

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

INTERIM FINANCIAL STATEMENTS

For The Period Ended 30th June 2017

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
	Group			Company		
	Quarter ended	Quarter ended	Variance	Quarter ended	Quarter ended	Variance
	30.06.2017 Rs.'000	30.06.2016 Rs.'000		30.06.2017 Rs.'000	30.06.2016 Rs.'000	
Revenue	1,346,054	923,155	+ 46	-	-	-
Cost of Sales	<u>(1,062,505)</u>	<u>(865,074)</u>	-	-	-	-
Gross Profit	283,549	58,081	+ 388	-	-	-
Other Income	8,712	13,611	-	166	190	-
Administration Expenses	(27,335)	(24,123)	-	(1,214)	(874)	-
Net Finance Income / (Cost)	<u>(56,332)</u>	<u>(50,582)</u>	-	415	(104)	+
Profit/ (Loss) before Tax	208,594	(3,013)	+ 7,023	(633)	(788)	+
Income Tax Expense	114	90	+	-	-	-
Profit / (Loss) for the Period	<u>208,708</u>	<u>(2,923)</u>	+ 7,240	<u>(633)</u>	<u>(788)</u>	+
Other Comprehensive Income / (Expense)						
Net Gain / (Loss) on Financial Assets Available for Sale	214	861	-	214	(55)	+
Total Comprehensive Income / (Expense)	<u>208,922</u>	<u>(2,062)</u>	+ 10,232	<u>(419)</u>	<u>(843)</u>	+
Attributable to						
Owners of the Company	117,959	(1,996)	+	(633)	(788)	+
Non-Controlling Interest	<u>90,749</u>	<u>(927)</u>	+	-	-	-
Profit / (Loss) for the Period	<u>208,708</u>	<u>(2,923)</u>	+ 7,240	<u>(633)</u>	<u>(788)</u>	+
Attributable to						
Owners of the Company	118,173	(1,532)	+	(419)	(843)	+
Non - Controlling Interest	<u>90,749</u>	<u>(530)</u>	+	-	-	-
Total Comprehensive Income / (Expense)	<u>208,922</u>	<u>(2,062)</u>	+ 10,232	<u>(419)</u>	<u>(843)</u>	+
Earnings /(Loss) per Share (Rs.)	1.97	(0.03)	+	(0.01)	(0.01)	+

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

STATEMENT OF FINANCIAL POSITION					
Group	Company	Group	Company	Group	Company
As at 31.03.2017 Rs.'000 Audited	As at 31.03.2017 Rs.'000 Audited	As at 30.06.2017 Rs.'000	As at 30.06.2016 Rs.'000	As at 30.06.2017 Rs.'000	As at 30.06.2016 Rs.'000
ASSETS					
Non - Current Assets					
854,211	6,956	831,116	858,958	6,956	6,958
2,127,166	-	2,158,667	1,977,343	-	-
232,077	-	228,289	243,438	-	-
644,516	-	646,079	561,594	-	-
629,064	-	629,064	629,064	-	-
-	472,843	-	-	472,843	507,565
15,238	7,519	15,153	19,048	7,733	7,344
4,502,272	487,318	4,508,368	4,289,445	487,532	521,867
Total Non - Current Assets					
Current Assets					
398,389	-	544,485	412,122	-	-
12,962	-	12,962	-	-	-
197,561	14	210,324	231,537	14	14
20,600	10,600	20,600	20,600	10,600	10,600
16,330	11,896	21,720	34,594	13,448	7,238
87,377	4,164	86,630	76,656	4,164	4,164
5,288	5,288	5,804	12,443	5,804	12,443
46,911	50	57,369	59,101	50	50
785,418	32,012	959,894	847,053	34,080	34,509
5,287,690	519,330	5,468,262	5,136,498	521,612	556,376
TOTAL ASSETS					
EQUITY AND LIABILITIES					
Equity Attributable to Equity Holders of the Parent					
1,408,006	1,408,006	1,408,006	1,408,006	1,408,006	1,408,006
500	500	500	500	500	500
(771,535)	(1,020,941)	(653,362)	(905,477)	(1,021,360)	(984,884)
636,971	387,565	755,144	503,029	387,146	423,622
71,271	-	162,020	(32,253)	-	-
708,242	387,565	917,164	470,776	387,146	423,622
Total Equity					
Non - Current Liabilities					
606,270	-	731,014	571,576	-	-
225,296	-	224,295	232,994	-	-
16,043	-	15,909	16,614	-	-
146	-	146	-	-	-
1,019,104	-	1,036,826	1,157,422	-	-
1,866,859	-	2,008,190	1,978,606	-	-
Total Non - Current Liabilities					
Current Liabilities					
1,623,752	6,512	1,505,132	1,653,673	7,004	7,252
30,700	30,700	30,700	30,700	30,700	30,700
196,914	92,822	191,617	246,212	93,138	89,690
326,920	-	380,502	220,928	-	-
-	-	10,028	-	-	-
233	-	193	121	-	-
534,070	1,731	424,736	535,482	3,624	5,112
2,712,589	131,765	2,542,908	2,687,116	134,466	132,754
4,579,448	131,765	4,551,098	4,665,722	134,466	132,754
Total Liabilities					
5,287,690	519,330	5,468,262	5,136,498	521,612	556,376
TOTAL EQUITY AND LIABILITIES					
10.62	6.46	12.59	8.38	6.45	7.06
Net Assets per Share (Rs.)					

