LANKEM Developments PLC

Company No. PQ 86

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30TH JUNE 2026

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group For the Quarter Ended				Company For the Quarter Ended			
	30.06.2026 Rs.'000	30.06.2025 Rs.'000	Variance	%	30.06.2026 Rs.'000	30.06.2025 Rs.'000	Variance	%
Revenue	**1,751,304**	2,068,612	-	(15)	**-**	-	-	-
Cost of Sales	**(1,538,447)**	(1,851,402)	+	(17)	**-**	-	-	-
Gross Profit	**212,857**	217,210	-	(2)	**-**	-	-	-
Other Income	**15,303**	15,795	-	(3)	**-**	-	-	-
Distribution Cost	**(30,000)**	(30,000)	-	(100)	**-**	-	-	-
Administration Expenses	**(90,304)**	(86,139)	-	(5)	**(2,336)**	(3,969)	+	41
Net Finance Cost	**(767)**	(7,603)	+	90	**7**	(899)	+	101
Profit/(Loss) before Tax	**107,089**	109,263	-	(2)	**(2,329)**	(4,868)	+	52
Taxation	**(40,961)**	(4,879)	-	(740)	**(26)**	-	-	-
Profit/(Loss) for the Period	**66,128**	104,384	-	(37)	**(2,355)**	(4,868)	+	52
Other Comprehensive Income/(Expense)								
Changes in Fair Value of Financial Assets classified as FVOCI, Net of Tax	**130**	390	-	(67)	**-**	-	-	-
Deffered Tax impact on Fair value reserve	**-**	4,050	-	100	**-**	-	-	-
	130	4,440	-	(97)	**-**	-	-	-
Total Comprehensive Income/(Expense)	**66,258**	108,824	-	(39)	**(2,355)**	(4,868)	+	(52)
Profit Attributable to								
Owners of the Company	**37,223**	58,212	-	(36)	**(2,355)**	(4,868)	+	(52)
Non - Controlling Interest	**28,905**	46,173	-	(37)	**-**	-	-	-
Profit/ (Loss)for the Period	**66,128**	104,384	-	(37)	**(2,355)**	(4,868)	+	(52)
Total Comprehensive Income Attributable to								
Owners of the Company	**37,298**	57,685	-	(35)	**(2,355)**	(4,868)	+	(52)
Non - Controlling Interest	**28,960**	51,140	-	(43)	**-**	-	-	-
Total Comprehensive Income/(Expenses)	**66,258**	108,824	-	(39)	**(2,355)**	(4,868)	+	(52)
Earnings/(Loss) Per Share (Rs.)	**0.23**	0.36	-	(36)	**(0.01)**	(0.03)	+	(52)

