LANKEM CEYLON PLC

Company No. PQ 128

INTERIM FINANCIAL STATEMENTS

For the Period Ended 30th June 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Consolidated				Company			
	Quarter Ended 30.06.2026 Rs.'000	Quarter Ended 30.06.2025 Rs.'000		Variance %	Quarter Ended 30.06.2026 Rs.'000	Quarter Ended 30.06.2025 Rs.'000		Variance %
Revenue	9,240,358	9,312,001	-	1	1,698,290	1,622,842	+	5
Cost of Sales	(6,749,904)	(7,345,714)	+	8	(1,138,262)	(1,162,425)	+	2
Gross Profit	2,490,454	1,966,287	+	27	560,028	460,417	+	22
Other Income	99,602	61,879	+	61	27,262	148,083	-	82
Distribution Expenses	(963,426)	(749,241)	-	29	(428,911)	(304,189)	-	41
Administration Expenses	(1,174,232)	(1,067,164)	-	10	(232,612)	(171,312)	-	36
Share of Profit /(Loss) from Joint Venture	4,572	(9,163)	+	150	-	-	-	-
Share of Profit /(Loss) from Associates	(16,948)	-	-	100	-	-	-	-
Net Finance Costs	(479,332)	(373,977)	-	28	(181,028)	(110,221)	-	64
Profit /(Loss) Before Tax	(39,310)	(171,379)	+	77	(255,261)	22,778	-	1,221
Tax (Reversal)/ Expense for the period	(105,072)	(51,228)	-	105	54,642	43,811	+	25
Profit /(Loss) for the Period	(144,382)	(222,607)	+	35	(200,619)	66,589	-	401
Other Comprehensive Income /(Expense)								
Gain on Financial Assets designated at Fair Value through Other Comprehensive Income	2,423	23,634	-	90	5,322	23,293	-	77
Tax Effect on Components of OCI	120	-	+	100	120	-	+	100
Share of Other Comprehensive Income/(Expense) of Equity-Accounted Investees (Net of Tax)	92,913	-	+	100	-	-	-	-
Other Comprehensive Income /(Expense) for the Period, net of Tax	95,456	23,634	+	304	5,442	23,293	-	77
Total Comprehensive Income /(Expense)	(48,926)	(198,973)	+	75	(195,177)	89,882	-	317
Profit / (Loss) Attributable to								
Owners of the Company	(111,129)	(191,947)	+	42	(200,619)	66,589	-	401
Non-Controlling Interests	(33,253)	(30,660)	-	8	-	-	-	-
	(144,382)	(222,607)	+	35	(200,619)	66,589	-	401
Total Comprehensive Income /(Expense) Attributable to								
Owners of the Company	(13,828)	(168,176)	+	92	(195,177)	89,882	-	317
Non-Controlling Interests	(35,098)	(30,797)	-	14	-	-	-	-
	(48,926)	(198,973)	+	75	(195,177)	89,882	-	317
Basic Earnings /(Loss) per Share (Rs)	(0.99)	(1.70)			(1.78)	0.59		

