

LANKEM CEYLON PLC

Company No. PQ 128

INTERIM FINANCIAL STATEMENTS

For the Year Ended 31st March 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - CONSOLIDATED								
	Quarter Ended 31.03.2025 Rs.'000	Quarter Ended 31.03.2024 Rs.'000 Restated	Variance %	Year Ended 31.03.2025 Rs.'000	Year Ended 31.03.2024 Rs.'000 Restated	Variance %		
Revenue	10,975,362	9,142,074	+	20	40,334,070	33,601,738	+	20
Cost of Sales	(8,225,736)	(6,891,208)	-	19	(31,489,141)	(26,097,292)	-	21
Gross Profit	2,749,626	2,250,866	+	22	8,844,929	7,504,446	+	18
Other Income	268,213	231,349	+	16	415,021	467,772	-	11
Distribution Expenses	(897,076)	(694,721)	-	29	(3,117,086)	(2,426,926)	-	28
Administration Expenses	(1,166,851)	(884,003)	-	32	(4,109,222)	(3,274,576)	-	25
Other Expenses	-	(132,063)		100	-	(132,063)		100
(Provision) / Reversal of Impairment of Amount due from Related Parties and Trade Receivable	(70,834)	(91,530)	+	23	(70,834)	(91,530)	+	23
Share of Profit /(Loss) from Joint Venture	103,009	(23,872)	+	532	168,829	1,002	+	16,749
Share of Profit /(Loss) from Associates	(449,776)	(55,134)	-	(716)	(449,776)	(55,134)	-	(716)
Net Finance Costs	(443,634)	(387,745)	-	14	(1,646,959)	(1,885,039)	+	13
Profit before Tax	92,677	213,147	-	(57)	34,902	107,952	-	(68)
Tax Expense for the period	(331,255)	(80,531)	-	311	(581,563)	(271,952)	-	114
Profit /(Loss) for the Period	(238,578)	132,616	-	(280)	(546,661)	(164,000)	-	(233)
Other Comprehensive Income /(Expense)								
Gain /(Loss) on Financial Assets designated at Fair Value through Other Comprehensive Income	(1,307)	(1,383)	+	5	15,172	(18,111)	+	184
Revaluation Surplus	1,537,665	1,148,921	+	34	1,537,665	1,148,921	+	34
Actuarial Gain /(Loss) on Defined Benefit Obligations	(79,669)	(149,716)	+	47	(79,669)	(149,716)	+	47
Tax Effect on Components of OCI	(436,386)	(335,323)	-	30	(440,489)	(340,532)	-	29
Share of Other Comprehensive Income/(Expense) of Equity-Accounted Investees (Net of Tax)	461,194	(1,839)	+	25,179	461,194	(1,839)	+	25,179
Other Comprehensive Income for the Period, Net of Tax	1,481,497	660,660	+	124	1,493,873	638,723	+	134
Total Comprehensive Income	1,242,919	793,276	+	57	947,212	474,723	+	(100)
Profit / (Loss) Attributable to								
Owners of the Company	(249,183)	(74,466)	-	(235)	(683,936)	(140,095)	-	388
Non-Controlling Interests	10,605	207,082	-	95	137,275	(23,905)	+	674
	(238,578)	132,616	-	(280)	(546,661)	(164,000)	-	(233)
Total Comprehensive Income Attributable to								
Owners of the Company	624,628	338,597	+	84	201,636	250,896	-	(20)
Non-Controlling Interests	618,291	454,679	+	36	745,576	223,827	+	233
	1,242,919	793,276	+	57	947,212	474,723	+	100
Basic Earnings /(Loss) per Share (Rs.)	(4.84)	(1.45)			(13.29)	(2.72)		

