LANKEM Developments PLC

Company No. PQ 86

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2026







LANKEM DEVELOPMENTS PLC

Company No. PQ 86

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME-GROUP

	Quarter Ended 30.09.2026 Rs.'000	Quarter Ended 30.09.2025 Rs.'000		Variance %	6 Months Ended 30.09.2026 Rs.'000	6 Months Ended 30.09.2025 Rs.'000		Variance %
Revenue	**1,949,706**	1,852,864	+	5	**3,701,010**	3,921,476	-	6
Cost of Sales	**(1,916,609)**	(1,663,146)	-	15	**(3,455,056)**	(3,514,548)	+	2
Gross Profit	**33,097**	189,718	-	(83)	**245,954**	406,928	-	40
Other Income	**24,044**	21,464	+	12	**39,347**	37,259	+	(6)
Distribution Cost	**-**	(30,000)	+	(100)	**(30,000)**	(60,000)	+	100
Administration Expenses	**(96,694)**	(82,304)	-	(17)	**(186,998)**	(168,443)	-	(11)
Net Finance Cost	**(3,164)**	(11,531)	+	73	**(3,931)**	(19,134)	+	79
Profit/(Loss) before Tax	**(42,718)**	87,348	-	(149)	**64,371**	196,611	-	67
Taxation	**(14,856)**	(10,994)	-	(35)	**(55,817)**	(15,873)	-	(252)
Profit/(Loss) for the Period	**(57,574)**	76,354	-	(175)	**8,554**	180,738	-	95
Other Comprehensive Income/(Expense)								
Actuarial Gain on Retirement Benefits Obligation, net of Tax	**-**	-	-	-	**-**	-	-	-
Changes in Fair Value of Financial Assets classified as FVOCI, Net of Tax	**(2,871)**	130	-	(2,308)	**(2,741)**	520	-	627
Deferred Tax Impact on Fair Value Reserve	**-**	-	-	-	**-**	4,050	-	100
Revaluation Surplus on PPE, net of Tax	**-**	-				-		
	(2,871)	130	-	(2,308)	**(2,741)**	4,570	-	-
Total Comprehensive Income/(Expense)	**(60,445)**	76,484	-	(179)	**5,813**	185,308	-	(97)
Profit Attributable to								
Owners of the Company	**(37,589)**	29,826	-	(226)	**(366)**	88,037	-	(100)
Non - Controlling Interest	**(19,985)**	46,528	-	(143)	**8,920**	92,701	-	-
Profit/ (Loss)for the Period	**(57,574)**	76,354	-	(175)	**8,554**	180,738	-	(95)
Total Comprehensive Income Attributable to								
Owners of the Company	**(39,749)**	29,901	-	(233)	**(2,451)**	87,585	-	(103)
Non - Controlling Interest	**(20,696)**	46,583	-	(144)	**8,264**	97,723	-	-
Total Comprehensive Income/(Expenses)	**(60,445)**	76,484	-	(179)	**5,813**	185,308	-	(97)
Earnings/(Loss) Per Share (Rs.)	**(0.23)**	0.19	-	(226)	**(0.00)**	0.55	-	(100)

