Bogala Graphite Lanka PLC

Interim Financial Statements

For the Period ended 31st December 2024

BOGALA GRAPHITE LANKA PLC

Statement of Profit or Loss and Other Comprehensive Income

For the	Quarter ended 31st December		Year ended 31st December		Variance	
	2024 LKR.'000	2023 LKR.'000	2024 LKR.'000	2023 LKR.'000	LKR.'000	%
Revenue	**433,424**	**379,879**	**1,765,701**	**1,623,085**	**142,616**	**9**
Cost of Sales	(237,902)	**(199,688)**	(1,018,836)	(927,582)	(91,253)	**(10)**
Gross Profit	**195,522**	**180,191**	**746,865**	**695,503**	**51,362**	**7**
Other Income	574	**1,101**	2,640	3,330	(691)	**(21)**
Net Exchange Loss	(40,219)	**21,233**	(113,470)	(76,428)	(37,042)	**(48)**
Administrative Expenses	(40,136)	**(44,667)**	(167,756)	(172,693)	4,938	**3**
Selling and Distribution Expenses	(61,191)	**(49,642)**	(258,809)	(225,010)	(33,799)	**(15)**
Profit from Operations	**54,550**	**108,216**	**209,470**	**224,702**	**(15,233)**	**(7)**
Finance Income	7,754	**4,256**	23,209	17,859	5,349	**30**
Finance Expenses	(61)	**(129)**	(342)	(617)	276	**45**
Profit Before Tax	**62,243**	**112,343**	**232,337**	**241,944**	**(9,608)**	**(4)**
Income Tax Expenses	(17,823)	**(24,260)**	(71,216)	(86,629)	15,413	**18**
Profit for the year	**44,420**	**88,083**	**161,121**	**155,315**	**5,805**	**4**
Other Comprehensive Income						
Re-measurement of Defined Benefit Liability	(1,553)	10,969	(3,709)	10,969	(14,678)	**> 100%**
Related Tax	466	(3,291)	1,113	(3,291)	4,403	**> 100%**
Revaluation of freehold land	-	5,088	-	5,088	(5,088)	
Related Tax	-	(1,526)	-	(1,526)	1,526	
Other comprehensive income/(expenses) net of tax	**(1,087)**	11,240	**(2,596)**	11,240	**(13,836)**	**> 100%**
Total Comprehensive Income	**43,333**	**99,323**	**158,525**	**166,555**	**(8,031)**	**(5)**
Basic earnings per share (LKR)	**0.47**	**0.93**	**1.70**	**1.64**	**0.06**	**4**

The above figures are subject to audit.

BOGALA GRAPHITE LANKA PLC

Statement of Financial Position

As at	31st December 2024 LKR.'000	31st December 2023 LKR'.000
ASSETS		
Property, plant and equipment	613,820	381,820
Intangible assets	6,771	167,378
Consumable biological assets	6,639	6,639
Other financial assets	14,266	323
Deferred Tax Assetes	14,648	-
Non-Current Assets	**656,144**	**556,160**
Inventories	268,150	372,078
Trade and Other Receivables	266,672	191,893
Advances and Prepayments	21,074	25,937
Other Financial Assets	6,749	1,920
Cash and Cash Equivalents	918,230	828,346
Current Assets	**1,480,875**	**1,420,174**
Total Assets	**2,137,019**	**1,976,334**
EQUITY		
Stated Capital	102,074	102,074
Reserves	11,889	11,889
Retained Earnings	1,728,625	1,570,100
Total Equity	**1,842,588**	**1,684,063**
Liabilities		
Provision for restoration	2,423	2,193
Employee Benefits	121,868	101,149
Deferred Tax Liabilities	-	9,123
Non-Current Liabilities	**124,291**	**112,465**
Trade and Other Payables	107,288	116,390
Current Taxation	62,852	61,407
Loans and Borrowings	-	2,009
Current Liabilities	**170,140**	**179,806**
Total Liabilities	**294,431**	**292,271**
Total Equity and Liabilities	**2,137,019**	**1,976,334**
Net Assets Per Share (LKR)	**19.47**	**17.80**

These financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.

