

EX-PACK CORRUGATED CARTONS PLC

INTERIM CONDENSED FINANCIAL STATEMENTS

NINE MONTHS ENDED 31 DECEMBER 2021



STATEMENT OF FINANCIAL POSITION

As at	GROUP		COMPANY	
	31.12.2021 unaudited	31.03.2021 audited	31.12.2021 unaudited	31.03.2021 audited
ASSETS				
Non-current assets				
Property, plant, and equipment	1,018,740	1,039,480	990,558	1,008,170
Right-of-use assets	103,510	100,815	37,922	45,937
Investment properties	382,000	382,000	382,000	382,000
Intangible assets	851	668	752	537
Investment in subsidiaries	-	-	205,000	205,000
Goodwill	203,544	203,544	-	-
Deferred tax assets	13,559	13,559	-	-
	1,722,204	1,740,065	1,616,232	1,641,644
Current assets				
Inventories	870,430	764,636	707,286	681,765
Trade and other receivables	1,476,459	1,379,052	1,254,590	1,026,973
Advances and prepayments	274,949	34,108	261,932	49,155
Other financial assets	1,010,000	483,000	1,010,000	483,000
Cash in hand and at bank	248,254	94,741	167,682	84,592
	3,880,092	2,755,536	3,401,491	2,325,485
Total assets	5,602,296	4,495,601	5,017,723	3,967,129
EQUITY AND LIABILITIES				
Equity				
Stated capital	1,200,000	500,000	1,200,000	500,000
Revaluation reserves	291,992	291,992	291,992	291,992
Retained earnings	220,846	(8,552)	137,194	46,788
	1,712,837	783,440	1,629,186	838,780
Non-current liabilities				
Lease liabilities	83,154	75,931	32,289	40,118
Defined benefit obligations	98,520	82,201	69,490	61,425
Deferred tax liabilities	72,543	73,639	72,543	73,639
	254,218	231,771	174,322	175,182
Current liabilities				
Trade and other payables	794,685	755,781	617,410	631,069
Loans and borrowings	2,772,352	2,676,692	2,547,076	2,274,181
Income tax liabilities	68,203	47,917	49,730	47,917
	3,635,240	3,480,390	3,214,215	2,953,167
Total equity and liabilities	5,602,296	4,495,601	5,017,723	3,967,129
	LKR	LKR	LKR	LKR
Net assets per share	5.14	3.13	4.89	3.36

Note:

All values are in LKR '000s, unless otherwise stated.
The amounts are provisional and subject to audit.

I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.

(Signed)

Abdul Latiff Ahamed
Head of Finance

The Board of Directors are responsible for these financial statements.

(Signed)

Zulficar Ghouse
Managing Director

(Signed)

Dinesh Dharmadasa
Director

14 February 2022 | Colombo

CONSOLIDATED INCOME STATEMENT

	Quarter ended 31 December			Nine months ended 31 December		
	2021	2020	Change %	2021	2020	Change %
Revenue	2,369,269	1,189,811	99%	5,841,941	3,255,743	79%
Cost of sales	(2,001,633)	(948,030)	111%	(4,877,273)	(2,635,183)	85%
Gross profit	367,637	241,781	52%	964,668	620,560	55%
Other income and gains	25,717	2,121	1112%	41,288	4,362	846%
Selling and distribution costs	(86,575)	(65,008)	33%	(226,720)	(150,581)	51%
Administrative expenses	(104,756)	(71,753)	46%	(266,978)	(205,785)	30%
Operating profit	202,024	107,141	89%	512,258	268,557	91%
Finance cost	(49,036)	(54,881)	-11%	(137,916)	(170,090)	-19%
Profit/(loss) before tax	152,988	52,260	193%	374,342	98,467	280%
Tax expense	(27,039)	(2,733)	889%	(48,277)	(3,934)	1127%
Profit/(loss) for the period	125,948	49,527	154%	326,064	94,533	245%
Attributable to:						
Equity holders of the parent	125,948	49,527	154%	326,064	94,533	245%
	LKR	LKR		LKR	LKR	
Earnings per share	0.45	0.20	129%	1.26	0.38	233%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
Profit for the period	125,948	49,527	326,064	94,533
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	125,948	49,527	326,064	94,533
Attributable to:				
Equity holders of the parent	125,948	49,527	326,064	94,533

Note:

All values are in LKR '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
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COMPANY INCOME STATEMENT

