

Kerner Haus Global Solutions PLC

Annual Report 2024/25

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01

The New Vision



KERNER HAUS

About Us: A New Era of Growth

Introduction to the Report

We are proud to present the Annual Report of Kerner Haus Global Solutions (KHGS) PLC, (formerly known as Ceylon Printers PLC), for the financial year ended 31 March 2025. This report reflects our evolution and provides a detailed account of our strategic direction, financial results, governance practices, and the strides we plan to make in repositioning our business as a provider of specialised commercial office space and integrated business support services.

Reporting Scope

This report outlines the activities and performance of KHGS from 1 April 2024 to 31 March 2025.

Significant events occurring after the end of the reporting period and up to the date of Board approval on 28 August 2025 have been disclosed in the Notes to the Financial Statements, to ensure the information is current and relevant.

Corporate Governance

At Kerner Haus Global Solutions PLC, we recognise that maintaining transparent, accountable, and ethical governance is essential to building stakeholder trust and sustaining long-term business value. Sound corporate governance forms the foundation of our decision-making and is embedded across all levels of the organisation. This section of the Annual Report outlines the governance framework, structures, and practices adopted by KHGS and its subsidiaries. It reflects our commitment to both mandatory and voluntary compliance with the Code of Best Practice on Corporate Governance, jointly issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC).

Standards, Principles, and Frameworks

- Companies Act No. 7 of 2007
- Listing Rules of the Colombo Stock Exchange and subsequent revisions to date
- Code of Best Practice on Corporate Governance issued by the Securities and Exchange Commission of Sri Lanka (2023)

About Kerner Haus Global Solutions

Kerner Haus Global Solutions (KHGS) PLC, a publicly listed company on the Colombo Stock Exchange, is a strategically repositioned entity. A majority of the shares are owned by **Ekta Global**, a member of the **ShoreTree Holdings** group registered in Singapore.

KHGS is set to revolutionise the commercial real estate sector in Sri Lanka by offering high-quality, purpose-built office spaces seamlessly bundled with a comprehensive suite of integrated shared business services. The strategic vision is to leverage market opportunities in distressed commercial real estate in Sri Lanka.

Our model is designed to cater specifically to the operational needs of the rapidly growing Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO), and international SME sectors seeking to establish or expand their presence in Sri Lanka.

The core business model centres on leasing this specialised office space, bundled with a comprehensive suite of shared services. This bundling represents a significant value proposition and differentiator, creating a compelling ecosystem of essential business functions available directly at the client's location.

Initially, KHGS will take an asset-light approach by managing two buildings. This phase is designed to quickly establish operational capabilities, generate management fee income, and serve as a tangible proof of concept.

This initial revenue stream and demonstrated management expertise will be instrumental in de-risking future capital-raising efforts (both equity and debt) planned over the short to medium term, which will then fund the acquisition of initial properties and facilitate the aggressive acquisition targets over the long term.

Our Vision

To be Sri Lanka's leading provider of integrated, tech-enabled business infrastructure, empowering global businesses to thrive.

Our Mission

To empower the growth of outsourcing businesses by providing purpose-built real estate bundled with a seamless ecosystem of essential shared services, fostering operational excellence and driving Sri Lanka's position as a premier global talent hub.



Chairman's Message

Fellow Shareholders,

It is with great optimism that I present this Annual Report for Kerner Haus Global Solutions PLC for the year ended 31 March 2025. This year marks a historic turning point for our company. We have concluded the legacy of Ceylon Printers and embarked on a bold new journey, repositioning the company with a new name, a new vision, and a strategy designed to capitalise on one of the most promising growth sectors in the Sri Lankan economy.

The key event defining this financial year was the strategic acquisition which occurred on November 12, 2024, when Ekta Global Pte. Ltd secured a controlling 63.62% stake in the company. This pivotal moment provided the foundation to address historical challenges and set a clear path toward sustainable profitability. The period following the acquisition has been one of diligent preparation, laying the essential groundwork for our new business model.

The global landscape for business and knowledge process outsourcing (BPO/KPO) is expanding at an unprecedented rate, and Sri Lanka is rapidly emerging as a destination of choice. Our nation's highly skilled, multilingual talent pool and resilient spirit present a compelling value proposition for international companies seeking to build and scale their operations. However, navigating the complexities of establishing a presence here—from securing suitable real estate to managing essential support functions—can be a significant barrier to entry.

This is the market need Kerner Haus Global Solutions was primed to address. Our strategy is clear and focused: we provide world-class, purpose-built office infrastructure bundled with a comprehensive suite of integrated business services. We are not simply leasing space; we are offering a holistic operational platform. This model allows our clients—be they large BPO operators or international SMEs establishing a dedicated offshore team—to focus on their core competencies while we manage the complexities of their physical and administrative environment. This new direction is underpinned by a deep understanding of the outsourcing industry's unique demands.

On behalf of the Board of Directors, I extend my sincere gratitude to our dedicated employees for their commitment during this period of transformation. I thank our bankers and partners for their support, and I thank you, our shareholders, for your continued trust as we embark on this exciting new chapter. We are committed to executing our strategy with discipline and integrity, building a company that is not only profitable but also a key enabler of Sri Lanka's economic future.



Sanjeev Gardiner
Chairman

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Management Discussion and Analysis

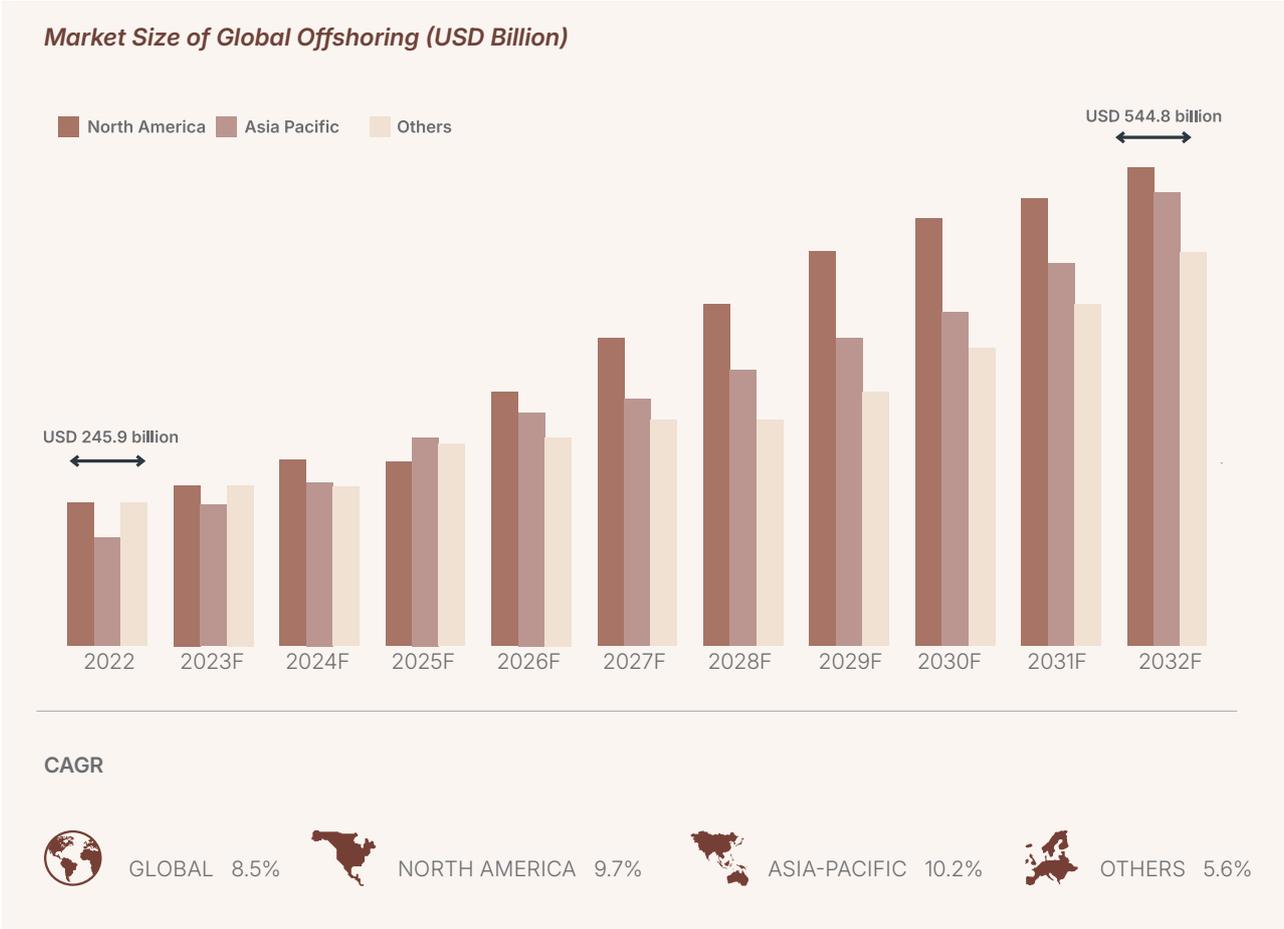
The Market Opportunity

The strategic repositioning of Kerner Haus Global Solutions is informed by a thorough analysis of powerful global and local market trends. The sustained growth of the global Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO) sectors, combined with Sri Lanka's emergence as a competitive and talent-rich destination, has created a compelling environment for our business model.

Industry Overview

Global Offshoring Growth

The global offshoring market is predicted to grow from USD 245.9 billion in 2022 to USD 544.8 billion in 2032, reflecting an 8.5% compound annual growth rate (CAGR), as indicated by Market.U.S.



While North America will continue to command the lion's share of the market, Asia-Pacific is expected to record the highest CAGR at 10.2%.

The Rise of Offshoring and Digital Innovation in the Asia Pacific Region

India	Philippines	Malaysia	Vietnam
<ul style="list-style-type: none"> The offshoring industry contributed nearly 60% of India's overall service exports in 2023. India's offshoring service exports grew from USD 63 billion in 2013 to USD 185.5 billion in 2023, a threefold increase. The country transitioned from a cost-effective centre to a value-adding captive centre over the past decade. India diversified into areas like HR outsourcing, sales, supply chain management, research & development, and digital transformation. India shifted from being a value-adding centre to a centre of excellence, focusing on emerging technologies like AI/ML, robotic process automation, and big data. 	<ul style="list-style-type: none"> The Philippines IT-BPM sector grew by 1.4% in 2020 despite the pandemic, with revenues reaching USD 26.7 billion, and saw double-digit growth in 2021 and 2022, with revenues of USD 29.5 billion and USD 32.5 billion, respectively. The IT-BPM workforce grew from 1.32 million in 2020 to 1.57 million in 2022 and is estimated to have reached 1.7 million by the end of 2023 The IT-BPM Industry Roadmap forecasts USD 59 billion in revenues and a 2.5 million-strong workforce by 2028, driven by regional development outside Metro Manila. Future growth is expected in health care, banking & finance, and contact centres in 2024. 	<ul style="list-style-type: none"> As of 2021, Malaysia hosts 607 GBS (Global Business Services) companies, 58% of which are foreign direct investments, with around 30% being Forbes Global 2000 or Fortune 500 companies. The Ministry of Digital, established in January 2024, reinforces the government's commitment to advancing the digital landscape. Initiatives like #MyDigitalWorkforce, Work in Tech (MYWIT) and Premier Digital Tech Institute (PDTI) focus on upskilling and reskilling to address digital talent shortages. Greater Kuala Lumpur offers competitive real estate costs, with new office developments expected to adapt to digital needs, supported by tax benefits for MD-status companies. 	<ul style="list-style-type: none"> Vietnam's offshoring market reached USD 0.53 billion in revenue in 2023, with a CAGR of 12.7% from 2016 to 2023. The demand for customer support, data entry, and software development has risen due to Vietnam's skilled workforce, cost-effective services, and favourable business environment. Vietnam's proximity to key markets such as China and Japan enhances its appeal for outsourcing. The offshoring market features many small and medium-sized enterprises (SMEs) specialising in niches like gaming, animation, and e-commerce, providing customised solutions. Vietnam's offshoring real estate market is fragmented, with 82% of key players being SMEs. IT companies occupy buildings in high-tech parks to benefit from tax incentives.
Top 3 Trends	Top 3 Trends	Top 3 Trends	Top 3 Trends
<ul style="list-style-type: none"> Abundant talent pool Competitive office rentals Favourable government policies 	<ul style="list-style-type: none"> Cost-effective talent Government incentives Flexible work arrangements 	<ul style="list-style-type: none"> Competitive rental rates Abundant talent pool Strong government support 	<ul style="list-style-type: none"> Cost-effective labour force Skilled workforce and language proficiency Ongoing infrastructure development

Attributes That Make Asia-Pacific a Leading Offshoring Destination

STRATEGIC LOCATION

- Covers seven time zones, facilitating round-the-clock services
- Geopolitically stable
- Strong multinational corporation (MNC) presence

INFRASTRUCTURE

- Highly developed infocomm technology infrastructure
- Government incentives
- Fast and secure connectivity to support remote working and virtual collaboration

BUSINESS ENVIRONMENT

- Economically stable with minimal corporate risks
- Supportive regulatory framework
- Availability and cost of quality real estate
- Favourable currency exchange rates

TALENT POOL

- Competitive manpower costs in developing countries
- Young talent pipelines
- Increasing literacy levels and quality standards
- Ability to speak multiple languages

Offshoring has emerged as a critical driver of office demand in major hubs across the Asia-Pacific region. This trend is notably expanding, as demonstrated by recent market dynamics.

The Information Technology-Business Process Management (IT-BPM) sector has been absorbing large office spaces over the last decade and a half. Its current share is estimated at more than 50% of the total office space leased in the last 5 years.

Source: Savills India

India's commercial real estate market backed by strong growth in IT/BPM and GCCs:

India's office leasing market saw strong growth in Q2 2024, with a 21% Q-o-Q and 27% Y-o-Y rise.

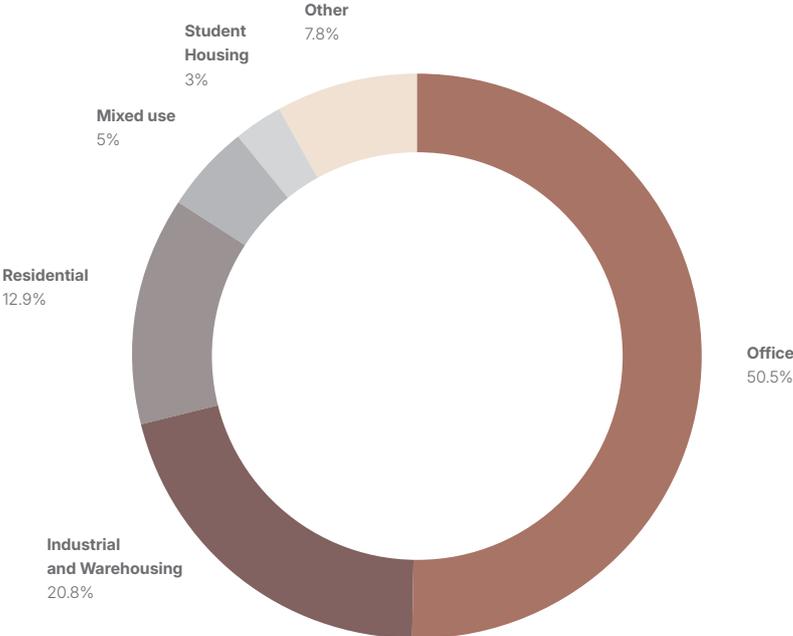
This growth was driven by domestic companies and global capability centres (GCCs) accounting for 46% of the leasing activity. Supply also increased significantly.

The tech sector remains a key driver, but demand is diversifying into sectors like BFSI and flexible workspaces.

Cities like Chennai and Pune are emerging alongside Bengaluru, Hyderabad, and Delhi-NCR. Hybrid work models and flexible workspaces are reshaping the market. Landlords are adapting by offering more flexible leasing options and enhanced amenities. India's real estate sector is set for continued growth, driven by innovation, sustainability, and strategic policies.

Source: CBRE India

Split of Total PE Investment (2021-2023) in India - The office segment garnered the maximum share at 51% over the last three years



With increasing return-to office leading to rising office occupancies, office absorption in India is catching up fast and has reached pre-pandemic levels of activity in 2023.

Source: CBRE India

Positioning Sri Lanka as a BPM Hub

Improved Infrastructure

Colombo: An Emerging World City

Colombo has much lower congestion and pollution levels than most fast-growing Asian capitals, making it one of the most liveable cities in South Asia. The city enjoys a competitive advantage in knowledge services particularly in the IT/ITeS and logistics sectors.

The IT/ITeS cluster in Colombo is young, vibrant and is rapidly becoming globally significant.

Efficient Connectivity

Sri Lanka has the largest road density among South Asian countries, according to the World Bank, with a network of around 100,000 km, of which approximately 12,000 km is Class A.

Notable recent construction projects include the Southern Expressway, which connects Colombo and Matara in the south of Sri Lanka and the Katunayake Expressway, which connects Colombo and the Bandaranaike International Airport (BIA), located 30 km north of Colombo, and reduces travel time between the city and the airport (BIA) to 40-80 minutes.

The Colombo-Kandy expressway will enhance connectivity between Colombo and Kandy enabling easier access for residents and businesses alike, reducing travel time from four hours to 50 minutes. Over the last decade, Sri Lanka has transformed itself into an export-oriented global logistics hub by capitalising on its geocentric importance.

The Colombo Port is considered the busiest port in South Asia and is ranked as the world's 18th best-connected port on UNCTAD's Port Liner Shipping Connectivity Index.

Telecom Strength

Rapidly changing and expanding telecommunication industry is one of the key enablers for the growth of the IT/ITeS sector, facilitating a competitive edge to the global IT/ITeS market.

Sri Lanka is ranked among the top countries in the world for the cheapest fixed-broadband subscription in the 2020 fixed broadband worldwide price comparison by Cable.co.uk.

With increasing mobile internet penetration, the quality of mobile broadband available in Sri Lanka has exceeded the quality of standard fixed-broadband services.

Mobile data prices in Sri Lanka are much lower than most regional competitors, driven by a strong oligopoly competition.

The telecom providers in Sri Lanka offer the cheapest mobile voice services, ranked ninth in the world for offering affordable entry-level mobile voice packages in the latest report by International Telecommunication Union (ITU).

Quality and Availability of Talent

Sri Lanka's distinctive and specialised talent pool enhances its competitive position among regional giants. A robust education system, encompassing diverse disciplines, fosters a broad spectrum of skilled professionals. This sophisticated talent is applied across various industries, reinforcing the country's unique standing.

Quality

Tertiary level management, maths, and science programmes in Sri Lanka are globally recognized and considered to be one of the best among Asian countries after Malaysia, China and India.

Sri Lankan universities under the University Grants Commission (UGC) maintain a large number of global research and academic partnerships with universities from the United States, Ireland and New Zealand.

Around 40% of the ICT workforce represents 1-3 years of industry experience, and nearly 20% of the workforce has more than 8 years of industry experience, indicating the prime quality of the Sri Lankan ICT workforce.

Sri Lanka's ICT workforce stays current with the latest technologies.

As per ICTA, every IT/ITeS employer in the country employs experts in emerging technologies, with the majority of the workforce utilising tools like cloud computing, workflow management, and mobility platforms.

Availability

The existing talent pool of Sri Lanka is primarily a young workforce, indicating an abundance of fresh talent competing for available jobs.

A young workforce is an advantage, increasing the prospects of trainability.

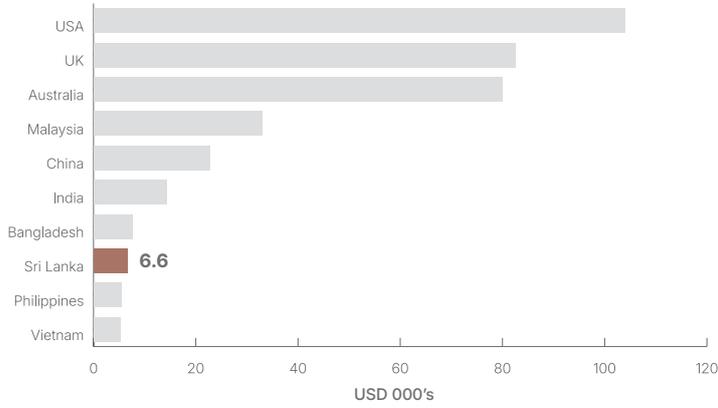
More than half the ICT workforce of Sri Lanka, accounting for 57.95%, is within the age group of 25–34 years, while over 93% is below 45 years.

The combined output of graduates from state and private universities in a given year is approximately 65,000, and nearly 85,000 students enrol annually in professional qualification programmes such as CIMA, ACCA, CFA, and CA.

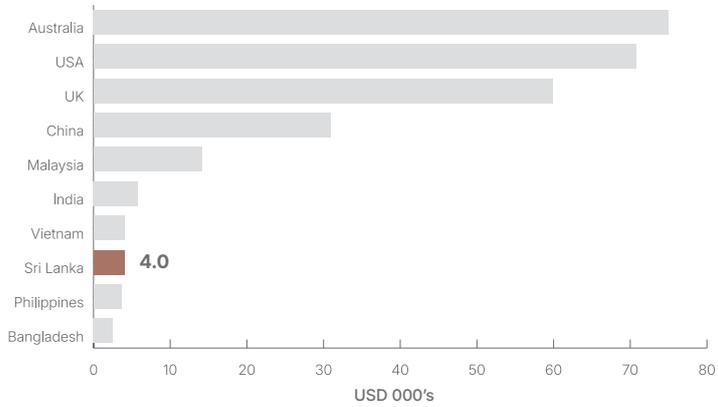
Sri Lanka has the highest number of UK recognised accounting qualifications outside of the United Kingdom.

Additionally, the annual student output from vocational training institutes that offer qualifications in disciplines such as ICT, engineering, finance, banking, and management is approximately 46,000.

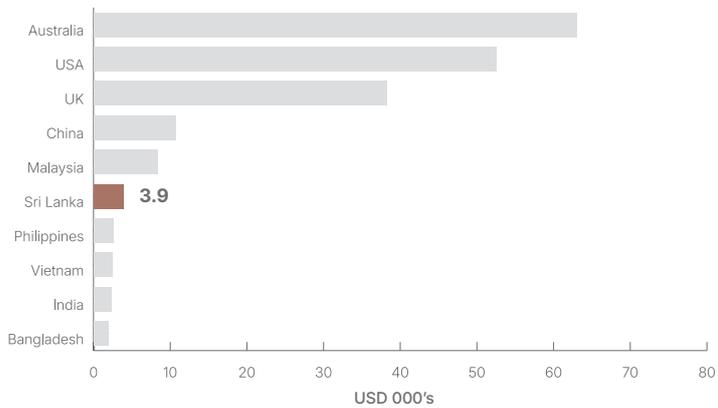
Cost



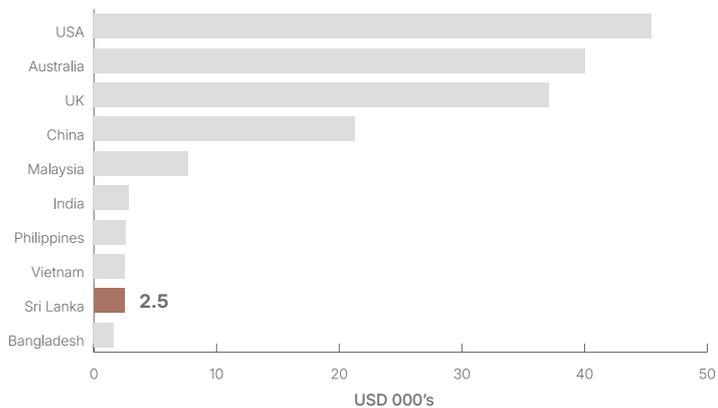
Software Engineers
Average Entry Level Compensation



Business Analysts
Average Entry Level Compensation



Accountants
Average Entry Level Compensation



Customer Support Specialists
Average Entry Level Compensation

Conducive Business Environment

Colombo Port City: An Economically Ring-Fenced Environment

The Colombo Port City (CPC) is a 269-hectare reclaimed land area overlooking the Indian Ocean. It was declared as a service-oriented Special Economic Zone by the Colombo Port City Economic Commission Act, No. 11 of 2021 ("CPCEC Act"). The Colombo Port City Economic Commission ('the Commission') has been delegated administrative authority over the CPC and is the authority responsible for granting licences and permits to authorised persons to operate within the CPC.

Economic Activities That Are Promoted Within the Colombo Port City

			
Regional sourcing and buying	Shipping logistics and support	Offshore banking and financial services	Digital technology
			
Corporate headquarters	Medical/MICE tourism	Leisure and lifestyle	International trade

Concessions available

- 0% personal income tax
- 100% capital and profit repatriation
- 100% foreign ownership
- 16 designated currencies
- 5–10 year preferential visa
- 25+ years of tax exemptions
- Competitive regulatory environment
- Future-ready infrastructure
- Strong investment protection

The Colombo Port City is anticipated to boost FDI inflows into Sri Lanka, supported by robust regulatory frameworks designed to protect investors and the various incentives offered to foreign investors.

Sri Lanka's 2022 economic crisis created an opportunity for strategic real estate asset acquisitions.

Sri Lanka's 2022 economic crisis was one of the most severe in its history, creating a unique opportunity for real estate investors as distressed property prices emerged.

The crisis was driven by several key factors that contributed directly to a downturn in the real estate market:

Rising Interest Rates

To curb inflation and stabilise the economy, interest rates were significantly increased, making borrowing costly.

