



Radiant Gems International PLC

11th September 2020.

Renuke Wijayawardhane,
Chief Regulatory Officer,

Colombo Stock Exchange,

04-01, West Block,

World Trade Centre, Echelon Square,

Colombo 01.

Dear Madam,

Market Disclosure on Delay in submitting Annual Report of Radiant Gems International PLC for the Year Ended 31st March 2020

We write with reference to the Circular No 06-05-2020 issued by CSE on 14th May 2020, requiring Listed Entities to make a disclosure to the market in the event if the Listed Entities are unable to submit the Annual Report on due dates.

Overall Impact

COVID -19 has materially and adversely impacted on the Company operations and financial position due to discontinuation of Operations from 19th March 2020 till 22nd April 2020 and functioning only One Third of Operations from 23rd April 2020 to date. As a result, the company's net cash flows became negative leading to liquidity problems and the Company suffered from Serious Loss of Capital as at 31st March 2020.

The Company handed over the Financial Statements for the Audit on time; however, due to the impact of COVID 19, the external Auditor of the Company has not yet finalized the Audit,

hence, the Company is not in a position to publish the annual report on due date. However the Company discloses herewith important Financial Information to the investors based on unaudited financial statements as at 31st March 2020.

Impact on Internal Operations

Internal operations of the Company were completely stopped on 19th March 2020 till 22nd April 2020 and functioning only One Third of Operations from 23rd April 2020 to date resulting to reduce the production of the Company significantly, thereby couldn't meet the customer orders.

In addition, orders already processed were trucked due to closure of operation of Gem and Jewelry Authority and Sri Lanka Customs.

Further, financial reporting, and financial statement close process was also adversely affected due COVID-19, hence the process of physical verification of Inventory as at 31st March 2020 was performed subsequently. However, there is no any change to the Gem stock of the Company from 31st march 2020 to date as sale of Gem is not the major trading activity of the Company, but the service cutting of Gems.

However internal controls over financial reporting remain same without any influence.

Turnover

Turnover of the Company as at 31st March 2020 is LKR 80,807,519.00

Future outlook relation to the operation and applicability of Government reliefs and restrictions to the operation

In the long term, the Company expects at least 20% of reduction of export orders and revenue due to COVID - 19 pandemic, as the Company's foreign clients have already been adversely affected by the COVID - 19 pandemic, as maintaining social distance is a monetary requirement, hence, clients can't organize or participate for any Gem & Jewelry exhibitions where they attract buyers.

On above, the Company expects that the Company's cash flows, working capital, profitability, continuity and overall operations would be materially and adversely affected in both short and long term.

The major short term impact would be on the Company's cash flows which would be expected to be a negative cash flow and there would be a long term impact on the Company's profitability due to expected significant reduction of orders and export revenue.

However, as at 31st August 2020 the Company has recorded the Revenue of LKR 17,903,640.00 for the Two months of the second quarter, where as the Company's revenue for the 1st quarter was only LKR 6,970,689.00 This implies that the Company has significantly improved in terms of Turnover as the Company's foreign buyers are in the process of recovery from the global pandemic of COVID 19.

The Company is also in a difficulty to settle the Term Loan facility obtained from the bank, hence requested to grant an extended period to settle the Term Loan and the Interest for a period of Six month with effect from 1st April 2020 under the refinance loan scheme introduced by CBSL.

The Company recognized exchanged loss of Rs 2.1 Million as at 31st March 2020 (unaudited) due to depreciation of the LKR against USD, thereby increasing the USD loans obtained by the Company.

There are no any government restrictions or reliefs on operations of the Company at present.

Message to the Investors who wish to trade in the absence of financials/until the release of next financials

Despite the Company was unable to submit the Annual Report on due date due to not completion of external Audit, the Company has already published the quarterly reports as at 31st march 2020 (unaudited) and the important information on financial statements of the Company as at 31st March 2020 is attached in Annexure 01 for the reference of investors until the Annual Report is published.

The Company has informed directors, Key management Personnel and other related parties who have access to unpublished price sensitive information to take additional precautions in the event such parties intend to trade during the delayed period of information submission.

Thank you

Yours sincerely

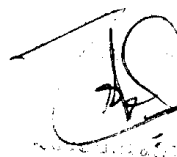
RADIANT GEMS INTERNATIONAL PLC

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Chairman/Managing Director

RADIANT GEMS INTERNATIONAL PLC:
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDERED 31 MARCH 2020

		2020	2019
	Note		
Turnover		80,807,519.51	64,505,127.00
Cost of Sales	12	(38,930,317.06)	(36,401,240.00)
Gross profit		41,877,202.45	28,103,887.00
Other Income	13	59,186.90	160,074
Administration Expenses	14	(36,971,628.67)	(33,884,498)
Distribution Expenses	15	217,961.42	(285,098)
Profit/(Loss)from operation		5,182,722.10	(5,905,635)
Finance Income	16.1	3,696.22	1,393
Finance Costs	16.2	(7,487,427.48)	(10,294,609)
Net Finance costs		(7,483,731.26)	(10,293,216.00)
Profit/(Loss) Before Taxation		(2,301,009.16)	(16,198,852.00)
Income Tax Expenses		-	(156.00)
Profit/(Loss) for the year		(2,301,009.16)	(16,199,008.00)
Other Comprehensive Income			
<u>Subsequently not re classified to profit or loss</u>			
Acturial Gain / (Loss)	27	(112,801.40)	(55,390.00)
Revaluation gain on Property Plant Equipment	21	-	-
Revaluation gain on Investment Gem Stock	23-a	-	-
Total Comprehensive Income		(2,413,810.56)	(16,254,397.00)
Earning / (Loss) Per Share		(1.01)	(6.77)



RADIANT GEMS INTERNATIONAL PLC
FINANCIAL POSITION AS AT 31ST MARCH 2020

	Note	As at 31-Mar-20	31-Mar-19
ASSETS			
NON CURRENT ASSETS			
Property Plant & Equipment	21	51,884,582	53,217,769
		51,884,582	53,217,769
Investment in Stock of Gems Stones	23 a	7,828,534	7,743,064
		7,828,534	7,743,064
CURRENT ASSETS			
Stock	23 b	4,031,567	3,576,768
Trade & Other Receivables	18	5,003,463	8,515,224
Deposits & Prepayments	19	852,909	863,622
Cash in Hand	20	3,620,961	346,016
		13,508,899	13,301,630
		73,222,015	74,262,463
EQUITY LIABILITIES			
Stated Capital		24,000,000	24,000,000
Retained Earnings		(118,748,349)	(116,334,538)
Other component of Equity	25	102,048,583	102,048,583
		7,300,234	9,714,045
NON CURRENT LIABILITIES			
Interest Bearing Borrowing	26.0	29,925,301	26,841,462
Related party payables	29	(82,060)	1,122,825
Deferred Liability- Gratuity Provision	27	9,040,845	7,783,440
		38,884,086	35,747,727
CURRENT LIABILITIES			
Bank overdraft	20.1	11,968,140	11,632,563
Creditors & Accrued Expenses	28	11,313,335	10,023,853
Interest Bearing Borrowing	26	3,756,217	7,144,275
		27,037,694	28,800,691
		73,222,015	74,262,463