STATEMENT OF FINANCIAL POSITION

	Consolidated		Company	
	As at 30.06.2026 Rs.'000	**As at 31.03.2026 Rs.'000 UnAudited**	**As at 30.06.2026 Rs.'000**	**As at 31.03.2026 Rs.'000 UnAudited**
ASSETS				
Property, Plant & Equipment	14,031,658	14,590,173	1,141,610	1,148,796
Investment Properties	660,167	654,757	-	-
Right of Use Assets	681,173	594,496	138,859	118,076
Intangible Assets	1,614,061	1,614,992	26,108	26,308
Investments in Subsidiaries	-	-	6,325,907	6,325,907
Investments in Associates	1,025,544	949,577	768,422	768,422
Investments in Joint Venture	508,884	504,312	-	-
Financial Assets Measured at Fair Value Through OCI	122,537	120,114	106,583	76,906
Financial Assets Measured at Amortised Cost	4,657	5,830	-	-
Deferred Tax Assets	-	-	369,001	314,239
Loans Due from Related Parties	45,500	45,500	-	-
Amounts Due from Related Parties	52,253	51,010	-	-
Total Non - Current Assets	18,746,434	19,130,761	8,876,490	8,778,654
Inventories	8,580,267	7,531,190	2,541,041	1,824,561
Trade and Other Receivables	9,257,983	10,178,512	1,655,469	2,433,555
Amounts Due from Related Parties - Trade	106,107	69,464	16,059	16,222
Amounts Due from Related Parties - Non Trade	424,601	404,363	339,674	342,235
Loans Due from Related Parties	141,341	108,000	156,841	123,500
Income Tax Recoverable	25,476	25,475	23,215	23,215
Investments Classified as Fair Value Through Profit or Loss	17,468	15,913	17,468	15,913
Bank & Cash Balances	944,169	1,331,533	143,599	315,540
Asset Held For Sale	626,603	-	-	-
Total Current Assets	20,124,015	19,664,450	4,893,366	5,094,741
Total Assets	38,870,449	38,795,211	13,769,856	13,873,395
EQUITY				
Stated Capital	2,483,681	2,483,681	2,483,681	2,483,681
Other Capital Reserves	4,833	4,833	-	-
Revaluation Reserve	3,929,519	3,929,519	619,850	619,850
FVTOCI Reserve	113,613	109,226	57,264	51,822
Retained Earnings / (Accumulated Losses)	(1,797,705)	(1,793,778)	1,006,148	1,206,767
Equity attributable to Owners of the Company	4,733,941	4,733,481	4,166,943	4,362,120
Non-Controlling Interests	6,508,539	6,559,770	-	-
Total Equity	11,242,480	11,293,251	4,166,943	4,362,120
LIABILITIES				
Interest Bearing Borrowings	4,756,874	3,988,682	1,783,903	1,809,617
Lease Liabilities	521,134	484,940	66,642	63,265
Deferred Income	13,871	15,585	-	-
Deferred Tax Liabilities	2,072,502	2,073,543	-	-
Retirement Benefit Obligations	683,269	699,770	342,352	346,342
Amount Due to Related Parties - Non Trade	-	-	46,670	46,670
Loans Payable to Related Parties	151,590	151,590	145,643	145,643
Total Non - Current Liabilities	8,199,240	7,414,110	2,385,210	2,411,537
Interest Bearing Borrowings	10,586,228	10,613,253	4,071,881	3,571,459
Lease Liabilities	136,651	117,311	25,134	16,921
Loans Payable to Related Parties	305,000	375,000	457,000	527,000
Trade and Other Payables	6,060,952	6,483,533	1,923,475	2,163,140
Amounts Due to Related Parties - Trade	-	-	201,401	91,169
Amounts Due to Related Parties Non - Trade	591,902	817,006	199,268	209,417
Income Tax Payable	266,791	235,162	-	-
Bank Overdraft	1,481,205	1,446,585	339,544	520,632
Total Current Liabilities	19,428,729	20,087,850	7,217,703	7,099,738
Total Liabilities	27,627,969	27,501,960	9,602,913	9,511,275
Total Equity and Liabilities	38,870,449	38,795,211	13,769,856	13,873,395
Net Assets per Share (Rs.)	41.96	41.96	36.94	38.67

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
14th August 2026

LANKEM CEYLON PLC

Company No. PQ 128

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 2026 (Unaudited)	2,483,681	4,833	109,226	3,929,519	(1,793,778)	4,733,481	6,559,770	11,293,251
Profit/(Loss) for the Period	-	-	-	-	(111,129)	(111,129)	(35,098)	(146,227)
Other Comprehensive Income for the Period (Net of Tax)	-	-	4,387	-	92,913	97,300	(1,844)	95,456
Changes in Percentage Holding of Subsidiaries	-	-	-	-	14,289	14,289	(14,289)	-
Balance as at 30th June 2026	**2,483,681**	**4,833**	**113,613**	**3,929,519**	**(1,797,705)**	**4,733,941**	**6,508,539**	**11,242,480**
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
Loss for the Period	-	-	-	-	(191,947)	(191,947)	(30,660)	(222,607)
Other Comprehensive Income for the Period (Net of Tax)	-	-	23,771	-	-	23,771	(137)	23,634
Effect on changes in holding of Subsidiaries	-	-	-	-	(2,156)	(2,156)	(118,832)	(120,988)
Dividend Paid	-	-	-	-	-	-	(131,718)	(131,718)
Balance as at 30th June 2025	1,282,697	4,833	60,114	3,909,580	(1,783,420)	3,473,804	4,915,046	8,388,850

