

EX-PACK CORRUGATED CARTONS PLC

INTERIM FINANCIAL STATEMENTS

FOR THE 4th QUARTER ENDED 31 MARCH 2023



STATEMENT OF FINANCIAL POSITION

As at	GROUP		COMPANY	
	31.03.2023 unaudited	31.03.2022 audited	31.03.2023 unaudited	31.03.2022 audited
ASSETS				
Non-current assets				
Property, plant, and equipment	2,274,725	1,659,104	2,175,605	1,641,987
Right-of-use assets	206,814	104,684	55,999	35,250
Investment properties	-	-	-	-
Intangible assets	1,049	1,030	989	939
Investment in subsidiaries	-	-	205,000	205,000
Goodwill	203,544	203,544	-	-
Deferred tax assets	12,890	24,521	-	-
	2,699,022	1,992,883	2,437,594	1,883,176
Current assets				
Inventories	1,493,745	1,077,191	989,948	847,084
Trade and other receivables	1,907,641	1,973,934	1,329,783	1,611,131
Advances and prepayments	71,708	85,859	67,531	47,959
Other financial assets	-	466,975	-	466,975
Cash in hand and at bank	676,788	975,074	582,575	817,850
	4,149,881	4,579,033	2,969,837	3,790,999
Total assets	6,848,903	6,571,916	5,407,430	5,674,175
EQUITY AND LIABILITIES				
Equity				
Stated capital	1,200,000	1,200,000	1,200,000	1,200,000
Revaluation reserves	582,240	291,992	582,240	291,992
Retained earnings	980,777	408,698	537,839	252,337
Equity Attributable to Equity Holders of the Parent	2,763,017	1,900,690	2,320,080	1,744,329
Non Controlling Interest	(813)	(109)	-	-
Total Equity	2,762,204	1,900,581	2,320,080	1,744,329
Non-current liabilities				
Deferred Tax Liability	318,789	77,415	318,789	77,415
Retirement Benefit Liability	110,098	102,427	76,782	75,096
Interest Bearing Loans and Borrowings	172,481	79,481	51,243	29,505
	601,368	259,323	446,814	182,016
Current liabilities				
Interest Bearing Loans and Borrowings	2,480,045	3,134,556	1,953,052	2,849,506
Trade and Other Payables	737,617	1,167,689	544,525	842,040
Income Tax Payable	267,670	109,767	142,959	56,284
	3,485,332	4,412,012	2,640,536	3,747,829
Total equity and liabilities	6,848,903	6,571,916	5,407,430	5,674,175
	LKR	LKR	LKR	LKR
Net assets per share	8.29	5.70	6.96	5.23

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

29 May 2023 | Colombo

CONSOLIDATED INCOME STATEMENT

	Quarter ended 31 March			Year ended 31 March		
	2023 Unaudited	2022 Unaudited	Change %	2023 Unaudited	2022 Audited	Change %
Revenue	2,910,483	2,690,107	8%	13,452,844	8,532,048	58%
Cost of sales	(1,980,889)	(2,349,440)	-16%	(9,935,920)	(7,226,714)	37%
Gross profit	929,594	340,667	173%	3,516,925	1,305,334	169%
Other income and gains	(17,837)	329,872	-105%	145,127	371,161	-61%
Selling and distribution costs	(110,171)	(116,448)	-5%	(441,598)	(343,168)	29%
Administrative expenses	(350,683)	(158,205)	122%	(818,045)	(425,182)	92%
Operating profit	450,904	395,887	14%	2,402,409	908,145	165%
Finance cost	(111,600)	(58,066)	92%	(510,563)	(195,982)	161%
Profit/(loss) before tax	339,304	337,821	0%	1,891,846	712,163	166%
Tax expense	(169,155)	(44,795)	278%	(506,791)	(93,073)	445%
Profit/(loss) for the period	170,149	293,025	-42%	1,385,055	619,090	124%
Attributable to:						
Equityholders of the parent	170,445	293,134	-42%	1,385,760	619,199	124%
Non Controlling Interest	(296)	(109)	172%	(705)	(109)	548%
	170,149	293,025	-42%	1,385,055	619,090	124%
	LKR	LKR		LKR	LKR	
Earnings per share	0.51	1.06	-52%	4.16	2.39	74%

