LANKEM CEYLON PLC

Company No. PQ 128

INTERIM FINANCIAL STATEMENTS

For the Year Ended 31st March 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - CONSOLIDATED

	Quarter Ended 31.03.2026 Rs.'000	Quarter Ended 31.03.2025 Rs.'000	Variance %	Year Ended 31.03.2026 Rs.'000	Year Ended 31.03.2025 Rs.'000	Variance %
Revenue	11,720,078	10,975,362 +	7	41,019,737	40,334,070 +	2
Cost of Sales	(8,753,889)	(8,225,736) -	6	(31,518,286)	(31,489,141) -	-
Gross Profit	2,966,189	2,749,626 +	8	9,501,451	8,844,929 +	7
Other Income	188,882	101,857 +	85	344,629	248,665 +	39
Distribution Expenses	(922,951)	(875,566) -	5	(3,341,759)	(3,095,576) -	8
Administration Expenses	(1,372,976)	(945,387) -	45	(4,841,616)	(3,887,758) -	25
Other Expenses	(99,529)	- -	100	(99,529)	- -	100
(Provision) / Reversal of Impairement of Amount due from Related Parties and Trade Receivable	(116,923)	(92,596) -	(26)	(116,923)	(92,596) -	(26)
Share of Profit /(Loss) from Joint Venture	37,540	103,009 -	64	43,978	168,829 -	74
Share of Profit /(Loss) from Associates	(166,152)	(281,626) +	100	(177,533)	(281,626) +	37
Net Finance Costs	(394,695)	(443,764) +	11	(1,311,150)	(1,647,089) +	20
Profit /(Loss) Before Tax	119,385	315,553 -	62	1,548	257,778 -	99
Tax Expense for the Year	(380,134)	(332,991) -	14	(475,524)	(583,299) +	18
Profit /(Loss) for the Year	(260,749)	(17,438) -	(1,395)	(473,976)	(325,521) -	46
Other Comprehensive Income /(Expense)						
Gain /(Loss) on Financial Assets designated at Fair Value through Other Comprehensive Income	(30,611)	(1,307) -	2,242	(7,481)	15,172 -	149
Revaluation Surplus	56,405	1,541,012 -	96	56,405	1,541,012 -	96
Actuarial Gain /(Loss) on Defined Benefit Obligations	(71,790)	(79,669) +	10	(71,790)	(79,669) +	10
Tax Effect on Components of OCI	4,065	(437,390) +	101	4,065	(441,493) +	101
Share of Other Comprehensive Income/(Expense) of Equity-Accounted Investees (Net of Tax)	(27,343)	367,141 -	107	(20,141)	367,141 -	105
Other Comprehensive Income /(Expense) for the Year, net of Tax	(69,274)	1,389,787 -	105	(38,942)	1,402,163 -	103
Total Comprehensive Income /(Expense) for the Year	(330,023)	1,372,349 -	124	(512,918)	1,076,642 -	148
Profit / (Loss) Attributable to						
Owners of the Company	(194,832)	(28,043) -	595	(524,413)	(462,796) -	13
Non-Controlling Interests	(65,917)	10,605 -	722	50,437	137,275 -	63
	(260,749)	(17,438) -	1,395	(473,976)	(325,521) -	46
Total Comprehensive Income /(Expense) Attributable to						
Owners of the Company	(274,555)	752,541 -	136	(572,501)	329,549 -	274
Non-Controlling Interests	(55,468)	619,808 -	109	59,583	747,093 -	92
	(330,023)	1,372,349 -	124	(512,918)	1,076,642 -	148
Basic Earnings /(Loss) per Share (Rs.) - Note 04	(1.73)	(0.54)		(4.65)	(8.99)	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

