

LANKEM CEYLON PLC

Company No. PQ 128

INTERIM FINANCIAL STATEMENTS

For the Period Ended 30th June 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - CONSOLIDATED							
	Consolidated			Company			
	Quarter Ended 30.06.2025 Rs.'000	Quarter Ended 30.06.2024 Rs.'000	Variance %	Quarter Ended 30.06.2025 Rs.'000	Quarter Ended 30.06.2024 Rs.'000	Variance %	
Revenue	9,312,001	8,734,760	+	1,622,842	1,226,302	+	32
Cost of Sales	(7,345,714)	(7,075,816)	-	(1,162,425)	(877,722)	-	32
Gross Profit	1,966,287	1,658,944	+	460,417	348,580	+	32
Other Income	61,879	68,498	-	148,083	144,724	+	2
Distribution Expenses	(749,241)	(676,286)	-	(304,189)	(255,507)	-	19
Administration Expenses	(1,067,164)	(930,012)	-	(171,312)	(169,405)	-	1
Share of Profit /(Loss) from Joint Venture	(9,163)	28,435	-	-	-	-	-
Net Finance Costs	(373,977)	(410,858)	+	(110,221)	(148,532)	+	26
Profit /(Loss) before Tax	(171,379)	(261,279)	+	22,778	(80,140)	+	128
Income Tax (Expense) / Reversal for the period	(51,228)	(40,644)	-	43,811	-	+	100
Profit /(Loss) for the Period	(222,607)	(301,923)	+	66,589	(80,140)	+	183
Other Comprehensive Income							
Gain on Financial Assets designated at Fair Value through Other Comprehensive Income	23,634	1,493	+	23,293	1,736	+	1,242
Tax Effect on Components of OCI	-	(521)	+	-	(521)	+	100
Other Comprehensive Income for the Period, net of Tax	23,634	972	+	23,292	1,215	+	1,817
Total Comprehensive Income /(Expense)	(198,973)	(300,951)	+	89,882	(78,925)	+	214
Profit / (Loss) Attributable to							
Owners of the Company	(191,947)	(215,273)	+	66,589	(80,140)	+	183
Non-Controlling Interests	(30,660)	(86,650)	+	-	-	-	-
	(222,607)	(301,923)	+	66,589	(80,140)	+	183
Total Comprehensive Income /(Expense) Attributable to							
Owners of the Company	(168,176)	(214,187)	+	89,882	(78,925)	+	214
Non-Controlling Interests	(30,797)	(86,764)	+	-	-	-	-
	(198,973)	(300,951)	+	89,882	(78,925)	+	214
Basic Earnings /(Loss) per Share (Rs.)	(3.73)	(4.18)		1.29	(1.56)		