This forced many property owners and developers to offload assets at distressed prices, due to unaffordable financing costs.

Debt Default and Credit Downgrade

Sri Lanka defaulted on its external debt, causing investor confidence to plummet.

This resulted in reduced access to capital for businesses, leading to increased property sales at discounted prices as companies sought liquidity.

Foreign Exchange Shortages

A depletion of foreign reserves led to a significant drop in foreign investment, particularly in commercial real estate.

This further reduced property valuations as sellers faced limited demand.

Market Liquidity Constraints

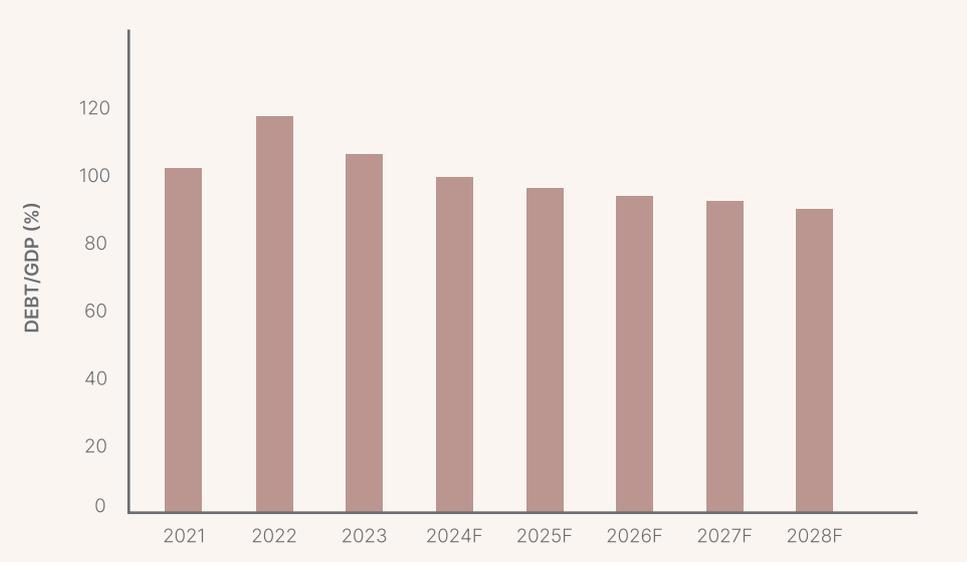
With economic instability, banks tightened lending policies, making it difficult for buyers to secure financing.

This led to fewer transactions, driving distressed sales higher and reducing overall market valuations.

Sri Lanka on the Rise: Stabilised Markets and Unmatched Investment Potential

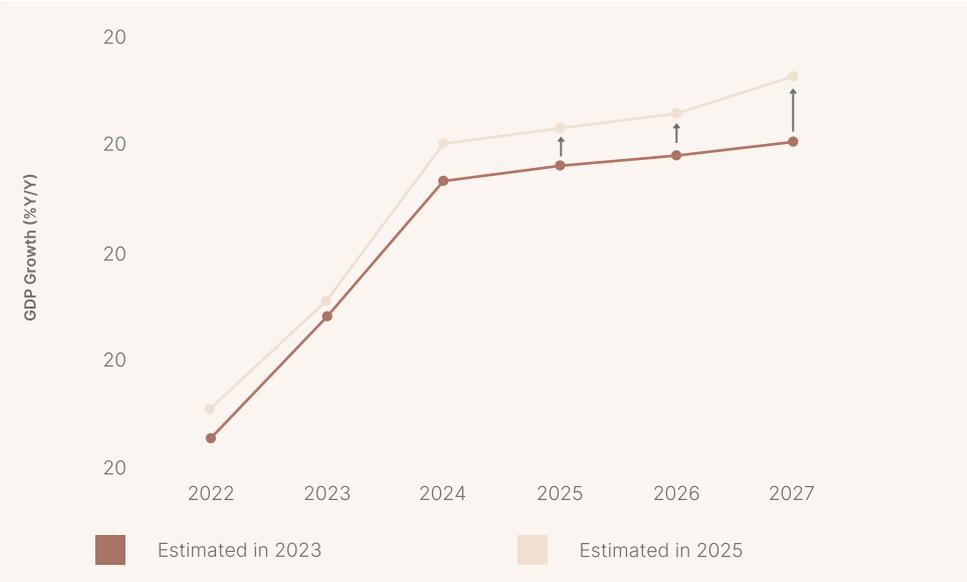
As the country rebounds, the foundations for sustained development are in place, making this the ideal moment to capitalise on rising opportunities and be part of Sri Lanka's next wave of economic growth.

Sri Lanka's economic recovery is gaining momentum.



Sri Lanka's debt-to-GDP ratio had reached unsustainable levels.

The outlook for 2025 shows it stabilising as the Government undertakes strong fiscal measures, ultimately strengthening the economy.



The above graph illustrates Sri Lanka's economic outlook. Sri Lanka's growth estimates have improved in 2025 versus its original projections set out in 2023.

Sri Lanka is currently on a recovery path backed by the IMF and has secured a USD 2.9 billion Extended Fund Facility (EFF) facility to stabilise the economy and drive growth.

Sri Lanka sought assistance from the International Monetary Fund in 2022 and reached a staff-level agreement for a 48-month Extended Fund Facility arrangement for USD 2.9 billion. The objectives are to restore macroeconomic stability and debt sustainability.



Sources: IMF, CBSL, Al Jazeera

Sri Lanka's recovery is gaining traction - as indicated by rising investment in its securities and the strengthening of its reserves.

Rising Foreign Confidence

The steady increase in portfolio investment from 2021 to 2024 reflects growing foreign confidence in Sri Lanka's economic recovery.

The sharp rise after 2022 indicates a resurgence in capital inflows as investors recognise stabilisation efforts and structural reforms.

With investment levels plateauing from 2025 onwards, Sri Lanka is expected to maintain consistent foreign participation, reinforcing its position as an attractive emerging market for debt and equity investments.

Strengthening Reserves

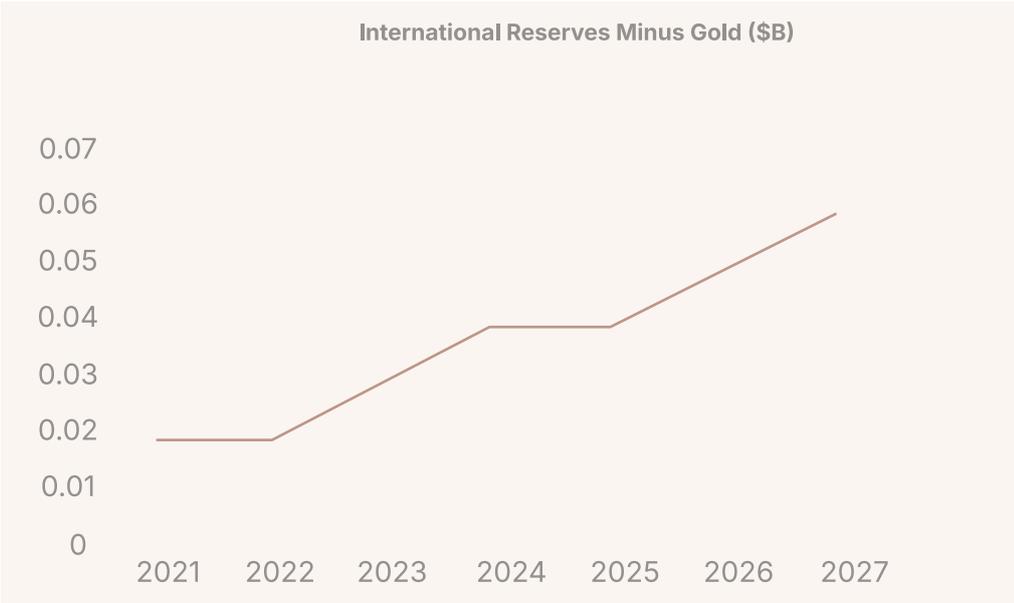
Sri Lanka's international reserves (excluding gold) have shown steady growth since 2022, reflecting improved foreign exchange management and fiscal discipline.

The increase signals enhanced liquidity and investor confidence, bolstered by IMF support and policy reforms. With reserves projected to rise further, Sri Lanka is strengthening its economic resilience and external stability.



Foreign direct investment (FDI) is on the rise in Sri Lanka, and its outlook is positive, indicating renewed investor confidence over the next few years.

Increasing investor confidence and structural reforms are driving sustained FDI growth, reinforcing Sri Lanka's position as a key destination for long-term investment.



Sources - S&P Capital IQ

Steady Growth in FDI Signals Renewed Confidence

Sri Lanka's inward direct investment has shown resilience, with a sharp increase in 2022, followed by a temporary dip in 2023. The consistent upward trend from 2024 onward reflects growing investor confidence, economic stabilisation, and structural reforms. This sustained growth in FDI highlights Sri Lanka's attractiveness as a long-term investment destination.



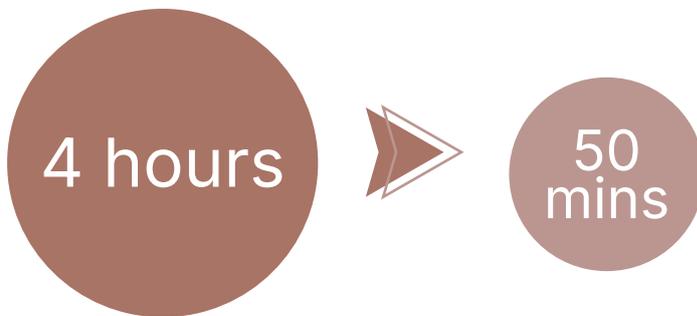
Sri Lanka's Transformative Infrastructure — Building the Future

The Colombo–Kandy Expressway is poised to transform the travel dynamics between Colombo and Kandy. We anticipate 30–40% enhancement in capital value.

Increased Accessibility

The Colombo - Kandy Expressway

THE TRAVEL TIME FROM COLOMBO TO KANDY



The Colombo–Kandy Expressway will enhance connectivity between Colombo and Kandy, enabling easier access for residents and businesses alike. This will ultimately lead to increased economic activity in Kandy and greater tourist footfall, with significantly reduced travel times.

Economic Growth

Improved transport links are likely to stimulate the local economy, boost earnings potential, and attract investment into the city. Businesses in Kandy and the surrounding areas will no doubt benefit from easier access to markets, fostering stronger growth.

This is expected to result in greater demand for commercial space.

Driving Capital Appreciation

Improved connectivity will attract residential demand, driving land values upward.

High net worth individuals (HNWIs) and expatriates seeking luxury residences will find Kandy more accessible, increasing demand for premium real estate.

Additionally, as businesses expand beyond Colombo, commercial property in Kandy will become increasingly valuable.

Commercial Property Colombo

Sri Lanka provides real estate investors with attractive rental yields when compared to its neighbours.

Location	Average Gross Rental Yield
Sri Lanka	7.00%+
Malaysia	4.26%
Singapore	3.40%
India	3.67%
Dubai	8.00%
Thailand	6.05%

Sources: GlobalPropertyGuide, Numbeo

Drivers of Value

Growing Economy

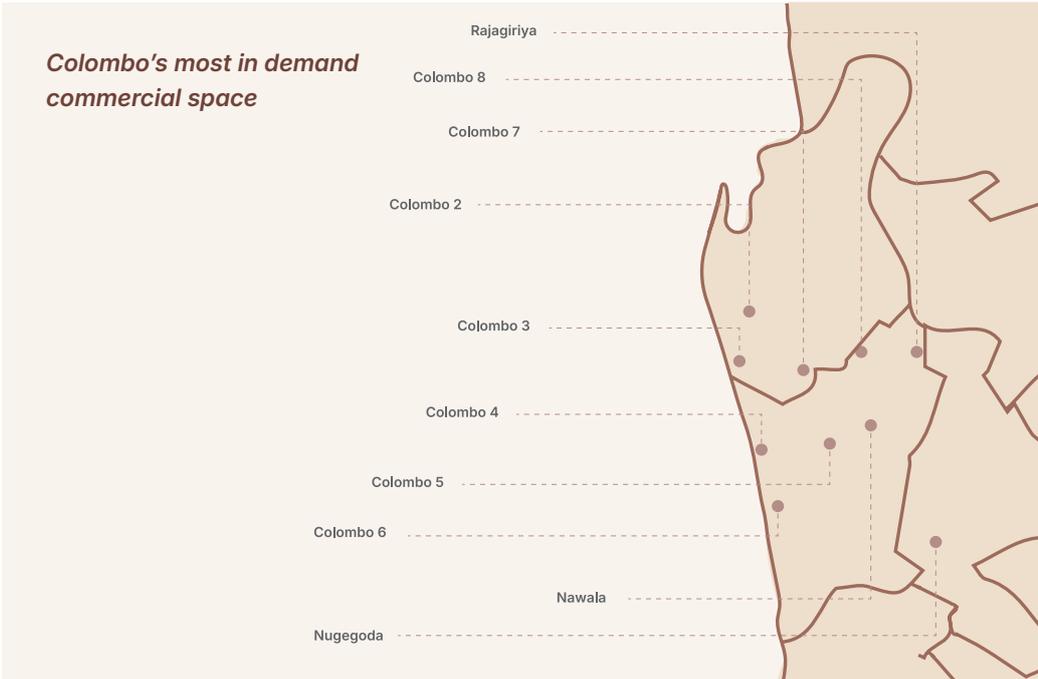
According to the World Bank, Sri Lanka's real estate sector grew by 6.4% in 2021, which was higher than the average growth rate of 4.5% for the South Asia region.

Urbanisation

As more people migrate to urban areas for better job opportunities and living standards, the demand for commercial and residential property continues to rise, pushing rental yields higher.

Recovering Construction Industry

Sri Lanka's construction industry was hit heavily by the economic downturn; however, strong recovery efforts are being made by the government bringing construction costs down to pre-crisis levels.



Target Market

KHGS targets a specific set of clients who require high-quality, purpose-fitted office space coupled with comprehensive integrated support services for their outsourcing and offshore team operations in Sri Lanka.

The primary target audience includes

BPO/KPO Companies

These are businesses similar to those within the ShoreTree group, serving international clients with delivery centres in Sri Lanka.

They require reliable, scalable, and well-equipped office infrastructure.

International Small and Medium-sized Enterprises (SMEs)

This is a significant and growing segment increasingly looking to leverage offshore talent for cost efficiency and access to specialised skills.

SMEs often lack the resources and expertise to establish and manage a foreign office and support functions independently.

Companies Seeking Dedicated Offshore Teams

These clients desire a branded office environment and a dedicated team of employees working exclusively for them, with KHGS providing the physical space, infrastructure, and a comprehensive suite of HR, payroll, administrative, and other support services drawn from the ShoreTree ecosystem.

These clients prioritise control over their teams and seamless integration with their onshore operations.



The core motivations for these target customers to seek integrated office and support solutions in Sri Lanka are diverse and multifaceted.

Cost Efficiency

Outsourcing can offer significant cost savings compared to onshore operations. Bundled services further reduce operational expenses and the need to manage multiple vendors.

Access to Specialised Talent

Sri Lanka offers a pool of educated professionals, particularly in the IT and business administration fields, addressing talent shortages in developed markets.

Scalability and Flexibility

The ability to quickly scale operations up or down based on business needs is crucial, especially for growing SMEs and project-based work.

Flexible leasing terms and readily available infrastructure support this requirement.

Focus on Core Business

By outsourcing non-core functions like office management, HR, and IT support, companies can allocate internal resources more strategically towards core competencies and growth initiatives.

Reduced Complexity and Ease of Setup

Setting up and managing an offshore office and workforce involves significant legal, administrative, and operational hurdles.

An integrated solution simplifies this process, making it easier and faster to establish an offshore presence.

Business Continuity and Reliability

Access to reliable infrastructure (power, internet) and managed services ensures operational continuity.

Desire for Control and Branding (Dedicated Teams)

Clients seeking dedicated teams want the benefits of outsourcing while maintaining a high degree of control over their teams and the ability to instill their company culture and brand within the offshore office space.

Our Business Model: An Integrated Solution

To capitalise on the market opportunity, Kerner Haus Global Solutions has developed a unique and powerful business model that directly addresses the primary challenges faced by businesses operating in the outsourcing sector. Our value proposition is built on two integrated pillars.

Purpose-Fitted Office Infrastructure

We provide high-quality, flexible, and scalable office spaces specifically designed and developed for the operational rigours of BPO and KPO activities. Our approach moves beyond traditional commercial leasing by offering environments that are ready for immediate deployment, equipped with the robust power, connectivity, and security infrastructure that our clients require.

As proof of our operational model, we will launch our services by securing management contracts for two prime properties in strategic locations.

Nawam Mawatha, Colombo

A 300-seat facility in the heart of the financial district.

- **Central Location**

Situated in the heart of Colombo, Nawam Mawatha offers easy access to major commercial and business districts, making it convenient for employees, clients, and business partners.

- **Financial Hub**

The area is recognised as a financial hub, hosting many leading banks, financial institutions, and corporate offices, providing proximity to key business services and opportunities for partnerships.

- **Transportation Links**

Excellent connectivity via major roads and public transport ensures efficient commuting and ease of access for both local and international business visitors.

- **Talent Pool**

Being centrally located, it attracts a highly skilled workforce, making recruitment and talent acquisition easier for BPM operations.



Mount Lavinia

A larger 750-seat facility to accommodate significant operational scale.

- **Proximity to Colombo**

As the closest suburb to Colombo, Mount Lavinia offers easy access to the capital's business districts while maintaining a more relaxed atmosphere, making it ideal for balancing work and lifestyle.

- **Less Traffic and Congestion**

Compared with the busy central areas of Colombo, Mount Lavinia experiences less traffic congestion, allowing for smoother commutes and reducing employee stress.

- **Great Connectivity**

The area is well connected by major roads and public transport routes, ensuring convenient access to Colombo and other key locations, making it a practical location for business operations.



- **Tourist Appeal and Relaxed Environment**

Known for its scenic coastline and popular beach resorts, Mount Lavinia provides a more relaxed and aesthetically pleasing work environment, enhancing employee well-being and productivity.

- **Ample Space**

With more available land and office space than in the congested city centre, Mount Lavinia offers larger, more affordable office setups, making it easier to design efficient workspaces for BPM operations.

The Integrated Services Ecosystem

Our most significant competitive advantage is the ability to bundle our real estate with a comprehensive suite of essential shared business services. This creates a one-stop solution that significantly reduces operational complexity and cost for our clients. Through a network of strategic partners with deep domain expertise, our clients gain seamless access to:

Finance and Accounting

From bookkeeping and payroll to virtual CFO services.

Legal and Compliance

Including document review, corporate secretarial services, and specialised AML/KYC solutions.

IT and Technology

Covering managed IT services, cloud solutions, and cybersecurity.

Human Resources and Talent Acquisition

Facilitating the entire employee lifecycle from recruitment to payroll and HR administration.

Digital Marketing and Design

Providing expertise in to branding, web development, and digital strategy.

This integrated ecosystem allows our clients to plug into a fully supported operational framework from day one, ensuring a faster, more efficient, and de-risked entry into the Sri Lankan market.



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Corporate Governance

Introduction

Kerner Haus Global Solutions PLC is steadfast in its commitment to the principles of sound corporate governance, which we believe are fundamental to earning the trust of our shareholders, clients, and the wider community. We adhere to the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

Governance Framework

KHGS complies with the Companies Act No. 7 of 2007, Colombo Stock Exchange Listing Rules, and the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Board of Directors of KHGS values the guiding principles of good corporate governance to maintain the Company as a going concern as well as to comply with standards of sound business and accounting policies. The extent to which these rules and principles were implemented during the year is set out below.

Compliance Summary

Mandatory Regulatory Frameworks

- The Companies Act No. 7 of 2007 including applicable regulations
- Listing Rules of the Colombo Stock Exchange, including circulars

Voluntary Frameworks and Standards

- Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka

Internal Mechanisms

- Articles of Association
- Board Charter and Board Sub-Committee Charters
- Internal Policies

Leadership

Board of Directors



Sanjeev Edward Gardiner

Chairman

Independent Non-Executive Director

Appointed to the Board 10 January 2025

Board Committees

Nominations and Governance Committee - Chairman

Remuneration Committee - Member

Positions Held in Other Companies

Chairman

The Kandy Hotels Company (1938) PLC

The Galle Face Hotel Company Limited

GFH Management Company (Pvt) Ltd

Galle Face Hotel 1994 (Pvt) Ltd

Galle Face Group (Pvt) Ltd and Ceylon Hotel Holdings (Pvt) Ltd

Director

Gardiner Group (Pvt) Ltd

Suisse Hotel (Pvt) Ltd

Studio Clay (Pvt) Ltd

I S N Gardiner C K D U Fund

Great Nothern Hotels (Pvt) Ltd

G F H Investment Holdings (Pvt) Ltd

Galle Face Hotel Management Services (Pvt) Ltd

C H C Residencies (Pvt) Ltd

Galle Face Hotel International Management Company (Pvt) Ltd

Ceylon Hotels Maldives (Pvt) Ltd

Ceylon Hotels Investment (Pvt) Ltd

Unionco (Pvt) Ltd

Sutherland Holdings (Pvt) Ltd

Seven 77 (Pvt) Ltd

Gardiner Strategic (Pvt) Ltd

Gardiner Consolidated Holdings (Pvt) Ltd

Gardiner Capital (Pvt) Ltd, Finance Land and General (Pvt) Ltd

Deepthi (Pvt) Ltd

Cyril Gardiner (Pvt) Ltd

Suisse Hotel Kandy (Pvt) Ltd,

United Hotels Company Limited

Ceylon Hotels Corporation PLC

Airline Services (Pvt) Ltd

Dream Ocean Holidays Pvt Ltd. (Maldives)

Kerner Haus Global Solutions is guided by an experienced and diverse Board of Directors committed to upholding the highest standards of corporate governance and steering the company towards sustainable growth.

Mr Sanjeev Gardiner is the Owner and Chairman of The Gardiner Group, which owns The Galle Face Hotel, one of the oldest hotels in Asia, established in 1864. He is also the Group Chairman of the Galle Face Group, a group of companies engaged in leisure, hospitality, and investments, with a portfolio that includes assets in the Maldives. Mr Gardiner is the Chairman, majority shareholder and principal owner of Ceylon Hotels Corporation PLC, which comprises 18 properties spread across the country under its fully owned subsidiaries.

Mr Sanjeev Gardiner presently sits on the Boards of several Companies some of which are Public Quoted. He is the Lay Trustee of Sir Chittampalam A. Gardiner Trust, which among other donations helps several schools around the country with endowments. He is a life member of many prestigious charitable organisations where millions have been donated in the name of the Gardiner Foundation.



Asela Indrajith Fernando
Independent Non-Executive Director

Appointed to the Board 10 January 2025

Board Committees

Audit Committee - Chairman

Remuneration Committee - Member

Positions Held in Other Companies

Chairman/Managing Director

Beyond Wealth (Pvt) Ltd,

Chairman/Director

Connect Global Partners (Pvt) Ltd

Strategic Insurance Brokers (Pvt) Ltd

Senior Independent Director

Hatton Plantations PLC,

Independent Non-Executive Director

The Kandy Hotels Company (1938) PLC

Director

Lanka Agency Ltd

Mr Fernando is a professional accountant in Business and has several years of experience in business and the profession. His contribution extends beyond the confines of the profession to include the corporate world and the community at large. He has held several key positions, including President of the Institute of Chartered Accountants of Sri Lanka; Member of the International Federation of Accountants (IFAC) Developing Nations Committee; President of the South Asian Federation of Accountants; and Advisor/Chairman of the SAFA Committee.

He is a fellow member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and CIMA (UK); an MBA holder from University of Southern Queensland, Australia; a fellow member of CMA Sri Lanka; a Senior Member of CPA Maldives; and a Member of the Chartered Institute for Securities & Investment (CISI).

He serves as a member of the Advisory Committee of Sri Lanka and holds several board positions, including Non-Executive Director, Chairman of the Audit Committee, and Chairman of the Integrated Risk Management Committee. He also serves on the boards of directors of several leading companies in the banking, finance, and insurance sectors.



Dinesh Stephan Weerakkody
Independent Non-Executive Director

Appointed to the Board 10 January 2025

Board Committees

Related Party Transaction Review Committee - Chairman
Nominations and Governance Committee - Member

Positions Held in Other Companies

Independent Non-Executive Chairman

Union Bank of Colombo PLC

Non-Executive Chairman

Cornucopia Lanka (Pvt) Ltd

Chairman

The Sri Lanka Institute of Directors
The Employers Federation of Ceylon

Senior Independent Director

Abans PLC
Ceylon Hotels Corporation PLC

Non-Executive /Non-Independent Director

Lanka Ashok Leyland PLC
Non-Executive Director of Lanka Aluminium Industries PLC
Abans Retail Holdings (Pvt) Ltd
Galle Face Hotel Management Co. Ltd
Haleon (Pvt) Ltd (formerly known as Smithkline Beecham (Pvt) Ltd
Life Insurance Corporation (Lanka) Ltd.

Mr Dinesh Weerakkody is a distinguished corporate leader with decades of experience in banking, governance, and public policy. He has served as Chairman of Hatton National Bank PLC, Commercial Bank of Ceylon PLC, and DFCC Bank, and is currently the Chairman of Union Bank and the Employers' Federation of Ceylon. He is also the Senior Vice Chairman of the Sri Lanka Institute of Directors, the Immediate Past Chairman of the International Chamber of Commerce Sri Lanka and sits on the boards of several leading companies.