Note:

All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The amounts are provisional and subject to audit.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 March		Year ended 31 March	
	2023 Unaudited	2022 Unaudited	2023 Unaudited	2022 Audited
Profit for the period	170,149	293,025	1,385,055	619,090
Revaluation of land	306,462		306,462	
Income tax effect on revaluation on land	(91,939)		(91,939)	
	214,524	-	214,524	-
Revaluation of buildings	177,700		177,700	
Income tax effect on revaluation of buildings	(53,310)		(53,310)	
	124,390	-	124,390	-
Tax effect on revaluation of Land & Building due to change in tax rate	(48,665)		(48,665)	
Tax effect on revaluation of Land due to Transfer of Investment Property				
Actuarial (loss)/gains on defined benefit plans	13,819	(5,364)	13,819	(5,364)
Income tax effect on actuarial (loss)/gains	(4,167)	830	(4,167)	830
Other comprehensive income for the period	9,652	(4,534)	9,652	(4,534)
Other comprehensive income for the period	299,901	(4,534)	299,901	(4,534)
Total comprehensive income for the period	470,050	288,491	1,684,956	614,556
Attributable to:				
Equityholders of the parent	470,050	288,491	1,684,956	614,556
Non Controlling Interest	(296)	(109)	(705)	(109)
	469,754	288,383	1,684,251	614,447

Note:

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COMPANY INCOME STATEMENT

	Quarter ended 31 March			Year ended 31 March		
	2023 Unaudited	2022 unaudited	Change %	2023 Unaudited	2022 Audited	Change %
Revenue	1,884,491	1,460,293	29%	7,956,542	5,166,241	54%
Cost of sales	(1,299,828)	(1,316,790)	-1%	(5,609,995)	(4,347,632)	29%
Gross profit	584,663	143,503	307%	2,346,547	818,609	187%
Other income and gains	81,888	303,819	-73%	454,928	369,096	23%
Selling and distribution costs	(99,136)	(107,277)	-8%	(392,221)	(320,150)	23%
Administrative expenses	(264,101)	(115,955)	128%	(626,118)	(311,928)	101%
Operating profit	303,314	224,091	35%	1,783,136	555,626	221%
Finance cost	(35,784)	7,171	-599%	(355,373)	(107,488)	231%
	-	-		-	-	
Profit/(loss) before tax	267,530	231,262	16%	1,427,763	448,138	219%
Tax expense	(115,285)	(12,057)	856%	(328,651)	(41,860)	685%
Profit/(loss) for the period	152,245	219,205	-31%	1,099,113	406,278	171%
Attributable to:						
Equityholders of the parent	152,245	219,205	-31%	1,099,113	406,278	171%
	LKR	LKR		LKR	LKR	
Earnings per share	0.46	0.79	-42%	3.30	1.57	110%

Note:

All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The amounts are provisional and subject to audit.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 March		Year ended 31 March	
	2023 Unaudited	2022 Unaudited	2023 Unaudited	2022 Audited
Profit for the period	152,245	219,205	1,099,113	406,278
Revaluation of land	306,462		306,462	
Income tax effect on revaluation on land	(91,939)		(91,939)	
	214,524	-	214,524	-
Revaluation of buildings	177,700		177,700	
Income tax effect on revaluation of buildings	(53,310)		(53,310)	
	124,390	-	124,390	-
Tax effect on revaluation of Land & Building due to change in tax rate			(48,665)	
Tax effect on revaluation of Land due to Transfer of Investment Property				
Actuarial (loss)/gains on defined benefit plans	(3,945)	(3,945)	13,890	(3,945)
Income tax effect on actuarial (loss)/gains	631	631	(4,167)	631
Other comprehensive income for the period	(3,314)	(3,314)	9,723	(3,314)
Other comprehensive income for the period	335,600	(3,314)	299,972	(3,314)
Total comprehensive income for the period	487,845	215,891	1,399,084	402,964
Attributable to:				
Equityholders of the parent	487,845	215,891	1,399,084	402,964

Note:

All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The amounts are provisional and subject to audit.

