



**TEEJAY LANKA PLC**

(Formerly known as TEXTURED JERSEY LANKA PLC)

**Condensed Interim Financial Statements**

**Period Ended 31 March 2017**



## TEEJAY LANKA PLC

### Chairman's Review

In spite of continuing uncertainty in global market conditions, Teejay Group endured the challenges by reporting a revenue growth of 24.4% year on year to end the financial year 2016/17 with Rs 22.2 Bn. However due to the challenges in the markets which saw softer demand, coupled with very high raw material price escalations, the Group recorded a high single digit drop on its Net Profits, recording Rs 2.0 Bn for the full year, against last year's Rs 2.2 Bn. On quarterly performance, the group reported a revenue of Rs 5.8 Bn, which was an increase of 5.7% quarter on quarter. The recorded quarterly Net Profit was Rs 494 Mn.

"We have exited from a very challenging year mainly created by the conditions prevailing in the cotton yarn market, which accounts for the most significant direct cost component, on the back of end customer volatility" the Chairman said. As a result of this the Gross Profit margins for the quarter was at Rs 656 Mn, a 39.7% reduction from last year. The cotton prices increased in high double-digit percentiles over a period of 9 months and conditions remain unchanged making cotton the most significant profit dilutor in the second half of the financial year. The competitive market conditions and the unprecedented price swings posed challenges on selling prices and margins. However, cotton price volatility is expected to ease out during the second half of the new financial year. Administrative and Distribution expenses increased by 45.4% and 21.9% during the year mainly driven by the full year consolidation impact for the first half of the year. The quarter increase was a result of one off expenses incurred in reallocating income and expenses to reflect the individual entity's performances. This will not have an impact at net profit level.

Against this same backdrop Teejay Lanka Standalone reported Rs 3.9 Bn in Turnover for the quarter, a 3.3% reduction compared to the corresponding quarter where it recorded Rs 4.0 Bn. Net profit for the same period for Teejay Lanka was at Rs 481 Mn compared to Rs 514 Mn last year, a drop of 6.4%. The company ended the full year net profit at Rs 1.5 Bn an increase of 1.2% compared to last year with turnover increasing to Rs 15.7 Bn compared to Rs 14.1 Bn last year. The GP margin for the same quarter was at Rs 681 Mn, and Teejay Lanka finished the year with Rs 2.0 Bn a reduction of 4% compared to last year. Non-operating income increase to Rs 281 Mn as Teejay Lanka received royalty payments from Teejay India for the financial year. In addition to the prevailing conditions in the yarn market, acceptance of higher order volumes at lower margins in preparation for growth, product mix changes, shifts and changes in end customer strategy, and a temporary countrywide stock outage in coal during the third quarter which resulted in energy costs rising all contributed heavily to the final result. On taxation and finance Income, Teejay Lanka saw its tax holiday end in the month of September 2016, whilst the two subsidiaries Teejay India and Teejay Prints are subject to tax. The tax line for the group reduced by 9.6% from Rs 58 Mn in the previous year to Rs 53 Mn in the current year. Despite this situation the Group reported a healthy Rs 2.0 Bn profit after tax for the same period, compared to Rs 2.2 Mn last year. Teejay Group continues keeping a sharp eye on its cash flow disciplines and has carried through a strong balance sheet from the previous quarter with a net cash balance of Rs 2.7 Bn. The consolidated Earnings per Share for the Group recorded Rs 2.80 on a year on year basis showing a reduction of Rs 0.44 and for the quarter it reported a Rs 0.52 drop due to the challenges discussed above.

While continuing to focus on high capacity utilization, the management is actively exploring options for both organic and inorganic growth, taking advantage of Teejay's strong balance sheet and competitive position. Even though market conditions are likely to remain challenging in the next quarter, with the GSP+ confirmation, Teejay is confident of consolidating its position during the new financial year. The management remains confident of delivering sustainable earnings that will translate to superior share price performance in the longer term. This performance is a relatively strong achievement in the context of the unprecedented volatility, particularly in last two quarters of the year and this situation is expected to prevail over the next two quarters. Improved production efficiencies, stringent OH controls, and process streamlining will play a key role in the coming new financial year, coupled with the pursuit of a wider Customer strategy. Teejay is making around USD 15Mn of investment in capacity Expansion in India, in preparation for future growth through GSP and other initiatives, and that capacity will be available by early Q2 this financial year. The company stays cautiously optimistic on its expansions in India and its new ventures into Synthetics, which has so far met with good customer response.