LANKEM DEVELOPMENTS PLC
Company No. PQ 86

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30.06.2026 Rs.'000	**As at 31.03.2026 Rs.'000 (Un-Audited)**	**As at 30.06.2026 Rs.'000**	**As at 31.03.2026 Rs.'000 (Un-Audited)**
ASSETS				
Non - Current Assets				
Property, Plant & Equipment	**1,373,409**	1,402,798	**24,500**	24,500
Bearer Biological Assets	**2,103,280**	2,118,169	**-**	-
Consumable Biological Assets	**2,145,341**	2,144,585	**-**	-
Right of Use Assets	**123,037**	124,667	**-**	-
Intangible Assets	**629,064**	629,064	**-**	-
Investments in Subsidiaries	**-**	-	**2,226,098**	2,226,098
Financial Assets Measured at Fair Value through OCI	**59,442**	59,313	**27,992**	27,992
Total Non-Current Assets	**6,433,573**	6,478,596	**2,278,590**	2,278,590
Current Assets				
Inventories	**1,371,997**	852,329	**-**	-
Produce on Bear Biological Assets	**24,383**	24,383	**-**	-
Trade and Other Receivables	**531,103**	671,044	**-**	-
Amounts due from Related Parties	**742,180**	579,729	**-**	-
Taxes Recoverable	**27**	25	**27**	25
Cash and Cash Equivalents	**722,432**	719,225	**2,885**	4,726
Total Current Assets	**3,392,123**	2,846,735	**2,912**	4,751
TOTAL ASSETS	**9,825,696**	9,325,331	**2,281,502**	2,283,341
EQUITY AND LIABILITIES				
Stated Capital	**2,158,006**	2,158,006	**2,158,006**	2,158,006
General Reserve	**500**	500	**500**	500
Reserve for Financial Assets at FVOCI	**(102,367)**	(102,442)	**6,275**	6,275
Revaluation Reserve	**12,285**	12,285	**12,285**	12,285
Retained Earnings	**280,863**	243,640	**88,533**	90,888
Equity Attributable to Equity Holders of the Parent	**2,349,287**	2,311,989	**2,265,599**	2,267,954
Non - Controlling Interest	**1,130,014**	1,101,054	**-**	-
Total Equity	**3,479,301**	3,413,044	**2,265,599**	2,267,954
Non - Current Liabilities				
Interest Bearing Borrowings	**236,310**	247,971	**-**	-
Deferred Income	**152,990**	155,241	**-**	-
Deferred Tax Liabilities	**825,006**	825,006	**-**	-
Lease Liabilities	**116**	116	**-**	-
Retirement Benefit Obligations	**2,649,914**	2,599,732	**-**	-
Total Non-Current Liabilities	**3,864,336**	3,828,066	**-**	-
Current Liabilities				
Trade & Other Payables	**1,167,163**	925,896	**15,210**	14,819
Lease Liabilities	**3**	3	**-**	-
Amounts due to Related Parties	**5,233**	5,226	**693**	568
Interest Bearing Borrowings	**717,061**	808,293	**-**	-
Income Tax Payable	**96,647**	68,074	**-**	-
Bank Overdraft	**495,952**	276,730	**-**	-
Total Current Liabilities	**2,482,059**	2,084,221	**15,903**	15,387
Total Liabilities	**6,346,395**	5,912,287	**15,903**	15,387
TOTAL EQUITY AND LIABILITIES	**9,825,696**	9,325,331	**2,281,502**	2,283,341
Net Assets per Share (Rs.)	**14.68**	19.27	**14.16**	14.17

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

Sgd
R.H.Sarith Sandakalum
Accountant

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 S Poholiyadde
Director

Sgd
Kowdu Mohideen
Director

Colombo
07th August 2026

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital Rs. '000	General Reserve Rs. '000	FVTOCI Reserve Rs. '000	Revaluation Reserve Rs. '000	Accumulated Profit/ (Loss) Rs. '000	Total Rs. '000	Non-Controlling Interest Rs. '000	Total Equity Rs. '000
Balance as at 01st April 2026	**2,158,006**	**500**	**(102,442)**	**12,285**	**243,640**	**2,311,989**	**1,101,054**	**3,413,043**
Profit for the Period	**-**	**-**	**-**	**-**	**37,223**	**37,223**	**28,905**	**66,128**
Other Comprehensive Income	**-**	**-**	**75**	**-**		**75**	**55**	**130**
Balance as at 30th June 2026	**2,158,006**	**500**	**(102,367)**	**12,285**	**280,863**	**2,349,287**	**1,130,014**	**3,479,301**
Balance as at 01st April 2025	1,558,006	500	(104,668)	12,285	266,332	1,732,455	1,351,681	3,084,136
Right Issues	600,000					600,000		600,000
Profit for the Period	-	-	-	-	58,212	58,212	46,173	104,385
Other Comprehensive Income	-	-	-	-	(527)	(527)	4,967	4,440
Acqussion of additional 1.4% NCI in Agarapatana Plantations PLC		-	-	-	(112,998)	(112,998)	(1,604)	(114,602)
FV Gain from Investment at FVTOCI Transfers	-	-	950	-	35,790	36,740	-	36,740
Dividend Paid	-	-	-	-	(120,000)	(120,000)	-	(120,000)
Balance as at 30th June 2025	**2,158,006**	**500**	**(103,718)**	**12,285**	**126,809**	**2,193,882**	**1,401,217**	**3,595,099**

Company	Stated Capital Rs. '000	General Reserve Rs. '000	FVTOCI Reserve Rs. '000	Revaluation Reserve Rs. '000	Accumulated Profit/(Loss) Rs. '000	Total Rs. '000
Balance as at 01st April 2026	**2,158,006**	**500**	**6,275**	**12,285**	**90,888**	**2,267,954**
Loss for the Period	**-**	**-**	**-**	**-**	**(2,355)**	**(2,355)**
Other Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30th June 2026	**2,158,006**	**500**	**6,275**	**12,285**	**88,533**	**2,265,599**
Balance as at 01st April 2025	1,558,006	500	8,100	12,285	187,837	1,766,728
Right Issues	600,000	-	-	-	-	600,000
Loss for the Period	-	-	-	-	(4,868)	(4,868)
Other Comprehensive Income	-	-	-	-	-	-
Dividend Paid	-	-	-	-	(120,000)	(120,000)
Balance as at 30th June 2025	**2,158,006**	**500**	**8,100**	**12,285**	**62,969**	**2,241,860**