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY								
	Quarter Ended 31.03.2025 Rs.'000	Quarter Ended 31.03.2024 Rs.'000	Variance %	Year Ended 31.03.2025 Rs.'000	Year Ended 31.03.2024 Rs.'000	Variance %		
Revenue	1,842,079	1,731,870	+	6	6,302,597	6,336,610	-	1
Cost of Sales	(1,209,536)	(1,164,227)	-	4	(4,452,053)	(4,459,487)	+	-
Gross Profit	632,543	567,643	+	11	1,850,544	1,877,123	-	1
Other Income	577,935	531,186	+	9	976,754	800,559	+	22
Distribution Expenses	(361,498)	(350,824)	-	3	(1,228,633)	(1,048,270)	-	17
Administration Expenses	(150,517)	(44,118)	-	241	(585,812)	(467,909)	-	25
Other Expenses	(38,155)	(276,765)	+	86	(38,155)	(276,765)	+	86
(Provision) / Reversal of Impairment of Amount due from Related Parties and Trade Receivable	(80,628)	30,954	-	360	(80,628)	30,954	-	360
Net Finance Costs	(116,756)	(131,294)	+	11	(511,077)	(605,656)	+	16
Profit before Tax	462,924	326,782	+	42	382,993	310,036	+	24
Tax (Expense) /Reversal for the period	(68,491)	22,522	-	404	(68,491)	22,522	-	404
Profit for the Period	394,433	349,304	+	13	314,502	332,558	-	5
Other Comprehensive Income / (Expenses)								
Gain /(Loss) on Financial Assets designated at Fair Value through Other Comprehensive Income	(724)	(2,047)	+	65	12,951	(19,411)	+	167
Revaluation Surplus	66,657	247,842	-	73	66,657	247,842	+	73
Actuarial Gain/ (Loss) on Defined Benefit Obligations	(42,126)	(32,957)	-	28	(42,126)	(32,957)	-	28
Tax Effect on Components of OCI	(3,434)	(55,683)	+	94	(7,536)	(60,892)	+	88
Other Comprehensive Income for the Period, Net of Tax	20,373	157,155	-	87	29,946	134,582	-	78
Total Comprehensive Income	414,806	506,459	-	18	344,448	467,140	-	26
Profit Attributable to								
Owners of the Company	394,433	349,304	+	13	314,502	332,558	-	5
Non-Controlling Interests	-	-	-	-	-	-	-	-
	394,433	349,304	+	13	314,502	332,558	-	5
Total Comprehensive Income Attributable to								
Owners of the Company	414,806	506,459	-	18	344,448	467,140	-	26
Non-Controlling Interests	-	-	-	-	-	-	-	-
	414,806	506,459	-	18	344,448	467,140	-	26
Basic Earnings per Share (Rs.)	7.66	6.79			6.11	6.46		

STATEMENT OF FINANCIAL POSITION				
	Consolidated		Company	
	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000 Restated	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000 Audited
ASSETS				
Property, Plant & Equipment	13,642,447	11,009,481	1,112,649	1,063,983
Investment Properties	662,143	819,163	-	-
Right of Use Assets	270,642	255,306	31,796	43,360
Intangible Assets	1,138,539	1,130,052	12,956	13,015
Investments in Subsidiaries	-	-	5,067,476	3,929,246
Investments in Associates	860,967	848,031	768,422	768,422
Investments in Joint Venture	460,474	293,163	-	-
Financial Assets Measured at Fair Value Through OCI	81,690	66,519	73,039	60,088
Deferred Tax Assets	-	-	149,529	225,557
Total Non - Current Assets	17,116,902	14,421,715	7,215,867	6,103,671
Inventories	7,068,741	5,502,332	1,622,937	1,041,359
Trade and Other Receivables	9,631,852	8,274,294	1,952,083	1,819,994
Amounts Due from Related Parties - Trade	67,182	38,646	25,322	23,586
Amounts Due from Related Parties - Non Trade	542,596	344,204	377,107	420,334
Loans Due from Related Parties	369,465	241,939	260,236	266,993
Income Tax Recoverable	27,542	34,320	23,215	23,215
Investments Classified as Fair Value Through Profit or Loss	67,924	34,297	67,924	34,297
Bank & Cash Balances	1,036,759	615,038	107,137	139,869
Total Current Assets	18,812,061	15,085,070	4,435,961	3,769,647
Total Assets	35,928,963	29,506,785	11,651,828	9,873,318
EQUITY				
Stated Capital	1,282,697	1,282,697	1,282,697	1,282,697
Other Capital Reserves	4,833	4,833	-	-
Revaluation Reserve	2,755,463	2,412,964	619,850	573,190
FVTOCI Reserve	46,286	31,804	48,037	35,366
Retained Earnings / (Accumulated Losses)	(650,350)	(699,674)	686,236	401,119
Equity attributable to Owners of the Company	3,438,929	3,032,624	2,636,820	2,292,372
Non-Controlling Interests	5,311,933	4,553,255	-	-
Total Equity	8,750,862	7,585,879	2,636,820	2,292,372
LIABILITIES				
Interest Bearing Borrowings	4,327,117	4,193,908	1,901,965	1,503,968
Lease Liabilities	240,084	211,741	10,058	18,297
Deferred Income	22,678	26,486	-	-
Deferred Tax Liabilities	2,051,469	1,449,106	-	-
Retirement Benefit Obligations	595,054	465,615	273,063	213,032
Loans Payable to Related Parties	26,590	26,590	210,542	203,110
Total Non - Current Liabilities	7,262,992	6,373,446	2,395,628	1,938,407
Interest Bearing Borrowings	10,739,045	8,126,328	3,573,722	2,713,437
Lease Liabilities	71,950	67,504	7,766	9,524
Loans Payable to Related Parties	389,664	193,419	70,369	95,369
Trade and Other Payables	6,290,433	4,927,757	2,131,832	1,918,860
Amounts Due to Related Parties - Trade	12,133	-	14,523	6,647
Amounts Due to Related Parties Non - Trade	969,045	828,288	588,336	553,254
Income Tax Payable	235,272	259,497	-	-
Bank Overdraft	1,207,567	1,144,667	232,832	345,448
Total Current Liabilities	19,915,109	15,547,460	6,619,380	5,642,539
Total Liabilities	27,178,101	21,920,906	9,015,008	7,580,946
Total Equity and Liabilities	35,928,963	29,506,785	11,651,828	9,873,318
Net Assets per Share (Rs.)	66.81	58.92	51.23	44.54