LANKEM DEVELOPMENTS PLC
Company No. PQ 86

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME-COMPANY

	Quarter Ended 30.09.2026 Rs.'000	Quarter Ended 30.09.2025 Rs.'000		Variance %	6 Months Ended 30.09.2026 Rs.'000	6 Months Ended 30.09.2025 Rs.'000		Variance %
Revenue	-	-	-	-	-	-	-	-
Cost of Sales	-	-	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-	-	-
Change in the Fair Value of Biological Assets	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-
Distribution Cost	-	-			-	-		-
Administration Expenses	**(2,839)**	(2,552)	-	11	**(5,175)**	(6,521)	+	(21)
Net Finance Income/(Cost)	**4**	7	-	(43)	**11**	(892)	+	(101)
Profit/(Loss) before Tax	**(2,835)**	(2,545)	-	(11)	**(5,164)**	(7,413)	+	30
Income Tax Expense	**0**	-	+	-	(26)	-	-	-
Profit/(Loss) for the Year	**(2,835)**	(2,545)	-	(11)	**(5,190)**	(7,413)	+	30
Other Comprehensive Income/(Expense)								
Changes in Fair Value of Financial Assets classified as FVOCI, Net of Tax	**(1,192)**	-	-	-	**(1,192)**	-	-	-
Revaluation Gain, net of Tax	-	-	-	-	-	-	-	-
Total Comprehensive Income/(Expense)	**(4,027)**	(2,545)	-	(11)	(6,382)	(7,413)	+	14
Attributable to								
Owners of the Company	**(2,835)**	(2,545)	-	(11)	**(5,190)**	(7,413)	+	30
Non - Controlling Interest	-	-	-	-	-	-	-	-
Profit/(Loss) for the Year	**(2,835)**	(2,545)	-	(11)	**(5,190)**	(7,413)	+	30
Attributable to								
Owners of the Company	**(4,027)**	(2,545)	-	(58)	**(6,382)**	(7,413)	+	14
Non - Controlling Interest	-	-	-	-	-	-	-	-
Total Comprehensive Income/(Expense)	**(4,027)**	(2,545)	-	(58)	**(6,382)**	(7,413)	+	14
Earnings/(Loss) per Share (Rs.)	**(0.02)**	**(0.02)**	-	(49)	**(0.03)**	(0.05)	+	30

LANKEM DEVELOPMENTS PLC
Company No. PQ 86

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30.09.2026 Rs.'000	**As at 31.03.2026 Rs.'000 (Audited)**	**As at 30.09.2026 Rs.'000**	**As at 31.03.2026 Rs.'000 (Audited)**
ASSETS				
Non - Current Assets				
Property, Plant & Equipment	**1,382,334**	1,402,798	**24,500**	24,500
Bearer Biological Assets	**2,079,249**	2,118,169	**-**	-
Consumable Biological Assets	**2,149,266**	2,144,585	**-**	-
Right of Use Assets	**121,407**	124,667	**-**	-
Intangible Assets	**629,064**	629,064	**-**	-
Investments in Subsidiaries	**-**	-	**2,227,098**	2,226,098
Financial Assets Measured at Fair Value through OCI	**56,571**	59,313	**26,800**	27,992
Total Non-Current Assets	**6,417,891**	6,478,596	**2,278,398**	2,278,590
Current Assets				
Inventories	**789,178**	852,328	**-**	-
Produce on Bear Biological Assets	**24,383**	24,383	**-**	-
Trade and Other Receivables	**403,222**	671,044	**-**	-
Amounts due from Related Parties	**807,426**	579,729	**-**	-
Taxes Recoverable	**27**	25	**27**	25
Cash and Cash Equivalents	**742,003**	719,225	**2,063**	4,726
Total Current Assets	**2,766,239**	2,846,734	**2,090**	4,751
TOTAL ASSETS	**9,184,130**	9,325,330	**2,280,488**	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	**(102,443)**	(102,443)	**5,083**	6,275
Revaluation Reserve	**12,285**	12,285	**12,285**	12,285
Retained Earnings	**240,203**	243,640	**85,698**	90,888
Equity Attributable to Equity Holders of the Parent	**2,308,551**	2,311,988	**2,261,572**	2,267,953
Non - Controlling Interest	**1,109,305**	1,101,055	**-**	-
Total Equity	**3,417,856**	3,413,043	**2,261,572**	2,267,953
Non - Current Liabilities				
Interest Bearing Borrowings	**224,648**	247,971	**-**	-
Deferred Income	**150,740**	155,240	**-**	-
Deferred Tax Liabilities	**825,006**	825,006	**-**	-
Lease Liabilities	**116**	116	**-**	-
Retirement Benefit Obligations	**2,681,062**	2,599,732	**-**	-
Total Non-Current Liabilities	**3,881,572**	3,828,065	**-**	-
Current Liabilities				
Trade & Other Payables	**830,958**	925,897	**15,592**	14,819
Lease Liabilities	**3**	3	**-**	-
Loans due to Related Parties	**-**	-	**-**	-
Amounts due to Related Parties	**9,427**	5,226	**3,324**	568
Interest Bearing Borrowings	**715,201**	808,293	**-**	-
Income Tax Payable	**21,227**	68,074	**-**	-
Bank Overdraft	**307,886**	276,730	**-**	-
Total Current Liabilities	**1,884,702**	2,084,222	**18,916**	15,387
Total Liabilities	**5,766,274**	5,912,287	**18,916**	15,387
TOTAL EQUITY AND LIABILITIES	**9,184,130**	9,325,330	**2,280,488**	2,283,341
Net Assets per Share (Rs.)	**14.43**	19.27	**14.13**	18.90