	Consolidated		Company	
	As at 30.06.2025 Rs.'000	As at 31.03.2025 Rs.'000 Audited	As at 30.06.2025 Rs.'000	As at 31.03.2025 Rs.'000 Audited
ASSETS				
Property, Plant & Equipment	13,767,526	13,621,993	1,117,334	1,112,649
Investment Properties	657,518	662,143	-	-
Right of Use Assets	281,861	298,303	29,336	31,796
Intangible Assets	1,133,276	1,135,533	12,090	12,956
Investments in Subsidiaries	-	-	5,183,188	5,067,476
Investments in Associates	950,842	950,842	768,422	768,422
Investments in Joint Venture	451,311	460,474	-	-
Financial Assets Measured at Fair Value Through OCI	105,323	81,690	96,331	73,039
Deferred Tax Assets	-	-	193,340	149,529
Total Non - Current Assets	17,347,657	17,210,978	7,400,041	7,215,867
Inventories	6,986,295	7,068,741	1,749,167	1,622,937
Trade and Other Receivables	8,517,407	9,529,176	1,671,002	1,952,083
Amounts Due from Related Parties - Trade	76,942	67,182	22,928	25,322
Amounts Due from Related Parties - Non Trade	582,124	542,596	333,803	377,107
Loans Due from Related Parties	176,499	369,465	118,771	260,236
Income Tax Recoverable	27,542	27,542	23,215	23,215
Investments Classified as Fair Value Through Profit or Loss	101,699	67,924	101,699	67,924
Bank & Cash Balances	835,878	987,230	172,890	107,137
Total Current Assets	17,304,386	18,659,856	4,193,475	4,435,961
Total Assets	34,652,043	35,870,834	11,593,516	11,651,828
EQUITY				
Stated Capital	1,282,697	1,282,697	1,282,697	1,282,697
Other Capital Reserves	4,833	4,833	-	-
Revaluation Reserve	3,909,580	3,909,580	619,850	619,850
FVTOCI Reserve	60,114	36,343	71,329	48,037
Retained Earnings / (Accumulated Losses)	(1,783,420)	(1,589,317)	752,824	686,235
Equity attributable to Owners of the Company	3,473,804	3,644,136	2,726,700	2,636,819
Non-Controlling Interests	4,915,046	5,196,393	-	-
Total Equity	8,388,850	8,840,529	2,726,700	2,636,819
LIABILITIES				
Interest Bearing Borrowings	4,754,743	4,327,117	1,477,430	1,901,965
Lease Liabilities	227,342	242,593	9,286	10,058
Deferred Income	20,881	22,678	-	-
Deferred Tax Liabilities	2,001,553	2,052,473	-	-
Retirement Benefit Obligations	593,224	594,861	280,275	273,062
Loans Payable to Related Parties	26,590	26,590	160,542	160,542
Total Non - Current Liabilities	7,624,333	7,266,312	1,927,533	2,345,627
Interest Bearing Borrowings	10,196,319	10,739,045	3,936,537	3,573,722
Lease Liabilities	70,026	72,108	6,181	7,766
Loans Payable to Related Parties	414,089	389,664	270,369	120,369
Trade and Other Payables	5,395,841	6,186,952	1,751,633	2,131,834
Amounts Due to Related Parties - Trade	-	12,133	10,382	14,523
Amounts Due to Related Parties Non - Trade	794,950	969,045	661,042	588,336
Income Tax Payable	271,111	237,008	-	-
Bank Overdraft	1,496,524	1,158,038	303,139	232,832
Total Current Liabilities	18,638,860	19,763,993	6,939,283	6,669,382
Total Liabilities	26,263,193	27,030,305	8,866,816	9,015,009
Total Equity and Liabilities	34,652,043	35,870,834	11,593,516	11,651,828
Net Assets per Share (Rs.)	67.49	70.80	52.98	51.23

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act. No. 07 of 2007


Upekha Abeysekera Anthony
Chief Financial Officer

The Directors are responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board of Directors of Lankem Ceylon PLC.