	Quarter ended 31 December			Nine months ended 31 December		
	2021	2020	Change %	2021	2020	Change %
Revenue	1,386,957	857,009	62%	3,705,947	2,316,575	60%
Cost of sales	(1,136,984)	(653,393)	74%	(3,030,842)	(1,787,021)	70%
Gross profit	249,972	203,616	23%	675,105	529,555	27%
Other income and gains	43,114	288	14876%	65,277	1,926	3289%
Selling and distribution costs	(80,555)	(61,656)	31%	(212,873)	(141,534)	50%
Administrative expenses	(79,972)	(54,595)	46%	(195,974)	(156,744)	25%
Operating profit	132,560	87,652	51%	331,535	233,204	42%
Finance cost	(40,992)	(44,868)	-9%	(114,659)	(130,382)	-12%
Profit/(loss) before tax	91,568	42,784	114%	216,876	102,821	111%
Tax expense	(11,002)	(7,146)	54%	(29,804)	(17,013)	75%
Profit/(loss) for the period	80,566	35,639	126%	187,073	85,809	118%
Attributable to:						
Equity holders of the parent	80,566	35,639	126%	187,073	85,809	118%
	LKR	LKR		LKR	LKR	
Earnings per share	0.29	0.14	104%	0.72	0.34	110%

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
Profit for the period	80,566	35,639	187,073	85,809
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	80,566	35,639	187,073	85,809
Attributable to:				
Equity holders of the parent	80,566	35,639	187,073	85,809

Note:

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STATEMENT OF CASH FLOWS

For the nine months ended 31 December	GROUP		COMPANY	
	2021	2020	2021	2020
CASHFLOW FROM / (USED IN) OPERATING ACTIVITIES				
Profit/(loss) before tax	374,342	98,467	216,876	102,821
Adjustments for:				
Depreciation of property, plant and equipment	56,985	48,451	50,432	39,501
Amortization of right-of-use assets	23,917	24,699	8,015	8,015
Amortization of intangible assets	4,591	107	4,559	-
Provision of retirement benefit liability	17,563	10,436	9,069	7,897
Profit/(Loss) on Disposal of Property, Plant and Equipment	297	-	297	-
Lease interest	9,915	11,016	4,402	5,136
Finance cost	126,160	159,074	110,257	125,246
Operating profit before working capital changes	613,770	352,249	403,907	288,617
(Increase)/Decrease in inventories	(105,795)	(92,031)	(25,522)	(115,382)
(Increase)/Decrease in trade and other receivables	(100,474)	(4,724)	(207,617)	(7,338)
(Increase)/Decrease in advances and prepayments	(228,565)	(155,574)	(231,955)	(167,197)
Increase/(Decrease) in trade and other payables	37,886	(39,883)	(14,481)	1,792
Cash generated from operations	216,821	60,037	(75,667)	492
Gratuity paid	(1,244)	(9,444)	(1,003)	(10,607)
Tax paid	(29,087)	-	(29,087)	-
Finance cost paid	(126,160)	(159,074)	(110,257)	(125,246)
Net cashflow from / (used in) operating activities	60,330	(108,480)	(216,014)	(135,361)
CASHFLOW FROM / (USED IN) INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(40,181)	(28,531)	(37,853)	(23,958)
Acquisition of intangible assets	(438)	-	(438)	-
Investing in fixed deposits	(527,000)	-	(527,000)	-
Proceeds from Sale of Property Plant and Equipment	400	-	400	-
Net cashflow from / (used in) investing activities	(567,219)	(28,531)	(564,891)	(23,958)
CASHFLOW FROM / (USED IN) FINANCING ACTIVITIES				
Net Increase/(Decrease) in interest bearing loans and borrowings	110,400	430,972	292,736	477,900
Proceeds From Issue of Shares	700,000	-	700,000	-
Payment of finance lease liabilities	(32,202)	(27,844)	(10,944)	(10,260)
Payment of dividend	(96,667)	(72,985)	(96,667)	(72,985)
Net cashflow from / (used in) financing activities	681,532	330,143	885,125	394,655
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	174,643	193,132	104,220	235,336
CASH AND CASH EQUIVALENTS AT THE BEGINNING	73,611	106,774	63,462	55,749
CASH AND CASH EQUIVALENTS AT THE END	248,254	299,907	167,682	291,085

Note:

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STATEMENT OF CHANGES IN EQUITY

GROUP	Stated Capital	Revaluation reserve	Retained Earnings	Total equity
As at 01 April 2020	500,000	196,252	(103,624)	592,629
Profit for the period	-	-	94,533	94,533
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	94,533	94,533
Dividend paid	-	-	(72,985)	(72,985)
As at 31 December 2020	500,000	196,252	(82,076)	614,176