	Quarter Ended 31.03.2026 Rs.'000	Quarter Ended 31.03.2025 Rs.'000	Variance %	Year Ended 31.03.2026 Rs.'000	Year Ended 31.03.2025 Rs.'000	Variance %
Revenue	2,327,253	1,842,079 +	26	7,474,393	6,302,597 +	19
Cost of Sales	(1,576,396)	(1,161,974) -	36	(5,283,568)	(4,404,491) -	20
Gross Profit	750,857	680,105 +	10	2,190,825	1,898,106 +	15
Other Income	568,462	577,935 -	2	748,652	976,754 -	23
Distribution Expenses	(356,067)	(361,498) +	2	(1,372,085)	(1,228,633) -	12
Administration Expenses	(168,637)	(150,517) -	12	(725,405)	(585,812) -	24
Other Expenses	(61,155)	(85,717) +	(29)	(61,155)	(85,717) +	(29)
(Provision) / Reversal of Impairement of Amount due from Related Parties and Trade Receivable	(66,297)	(80,628) +	18	(66,297)	(80,628) +	18
Net Finance Costs	(91,476)	(116,756) +	22	(309,182)	(511,077) +	40
Profit before Tax	575,687	462,924 +	24	405,353	382,993 +	6
Tax Expense/Income for the Year	(63,019)	(68,492) +	100	122,280	(68,492) +	279
Profit for the Year	512,668	394,432 +	30	527,633	314,501 +	68
Other Comprehensive Income / (Expenses)						
Gain on Financial Assets designated at Fair Value through Other Comprehensive Income	(21,073)	(724) -	2,811	3,868	12,951 -	70
Revaluation Surplus	-	66,657 -	100	-	66,657 -	100
Actuarial Gain/ (Loss) on Defined Benefit Obligations	(49,614)	(42,126) -	18	(49,614)	(42,126) -	18
Tax Effect on Components of OCI	14,846	(3,433) +	532	14,846	(7,536) +	297
Other Comprehensive Income /(Expense) for the Year, net of Tax	(55,841)	20,374 -	374	(30,900)	29,946 -	203
Total Comprehensive Income for the Year	456,827	414,806 +	10	496,733	344,447 +	44
Profit Attributable to						
Owners of the Company	512,668	394,432 +	30	527,633	314,501 +	68
Non-Controlling Interests	-	-		-	-	
	512,668	394,432 +	30	527,633	314,501 +	68
Total Comprehensive Income Attributable to						
Owners of the Company	456,827	414,806 +	10	496,733	344,447 +	44
Non-Controlling Interests	-	-		-	-	
	456,827	414,806 +	10	496,733	344,447 +	44
Basic Earnings /(Loss) per Share (Rs.) - Note 04	4.54	3.60		4.68	2.87	