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

Sgd

Upekha Abeyssekera

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.

Sgd

Mr. Suren Goonewardene

Managing Director

Colombo

2nd June 2025

Sgd

Mr. S.D.R.Arudpragasam

Chairman

STATEMENT OF CASH FLOWS	Consolidated		Company	
	2025	2024	2025	2024
For the Year Ended 31st March	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities		Restated		
Profit / (Loss) before Tax	34,902	107,952	382,993	310,036
Adjustments for :				
Depreciation / Amortization	483,097	436,006	59,463	46,539
Amortization of Right of Use Assets	80,397	87,206	10,527	10,814
Dividend Income	(2,397)	(1,819)	(225,521)	(248,845)
Loss / (Gain) on disposal of Investment in Subsidiaries	-	(79,572)	-	88,458
Interest Expense	1,791,191	2,126,177	650,378	789,532
Amortization of Deferred Income	(3,808)	(15,327)	-	-
(Gain) / Loss on Disposal of Property, Plant & Equipment	(5,347)	(17,523)	(520)	-
Net Exchange Loss/(Gain)	(42,755)	(109,373)	(21,525)	(39,483)
Interest Income	(67,850)	(123,403)	(84,149)	(136,030)
Provision for Retirement Benefit Obligation	110,281	91,706	42,414	41,433
Fair value (Gain) / Loss on Financial Assets Measured at FVTPL	(33,627)	(8,362)	(33,627)	(8,362)
Share of Loss/ (Profit) of Associates	449,776	55,134	-	-
Share of Loss/ (Profit) of Joint Venture	(168,829)	(1,002)	-	-
(Reversal of)/Provision for Impairment of Investments in Associates	-	-	-	(220,500)
(Reversal of)/Provision for Impairment of Investment in Subsidiaries	-	-	(438,230)	(83,093)
Provision/(Reversal) for Impairment of Trade Receivable	93,085	(58,848)	43,347	(55,117)
Provision / (Reversal) for Impairment of Amount due from Related Parties	(1,314)	(32,682)	(37,281)	(12,675)
Write back of Payables	-	(21,058)	-	(21,018)
Provision for Impairment of Goodwill	-	106,288	-	-
Provision for Obsolete Inventories	183,103	88,038	36,214	16,458
Write off of Amount payable to Related Parties	-	-	-	11,488
Recognition of revaluation gain, previously recognized as revaluation loss	-	(80,835)	-	-
Operating Profit/ (Loss) before Working Capital Changes	2,899,905	2,548,703	384,483	489,635
(Increase) / Decrease in Inventories	(1,749,512)	(98,600)	(617,792)	31,681
(Increase) / Decrease in Trade and Other Receivables	(1,457,421)	(1,518,099)	(175,435)	(91,995)
(Increase) / Decrease in Amounts due from Related Parties	(353,140)	305,542	(400,863)	(229,797)
Increase / (Decrease) in Trade and Other Payables	1,421,115	1,348,660	220,581	641,967
Increase / (Decrease) in Amounts due to Related Parties	152,890	72,704	(5,364)	(188,891)
Cash generated from Operations	913,837	2,658,910	(594,390)	652,600
Income Tax Paid	(443,915)	(572,737)	-	-
Interest Paid	(1,625,804)	(2,067,640)	(551,565)	(657,703)
Gratuity Paid	(29,519)	(36,416)	(21,412)	(5,673)
Gratuity Refund from Planned Assets	(23,637)	(22,391)	-	-
Net Cash Generated from/ (used in) Operating Activities	(1,209,038)	(40,274)	(1,167,367)	(10,776)