As at 01 April 2021	500,000	291,992	(8,552)	783,440
Profit for the period	-	-	326,064	326,064
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	326,064	326,064
Issue of Shares	700,000			700,000
Dividend paid	-	-	(96,667)	(96,667)
As at 31 December 2021	1,200,000	291,992	220,846	1,712,837

COMPANY	Stated Capital	Revaluation reserve	Retained Earnings	Total equity
As at 01 April 2020	500,000	196,252	5,444	701,697
Profit for the period	-	-	85,649	85,649
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	85,649	85,649
Dividend paid	-	-	(72,985)	(72,985)
As at 31 December 2020	500,000	196,252	18,108	714,360

As at 01 April 2021	500,000	291,992	46,788	838,780
Profit for the period	-	-	187,073	187,073
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	187,073	187,073
Issue of Shares	700,000			700,000
Dividend paid	-	-	(96,667)	(96,667)
As at 31 December 2021	1,200,000	291,992	233,861	1,725,852

Note:

All values are in LKR '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
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NOTES TO THE FINANCIAL STATEMENTS

1. The financial statements for the period ended 31 December 2021, include “the Company” referred as Ex-pack Corrugated Cartons PLC, as the holding company and “the Group” referred as “the Company” and its subsidiary, Neptune Papers (Pvt) Limited whose accounts have been consolidated therein.
2. The interim condensed financial statements of the Group and the Company for the nine months ended 31 December 2021 were authorized for issue by the Board of Directors on 14th February 2022.
3. The interim condensed financial statements for the nine months ended 31 December 2021 have been prepared in accordance with LKAS 34 Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2021. 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. The interim condensed financial statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated. The figures in the presented financial statements are provisional and subject to audit unless otherwise stated.
4. The stated capital as at 31 December 2021 is represented by 333,333,333 shares.

The ordinary shares of the Company were subdivided by splitting each issued ordinary share into five (05) ordinary shares on the 19 July 2021. Consequently, there by the total number of existing issued ordinary shares increased from 50,000,000 to 250,000,000 without changing the stated capital of the Company. The Company issued new Ordinary voting shares of 83,333,333 to general public at LKR 8.40 per share on 22nd October 2021 by an offer for subscription. Which increased the No. of Shares to 333,333,333.

5. Net assets per share have been calculated, based on the number of shares as at balance sheet date for the respective period.
6. Basic earnings per share is calculated by dividing the net profit / (loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period as required by LKAS - 33, Earning Per Share.
7. Interim dividends of Rs. 96,666,667/= was declared and paid during the 9-month ending 31st December 2021.
8. Share Information

8.1. Directors and CEO's shareholding as of 31 December 2021

Mr. Sattar Kassim	94,800
Mr. M Z M Ghouse	31,700
Mr. Shafik Kassim	14,400
Mr. W B W M R A M T G Aluwihare	Nil
Mr. A O Kassim	14,400
Mrs. Shihara De Silva	13,100
Mr. U K D Dharmadasa	25,800
Mr. Mohamed Riyaz Valli Mohamed (CEO)	88,310
	<u>282,510</u>

8.2. Public Share Holding as at 31st December 2021

Issued share capital (No.)	333,333,333
No. of transactions	52,706
No. of shares traded	225,901,743
Value of shares traded (Rs.)	4,532,234,879
Public holding as a % of issued share capital	24.76%
Total no. of shareholders	5,243
No. of shareholders representing the public holding	5,223
Float adjusted market capitalisation (Rs.)	1,791,266,059