STATEMENT OF FINANCIAL POSITION

	Consolidated		Company	
	As at 31.03.2026 Rs.'000	**As at 31.03.2025 Rs.'000 Audited**	**As at 31.03.2026 Rs.'000**	**As at 31.03.2025 Rs.'000 Audited**
ASSETS				
Property, Plant & Equipment	14,588,982	13,621,993	1,148,792	1,112,649
Investment Properties	654,758	662,143	-	-
Right of Use Assets	594,495	298,303	118,075	31,796
Intangible Assets	1,615,287	1,135,533	26,307	12,956
Investments in Subsidiaries	-	-	6,325,908	5,067,476
Investments in Associates	753,309	950,842	768,422	768,422
Investments in Joint Venture	504,312	460,474	-	-
Financial Assets Measured at Fair Value Through OCI	120,342	81,690	76,906	73,039
Financial Assets Measured at Amortised Cost	5,830	-	-	-
Deferred Tax Assets	-	-	286,655	149,529
Loans Due from Related Parties	45,500	-	-	-
Amounts Due from Related Parties	51,010	-	-	-
Total Non - Current Assets	18,933,825	17,210,978	8,751,065	7,215,867
Inventories	7,521,156	7,068,741	1,824,561	1,622,937
Trade and Other Receivables	10,178,852	9,529,176	2,433,554	1,952,083
Amounts Due from Related Parties - Trade	61,586	67,182	16,222	25,322
Amounts Due from Related Parties - Non Trade	417,825	542,596	342,236	377,107
Loans Due from Related Parties	108,000	369,465	123,500	260,236
Income Tax Recoverable	25,476	27,542	23,215	23,215
Investments Classified as Fair Value Through Profit or Loss	15,914	67,924	15,914	67,924
Bank & Cash Balances	1,338,777	987,230	315,540	107,137
Total Current Assets	19,667,586	18,659,856	5,094,742	4,435,961
Total Assets	38,601,411	35,870,834	13,845,807	11,651,828
EQUITY				
Stated Capital	2,483,681	1,282,697	2,483,681	1,282,697
Other Capital Reserves	4,833	4,833	-	-
Revaluation Reserve	3,930,830	3,909,580	619,850	619,850
FVTOCI Reserve	34,720	36,343	51,822	48,037
Retained Earnings / (Accumulated Losses)	(2,020,081)	(1,589,317)	1,179,183	686,235
Equity attributable to Owners of the Company	4,433,983	3,644,136	4,334,536	2,636,819
Non-Controlling Interests	6,655,083	5,196,393	-	-
Total Equity	11,089,066	8,840,529	4,334,536	2,636,819
LIABILITIES				
Interest Bearing Borrowings	3,988,682	4,327,117	1,809,617	1,901,965
Lease Liabilities	484,938	242,593	63,265	10,058
Deferred Income	15,584	22,678	-	-
Deferred Tax Liabilities	2,101,124	2,052,473	-	-
Retirement Benefit Obligations	699,769	594,861	346,342	273,062
Amount Due to Related Parties - Non Trade	46,670	-	46,670	-
Loans Payable to Related Parties	151,590	26,590	145,643	160,542
Total Non - Current Liabilities	7,488,357	7,266,312	2,411,537	2,345,627
Interest Bearing Borrowings	10,605,672	10,739,045	3,571,460	3,573,722
Lease Liabilities	117,311	72,108	16,921	7,766
Loans Payable to Related Parties	375,000	389,664	527,000	120,369
Trade and Other Payables	6,503,143	6,186,952	2,163,135	2,131,834
Amounts Due to Related Parties - Trade	-	12,133	91,169	14,523
Amounts Due to Related Parties Non - Trade	772,833	969,045	209,417	588,336
Income Tax Payable	204,484	237,008	-	-
Bank Overdraft	1,445,545	1,158,038	520,632	232,832
Total Current Liabilities	20,023,988	19,763,993	7,099,734	6,669,382
Total Liabilities	27,512,345	27,030,305	9,511,271	9,015,009
Total Equity and Liabilities	38,601,411	35,870,834	13,845,807	11,651,828
Net Assets per Share (Rs.) - Note 04	39.30	33.29	38.42	24.09

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



Upekha Abeysekera
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.