P.S. Goonewardene
Managing Director
Colombo


S.D.R. Arudpragasam
Chairman

14th August 2025

LANKEM CEYLON PLC
Company No. PQ 128

STATEMENT OF CHANGES IN EQUITY								
Equity Attributable to Equity Holders of the Parent								
<i>Consolidated</i>	Stated Capital Rs. '000	Other Capital Reserves Rs. '000	FVTOCI Reserves Rs. '000	Revaluation Reserves Rs. '000	Retained Profit/(Loss) Rs. '000	Total Rs. '000	Non-controlling Interest Rs. '000	Total Rs. '000
Balance as at 1st April 2025	1,282,697	4,833	36,343	3,909,580	(1,589,317)	3,644,136	5,196,393	8,840,529
Loss for the Period	-	-	-	-	(191,947)	(191,947)	(30,660)	(222,607)
Other Comprehensive Income / (Expense) for the Period (Net of Tax)	-	-	23,771	-	-	23,771	(137)	23,634
Effect on changes in holding of Subsidiaries	-	-	-	-	(2,156)	(2,156)	(118,832)	(120,988)
Dividend Paid	-	-	-	-	-	-	(131,718)	(131,718)
Balance as at 30th June 2025	1,282,697	4,833	60,114	3,909,580	(1,783,420)	3,473,804	4,915,046	8,388,850
Balance as at 1st April 2024	1,282,697	4,833	33,924	2,478,245	(427,749)	3,371,951	4,752,805	8,124,755
Loss for the Period	-	-	-	-	(215,273)	(215,273)	(86,650)	(301,923)
Other Comprehensive Income / (Expense) for the Period (Net of Tax)	-	-	1,086	-	-	1,086	(114)	972
Dividend Paid	-	-	-	-	-	-	(131,718)	(131,718)
Balance as at 30th June 2024	1,282,697	4,833	35,010	2,478,245	(643,022)	3,157,764	4,534,323	7,692,086
				Stated Capital Rs. '000	FVTOCI Reserves Rs. '000	Revaluation Reserves Rs. '000	Retained Profit/(Loss) Rs. '000	Total Rs. '000
<i>Company</i>								
Balance as at 1st April 2025				1,282,697	48,037	619,850	686,235	2,636,819
Profit for the Period				-	-	-	66,589	66,589
Other Comprehensive Income for the Period (Net of Tax)				-	23,292	-	-	23,292
Balance as at 30th June 2025				1,282,697	71,329	619,850	752,824	2,726,700
Balance as at 1st April 2024				1,282,697	37,485	573,190	428,559	2,321,931
Loss for the Period				-	-	-	(80,140)	(80,140)
Other Comprehensive Income for the Period (Net of Tax)				-	1,215	-	-	1,215
Balance as at 30th June 2024				1,282,697	38,700	573,190	348,419	2,243,006

STATEMENT OF CASH FLOWS				
For the Period Ended 30th June	Consolidated		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash Flows from Operating Activities				
Profit / (Loss) before Tax	(171,379)	(261,279)	22,778	(80,140)
Adjustments for :				
Depreciation / Amortization	157,450	133,743	18,095	15,310
Dividend Income	(2,481)	-	(2,481)	(132,758)
Loss / (Gain) on disposal of Investment in Subsidiaries	-	-	5,277	-
Interest Expense	220,479	437,220	173,955	168,714
Amortization of Deferred Income	(1,797)	(253)	-	-
(Gain) / Loss on Disposal of Property, Plant & Equipment	(4,345)	96	(88)	-
Net Exchange Loss/(Gain)	(23,387)	1,789	(6,223)	3,404
Interest Income	(53,096)	(21,325)	(23,737)	(16,760)
Provision for Retirement Benefit Obligation	27,009	22,260	11,072	9,046
Fair value (Gain) / Loss on Financial Assets Measured at FVTPL	(33,775)	(6,826)	(33,775)	(6,826)
Share of Loss/ (Profit) of Joint Venture	9,163	(28,435)	-	-
Provision/(Reversal) for Impairment of Trade Receivable	14,464	19,652	8,738	7,167
Provision / (Reversal) for Impairment of Amount due Related Parties	-	203	-	-
Provision for Obsolete Inventories	22,667	30,519	13,817	15,565
Operating Profit/ (Loss) before Working Capital Changes	160,972	327,364	187,428	(17,278)
Decrease / (Increase) in Inventories	59,779	237,477	(140,044)	(200,746)
Decrease / (Increase) in Trade and Other Receivables	997,305	696,322	272,394	303,177
(Increase) / Decrease in Amounts due from Related Parties	(1,046)	(140,170)	51,455	(76,835)
(Decrease) / Increase in Trade and Other Payables	(923,066)	68,413	(378,479)	571
(Decrease) / Increase in Amounts due to Related Parties	(182,981)	(283,282)	(78,223)	8,501
Cash generated from Operations	110,963	906,124	(85,469)	17,389
Income Tax Paid	(44,421)	(52,222)	-	-
Interest Paid	(360,175)	(355,300)	(129,897)	(153,654)
Gratuity Paid	(28,646)	(13,746)	(3,858)	(7,531)
Net Cash Generated from/(used in) Operating Activities	(322,279)	484,856	(219,224)	(143,796)
Cash Flows from Investing Activities				
Purchase & Construction of Property, Plant & Equipment	(306,361)	(127,986)	(19,458)	(9,817)
Proceeds from Disposal of Subsidiary shares	15,461	-	15,461	-
Interest Received	4,854	3,779	315	83
Dividends Received	2,481	-	2,481	1,657
Proceeds on Disposal of Property, Plant & Equipment / Investment Property	14,605	4,591	88	-
(Investment in) / Proceeds from Disposal of Financial Assets measured at FVTPL	-	(98)	-	-
Investment in / Disposal of Financial Assets measured at FVOCI	-	3,105	-	-
Net Cash generated from / (used in) Investing Activities	(268,960)	(116,609)	(1,113)	(8,077)
Cash Flows from Financing Activities				
Dividend Paid	-	(131,718)	-	-
Settlement of Loans Granted to Related Parties	192,966	-	141,465	-
Proceeds from Long Term Loans	1,500,275	88,928	-	63,000
Repayment of Long Term Loans and Lease Liabilities	(244,726)	(297,021)	(81,677)	(93,080)
Net Lease Payment	(38,889)	(10,074)	(3,128)	-
Net Movement in Short Term Borrowings	(1,332,650)	11,367	9,123	258,748
Loans Obtained from Related Parties	100,000	-	150,000	-
Settlement of Loans Obtained from Related Parties	(75,575)	-	-	(20,000)
Net Cash generated from / (used in) Financing Activities	101,401	(338,518)	215,783	208,668
Net Increase/ (Decrease) in Cash & Cash Equivalents	(489,838)	29,729	(4,554)	56,795
Cash & Cash Equivalents at the beginning of the Period	(170,808)	(646,954)	(125,695)	(226,542)
Cash & Cash Equivalents at the end of the Period	(660,646)	(617,225)	(130,249)	(169,747)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand & Bank	835,878	722,607	172,890	95,371
Bank & Other Borrowings	(1,496,524)	(1,339,832)	(303,139)	(265,118)
	(660,646)	(617,225)	(130,249)	(169,747)