In public service, he was Advisor on Treasury Affairs to the President from 2022 to 2024 and previously chaired the Colombo Port City Economic Commission, the Board of Investment, the Employees' Trust Fund Board, and the National Human Resource Development Council. He has also served as Advisor to the Prime Minister and several cabinet ministries.

Mr Weerakkody is a Fellow of CIMA (UK) and CMA Sri Lanka, holds an MBA from the University of Leicester, and has received extensive international training in economics, finance, and management. In recognition of his contributions to business and public service, he was conferred an honorary Doctorate by the American National Business University and was awarded the national honour of Sri Lanka Shikamani in 2019.



Sarrani Dominique Arseculeratne
Independent Non-Executive Director

Appointed to the board 10 January 2025

Board Committees

Audit Committee - Member

Related Party Transaction Review Committee - Member

Remuneration Committee - Member

Positions Held in Other Companies

Director

Capital City Advisory (Pvt) Ltd

Novotrade (Pvt) Ltd

Alternate Director

CAP Fizzy (Pvt) Ltd

Ms Sarrani Arseculeratne is a seasoned finance professional with expertise in financial services, corporate governance, and strategic advisory. She has led high-impact projects and advised organizations at board and executive levels, combining strategic insight with strong execution capability.

Her career spans roles with the Asian Development Bank, where she contributed to fiscal reform initiatives in collaboration with Sri Lanka's Ministry of Finance, and international experience in Melbourne with General Electric. She went on to serve as General Manager and Director of multiple companies within the Tissa Jinasena Group, a diversified conglomerate with interests in manufacturing, training, welfare, and real estate.

Currently a Director at Capital City Advisory (CCA), she plays a key role in delivering integrated and results-driven advisory solutions. Sarrani holds a BA in Economics (University of Melbourne) and an LLM in International Business and Commercial Law (University of West London)



Jason Thilaka Yatawara
Non-Executive Director

Appointed to the Board 10 January 2025

Board Committees

Audit Committee - Member

Nominations and Governance Committee - Member

Mr Jason Yatawara is a strategic finance leader whose expertise is foundational to his role as a Non-executive Non-independent Director for Kerner Haus Global Solutions. He currently leads the private equity advisory firm Plus94 as its General Manager, where he is responsible for shaping strategy and execution for the firm and its clients.

Jason's career is distinguished by a globally-ranked qualification from the Chartered Institute of Management Accountants (CIMA) and a formidable background in corporate and project finance. He has spearheaded high-value project finance initiatives within the infrastructure, energy, and real estate sectors, demonstrating particular acumen in the complex renewable energy domain.

His strategic capabilities were further honed in the competitive U.S. market with a growth-stage e-commerce company. There, he played a pivotal role in executing a strategic brand acquisition and developed the robust financial models that underpinned the company's expansion. This blend of cross-sector and international experience provides him with a unique perspective on navigating complex financial landscapes and driving sustainable value creation.



Nirmal (Niro) De Cooke
Non-Executive Director

Appointed to the board 10 January 2025

Board Committees

Remuneration Committee - Member

Positions Held in Other Companies

Non-Executive Director

Ceylon Hotels Corporation PLC
The Kandy Hotels Company (1938) PLC

Executive Board Member

Commonwealth Enterprise and Investment Council (UK)

Non-Executive Director

Ceylon Hotels Corporation PLC
The Kandy Hotels Company (1938) PLC

Director

Kings Investments (Pvt) Ltd
Quintessentially Ceylon (Pvt) Ltd
Dukes Investments (Pvt) Ltd
Queens Investments (Pvt) Ltd
Corporate Securities (Pvt) Ltd
Seaway Enterprises (Pvt) Ltd
Asia Dredging (Pvt) Ltd
Island Influencer (Pvt) Ltd
Apex GNA Consulting (Pvt) Ltd
Infini Restaurant Management (Pvt) Ltd
CHC Rest Houses (Pvt) Ltd
Capstone Merchant (Pvt) Ltd
Ceylon Merchant Capital (Private) Ltd
1705 Studio (Pvt) Ltd
Techno Park Development (Pvt) Ltd

Mr Niro Cooke is a Sri Lankan-British business leader with nearly 20 years of experience in infrastructure development, energy, and cross-border investment advisory. With a strong commitment to sustainable growth and regional integration, Niro has held leadership roles both in Sri Lanka and internationally, championing transformative investments.

He currently serves as an Executive Board Director, and Sri Lanka Hub Chair of the Commonwealth Enterprise and Investment Council (CWEIC) and is a Senior Advisor at Plus94, a Singapore-based private equity advisory firm focused on unlocking value in Sri Lanka's emerging sectors. He is also a Senior Advisor of LPO Solutions, a legal process outsourcing venture launched during Sri Lanka's economic crisis to deliver high-quality, technology-enabled legal services to global clients.



Sandamali Chandrasekera
Non-Executive Director

Appointed to the Board 10 January 2025

Board Committees

Related Party Transaction Review Committee - Member

Positions Held in Other Companies

Chairperson

Lanka Sugar Company (Pvt) Ltd
Finance PLC

Independent Non-Executive Director

Janashakthi Finance PLC

Director Corporate Affairs and Legal

Capital Maharaja Group

Ms Sandamali Chandrasekera is an Attorney-at-Law with over 17 years' experience in the legal profession. As a Counsel, she has specialised in Appellate Court work, primarily focussing on Fundamental Rights, Writs and Appeals before the Supreme Court and Court of Appeal of Sri Lanka.

Upon joining the corporate sector, she specialised in handling commercial and investment law, regulatory compliance, ethical governance, and implementing processes to improve operational efficiency.

Through her experience and expertise, Ms Chandrasekera has honed strong skills in international contract negotiations, navigating business challenges both locally and internationally, and investment structuring.

Ms Chandrasekera holds a Masters degree in Public Law from the University of Colombo and is a registered Notary Public and Company Secretary. As a passionate advocate of disability access, environmental protection, and animal welfare, Ms Chandrasekera has been involved in several public interest litigation matters advocating disability access and the enactment of the Animal Welfare Bill. As an active member of the Legal Profession, Ms Chandrasekera has held numerous positions in the Bar Association of Sri Lanka and the Colombo Law Society.

Ms Chandrasekera is presently holding the posts of Chairperson, Lanka Sugar Company (Pvt) Ltd, Director Corporate Affairs and Legal of the Capital Maharaja Group and is a member of the Board of Directors of Kerner Haus Global Solutions PLC.



Dinusha Kumari Herath
Non-Executive Director

Appointed to the Board 10 January 2025

Board Committees

Remuneration Committee - Member

Positions Held in Other Companies

Director

HRC Labs (Pvt) Ltd
Health Recon Connect Pvt Ltd
Kerner Haus 1705 (Pvt) Ltd
Northlark (Pvt) Ltd
Kerner Norland (Pvt) Ltd
Cloud Marc (Pvt) Ltd
Iconnlabs (Pvt) Ltd
Lanka Shared Services (Pvt) Ltd
Tanjun (Pvt) Ltd
Think Cube Connect (Pvt) Ltd
Velox Consultants (Pvt) Ltd
SB Technologies (Pvt) Ltd
RKS 17 Holdings (Pvt) Ltd
IT Connect (Pvt) Ltd
Plus 94 Labs (Pvt) Ltd
Kerner Haus 2203 (Pvt) Ltd
1705 Studio (Pvt) Ltd
HRC Service (Pvt) Ltd
2808 Holding (Pvt) Ltd
Vidhya Consulting (Pvt) Ltd
LPO Solutions (Pvt) Ltd
VKM Services (Pvt) Ltd
Garrett House (Pvt) Ltd
Merchant 88 (Pvt) Ltd
Ceylon Merchant Capital (Private) Limited
Capstone Merchant (Private) Limited
FBC Asia Pacific (Pvt) Ltd
K1 Solutions (Pvt) Ltd
Vishwaland (Pvt) Ltd
Zenith One (Pvt) Ltd

Ms Dinusha has over two decades of experience in the financial industry with two leading International banks. She started her career with ANZ Grindlays Bank in 1999 and then joined Standard Chartered Bank in 2002. Starting her career as a junior officer and having contributed to the banks' performance in many departments and functions, she rose to Manager Priority Banking Operations and Manager Branch Operations and Services.

During her tenure, she initiated many risk and efficiency enhancement processes. Recognized as an inspirational leader, she played a key role in driving business forward. She brings with her this experience in customer service, governance, and risk management to Visa/Mastercard and branch banking from multinational financial institutions.

Ms Dinusha also acts as a group director for the ShoreTree Holding Group of companies which is a global leader in technology sector, offering simple business solutions across BFSI, Crypto & Digital Currency, Education, Healthcare, Legal and more.

Management Team



Chandi Dharmaratne

The execution of our strategic vision is driven by a dynamic and experienced leadership team, entrusted by the Board to build and scale our operations.

Ms Chandi Dharmaratne is a seasoned HR and business leader with over 25 years of experience in organisational growth, digital transformation, and strategic expansion. She has held leadership roles at MAS Holdings, Virtusa, and Axiata Digital Labs, driving global HR strategy, talent development, and business transformation.

Beyond corporate leadership, Ms Dharmaratne is a strong advocate for entrepreneurship and industry growth. She has served on the boards of the Lankan Angel Network, AmCham Sri Lanka, the Association of HR Professionals Sri Lanka, and SLASSCOM, actively contributing to the business and technology ecosystems. She also plays a key role in shaping Sri Lanka's digital economy and workforce development.

Ms Dharmaratne holds a degree in Economics and Business Management, an MBA, and has completed executive education at INSEAD. As Chief Growth Officer of Kerner Norland, she leads strategic expansion efforts, leveraging her expertise in people development, business transformation, and innovation to drive success across the company's diverse portfolio.



Damitha Jayawardana

Mr Damitha Jayawardana is a finance and corporate leader with over 20 years of professional experience in auditing, accounting, and business management. His career began in audit, where he spent five years building a solid foundation in financial oversight before moving into corporate finance. For more than 15 years—14 of which have been in managerial roles—he has driven operational efficiency, strengthened governance frameworks, and supported sustainable business growth across multiple industries.

He currently serves as a Director of several leading companies in Sri Lanka. In these roles, he has successfully led organisational change initiatives, optimised processes, and delivered measurable improvements in profitability and performance. His expertise spans financial management, cost control, internal controls, and business transformation.

Mr Jayawardana is an ICASL finalist and holds an MBA, along with membership in CMA Australia and a DBA from New Zealand (NZ). Combining entrepreneurial leadership with strong planning, communication, and problem-solving skills, he continues to play a key role in aligning strategic vision with execution and driving the company's long-term success.



Meena Chokkalingam

Ms Meena Chokkalingam is the driving force behind the seamless operations of the Company's commercial and residential property portfolio. With a sharp eye for detail and a strong strategic mindset, she blends operational efficiency with exceptional tenant care. Her leadership ensures that every property under her purview — from high-performing office spaces to luxury residences — operates at peak potential, balancing functionality, profitability, and long-term value creation.

Her ability to align people, processes, and property strategies has set her apart in the real estate sector, making her a key contributor to the Company's growth and reputation. Under her guidance, operational standards have been consistently elevated to deliver consistent tenant satisfaction while maximising returns.

Academically, Ms Chokkalingam holds a Bachelor's degree in Pharmacy, which has provided her with a disciplined, analytical approach to problem-solving and management. Combined with her hands-on industry experience, she continues to play an integral role in driving operational excellence and strengthening the Company's position in the market.



Role of the Board

The Board's role is to provide entrepreneurial leadership to the company within a framework of prudent and effective controls that enable risk to be assessed and managed.

Responsibilities of the Board

- Ensuring the formulation and implementation of a sound business strategy with defined limits.
- Ensuring that the CEO and management team possess the skills, experience, and knowledge to implement the strategy.
- Ensuring the adoption of an effective CEO and key management personnel succession plan.
- Approving budgets and major capital expenditure.
- Determining the matters expressly reserved for the board and those delegated to the management including limits of authority and financial delegation.
- Ensuring effective systems are in place to secure integrity of information, internal controls, cybersecurity, business continuity and risk management.
- Ensuring the availability of an information and communication technology (ICT) roadmap aligned with the company's business strategy, and monitoring the progress of implementation through the ICT dashboard.
- Ensuring compliance with laws, regulations, and ethical standards.
- Ensuring all stakeholder interests are considered in corporate decisions.
- Ensuring that the company's values and standards are set, with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
- Establishing a process for monitoring and evaluating progress on strategy implementation, budgets, plans, and related risks.
- Ensuring a process is in place for corporate reporting on an annual and quarterly basis or more frequently as relevant to the company.
- Fulfilling such other Board functions as are vital, given the scale, nature, and complexity of the business.

Composition of the Board

The composition of the Board is governed by the Listing Rules set out by the Colombo Stock Exchange and the Articles of Association of the Company.

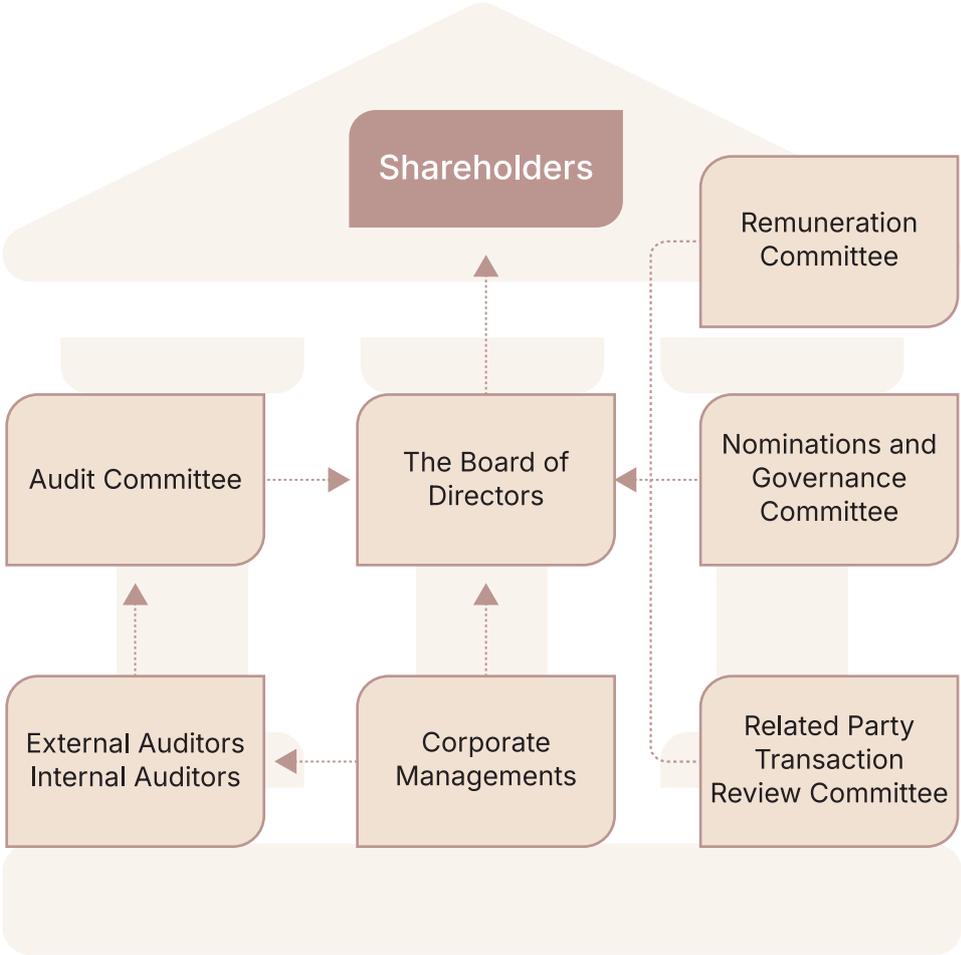
The Board of KHGS comprised eight Directors as of 31 March 2025. comprised eight are Non-Executive Directors and five of them are Independent. The Board is diverse in its experience, expertise, and age, contributing varied perspectives to boardroom deliberations whilst exercising independent judgement in all matters.

Brief profiles of the eight Board members are provided on pages pages 35 to 42 of this report. As per the Corporate Governance Rules, the Board is composed entirely of Non-Executive Directors, the majority of whom were independent.

Resignations and Appointments to the Board in 2024/2025

With the purchase of a majority stake in CPRT by Ekta Global Pte. Ltd. on 12 November 2024, the following members of the Board of Directors resigned, effective 10 January 2025 and a new Board of Directors was appointed.

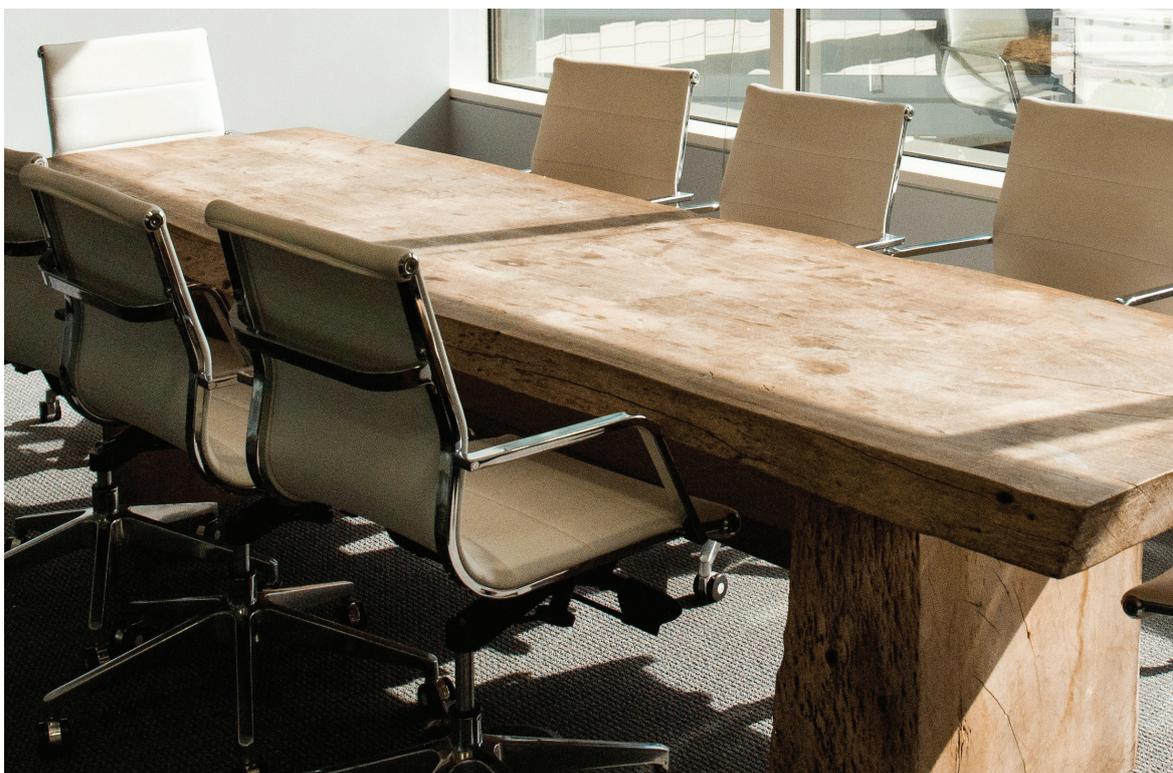
Resigned Board of Directors	Newly Appointed Board of Directors
Mr L. I. Ratnasabapathy	Mr S. E. C. Gardiner
Ms A. M. De Alwis	Mr W. M. A. I. Fernando
Mr P. S. R. Casie Chitty	Mr D. S. Weerakkody
Mr M. R. Y. Riffai	Ms S. D. Arseculeratne
Ms D. T. De Alwis	Ms D. L. M. S. Chandrasekera
Mr J. Gomes	Mr J. T. Yatawara
	Mr N. D. S. Cooke
	Ms D. K. Herath



Attendance at the Board Meetings

Director	Nature of Appointment	No. of meetings held/ Attended
Mr L. I. Ratnasabapathy	Executive Director	1/1
Mr A. M. De Alwis	Executive Director	1/1
Mr Anthony A. Page	Independent Non-Executive Director	-
Mr P. S. R. Casie Chitty	Independent Non-Executive Director	-
Mr M. R. Y. Riffai	Independent Non-Executive Director	1/1
Mr D. T. De Alwis	Independent Non-Executive Director	-
Mr J. Gomes	Independent Non-Executive Director	-
Mr S. E. C. Gardiner	Independent Non-Executive Director	1/1
Mr W. M. A. I. Fernando	Independent Non-Executive Director	1/1
Mr D. S. Weerakkody	Independent Non-Executive Director	1/1
Ms S. Arsecularatne	Independent Non-Executive Director	1/1
Ms D. L. M. S. Chandrasekera	Non-Executive Director	1/1
Mr N de Soysa Cooke	Non-Executive Director	1/1
Ms D. K. Herath	Non-Executive Director	1/1
Mr J. T. Yatawara	Non-Executive Director	1/1

In addition to the said board meetings, the decisions of the board were arrived at through discussions with management and agreement of board members via circular resolutions. Consequent to the change of ownership and management, the Company has held meetings in compliance with the applicable listing rules.



Annual Report of the Board of Directors on The Affairs of the Company

The Board of Directors of Kerner Haus Global Solutions PLC has pleasure in presenting to the shareholders their Annual Report on the affairs of the Company together with the Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 March 2025 in terms of the relevant statutory requirements. This Annual Report of the Board of Directors on the affairs of the Company contains the information required under the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

General

Kerner Haus Global Solutions PLC is a public limited liability company which was incorporated under the Companies Ordinance No. 51 of 1938 as a public company on the 29 June 1958. Pursuant to the requirements of the new Companies Act No. 7 of 2007, the Company was re-registered on 22 May 2008 and bears registration number PQ 150. The name of the Company was changed to Kerner Haus Global Solutions PLC on 18 August 2025. The Registered Office of the Company is situated at No.111, T. B. Jayah Mawatha, Colombo 10.

Principal Activities of the Company and Review of Performance During the Year

The main activity of the Company, which remained unchanged during the year, is commercial printing. The Chairman's Review describes the Company's affairs and highlights important events, which took place during the year under review. This Report together with the Financial Statements, reflect the state of affairs of the Company.

Review of Business Operations

The Chairman's Message on page 11 provides an assessment of the business performance of the Company and outlines future developments. These Reports together with the Financial Statements reflect the state of affairs of the Company and its subsidiaries.

Financial Statements

The Financial Statements of the Company and the Consolidated Financial Statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRS) and the Sri Lanka Accounting Standards (LKAS) laid down by The Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the Companies Act, No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The aforesaid Financial Statements duly signed by the Chief Financial Officer and two Directors on behalf of the Board are included in this Annual Report and form an integral part of this Annual Report of the Board of Directors.

Auditors' Report

The Report of the Auditors on the Financial Statements of the Company is given on pages 87 to 91.

Accounting Policies

The accounting policies adopted by the Company in the preparation of the Financial Statements are given on pages 103 to 109 which are consistent with those of the previous period.

Directors Responsibilities for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group, which present a true and fair view of the state of affairs as at the reporting date.

The Directors are of the view that the Statement of Financial Position, the Statement of Profit or Loss, the Statement of Changes in Equity, the Cash Flow Statement, and the Notes to the Financial Statements appearing on pages 92 to 133 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act, No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the amendments thereto and the Listing Rules of the Colombo Stock Exchange. The Statement of Directors' Responsibility for Financial Reporting is given on page 59.

Dividends

The Directors do not recommend the payment of a dividend for the year under review.

Property, Plant and Equipment, and Intangible Assets

Information on property, plant and equipment and intangible assets of the Group and the Company is given in Note 11 of Financial Statements on pages 117 to 120 respectively.

The Company does not own any land or buildings.

Investments

Information on investments held by the Group and the Company is given in Notes 12 and 13 on pages 120 to 122 respectively.

Stated Capital

The Stated Capital of the Company as at 31 March 2025 was Rs 30,358,500 represented by 600,170 Ordinary Shares. There were no changes in the stated capital of the Company during the year.

Share Information

Information on the distribution schedule of shareholding and the respective percentages and the analysis of shareholders are given on page 138 under Shareholder Information.

Earnings, Dividends, Net Assets, and Market Value of Shares

Information relating to earnings, dividends, net assets, and market value per share are given on pages 138 and 139.

Major Shareholders

Information on the thirty largest shareholders of the Company is given on page 136 under Shareholder Information.

Public Holding

Information on public shareholding in terms of the Listing Rules is given on page 137 under Shareholder Information.

Information on the Directors of the Company and Directors of Group Companies as at 31 March 2025

The Board of Directors of the Company as at 31 March 2025, comprised of eight Directors, with a broad range of skills, experience, and attributes which include entrepreneurship, finance, audit, legal, marketing and banking, as detailed in the brief Profiles of the Directors on page 35.