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 2026 (Unaudited)	2,483,681	51,822	619,850	1,206,767	4,362,120
Loss for the Period	-	-	-	(200,619)	(200,619)
Other Comprehensive Income for the Period (Net of Tax)	-	5,442	-	-	5,442
Balance as at 30th June 2026	**2,483,681**	**57,264**	**619,850**	**1,006,148**	**4,166,943**
Balance as at 1st April 2025	1,282,697	48,037	619,850	686,235	2,636,819
Profit for the Period	-	-	-	66,589	66,589
Other Comprehensive Income/(Expenses) for the Period (Net of Tax	-	23,292	-	-	23,292
Balance as at 30th June 2025	1,282,697	71,329	619,850	752,824	2,726,700

STATEMENT OF CASH FLOWS

	Consolidated		Company	
For the Period Ended 30th June	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Cash Flows from Operating Activities				
Profit / (Loss) before Tax	**(39,310)**	(171,379)	**(255,261)**	22,778
Adjustments for :				
Depreciation / Amortization	**210,011**	157,450	**29,306**	18,095
Dividend Income	**(3)**	(2,481)	**-**	(2,481)
Interest Expense	**216,287**	220,479	**198,161**	173,955
Amortization of Deferred Income	**(1,713)**	(1,797)	**-**	-
Gain on Disposal of Property, Plant & Equipment	**(16,171)**	(4,345)	**(6,352)**	(88)
Net Exchange Loss/(Gain)	**23,508**	(23,387)	**6,709**	(6,223)
Interest Income	**(57,213)**	(53,096)	**(22,288)**	(23,737)
Provision for Retirement Benefit Obligation	**33,128**	27,009	**13,376**	11,072
Fair value Gain on Financial Assets Measured at FVTPL	**(1,554)**	(33,775)	**(1,554)**	(33,775)
Share of Loss of Associates	**16,948**	-	**-**	-
Share of (Profit)/Loss of Joint Venture	**(4,572)**	9,163	**-**	-
Provision for Impairment of Trade Receivable	**47,311**	14,464	**37,067**	8,738
Provision for Impairment of Amount/Loan due from Related Parties	**15,424**	-	**17,933**	-
Provision for Obsolete Inventories	**12,303**	22,667	**12,341**	13,817
Write Back of Trade Creditor	**(5,211)**	-	**(5,211)**	-
Write off of Inventory	**8,676**	-	**-**	-
Operating Profit before Working Capital Changes	**457,849**	160,972	**24,227**	187,428
(Increase)/Decrease in Inventories	**(1,070,056)**	59,779	**(728,821)**	(140,044)
Decrease in Trade and Other Receivables	**873,218**	997,305	**741,019**	272,394
(Increase)/Decrease in Amounts due from Related Parties	**5,477**	(1,046)	**12,240**	51,455
Decrease in Trade and Other Payables	**(444,065)**	(923,066)	**(232,618)**	(378,479)
Increase /(Decrease) in Amounts due to Related Parties	**23,978**	(182,981)	**110,690**	(78,223)
Cash (Used in) / Generated from Operations	**(153,599)**	110,963	**(73,263)**	(85,469)
Income Tax Paid	**(71,299)**	(44,421)	**-**	-
Interest Paid	**(465,369)**	(360,175)	**(196,559)**	(129,897)
Gratuity Paid	**(49,628)**	(28,646)	**(17,485)**	(3,858)
Net Cash Used in Operating Activities	**(739,895)**	(322,279)	**(287,307)**	(219,224)
Cash Flows from Investing Activities				
Purchase & Construction of Property, Plant & Equipment	**(281,552)**	(306,361)	**(29,975)**	(19,458)
Proceeds from Disposal of Subsidiary shares	**-**	15,461	**-**	15,461
Interest Received	**4,847**	4,854	**-**	315
Dividends Received	**3**	2,481	**-**	2,481
Proceeds on Disposal of Property, Plant & Equipment / Investment Property	**16,171**	14,605	**6,352**	88
Investment in Intangible Assets	**(1,025)**	-	**(1,025)**	-
Net Cash Used in Investing Activities	**(261,556)**	(268,960)	**(24,648)**	(1,113)
Cash Flows from Financing Activities				
Settlement of Loans Granted to Related Parties	**-**	192,966	**-**	141,465
Loan Granted to Related Parties	**(60,000)**	-	**(60,000)**	-
Proceeds from Long Term Loans	**1,544,577**	1,500,275	**10,847**	-
Repayment of Long Term Loans	**(215,794)**	(244,726)	**(68,951)**	(81,677)
Net Lease Payment	**(50,568)**	(38,889)	**(7,526)**	(3,128)
Net Movement in Short Term Borrowings	**(568,748)**	(1,332,650)	**516,732**	9,123
Loans Obtained from Related Parties	**-**	100,000	**-**	150,000
Settlement of Loans Obtained from Related Parties	**(70,000)**	(75,575)	**(70,000)**	-
Net Cash Generated from Financing Activities	**579,467**	101,401	**321,102**	215,783
Net (Decrease)/Increase in Cash & Cash Equivalents	**(421,984)**	(489,838)	**9,147**	(4,554)
Cash & Cash Equivalents at the beginning of the Period	**(115,052)**	(170,808)	**(205,092)**	(125,695)
Cash & Cash Equivalents at the end of the Period	**(537,036)**	(660,646)	**(195,945)**	(130,249)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand & Bank	**944,169**	835,878	**143,599**	172,890
Bank & Other Borrowings	**(1,481,205)**	(1,496,524)	**(339,544)**	(303,139)
	(537,036)	(660,646)	**(195,945)**	(130,249)