Mr. Suren Goonewardene
Managing Director



Mr. S.D.R.Arudpragasam
Chairman

Colombo
29th May 2026

STATEMENT OF CHANGES IN EQUITY

	Equity Attributable to Equity Holders of the Parent							
Consolidated	Stated Capital Rs. '000	Other Capital Reserves Rs. '000	FVTOCI Reserves Rs. '000	Revaluation Reserves Rs. '000	Retained Profit/(Loss) Rs. '000	Total Rs. '000	Non-controlling Interest Rs. '000	Total Rs. '000
Balance as at 1st April 2025	1,282,697	4,833	36,343	3,909,580	(1,589,317)	3,644,136	5,196,393	8,840,529
Profit/(Loss) for the Year	-	-	-	-	(524,413)	(524,413)	50,437	(473,976)
Other Comprehensive Income for the Period (Net of Tax)	-	-	(1,623)	21,250	(67,714)	(48,087)	9,146	(38,941)
Issue of Shares by the Company	1,200,984	-	-	-	-	1,200,984	-	1,200,984
Issue of share by Subsidiary to NCI	-	-	-	-	-	-	1,313,280	1,313,280
Changes in Percentage Holding of Subsidiaries	-	-	-	-	161,363	161,363	(27,062)	134,301
Dividend Paid	-	-	-	-	-	-	(220,850)	(220,850)
On Acqusition of Subsidiary	-	-	-	-	-	-	333,739	333,739
Balance as at 31st March 2026	**2,483,681**	**4,833**	**34,720**	**3,930,830**	**(2,020,081)**	**4,433,983**	**6,655,083**	**11,089,066**
Balance as at 1st April 2024	1,282,697	4,833	8,818	3,094,241	(1,397,729)	2,992,860	4,553,255	7,546,115
Profit/(Loss) for the Year	-	-	-	-	(462,796)	(462,796)	137,275	(325,521)
Other Comprehensive Income for the Period (Net of Tax)	-	-	27,525	815,339	(50,519)	792,345	609,818	1,402,163
Changes in Percentage Holding of Subsidiaries	-	-	-	-	(13,353)	(13,353)	13,353	-
Changes in Interestwhile retaining control	-	-	-	-	335,080	335,080	14,410	349,490
Dividend Paid	-	-	-	-	-	-	(131,718)	(131,718)
Balance as at 31st March 2025	1,282,697	4,833	36,343	3,909,580	(1,589,317)	3,644,136	5,196,393	8,840,529

Company	Stated Capital Rs. '000	FVTOCI Reserves Rs. '000	Revaluation Reserves Rs. '000	Retained Profit/(Loss) Rs. '000	Total Rs. '000
Balance as at 1st April 2025	1,282,697	48,037	619,850	686,235	2,636,819
Issue of Shares by the Company	1,200,984	-	-	-	1,200,984
Profit for the Period	-	-	-	527,633	527,633
Other Comprehensive Income for the Period (Net of Tax)	-	3,785	-	(34,685)	(30,900)
Balance as at 31st March 2026	**2,483,681**	**51,822**	**619,850**	**1,179,183**	**4,334,536**
Balance as at 1st April 2024	1,282,697	35,366	573,190	401,119	2,292,372
Profit for the Year	-	-	-	314,501	314,501
Other Comprehensive Income/(Expenses) for the year (Net of Tax	-	12,671	46,660	(29,385)	29,946
Balance as at 31st March 2025	1,282,697	48,037	619,850	686,235	2,636,819