LANKEM CEYLON PLC
Company No. PQ 128

OPERATING SEGMENT INFORMATION						
Information based on the Group's Operating Segments						
Segment Revenue - Consolidated						
	Segment Revenue					
<i>For the Period Ended 30th June</i>	2025	2024				
	Rs.'000	Rs.'000				
Consumer	2,341,827	1,997,810				
Industrial	6,709,040	6,395,864				
Leisure	478,492	480,256				
Less-Inter Segment Revenue	(217,358)	(139,170)				
	9,312,001	8,734,760				
Segment Results - Consolidated						
	Operating Profit		Net Finance Cost		Profit/(Loss) before Tax	
<i>For the Period Ended 30th June</i>	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Consumer	92,778	71,039	(40,721)	(29,497)	48,386	41,543
Industrial	141,562	63,526	(305,494)	(319,366)	(169,424)	(227,405)
Leisure	(22,542)	(13,232)	(26,345)	(60,048)	(48,887)	(73,280)
Others	(37)	(189)	(1,417)	(1,947)	(1,454)	(2,137)
	211,761	121,144	(373,977)	(410,858)	(171,379)	(261,279)

Notes to the Financial Statements

- 1 The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the audited Financial Statements for the year ended 31st March 2025 and in accordance with LKAS 34 - Interim Financial Reporting.
- 2 The presentation and classification of the Financial Statements of the previous period, have been amended, where relevant, for better presentation and to be comparable with those of the current period.
- 3 The Board of Directors of Lankem Ceylon PLC in accordance with a decision made on 18th June 2025, have resolved to issue Seventeen Million One Hundred and Fifty Six Thousand Nine Hundred and Nineteen (17,156,919) Ordinary Shares at a price of Rs.70/- per share by way of a Rights Issue in the proportion of One (01) new Ordinary Share for every Three (3) existing issued Ordinary Shares held, subject to the approval of the shareholders. The proceeds from the Rights Issue will be utilized for the purposes of settling a Related Party due and for part settlement of Bank Loans.