The names of the Directors who held office during the year and as at 31 March 2025 as required by Section 168(1)(h) of the Companies Act are given below :

Independent Non-Executive Directors	
Mr Sanjeev Edward Chittampalam Gardiner – Chairman	[appointed w.e.f. 10.01.2025]
Mr Wannakuwatte Mitiwaduge Asela Indrajith Fernando	[appointed w.e.f. 10.01.2025]
Mr Dinesh Stephen Weerakkody	[appointed w.e.f. 10.01.2025]
Ms Sarrani Dominique Arseculeratne	[appointed w.e.f. 10.01.2025]

Non-Executive Directors	
Mr Nirmal De Soysa Cooke	[appointed w.e.f. 10.01.2025]
Ms Dinusha Kumari Herath	[appointed w.e.f. 10.01.2025]
Mr Jason Thilaka Yatawara	[appointed w.e.f. 10.01.2025]
Ms Devundara Liyanage Manohari Sandamali Chandrasekera	[appointed w.e.f. 10.01.2025]

Changes in the Directorate during the Year

Resignations

- **Mr L. I. Ratnasabapathy**, Chairman/Managing Director and **Ms A. M. de Alwis**, Executive Director resigned with effect from 10 January 2025.
- **Mr M. R. Y. Riffai**, Senior Independent Director, resigned with effect from 10 January 2025.
- **Mr P. S. R. Casie Chitty**, Independent Director, resigned with effect from 10 January 2025.
- **Mr J. R. J. Gomes** and **Mrs D. T. de Alwis**, Non-Independent Non-Executive Directors, resigned with effect from 10 January 2025.

Deceased

Mr A. A. Page, Non-Independent Non-Executive Director, departed this life on 31 August 2024.

Appointments

Mr J.R.J Gomes was appointed with effect from 23 October 2024. The Directors who hold office as at date were appointed on 10 January 2025.

Directors of the Subsidiaries as at 31 March 2025

The directors of the Subsidiary companies are as follows:

Kalamazoo Industries (Pvt) Ltd	C.P. Groups Investments (Pvt) Ltd
Mr S. E. C. Gardiner	Mr S. E. C. Gardiner
Mr N. D. S. Cooke	Mr N. D. S. Cooke
Ms D. K. Herath	Ms D. K. Herath
Mr J. T. Yatawara	Mr J. T. Yatawara
Ms D. L. M. S. Chandrasekera	Ms D. L. M. S. Chandrasekera

Recommendation for Re-election of Directors Appointed Since the Last Annual General Meeting

Mr Sanjeev Gardiner, Mr Indrajith Fernando, Mr Dinesh Weerakkody, Ms Sarrani Arseculeratne, Mr Nirmal Cooke, Ms Dinusha Herath, Mr Jason Yatawara and Ms Sandamali Chandrasekera who were appointed to the Board under Article 91 of the Articles of Association of the Company, since the last Annual General Meeting, consequent to review by the Nominations and Governance Committee are recommended by the Board for re-election by the shareholders.

Corporate Governance

The Board of Directors confirms that the Company is compliant with Corporate Governance Rules set out in Section 9 of the Listing Rules of the Colombo Stock Exchange.

The Corporate Governance Statement on pages 34 to 83 explains the measures adopted by the Company during the year.

Policies in Terms of Rule 9.2 of the Listing Rules

The Company has adopted the 12 Policies as required by Rule 9.2.1 of the Listing Rules.

Fit and Proper Assessment of Directors

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the 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. These Declarations were placed before the Nominations and Governance Committee, and upon review by the Nominations and Governance Committee, where no member participated in decisions relating to his/her continuation, were then presented to the Board. The Board determined that all Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules and are qualified to continue as Directors in their respective capacities.

Independence of Directors

The Board, based on the declarations submitted by the Independent Directors confirming their independence against the criteria specified in the Listing Rules and such other information available to the Board that could reasonably be construed to have a bearing on the independence of such Directors, determined that the four Independent Directors — Mr Sanjeev Gardiner, Mr Indrajith Fernando, Mr Dinesh Weerakkody, and Ms Sarrani Arseculeratne — are independent in terms of the Listing Rules.

Policy on Relations with Shareholders and Investors

The Company is compliant with policies that ensure effective communication and relations with shareholders and investors.

Other Directorships Held by the Directors

The Board, based on the recommendations of the Nominations and Governance Committee, and considering the time allocation required of the Directors for Board related matters of the Company decided that a Director of the Company shall not hold more than Seven (07) directorships in listed companies.

Additional Disclosures Pertaining to Directors

Material Interests in Contracts involving the Company

The Directors have declared all material interests in contracts involving the Company in terms of the Companies Act and the Articles of Association of the Company and have acted as prescribed therein. Where relevant, they have refrained from voting on matters in which they were materially interested.

Material Business Relationships with Each Other

None of the Directors or close family members have any material business relationships with the other Directors of the Company.

Other Directorships Held by the Directors

Other Directorships held by Directors are disclosed on pages 35 to 42.

Review of Internal Controls

The Directors, through the Audit Committee, have conducted a review of the internal controls of the Company.

Applicable Laws, Rules, and Regulations

The Directors have made arrangements to make themselves aware of applicable laws, rules, and regulations and are aware of the changes, particularly to Listing Rules and applicable capital market provisions.

Board Meetings

One (01) Board Meeting of the Company was held during the year under review and the Directors' attendance at the said meeting is set out on page 49. In addition to the said board meeting, the decisions of the board were arrived at through discussions with management and agreement of board members via circular resolutions. Consequent to the change of ownership and management, the Company has held meetings in compliance with the applicable listing rules.

Board Sub Committees

The Board of Directors has formed four Board Sub Committees in terms of the Listing Rules of the Colombo Stock Exchange, namely, Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committee.

The composition of the said Board Sub Committees are as follows :

Audit Committee	
Mr W. M. A. I. Fernando	Chairman/Independent Non-Executive Director
Ms S. D. Arseculeratne	Independent Non-Executive Director
Mr J. T. Yatawara	Non-Executive Director
Remuneration Committee	
Mr W. M. A. I. Fernando	Chairman/Independent Non-Executive Director
Mr S.E.C. Gardiner	Independent Non-Executive Director
Ms S. D. Arseculeratne	Independent Non-Executive Director
Mr Nirmal De Soysa Cooke	Non-Executive Director
Ms D. K. Herath	Non-Executive Director
Related Party Transaction Review Committee	
Mr D. S. Weerakkody	Chairman/Independent Non-Executive Director
Ms D. L. M. S. Chandrasekera	Non-Executive Director
Ms S. D. Arseculeratne	Independent Non-Executive Director
Nominations and Governance Committee	
Mr S.E.C. Gardiner	Chairman/Independent Non-Executive Director
Mr D. S. Weerakkody	Independent Non-Executive Director
Mr J. T. Yatawara	Non-Executive Director

Directors' Interests in Shares

The information pertaining to the Directors' Shareholding in the Company is provided on page 138.

Directors' Remuneration

The Directors' remuneration is disclosed under Key Management Personnel (KMP) Compensation in Note 27.1 to the Financial Statements on page 128.

Directors' Interests in Contracts or Proposed Contracts and Interests Register

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

All related-party transactions, including those involving 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 relevant interests of Directors in the shares of the Company as at 31 March 2025 as recorded in the Interests Register are given in this Report under Directors' shareholding.

Donations

The Company did not make any donations during the year under review.

Independence of Auditors

Messrs Pope & Company, Chartered Accountants, were reappointed the Auditors of the Company at the previous Annual General Meeting.

Messrs Pope & Company, Chartered Accountants, resigned from the office of Auditors of the Company, in view of their inability to continue as the Auditors of the Companies listed on the Colombo Stock Exchange, due to regulatory restrictions imposed by the Securities and Exchange Commission of Sri Lanka.

In terms of Section 154(2) of the Companies Act, No. 7 of 2007, Messrs Jayasinghe & Co., Chartered Accountants were appointed as the Auditors of the Company to fill the casual vacancy created in the office of the Auditor, following the resignation of Pope & Company.

The Audit fee payable to the Auditors for the year under review is Rs. 600,000 (2023/24: Rs. 572,162).

Based on the declaration provided by Messrs Jayasinghe & Co., 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), 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.

Based on the recommendations of the Audit Committee a resolution to reappoint the Auditors and authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

Group

The audits of subsidiary companies are carried out by firms of Chartered Accountants in Sri Lanka or their respective countries of incorporation.

Compliance with Laws and Regulations

The Board has made arrangements to ensure they remain aware of applicable laws, rules, and regulations, including changes thereto, particularly to Listing Rules and applicable capital market provisions through regular updates provided by Directors themselves whose expertise lies in law, finance, or audit, as well as by the Company Secretaries.

To the best of the Directors' knowledge and belief, there were no material non-compliances with laws or regulations and there were no fines imposed on the Company by any government or regulatory authority in the country.

Statutory Payments

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government, other regulatory institutions and employees have been paid on their due dates or, where relevant, have been provided for in the Financial Statements.

Contingent Liabilities

The contingent liabilities as at 31 March 2025 are given in Note 30 to the Financial Statements on page 132.

Material Issues Pertaining to Employees and Industrial Relations

No material issues pertaining to employees or industrial relations of the Company occurred during the year under review requiring disclosure under Rule 7.6 (vii) of the Listing Rules.

Events Occurring After the Reporting Date

No event of material significance that require adjustments to the Financial Statements, has occurred subsequent to the reporting period, other than those disclosed in Note 31 to the Financial Statements on page 133.

Going Concern

The Directors of the Company after assessment of the objectives of the Company and its subsidiaries, Strategic Plan and progress in business made so far, are of the view that the use of going concern basis in preparing the Financial Statements is appropriate.

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 45 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). The recent amendments to Listing Rules require the minimum number to be increased to five (05). The proposed amendment to the number of Directors is to be in line with the new rule.
- (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) Amendments to the Articles of Association whereby the provisions governing the Contracts and Use of the Company Seal have been incorporated into Articles of Association.
- (e) Additional methods were brought in, to serve notice on shareholders.
- (f) Publication of notice is 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.

Annual General Meeting

The Annual General Meeting will be held on will be held by way of electronic means on Tuesday, 30 September 2025 at 3.00 p.m. The Notice of the Annual General Meeting appears on pages 142 to 147.

Acknowledgement

The Board of Directors have approved the Audited Financial Statements together with the Annual Report of the Board of Directors and the Reviews which form part of the Annual Report on 29 August 2025.

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



S. E. C. Gardiner
Chairman



J. T. Yatawara
Director



Anusha Wijesekara
P W Corporate Secretarial (Pvt) Ltd
Secretaries
29 August 2025

Statement of Directors' Responsibility for Financial Reporting

The responsibilities of the Directors, in relation to the Financial Statements of the Company and its subsidiaries differ from the responsibilities of the Auditors.

The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Report of the Auditors given on pages 87 to 91 of the Annual Report.

As per the Sections 150(1), 151, 152(1) and (2), 153 (1) and (2) of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year and of the results of its operations for the financial year, ensure that they are completed within six months or such extended period as may be determined by the Registrar General of Companies, certified by the person responsible for the preparation of the Financial Statements that they are in compliance with the said Companies Act and dated and signed on behalf of the Board by two Directors of the Company.

In terms of section 166(1) read together with sections 168(1)(b) and (c) and section 167(1) of the Companies Act, the Directors shall cause a copy of the aforesaid Financial Statements together with the Annual Report of the Board of Directors of the Company prepared as per section 166(1) of the Companies Act to be sent to every shareholder not less than fifteen working days before the date fixed for holding the Annual General Meeting. The said obligation is discharged by the Directors by publishing / making available for download, the Company's Annual Report on the Corporate Website of the Company and the Colombo Stock Exchange Website, and by notifying the shareholders thereof. On request, printed copies of the Annual Report will be forwarded to the shareholders.

The Directors consider that in preparing these Financial Statements set out on pages 92 to 133, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Directors of the Company after assessment of the objectives of the Company and its subsidiaries, Strategic Plan and progress in business made so far, are of the view that the use of going concern basis in preparing the Financial Statements is appropriate.

Further, the Directors have a responsibility to ensure that the Company and its subsidiaries maintain sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and its subsidiaries.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and its subsidiaries and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

Financial Statements prepared and presented in this report have been prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS) and are consistent with the underlying books of accounts and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Directors are of the view, that they have discharged their responsibilities as set out in this statement.

The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for.

By order of the Board

Kerner Haus Global Solutions PLC



P W Corporate Secretarial (Pvt) Ltd

Director / Secretaries

29 August 2025



Report of the Board Audit Committee (BAC)

The Audit Committee presents this report as part of its oversight responsibilities regarding the financial reporting process of the Company for the financial year ended 31 March 2025. This report provides stakeholders with insights into the effectiveness of internal controls, risk management, and the integrity of financial reporting.

Role of the Board Audit Committee

The Audit Committee supports the Board in discharging its oversight responsibilities in the following areas:

- Integrity of the financial statements
- Effectiveness of the internal control and risk management frameworks
- Compliance with applicable legal and regulatory requirements
- Suitability, performance, and independence of the External Auditors
- Effectiveness of the Internal Audit function

Responsibilities of the Board Audit Committee

Financial Reporting

Review the Company's annual audited financial statements and quarterly financial statements with management and the auditor to ensure compliance with the Sri Lanka Accounting Standards and other relevant laws and regulations.

Audit

Make recommendations to the Board, pertaining to the appointment, reappointment and removal of external auditors and approve the remuneration and terms of engagement of the external auditors. Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process

Assessing Going Concern

Assess the Company's ability to continue as a going concern in the foreseeable future

Internal Controls

Review and ensure the company has a sound internal and risk management framework.

Compliance

Ensure that regulatory compliance reports are obtained from management and reviewed, and that a high standard of corporate governance is maintained.

Composition of the Board Audit Committee

The Board Audit Committee is appointed by, and accountable to, the Board of Directors in accordance with the Listing Rules of the CSE and covers both audit and risk functions. Its members possess a diverse range of expertise and experience necessary to fulfil their responsibilities. Their detailed profiles can be found on pages 35 to 42 of this Report.

Name	Non-Executive Directors
Mr P. S. R. Casie Chitty - Resigned 10 January 2025	Independent Non-Executive Director (Chairman)
Mr M. R. Y. Riffai - Resigned 10 January 2025	Independent Non-Executive Director
Mr D. T. De Alwis - Resigned 10 January 2025	Independent Non-Executive Director
Mr M. M. Marzook - Resigned 10 January 2025	Independent Non-Executive Director
Mr W. M. A. I. Fernando – W.e.f 10 January 2025	Independent Non-Executive Director (Chairman)
Ms S. D. Arseculeratne – W.e.f 10 January 2025	Independent Non-Executive Director
Mr J. T. Yatawara – W.e.f 10 January 2025	Non-Executive Director

Meetings of the Board Audit Committee

The Committee convened once during the financial year 2024/2025 and the attendance of the committee members at these meetings is detailed below.

Director	Nature of Appointment	No. of meetings held/ Attended
Mr P. S. R. Casie Chitty	Independent Non-Executive Director	3/3
Mr M. R. Y. Riffai	Independent Non-Executive Director	3/3
Mr D. T. De Alwis	Independent Non-Executive Director	3/3
Mr W. M. A. I. Fernando	Independent Non-Executive Director	1/1 (Since appointment)
Ms S.D. Arseculeratne	Independent Non-Executive Director	1/1 (Since appointment)
Mr J. T. Yatawara	Non-Executive Director	1/1 (Since appointment)

In addition to the said meetings, the decisions of the board sub committees were made through discussions with management and agreement of board members via circular resolutions.

Summary of Activities of the Audit Committee during the Financial Year 2024/2025

Financial Reporting

The Committee reviewed the financial reporting process used in the preparation of quarterly and annual financial statements, ensuring the reliability of processes and the consistency of the accounting policies and methods adopted in accordance with Sri Lanka Accounting Standards and assessed the adequacy of internal controls and procedures, to obtain reasonable assurance that the financial reporting system is effective in providing reliable and timely information.

The Committee is satisfied that all relevant matters have been considered in the preparation of the financial statements through discussion with management regarding the operations of the company both during the financial year and its outlook.

Subsequently, the Committee endorsed the Annual and Quarterly Financial Statements to the Board for consideration and approval.

External Audit

The external auditors, MGI SL Assurance Partners resigned in accordance with the rules of CSE as they did not have the required qualifications to continue the engagement of a public-listed entity. Subsequently Jayasinghe & Co was appointed as external auditors after a formal appraisal and evaluation by the Board Audit Committee.

The Committee along with the external auditors and the management, reviewed and approved the external auditors' work plan and resources and agreed on various key areas of focus prior to the commencement of the audit.

The Company's senior management conducted a structured assessment to appraise the performance of the External Auditors. Based on this evaluation, the Committee has recommended to the Board of Directors the re-appointment of Jayasinghe & Co as Auditors for the financial year ending March 31, 2026, pending approval by shareholders at the upcoming Annual General Meeting

Compliance

The Committee scrutinised compliance with mandatory statutory requirements, reviewing the alignment of systems and procedures to ensure these requirements were met. The Committee is of the opinion that the Company is in compliance with relevant legal and regulatory requirements, including financial reporting requirements, including financial reporting requirements, the CSE Rules, the Companies Act, the SEC Act, and other relevant regulations.

Conclusion

Based on its work, the Audit Committee is of the opinion that the control procedures and environment within the Group provide reasonable assurance regarding the monitoring of the operations, accuracy of the financial statements, safeguarding of the assets of the Company, and risk profiling and initiatives taken towards mitigating these risks.

The Committee believes that the Company's accounting policies are appropriate and have been applied accurately.



W. M. A. I. Fernando

Chairman of the Board Audit Committee

01 September 2025

Report of the Remuneration Committee

The Remuneration Committee operates within agreed terms of reference and is committed to the principles of accountability and transparency and ensuring that remuneration arrangements align reward with performance

Duties

The Committee is responsible for the remuneration policy and its specific application to the Chief Executive Officer, executive & non-executive directors, and general application to the senior management reporting to the main board.

The Committee's duties include evaluating strategic human resources policies and monitoring the performance of the Company's staff for the purpose of organisational growth and succession planning.

Attendance and Composition

The composition of the Committee as at 31 March 2025 is as follows:

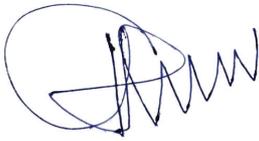
Name	Non-Executive Directors
Mr W. M. A. I. Fernando – W.e.f 10 January 2025	Independent Non-Executive Director (Chairman)
Mr S. E. C. Gardiner – W.e.f 10 January 2025	Independent Non-Executive Director
Ms S. D. Arseculeratne – W.e.f 10 January 2025	Independent Non-Executive Director
Mr N. D. S. Cooke -- W.e.f 10 January 2025	Independent Non-Executive Director
Ms D. K. Herath – W.e.f 10 January 2025	Non-Executive Director

Attendance of the members at Committee during the financial year 2024/2025 is as follows:

Director	Nature of Appointment	No. of meetings held/ Attended
Mr P. S. R. Casie Chitty	Independent Non-Executive Director	-
Mr M. R. Y. Riffai	Independent Non-Executive Director	-
Mrs D. T. de Alwis	Independent Non-Executive Director	-
Mr S.E.C. Gardiner	Independent Non-Executive Director	-
Mr W. M. A. I. Fernando	Independent Non-Executive Director	-
Ms S. D. Arseculeratne	Independent Non-Executive Director	-
Mr N. D. S. Cooke	Non-Executive Director	-
Ms D. K. Herath	Non-Executive Director	-

Decisions of the board sub committees were arrived at through discussions with management and agreement of board members via circular resolutions. Consequent to the change of ownership and management, the company has had meetings in compliance with the applicable listing rules.

The Chairperson of the Committee updates the Board on pertinent matters during Board meetings, ensuring key developments and relevant issues are addressed. The Committee confirms compliance with the Companies Act No 7 of 2007 regarding Director remuneration and confirms that no Director or key executive participated in decisions regarding their own remuneration. The Committee is satisfied that its functions were carried out effectively in accordance with the Committee Charter.



Mr W. M. A. I. Fernando

Chairman of the Remuneration Committee

29 August 2025

Report of the Nominations and Governance

The Nomination and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. It is governed by Terms of Reference; it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements. The Company Secretary serves as its Secretary.

The Duties of the Committee are as follows:

- Propose a suitable charter for the appointment and re-appointment of Directors to the Board. This charter should cover a Director's fitness and propriety, including qualifications, competencies, independence, the relevant provisions of the Companies Act, any applicable regulations, and relationships that could create a conflict of interest in relation to the Company's business
- Consider any appointments or re-appointments to the Board
- Provide advice and recommendations to the Board or the Chairman on any such appointment;
- Consider the selection and appointment of a Chairman in case a vacancy arises;
- Consider the succession plan for the Chief Executive Officer and for all key management personnel and determine the training and development requirements for those identified for succession;
- Consider if each director is able to and has been adequately carrying out his or her duties as a director, taking into consideration the knowledge and experience required to meet the strategic demands facing the company, the number of directorships of listed company boards on which he/ she is represented and other principal commitments;
- Identify and report on potential conflicts of interest that could arise if a Director were to accept a directorship in another company
- Regularly review the structure, size, composition including gender representation and competencies (including the skills, knowledge and experience) of the board and make recommendations to the Board with regard to any changes;
- Periodically review and recommend to the board the governance structure and processes, delegation of authority, and reporting relationships to ensure they support the strategy and the business model of the Company

Composition

Name of Director	Nature of Directorship
Mr S. E. C. Gardiner – W.e.f 10 January 2025	Independent Non-Executive Director
Mr D. S. Weerakkody – W.e.f 10 January 2025	Independent Non-Executive Director
Mr J. T. Yatawara – W.e.f 10 January 2025	Non-Executive Director

Meetings and Attendance

Director	Nature of Appointment	No. of meetings held/ Attended
Mr P. S. R. Casie Chitty	Independent Non-Executive Director	-
Mr M. R. Y, Riffai	Independent Non-Executive Director	1/1
Mrs D. T. de Alwis	Independent Non-Executive Director	1/1
Mr S. E. C. Gardiner	Independent Non-Executive Director	-
Mr D. S. Weerakkody	Independent Non-Executive Director	-
Mr J. T. Yatawara	Non-Executive Director	-

In addition to the said meetings, decisions of the Board sub committees were arrived at through discussions with management and agreement of board members via circular resolutions. Consequent to the change of ownership and management, the company has had meetings in compliance with the applicable listing rules.

Activities during the Year

- Appointment of new director Mr J Gomes
- Carried out fit and proper assesement of directors

Reporting

The Committee reports its activities at each Board Meeting of the Company.

Governance Practices and Compliance with Listing Rules

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules may be found in the Corporate Governance Commentary section of the Annual Report.



S. E. C. Gardiner
Chairman of the Nominations and Governance Committee
29 August 2025

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee (RPTRC) of the Company was formed by the Board on 6 February 2017 in accordance with then 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.

Composition of the Committee

The Related Party Transaction Review Committee of the Company comprises of two Independent Non-Executive Directors (one of whom is the Chairman) and one Non-Executive Director in conformity with Rule 9.14.2 of the Listing Rules. The Committee was reconstituted with effect from 10 January 2025 in compliance with the Corporate Governance Rules of the Colombo Stock Exchange consequent to the change of majority ownership of the Company. The composition of the Committee during the financial year under review was as follows:

As of March 31, 2025 and the date of this Report the composition of the Committee:

Name	Date of Appointment to the Committee	Nature of Directorship
Mr D. S. Weerakkody (Chairman)	10.01.2025	Independent Non-Executive Director (Chairman)
Ms D. L. M. S. Chandrasekera	10.01.2025	Non-Executive Director
Ms S. D. Arseculeratne	10.01.2025	Independent Non-Executive Director

The composition from 1st April 2024 to 10 January 2025 was as follows:

Name	Date of Appointment to the Committee	Nature of Directorship
Mr J. R. J. Gomes (Chairman)	30.10.2024	Independent Non-Executive Director
Mr P. S. R. Casie Chitty (Chairman up to 29.10.2024)	06.02.2017	Independent Non-Executive Director
Ms D.T. de Alwis	08.04.2024	Independent Non-Executive Director
Mr M. R. Y. Riffai	08.04.2024	Senior Independent Director

Meetings of Committee

The Committee had four meeting during the financial year 2024/2025 and the attendance at these meetings is given below. The Head of Group Finance attended the meeting by invitation.

Director	Position Held	No. of Meetings Held/ Attended
P. S. R. Cassie Chitty (resigned w.e.f. 10.01.2025)	Chairman/Member	3/3
M. Y. R. Riffai (resigned w.e.f. 10.01.2025)	Member	3/3
D. T. De Alwis (resigned w.e.f. 10.01.2025)	Member	3/3
J. R. J. Gomes (resigned w.e.f. 10.01.2025)	Chairman	1/1
D. S. Weerakkody	Chairman	1/1

Director	Position Held	No. of Meetings Held/ Attended
D. L. M. S. Chandrasekera	Member	1/1
S. D. Arseculeratne	Member	1/1

The Chairman of the Committee reported the proceedings, and significant issues discussed at the Committee meetings are communicated to the Board after conclusion of meetings. The minutes of the Committee meeting were circulated to the Board.

The deliberations of the Committee have also been carried out through discussions with the Management and where relevant agreement of Committee Members via Circular Resolutions.

Objective of the Committee

The purpose of the Committee is to review all proposed related party transactions prior to being entered into or if the transaction is expressed to be conditional to such review, prior to the completion of the transactions except for transactions explicitly exempted in the Terms of Reference which is in conformity with the Listing Rules.

Policies and Procedures

The members of the Board of Directors of the Company have been identified as Key Management Personnel. Accordingly, declarations are obtained from each Key Management Personnel of the Company for the purpose of identifying parties related to them.