STATEMENT OF CASH FLOWS

	Consolidated		Company	
For the Year Ended 31st March	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Cash Flows from Operating Activities				
Profit / (Loss) before Tax	**1,548**	257,778	**405,353**	382,993
Adjustments for :				
Depreciation / Amortization	**680,641**	564,458	**87,406**	69,990
Dividend Income	**(4,978)**	(2,397)	**(228,674)**	(225,521)
Loss /(Gain) on disposal of Investment in Subsidiaries	**-**	-	**(210,411)**	-
Interest Expense	**1,764,580**	1,791,641	**611,977**	650,378
Amortization of Deferred Income	**(7,094)**	(8,375)	**-**	-
(Gain) / Loss on Disposal of Property, Plant & Equipment	**(33,345)**	(5,347)	**(11,758)**	(520)
Net Exchange Loss/(Gain)	**(17,703)**	(42,755)	**(12,995)**	(21,525)
Interest Income	**(253,843)**	(68,170)	**(107,915)**	(84,149)
Provision for Retirement Benefit Obligation	**155,209**	111,481	**52,479**	42,414
Fair value (Gain) / Loss on Financial Assets Measured at FVTPL	**(181,884)**	(33,627)	**(181,884)**	(33,627)
Impairment / (Reversal of Impairment) financial assets at Amortised Cost	**1,060**	-	**-**	-
Share of Loss/ (Profit) of Associates	**177,533**	281,626	**-**	-
Share of Loss/ (Profit) of Joint Venture	**(43,978)**	(168,829)	**-**	-
Reversal of Impairment of Investment in Subsidiaries	**-**	-	**(187,684)**	(438,230)
Provision/(Reversal) for Impairment of Trade Receivable	**75,188**	93,085	**70,427**	43,347
Provision / (Reversal) for Impairment of Amount due Related Parties	**3,899**	(1,314)	**(4,118)**	37,281
Taxation related adjustments in respect of previous years	**1,755**	-	**-**	-
Provision for Aquisition of Breakage	**1,286**	-	**-**	-
Provision for Obsolete Inventories	**241,412**	183,103	**38,807**	36,214
Gain on Dilution of Interest	**-**	(55,542)	**-**	-
Write Off of Fixed Assets	**42,189**	-	**-**	-
Write off of Trade Receivable	**15,735**	-	**-**	-
Write Back of Trade Creditor	**(2,233)**	-	**(2,304)**	-
Write off of Inventory	**42,857**	-	**-**	-
Write off of FVOCI Investment	**25**	-	**-**	-
Provision / (Reversal) for Impairment of Other receivable	**959**	-	**-**	-
Operating Profit/ (Loss) before Working Capital Changes	**2,660,818**	2,896,816	**318,706**	459,045
Decrease / (Increase) in Inventories	**(736,684)**	(1,749,512)	**(240,431)**	(617,792)
Increase in Trade and Other Receivables	**(736,946)**	(1,341,189)	**(551,898)**	(175,436)
Decrease / (Increase) in Amounts due from Related Parties	**367,885**	(353,140)	**10,701**	(475,425)
Increase in Trade and Other Payables	**240,826**	1,277,685	**54,229**	220,582
(Decrease) / Increase in Amounts due to Related Parties	**(109,558)**	152,890	**(411,975)**	(5,364)
Cash generated from Operations	**1,686,341**	883,550	**(820,668)**	(594,390)
Income Tax Paid	**(394,203)**	(443,915)	**-**	-
Interest Paid	**(1,951,811)**	(1,626,254)	**(600,122)**	(551,565)
Gratuity Paid	**(60,152)**	(29,519)	**(28,146)**	(21,412)
Payments to gratuity fund	**(51,676)**	-	**-**	-
Gratuity Refund from Planned Assets	**13,813**	(23,637)	**-**	-
Net Cash used in Operating Activities	**(757,688)**	(1,239,775)	**(1,448,936)**	(1,167,367)
Cash Flows from Investing Activities				
Purchase & Construction of Property, Plant & Equipment	**(1,655,719)**	(1,382,752)	**(129,430)**	(41,112)
Purchase & Construction of Investment Property	**(10,823)**	(17,686)	**-**	-
Acquisition of Shares in Subsidiary	**-**	-	**(722,786)**	-
Proceeds from Disposal of Subsidiary shares	**294,997**	349,490	**332,898**	-
Grants Received	**-**	4,567	**-**	-
Interest Received	**26,338**	89,898	**62**	1,035
Dividends Received	**4,978**	2,397	**198,877**	223,270
Proceeds on Disposal of Property, Plant & Equipment / Investment Property	**55,625**	-	**16,687**	-
(Investment in)/ Proceeds from Disposal of Financial Assets measured at FVTPL	**233,895**	-	**233,895**	-
Investment in /Disposal of Financial Assets measured at FVOCI	**-**	10,954	**-**	-
Investment in Intangible Assets	**(38,543)**	(8,554)	**(17,365)**	(591)
Net Cash generated from / (used in) Investing Activities	**(1,089,252)**	(951,686)	**(87,162)**	182,602
Cash Flows from Financing Activities				
Proceeds from Rights Issue of Shares	**1,200,984**	-	**1,200,984**	-
Proceeds from Rights Issue of Subsidiary Shares	**713,260**	-	**-**	-
Share issued to Non-Controlling Interest	**600,020**	-	**-**	-
Dividend Paid	**(220,850)**	(131,718)	**-**	-
Settlement of Loans Granted to Related Parties	**261,465**	-	**300,840**	-
Loan Granted to Related Parties	**-**	-	**(114,500)**	(160,000)
Proceeds from Long Term Loans	**2,529,595**	1,045,677	**700,000**	123,000
Repayment of Long Term Loans	**(2,179,469)**	(1,678,246)	**(601,836)**	(378,389)
Net Lease Payment	**(104,826)**	(115,802)	**(23,323)**	(13,499)
Net Movement in Short Term Borrowings	**(711,574)**	3,234,126	**(74,107)**	1,511,105
Loans Obtained from Related Parties	**277,040**	235,000	**499,012**	160,000
Settlement of Loans Obtained from Related Parties	**(454,665)**	(38,755)	**(430,369)**	(177,568)
Net Cash generated from Financing Activities	**1,910,980**	2,550,282	**1,456,701**	1,064,649
Net Increase/ (Decrease) in Cash & Cash Equivalents	**64,040**	358,821	**(79,397)**	79,884
Cash & Cash Equivalents at the beginning of the Period	**(170,808)**	(529,629)	**(125,695)**	(205,579)
Cash & Cash Equivalents at the end of the Period	**(106,768)**	(170,808)	**(205,092)**	(125,695)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand & Bank	**1,338,777**	987,230	**315,540**	107,137
Bank & Other Borrowings	**(1,445,545)**	(1,158,038)	**(520,632)**	(232,832)
	(106,768)	(170,808)	**(205,092)**	(125,695)