STATEMENT OF CASH FLOWS

For the Year ended 31 March	GROUP		COMPANY	
	2023	2022	2023	2022
CASHFLOW FROM / (USED IN) OPERATING ACTIVITIES				
Profit/(loss) before tax	1,891,846	712,163	1,427,763	448,138
	-			
Adjustments for:	-			
Depreciation of Property, Plant and Equipment	94,677	82,137	81,258	74,978
Amortization of Right of Use Assets	55,437	33,352	12,554	10,687
Amortisation of Intangible Assets	500	361	468	322
Provision for Retirement Benefit Liability	25,665	16,470	18,180	11,094
Allowance/(Reversal) of Doubtful debt/Bad debt write off	(13,532)	19,167		14,525
Profit/(Loss) on Disposal of Property, Plant and Equipment	(1,202)	657	(575)	657
Profit/(Loss) on Derecognition of ROUA	-	-	(5,014)	-
Gain on Bargain Purchase	(6,483)	(1,318)	-	-
Loss on Disposal of Subsidiary	-	-	-	-
Allowance for slow moving Inventories	-	2,400	-	-
Dividend Income	-	-	(349,897)	(82,000)
Relief of lease obligation	21,327	-	-	-
Lease Interest	33,697	12,159	14,311	5,718
Finance Income	(40,764)	(58,864)	(39,691)	(58,151)
Finance Cost	476,866	183,823	380,753	159,921
Operating profit before working capital changes	2,538,035	1,002,505	1,540,110	585,889
(Increase)/Decrease in inventories	(416,553)	(314,956)	(142,864)	(165,320)
(Increase)/Decrease in trade and other receivables	79,824	(566,007)	366,319	(567,228)
(Increase)/Decrease in advances and prepayments	14,151	(56,206)	(19,572)	(30,258)
Increase/(Decrease) in trade and other payables	(430,072)	365,284	(382,485)	210,971
Cash generated from operations	1,785,385	430,620	1,361,508	34,054
Gratuity paid	(4,175)	(1,609)	(2,605)	(1,368)
Tax paid	(293,965)	(37,727)	(198,682)	(29,087)
Finance cost paid	(476,866)	(183,823)	(380,753)	(159,921)
Net cashflow from / (used in) operating activities	1,010,379	207,461	779,468	(156,322)
CASHFLOW FROM / (USED IN) INVESTING ACTIVITIES				
Acquisition of Property, Plant and Equipment	(226,459)	(330,729)	(130,713)	(328,252)
Acquisition of Right of Use Assets	(1,580)	-	-	-
Acquisition of Intangible Assets	(519)	(723)	(519)	(723)
Proceeds from Sale of Property Plant and Equipment	1,525	14,900	575	800
Investment in Fixed Deposits	466,975	16,025	466,975	16,025
Finance Income	40,764	58,864	39,691	58,151
Dividend Income Received from Subsidiary	-	49	349,897	82,000
Net cashflow from / (used in) investing activities	280,706	(241,614)	725,906	(171,999)
CASHFLOW FROM / (USED IN) FINANCING ACTIVITIES				
Net Increase/(Decrease) in interest bearing loans and borrowings	(666,772)	459,858	(884,561)	582,936
Proceeds From Initial Public Offering	-	700,000	-	700,000
Cost incurred in relation to Initial Public Offering	-	(34,081)	-	(34,081)
Payment of Finance Lease Liabilities	(87,374)	(38,721)	(20,862)	(14,706)
Dividends paid	(823,333)	(163,333)	(823,333)	(163,333)
Net cashflow from / (used in) financing activities	(1,577,479)	923,723	(1,728,756)	1,070,815
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(286,394)	889,570	(223,382)	742,495
CASH AND CASH EQUIVALENTS AT THE BEGINNING	963,181	73,611	805,957	63,462
CASH AND CASH EQUIVALENTS AT THE END	676,788	963,181	582,575	805,957