Related Party Transactions

Details of related party transactions entered into by the Company during the year 2024/2025 is disclosed in Note 27 to the Financial Statements. The Committee confirms that since it assumed office, the Committee has reviewed all related party transactions from 10 January 2025 and made recommendations to the Board in that regard. Accordingly, as per the deliberations of the Committee and based on the proceedings of the Committee prior to 10 January 2025, the Committee confirms the Company has complied with the Listing Rules on related party transactions during the year under review.



D. S. Weerakkody

Chairman

Related Party Transactions Review Committee

29 August 2025

Extra Ordinary General Meetings

An Extra Ordinary General Meeting was held on 4th August 2025 during which the following amendments and resolutions were adopted.

- Change of Objectives of the Company which is entirely different from the previous printing business to commercial real estate sector.
- Change of Name of the Company to "Kerner Haus Global Solutions PLC."
- Loan of Rs.10,000,000/- from the major shareholder, Ekta Global Pte Ltd to fund the initial working capital and operational expenses required to launch the business activities.

Policies

KHGS has established and maintains a robust set of policies and any changes to the policies are communicated to stakeholders. The board monitors the implementation of the policies.

Key Corporate Governance Policies are as follows:

- Policy on matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Remuneration
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Policy on Risk management and Internal controls
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social and Governance Sustainability
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on Whistle-blowing
- Policy on Anti-Bribery and Corruption

These policies have been approved by the board. The details relating to the information of the policies are available on the company website. The policies are made available to the shareholders upon written request. There were no waivers from compliance with the Internal Code of business conduct and ethics or exemptions during the year under review.

The company maintains records of all resolutions and provides copies of the same at the request of the Exchange and/or the SEC. KHGS has a policy on effective communication and relations with shareholders and investors. The Company uses several communication methods which include the Annual Report, Interim Financial Statements, AGMs, EGMs, announcements to the CSE, and the company website, The Board of Directors and the Audit Committee ensure the accuracy and timeliness of published information and by presenting a true and fair view, and balanced assessment of results in the quarterly and annual financial statements. All material and price sensitive information is communicated to CSE in a timely manner.

Compliance with the Code of Best Practice of Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.

Section	Description	Compliance Status	Details
A.1 The Board	Every public company should be headed by an effective Board, which should direct, lead and control the company.	Yes	The Company is headed by an effective Board. The role of the Board and its members, Board functions, Board procedures and governance activities are discussed in detail from pages 35 to 73
A.1.1 Board Meetings	The Board should meet regularly. Board meetings should be held at least once every quarter.	Yes	Board meets at least once every quarter, and reviews the Company's performance and strategies. Further details are given from pages page 47 to 49
A.1.2 Board Responsibilities	The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls.	Yes	Board ensures the formulation and implementation of a sound business strategy, approves budgets and major capital expenditure and ensures all stakeholder interests are considered in corporate decisions. Further details are given from page 47
A.1.3 Compliance with Laws and Access to Independent Professional Advice	The Board collectively, and Directors individually, must act in accordance with the laws of the country. Directors can require the company to obtain independent professional advice at the Company's expense where it is considered necessary.	Yes	The Board acts in accordance with the laws in the country. All Directors have access to seek independent professional advice at the Company's expense.
A.1.4 Access to Advice and the Services of a Company Secretary	All directors should have access to the advice and services of the Company Secretary. The Company should obtain appropriate insurance cover as recommended by the nominations committee for the Board, directors, and key management personnel.	Yes	The Company Secretary is accessible to all directors. The Company Secretary advises the Board and ensures that matters concerning the Companies Act, board procedures and other applicable rules and regulations are followed.
A.1.5 Independent Judgment of Directors	All Directors should bring independent judgment to their duties and responsibilities on matters relating to the Board.	Yes	All Directors exercise independent judgment on decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.
A.1.6 Adequate time and effort on 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 are satisfactorily discharged. It must be recognized that Directors must dedicate sufficient time before a meeting to review board papers and call for additional information and clarification, and after a meeting to follow up on issues consequent to the meeting.	Yes	The Directors attend Board meetings and discuss matters. The Company endeavours to circulate the Board papers amongst its members at least one week prior to each Board meeting. The attendance by each Director is given on page 49
A.1.7 Resolution	One third of 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.	Yes	

Section	Description	Compliance Status	Details
A.1.8 Training and continuous Development of Directors	Every Director should receive appropriate training when first appointed to the Board of a Company, and subsequently as necessary.	Yes	All Directors in the Company are highly qualified and have expertise in different and are updated with developing applicable legislation and regulations, changes to rules and market trends.
A.2 Chairman and Chief Executive Officer	There are two key tasks at the top of every public Company – conducting of the business of the Board and facilitating executive responsibility for management of the Company's business. There should be a clear division of responsibilities at the head of the Company, which will ensure a balance of power and authority, such that no one individual has unfettered powers of decision.	Yes	
A.2.1	A decision to combine the posts of Chairman and Chief Executive Officer in one person should be justified and highlighted in the annual report.	N/A	
A.3 Chairman's Role	The Chairman's role in preserving good corporate governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions.	Yes	The Chairman leads the Board and ensures that it operates under good corporate governance practices.
A.4 Financial Acumen	The Board should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	Yes	Majority of the Board members are knowledgeable and experienced individuals who can provide guidance on matters of finance. Please refer profiles of Directors on pages 35 to 42
A.5 Board Balance	The Board should have a balance of Executive and Non-Executive Directors.	Yes	The Board comprises of eight Directors and all of them are non-executive. Please refer profiles of Directors on pages 35 to 42
A.5.1 Non-Executive Directors.	The Board should include Non-Executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions.	Yes	All of the Directors were Non-Executive Directors.
A.5.2 Independent Non-Executive Directors.	Where the constitution of the Board of directors includes only three Non-Executive Directors, all three Non-Executive Directors should be 'independent'. In all other instances three or two third of non-executive directors appointed to the board of directors whichever is higher should be independent.	Yes	Five out of eight Directors were Independent Non-Executive Directors.
A.5.3 Independence Criteria	For a director to be deemed independent such director should be independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.	Yes	All four independent non-executive directors meet the criteria for independence as per the code of best practices, corporate governance and listing rules.

Section	Description	Compliance Status	Details
A.5.4 Annual Declaration of Non-Executive Directors	Each non-executive director should submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria.	Yes	All Non-Executive directors have submitted the declaration of independence or non independence as per the code.
A.5.5 Annual determination of 'Independence' of Non-Executive Directors	The board should make a determination annually, unless a change has arisen subsequently, as to the independence or non-independence of each non-executive director based on such a declaration made of decided criteria and other information available to the board.	N/A	
A.5.6 Appointment of an Alternate Directors by a Non-executive/ independent Directors	If an alternate director is appointed by a non-executive director, such alternate director should not be an executive of the company	N/A	
A.5.7 /8 Senior Independent Director & availability for confidential discussions with other directors.	<p>In the event the chairman and CEO is the same person, or the chairman is not an independent director, or the chairman is the immediately preceding CEO or the chairman and CEO are close family members, the board should appoint one of the independent non-executive directors to be the "senior independent director" (SID) and disclose this appointment in the annual report.</p> <p>The senior independent director should make himself available for confidential discussions with other directors who may have concerns which they believe have not been properly considered by the board as a whole and which pertain to significant issues that are detrimental to the company.</p>	N/A	
A 5.9 Responsibility of Chairman to hold meetings only with Non-executive Directors.	The Chairman should hold meetings with the non-executive directors only, without the executive directors being present, as necessary and at least once each year.	N/A	All the directors at the board are Non-executive Directors.

Section	Description	Compliance Status	Details
A.5.10 Recording of concerns which cannot be unanimously resolved in Board minutes.	Where directors have concerns about the matters of the company which cannot be unanimously resolved, they should ensure their concerns are recorded in the board minutes.	N/A	All matters were unanimously resolved.
A.6 Supply of Information	The board should be provided with timely information in the form and of a quality appropriate to enable it to discharge its duties.	Yes	Financial and non-financial information are analysed and presented to the board to make accurate decisions.
A.6.1 Managements responsibility to provide the Board with appropriate and timely information.	Management has an obligation to provide the board with appropriate and timely information, but information volunteered by management may not be enough in all circumstances and directors should make further inquiries where necessary	Yes	The management ensures that timely, accurate, relevant and comprehensive information is provided to the Directors before the Board Meeting.
A.6.2 Preparation of minutes, agenda and Board papers prior to the Board meetings	To facilitate effective conduct of meetings, the agenda and papers required for a board meeting should be provided to directors at least seven (7) days before the meeting, and the minutes of the meeting should ordinarily be provided to directors at least two weeks after the meeting date.	Yes	The agenda and Board papers are circulated at least one week prior to the Board Meeting together with the minutes of the previous meeting.
A.7 Appointments to the Board	Board should establish a formal and transparent procedure for the appointment of new directors to the board.	Yes	All new appointments of the Board are made following a formal and transparent procedure
A.7.1 Composition of the Nominations Committee	A nomination committee comprising a minimum of three members should be established to make recommendations to the board on all new board appointments. Majority shall comprise non-executive directors and shall include at least two or one third (whichever is higher) of independent non-executive directors.	Yes	Please refer Report of the Nominations Committee on pages 68 to 70.
A.7.2 Annual assessment of the board composition against pre-defined criteria of skill and knowledge requirements.	The nomination committee should annually assess board-composition against pre-defined criteria of skill and knowledge requirements to ascertain whether the combined knowledge and experience of the board matches the strategic demands facing the company.	Yes	
A.7.3 Succession plan for the Chief Executive Officer and for Key Management Personnel	The committee should ensure that there is a succession plan for the chief executive officer and for all key management personnel and determine the training and development requirements for those identified for succession.	Yes	

Section	Description	Compliance Status	Details
A.7.4 Disclosure of details of new Directors to Shareholders	<p>Upon the appointment of a new Director to the Board, the company should forthwith disclose to shareholders:</p> <ul style="list-style-type: none"> • A brief resume of the director, • The nature of his expertise in relevant functional areas, • The names of companies in which the director holds directorships or memberships in board committees, and • Whether such director can be considered independent. 	Yes	All appointments of new Directors are informed to the shareholders with sufficient details via immediate notification to the CSE.
A.7.5 Terms and reference for nominations committees		Yes	
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	Yes	Completely a new was appointed on the 10 of January 2025.
A.8.1 Appointment and re-election of Non-Executive Directors.	Non-Executive directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a director, and their re-appointment should not be automatic.	Yes	Please refer to the page 48 of the Annual Report.
A.8.2 Election of Directors by the shareholders.	All Directors including the Chairman of the Board should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years.	Yes	The new Board will be subject to election by shareholders at the AGM.
A.8.3 Resignation	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 resignation.	Yes	The Board resigned on the 10 of January 2025 with the change in the majority stake.
A.9 Appraisal of Board Performance	Boards should periodically appraise their own performance in order to ensure that board responsibilities are satisfactorily discharged.	Yes	Please refer to the page 53 of the Annual Report.
A.10.1 Disclosures on Directors in the annual report.			
B. Directors Remuneration / Remuneration Committee	Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. To avoid potential conflicts of interest, no director should be involved in deciding his/her own remuneration.	Yes	<p>The remuneration Committee comprised exclusively of 5 Non-Executive Directors of whom 3 were Independent.</p> <p>Please refer Report of the Remuneration Committee on pages 66 to 67..</p>

Section	Description	Compliance Status	Details
C. Relations / Communications with Shareholders	Boards should use the AGM to communicate with shareholders and should encourage their participation. The Board should implement effective communication with shareholders. Disclosure of Major and Material Transactions.	Yes	Please refer page 73 of the Annual Report
D. Accountability and Audit / Financial and Business Reporting (The annual Report)	The board should present a balanced and understandable assessment of the company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects. Risk Management and Internal Control / Audit Committee	Yes	Please refer pages 50 to 58 of the Annual Report
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 favourable treatment" than that accorded to third parties in the normal course of business.	Yes	Related Party Transactions Review Committee consisted exclusively of Independent Non-Executive Directors Please refer Report of the Related Party Transactions Review Committee on pages 71 to 72

Compliance with the Corporate Governance Rules as set out under Section 9 of the Listing Rules of the Colombo Stock Exchange

	CSE Rule	Status of Compliance	Details/Reference
9.1	Applicability of Corporate Governance Rules		
9.1.3	A statement confirming compliance with Corporate Governance Rules	Compliant	Annual Report of the Board of Directors on the Affairs of the Company
9.2	Policies		
9.2.1	Requirement pertaining to establishment and disclosure of policies set out in the listing rules.	Compliant	Corporate Governance – page number 73
9.3	Board Committees		
9.3.1	Ensuring that the following Board Committees are established and are functioning effectively. Nominations and Governance Committee Remuneration Committee Audit Committee Related Party Transactions Review Committee	Compliant	Corporate Governance – pages 62 to 72
9.3.2	Comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in CSE Rules.	Compliant	Corporate Governance – pages 62 to 72
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	Maintain records of all resolutions and specified information pertaining to the resolutions considered at any General Meetings.	Compliant	Corporate Governance – page number 73
9.4.2	Communication and relations with shareholders and investors	Compliant	Corporate Governance – page number 73
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Establish and maintain a formal policy governing matters relating to the Board of Directors	Compliant	Corporate Governance – page number 73
9.5.2	Confirm compliance with the requirement of the policy referred to in Rule 9.5.1 in the Annual Report	Compliant	Annual Report of the Board of Directors on the Affairs of the Company
9.6	Chairperson and CEO		
9.6.1	The Chairperson shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity.	Compliant – Chairman is a Non-Executive Director	Corporate Governance – page number 35
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement.	N/A	
9.6.3 a)/b)/c)/d)	Requirement pertaining to Senior Independent Director (SID)	N/A	
9.6.3 e)	A signed explanatory disclosure by SID demonstrating the effectiveness of duties of the SID.	N/A	

CSE Rule	Status of Compliance	Details/Reference
9.6.4	Explanation for non-compliance with Rule 9.6.1 in the Annual Report.	N/A
9.7 Fitness of Directors and CEOs		
9.7.1/ 9.7.2/ 9.7.3/ 9.7.4	Requirement to meet the fit and proper criteria stipulated by the CSE Listing Rules and disclosure in Annual Report	Compliant Reporting date 31/03/2025. All Directors have filled out questionnaires to assess their fitness & propriety and are considered fit and proper.
9.8 Board Composition		
9.8.1/ 9.8.2	Requirement pertaining minimum number of Directors and Independent Directors	Compliant Corporate Governance – page number 52
9.8.3	Conformity to the criteria set by CSE on determining the independence of the Directors	Compliant Corporate Governance– page number 53
9.8.5	Requirement pertaining to self-declarations annual determination of independence and market announcement in the event of the impairment of the independence.	Compliant Annual declarations as to independence made and status of independence reviewed
9.9 Alternate Directors		
9.9.1	Non-Executive Directors shall be appointed as Alternate Directors in exceptional circumstances and for a maximum period of one (1) year from the date of appointment	N/A No Alternate Directors were appointed
9.10 Disclosures relating to Directors		
9.10.1 9.10.2 9.10.3	Requirement pertaining to the disclosure of the Directors	Compliant Directors' Profile pages 35 to 42
9.10.4	Disclosure of details pertaining to Directors in the Annual Report	Compliant Directors' Profile pages 35 to 42
9.11 Nominations and Governance Committee		
9.11.1/ 9.11.2/ 9.11.3	Existence of Nominations and Governance Committee, formal procedure for appointment and re-election of new Directors and written terms of reference of Nominations & Governance Committee	Compliant Corporate Governance – pages 68 to 70
9.11.4	Composition of Nomination and Governance Committee members and appointment of its Chairperson	Compliant Corporate Governance – pages 68 to 70
9.11.5	The Committee functions are in accordance with the set criteria as per the CSE Listing Rules	Compliant Corporate Governance – pages 68 to 70
9.11.6	Annual Report contains a report of the Nominations and Governance Committee signed by its Chairperson.	Compliant Report of the Nominations & Governance Committee Report on pages 69 to 70
9.12 Remuneration Committee		
9.12.2	A Remuneration Committee shall be established that conforms to the requirements	Compliant Corporate Governance – pages 66 to 67

	CSE Rule	Status of Compliance	Details/Reference
9.12.3/ 9.12.4	CSE Listing requirement pertaining to remuneration of the Directors	Compliant	Corporate Governance – pages 66 to 67
9.12.5	Remuneration Committee shall have a written terms of reference	Compliant	Corporate Governance – pages 66 to 67
9.12.6	Composition of the Remuneration Committee	Compliant	Remuneration Committee Report on pages 66 to 67
9.12.6 (3)	Remuneration Committee chaired by an Independent Director.	Compliant	Corporate Governance – pages 66 to 67
9.12.7	Recommendation to the Board of Directors regarding remuneration.	Compliant	Corporate Governance – pages 66 to 67
9.12.8 (a)	Disclosure of Chairperson and members of the Remuneration Committee in the Annual Report.	Compliant	Corporate Governance – pages 66 to 67
9.12.8 (b)	A statement regarding the remuneration policy	Compliant	Corporate Governance – pages 66 to 67
9.12.8 (c)	Disclosure of the aggregate remuneration of the Executive and Non-Executive	Compliant	Note 08 of the Annual Report
9.13	Audit Committee		
9.13.1	Entities who do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee (AC) shall additionally perform the Risk Functions	Compliant	Audit Committee Report on pages 62 to 65
9.13.2	The AC shall have a written terms of reference	Compliant	Audit Committee Report on pages 62 to 65
(1)	Composition of the Independent Directors of the Audit Committee	Compliant	Audit Committee Report on pages 62 to 65
(2)	Quorum comprising majority of Independent Directors	Compliant	Audit Committee Report on pages 62 to 65
(3)	Minimum number of meetings and quarterly meetings prior to releasing the quarterly financial statements.	Compliant	Audit Committee Report on pages 62 to 65
(4)	If both, the Parent Company and the subsidiary are 'Listed Entities', the AC of the Parent Company may function as the AC of the subsidiary	N/A	
(5)	The Chairperson being Independent Director of the Audit Committee	Compliant	Audit Committee Report on pages 62 to 65
(6)	Attendance of CEO and CFO at the Audit Committee meetings by invitation	Compliant	Audit Committee Report on pages 62 to 65
(7)	The Chairperson of the AC shall be a Member of a recognized professional accounting body.	Compliant	Audit Committee Report on pages 62 to 65
9.13.4	Functions of the Audit Committee as set out in CSE Listing Rules	Compliant	Audit Committee Report on pages 62 to 65
9.13.5	Disclosure of stipulated information in the Audit committee report included in the Annual Report	Compliant	Audit Committee Report on pages 62 to 65

	CSE Rule	Status of Compliance	Details/Reference
9.14	Related Party Transaction Review Committee		
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee	Compliant	
9.14.2 (1)	Composition of the Independent Directors and Chairperson being an Independent.	Compliant	
(2)	If both parent subsidiary are Listed Entities, the RPTRC of the parent company may function as the RPTRC of the subsidiary	N/A	Subsidiaries are Unlisted Entities. Nevertheless RPTR Committee assesses all related party transactions for subsidiaries as well.
9.14.3	Functions of the RPTRC as set out in CSE Listing Rules	Compliant	RPTR Committee Report pages 71 to 72
9.14.2	General requirement stipulated in CSE Listing Rules (1) to (4)	Compliant	RPTR Committee Report pages 71 to 72
9.14.5	Requirement pertaining to review of Related Party Transaction by RPTRC set out by CSE Listing Rules	Compliant	RPTR Committee Report pages 71 to 72
9.14.6	Requirement pertaining to shareholder approval set out by CSE Listing Rules.	Compliant	During the year under review there were no requirements for Shareholder Approval
9.14.7	Immediate Market Announcement to the Exchange as set out by CSE Listing Rules	Compliant	During the year under review there were no requirements for Shareholder Approval
9.14.8 (1)/(2)	Disclosure of RPT details in the Annual Report.	Compliant	Notes to the Financial Statements Note 27
(3)	Related Party Transactions Review Committee Report in the Annual Report	Compliant	RPTR Committee Report page 71 to 72
(4)	A declaration by the Board of Directors in the Annual Report confirming that RPT Rules are complied with.	Compliant	RPTR Committee Report page 71 to 72
9.14.9	Shareholder approval and competent independent advice on acquisition and disposal of assets from/to related parties	Compliant	No such transactions took place during the Financial Year
9.16	Additional Disclosures by the Board of Directors in the Annual Report	Compliant	Statement of Director's Responsibility pages 50 to 58

04

Financial Information

Financial Calendar

Annual Reports	
2023/2024	2 September 2024
2024/2025	29 August 2025

Meetings	
67th Annual General Meeting	4 October 2024
68th Annual General Meeting	30 September 2025
Extraordinary General Meeting	4 August 2025

Interim Statements	
1st Quarter	30 July 2024
2nd Quarter	18 November 2024
3rd Quarter	14 February 2025
4th Quarter	3 June 2025

Independent Auditors' Report to the Shareholders



Jayasinghe & Co.

Chartered Accountants

94/12, Kirulapone Avenue, Colombo 05, Sri Lanka.

Tel: +94 11 2512514, 2512400, 2512069

Website: www.aajco.lk | Email: info@aajco.lk

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Printers PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statements of financial position as at 31 March 2025, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 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 Auditors' 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

01. Management Assessment of the Group's ability to continue as Going Concern.

Risk Description	Our Response
<p>The directors of the company have assessed and concluded that the company's strategic plan is feasible and as recommended was approved by the shareholders. Considering this the directors opined that the company is a going concern and preparing the financial statements on this basis is appropriate (Note 1.3.7).</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> • Obtaining and evaluating management's going concern assessment. • Assessing and challenging the key assumptions underlying management's cash flow forecasts and profit projections, with reference to our understanding of the business and the external environment. • Obtaining written representations from the Board of Directors regarding their plans for future actions and assessing the feasibility of those plans. • Evaluating the Group's financial and operational performance subsequent to the reporting date. • Reviewing the availability of banking and other financing facilities by inspecting relevant contracts and agreements with financial institutions, both before and after the reporting date. • Assessing the adequacy and appropriateness of disclosures in the financial statements in accordance with the applicable financial reporting framework.

02. Impairment assessment of investment in subsidiaries.

Risk Description	Our Response
<p>The Company held investments in its subsidiaries amounting to Rs. 9.3 million, indicated at cost in the Company's financial statements and the net assets of the subsidiaries were Rs 9.2 million. In accordance with the applicable accounting standards, the investment is tested for impairment wherever indicators of impairment exist.</p> <p>Management performed an impairment assessment as of the reporting date and concluded that the recoverable amount of the investment exceeds its carrying value. The determination of the recoverable amount involves significant estimates and assumptions, particularly regarding future market and economic conditions. Any change in these assumptions could impact the recoverable amount. Due to the significance and subjectivity involved in the impairment assessment, we have identified this as a key audit matter.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> • Obtaining an understanding of management's impairment assessment process. • Reviewing and discussing with management the rationale and assumptions used in determining the recoverable amount. • Challenging the key inputs, estimates, and judgements applied in the computation of recoverable value. • Evaluating the adequacy and completeness of disclosures in the financial statements related to the impairment assessment.

03. Impairment assessment of trade and other receivables.

Risk Description	Our Response
The Company's trade and other receivables amounted to Rs. 8.9 million, against which a full loss allowance has been recognized under the expected credit loss (ECL) model in accordance with SLFRS 9 - Financial Instruments.	<p>Our audit procedures included;</p> <ul style="list-style-type: none">• Obtaining an understanding of the Group's process for assessing the recoverability of trade and other receivables and the methodology applied in determining expected credit losses.• Evaluating the appropriateness of the Group's ECL model and whether it complies with the requirements of SLFRS 9.• Reviewing ageing reports and historical collection patterns to assess the reasonableness of the assumptions applied.• Inspecting a sample of receivable balances for evidence of recoverability, including subsequent collections and correspondence with customers.• Assessing management's rationale for applying a full 100% impairment and evaluating whether such a conclusion is reasonable based on available evidence.• Assessing the adequacy of related disclosures in the financial statements, particularly in relation to the judgements, estimates, and risks involved in the impairment assessment.

Other Matter

The comparative financial information of the Group for the year ended 31 March 2025, included in these financial statements, is based on the previously issued statutory financial statements prepared in accordance with Sri Lanka Accounting Standards, which have been audited by the predecessor auditor, whose report for the year ended 31 March 2024 expressed unmodified opinion on those financial statements.

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 Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that present 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, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 SLAuS 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 judgement and maintain professional scepticism 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 the 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.

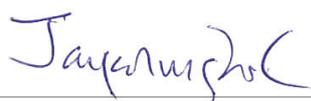
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

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 557.