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 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 The Company made a Rights Issue of Seventeen Million One Hundred and Fifty Six Thousand Nine Hundred and Nineteen (17,156,919) Ordinary Shares at a price of Rs.70/- per share to the shareholders as at the end of trading on 17th October 2025 (record date) in the proportion of One (01) new Ordinary Share for every Three (3) existing issued Ordinary Shares. The issue closed on 13th November 2025 and was fully subscribed. The total consideration received was Rs. 1,200,984,330/-. The purpose of the issue was to settle Related Party dues to E. B. Creasy & Co. PLC and for a part settlement of bank loans.

Subsequent to the Rights Issue of Shares the Stated Capital of the Company is Rs. 2,483,681,470/-.

Utilization of Proceeds of the Rights Issue

Disclosure regarding status of utilization of Rights Issue proceeds as at (15-02-2026)								
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.)**
1	Part settlement of related party dues to E B Creasy & Company PLC (EBC)	102,656,177.26	Immediately after the conclusion and finalization of the Rights Issue	102,656,177.26	8.55%	102,656,177.26	100%	N/A
2	Part Settlement - Sampath Bank PLC	236,329,087.79	within a period of 2 weeks upon the conclusion and finalization of the Rights Issue.	236,329,087.79	19.68%	236,329,087.79	100%	N/A
3	Part Settlement - Bank of Ceylon	450,000,000.00	within a period of 2 weeks upon the conclusion and finalization of the Rights Issue.	450,000,000.00	37.47%	450,000,000.00	100%	N/A
4	Part Settlement - Commercial Bank of Ceylon PLC	150,000,000.00	within a period of 2 weeks upon the conclusion and finalization of the Rights Issue.	150,000,000.00	12.49%	150,000,000.00	100%	N/A
5	Part Settlement - Hatton National Bank PLC	261,999,064.95	within a period of 2 weeks upon the conclusion and finalization of the Rights Issue.	261,999,064.95	21.82%	261,999,064.95	100%	N/A
		1,200,984,330.00		**1,200,984,330.00**		**1,200,984,330.00**		

Subdivision of Shares

Pursuant to a decision of the Board on 18th June 2025 and consequent to an Ordinary Resolution pertaining to the Subdivision of Shares of the Company being carried unanimously by the Shareholders present and voting at the Extraordinary General Meeting held on 15th October 2025, such Subdivision was effected based on the shareholding as at end of trading on 10th December 2025 (record date).

Accordingly, without actuating any increase to the Stated Capital of the Company, every one (01) existing issued ordinary share was subdivided into Two (2) issued ordinary shares, thereby increasing the number of issued ordinary shares of the Company from Sixty Eight Million Six Hundred and Twenty Seven Thousand Six Hundred and Seventy six (68,627,676) to One Hundred and Thirty Seven Million Two Hundred and Fifty Five Thousand Three Hundred and Fifty Two (137,255,352).