OPERATING SEGMENT INFORMATION

Information based on the Group's Operating Segments

Segment Revenue - Consolidated

	Segment Revenue	
For the period ended 30th June	**2026**	**2025**
	Rs.'000	**Rs.'000**
Consumer	2,527,263	2,341,827
Industrial	6,750,352	6,709,040
Leisure	344,605	478,492
Less-Inter Segment Revenue	(381,862)	(217,358)
	9,240,358	**9,312,001**

Segment Results - Consolidated

	Operating Profit		Net Finance Cost		Profit /(Loss) before Tax	
For the period ended 30th June	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Consumer	150,409	92,778	(41,060)	(40,721)	109,349	48,386
Industrial	470,260	141,562	(374,824)	(305,494)	83,061	(169,424)
Leisure	(165,880)	(22,542)	(66,503)	(26,345)	(232,383)	(48,887)
Others	(2,391)	(37)	3,055	(1,417)	663	(1,454)
	452,398	**211,761**	**(479,332)**	**(373,977)**	**(39,310)**	**(171,379)**

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 Further to the quarterly financials published as at 31.03.2026, subsequent audit adjustments have been incorporated to the quarterly financials as at 30.06.2026 pending the 31.03.2026 audited financials.

4 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:

Subsequent to the reporting date, on 24 July 2026, the Company's Subsidiary ACME Printing & Packaging PLC completed the sale of its land and factory for a consideration of Rs.630 Mn to Singer Sri Lanka PLC in accordance with the Sale and Purchase Agreement executed with the purchaser.

5 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

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

7 Share Information

As at 30th June	**2026**	**2025**
Stated Capital (Rs.'000)	2,483,681	1,282,697
Number of Ordinary Shares (Voting) Issued	137,255,352	51,470,757

8 Market Price recorded during the quarter

	30.06.2026	**30.06.2025**
	Rs.	***Rs.***
Highest	20.50	94.00
Lowest	17.00	71.20
Last traded price	40.50	83.00

The Company has issued 17,156,919 ordinary shares at a price of Rs.70 per share at the end of trading on 17th October 2025 and subsequent to the right issue every one (01) existing issued ordinary share was subdivided into Two (2) issued ordinary shares as at end of trading on 10th December 2025.

Notes to the Financial Statements

9 Directors direct shareholdings as at 30.06.2026

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

10 The Percentage of Shares held by the Public as at 30.06.2026 was 22.32%.

11 The applicable option under Colombo Stock Exchange Rule 7.13.1 (i)(b)(1) on Minimum Public Holding is Option 2 and the Float Adjusted Market Capitalization as at 30.06.2026 was Rs. 579,008,957.30.

12 The number of Public Shareholders as at 30.06.2026 were 2,590.

13 20 Major Shareholders as at 30.06.2026

Full Name Of Shareholder	No. of Shares	%
The Colombo Fort Land and Building PLC	59,736,082	43.52%
Amana Bank PLC/Darley Butler and Company Limited	18,029,544	13.14%
Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd.	13,538,932	9.86%
Darley Butler & Co Ltd.	7,459,456	5.43%
C M Holdings PLC	6,483,534	4.72%
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	513,893	0.37%
	126,272,331	**92.00%**