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act no. 7 of 2007.

Sgd.
Asoka Piyadigama
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the Board of Directors of Lankem Developments PLC.

Sgd.
S. D. R. Arudpragasam
Director

Sgd.
D. L. Vitharana
Director

Colombo
11th August, 2017
Lankem Developments PLC

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

STATEMENT OF CHANGES IN EQUITY

<i>Group</i>	Stated Capital Rs. '000	General Reserve Rs. '000	Accumulated Profit / (Loss) Rs. '000	Total Rs. '000	Non-Controlling Interest Rs. '000	Total Equity Rs. '000
Balance as at 01.04.2017	1,408,006	500	(771,535)	636,971	71,271	708,242
Profit for the Period	-	-	117,959	117,959	90,749	208,708
Other Comprehensive Income	-	-	214	214	-	214
Balance as at 30.06.2017	<u>1,408,006</u>	<u>500</u>	<u>(653,362)</u>	<u>755,144</u>	<u>162,020</u>	<u>917,164</u>
Balance as at 01.04.2016	1,408,006	500	(903,945)	504,561	(31,723)	472,838
Loss for the Period	-	-	(1,996)	(1,996)	(927)	(2,923)
Other Comprehensive Income / (Expense)	-	-	464	464	397	861
Balance as at 30.06.2016	<u>1,408,006</u>	<u>500</u>	<u>(905,477)</u>	<u>503,029</u>	<u>(32,253)</u>	<u>470,776</u>

<i>Company</i>	Stated Capital Rs. '000	General Reserve Rs. '000	Accumulated Profit / (Loss) Rs. '000	Total Rs. '000
Balance as at 01.04.2017	1,408,006	500	(1,020,941)	387,565
Loss for the Period	-	-	(633)	(633)
Other Comprehensive Income / (Expense)	-	-	214	214
Balance as at 30.06.2017	<u>1,408,006</u>	<u>500</u>	<u>(1,021,360)</u>	<u>387,146</u>
Balance as at 01.04.2016	1,408,006	500	(984,041)	424,465
Loss for the Period	-	-	(788)	(788)
Other Comprehensive Income / (Expense)	-	-	(55)	(55)
Balance as at 30.06.2016	<u>1,408,006</u>	<u>500</u>	<u>(984,884)</u>	<u>423,622</u>

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

STATEMENT OF CASH FLOW				
	Group		Company	
For the Period Ended 30th June	2017	2016	2017	2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit / (Loss) before Tax	208,594	(3,013)	(633)	(788)
Adjustments for :				
Depreciation of Property, Plant & Equipment	33,992	32,131	-	-
Profit on Disposal of Property Plant & Equipment	(370)	(3,944)	-	-
Amortisation of Deferred Income	(1,000)	(1,000)	-	-
Dividend Income	(166)	(190)	(166)	(190)
Interest Expense	58,400	52,015	1,653	1,537
Interest Income	(1,554)	(1,497)	(1,552)	(1,494)
Fair value (Gain) / Loss on investments classified as FVTPL	(516)	61	(516)	61
Provision for Retirement Gratuity	44,407	46,799	-	-
Profit / (Loss) before Working Capital Changes	341,787	121,362	(1,214)	(874)
(Increase) / Decrease in Inventories	(146,096)	(73,844)	-	-
(Increase) / Decrease in Trade and Other Receivables	(12,016)	(10,827)	-	-
(Increase) / Decrease in Amounts due from Related Parties	(3,838)	(17,384)	-	-
Increase / (Decrease) in Trade and Other Payables	(117,882)	173,235	492	299
Increase / (Decrease) in Amounts due to Related Parties	(6,863)	1,461	(1,250)	443
Cash Generated from Operations	55,092	194,003	(1,972)	(132)
Gratuity Paid	(26,685)	(10,365)	-	-
Taxes Paid	(611)	(1,749)	-	-
Interest Paid	(66,154)	(59,951)	(87)	(145)
Net Cash Generated from / (used in) Operating Activities	(38,358)	121,938	(2,059)	(277)
Cash Flows from Investing Activities				
Acquisition of Property, Plant & Equipment	(18,033)	(40,002)	-	-
Proceeds from Disposal of Property, Plant & Equipment	369	3,944	-	-
Interest Received	2	3	-	-
Dividend Received	166	190	166	190
Net Cash Generated from / (used in) Investing Activities	(17,496)	(35,865)	166	190
Cash Flows from Financing Activities				
Receipts of Loans and Leases	271,249	-	-	-
Repayment of Loans and Leases	(95,603)	(72,783)	-	-
Net Cash Generated from / (used in) Financing Activities	175,646	(72,783)	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents	119,792	13,290	(1,893)	(87)
Cash & Cash Equivalents at the beginning of the Year	(487,159)	(489,671)	(1,681)	(4,975)
Cash & Cash Equivalents at the end of the Period	(367,367)	(476,381)	(3,574)	(5,062)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand and at Bank	57,369	59,101	50	50
Bank Overdraft	(424,736)	(535,482)	(3,624)	(5,112)
Cash & Cash Equivalents at the end of the Period	(367,367)	(476,381)	(3,574)	(5,062)