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
12th November 2026

LANKEM DEVELOPMENTS PLC

Company No. PQ 86

STATEMENT OF CHANGES IN EQUITY

	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
Group								
Balance as at 01st April 2026	**2,158,006**	**500**	**(102,443)**	**12,285**	**243,640**	**2,311,988**	**1,101,055**	**3,413,043**
Profit for the Period	**-**	**-**	**-**	**-**	**(366)**	**(366)**	**8,920**	**8,554**
Other Comprehensive Income	**-**	**-**	**-**	**-**	**(2,085)**	**(2,085)**	**(656)**	**(2,741)**
						-		**-**
Acquisition of additional 0.014% NCI in Agarapathna Plantations PLC	**-**	**-**	**-**	**-**	**(986)**	**(986)**	**(14)**	**(1,000)**
						-		**-**
Balance as at 30th September 2026	**2,158,006**	**500**	**(102,443)**	**12,285**	**240,203**	**2,308,551**	**1,109,305**	**3,417,856**
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	-	-	-	-	88,037	88,037	92,701	180,738
Other Comprehensive Income	-	-	-	-	(452)	(452)	5,022	4,570
Acquisition of additional 1.4% NCI in Agarapathna Plantations PLC	-	-	-	-	(112,998)	(112,998)	(1,604)	(114,602)
Dividend Paid	-	-	-	-	(120,000)	(120,000)	-	(120,000)
FV Gain from Investment at FVTOCI Transfer	-	-	950	-	35,790	36,740	-	36,740
Balance as at 30th September 2025	**2,158,006**	**500**	**(103,718)**	**12,285**	**156,709**	**2,223,782**	**1,447,800**	**3,671,582**

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	**-**	**-**	**-**	**-**	**(5,190)**	**(5,190)**
Dividend Paid	**-**	**-**	**-**	**-**	**-**	**-**
Other Comprehensive Income	**-**	**-**	**(1,192)**	**-**	**-**	**(1,192)**
Balance as at 30th September 2026	**2,158,006**	**500**	**5,083**	**12,285**	**85,698**	**2,261,572**
Balance as at 01st April 2025	1,558,006	500	8,100	12,285	187,837	1,766,728
Rights Issue	600,000	-	-	-	-	600,000
Loss for the Period	-	-	-	-	(7,413)	(7,413)
Dividend Paid	-	-	-	-	(120,000)	(120,000)
Other Comprehensive Income	-	-	-	-	-	-
Balance as at 30th September 2025	**2,158,006**	**500**	**8,100**	**12,285**	**60,424**	**2,239,315**