Sgd.
Sugath Amarasinghe
Finance Director

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

Sgd.
Amila Jayasinghe
Director

Sgd.
Coralie Pieters:
Director

19th February 2025

The above figures are subject to audit.

BOGALA GRAPHITE LANKA PLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December	Stated Capital LKR.'000	Revaluation Reserve LKR.'000	Retained Earnings LKR.'000	Total Equity LKR.'000
Balance as at 1st January 2023	**102,074**	**8,327**	**1,407,106**	**1,517,508**
Profit for the year	-	-	155,316	155,316
Other comprehensive income, net of tax				
- Actuarial gain on defined benefit plan, net of tax	-	-	7,678	7,678
- Revaluation surplus of freehold land net of tax	-	3,562	-	3,562
Total comprehensive income for the period	**-**	**3,562**	**162,994**	**166,556**
Balance as at 31st December 2023	**102,074**	**11,889**	**1,570,100**	**1,684,063**
Balance as at 1st January 2024	**102,074**	**11,889**	**1,570,100**	**1,684,063**
Profit for the period	-	-	161,121	161,121
Other comprehensive income, net of tax	-	-	-	-
- Actuarial loss on defined benefit plan, net of tax	-	-	(2,596)	(2,596)
Total comprehensive income for the period	**-**	**-**	**158,525**	**158,525**
Balance as at 31st December 2024	**102,074**	**11,889**	**1,728,625**	**1,842,588**

The above figures are subject to audit.

BOGALA GRAPHITE LANKA PLC		
STATEMENT OF CASH FLOW		
Period Ended 31st December	**2024 LKR.'000**	**2023 LKR.'000**
Cash Flows from Operating Activities		
Profit Before Taxation	**232,337**	**241,945**
Adjustments for		
Depreciation of property, plant and equipment	45,157	39,845
Amortization of intangible assets	1,726	1,726
Gain on Sales of Property Plant & Equipment	(111)	(902)
Interest Income	(23,209)	(17,859)
Interest expense	342	617
Provision for Employee Benefits	18,413	22,831
Provision for slow moving inventories	619	353
Inventory write-off during the year	5,084	-
Operating Profit before Working Capital Changes	**280,358**	**288,556**
Change in Working Capital		
Inventories	98,226	(239)
Trade and Other Receivables	(77,626)	(26,851)
Advance and prepayments	4,862	(2,305)
Other Financial Assets	(18,773)	2,184
Trade and Other Payables	(9,102)	(6,683)
Cash Generated from Operating Activities	**277,945**	**254,662**
Current Tax Paid	(88,499)	(133,397)
Interest paid	(111)	(409)
Gratuity Paid	(1,403)	(4,145)
Net Cash Generated From Operating Activities	**187,932**	**116,711**
Cash Flows From Investing Activities		
Interest Received	22,125	17,048
Proceeds from sale of Property Plant & Equipment	111	1,329
Acquisition of Property, Plant and Equipment	(112,656)	(101,843)
Acquisition of Intangible Assets	(5,621)	(31,693)
Net Cash Used In Investing Activities	**(96,040)**	**(115,159)**
Cash Flows From Financing Activities		
Repayment of Lease Liabilities	(2,009)	(2,285)
Net Cash Used in Financing Activities	**(2,009)**	**(2,285)**
Net Increase in Cash and Cash Equivalents	**89,883**	**(733)**
Cash and Cash Equivalents at 1st January	**828,346**	**829,079**
Cash and Cash Equivalents at 31st December	**918,230**	**828,346**

The above figures are subject to audit.

Notes to the Financial Statements

1. Reporting Entity

Bogala Graphite Lanka PLC is a limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and the principal place of business are located at Bogala Mines, 71041 Aruggammana.