8.3. Top 20 Shareholders List

Name	Nos. of Shares	%
1 Aberdeen Holdings (Private) Limited	250,000,000	75.00
2 Bank Of Ceylon A/C Ceybank Unit Trust	4,009,610	1.20
3 Mr. Mohamed Naleem Mohamed Mubarak	2,025,888	0.61
4 Bank Of Ceylon A/C Ceybank Century Growth Fund	2,000,000	0.60
5 Merchant Bank of Sri Lanka & Finance Plc/M.A. Wijayasinghe	1,600,000	0.48
6 DFCC Bank Plc/ M.M.C. Fernando & S.S.C. Fernando	1,225,534	0.37
7 Phantom Investments (Private) Limited	922,421	0.28
8 Mr. Wannakawaththa Waduge Don Dammika Susiri Perera	900,000	0.27
9 Mrs. Samarakoon Mudiyansele Chammi Neelika Kumari Samarakoon	700,000	0.21
10 Miss. Hewa Juwan Kankanange Udyogi Wijerame	636,715	0.19
11 Mr. Subramaniam Vasudevan	625,512	0.19
12 People's Leasing & Finance Plc/ Sadaharitha Capital Trust Limited	560,000	0.17
12 Mr. Sellaperumage Suresh Conrod Fernando	560,000	0.17
13 Prof. Mohamed Thassim Ahamed Furkhan	519,426	0.16
14 Cosmo Mart (Private) Limited	516,499	0.15
15 Mr. Mallawaarachchi Rasika	500,000	0.15
16 People's Leasing & Finance Plc/Hi Line Towers (Pvt) Ltd	474,754	0.14
17 Mr. Kabeer Rifai Mohamed Akram	417,300	0.13
18 Mr. Mohamed Jisty Tariq Mohamed	412,700	0.12
19 Citizens Development Business Finance Plc/Hewa Gajaman Paththinige Prasad Nilantha	400,000	0.12
19 Merchant Bank of Sri Lanka & Finance Plc/K.L.K.M. Indika	400,000	0.12
19 People's Leasing & Finance Plc/B.S.Navarathna	400,000	0.12
20 Mr. Govindasami Ramanan	390,723	0.12
	270,197,082	81.06
Others	63,136,251	18.94
Total	333,333,333	100

8.4. The Company's Highest, Lowest and Last Traded Market Price given below

Highest Value Per Share (Rs)	25.40
Lowest Value Per Share (Rs)	15.00
Last Traded Price (Rs)	21.70

The share commenced trading in the CSE on 10th November 2021.

9. There has been no significant change in the nature of the contingent liabilities and other commitments, which was disclosed in the audited financial statements for the year ended 31 March 2021

10. Disclosure Regarding Status of Utilization of Funds Raised Via IPO Proceeds as at 31 December 2021

Objective No.	Objective as per Prospectus	Amount allocated as per Prospectus in Rs.	Proposed Date of Utilization as per Prospectus	Amount allocated upon the receipt of proceeds in Rs. [A]	As a % of Total Proceeds	Amount Utilized in the Objective Rs. [B]	% of Utilize against allocation [B/A]	Clarification if not fully Utilized including where the funds are invested
1	Invest in a new state of the art manufacturing facility.	700,000,000	Q3 of FY22- Q4 of FY 24	700,000,000	100%	-	0%	The Funds raised has been deposited in a 3-month Wakala Deposit account at Seylan Bank, which earns a predetermined profit of 6.25% per annum

11. No circumstance has arisen since the Balance Sheet date, which would require adjustments to or disclosure in the financial statements, other than the disclosures made in these interim condensed financial statements.

CORPORATE INFORMATION

NAME OF COMPANY

Ex-pack Corrugated Cartons PLC

Incorporated in Sri Lanka on 19 March 2002 under the Companies Act No.17 of 1982 and re-registered on 16 April 2008 under provisions of the Companies Act No.07 of 2007 as a Private Limited Company.

The legal form was changed to a Limited Company on 27 March 2019 and subsequently to a Public Limited Company on 15th December 2021 under provisions of the Companies Act No.07 of 2007

COMPANY REGISTRATION NUMBER

PV 3294 PB

REGISTERED OFFICE AND CURRENT PLACE OF BUSINESS

11A, Milepost Avenue, Colombo 03

Tel: +94 11 2 689 618

Fax: +94 11 2 689 618

Website: www.expack.lk

FACTORY

79, Pattiwila Road, Gonawilla, Kelaniya

Tel: +94 11 4 891 891

Fax: +94 11 4 741 751

DIRECTORS

Sattar Kassim (Chairman)

Zulficar Ghouse (Managing Director)

Shafik Kassim

Thulci Aluwihare

Dinesh Dharmadasa

Shihara De Silva

Abdullah Kassim

SUBSIDIARY COMPANIES

Neptune Papers (Pvt) Limited

AUDITORS

Ernst & Young Chartered Accountants

201, De Saram Place, Colombo 10

Tel: +94 11 2 463 500

Fax: +94 11 2 697 369

SECRETARIES

Business Intelligence (Pvt) Limited

08, Tickell Road, Colombo 08

Tel: +94 11 2 015 900

BANKERS

Amana Bank

486, Galle Road, Colombo 03

National Development Bank

40, Navam Mawatha, Colombo 02

Bank of Ceylon

01, BOC Square, Bank of Ceylon Mawatha, Colombo 01

Hatton National Bank

Level 19, 479, T B Jayah Mawatha, Colombo 10

Pan Asia Bank

450, Galle Road, Colombo 03

Standard Chartered Bank (Sri Lanka) Limited

37, York Street, Colombo 01

Seylan Bank

90, Galle Road, Colombo 03