LANKEM DEVELOPMENTS PLC
Company No. PQ 86

STATEMENT OF CASH FLOW

	Group		Company	
For the Period Ended 30th September	**2026 Rs.'000**	**2025 Rs.'000**	**2026 Rs.'000**	**2025 Rs.'000**
Cash Flows from Operating Activities				
Profit / (Loss) before Tax	**64,371**	196,611	**(5,164)**	(7,413)
Adjustments for :				
Depreciation/Amortization	**162,260**	131,565	**-**	-
Interest Expense	**66,984**	84,242	**-**	1,100
Interest Income	**(62,695)**	(64,735)	**(18)**	(208)
Provision for Retirement Benefit Obligation	**224,847**	200,161	**-**	-
Amortization of Deferred Income	**(4,500)**	(4,500)	**-**	**-**
Prov. for Impairment of Trade & Other Receivables	**8,432**	-	**-**	
Profit/ (Loss) before Working Capital Changes	**459,700**	543,343	**(5,182)**	(6,521)
(Increase) / Decrease in Inventories	**63,151**	156,103	**-**	**-**
(Increase) / Decrease in Trade and Other Receivables	**267,822**	46,715	**-**	(7)
(Increase) / Decrease in Amounts due from Related Parties	**(228,286)**	(118,685)	**-**	-
Increase / (Decrease) in Trade and Other Payables	**531,801**	(185,312)	**772**	(2,102)
Increase / (Decrease) in Loan Generated to Related Parties	**4,789**	-	**2,755**	-
Increase / (Decrease) in Amounts due to Related Parties		(170,525)	**-**	(161,248)
Cash Generated from Operations	**1,098,977**	271,638	**(1,655)**	(169,878)
Income Tax, WHT Paid	**(727,840)**	(133,849)	**(26)**	**-**
Interest Received	**62,695**	-	**18**	**-**
Interest Paid	**(68,984)**	(89,641)	**-**	**-**
Gratuity Paid	**(143,517)**	(153,808)	**-**	**-**
Net Cash Generated from/(used in) Operating Activities	**221,331**	(105,660)	**(1,663)**	(169,878)
Cash Flows from Investing Activities				
Acquisition of Property, Plant & Equipment	**(100,556)**	(122,891)	**-**	**-**
Investment in Consumable Biological Assets	**(4,681)**	(6,871)	**-**	**-**
Interest Received	**-**	64,735	**-**	**208**
Investment in subsidiary	**(1,000)**	(114,602)	**(1,000)**	**(114,602)**
Proceeds from disposal of Financial Assets measured at FVOCI	**-**	40,790	**-**	**-**
Investment in Field Development	**(7,058)**	(5,765)	**-**	**-**
Net Cash Generated from/(used in) Investing Activities	**(113,295)**	(144,604)	**(1,000)**	(114,394)
Cash Flows from Financing Activities				
Proceeds from Long Term Loans	**942,576**	1,251,740	**-**	**-**
Repayment of Loans due to Related Parties	**-**	(315,805)	**-**	(315,805)
Repayment of Long Term Loans	**(1,058,990)**	(1,290,375)	**-**	-
Dividend Paid	**(0)**	(120,000)	**-**	(120,000)
Rights Issue Proceeds	**-**	600,000	**-**	600,000
Net Cash Generated from/(used in) Financing Activities	**(116,414)**	125,560	**-**	164,195
Net Increase / (Decrease) in Cash & Cash Equivalents	**(8,378)**	(124,704)	**(2,663)**	(120,076)
Cash & Cash Equivalents at the Beginning of the year	**442,495**	542,229	**4,726**	122,334
Cash & Cash Equivalents at the End of the Period	**434,117**	417,525	**2,063**	2,258
Analysis of Cash & Cash Equivalents at the End of the Period				
Cash in Hand and at Bank	**742,003**	772,445	**2,063**	2,258
Bank Overdraft	**(307,886)**	(354,920)	**-**	-
Cash & Cash Equivalents at the End of the Period	**434,117**	417,525	**2,063**	2,258

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 September	**2026**	**2025**
	Rs.'000	**Rs.'000**
Plantations	**3,669,128**	3,876,265
Others	**31,882**	45,211
	3,701,010	3,921,476

Segmental Results

	Operating Profit/(Loss)		Net Finance Cost		Profit/(Loss) before Tax		Tax Expense		Profit/(Loss) after Tax	
For the Period Ended 30th September	**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	**39,952**	189,899	**(3,933)**	(16,872)	**36,019**	173,027	**(46,614)**	-	**(10,595)**	173,027
Others	**28,351**	25,846	**2**	(2,262)	**28,352**	23,584	**(9,203)**	(15,873)	**19,149**	7,711
	68,303	215,745	**(3,931)**	(19,134)	**64,371**	196,611	**(55,817)**	(15,873)	**8,554**	180,738

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 2026 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 2026.