STATEMENT OF CHANGES IN EQUITY

GROUP	Stated Capital	Revaluation Reserve	Retained Earnings	Non Controlling Interst	Total Equity
As at 01 April 2021	500,000	291,992	(8,552)		783,440
Profit for the period	-	-	619,199	(109)	619,090
Other comprehensive income	-	-	(4,534)		(4,534)
Total comprehensive income for the year	-	-	614,665	(109)	614,665
Issue of Shares	700,000				700,000
Transaction costs for issued share capital			(34,081)		(34,081)
Dividend paid	-	-	(163,333)		(163,333)
As at 31 March 2022	1,200,000	291,992	408,698	(109)	1,900,581
As at 01 April 2022	1,200,000	291,992	408,698	(109)	1,900,581
Profit for the period	-	-	1,385,760	(705)	1,385,055
Other comprehensive income	-	290,249	9,652	-	299,901
Effect of Investment of Subsidiary					
Total comprehensive income	-	290,249	1,395,412	(705)	1,684,956
Issue of Shares			-		-
IPO Expenses					
Dividend paid			(823,333)		(823,333)
As at 31 March 2023	1,200,000	582,241	980,777	(814)	2,762,204
COMPANY	Stated Capital	Revaluation Reserve	Retained Earnings	Non Controlling Interst	Total Equity
As at 01 April 2021	500,000	291,992	46,788		838,780
Profit for the period	-	-	406,278		406,278
Other comprehensive income	-		(3,314)		(3,314)
Total comprehensive income for the year	-	-	402,964		402,964
Issue of Shares	700,000				700,000
Transaction costs for issued share capital			(34,081)		(34,081)
Dividend paid	-	-	(163,333)		(163,333)
As at 31 March 2022	1,200,000	291,992	252,337		1,744,329
As at 01 April 2022	1,200,000	291,992	252,337		1,744,329
Profit for the period	-		1,099,113		1,099,113
Other comprehensive income	-	290,249	9,723		299,972
Effect of Investment of Subsidiary					
Total comprehensive income	-	290,249	1,108,836		1,399,084
Issue of Shares			-		-
IPO Expenses					
Dividend paid			(823,333)		(823,333)
As at 31 March 2023	1,200,000	582,240	537,839		2,320,080

Note:

All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The amounts are provisional and subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

1. The financial statements for the period ended 31st March 2023, 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 Year ended ended 31st March 2023 were authorized for issue by the Board of Directors on 29th May 2023.
3. The interim condensed financial statements for the year ended 31st March 2023 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 31st March 2022. 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 31st March 2023 is represented by 333,333,333 shares.
5. The ordinary shares of the Company were subdivided by splitting each issued ordinary share into five (05) ordinary shares on the 19th 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.
6. Net assets per share have been calculated, based on the number of shares as at balance sheet date for the respective period.
7. 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.
8. Interim dividends of Rs. 823,333,333/= was declared and paid for the period ending 31st March 2023.

Detail of Dividend Declaration

Date of Announcement	Dividend per Share (Rs.)	Type of Dividend	Amount Rs.
28 th June 2022	0.40	Interim	133,333,333
4 th November 2022	1.35	Interim	450,000,000
13 th March 2023	0.72	Interim	240,000,000

9. Share Information

9.1. Directors and CEO’s shareholding as of 31st March 2023

Mr. Sattar Kassim	94,800
Mr. M Z M Ghouse	14,400
Mr. Shafik Kassim	14,400
Mr. W B W M R A M T G Aluwihare	Nil
Mr. U K D Dharmadasa	37,400
Mrs. Shehara De Silva	13,100
Mr. Mohamed Riyaz Valli Mohamed (CEO)	85,910
Mr. A O Kassim	164,400
Mr. U D W Chathuranga Abeyratne (Alternate Director to Mr.Shafik Kassim)	Nil
	<u>424,410</u>

9.2. Public Share Holding as at 31st March 2022

Issued share capital (No.)	333,333,333
Public holding as a % of issued share capital	34.53%
Total no. of shareholders	5,428
No. of shareholders representing the public holding	5,403
Float adjusted market capitalisation (Rs.)	1,680,606,263

The applicable option under CSE Rule 7.14.1 (a) on minimum public holding is option 5 and the float adjusted Market capitalization as of 31st March 2022 was Rs. 1,680,606,263.