Jayasinghe & Co.
Chartered Accountants

30 August 2025

CEYLON PRINTERS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	Group		Company	
		2025 (Rs)	2024 (Rs)	2025 (Rs)	2024 (Rs)
Revenue	05.	2,109,596	8,316,079	2,109,596	8,272,791
Cost of sales		(1,535,702)	(7,996,175)	(1,523,824)	(10,384,300)
Gross profit/(loss)		573,894	319,904	585,772	(2,111,509)
Other income	06.	1,633,937	5,477,994	1,596,963	7,857,303
Profit before operating expenses		2,207,831	5,797,898	2,182,735	5,745,794
Administrative expenses		(13,034,771)	(10,968,875)	(10,581,151)	(7,909,652)
Distribution expenses		-	(179,332)	-	(179,332)
Other expenses		-	-	-	-
Profit after operating expenses		(10,826,940)	(5,350,309)	(8,398,415)	(2,343,190)
Finance income		34,136	1,846,480	-	479,629
Finance expenses		(376,408)	(2,052,971)	(322,985)	(1,717,428)
Net financial expenses	07.	(342,273)	(206,491)	(322,985)	(1,237,799)
Net loss before tax	08.	(11,169,212)	(5,556,800)	(8,721,401)	(3,580,989)
Tax expenses	09.	-	(200,409)	-	-
Net loss after tax		(11,169,212)	(5,757,209)	(8,721,401)	(3,580,989)
Other comprehensive income/ (expense)					
Net change in equity instruments designated at fair value		(141,606)	165,829	(170,934)	210,220
Income tax impact		-	200,409	-	-
Other comprehensive (loss)/income – net of tax		(141,606)	366,238	(170,934)	210,220
Total comprehensive loss for the year		(11,310,818)	(5,390,971)	(8,892,335)	(3,370,769)
Profit/(loss) attributable to:					
Equity holders of the parent		(11,060,929)	(5,763,238)	(8,721,401)	(3,580,989)
Non-controlling interest		(108,284)	6,029	-	-
Profit/(loss) for the period		(11,169,212)	(5,757,209)	(8,721,401)	(3,580,989)

For the year ended 31 March	Note	Group		Company	
		2025 (Rs)	2024 (Rs)	2025 (Rs)	2024 (Rs)
Total comprehensive expense attributable to					
Equity holders of the parent		(11,212,310)	(5,376,176)	(8,892,335)	(3,370,769)
Non-controlling interest		(98,509)	(14,795)	-	-
Total comprehensive income/(expense) for the period		(11,310,818)	(5,390,971)	(8,892,335)	(3,370,769)
Loss per share (Rs. cts.) - basic					
	10.	(18.43)	(9.60)	(14.53)	(5.97)

CEYLON PRINTERS PLC

STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2025 (Rs)	2024 (Rs)	2025 (Rs)	2024 (Rs)
Assets					
Non-current assets					
Property, plant & equipment	11.	21,795	88,386	21,795	52,765
Investments in subsidiaries	12.	-	-	9,300,000	9,300,000
Non-current financial assets	13.	-	824,841	-	575,820
Deferred tax assets	14.	-	-	-	-
Total non-current assets		21,795	913,227	9,321,795	9,928,585
Current assets					
Inventories	15.	-	487,780	-	487,780
Trade and other receivables	16.	424,009	1,675,481	523,114	1,245,572
Amounts due from related parties	17.	-	247,577	-	-
Other current financial assets	18.	239,172	2,220,418	-	-
Cash & cash equivalents	20.	151,952	818,368	131,834	99,806
Total current assets		812,760	5,449,624	654,949	1,833,158
Total Assets		836,928	6,362,851	9,976,744	11,761,743
Equity & Liabilities					
Stated capital & reserves					
Stated capital	21.	30,358,500	30,358,500	30,358,500	30,358,500
Other components of equity	22.	-	669,710	-	535,694
Accumulated loss		(69,598,552)	(59,055,952)	(67,596,573)	(59,239,932)
Non-controlling interest		1,921,398	2,019,907	-	-
Total equity		(37,318,653)	(26,007,835)	(37,238,073)	(28,345,738)
Current liabilities					
Trade & other payables	23.	4,041,316	2,453,359	7,037,829	5,592,411
Loans from related parties	25.	18,104,000	24,954,000	17,600,000	24,450,000
Other loans and borrowings	25.	6,850,000	-	6,850,000	-
Dues to related companies	24.	9,157,892	4,603,057	15,726,987	9,704,800
Bank Overdraft	20.	2,373	360,270	-	360,270
Total current liabilities		38,155,581	32,370,686	47,214,817	40,107,481
Total equity & liabilities		836,928	6,362,851	9,976,744	11,761,743

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Damitha Jayawardana

Head of Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed on behalf of the Board of Directors;



W. M. A. I. Fernando

Director

29 August 2025



J. T. Yatawara

Director

29 August 2025

The accounting policies and notes from 1 to 31 form an integral part of these financial statements.

CEYLON PRINTERS PLC

STATEMENT OF CHANGES IN EQUITY

GROUP	Stated Capital Rs.	Accumulated Losses Rs.	Fair Value Reserve Rs.	Revaluation Reserve Rs.	Interest Rs.	Total Rs.
Balance as at 01/04/2023	30,358,500	(53,504,217)	453,461	4,555,564	2,028,674	(16,108,018)
Profit/(Loss) for the period	-	(5,763,238)	-	-	6,029	(5,757,209)
Other Comprehensive Income /(Expense) for the year	-	200,409	180,625	-	(14,795)	366,239
Total Comprehensive Income /(Expense) for the year	-	(5,562,829)	180,625	-	(8,766)	(5,390,970)
Dividend issued by Subsidiary	-	(780)	-	-	-	(780)
Transfer of Depreciation from Revaluation Reserve to Retained Earnings	-	11,875	-	(4,519,940)	-	(4,508,065)
Balance as at 31/03/2024	30,358,500	(59,055,952)	634,086	35,624	2,019,907	(26,007,835)
Balance as at 01/04/2024	30,358,500	(59,055,952)	634,086	35,624	2,019,907	(26,007,835)
Profit/(Loss) for the period	-	(11,060,929)	-	-	(108,284)	(11,169,212)
Other Comprehensive Income /(Expense) for the year	-	-	(151,381)	-	9,775	(141,606)
Total Comprehensive Income /(Expense) for the year	30,358,500	(70,116,881)	482,705	35,624	1,921,398	(37,318,653)
Reclassification of Fair Value Reserve (FVOCI) and Revaluation Reserve	-	518,329	(482,705)	(35,624)	-	-
Balance as at 31/03/2025	30,358,500	(69,598,552)	-	-	1,921,398	(37,318,653)

CEYLON PRINTERS PLC

STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital Rs.	Accumulated Losses Rs.	Fair Value Reserve Rs.	Revaluation Reserve Rs.	Total Rs.
Balance as at 01/04/2023	30,358,500	(55,658,943)	325,474	4,508,065	(20,466,904)
Profit/(Loss) for the period	-	(3,580,989)	-	-	(3,580,989)
Other Comprehensive Income / (Expense) for the year	-	-	210,220	-	210,220
Total Comprehensive Income / (Expense) for the year	30,358,500	(59,239,932)	535,694	4,508,065	(23,837,673)
Transfer of Depreciation from Revaluation Reserve to Retained Earnings	-	-	-	(4,508,065)	(4,508,065)
Balance as at 31/03/2024	30,358,500	(59,239,932)	535,694	-	(28,345,738)
Balance as at 01/04/2024	30,358,500	(59,239,932)	535,694	-	(28,345,738)
Profit/(Loss) for the period	-	(8,721,401)	-	-	(8,721,401)
Other Comprehensive Income / (Expense) for the year	-	-	(170,934)	-	(170,934)
Total Comprehensive Income / (Expense) for the year	30,358,500	(67,961,333)	364,760	-	(37,238,073)
Reclassification of Fair Value Reserve (FVOCI) and Revaluation Reserve)	-	364,760	(364,760)	-	-
Balance as at 31/03/2025	30,358,500	(67,596,573)	-	-	(37,238,073)

CEYLON PRINTERS PLC

STATEMENT OF CASH FLOWS

For the year ended 31st March	Note	Group		Company	
		2025 (Rs)	2024 (Rs)	2025 (Rs)	2024 (Rs)
Cash flows from operating activities					
Net profit/ (loss) before tax		(11,169,212)	(5,556,800)	(8,721,401)	(3,580,989)
Adjustments for:					
Depreciation	11.	42,848	1,547,650	30,970	1,535,775
Profit on disposal of fixed assets	06.	(700,000)	(1,925,119)	(700,000)	(1,925,119)
Interest expenses	07.	376,408	1,692,971	322,985	1,357,428
Interest income	07.	(34,136)	(1,846,480)	-	(479,629)
Impairment for Trade Debtors & Other receivables		637,884	203,084	-	203,084
Staff Loan Write Off		195,509	-	-	-
Fixed Asset Write Off		23,748	-	-	-
(Gain)/Loss on investments in unit trust		(36,974)	(20,691)	-	-
Write back of Trade Receivables		-	(93,454)	-	(93,454)
Write Back of Trade Creditors		-	(1,383,291)	-	(1,383,291)
Provision for slow moving inventory		-	20,474	-	20,474
Dividends received					(2,400,000)
Operating loss before working capital changes		(10,663,925)	(7,361,656)	(9,067,445)	(6,745,721)
Changes in working capital					
(Increase)/decrease in inventories		487,780	515,358	487,780	515,358
(Increase)/decrease in trade & other receivables		418,079	1,235,096	722,458	406,874
Increase/(decrease) in trade & other payables		1,587,952	(2,584,107)	1,445,418	2,751
Increase/(decrease) in related party balances		4,802,412	(12,608,387)	6,022,187	(9,914,342)
Cash generated from / (used in) operations		(3,367,701)	(20,803,696)	(389,602)	(15,735,080)
WHT Paid		-	(130,717)	-	(33,021)
Interest paid	07.	(376,408)	(1,692,971)	(322,985)	(1,357,428)
Net cash generated from / (used in) operating activities		(3,744,109)	(22,627,384)	(712,588)	(17,125,529)
Cash flows from / (used in) investing activities					
Interest received		34,136	1,846,480	-	479,629
Withdrawal of fixed deposits		2,018,220	12,602,587	-	3,626,902
Cash proceeds from disposal of property, plant and equipment		700,000	15,913,043	700,000	15,913,043
Cash proceeds from disposal of investments		683,235	-	404,886	-

For the year ended 31st March	Note	Group		Company	
		2025 (Rs)	2024 (Rs)	2025 (Rs)	2024 (Rs)
Dividends received		-	-	-	2,400,000
Net cash generated from / (used in) investing activities		3,435,590	30,362,110	1,104,886	22,419,574
Cash flows from financing activities					
Loans obtained		-	7,569,699	-	7,569,699
Loan settlements		-	(9,643,899)	-	(9,643,900)
Dividend Paid		-	(780)	-	-
Net cash generated from / (used in) financing activities		-	(2,074,980)	-	(2,074,201)
Net increase / (decrease) in cash & cash equivalents					
		(308,519)	5,659,745	392,298	3,219,843
Cash & cash equivalents at the beginning of the year		458,098	(5,201,647)	(260,464)	(3,480,307)
Cash & cash equivalents at the end of the year	A	149,579	458,098	131,834	(260,464)
Note A - cash and cash equivalents					
Cash and cash equivalents	20.	151,952	818,368	131,834	99,806
Bank overdraft	20.	(2,373)	(360,270)	-	(360,270)
		149,579	458,098	131,834	(260,464)

CEYLON PRINTERS PLC

CORPORATE INFORMATION

FOR THE YEAR ENDED 31ST MARCH 2025

1.1 Reporting entity

Ceylon Printers PLC is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The Company's registered office and the principal place of business is located at No.111, T.B. Jayah Mawatha, Colombo 10.

1.2 Principal Activities and Nature of Operations of the Group and Company

Parent

Ceylon Printers PLC - Commercial printing and the import and sale of ATM cards, credit cards, and PIN mailers.

Subsidiaries

Kalamazoo Industries (Pvt) Ltd - Hiring machines and labour to its parent company.

C.P. Group Investments (Pvt) Ltd - Provision of loans to staff of the Ceylon Printers Group of Companies.

1.3 Basis of Preparation

1.3.1 Statement of Compliance

The consolidated financial statements of the Group are prepared in accordance with Sri Lanka Accounting Standards (LKASs and SLFRSs) as issued by The Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No.07 of 2007.

1.3.2 Basis of Consolidation and Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared in compliance with the Group's accounting policies unless otherwise stated. All intra-group balances, income and expenses, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries

Subsidiaries are entities controlled by the Parent. Control exists when the parent holds more than 50% of the voting rights or otherwise has a controlling interest. Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies. Subsidiaries consolidated have been listed below. The following companies, with equity control equal to or more than or less than 50%, have been consolidated as subsidiaries based on the power to govern the financial and operating policies of those entities.

1. C.P. Group Investments (Pvt) Ltd - 66.67%
2. Kalamazoo Industries (Pvt) Ltd - 99.99%

The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the statement of financial position. Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from parent's shareholders' equity. The consolidated statement of cash flow includes the cash flows of the Company and its subsidiaries.

1.3.3 Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and presentation of the consolidated financial statements of the Group as per the

provisions of the Companies Act No. 07 of 2007.

1.3.4 Approval of Financial Statements by the Board of Directors

The financial statements of the group for the year ended 31 March 2025 were approved and authorised by the Board of directors for issue on 29 August 2025.

1.3.5 Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting these financial statements, except for those disclosed in Note 11 and Note 26.

1.3.6 Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates. The financial statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency.

1.3.7 Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern, and is satisfied with the new business plan and the commitment of the parent company to providing financial support if required, to enable it to meet its obligations and continue its operations in the ordinary course of business for the foreseeable future, and confirm that they do not intend either to liquidate or to cease operations. Therefore the financial statements continue to be prepared on a going concern basis.

1.3.8 Comparative Information

The accounting policies have been consistently applied by the Group with those of the previous financial year in accordance with LKAS 01 -

Presentation of financial statements, unless otherwise stated.

1.3.9 Materiality and Aggregation

In compliance with LKAS 01 - Presentation of Financial Statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions too are presented separately, if they are material.

1.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with SLFRSs and LKASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although the judgements and estimates are based on management's best knowledge of the current events and actions, actual results would ultimately differ from those estimates.

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 is included in the following notes:

1.4.1 Revaluation of Machinery and Motor Vehicles

The group carries its machinery and motor vehicle at fair value, with changes in fair value being recognised in Other Comprehensive Income.

As disclosed in note 11, the Group engaged an independent valuation specialists to assess fair value as at 31 March 2019 and 31 March 2022 for revaluation of Machineries and Motor Vehicle respectively of Ceylon Printers PLC while valuation of machineries of Kalamazoo Industries (Pvt) Ltd as at 31 March 2019 was carried out by the management. Judgements and estimations were involved in

determining the revalued amount of machinery as it required the valuer/ management to estimate the future useful life of the asset. Judgement of the valuer/ management was also exercised in the estimation of values, method and hence, they were subject to uncertainty.

1.4.2 Actuarial Assumptions Used in the Computation of Retirement Benefit Obligation

The cost of defined benefit obligation is determined using the projected unit credit method. This involves making assumptions about discount rates, future salary increases and staff turnover. In determining the appropriate discount rate, management considers the interest rates of government bonds. Future salary increases are based on expected future increment rates.

The key assumptions used are disclosed in Note 23. Due to the long term nature of these plans, such estimates are subject to uncertainty.

1.4.3 Loss Allowance on Financial Assets Based on Recoverability

The group reviews its trade receivables at each reporting date and assesses whether an allowance should be recorded in profit or loss. In particular, management's judgement is required in the estimation of the loss allowance.

1.4.4 Recognition of Deferred Tax Assets

The extent to which a deferred tax asset could be recognized on unused tax losses carried forward is determined based on the expected availability of future taxable profits. This is further described in Note 14.

CEYLON PRINTERS PLC

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

The Group applies the requirements of the LKAS 16 on "Property, Plant and Equipment" in accounting for its owned assets which are held for use in the provision of services, or for administrative purposes and are expected to be used for more than one year.

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. The cost of an item of property, plant and equipment comprises of its purchase price and any directly attributable costs of bringing the asset to a working condition for its intended use.

Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in profit or loss in the period in which those are incurred.

All classes of assets, except machinery and motor vehicles, included under property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Machinery and motor vehicles are stated at their revalued amounts, being the fair value at the date

of revaluation, less any subsequent accumulated depreciation and subsequent impairment losses.

The Group changed the measurement of machinery and motor vehicles from cost model to revaluation model with effect from 31 March 2019 and 31 March 2022, respectively.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

Depreciation is calculated using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. Depreciation of an asset begins when it is available for use and ceases at the date that the asset is disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term.

The estimated useful lives are as follows:

Plant and machinery	8 - 50 years
Furniture and fittings	5 - 20 years
Electrical installation	5 years
Office and other equipment	3 - 10 years
Motor vehicles	4 years
Computer equipment	1 year

The useful life of plant and machinery has been assessed to be in the range of 8 - 50 years with the higher useful life being applicable to branded machinery purchased from a reputed manufacturer.

The assets residual values, useful lives and methods of depreciation are reviewed and adjusted as appropriate at each financial year.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.2 Investment in subsidiaries

In the Company's financial statements, the investment in subsidiaries is treated as a long term investment and stated at cost less impairment.

2.3 Financial assets

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Classification and Subsequent Measurement

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortised cost.

The classification of financial assets at amortized cost and measured at fair value through other comprehensive income depends on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition

All financial assets are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes 'regular way trades': purchases or sales of financial assets that require delivery of assets within the time-frame generally established by regulation or convention in the market place.

Subsequent measurement and gains and losses

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows, represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss including impairment losses, if any.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as a separate line item charged to profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss.

2.3 De-recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
 - The Group has transferred substantially all the risks and rewards of the asset or
 - The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises the associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Loss Allowance of Financial Assets

In relation to the impairment of financial assets, SLFRS 9 requires an expected credit loss model to be adopted. SLFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. SLFRS 9 also permits a simplified approach for measuring the

loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances. Accordingly, for trade receivables the company has applied the simplified approach.

2.4 Inventory

Inventory is measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of materials is based on the First-In, First-Out (FIFO) method. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories (finished goods and work in progress), cost includes material cost, labour cost an appropriate share of factory overheads based on normal operating capacity.

2.5 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal

of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.6 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand. Cash and bank balances are stated at recoverable value. Bank overdrafts forming an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.7 Stated Capital

Ordinary shares are classified as equity. Other shares are classified as equity or liability according to the economic substance of the particular instrument. Distribution to holders of a financial instrument classified as an equity instrument is charged directly to equity.

2.8 Dividend to Shareholders of the Company

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.9 Financial liabilities

Initial recognition and measurement

The Group recognises financial liabilities in the statement of financial position when the group becomes a party to the contractual provisions of the financial liability.

All financial liabilities are measured subsequently at Fair Value through Profit or Loss (FVPTL) or at amortised cost using the effective interest method.

i. Financial Liabilities at FVTPL

A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition, financial liabilities at FVTPL are measured at fair value, and changes are recognized in profit or loss.

Upon initial recognition, transaction costs directly attributable to the acquisition are recognized in profit or loss as incurred. The criteria for designation of financial liabilities at FVTPL upon initial recognition are the same as those of financial assets at FVTPL.

ii. Financial Liabilities Measured Subsequently at Amortised Cost

Financial liabilities that are not held for trading or designated as at FVTPL are measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of financial liability.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

2.10 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 the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2.11 Retirement Benefit Obligation

Defined Benefit Plan – Gratuity

The defined benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation at the reporting date estimated using the projected

unit credit method. These benefits are not externally funded.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees, in conformity with LKAS 19 on Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service. The Company's obligations under the said Act are determined based on the projected unit credit method carried out by the management.

Gains and losses through re-measurements of the defined benefit liability are recognized in other comprehensive income and not reclassified to profit and loss in subsequent periods.

Defined Contribution Plans – EPF and ETF

A 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 obligations to pay further amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees. The Company contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively for all employees except for 6 employees for whom 12% of their gross emolument is contributed to the Ceylon Printers Group Employees' Provident Fund.

2.12 Contingent Liabilities and Contingent Assets

The Group does not recognize a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises

from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognize a contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.13 Taxation

Income tax expense comprises of current and deferred tax. The income tax expense is recognised in profit or loss except to the extent that it relates to the items recognised directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

Current Taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and its subsequent amendments thereto as described in Note 9.

Deferred Taxation

Deferred tax is recognised on temporary differences at the financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities generally are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carry-forward of unused tax credits or unused tax losses can be utilized. Deferred tax assets or liabilities are not recognized on temporary differences arising from the initial recognition of goodwill.

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

Deferred tax assets and liabilities are measured at tax rates that are expected to apply in the year when the liability is settled or asset is realised..

The principal temporary differences arise from depreciation on property and equipment, revaluation of machinery, tax losses, and the retirement benefit obligation.

2.14 Revenue and Expenditure

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Goods Transferred at a Point in Time

Under SLFRS 15, revenue is recognized upon satisfaction of the performance obligation. Revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Services Transferred Over Time

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

Interest

Interest income is recognized as it accrues in profit or loss using the effective interest method.

Dividends

Dividend is recognized when the right to receive such is established, which is generally when the dividend is declared.

Gains and Losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non current assets, including investments, are accounted for in profit or loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Others

Other income is recognized on an accrual basis.

Expenditure Recognition

Expenses are recognized in profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to profit or loss.

For the purpose of presentation of the statement of comprehensive income, the function of expense method has been adopted, on the basis that it presents fairly the elements of the Group's performance.

Finance Income and Costs

Finance income comprises of interest income. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Finance expense comprises interest payable on all financial liabilities such as term loans, overdrafts, and finance leases.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

2.15 Statement of Cash Flows

The statements of cash flow have been prepared using the indirect method in accordance with LKAS 07 on 'Statement of Cash Flows'. Cash and cash equivalents comprise cash in hand and cash at bank that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Interest paid is classified under operating cash flows. Dividend received and interest income is classified under cash flows from investing activities. Dividend paid are classified under cash flow from financing activities.

Bank overdraft forming an integral part of the Company's cash management are included

as a component of cash and cash equivalents
for the purpose of the statement of cash flows.

2.16 Earnings Per Share (EPS)

EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. Accounting Standards

3.1 Accounting Standards Issued but Not Effective as at the Reporting Date

There were no new such standards applicable to the company during the current year.

3.2 New Accounting Standards Issued and Effective

3.2.1 Classification of Liabilities as Current or Non-current - Amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment is effective for annual periods beginning on or after 1 January 2023.

3.2.2 Property, Plant, and Equipment: Proceeds Before Intended Use - Amendments to IAS 16

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately

the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. This amendment is effective for the annual periods beginning on or after 1 January 2022.

3.2.3 Reference to the Conceptual Framework - Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognized at the acquisition date. This amendment is effective for the annual periods beginning on or after 1 January 2022.

3.2.4 Onerous Contracts - Cost of Fulfilling a Contract Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, the entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract. This amendment is effective for the annual periods beginning on or after 1st January 2022.

3.2.5 Disclosure Initiative: Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments to IAS 1 will be effective for annual reporting periods beginning on or after 1 January 2023.

3.2.6 Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

IAS 12 Income Taxes specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

3.2.7 Definition of Accounting Estimates (Amendments to IAS 8)

The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual periods beginning on or after 1 January 2023.

4. "Financial and capital risk management"

4.1 "Financial risk management"

The Group is exposed to a range of financial risks as a result of holding financial instruments. In particular, the key financial risk categories are:

- Credit risk
- Liquidity risk
- Market risk

a) Credit risk

Credit risk arises from credit exposure to unsecured customers and cash and cash equivalents and deposits/investments with banks and financial institutions and when banks/financial institutions fail

to discharge their contractual interest and principal on their debt obligations due to declining financial strength.

Management of Credit Risk

The Group manages its credit risk with different types of instruments as follows:

Fixed Deposits

Deposits are placed only with reputed and established commercial banks and other licensed financial institutions.

Trade and other receivables

The Group is responsible for managing and analysing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. The management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Sources of credit risks are identified, assessed and monitored and the Group has policies to manage the risks within various subcategories. The utilization of credit limits is regularly monitored. Management does not expect any losses from non-performance by these counterparties.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The aging of trade and other receivables at the reporting date

Group

The maximum exposure to credit risk for trade and other receivables at the reporting date is Rs. 0.424 Mn (2024 - Rs. 5.25 Mn) which is recorded in Note 16.

	Gross Receivables		Loss Allowance		Carrying Value	
	2025	2024	2025	2024	2025	2024
Past due:						
Neither past due nor impaired		243,147	-	-	-	243,147
Past due 0-60 days		1,078,053	-	-	-	1,078,053
Past due 61-120 days		302,607	-	-	-	302,607
More than 120 days	10,145,958	12,712,758	9,721,949	9,084,065	424,009	3,628,693
Total	10,145,958	14,336,566	9,721,949	9,084,065	424,009	5,252,501

Company

The maximum exposure to credit risk for trade and other receivables at the reporting date is Rs. 0.523 Mn (2024 - Rs. 1.1 Mn) which is recorded in Note 16.

	Gross Receivables		Loss Allowance		Carrying Value	
	2025	2024	2025	2024	2025	2024
Past due:						
Past due 0-60 days		478,053		-	-	478,053
Past due 61-120 days		102,607		-	-	102,607
More than 120 days	10,245,063	9,612,758	9,721,949	9,084,065	523,114	528,693
Total	10,245,063	10,193,418	9,721,949	9,084,065	523,114	1,109,353

Movement in the loss allowances	Group		Company	
	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
Balance at the beginning of the year	9,084,065	8,880,982	9,084,065	8,880,982
Loss allowance/(reversal) during the year	637,884	203,083	637,884	203,083
Balance at the end of the year	9,721,949	9,084,068	9,721,949	9,084,065

A loss of Rs. 637,884 (31 March 2024 - Rs. - 203,083) has been recognised in respect of trade receivables of the Group, as at the reporting date. Unimpaired amounts are considered collectible in full, based on historical payment patterns and analysis of customers' credit risks.