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SEGMENTAL INFORMATION

Information based on Primary Segments (Business Segments)

Segmental Revenue

<i>For the Period ended 30th June</i>	Group Net Revenue	
	2017	2016
	Rs.'000	Rs.'000
Plantations	1,334,024	905,529
Others	12,030	17,626
	<u>1,346,054</u>	<u>923,155</u>

Segmental Results

<i>For the Period ended 30th June</i>	Operating Profit		Net Finance Cost		Profit / (Loss) before Tax		Tax Expense		Profit / (Loss) after Tax	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Plantations	261,530	38,324	(54,100)	(47,758)	207,430	(9,434)	-	-	207,430	(9,434)
Other	3,396	9,245	(2,232)	(2,824)	1,164	6,421	114	90	1,278	6,511
	<u>264,926</u>	<u>47,569</u>	<u>(56,332)</u>	<u>(50,582)</u>	<u>208,594</u>	<u>(3,013)</u>	<u>114</u>	<u>90</u>	<u>208,708</u>	<u>(2,923)</u>

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

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 2017 and also in compliance with Sri Lanka Accounting Standard 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. No circumstances have arisen since the Balance Sheet date that would require adjustments to or disclosures in the financial statements other than The Board of Directors of Lankem Developments PLC resolving to convene an Extraordinary General Meeting in compliance with section 220 of the Companies Act No.7 of 2007. The said meeting will be held on 14th August 2017 immediately after the Annual General Meeting of the Company.
4. 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 2017.
5. The figures in the financial statements are provisional and are subject to audit.

6. Share Information

As at 30th June	2017	2016
Stated Capital (Rs.'000)	1,408,006	1,408,006
Number of Ordinary Shares (Voting) Issued	60,000,000	60,000,000

	30.06.2017	30.06.2016
7. Market Price recorded during the quarter		
	Rs.	Rs.
- Highest	3.70	5.80
- Lowest	2.50	4.00
- Last traded price (Volume Weighted Average)	3.00	4.50

8. Director's direct shareholdings as at 30th June 2017

<u>Name of Director</u>	<u>No. of Shares</u>
Mr. S.D.R. Arudpragasam	20,000
Mr. K.P. David	4,314

9. The percentage of shares held by the public as at 30th June 2017 was 35.01 %.
10. The number of Public Shareholders as at 30th June 2017 were 2,475.

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Notes to the Financial Statements

11. The Twenty Major Shareholders as at 30.06.2017 were as follows;

<i>Name of Shareholder</i>	<i>No. of Shares</i>	<i>%</i>
1. Lankem Plantation Holdings Limited	33,853,318	56.42
2. Acuity Partners (Pvt) Limited / Union Investments (Pvt) Limited	4,109,883	6.85
3. Seylan Bank PLC/ Mr. S. N. C. W. M. B.C. Kandegedara	1,444,251	2.41
4. Mr. Nandadeva Perera	1,161,770	1.94
5. Mr. Anurudha Kolitha Wimalaratna	913,000	1.52
6. Lankem Ceylon PLC	903,680	1.51
7. Acuity Partners (Pvt) limited / Mr. S. N. M. Semasinghe	539,544	0.90
8. First Capital Markets Limited / Mr. S. P. Jayakumar	445,211	0.74
9. Mr. Khastriya Rajaputhrage Percy Pathmasiri Jayasinghe	258,000	0.43
10. Rockport Limited	239,050	0.40
11. Mr. Weerathunga Arachchige Sampath Palitha De Saram	221,267	0.37
12. Mr. Nithiabala Balasingam	216,500	0.36
13. Pobran Investments (Pvt) Ltd.	209,487	0.35
14. Aruna Equity Care (Pvt) Ltd.	193,000	0.32
15. Corporate Holdings (Private) Limited A/C No.01	183,754	0.31
16. Mr. Sugathadasa Ruwanpathirana & Mrs. Vindya Ruwanpathirana	177,000	0.30
17. Sithlanka (Private) Ltd.	175,000	0.29
18. Mr. Kanapathippillai Chandrakanthan	168,000	0.28
19. Mr. Gampolage Dasantha Rohan Fonseka	160,000	0.27
20. Mr. Polwatte Gamage Piyasiri	158,309	0.26
	45,730,024	76.23