2. Basis of Preparation

The Interim Financial Statements of the company for the period ended 31st December 2024 have been prepared on the same basis as the most recent audited financial statements and are in compliance with Sri Lanka Accounting Standards – LKAS 34 Interim Financial Reporting and on, going concern basis and are provisional and unaudited.

The accounting policies have been consistently applied by the Company and, are consistent with those used in the annual report for the year ended 31st December 2023. 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 the current period.

Financial Statements are in compliance with the Companies Act No.07 of 2007, the Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 and CSE Guidelines.

3. Approval of Financial Statements

The interim financial statements of the Company for the period ended 31st December 2024 were authorized by the Board of Directors on 19th February 2025.

4. Fair value measurement and related fair value disclosure

The fair value and carrying value of all the financial assets and financial liabilities, recognised during the quarter were not materially different from that disclosed in the annual report for the year ended 31st December 2023.

There were no transfers between different levels of fair value hierarchy or changes to assets classes classified on recurring and non-recurring basis. Valuation techniques or significant unobservable inputs used for measuring level 2 and level 3 fair values remains unchanged from 31st December 2023.

During the period under review there were no transfers in and out of level 3 financial instrument measurement and any change in fair values are captured in the statement of other comprehensive income. Fair value of the Land has been determined under the Level 3 valuation.

5. Intangible Assets

Intangible assets include exploration and evaluation expenditure and software licenses. There has not been a change to recognition and measurement, and their amortization basis compared to that used in the last audited financials. Upon establishing the technical and commercial viability, exploration and evaluation work amounts to Rs. 164.5 million was transferred to capital work in progress to proceed with the development work during the quarter under review.

6. Inventories

No significant negative impact is expected on the selling price of processed materials or cost to complete deliveries. Further no significant impact on the net realizable value of inventory is expected.

7. Foreign Currency Transactions

The Company recognizes the foreign currency transactions in line with the LKAS 21 The Effects of Changes in Foreign Exchange Rates. Transactions in foreign currency are translated to the functional currency at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate prevailing at the reporting date. Foreign exchange differences arising on foreign exchange transactions are recognized in the Statement of Profit or Loss and Other Comprehensive Income. Company uses the Central Bank of Sri Lanka published exchange rates for the above purposes.

Net Exchange loss shown separately in the Statement of Profit or Loss and Other Comprehensive Income amounts to LKR 113.5Mn for the period ended 31st December 2024. Net Exchange loss for the comparative period was LKR 76.4Mn.

8. Related Party Transactions

Unaudited for the period ended 31st December 2024	Name of the Company and its Relationship					
	Parent		Affiliate		Total	
	Graphite Kropfmuhl GmbH		Qingdao Kropfmuehl Graphite (Co.)			
LKR'000	2024	2023	2024	2023	2024	2023
Nature of the Recurrent Transactions						
Balance receivable/(payable) as at 01st January	(8,472)	(22,888)	-	-	(8,472)	(22,888)
Sale of goods/services	198,462	194,021	19,466	2,392	217,928	196,413
Purchase of goods/services	(157,561)	(118,362)	(488)	-	(158,049)	(118,362)
Technical service fee payments	(88,285)	(81,154)	-	-	(88,285)	(81,154)
Expenses reimbursable from related companies	1,041	405	-	-	1,041	405
Payment of rental on hired machine	-	7,386	-	-	-	7,386
Net settlements	81,425	12,121	(18,978)	(2,392)	62,447	9,729
Balance Receivable (Payable) for Recurrent Transactions as at 31st December	**26,611**	**(8,471)**	**-**	**-**	**26,611**	**(8,471)**
Nature of the Non-Recurrent Transactions						
There are no Non-Recurrent Transactions						
Balance Receivable (Payable) for Non Recurrent Transactions as at 31st December	-	-	-	-	-	-
Balance Receivable (Payable) for Recurrent & Non Recurrent Transactions as at 31st December	**26,611**	**(8,471)**	**-**	**-**	**26,611**	**(8,471)**
Above balance included in						
Trade receivables	52,395	-	-	-	52,395	-
Trade payables	(16,763)	(2,393)	-	-	(16,763)	(2,393)
Other payables	(9,021)	(6,078)	-	-	(9,021)	(6,078)
	26,611	**(8,471)**	**-**	**-**	**26,611**	**(8,471)**

All related party transactions have been conducted on agreed commercial terms with the respective parties. The Company has not had any special transactions with Parent or Affiliate company which required specific agreement or arrangement to made, prior to such transactions, other than what is listed above.