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

6 Share Information

As at 30th September	**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

	30.09.2026	**30.09.2025**
	Rs.	**Rs.**
Highest Price	**19.60**	29.70
Lowest Price	**16.00**	23.00
Last Traded Price	**16.90**	29.00

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

Nil

9 **Public Holding**

The Percentage of Shares held by the Public as at 30.09.2026 was 43.18%.

10 **Public Shareholders**

The number of Public Shareholders as at 30.09.2026 were 3,473.

The applicable option under Colombo Stock Exchange Rule 7.12.1.A.1 on Minimum Public Holding is Option 5 and the Float Adjusted Market Capitalization as at 30.09.2026 was Rs.1,126,134,400.00

LANKEM DEVELOPMENTS PLC

Notes to the Financial Statements

11 The Twenty Major Shareholders as at 30.09.2026 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 GENERAL LIMITED	3,682,358	2.30%
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	HNB INVESTMENT BANK (PVT) LTD/COLOMBO FORT INVESTMENTS PLC	1,840,000	1.15%
7	SRI LANKA INSURANCE CORPORATION LIFE LTD PARTICIPATING PORTFOLIO A/C 01	1,800,000	1.12%
8	DINLANKA LOGISTICS PVT LTD	1,772,530	1.11%
9	HATTON NATIONAL BANK PLC/MUSHTAQ MOHAMED FUAD	1,653,701	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	1,079,012	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	SRI LANKA INSURANCE CORPORATION LIFE LTD OTHER LIABILITY PORTFOLIO A/C 04	717,632	0.45%
19	SEYLAN BANK PLC/PADMESH SAJJEEWA WEERASEKERA	666,666	0.42%
20	SAMPATH BANK PLC/ANDARADENIYA ESTATE PRIVATE LIMITED	666,666	0.42%
		127,033,604	79.42%

12 **Rights Issue of Shares**

The Company made a Rights Issue of Forty Million (40,000,000) ordinary shares at a price of Rs. 15/- per share to the holders of the Issued Ordinary Shares of the Company as at end of trading on 18th March, 2025 in the proportion of one (01) new ordinary share for every three (03) existing issued ordinary shares held in the Capital of the Company. The issue closed on 10th April 2025. The issue was fully subscribed and the consideration received was Rs. 600,000,000/-

Subsequent to the Rights Issue of Shares the Company's Stated Capital amounts to Rs. 2,158,005,620/- represented by 160,000,000 Ordinary Shares.

The utilisation of proceeds as of 30th September 2026 is as follows.

Disclosure regarding status of utilization of Rights Issue proceeds as at (30-09-2026)

Objective Number	Objective as per circular	Amount allocated as per circular in LKR	Proposed date of utilization as per circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of proceeds utilized against allocation (B/A)	Clarification if not fully Utilized including where funds are invested (e.g. Whether lent to related party etc.)
01	Settlement of Related Parties dues	477,874,070/-	Immediately after conclusion and finalization of the Rights Issue	477,874,070/-	80%	477,874,070/-	100%	
02	Investment in the Purchase of shares in subsidiary Agarapatana Plantations PLC through CSE	116,875,000/-	Upon the conclusion of the Rights Issue within 60 days	116,875,000/-	19%	116,875,000/-	100%	
03	Balance to be held for future working capital requirements	5,250,930/-	Within 30 days after finalizing the Rights Issue	5,250,930/-	1%	5,250,930/-	100%	