Cash and Cash Equivalents

The Group held cash and cash equivalents of Rs. 149,579 (2024 - Rs.458,098 Mn) which is recorded in Note 20, which represents its maximum credit exposure on these assets.

b) 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 other financial assets.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure 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 its reputation. The

Group's approach to managing its liquidity risk is as follows:

- Regularly monitoring of the Group's assets and liabilities in order to forecast cash flows for a reasonable future period.
- Monitoring the facility limits, i.e. overdrafts with banks.

The table below summarises the maturity profile of the Group's and Company's financial obligations based on contractual payments.

Group						
As at 31 March 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total (Rs)
Loans and borrowings	24,954,000	-	-	-	-	24,954,000
Trade and other payables	-	1,880,335	1,037,411	1,123,565	-	4,041,311
Dues to related companies	9,157,892	-	-	-	-	9,157,892
	49,838,879	1,880,335	1,037,411	1,123,565	-	38,153,203
As at 31 March 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total (Rs)
Loans and borrowings	504,000	-	360,270	24,450,000	-	25,314,270
Trade and other payables	-	729,147	5,588,211	-	-	6,317,358
Dues to related companies	9,778,800	-	-	-	-	9,778,800
	10,282,800	729,147	5,948,481	24,450,000	-	41,410,428
Company						
As at 31 March 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total (Rs)
Loans and borrowings	6,850,000	-	-	-	-	6,850,000
Trade and other payables	-	1,281,009	921,140	4,835,680	-	7,037,829
Dues to related companies	17,600,000	-	-	-	-	17,600,000
	40,176,987	1,281,009	921,140	4,835,680	-	47,214,816
As at 31 March 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total (Rs)
Loans and borrowings	-	-	360,270	24,450,000	-	24,810,270
Trade and other payables	-	4,200	5,588,211	-	-	5,592,411
Dues to related companies	9,704,800	-	-	-	-	9,704,800
	9,704,800	4,200	5,948,481	24,450,000	-	40,107,481

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks;

- Foreign exchange risk
- Interest rate risk
- Equity price risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to change in foreign exchange rate. The Group does not use any derivative financial instruments to hedge the risk. The Group is primarily exposed to foreign currency risk in terms of its imports. However, there is no significant impact to the group from foreign currency risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and fixed deposits.

Group

If interest rates had been higher/ lower by 100 basis points and all other variables were held constant, the profit before tax for the year ended 31 March 2025 would decrease/ increase by Rs. 2,953 (31st March 2024 - Rs. 26,485). This is attributable to the group's exposure to interest rates on variable rates of interest.

Company

If interest rates had been higher/ lower by 100 basis points and all other variables were held constant, the profit before tax for the year ended 31 March 2025 would increase/decrease by Rs. 2,700 (31 March 2024 - Rs. - 2,825). This is attributable to the company's exposure to interest rates on variable rates of interest.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The Group's objectives when managing capital are to safeguard the companies ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Capital is monitored on the basis of the gearing ratio.

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
05. Revenue				
Turnover - Sale of goods	2,109,596	8,316,079	2,109,596	8,272,791
	2,109,596	8,316,079	2,109,596	8,272,791
06. Other income				
Sundry income	896,963	2,055,439	896,963	2,055,439
Dividend income	-	-	-	2,400,000
Profit on Disposal of Fixed Assets	700,000	1,925,119	700,000	1,925,119
Gain on investment in unit trust	36,974	20,691	-	-
Write back of Trade Debtors	-	93,454	-	93,454
Write back of Trade Creditors	-	1,383,291	-	1,383,291
	1,633,937	5,477,994	1,596,963	7,857,303
07. Net finance cost				
Finance cost				
Final WHT paid on dividend	-	(360,000)	-	(360,000)
Interest expense	(376,408)	(1,692,971)	(322,985)	(1,357,428)
Total finance cost	(376,408)	(2,052,971)	(322,985)	(1,717,428)
Finance income				
Interest income	34,136	1,846,480	-	479,629
Total finance income	34,136	1,846,480	-	479,629
Net finance cost	(342,273)	(206,492)	(322,985)	(1,237,800)
08. Loss before income tax expenses				
Loss before income tax expense is stated after charging all expenses including the following :				
Included in Administrative Expenses				
Directors fees and directors travelling	1,262,700	744,000	1,208,200	586,500
Salaries and other benefits	3,777,789	2,645,792	2,591,289	606,615
Defined contribution plans - (EPF)	-	14,846	-	13,539
ETF	-	2,471	-	2,410
Depreciation	42,848	1,547,650	30,970	1,535,775
Machinery hire charges	-	2,400,000	-	2,400,000
Auditor's remuneration	1,055,254	896,133	722,581	600,678
Impairment allowance for slow moving inventory	-	20,474	-	20,474
09. Income tax expenses				
Current income tax expense				
Tax charge on profit for the year (Note 9.1)	-	-	-	-
Deferred income tax expense				
Relating to origination and reversal of temporary differences	-	200,409	-	-
Income tax expense/ (credit) in the statement of comprehensive income	-	200,409	-	-

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
09.1 Reconciliation between current tax expense and the product of accounting profit				
Accounting loss before income taxation	(11,169,212)	(3,156,800)	(8,721,401)	(3,580,989)
Aggregate disallowed expenses	899,989	1,568,124	668,854	1,556,249
Aggregate allowable expenses	(816,264)	(162,785)	(770,155)	(162,785)
Aggregate allowable income	-	(6,192,290)	-	(4,804,748)
Assessable charge	700,000	15,580,804	700,000	15,580,804
Taxable Profit/(loss) from ordinary activities	(10,385,487)	7,637,053	(8,122,702)	8,588,531
Taxable Profit from ordinary activities	-	7,637,053	-	8,588,531
Interest income	80,065	1,867,171	-	479,629
Dividend income	-	-	-	-
Less: Tax loss utilized	(80,065)	(9,504,224)	-	(9,068,160)
Taxable income	-	-	-	-
Tax at 30% or other	-	-	-	-
Tax on profit for the year	-	-	-	-
Tax loss at the beginning of the year	65,123,652	84,413,220	57,936,127	75,265,557
Tax loss adjustment	(203,085)	(9,785,344)	(203,085)	(8,261,270)
Taxable Loss from ordinary activities	10,385,487	-	8,122,702	-
Write off of expired tax losses	(67,518,256)	-	(64,279,710)	-
Tax loss utilized during the year	(80,065)	(9,504,224)	-	(9,068,160)
Tax loss at the end of the year	7,707,733	65,123,651	1,576,034	57,936,127

9.2 Income tax rate considered

Businesses operating in Sri Lanka have been using the new tax rate for income and deferred taxation that was implemented by the Inland Revenue (Amendment) Act No. 45 of 2022, which was certified on December 19th, 2022, with retrospective effect starting on October 1st, 2022. Accordingly, the company's tax rate was 30% applied to the profits of all segments, unless this amendment is superseded by another act. Accordingly, the company's tax rate was 30% applied to the profits of all segments, unless this amendment is superseded by another act.

As per LKAS 12 and the guidance issued by the CA Sri Lanka, a country's enactment process has to be sufficiently progressed to a stage, in order

for an announced tax rate to be considered as 'substantively enacted' and applied in computing the current and deferred taxes. Therefore, for an income tax rate(s) to be considered as substantively enacted for the purpose of LKAS 12, the legislative process relating to such amendment needs to be completed. Until such time, the prevailing legislated rates have to be considered for the purpose of LKAS 12 in determining as substantively enacted.

In accordance with the mentioned guideline, the Company computed income tax and deferred tax at a rate of 30% for the period ending March 31, 2025.

10. Earnings Per Share

The basic loss per share is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
Amounts used as numerator				
Loss attributable to ordinary shareholders	(11,060,929)	(5,763,238)	(8,721,401)	(3,580,989)
Number of ordinary shares used as the denominator				
Number of ordinary shares in issue	600,170	600,170	600,170	600,170
Loss per share (Rs. Cts.)	(18.43)	(9.60)	(14.53)	(5.97)

11. Property, Plant and Equipment

Group	Balance as at 01.04.2024	Additions	Set-off of accumulated depreciation on revaluation / disposals	Revaluation	Balance as at 31.03.2025
Cost/valuation					
Plant and machinery	95,000	-	(95,000)	-	-
Furniture and fittings	1,843,804	-	-	-	1,843,804
Electrical installation	3,182,266	-	-	-	3,182,266
Office appliances	4,430,964	-	-	-	4,430,964
Motor vehicles	407,240	-	(400,000)	-	7,240
Computers	4,111,657	-	-	-	4,111,657
	14,070,931	-	(495,000)	-	13,575,931

Accumulated Depreciation	Balance as at 01.04.2024	Charge for the year	Set-off of accumulated depreciation on revaluation	Disposal	Balance as at 31.03.2025
Plant and machinery	59,375	11,878	(71,253)	-	-
Furniture and fittings	1,809,975	18,469	-	-	1,828,444
Electrical installation	3,182,266	-	-	-	3,182,266
Office appliances	4,412,031	12,500	-	-	4,424,531
Motor vehicles	407,240	-	-	(400,000)	7,240
Computers	4,111,657	-	-	-	4,111,657
	13,982,544	42,847	(71,253)	(400,000)	13,554,138
Written Down Value	88,387				21,795

Group	Balance as at 01.04.2023	Additions	Set-off of accumulated depreciation on revaluation / disposals	Revaluation	Balance as at 31.03.2024
Cost/valuation					
Plant and machinery	39,564,892	-	(39,469,890)	-	95,000
Furniture and fittings	2,192,785	-	(348,980)	-	1,843,805
Electrical installation	3,182,265	-	-	-	3,182,265
Office appliances	4,430,965	-	-	-	4,430,965
Motor vehicles	407,240	-	-	-	407,240
Computers	4,111,655	-	-	-	4,111,655
	53,889,802	-	(39,818,870)	-	14,070,930

Accumulated Depreciation	Balance as at 01.04.2023	Charge for the year	Set-off of accumulated depreciation on revaluation	Disposal	Balance as at 31.03.2024
Plant and machinery	19,779,377	1,463,288	(21,183,290)	-	59,375
Furniture and fittings	1,922,371	27,194	(139,590)	-	1,809,975
Electrical installation	3,137,599	44,667	-	-	3,182,266
Office appliances	4,399,531	12,500	-	-	4,412,031
Motor vehicles	407,240	-	-	-	407,240
Computers	4,111,657	-	-	-	4,111,657
	33,757,775	1,547,650	(21,322,880)	-	13,982,543
Written Down Value	20,132,027				88,387

Company	Balance as at 01.04.2024	Additions	Set-off of accumulated depreciation on revaluation / disposals	Revaluation	Balance as at 31.03.2025
Cost/valuation					
Furniture and fittings	1,843,805	-	-	-	1,843,805
Electrical installation	3,182,266	-	-	-	3,182,266
Office appliances	4,430,965	-	-	-	4,430,965
Motor vehicles	407,240	-	(400,000)	-	7,240
Computers	4,111,657	-	-	-	4,111,657
	13,975,932	-	(400,000)	-	13,575,932
Accumulated Depreciation	Balance as at 01.04.2024	Charge for the year	Set-off of accumulated depreciation on revaluation	Disposal	Balance as at 31.03.2025
Furniture and fittings	1,809,974	18,469	-	-	1,828,443
Electrical installation	3,182,266	-	-	-	3,182,266
Office appliances	4,412,031	12,500	-	-	4,424,531
Motor vehicles	407,240	-	-	(400,000)	7,240
Computers	4,111,657	-	-	-	4,111,657
	13,923,168	30,969	-	(400,000)	13,554,137
Written Down Value	52,765				21,794

Company	Balance as at 01.04.2023	Additions	Set-off of accumulated depreciation on revaluation / disposals	Revaluation	Balance as at 31.03.2024
Cost/valuation					
Plant and machinery	39,469,890	-	(39,469,890)	-	-
Furniture and fittings	2,192,785	-	(348,980)	-	1,843,805
Electrical installation	3,182,266	-	-	-	3,182,266
Office appliances	4,430,965	-	-	-	4,430,965
Motor vehicles	407,240	-	-	-	407,240
Computers	4,111,657	-	-	-	4,111,657
	53,794,801	-	(39,818,870)	-	13,975,932

Accumulated Depreciation	Balance as at 01.04.2023	Charge for the year	Set-off of accumulated depreciation on revaluation	Disposal	Balance as at 31.03.2024
Plant and machinery	19,731,877	1,451,413	-	(21,183,290)	-
Furniture and fittings	1,922,370	27,194	-	(139,590)	1,809,974
Electrical installation	3,137,599	44,667	-	-	3,182,266
Office appliances	4,399,531	12,500	-	-	4,412,031
Motor vehicles	407,240	-	-	-	407,240
Computers	4,111,657	-	-	-	4,111,657
	33,710,274	1,535,774	-	(21,322,880)	13,923,168
Written Down Value	20,084,527				52,765

12. Investments in subsidiaries

Company	Investments in private equity	Percentage of holding	No. of shares	Cost as at 31.03.2025	Percentage of holding	No. of shares	Cost as at 31.03.2024
				Rs.			Rs.
	Investments in unlisted companies	-	-	-	-	-	-
Subsidiaries							
	C.P. Group Investments (Pvt) Ltd	66.67%	10,000	100,000	66.67%	10,000	100,000
	Kalamazoo Industries (Pvt) Ltd	99.97%	800,000	9,200,000	99.97%	800,000	9,200,000
	Total investments in subsidiaries			9,300,000			9,300,000

12.1 Information about the composition of the Group at the end of the reporting period is as follows:

Name of the Company and principal place or business	Principal activity	Effective holding	
		31.03.2025	31.03.2024
C.P. Group Investments (Pvt) Ltd. No. 20, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.	Provision of loans to the staff of Ceylon Printers Group of Companies	66.67%	66.67%
Kalamazoo Industries (Pvt) Ltd. No. 20, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.	Hiring machines	99.97%	99.97%

12.2 There are no non-wholly owned subsidiaries of the Group that have material non-controlling interests.

13. Non-current financial assets

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
Financial assets - fair value through OCI	-	824,841	-	575,820
	-	824,841	-	575,820

All investments in quoted equity securities are carried at fair value. Market value per share is based on the quoted prices available at the Colombo Stock Exchange (Level 1). However, in respect of the financial year 31 March 2025, the value has been determined on the basis of the quoted price as at 31 March 2025 which represents a Level 1 valuation technique.

Investment in equity securities	Fair Value as at 31.03.2025	Fair Value as at 31.03.2024	Fair Value as at 31.03.2025	Fair Value as at 31.03.2024
Quoted equity securities	-	824,841	-	575,820
Total investments in quoted equity securities	-	824,841	-	575,820

13. Non-current financial assets

Group						
Investments in quoted equity securities	No. of shares	Cost as at 31.03.2025	Fair value as at 31.03.2025	No. of shares	Cost as at 31.03.2024	Fair value as at 31.03.2024
		Rs.	Rs.		Rs.	Rs.
Paragon Ceylon PLC	-	-	-	9,140	40,126	575,820
CT Land Development PLC	-	-	-	10,827	39,980	249,021
Total investments in quoted equity securities		-	-		80,106	824,841

Company						
Investments in quoted equity securities	No. of shares	Cost as at 31.03.2025	Fair value as at 31.03.2025	No. of shares	Cost as at 31.03.2024	Fair value as at 31.03.2024
		Rs.	Rs.		Rs.	Rs.
Paragon Ceylon PLC	-	-	-	9,140	40,126	575,820
Total investments in quoted equity securities		-	-		40,126	575,820

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
14. Deferred tax (liabilities)/ assets				
The gross movement on deferred tax is as follows:				
At the beginning of the year	-	-	-	-
Recognised in profit or loss	-	(200,409)	-	-
Recognised in other comprehensive income	-	200,409	-	-
As at the end of the year	-	-	-	-
The analysis of deferred tax assets and liabilities is as follows:				
On property, plant and equipment	2,748	10,872	2,748	21,560
On provisions	2,916,585	2,731,362	2,916,585	2,731,362
On tax loss carried forward	2,312,320	19,537,096	472,810	17,380,838
Total deferred tax assets	5,231,653	22,279,330	3,392,143	20,133,760
Net deferred tax assets	5,231,653	22,279,330	3,392,143	20,133,760
Deferred tax assets not recognized due to unpredictability of future taxable profits	(5,231,653)	(22,279,330)	(3,392,143)	(20,133,760)
Net deferred tax (liability)/ asset recognized	-	-	-	-

Group

Deferred tax assets amounting to Rs. 5,231,653 (FY 2023/2024 - Rs. 22,279,330) arising from property, plant and equipment, trade and other receivables, and carried-forward tax losses amounting to Rs. 7,707,734 (FY 2023/2024 - 74,264,433) have not been recognised in the financial statements as there are no convincing evidence that sufficient taxable profits will be available against which the unrecognised deferred tax assets can be utilised by the Group.

Company

Deferred tax assets amounting to Rs. 3,392,143 (FY 2023/24 - Rs.20,133,760) arising from carried forward tax losses amounting to Rs. 1,576,034 (FY 2023/2024 - Rs.67,112,532) have not been recognised in the financial statements as there is no convincing evidence that sufficient taxable profits will be available against which the unrecognised deferred tax assets can be utilized by the Company.

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
15. Inventory				
Raw materials	-	-	-	-
Work in progress	-	-	-	-
Finished goods	-	508,254	-	508,254
	-	508,254	-	508,254
Less: Impairment allowance for slow moving inventory (Note 15.1)	-	(20,474)	-	(20,474)
	-	487,781	-	487,780
15.1 Impairment allowance for slow moving inventory				
Balance at the beginning of the year	-	-	-	-
Charge during the year	-	(20,474)	-	(20,474)
Balance at the end of the year	-	(20,474)	-	(20,474)

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
16. Trade and other receivables				
Trade debtors	8,954,814	9,426,283	8,954,814	9,426,283
Less: Loss allowance for the year	(8,954,814)	(9,084,065)	(8,954,814)	(9,084,065)
	-	342,218	-	342,218
Deposits and prepayments	380,531	100,000	380,531	100,000
Other receivables	43,478	667,135	142,583	667,135
Loans, FD and advances to staff	-	243,147	-	-
	424,009	1,352,500	523,114	1,109,353

Group

The maximum exposure to credit risk for trade and other receivables (gross) at the reporting date is Rs. 8,954,814 (2024 - Rs.9,426,283)

	Total	Neither past due nor impaired	Past due but not impaired			Past due and impaired
			0-60 days	61-120 days	121-180 days	
Balance as at 31 March 2025	8,954,814			-		8,954,814

Company

The maximum exposure to credit risk for trade and other receivables (gross) at the reporting date is Rs. 8,954,814 (2024 - Rs.9,426,283)

	Total	Neither past due nor impaired	Past due but not impaired			Past due and impaired
			0-60 days	61-120 days	121-180 days	
Balance as at 31 March 2025	8,954,814			-		8,954,814

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
17. Dues from related companies				
Office Equipment PLC	-	36,000	-	-
Paragon Ceylon PLC	-	211,577	-	49,578
	-	247,577	-	49,578
18. Other current financial assets				
Investments in fixed deposits	107,752	2,100,806	-	-
Investment in Unit Trust	131,420	119,612	-	-
	239,172	2,220,418	-	-
19. Current tax receivable				
WHT receivable	96,300	96,417	33,021	33,021
Other tax receivables	93,293	93,293	36,260	36,260
	189,593	189,710	69,281	69,281
Less: Impairment allowance for other tax receivables	(57,033)	(57,033)	-	-
	132,560	132,677	69,281	69,281

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
19.1 Income tax refund				
Balance at the beginning of the year	(190,304)	(92,608)	(17,360)	(17,360)
	(190,304)	(92,608)	(17,360)	(17,360)
Tax provision for the year	-	-	-	-
	(190,304)	(92,608)	(17,360)	(17,360)
WHT paid	(4,169)	(97,696)	-	-
Self assessment payments	-	-	-	-
	(194,473)	(190,304)	(17,360)	(17,360)
The above income tax (refund)/ payable of the group is made up as follows:				
Ceylon Printers PLC	(17,360)	(17,360)		
Kalamazoo Industries (Pvt) Ltd	(123,860)	(123,786)		
C.P. Group Investments (Pvt) Ltd	(53,253)	(49,158)		
	(194,473)	(190,304)		
20. Cash and cash equivalents				
Components of cash and cash equivalents				
Cash at bank	121,889	788,305	109,821	77,793
Cash in hand	30,063	30,063	22,013	22,013
	151,952	818,368	131,834	99,806
Unfavourable cash and cash equivalent balances				
Bank overdrafts	(2,373)	(360,270)	-	(360,270)
	(2,373)	(360,270)	-	(360,270)
Cash and cash equivalents for the purpose of cash flows statements	149,579	458,098	131,834	(260,464)

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
21. Stated capital				
Ordinary shares at the beginning of the year	30,358,500	30,358,500	30,358,500	30,358,500
Ordinary shares at the end of the year	30,358,500	30,358,500	30,358,500	30,358,500
Number of ordinary shares in issue				
At the beginning of the year	600,170	600,170	600,170	600,170
Total number of shares in issue as at the end of the financial year	600,170	600,170	600,170	600,170
22. Other components of equity				
Balance as at 1 April	669,710	5,009,025	325,474	4,833,539
Recognized in other comprehensive income	(669,710)	(4,339,315)	(325,474)	(4,508,065)
Balance as at 31 March	-	669,710	-	325,474
22.1 Fair value reserve of financial assets at FVOCI				
Balance as at 1 April	634,086	453,461	535,694	325,474
Fair value impact of equity investments disposed during the period	(482,705)	-	-	-
Gain/ (losses) from financial assets at FVOCI	(151,381)	180,625	(535,694)	210,220
Balance as at 31 March	-	634,086	-	535,694

Investments classified under this category are initially recognised and subsequently measured at fair value and the changes in fair value are recognised in other comprehensive income and presented under "Fair value reserve of financial assets at FVOCI" within equity.

For the year ended 31 March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
22.2 Revaluation reserve				
Balance as at 1 April	35,625	4,555,565	-	4,508,066
Revaluation surplus on machinery revaluation (Note 11)	-	-	-	-
Deferred tax liability arising on revaluation of machinery	-	-	-	-
Transfer of surplus depreciation, net of tax, from retained earnings	(35,625)	(4,519,940)	-	(4,508,066)
Balance as at 31 March	-	35,625	-	-

The amount reflected in the statement of changes in equity is the revaluation surplus net of income tax.

For the year ended 31st March	Group		Company	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
23. Trade and other payables				
Trade creditors	2,516,195	1,163,299	6,144,069	5,063,299
Expense creditors and other payables	1,525,117	1,290,059	893,760	529,111
	4,041,311	2,453,359	7,037,829	5,592,410
24. Dues to related companies				
International Computers (Ceylon) Ltd	1,593,381	1,760,781	1,562,381	1,722,781
Kalamazoo Industries (Private) Ltd	-	-	3,866,596	4,389,743
Office Equipment PLC	5,931,482	2,842,277	6,190,981	2,842,277
Paragon Ceylon PLC	857,211	-	1,008,711	-
C.P. Group Investments (Pvt) Ltd.	-	-	2,325,000	750,000
Rananjaya Holdings (Pvt) Ltd	775,818	-	773,318	-
	9,157,892	4,603,057	15,726,987	9,704,800
25. Loans and borrowings				
Current loans				
Temporary loans obtained from related parties (Note 25.1)	18,104,000	24,954,000	17,600,000	24,450,000
	18,104,000	24,954,000	17,600,000	24,450,000
Other current loans				
Bank overdrafts	2,373	360,270	-	360,270
Mr Ravi Rathnasabapathy	6,850,000	-	6,850,000	-
Total current interest bearing loans and borrowings	6,852,373	360,270	6,850,000	360,270
25.1 Temporary loans obtained from related parties				
At the beginning of the year	24,954,000	24,954,000	24,450,000	24,450,000
Loan obtained during the year	-	-	-	-
Loan repaid during the year	-	-	-	-
Loans reclassified	(6,850,000)	-	(6,850,000)	-
At the end of the year	18,104,000	24,954,000	17,600,000	24,450,000
25.2 Short Term loans - Commercial Bank of Ceylon PLC				
At the beginning of the year	-	2,074,200	-	2,074,200
Loan obtained during the year	-	7,569,699	-	7,569,699
Loan repaid during the year	-	(9,643,899)	-	(9,643,899)
At the end of the year	-	-	-	-

26. Assets pledged

No assets have been pledged as securities to obtain bank overdrafts.

27. Related party transactions

27.1 Transactions with Key Management Personnel

Related parties include key management personnel defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. Key Management Personnel include members of the Board of Directors of the Company. Compensation to key management personnel is as follows:

	Group		Company	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Cash Benefits	1,262,700	504,000	1,208,200	382,500
Non-Cash Benefits	-	240,000	-	204,000
	1,262,700	744,000	1,208,200	586,500

27.2 Loans from related parties

The Company has obtained loans from the following related parties:

Name	Relationship	2025	2024
		Rs.	Rs.
Mr Ravi Ratnasabapathy	Brother of Mr L.I. Ratnasabapathy	-	6,850,000
Mr A.J.C. Ratnanather	Son of Mr L.C.G. Ratnanather	14,900,000	14,900,000
Mrs G.I. Ratnanather	Son of Mr L.C.G. Ratnanather	2,700,000	2,700,000
		17,600,000	24,450,000

Mr A.J.C. Ratnanather & Mrs G.I. Ratnanather were directors of the subsidiary companies Kalamazoo Industries (Pvt) Ltd and C.P. Group Investments (Pvt) Ltd as at 31st March 2025 and remained related parties of the group. However Mr Ravi Rathnasabapathy was no longer a related party and the loan from him is classified accordingly.