Cash Flows from Investing Activities				
Purchase & Construction of Property, Plant & Equipment	(1,406,668)	(485,370)	(41,112)	(41,681)
Investment in Intangible assets	(11,468)	(13,301)	(591)	(9,089)
Purchase & Construction of Investment Property	(17,686)	-	-	-
Proceeds from Disposal of Subsidiary shares	349,490	328,023	-	328,023
Dilution/(Investment) in Non Controlling Interests	-	34,026	-	-
Investments in Associates	-	(650,000)	-	(325,000)
Interest Received	89,898	29,070	1,035	592
Dividends Received	2,397	1,819	223,270	247,188
Proceeds on Disposal of Property, Plant & Equipment / Investment Property	11,287	22,478	-	-
Grants Received	-	41,107	-	-
Investment in JV	-	(294,000)	-	-
Net Cash generated from / (used in) Investing Activities	(982,750)	(986,148)	182,602	200,033
Cash Flows from Financing Activities				
Dividend Paid	(131,718)	(713,261)	-	(514,707)
Loans Granted to Related Parties	-	-	(160,000)	(61,375)
Proceeds from Long Term Loans	2,674,568	1,901,388	123,000	325,000
Repayment of Long Term Loans	(2,323,521)	(1,959,066)	(378,389)	(306,817)
Net Lease Payment	(115,475)	(124,251)	(13,499)	(13,885)
Net Movement in Short Term Borrowings	2,250,510	1,660,464	1,511,105	426,516
Loans Obtained from Related Parties	235,000	48,185	160,000	142,000
Settlement of Loans Obtained from Related Parties	(38,755)	-	(177,568)	(62,892)
Settlement of Loans Granted to Related Parties	-	45,000	-	45,000
Rights Issue by Subsidiaries	-	186,691	-	-
Net Cash generated from / (used in) Financing Activities	2,550,609	1,045,150	1,064,649	(21,160)
Net Increase/ (Decrease) in Cash & Cash Equivalents	358,821	18,728	79,884	168,097
Cash & Cash Equivalents at the beginning of the Period	(529,629)	(548,357)	(205,579)	(373,676)
Cash & Cash Equivalents at the end of the Period	(170,808)	(529,629)	(125,695)	(205,579)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand & Bank	1,036,759	615,038	107,137	139,869
Bank & Other Borrowings	(1,207,567)	(1,144,667)	(232,832)	(345,448)
	(170,808)	(529,629)	(125,695)	(205,579)

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 Year Ended 31st March</i>	2025	2024				
	Rs.'000	Rs.'000				
Consumer	8,872,199	8,045,468				
Industrial	29,361,444	23,914,068				
Leisure	2,794,911	2,119,716				
Less-Inter Segment Revenue	(694,484)	(477,514)				
	40,334,070	33,601,738				
Segment Results - Consolidated						
	Operating Profit		Net Finance Cost		Profit/(Loss) before Tax	
<i>For the Year Ended 31st March</i>	2025	2024	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
						Restated
Consumer	399,142	246,466	(154,186)	(217,412)	244,956	114,241
Industrial	1,018,420	1,384,219	(1,361,917)	(1,567,584)	(624,443)	231,867
Leisure	530,831	330,518	(125,044)	(96,769)	405,787	233,749
Others	14,415	85,920	(5,812)	(3,274)	8,602	(471,905)
	1,962,808	2,047,123	(1,646,959)	(1,885,039)	34,902	107,952