4 As disclosed in Note 3, the Company has issued 17,156,919 ordinary shares at a price of Rs.70 per share and subsequent to the right issue every one (01) existing issued ordinary share was subdivided into Two (2) issued ordinary shares, the effect of right issue and subdivision of shares are adjusted retrospectively in calculating weighted average number of shares in issue as required by LKAS 33 - "Earnings per share".

Notes to the Financial Statements

5 The Group's Subsidiary ACME Printing & Packaging PLC made a Rights Issue of 570,000,000 Ordinary Shares at a price of Rs 2.50 per Share to the holders of the Issued Ordinary Shares of the Company as at the end of trading on 06th February 2026, in the proportion of six (6) new Ordinary Shares for every One (1) existing issued Ordinary Share held in the Capital of the Company. The Issue closed on 04th March 2026. The total number of shares subscribed for on the Right Issue was 570,000,000 shares and the total consideration received was Rs 1,425,000,000.00. The proceeds of the Rights Issue will be utilized for factory relocation and modernization, repayment of intercompany loan and bank borrowings, and working capital requirements.

6 The Initial Public Offering of JF Packaging Ltd. for 51,724,144 Ordinary Voting Shares at Rs. 11.60 per share opened on 30th October 2025 and the Issue having been oversubscribed was closed on the same day.

7 The Group's Subsidiary Sigiriya Village Hotels PLC on 13th November 2025 announced a Subdivision of Shares, without effecting any increase to the stated capital of the Company, the existing 9,000,000 issued ordinary shares of the Company, be subdivided and that such subdivision be effected by subdividing every One (1) existing issued Ordinary Share into Ten (10) issued Ordinary Shares thereby increasing the number of shares of the Company to 90,000,000 shares and consequent to an Ordinary Resolution pertaining to the Subdivision of shares of the Company being carried unanimously by the Shareholders present and voting at the Extraordinary General Meeting held on 06th January 2026.

8 The Group's Subsidiary York Arcade Holdings PLC on 14th November, 2025 announced a Subdivision of Shares, and consequent to an Ordinary Resolution pertaining to the Subdivision of shares of the Company being carried unanimously by the Shareholders present and voting at the Extraordinary General Meeting held on 31st December, 2025, such Subdivision was effected based on the shareholding as at end of trading on 5th January, 2026 (record date). Accordingly, without actuating any increase to the Stated Capital of the Company, the existing 750,000 issued ordinary shares of the Company, was subdivided and that such subdivision was effected by subdividing every One (1) existing issued Ordinary Share into Two Hundred (200) issued Ordinary Shares thereby increasing the number of shares of the Company to 150,000,000 shares.

9 Lankem Ceylon PLC (LCPLC) made an offer to its parent company, The Colombo Fort Land & Building PLC (CFLB) to purchase CFLB's Equity stake of 49.27% in York Arcade Holdings PLC (YAH) represented by 369,495 Ordinary Voting Shares. The Board of CFLB advised the Company that they have agreed to accept the offer and the said transaction was executed on 24th November 2025, on the Trading Floor of the Colombo Stock Exchange. The said number of shares were acquired at Rs.921.75 per share.

Further to the Company's acquisition of a 49.27% equity stake in York Arcade Holdings PLC (YAH) represented by 369,495 Ordinary Voting Shares from parent Company, The Colombo Fort Land & Building PLC, the Company has also acquired on 24th November 2025, a further equity stake of 0.88% of YAH, from related entities, Fort Investments PLC and Colombo Investment Trust PLC amounting 1,525 and 5,043 Ordinary Colombo Shares respectively at a price of Rs.882.75 per share. Pursuant to the aforesaid transactions where the Company has acquired in total 50.15% of YAH shares, the said YAH becomes a subsidiary of Lankem Ceylon PLC, and the ultimate parent company of YAH remains The Colombo Fort Land & Building PLC.