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

SEGMENTAL INFORMATION

Information based on Primary Segments (Business Segments)

Segmental Revenue

	Group Net Revenue	
For the Period Ended 30th June	**2026**	**2025**
	Rs.'000	**Rs.'000**
Plantations	**1,736,763**	2,046,900
Others	**14,541**	21,712
	1,751,304	2,068,612

Segmental Results

	Operating Profit/(Loss)		Net Finance Cost		Profit/(Loss) before Tax		Tax Expense		Profit/(Loss) after Tax	
For the Period Ended 30th June	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Plantations	**102,062**	106,790	**(771)**	(5,957)	**101,291**	100,833	**(37,154)**	-	**64,137**	100,833
Others	**9,423**	10,076	**4**	(1,646)	**5,798**	8,430	**(3,807)**	(4,879)	**1,991**	3,552
	111,485	116,866	**(767)**	(7,603)	**107,089**	109,263	**(40,961)**	(4,879)	**66,128**	104,385

LANKEM DEVELOPMENTS PLC
Company No. PQ 86

STATEMENT OF CASH FLOW

	Group		Company	
For the Period Ended 30th June	**2026 Rs.'000**	**2025 Rs.'000**	**2026 Rs.'000**	**2025 Rs.'000**
Cash Flows from Operating Activities				
Profit / (Loss) before Tax	**107,089**	109,263	**(2,329)**	(4,868)
Adjustments for :				
Depreciation/Amortization	**82,629**	64,532	**-**	-
Interest Expense	**30,567**	41,710	**-**	1,100
Interest Income	**(29,624)**	(33,925)	**(12)**	(202)
Provision for Retirement Benefit Obligation	**110,612**	97,183	**-**	-
Net Gain on change in Fair Value of Biological Assets	**-**	-	**-**	-
Amortization of Deferred Income	**(2,250)**	(2,250)	**-**	-
Profit/ (Loss) before Working Capital Changes	**296,038**	276,513	**(2,341)**	(3,970)
(Increase) / Decrease in Inventories	**(519,668)**	(44,533)	**-**	-
(Increase) / Decrease in Trade and Other Receivables	**139,941**	(15,499)	**-**	**(7)**
(Increase) / Decrease in Amounts due from Related Parties	**(164,706)**	(58,219)	**-**	-
Increase / (Decrease) in Trade and Other Payables	**556,813**	84,368	**390**	691
Increase / (Decrease) in Loan Generated to Related Parties	**2,261**	(170,434)	**125**	(165,348)
Increase / (Decrease) in Amounts due to Related Parties		-	**-**	-
Cash Generated from Operations	**310,679**	72,196	**(1,826)**	(168,634)
Income Tax, WHT Paid	**(325,004)**	(58,282)	**(26)**	-
Interest Paid	**(32,067)**	(44,110)	**-**	-
Gratuity Paid	**(60,430)**	(71,688)	**-**	-
Net Cash Generated from/(used in) Operating Activities	**(106,822)**	(101,884)	**(1,852)**	(168,634)
Cash Flows from Investing Activities				
Acquisition of Property, Plant & Equipment	**(32,567)**	(49,793)	**-**	-
Investment in Consumable Biological Assets	**(756)**	(1,239)	**-**	-
Interest Received	**29,624**	33,925	**12**	**202**
Investment in subsidiary	**-**	(114,602)	**-**	**(114,602)**
Proceeds from disposal of Financial Assets measured at FVTPL	**-**	40,790	**-**	-
Investment in Field Development	**(2,601)**	(1,604)	**-**	-
Net Cash Generated from/(used in) Investing Activities	**(6,300)**	(92,523)	**12**	(114,400)
Cash Flows from Financing Activities				
Proceeds from Long Term Loans	**419,149**	497,615	**-**	-
Repayment of Loans due to Related Parties	**-**	(315,805)	**-**	(315,805)
Repayment of Long Term Loans	**(522,042)**	(551,740)	**-**	-
Loans Obtained from Related Companies	**-**	-	**-**	-
Dividend Paid	**-**	(120,000)	**-**	(120,000)
Rights Issue Proceeds	**-**	600,000	**-**	600,000
Net Cash Generated from/(used in) Financing Activities	**(102,893)**	110,070	**-**	164,195
Net Increase / (Decrease) in Cash & Cash Equivalents	**(216,015)**	(84,337)	**(1,840)**	(118,839)
Cash & Cash Equivalents at the Beginning of the year	**442,495**	542,229	**4,725**	122,334
Cash & Cash Equivalents at the End of the Period	**226,480**	457,892	**2,885**	3,495
Analysis of Cash & Cash Equivalents at the End of the Period				
Cash in Hand and at Bank	**722,432**	795,194	**2,885**	3,495
Bank Overdraft	**(495,952)**	(337,302)	**-**	-
Cash & Cash Equivalents at the End of the Period	**226,480**	457,892	**2,885**	3,495

