled to vote at, the General Meeting in question.
- (ii) If it appears to the Chairman of the General Meeting that the electronic platform(s), facilities, or security at the Electronic General Meeting have become inadequate for the purposes referred to herein then the Chairman may, without the consent of the meeting, interrupt to resolve such inadequacy where possible or adjourn the General Meeting. All business conducted at that General Meeting up to the time of that adjournment shall be valid and the provisions of Article 60 shall apply to that adjournment.
- (iii) In relation to an Electronic General Meeting, the right of a shareholder to participate in the business of any General Meeting shall include, without limitation, the right to speak, vote on a poll, be represented by a proxy, and have access (including electronic access) to all documents which are required by the Act or these Articles to be made available for/ at the meeting."
- (2) *by the deletion of Article 84 in its entirety and the substitution therefor of the following new Article 84 ;*
 "The Directors shall not be less than five (5) or more than fourteen (14) in number. The Company may from time to time, by Special Resolution, increase or reduce the number of Directors."
- (3) by the deletion of Article 124 under the existing heading, 'Alternate Directors' in its entirety and the substitution therefor of the following new Article 124;

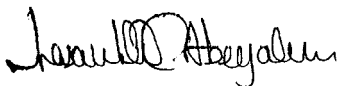
ALTERNATE DIRECTORS

124. (i) (a) Subject to the Statutes and other laws applicable in respect of the composition of the Board, a Director may, due to exceptional circumstances, by notice in writing under his hand delivered to the Secretary, nominate an individual to be appointed as an Alternate Director of the Company for a maximum period of one (1) year from the date of appointment to attend to the duties of the Director in his absence, and the following provisions of these Articles shall apply to any person so appointed.
- (b) Such Alternate Director shall be entitled to receive notices of all meetings of Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and to exercise the rights of the appointer at meetings of the Board.
- (c) The attendance of any Alternate Director at any meeting, including a Board committee meeting, at which the appointer is absent, shall be counted for the purpose of quorum at such meeting.
- (ii) The appointment of an Alternate Director shall be subject to the approval of the Board.
- (iii) An Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company, nor be required to hold any Share qualification. However, the Board may reimburse an Alternate Director such reasonable expenses as he may incur in attending and returning from meetings of the Board which he is entitled to attend, or as he may otherwise properly incur in or about the business of the Company. Alternatively, the Board may pay such allowances as it considers proper in respect of such expenses.
- (iv) An Alternate Director shall (on his giving an address for such notice to be served on him) be entitled to receive notices of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in the absence of such appointer, due to the reasons stated in Article 124(i) hereof, including the signing of resolutions in writing to be passed by circulation under Article 120 hereof.

NOTICE OF ANNUAL GENERAL MEETING

- (v) Subject to Article 124(i) hereof, an Alternate Director shall ipso facto cease to be an Alternate Director on the occurrence of any of the following events:
 - (a) If his appointer ceases for any reason to be a Director. Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;
 - (b) If the appointment of the Alternate Director is revoked by his appointer by a notice in writing delivered to the Secretary;
 - (c) If the Board resolves that the appointment of the Alternate Director be terminated on a date determined by it prior to the completion of the period of one (1) year.
 - (vi) A Director shall not vote on the question of the approval of an Alternate Director to act for him, or on the question of the termination of the appointment of such an Alternate under Article 124(v)(c). He shall also not be counted to determine the quorum at meetings when such matters are voted on.
 - (vii) If an Alternate Director is appointed for a Non-Executive Director, such Alternate Director shall not be an executive of the Company.
 - (viii) If an Alternate Director is appointed to represent an Independent Non-Executive Director, such Alternate Director shall meet the criteria for independence specified in the Listing Rules of the Colombo Stock Exchange."
- (4) by the deletion of Article 170(ii) in its entirety and the substitution therefor of the following new Article 170(ii);
- "The Company may serve notice by electronic mail to an electronic mail account notified by a shareholder in writing or any other acceptable means, to the Company or to the Central Depository Systems (Pvt) Ltd. Where electronic mail is used, the document or notice shall be deemed to have been received by the shareholder upon the dispatch of same by the Company through electronic mail."
- (5) by the inclusion of the following paragraph immediately after the word "newspapers" in the existing Article 174;
- "The Company may if so permitted by Statute, publish any notice required to be given to the shareholders on the official website of the Company and/or on the official website of the Colombo Stock Exchange (so long as the Company is listed on the Colombo Stock Exchange)."

By Order of The Board
Swisstek (Ceylon) PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

29th May 2025
At Colombo

Notes:

1. A shareholder is entitled to appoint a Proxy to attend and vote at the meeting on his/her behalf.
2. A Proxy need not be a shareholder of the Company.
3. A Form of Proxy accompanies this Notice.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 215, Nawala Road, Narahenpita, Colombo 05 by 2.00 p.m. on 28th of June 2025.