9.3. Top 20 Shareholders List

Name	Shares	%
1 ABERDEEN HOLDINGS (PRIVATE) LIMITED	216,733,334	65.02
2 SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	12,112,605	3.63
3 BANK OF CEYLON A/C CEYBANK UNIT TRUST	5,529,896	1.66
4 MACKSONS HOLDINGS (PVT) LTD	3,871,630	1.16
5 MR.MOHAMED NALEEM MOHAMED MUBARAK	2,060,000	0.62
6 BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	2,000,000	0.60
7 ACCESS ENGINEERING PLC	1,650,000	0.50
8 MR.TUAN FAIZAL RAHEEM & MRS. A. MIHILAR	1,600,000	0.48
9 COMMERCIAL BANK OF CEYLON PLC/W. JINADASA	1,479,810	0.44
10 MR. SHANMUGAN SENTHILNATHAN	1,427,952	0.43
11 RUBBER INVESTMENT TRUST LTD A/C NO 01	1,352,918	0.41
12 PHOENIX VENTURES PRIVATE LIMITED	1,300,000	0.39
13 MR. MOHOMED ZURAISH HIFAZ HASHIM & MR. N.R.M. HASHIM	1,200,000	0.36
13 MR. SAIFULLAH YUSOOF	1,200,000	0.36
14 DEVELOPMENT INTERPLAN (CEYLON)LIMITED	1,100,000	0.33
15 MR. MOHAMED FAIZER HASHIM	1,029,000	0.31
16 SEYLAN BANK PLC/ HILINE TOWERS (PVT) LTD.	1,007,455	0.30
17 MR. GANGATHARAN SUTHAHARAN	980,000	0.29
18 GUARDIAN FUND MANAGEMENT LIMITED/THE AITKEN SPENCE AND ASSOCIATED COMPANIES EXECUTIVE STAFF PROVIDENT FUND	921,245	0.28
19 MR. MUSHTAQ MOHAMED FUAD	835,575	0.25
20 PEOPLE'S LEASING & FINANCE PLC/HI LINE TOWERS (PVT) LTD	800,000	0.24
Top 20	260,191,420	78.06
Others	73,141,913	21.94

9.4. The Company's Highest, Lowest and Last Traded Market Price given below (Quarter Ended 31st March 2023)

Highest Value Per Share (Rs)	16.90
Lowest Value Per Share (Rs)	12.80
Last Traded Price (Rs)	14.60

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

10. Disclosure Regarding Status of Utilization of Funds Raised Via IPO Proceeds as at 31st March 2023

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%	Purchase of Land 252.5 M	36%	The Funds raised has been deposited in a 3-month Wakala Deposit account at Seylan Bank.

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 financial statements.

Note:

All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The amounts are provisional and subject to audit.

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

PQ00250068

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)

M Z M Ghouse (Managing Director)

Shafik Kassim

W B W M R A M T G Aluwihare

U K D Dharmadasa

Shehara De Silva

A O Kassim

Mr. U D W Chathuranga Abeyratne (Alternate Director to Mr.Shafik Kassim)

SUBSIDIARY COMPANY

Neptune Papers (Pvt) Limited

Saffron Food Services (Pvt) Ltd.

Neptune Eco Friends (Pvt) Ltd.

AUDITORS (External)

Ernst & Young Chartered Accountants

201, De Saram Place, Colombo 10

Tel: +94 11 2 463 500

Fax: +94 11 2 697 369

AUDITORS (Internal)

KPMG Chartered Accountants

32A, Sir Mohamed Macan Markar Mawatha

Colombo 03

Tel: +94 11 5426 426

Fax: +94 11 244 5872

SECRETARIES

Business Intelligence (Pvt) Limited

08, Tickell Road, Colombo 08

Tel: +94 11 2 015 900

BANKERS

Amana Bank PLC

486, Galle Road, Colombo 03

National Development Bank PLC

40, Navam Mawatha, Colombo 02

Bank of Ceylon

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

Hatton National Bank PLC

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

Pan Asia Bank PLC

450, Galle Road, Colombo 03

Standard Chartered Bank (Sri Lanka) Limited

37, York Street, Colombo 01

Seylan Bank PLC

90, Galle Road, Colombo 03