Total aggregated value of the sales made to Parent Company and Affiliates are 11.2%, and 1.1% respectively.

9. Contingencies, capital, and other commitments

There has been no significant change in the nature of the contingencies and other commitments, as disclosed in the annual report for the year ended 31st December 2023.

10. Provision for restoration cost

The provision reflects the present value of the future estimated cost of restoration of the land once the Company extracts graphite through its activities over 51 years. The number of years is estimated based on the period over which the estimated resources are expected to be extracted. The cost is estimated periodically to reflect the best estimate at each reporting date.

There were no significant differences in the basic assumptions used in estimating the provision for the period under review in comparison to those used in the last audited accounts of 31st December 2023.

11. Events after the reporting period

There were no material events that have taken place since 31st December 2024 that require disclosure in these Financial Statements.

12. Non-Financial Information

12.1. Public Share Holding

Percentage of shares held by the public and the number of public shareholders is as given below:

Number of Shares represented by the Stated Capital (31-12-2024)	94,632,904
Total No of Shareholders	10,472
Number of Shares held by Public	12,812,099
Number of Public shareholders	10,470
Percentage of shares held by the Public	13.54%
Market Capitalisation of LKR	5,782,070,434
Float adjusted market capitalisation of LKR	782,892,337
In terms of the rule 7.13.1(b) of the Listing Rules of the Colombo Stock Exchange, the Company Qualifies under option Two of the minimum public holding requirment.	

12.2. Net assets per share

For the Quarter ended 31st December	2024	2023
Net Assets Value per share (LKR)	19.47	17.80
Quick Asset Ratio	7.13:1	5.83:1

12.3. Market price per share

The Company's highest, lowest, and last traded market price is as given below.

For the Quarter ended 31st December	2024	2023
Highest price per share (LKR)	67.90 (27/12/ 2024)	53.00 (04/10/ 2023)
Lowest price per share (LKR)	51.00 (03/12/ 2024)	47.00 (18/10/ 2023)
Last Traded Price (Closing Price) (LKR)	61.10	50.00

12.4. Shareholding of Directors

Name	31-12-2024	31-12-2023
Ms. M. C. Pietersz - Chairperson	Nil	Nil
Mr. T. A. Junker - Deputy Chairperson	Nil	Nil
Mr. A. P. Jayasinghe - CEO/Managing Director	Nil	Nil
Ms. U. Neunzert - Director	Nil	Nil
Mr. A. S. R. Amarasinghe - CFO/Finance Director	Nil	Nil
Ms. A. A. Ludowyke	Nil	Nil
Mr. M. S. J. D. Coorey	Nil	Nil

12.5. Top 20 shareholders

Twenty largest shareholdings as at 31st December is as follows.