FORM OF PROXY

I/We*.....(NIC / Passport / Company Reg. No.
of..... being a shareholder / shareholders of SWISSTEK (CEYLON) PLC hereby appoint
..... (NIC/Passport No.....) of
or failing him/her*:

- | | |
|--|-----------------|
| Mr. Shiran Harsha Amarasekera | or failing him* |
| Mr. Liyana Arachchige Daminda Nishantha Perera | or failing him* |
| Mr. Jayawardana Kankanamge Aravinda Sirinatha | or failing him* |
| Dr. Sivakumar Selliah | or failing him* |
| Mr. Amarakoon Mudiyansele Weerasinghe | or failing him* |
| Mr. Anthony Shirley Mahendra | or failing him* |
| Mr. Kalupathiranalage Don Gamini Gunaratne | or failing him* |
| Mr. Chethiya Umagiliya Weerawardena | or failing him* |
| Mr. Ratnayake Mudiyansele Mohan Joseph Ratnayake | or failing him* |
| Mr. Balapuwaduge Dinesh Shamindra Mendis | |

as my/our* proxy to represent and speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Fifty Eighth (58th) Annual General Meeting of the Company to be held on 30th June 2025 at 2.00 p.m. and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

1 ORDINARY BUSINESS		For	Against
1)	To declare a Final Dividend of Cents Thirty Five (Rs.0.35) per Ordinary share for the year ended 31st March 2025 as recommended by the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
2)	To re-elect Mr. S H Amarasekera, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3)	To re-elect Mr. K D G Gunaratne as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4)	To re-elect Mr. R M M J Ratnayake. as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5)	To re-elect Mr. B D S Mendis as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6)	To re-elect Mr. L A D N Perera as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
7)	To re-appoint Messrs KPMG, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
8)	To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
2 SPECIAL BUSINESS			
1)	To pass the Special Resolution as set out in item 2.1 of the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this..... day of Two Thousand and Twenty Five (2025)

.....
Signature of Shareholder/s

*Please delete what is inapplicable.

Notes: 1. A proxy need not be a shareholder of the Company
2. Instructions as to completion appear overleaf.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be deposited at the Registered Office of the Company, No. 215, Nawala Road, Narahenpita, Colombo 05 by 2.00 p.m. on 28th of June 2025.
3. The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

CORPORATE INFORMATION

NAME OF THE COMPANY

SWISSTEK (CEYLON) PLC

LEGAL FORM

Swisstek (Ceylon) PLC is a public limited liability company listed on the Colombo Stock Exchange. Which was incorporated under the Companies Ordinance No.51 of 1938 as a public company on 12th day of July 1967. Pursuant to the requirements of the new Companies Act No. 7 of 2007, the Company was re-registered on 6th June 2008 and bears registration number PQ155.

DIRECTORS

Mr. S H Amarasekera
(Chairman)

Mr. J A P M Jayasekera
(Managing Director)
Resigned on 01st April 2025

L A D N Perera
(Chief Executive Officer) Appointed on 21st May 2025

Mr. J K A Sirinatha

Dr. S Selliah

Mr. A M Weerasinghe

Mr. A S Mahendra

Mr. K D G Gunaratne

Mr. C U Weerawardena

Mr. R M M J Ratnayake
Appointed on 01st January 2025

Mr. B D S Mendis
Appointed on 01st January 2025

SECRETARIES

PW Corporate Secretarial (Pvt) Ltd
3/17, Kynsey Road, Colombo 08
Telephone : +94 11 4640360-3
Facsimile : +94 11 4740588
Email : pwcs@pwcs.lk

REGISTERED OFFICE

215, Nawala Road, Narahenpita,
Colombo - 5
Telephone : +94 11 4526700
Facsimile : +94 11 2806232
Email : swisstek@lankatiles.com
Website : www.swisstekceylon.com

FACTORY

Swisstek (Ceylon) PLC
Factory Complex, Belummahara, Imbulgoda
Telephone : + 94 - 33 - 4930590
Facsimile : + 94 - 33 - 5701371
Email : swisstek@lankatiles.com

BANKERS

Bank of Ceylon
DFCC Bank PLC
Seylan Bank PLC
Commercial Bank of Ceylon PLC
Union Bank of Colombo PLC
Sampath Bank PLC
Nations Trust Bank PLC
Hatton National Bank PL

AUDITORS

KPMG
Chartered Accountants
32A, Sir Mohammed Macan Markar Mawatha,
Colombo - 3
Telephone : + 94 11 5426 426
Facsimile : + 94 11 2445 872
: + 94 11 2446 058
Website : www.kpmg.com/lk

This Annual Report is
conceptualised, designed
and produced by
Redworks.



REDWORKS

Member of the Ogilvy Group



www.swisstekceylon.com