Subsequently the Company disposed 10% of its equity stake, representing 15,000,000 shares of the issued Ordinary Shares of York Arcade Holdings PLC to Darley Butler & Co. Ltd on the trading floor of the Colombo Stock Exchange. However, acting in concert with Darley Butler & Co.Ltd, the holding in York Arcade Holdings PLC stands at 50.15%.

10 Subsequent to the reporting period, no circumstances have arisen that would require adjustments to or disclosures in the financial statements other than those disclosed below:

The Group's Subsidiary Beruwala Resorts PLC has decided to temporarily close its hotel operations from 1st May 2026 to 30th August 2026. This temporary closure is undertaken to facilitate the planned refurbishment and operational improvements, with a view to enhancing the overall guest experience and maintaining the Company's service standards. The Board of Directors of Beruwala Resorts PLC has carefully evaluated the impact of this decision and is of the view that the temporary closure will not have a material adverse impact on the long-term performance of the Company. Appropriate cost management measures will be implemented during this period. The hotel is expected to resume its operations on 1st September 2026.

11 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 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**
Cancellation of Corporate Guarantee issued to SunAgro LifeScience Ltd.	100,000
Cancellation of Corporate Guarantee issued to Kotagala Plantations PLC	230,000
Cancellation of Corporate Guarantee issued to J.F. Packaging PLC	207,564
Issuance of Corporate Guarantee to SunAgro LifeScience Ltd.	100,000
	637,564

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

13 Share Information

As at 31st March	**2026**	**2025**
Stated Capital (Rs.'000)	2,483,681	1,282,697
Number of Ordinary Shares (Voting) Issued	137,255,352	51,470,757

14 Market Price recorded during the quarter

	31.03.2026	**31.03.2025**
	Rs.	***Rs.***
Highest	54.90	95.50
Lowest	31.10	76.20
Last traded price	41.00	82.00

Notes to the Financial Statements

15 Directors direct shareholdings as at 31.03.2026

Name of Director	No. of Shares
Mr. Anushman Rajaratnam	2,000

16 The Percentage of Shares held by the Public as at 31.03.2026 was 22.32%.

17 The applicable option under Colombo Stock Exchange Rule 7.13.1 (i)(b) on Minimum Public Holding is Option 1 and the Float Adjusted Market Capitalization as at 31.03.2026 was Rs. 1,256,051,177.22.

18 The number of Public Shareholders as at 31.03.2026 were 2,570.

19 20 Major Shareholders as at 31.03.2026

Full Name Of Shareholder	No. of Shares	%
The Colombo Fort Land and Building PLC	60,386,082	44.00%
Amana Bank PLC/Darley Butler and Company Limited	18,029,544	13.14%
Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd.	13,841,891	10.08%
Darley Butler & Co Ltd.	7,459,456	5.43%
C M Holdings PLC	5,833,534	4.25%
Associated Electrical Corporation Ltd.	3,847,538	2.80%
Colombo Fort Investments PLC	3,806,794	2.77%
Commercial Bank Of Ceylon PLC/ The Colombo Fort Land & Building PLC	2,573,538	1.88%
Hatton National Bank PLC/Sri Dhaman Rajendram Arudpragasam	1,847,336	1.35%
Colombo Investment Trust PLC	1,635,000	1.19%
E.B. Creasy & Company PLC	1,036,178	0.75%
HNB Investment Bank (Pvt) Ltd./Colombo Investment Trust PLC	964,000	0.70%
Guardian Asset Management Ltd.	800,600	0.58%
Nuwara Eliya Property Developers (Pvt) Ltd.	796,544	0.58%
Mr. Rasiah Ranjith Leon	761,892	0.56%
Capital Investments Limited	710,000	0.52%
Sri Lanka Insurance Corporation Ltd.-General Fund	612,338	0.45%
Union Investments (Private) Limited	594,132	0.43%
HNB Investment Bank (Pvt) Ltd./Colombo Fort Investments PLC	525,000	0.38%
Assetline Finance PLC/H.Shanmuga Sharma	513,892	0.37%
	126,575,289	**92.22%**