No	Name of Shareholders	No of Shares	%
01	GRAPHIT KROPFMUHL GMBH	75,310,068	79.58
02	ALTERNA GK LLC	6,510,737	6.88
03	SECRETARY TO THE TREASURY	509,000	0.54
04	DR. SAMARAKOON MUDIYANSELAGE THIWANKA BANDARA SAMARAKOON	464,477	0.49
05	SANASA LIFE INSURANCE COMPANY PLC	370,300	0.39
06	MRS. REGINOLD MELWILLAGE NIMALKA WIJESEKARA	293,312	0.31
07	MR. SENAWIRATHNA EPARALALAGE CHATHURANGA PRABATH SENAWIRATHNA	174,990	0.18
08	HATTON NATIONAL BANK PLC/RAMARAJ KUHAN	150,121	0.16
09	GUARDIAN INSURANCE BROKERS (PVT) LTD	137,472	0.15
10	MR. TOSHIYA UEDA	120,000	0.13
11	MR. GAYAN DINESH GUNARATNE	104,805	0.11
12	DIALOG FINANCE PLC/S. A. DE SILVA AND D. R. DE SILVA	103,261	0.11
13	MRS. FATHIMA SARAH SABRY	101,005	0.11
14	MR. ALLAN JAGATH MONESH JINADASA	100,000	0.11
15	MRS. HEWA FONSEKAGE DINESHA CHATHURANGI FONSEKA	95,945	0.10
16	MRS. RAHEL JASMIN DE SILVA	90,900	0.10
17	MR. LAHIRU SAMPATH WIMALASENA ABHARANA DEWAGE	88,018	0.09
18	HATTON NATIONAL BANK PLC/SENDANAYAKE ARACHCHIGE SURANGA PRASATH PERERA	87,750	0.09
19	HATTON NATIONAL BANK PLC/RAVINDRA ERLE RAMBUKWELLE	86,000	0.09
20	MR. DILIP MOHANLAL KODIKARA	85,236	0.09

13. Corporate Information

Name of the Company	**Bankers**
Bogala Graphite Lanka PLC	Peoples Bank
Legal Form	The Hongkong and Shanghai Banking Corporation
A Public Quoted Company with Limited Liability Incorporated in Sri Lanka 1991	**Auditors**
Company Registration Number	Messrs KPMG, Chartered Accountants
PQ 218	32A, Sir Mohammed Macan Markar Mw.Colombo 03
Board of Directors	**Internal Auditors**
Ms. M.C. Pietersz (Chairperson) - NED	B. R. De Silva & Company Chartered Accountants
Mr. T.A. Junker (Deputy Chairperson) - NED	22/4, Vijaya Kumaranathunga Mawatha, Colombo 5
Mr. A.P.Jayasinghe (CEO/MD) - ED	**Secretaries**
Mr. A. S. R. Amarasinghe (CFO/FD) - ED	Corporate Services (Private) Limited
Ms. U. Neunzert - NED	216, De Saram Place, Colombo 10
Ms. A. A. Ludowyke - INED	Sri Lanka
Mr. M.S. J.D. Coorey - INED	Tel: +94112669771
Audit Committee	Fax: +94114718220
Ms. A. A. Ludowyke (Chairperson) - INED	Email: csl@fjgdesaram.com
Mr. M.S. J. D. Coorey - INED	**Lawyers**
Mr. T.A. Junker - NED	F J & G De Saram
Related Party Transaction Review Committee	216 De Saram Place, Colombo 10
Mr. M. S. J. D. Coorey (Chairperson) - INED	Sri Lanka
Ms. A. A. Ludowyke - INED	Tel: +94114605100
Mr. T. A. Junker - NED	Fax: +94112669769
Mr. A. P. Jayasinghe - ED	Email: fjgdesaram@fjgdesaram.com
Remuneration Committee	**Registered Office**
Mr. M. S. J. D. Coorey (Chairperson) - INED	Bogala Mines, 71041
Ms. A. A. Ludowyke - INED	Aruggammana, Sri Lanka
Mr. T. A. Junker - NED	Email: info@gk-graphite.lk
Ms. M. C. Pietersz - NED	**Corporate Website**
Nomination & Governance Committee	www.gk-graphite.lk
Ms. A. A. Ludowyke (Chairperson) - INED	**Parent Company**
Mr. M. S. J. D. Coorey - INED	Graphit Kropfmuhl GmbH
Mr. T. A. Junker - NED	
Ms. M. C. Pietersz - NED	NED - Non-Executive Director
	INED - Independent NED
	ED - Executive Director