27.3 Transactions of the Group with related companies

Name of Company	Relationship	Nature of Transactions	2025	2024
			Rs.	Rs.
Office Equipment PLC	Other related party	Net of expense reimbursement	(3,351,204)	(6,010,429)
		Fund transfers	100,000	5,830,517
			(3,251,204)	(179,912)
Paragon Ceylon PLC	Other related party	Net expense reimbursements	(193,289)	(530,422)
		Fund transfers	(749,500)	1,393,690
		Sales of goods and services	-	662,718
			(942,789)	1,525,986
International Computers (Ceylon) Ltd.	Other related party	Fund transfers	500,000	27,251
		Expense Reimbursement	(332,600)	(1,096,781)
		Short Term Loan Reimbursement	-	650,000
			167,400	(419,530)
Rananjaya Holdings (Pvt) Ltd	Other related party	Net of expense reimbursement	(688,318)	-
		Fund transfers	87,500	-
			(600,818)	-

27.4 Transactions of the Company with related companies and key management

Name of Company	Relationship	Nature of Transactions	2024	2023
			Rs.	Rs.
Kalamazoo Industries (Pvt) Ltd	Subsidiary	Machinery hiring expenses	-	(2,400,000)
		Net of expense reimbursement	173,147	(366,616)
		Transfer of Current Financial Assets	-	7,083,321
		Fund transfers	350,000	(4,635,660)
Net effect of transactions during the year			523,147	(318,955)
Office Equipment PLC	Other related party	Net of expense reimbursement	(3,348,704)	(6,010,429)
		Fund transfers	-	5,830,517
		Net effect of transactions during the year	(3,348,704)	(179,912)
Paragon Ceylon PLC	Other related party	Rent expenses	-	(198,000)
		Sales of goods and services	-	662,718
		Purchase of goods	-	(830,550)
		Net expense reimbursements	(193,289)	(332,422)
		Fund transfers	(865,000)	1,393,690
		Net effect of transactions during the year	(1,058,289)	695,436
International Computers (Ceylon) Ltd.	Other related party	Expense Reimbursement	(314,600)	(1,072,781)
		Short Term Loan Reimbursement	-	650,000
		Fund transfers	475,000	27,251
			160,400	(395,530)
CP Group Investments (Pvt) Ltd	Subsidiary	Fund transfers	1,575,000	625,000
		Net effect of transactions during the year	1,575,000	625,000
Ranajaya Holdings (Pvt) Ltd	Other related party	Net of expense reimbursement	(688,318)	(6,010,429)
		Fund transfers	(85,000)	5,830,517
		Net effect of transactions during the year	(773,318)	(179,912)

28. Financial Instruments – Fair Values and Risk Management

28.1 Accounting Classification and Fair Value of Financial Instruments

The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains/(losses), are recognised. Financial assets of the Company include bank balances and cash, trade and other receivables, deposits and dues from related parties. Financial liabilities of the Company include interest bearing loans and borrowings, trade payables and other payables.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

28.2 Analysis of Financial Instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input

that is significant to the fair value measurement as a whole;

Level 1 – Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Determination of Fair Value and Fair Value Hierarchy

Set out below is the comparison, by classes, of the carrying amounts of fair values of the Group and the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	2025		2024	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Group				
Financial assets				
Non current financial assets	-	-	824,841	824,841
Trade and other receivables	424,009	424,009	1,352,500	1,352,500
Other current financial assets	239,172	239,172	2,220,418	2,220,418
Due from related companies	-	-	247,577	247,577
Cash and cash equivalents	151,952	151,952	818,368	818,368
Financial liabilities				
Trade and other payables	4,041,311	4,041,311	2,453,359	2,453,359
Loans and borrowings	24,954,000	24,954,000	25,314,270	25,314,270
Dues to related companies	9,157,892	9,157,892	4,603,057	4,603,057
Company				
Financial assets				
Non current financial assets	-	-	575,820	575,820
Trade and other receivables	523,114	523,114	1,109,353	1,109,353
Other current financial assets	-	-	-	-

	2025		2024	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Dues from related companies	-	-	49,578	49,578
Cash and cash equivalents	131,834	131,834	99,806	99,806
Financial liabilities				
Trade and other payables	7,037,829	7,037,829	5,592,411	5,592,411
Loans and borrowings	24,450,000	24,450,000	24,810,270	24,810,270
Dues to related companies	15,726,987	15,726,987	9,704,800	9,704,800

Fair Value of Financial Assets and Liabilities Not Carried at Fair Value

The following describes the methodologies and assumptions used to determine the fair values for those financial instruments which are not already recorded at fair value in the financial statements.

Assets for Which Fair Value Approximates Carrying Amount

For financial assets and financial liabilities that have a short term maturity (original maturities of less than one year), it is assumed that the carrying amounts approximate their fair values. This assumption is also applied to fixed deposits and savings deposits without a specific maturity.

Fixed-Rate Financial Instruments

Carrying amounts are considered as fair values for short term credit facilities.

29. Reclassification and Comparative Figures

As at 31 March 2025, the loan of Rs. 6,850,000 previously classified under "Due to related parties" has been reclassified to "Loans and borrowings," as Mr Ravi Rathnasabapathy is no longer considered a related party of Ceylon Printers PLC.

Company (Year ended 31st March 2023)			
Items Reclassified	Balance as previously reported	Adjustments	"Reclassified balance"
Note 27.2 Loans from related parties	24,450,000	(6,850,000)	17,600,000
Note 25 Loans and borrowings	-	6,850,000	6,850,000

30. Commitments and Contingencies

There were no commitments and contingencies existing as at the reporting date.

31. Events Occurring After the Reporting Date

Subsequent to the reporting date of 31 March 2025, the Group undertook several strategic changes as part of its ongoing transformation, The parent company, formerly Ceylon Printers PLC, obtained Board and shareholder approval for a change of name to Kerner Haus Global Solutions PLC, and a revision of its business objective to focus on providing specialised office space and integrated support services primarily to the global outsourcing sector in Sri Lanka. The related business plan was approved by the board on 28 August 2025.

The group has submitted proposals to repurpose its two subsidiaries: C. P. Group Investments (Pvt) Ltd, to be renamed Kerner Corporate Solutions (Pvt) Ltd, focusing on corporate and financial facilitation services; and Kalamazoo Industries (Pvt) Ltd, to be renamed Kerner Integrated Facilities (Pvt) Ltd, to providing in-house facilities and operational management. These repurposings are pending approval, and no financial commitments or contractual obligations had arisen as at the date of authorisation of these financial statements.

Further shareholder approval was obtained at the Extraordinary General Meeting held on the 4 August 2025 to borrow Rs. 10,000,000 to support the Company's ongoing operational requirements and towards the settlement of trade payables and accrued expenses.

As these events arose after the reporting period and prior to the authorization of these financial statements, no adjustments have been made to the consolidated financial statements for the year ended 31 March 2025 in respect of these matters.

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Supplementary Information

1. Top 30 Shareholders as at 31 March 2025

NO.	NAME	NO. OF SHARES	%
1	Ekta Global Pte Ltd	381,840	63.622
2	Sir Chittampalam A. Gardiner Trust	27,840	4.639
3	Cyril Gardiner (Private) Limited	26,040	4.339
4	Mr D. P. Navaratnam	23,650	3.941
5	Mr E. C. Bastiampillai	12,154	2.025
6	Mr W. G. C. R. Silva	8,699	1.449
7	Ms P. R. Canagaratna	6,940	1.156
8	Mrs A. M. De Alwis	6,940	1.156
9	Mr S. S. Sithambaranathan	6,495	1.082
10	Mr G. T. Fazleabas	5,510	0.918
11	Mrs C. A. D. S. Woodward	5,000	0.833
12	Shalsri Investments (Private) Ltd	4,660	0.776
13	Mr M. A. K. E. Fernando	4,320	0.720
14	Bansei Securities Capital (Pvt) Ltd / M. A. U. Gnanatilake	3,700	0.616
15	Seylan Bank PLC / Gladstone Capital (Private) Limited	3,219	0.536
16	Mrs K. Priyamanna	2,999	0.500
17	The Public, as Executor of the Estate of Late Mr D. S. Kahawita	2,870	0.478
18	Dr H. S. D. Soysa & Mrs G. Soysa	2,850	0.475
19	T R L Holdings (Pvt) Limited	2,694	0.449
20	Mr L. L. R. Marrow	2,610	0.435
21	Seylan Bank PLC / G. A. Bhanuka Harischandra	2,250	0.375
22	Nikan (Pvt) Ltd	2,210	0.368
23	People's Leasing & Finance PLC / Mr A. A. J. Fernando	2,000	0.333
24	Mrs M. I. Emmanuel	1,800	0.300
25	Mrs R. C. M. C. Sethukavair	1,800	0.300
26	Mr A. Somasundarampillai	1,470	0.245
27	Executor of the Estate of the Late Mrs S. C. Fernando	1,300	0.217
28	Estate of Late D. Abeysekera (Deceased)	1,199	0.200
29	Mr U. I. Suriyabandara	1,139	0.190
30	Estate of the Late Mr Thambiah Ponnathurai	1,030	0.172
		557,228	92.845
		42,942	7.155
		600,170	100.000

2. Categories of Shareholders as at 31 March 2025

Shareholdings	Number of Shareholders (Individual)	No. of Shares (Individual)	% (Individual)	Number of Shareholders (Institutional)	No. of Shares (Institutional)	% (Institutional)	Number of Shareholders (Total)	No. of Shares (Total)	% (Total)
1-1,000	371	39,350	6.56	24	3,592	0.60	395	42,942	7.16
1,001-10,000	15	59,771	9.96	10	25,933	4.32	25	85,704	14.28
10,001-100,000	2	35,804	5.97	2	53,880	8.98	4	89,684	14.94
1,000,001 & Over	-	-	-	-	-	-	-	-	-
100,001-1,000,000	-	-	-	1	381,840	63.62	1	381,840	63.62
Total	388	134925	22.4811	37	465245	77.5189	425	600170	100

3. Minimum Public Holding Details as at 31 March 2025

Description	Value
Issued Quantity	600,170
Shareholding in CDS	572,160
Shareholding in Ledger	28,010
Total No. of Amalgamated Shareholders	425

Title	CDS	Ledger	Amalgamated	Total
No. of Non public Shareholders	1	0	0	1
No. of Shares held by Non public Shareholders	381,840	0	0	381,840
No. of public Shareholders	369	55	0	424
No. of shares held by Public Shareholders	190,320	28,010	0	218,330

Description	Value
Existing Float Adjusted Market Capitalization	60,040,750
No of Public Share Holders	424
% held by Public Share Holders	36.38
Total No. of Amalgamated Shareholders	425

The Company is not in compliance with rule 7.13.1 (a) of the listing rules of the Colombo stock exchange on minimum number of public shareholders.

4. Directors' Shareholding as at 31 March 2025

Director	Shareholding
S. E. C. Gardiner	Nil
N. D. S. Cooke	Nil
W. M. A. I. Fernando	Nil
D. S. Weerakkody	Nil
D. K. Herath	Nil
S. D. Arseculeratne	Nil
J. T. Yatawara	Nil
D. L. M. S. Chandrasekera	Nil

5. Stated Capital

Stated Capital is represented by number of shares in issue as given below.

As at	31-Mar-25	31-Mar-24
Ordinary shares	600,170	600,170

6. Market price per share

For the year ended 31 March	2025	2024
Highest price (Rs.)	610.00	140.00
Lowest price (Rs.)	80.20	75.10
Closing price as at 31st March (Rs.)	275.00	109.50

7. Trading Summary

	2025	2024
No. of transactions	1,478	16
No. of Shares traded	429,316	2,794
Turnover/ Value of Shares traded (Rs.)	57,457,742	299,121

8. Analysis of Shareholders as at 31 March 2025

	No of Shareholders	No. of Shares	%
Local Individuals	381	124,263	20.70
Local Institutions	34	81,885	13.64
Foreign Individuals	7	10,662	1.78
Foreign Institutions	3	383,360	63.88
Total	425	600,170	100.00

9. Distribution of Shareholdings

Shareholding	No of Shareholders		No. of Shares		%	
	2025	2024	2025	2024	2025	2024
1-1,000	395	346	42,942	45,356	7.1550	7.5600
1,001-10,000	25	26	85,704	80,487	14.28	13.41
10,001-100,000	4	11	89,684	246,877	14.94	41.13
1,000,001 & Over	-	2	-	227,450	-	37.90
100,001-1,000,000	1	-	381,840	-	63.62	-
	425	385	600,170	600,170	100.00	100.00

Five Year Analysis - Group

As at the year ended 31st March	2025	2024
Financial Results		
Revenue	2,109,596	8,316,079
Results from operations	(10,826,940)	(5,350,309)
Net finance (costs)/Income	(342,273)	(206,492)
Profit/(Loss) before taxation	(11,169,212)	(5,556,801)
Tax expenses	-	(200,409)
Profit/(Loss) for the year	(11,169,212)	(5,757,210)
Attributable to		
<i>Owners of the parent</i>	(11,060,929)	(5,763,238)
<i>Non-controlling Interest</i>	(108,284)	6,029
	(11,169,212)	(5,757,210)
Financial Position		
Stated capital	30,358,500	30,358,500
Reserves	(69,598,552)	(58,386,242)
Total equity attributable to		
<i>Equity holders of the parent</i>	(39,240,052)	(28,027,742)
<i>Non-controlling interest</i>	(1,921,398)	2,019,907
Total equity	(37,318,653)	(26,007,835)
Borrowings		
Borrowing	24,954,000	25,314,270
Trade payables	4,041,311	2,453,359
	28,995,311	27,767,629
Net Assets		
Current Assets	815,133	5,449,623
Current liabilities	(38,155,577)	(7,416,685)
Net current liabilities	(37,340,444)	(1,967,062)
Non-current liabilities	-	(24,954,000)
Non-current assets	21,795	913,227
Total net assets	(37,318,649)	(26,007,835)
Ratios & Statistics		
Growth in annual turnover (%)	(74.63)	(90.11)
Loss per share (Rs.)	(18.61)	(9.60)
Dividend per share (Rs.)	-	-
Market price per share (Rs.)	275.00	109.50
Net asset value per share	(62.18)	(43.33)

	2023	2022	2021
	84,106,950	163,458,921	151,502,581
	(6,208,786)	(32,163)	422,625
	(2,442,529)	(2,682,372)	(2,997,074)
	(8,651,315)	(2,714,535)	(2,574,449)
	(797,884)	(1,930,695)	(805,277)
	(9,449,200)	(4,645,231)	(3,379,727)
	(9,407,919)	(4,618,111)	(3,389,930)
	(41,281)	(27,120)	10,203
	(9,449,200)	4,645,231)	(3,379,727)
	30,358,500	30,358,500	30,358,500
	(48,495,192)	(34,237,562)	(35,378,933)
	(18,136,692)	(3,879,063)	(5,020,433)
	2,028,674	2,065,264)	2,096,714
	16,108,018	(1,813,799)	(2,923,719)
	35,490,461	60,502,612	63,946,547
	6,384,757	21,026,704	19,893,101
	41,875,218	81,529,316	83,839,648
	22,162,029	65,812,065	56,998,464
	(34,107,085)	(76,712,103)	(69,841,945)
	11,945,056	10,900,038	(12,843,481)
	(24,954,000)	(33,182,986)	(35,419,488)
	20,791,039	42,269,224	45,339,250
	(16,108,018)	1,813,800	(2,923,719)
	(48.54)	7.89	(16.97)
	(15.68)	(7.69)	(5.65)
	-	-	-
	-	-	52.00
	(26.84)	(3.02)	(4.87)

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixty Eighth (68th) Annual General Meeting of Kerner Haus Global Solutions PLC will be held by way of electronic means on Tuesday, 30 September 2025 at 3.00 p.m. centered at Plus94, No. 327, Union Place, Colombo 2 for the following purposes:

01. 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 31 March 2025 with the Report of the Auditors thereon.
- 1.2 To re-elect as a Director, Mr S. E. C. Gardiner, who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 91 of the Articles of Association.
- 1.3 To re-elect as a Director, Mr N. D. S. Cooke, who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 91 of the Articles of Association.
- 1.4 To re-elect as a Director, Ms D. K. Herath, who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 91 of the Articles of Association.
- 1.5 To re-elect as a Director, Mr W. M. A. I. Fernando, who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 91 of the Articles of Association.
- 1.6 To re-elect as a Director, Mr J. T. Yatawara, who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 91 of the Articles of Association.
- 1.7 To re-elect as a Director, Mr D. S. Weerakkody, who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 91 of the Articles of Association.
- 1.8 To re-elect as a Director, Ms S. D. Arseculeratne, who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 91 of the Articles of Association.
- 1.9 To re-elect as a Director, Ms D. L. M. S. Chandrasekera, who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 91 of the Articles of Association.
- 1.10 To re-appoint Messrs Jayasinghe & Co., Chartered Accountants, as the Auditors of the Company and to authorize the Directors to fix their remuneration.
- 1.11 To authorize the Directors to determine donations for the year ending 31 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) References to "Ceylon Printers PLC" wherever appearing in these Articles of Association consequent to the change of name of the Company with effect from 18th August 2025, amended to read as "Kerner Haus Global Solutions PLC"

- (2) by the deletion in its entirety the sentence starting with the word "Provided" in line 11 of Article 15 and substitution thereof of the following ;

"Provided that the Company shall not be bound to register more than three persons as the joint holders (including the principal holder) of any shares (except in the case of executors, administrators or heirs of a deceased member) and in the case of a shares held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of such persons or his duly authorised representative shall be sufficient delivery to all."

- (3) by the deletion of existing Article 44(1) in its entirety.
- (4) by renumbering the existing Article 45 to read as Article 44A;
- (5) by the inclusion of the following Article as Article 45 immediately after the re-numbered Article 44A [existing Article 45] under the heading "Methods of Holding General Meetings";

METHODS OF HOLDING GENERAL MEETINGS

45. (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 45(1)(i) or held as an Electronic General Meeting as referred to in 45(1)(ii) or held as a Hybrid General Meeting, both physically and electronically, as referred to in 45(1)(iii) or by a Resolution in writing as referred to in 45(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 54 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."

(6) by the deletion of the word and figure "three (03)" in Article 73 of the Articles of Association and the substitution therefor of "five (05)";

(7) by the inclusion of the words "or executive director," between the words "joint managing director," and "on such terms," in line 3 and "joint managing director" and "shall not " in line 5 of Article 80;

(8) by the deletion of Article 84 of the Articles of Association in its entirety and substitution therefor of the following Article 84 ;

"At each annual general meeting one-third of the Directors for the time being, or if their number is not a multiple of three the number nearest to (but not greater than) one-third shall retire from office. Provided that a director appointed to hold executive office including managing or joint managing director or executive director shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the director to retire in each year. A director retiring at a meeting shall retain office until the close of the meeting including any adjournment thereof."

(9) by the deletion of Article 104 under the existing heading, 'Alternate Directors' in its entirety and the substitution therefor of the following new Article 104;

ALTERNATE DIRECTORS

104.

(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.

(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 104(i) hereof, including the signing of resolutions in writing to be passed by circulation under Article 100 hereof.
- (v) Subject to Article 104(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 104(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."

(10) by the deletion of Article 118 of the Articles of Association in its entirety and substitution therefor of the following Article 118 under the heading "Contracts and Company Seal" ;

CONTRACTS AND COMPANY SEAL

118. (1) A contract or other enforceable obligation may be entered into by a Company as follows:

- (a) an obligation which, if entered into by a natural person is required by law to be in writing signed by that person and be notarially attested, may be entered into on behalf of the Company in writing signed under the name of the Company by –
 - (i) two Directors of the Company, as authorised by a resolution of the Board and placing the Company Seal
 - (ii) any one Director and Secretary of the Company as authorised by a resolution of the Board and placing the Company Seal
 - (iii) any other person as authorised by a resolution of the Board
 - (iv) one or more Attorneys appointed by the Company, as set out in Article 113 hereof authorising to enter into such obligation, and be notarially executed;
- (b) an obligation which, if entered into by a natural person is required by law to be in writing and

signed by that person, may be entered into on behalf of the Company in writing signed by two Directors of the Company, as authorised by a Resolution of the Board by placing the Company Seal or by any one Director and Secretary of the Company as authorised by a resolution of the Board by placing the Company Seal or by a person authorised by a resolution of the Board, or one or more Attorneys authorised to enter into such obligation.

- (c) an obligation which if entered into by a natural person is not required by law to be in writing, may be entered into on behalf of the Company in writing or orally by a Director or a person authorised by a resolution of the Board.

(2) The provisions of Article 118(1) shall apply to a contract or other obligation

- (a) whether or not that contract or obligation is entered into in Sri Lanka; and
- (b) whether or not the law governing the contract or obligation is the law of Sri Lanka.

(3) For the purpose of this Article, the Company may use a generally recognised abbreviation of any word in the name, unless it is misleading to do so.

(4)

- (i) The Board shall provide for the safe custody of the Seal and the Seal shall only be used by the authority of the Board or of a committee of Directors authorised by the Board in that behalf. Subject to the revisions of the next succeeding sub-paragraph, the Seal of the Company shall not be affixed to any deed, certificate for shares, stock, debenture-stock or other form of security or other instrument except in the presence of two or more of the Directors or of one Director and the Secretary who shall attest the sealing thereof. Such attestation on the part of the Secretary, in the event of a firm being the Secretaries, shall be signified by a partner or duly authorised agent of the said firm signing the firm name or for and on behalf of the said firm as such secretaries. In the event of a company being the Secretary, such attestation shall be signified by a director or the secretary or the duly authorised agent of such company signing for and on behalf of such company as Secretaries. The sealing shall not be attested by one person in the dual capacity of Director and Secretary or representative of the Secretaries.

- (ii) Where the Board shall so resolve in the case of certificates for shares of the Company (which shall not however be deemed to include letters of allotment issued under the signature of the Secretary on behalf of the Company) or in the case of certificates for debentures, debenture-stock, loan stock or other forms of security (other than securities created by deed for which provision is made in the preceding sub-paragraph of this Article) attestation of the sealing thereof may, with the approval and subject to the control of the auditors or the transfer-auditors or the bankers of the Company, be in the form of an autographic signature stamped or printed or impressed by manual or mechanical means thereon.

- (iii) Any document sealed in accordance with the foregoing provisions of this Article shall be presumed to have been executed by the Company."

(11) by the inclusion of following paragraph at the end of Article 145 ;

"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."

(12) by the inclusion of the following paragraph immediately after the word “newspaper” in Article 151A;

“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).”

(13) by the inclusion of the following Article as Article 156 immediately after Article 155 ;”

“156. Notwithstanding anything to the contrary contained in these Articles of Association, so long as the Company is listed on the Colombo Stock Exchange, the Company shall comply with the Rules of the Colombo Stock Exchange and the Central Depository System, which shall be in force from time to time.”

By order of the Board

Kerner Haus Global Solutions PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

29 August 2025
Colombo

Notes

1. A Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of him/her.
2. A proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.

Form of Proxy

I/We* _____

(NIC/Passport/Company Reg. No _____) of _____

being a shareholder / shareholders of **KERNER HAUS GLOBAL SOLUTIONS PLC** hereby appoint

(NIC/Passport No _____) of _____

or failing him/her*

Mr Sanjeev Edward Chittampalam Gardiner	or failing him*
Mr Nirmal De Soysa Cooke	or failing him*
Mr Wannakuwatte Mitiwaduge Asela Indrajith Fernando	or failing him*
Mr Dinesh Stephen Weerakkody	or failing him*
Ms Sarrani Dominique Arseculeratne	or failing her*
Ms Dinusha Kumari Herath	or failing her*
Mr Jason Thilaka Yatawara	or failing him*
Ms Devundara Liyanage Manohari Sandamali Chandrasekera	

as my/our* proxy to represent and speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Sixty Eighth (68th) Annual General Meeting of the Company to be held on 30 September 2025 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 re-elect Mr Sanjeev Edward Chittampalam Gardiner as a Director of the Company		
(2)	To re-elect Mr Nirmal De Soysa Cooke as a Director of the Company		
(3)	To re-elect Ms Dinusha Kumari Herath as a Director of the Company		
(4)	To re-elect Mr Wannakuwatte Mitiwaduge Asela Indrajith Fernando as a Director of the Company		
(5)	To re-elect Mr Jason Thilaka Yatawara as a Director of the Company		
(6)	To re-elect Mr Dinesh Stephen Weerakkody as a Director of the Company		
(7)	To re-elect Ms Sarrani Dominique Arseculeratne as a Director of the Company		
(8)	To re-elect Ms Devundara Liyanage Manohari Sandamali Chandrasekera as a Director of the Company		
(9)	To re-appoint Messrs Jayasinghe & Co., Chartered Accountants, as the Auditors of the Company and to authorize the Directors to fix their remuneration		
(10)	To authorize the Directors to determine donations for the year ending 31 March 2026 and up to the date of the next Annual General Meeting		

2. Special Business

		For	Against
(1)	To pass the Special Resolution as set out in item 2.1 of the Notice of Meeting, for amendments to the Articles of Association of the Company		

In witness my/our* hands this _____ day of _____ Two Thousand and Twenty Five.

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 below.

Instructions for 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.111, T B Jayah Mawatha, Colombo 10 by 3.00 p.m. on 28th September 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.

KERNER HAUS