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 2024 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 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 pending the approval of Colombo Stock Exchange and obtaining shareholder approval at an Extraordinary General Meeting.
- 4 On 30th October 2024, the Company accepted 70,000,000 ordinary shares in Lankem Minerals Limited (LML) issued at Rs.10/- per share by LML by way of a Private Placement in settlement of the amounts owed by LML to the Company to the extent of Rs.700M in order to facilitate the Group's strategic initiatives and to enable LML to secure project financing to commence commercial operations. The said transaction has been duly approved by the shareholders of LML.
- 5 Further to the decision made by the Board of Directors of the Group's Subsidiary Beruwala Resorts PLC on 25th April 2024 and the requisite shareholder approval being obtained at the Extraordinary General Meeting held on 19th July 2024, the Stated Capital of the Company has been reduced from Rs. 460,653,154/- represented by 700,544,295 fully paid ordinary shares to Rs. 120,000,000/- represented by 700,544,295 fully paid ordinary shares by writing off a sum of Rs. 340,653,154/- from the accumulated losses as of 31st March 2023 of Rs. 470,903,318/-, against the Stated Capital.
- 6 The Company has acquired on 9th May, 2025 30,025,332 shares of its subsidiary ACME Printing & Packaging PLC (ACME) representing 31.61% of the issued ordinary shares of ACME at a price of Rs. 4.50 per share amounting to a total consideration of Rs. 135,113,994/- and of the said shares 30,025,318 shares were acquired from its related company E.B. Creasy & Co. PLC. The transaction took place on the Trading Floor of the Colombo Stock Exchange and was carried out in line with the Company's strategic decision to maintain the packaging cluster within the Lankem Ceylon Group. No other circumstances have arisen that would require adjustments to or disclosures in the financial statements.
- 7 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 2024 other than disclosed below:

Corporate Guarantees issued by Lankem Ceylon PLC to related companies have been changed as follows

Name of the Company	Rs'000
Corporate Guarantees issued to SunAgro LifeScience Limited	1,000,000
Corporate Guarantees issued to Lankem Minerals Limited	1,800,000

8 Prior Year Adjustments

The financials statements have been restated in order to correct the impairment assessment of an investment in an associate company due to a change in the associate company's consolidated equity. The impact on the Group financials is as follows:

	31.03.2024
	Consolidated
	Rs'000
Increase in Investment in Associate	499,418
Increase in Retained Earnings	(499,418)

- 9 The figures in the Financial Statements are provisional and subject to audit.

10 Share Information

As at 31st March	2025	2024
Stated Capital (Rs.'000)	1,282,697	1,282,697
Number of Ordinary Shares (Voting) Issued	51,470,757	51,470,757

11 Market Price recorded during the quarter

	31.03.2025	31.03.2024
	Rs.	Rs.
Highest	95.50	70.00
Lowest	76.20	50.00
Last traded price	82.00	69.70

LANKEM CEYLON PLC
Company No. PQ 128

Notes to the Financial Statements

12 Directors direct shareholdings as at 31.03.2025

<u>Name of Director</u>	<u>No. of Shares</u>
Mr. Anushman Rajaratnam	1,787

13 The Percentage of Shares held by the Public as at 31.03.2025 was 14.15%.

14 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 31.03.2025 was Rs. 632,902,442.84.

15 The number of Public Shareholders as at 31.03.2025 were 2,106.

16 20 Major Shareholders as at 31.03.2025

<u>Full Name Of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>
The Colombo Fort Land and Building PLC	28,423,233	55.22%
Amana Bank PLC/E.B. Creasy & Company PLC	9,011,079	17.51%
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%
Sampath Bank PLC/Senthilveri Holdings (Pvt) Ltd	1,185,239	2.30%
Darley Butler & Company Ltd	547,296	1.06%
Colombo Investment Trust PLC	495,000	0.96%
Guardian Asset Management Ltd	400,300	0.78%
Mr. Subramaniam Vasudevan	389,000	0.76%
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%
Union Investments Private Ltd	222,800	0.43%
Mr. Rasiah Ranjith Leon	187,750	0.36%
Assetline Finance Limited/H.Shanmuga Sharma	166,642	0.32%
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%
	48,148,381	93.55%