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 2025 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 Subsequent to the reporting period, no circumstances have arisen that would require adjustments to or disclosures in the financial statements.

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 2025.

5 The figures in the financial statements are provisional and are subject to audit.

6 Share Information

As at 30th June	**2026**	**2025**
Stated Capital (Rs.)	**2,158,005,620**	2,158,005,620
Number of Ordinary Shares (Voting) Issued	**160,000,000**	160,000,000

7 Market Price recorded during the quarter

	30.06.2026	**30.06.2025**
	Rs.	**Rs.**
Highest Price	**20.50**	27.60
Lowest Price	**17.00**	16.50
Last Traded Price	**18.90**	23.70

8 Director's direct shareholdings as at 30th June 2026

Nil

9 **Public Holding**

The Percentage of Shares held by the Public as at 30.06.2026 was 43.18%.

10 **Public Shareholders**

The number of Public Shareholders as at 30.06.2026 were 3,494

The applicable option under Colombo Stock Exchange Rule 7.13.1(i)(a)(1) on Minimum Public Holding is Option 5 and the Float Adjusted Market Capitalization as at 30.06.2026 was Rs.1,305,763,200.00

LANKEM DEVELOPMENTS PLC

Notes to the Financial Statements

13 The Twenty Major Shareholders as at 30.06.2026 were as follows;

	Name of Shareholder	*No. of Shares*	*%*
1	CONSOLIDATED TEA PLANTATIONS LIMITED	78,727,933	49.20%
2	SAMPATH BANK PLC/SENTHILVERL HOLDINGS (PVT) LTD	19,867,000	12.42%
3	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	4,074,999	2.55%
4	HNB INVESTMENT BANK (PVT) LTD/UNION INVESTMENTS (PVT) LIMITED	3,200,000	2.00%
5	UNION BANK OF COLOMBO PLC/LANKEM CEYLON PLC	2,480,626	1.55%
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	2,124,991	1.33%
7	HNB INVESTMENT BANK (PVT) LTD/COLOMBO FORT INVESTMENTS PLC	1,840,000	1.15%
8	DINLANKA LOGISTICS PVT LTD	1,772,530	1.11%
9	HATTON NATIONAL BANK PLC/MUSHTAQ MOHAMED FUAD	1,653,001	1.03%
10	DEUTSCHE BANK AG-NATIONAL EQUITY FUND	1,624,948	1.02%
11	HNB INVESTMENT BANK (PVT) LTD/COLOMBO INVESTMENT TRUST PLC	1,592,800	1.00%
12	HATTON NATIONAL BANK PLC/SRI DHAMAN RAJENDRAM ARUDPRAGASAM	1,500,000	0.94%
13	MR. MOHAMED ISMAIL MOHAMED SHAFIE *MRS. FATHIMA RAZANA SHAFIE*	1,400,000	0.88%
14	SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	1,078,006	0.67%
15	MR. SELVARAJ SIVADHARSHAN	975,000	0.61%
16	NUWARA ELIYA PROPERTY DEVELOPERS (PVT) LTD	971,879	0.61%
17	COLOMBO INVESTMENT TRUST PLC	814,853	0.51%
18	SEYLAN BANK PLC/PADMESH SAJJEEWA WEERASEKERA	666,666	0.42%
19	SAMPATH BANK PLC/ANDARADENIYA ESTATE PRIVATE LIMITED	666,666	0.42%
20	FINANCIAL TRUST LIMITED	542,666	0.34%
		127,574,564	79.76%