On the aforesaid date the Board also resolved that following the completion of the proposed Rights Issue and on the basis the Rights Issue being fully subscribed, which shall be then 68,627,676 ordinary shares, be subdivided (split) as expressly provided for in Article 12(1)(b) of the Articles of Association of the Company, on the basis of every One (1) Existing issued Ordinary Share being Subdivided into Two (2) issued Ordinary Shares, thereby increasing the number of shares of the Company to 137,255,352 shares. The subdivision shall not result in a change in the proposed Stated Capital of the Company (Post Rights Issue). The Company having made its application, is in the process of obtaining the approval of the Colombo Stock Exchange for the proposed Rights Issue and Subdivision of shares.
- 4 On 27th September 2024, the Board of Directors of the Group's Subsidiary ACME Printing & Packaging PLC (ACME) resolved to issue 190,000,000 shares in the proportion of 02 new ordinary shares for every 01 existing ordinary share by way of a Rights Issue at a price per share of Rs 2.50. The proceeds of the Rights issue are to be utilized for working capital requirements of ACME and to settle their intercompany liabilities. The Rights issue is subject to the approval of Colombo Stock Exchange and obtaining shareholder approval at an Extraordinary General Meeting.
- 5 Subsequent to the reporting period, no circumstances have arisen that would require adjustments to or disclosures in the financial statements.
- 6 There has been no significant change in the nature of the contingent liabilities which were disclosed in the audited financial statements for the year ended 31st March 2025.
- 7 The figures in the Financial Statements are provisional and subject to audit.

8 Share Information

As at 30th June	2025	2024
Stated Capital (Rs.'000)	1,282,697	1,282,697
Number of Ordinary Shares (Voting) Issued	51,470,757	51,470,757

9 Market Price recorded during the quarter

	30.06.2025	30.06.2024
	Rs.	Rs.
Highest	94.00	78.00
Lowest	71.20	64.00
Last traded price	83.00	75.90

LANKEM CEYLON PLC
Company No. PQ 128

Notes to the Financial Statements

10 Directors direct shareholdings as at 30.06.2025

<u>Name of Director</u>	<u>No. of Shares</u>
Mr. Anushman Rajaratnam	1,000

11 The Percentage of Shares held by the Public as at 30.06.2025 was 21.94%

12 The applicable option under Colombo Stock Exchange Rule 7.13.1 (i)(b) on Minimum Public Holding is Option 2 and the Float Adjusted Market Capitalization as at 30.06.2025 was Rs. 945,197,657.98.

13 The number of Public Shareholders as at 30.06.2025 were 2,237

14 20 Major Shareholders as at 30.06.2025

<u>Full Name Of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>
The Colombo Fort Land and Building PLC	24,423,233	47.45%
Amana Bank PLC/Darley Butler and Company Limited	9,011,079	17.51%
Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd	5,185,239	10.07%
C M Holdings PLC	2,716,767	5.28%
Associated Electrical Corporation Ltd	1,442,772	2.80%
Colombo Fort Investments PLC	1,290,673	2.51%
Darley Butler & Company Ltd	547,296	1.06%
Colombo Investment Trust PLC	495,000	0.96%
Guardian Asset Management Ltd	400,300	0.78%
E.B. Creasy & Company PLC	388,567	0.75%
Sri Lanka Insurance Corporation Ltd-General Fund	306,169	0.59%
Capital Investments Limited	274,000	0.53%
Hatton National Bank PLC/Sri Dhaman Rajendram Arudpragasam	250,000	0.49%
Mr. Rasiah Ranjith Leon	248,210	0.48%
Union Investments Private Ltd	222,800	0.43%
Mr. Subramaniam Vasudevan	200,000	0.39%
People's Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd	161,767	0.31%
A E C Properties (Pvt) Ltd.	150,000	0.29%
Amana Bank PLC/Hi-Line Trading Pvt Ltd	139,327	0.27%
Assetline Finance Limited/H.Shanmuga Sharma	132,842	0.26%
	47,986,041	93.23%