Sgd

Bill Lam

Chairman

TEEJAY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Group					
	Quarter Ended 31 March			Year Ended 31 March		
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Audited	Variance
Revenue	5,795,052	5,480,454	6%	22,176,428	17,820,179	24%
Cost of sales	(5,138,675)	(4,391,468)	17%	(19,080,099)	(14,825,317)	29%
<b>Gross profit</b>	656,377	1,088,986	-40%	3,096,329	2,994,862	3%
Other income	93,666	21,609	333%	207,945	109,655	90%
Distribution expenses	(33,473)	(32,463)	3%	(150,415)	(123,349)	22%
Administrative expenses	(345,520)	(259,415)	33%	(1,182,881)	(813,560)	45%
<b>Results from operating activities</b>	371,050	818,717	-55%	1,970,978	2,167,608	-9%
Non Operating Income	Nil	(7,274)	-100%	Nil	17,883	-100%
Finance income	34,409	34,728	-1%	80,009	77,292	4%
Finance costs	(9,338)	(13,495)	-31%	(42,064)	(33,836)	24%
Net finance income	25,071	21,233	18%	37,945	43,456	-13%
<b>Profit before tax</b>	396,121	832,676	-52%	2,008,923	2,228,947	-10%
<b>Income tax</b>	97,654	(7,689)	-1370%	(52,688)	(58,280)	-10%
<b>Profit for the period</b>	<b>493,775</b>	<b>824,987</b>	<b>-40%</b>	<b>1,956,235</b>	<b>2,170,667</b>	<b>-10%</b>
<b>Attributable to:</b>						
Equity holders of the parent	493,775	824,987	-40%	1,956,235	2,170,667	-10%
Non-controlling interest	Nil	Nil	0%	Nil	Nil	0%
	<b>493,775</b>	<b>824,987</b>	<b>-40%</b>	<b>1,956,235</b>	<b>2,170,667</b>	<b>-10%</b>
<b>Basic earnings per share (LKR)</b>	0.71	1.23		2.80	3.24	

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Group					
	Quarter Ended 31 March			Year Ended 31 March		
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Audited	Variance
<b>Profit for the period</b>	493,775	824,987	-40%	1,956,235	2,170,667	-10%
<b>Other comprehensive income</b>						
Effect on remeasurement of retirement benefit obligations	15,349	1,517	912%	15,349	1,517	912%
Deferred tax attributable to remeasurement of retirement benefit obligations	(3,403)	(271)	1156%	(3,403)	(271)	1156%
Currency translation differences	165,300	222,639	-26%	355,273	850,016	-58%
<b>Total other comprehensive income for</b>	<b>177,246</b>	<b>223,885</b>	<b>-21%</b>	<b>367,219</b>	<b>851,262</b>	<b>-57%</b>
<b>Total comprehensive income for the period</b>	<b>671,021</b>	<b>1,048,872</b>	<b>-36%</b>	<b>2,323,454</b>	<b>3,021,929</b>	<b>-23%</b>
<b>Attributable to:</b>						
Equity holders of the parent	671,021	1,048,872	-36%	2,323,454	3,021,929	-23%
Non-controlling interest	Nil	Nil	Nil	Nil	Nil	Nil
	<b>671,021</b>	<b>1,048,872</b>	<b>-36%</b>	<b>2,323,454</b>	<b>3,021,929</b>	<b>-23%</b>

TEEJAY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Company					
	Quarter Ended			Year Ended		
	31 March			31 March		
	2017	2016		2017	2016	
	Unaudited	Unaudited	Variance	Unaudited	Audited	Variance
Revenue	3,862,350	3,993,636	-3%	15,721,767	14,142,151	11%
Cost of sales	(3,488,870)	(3,312,603)	5%	(13,769,891)	(12,108,474)	14%
<b>Gross profit</b>	<b>373,480</b>	<b>681,033</b>	<b>-45%</b>	<b>1,951,876</b>	<b>2,033,677</b>	<b>-4%</b>
Other income	38,277	(1,668)	-2395%	102,982	32,866	213%
Distribution expenses	(26,693)	(32,257)	-17%	(121,427)	(105,471)	15%
Administrative expenses	(171,258)	(149,944)	14%	(635,247)	(512,874)	24%
<b>Results from operating activities</b>	<b>213,806</b>	<b>497,164</b>	<b>-57%</b>	<b>1,298,184</b>	<b>1,448,198</b>	<b>-10%</b>
Non Operating Income	281,032	(2,993)	-100%	293,920	31,399	-100%
Finance income	16,501	25,357	-35%	48,547	62,822	-23%
Finance costs	(290)	(1,246)	-77%	(4,426)	(1,812)	144%
Net finance income	16,211	24,111	-33%	44,121	61,010	-28%
<b>Profit before tax</b>	<b>511,049</b>	<b>518,282</b>	<b>-1%</b>	<b>1,636,225</b>	<b>1,540,607</b>	<b>6%</b>
<b>Income tax</b>	<b>(29,851)</b>	<b>(4,422)</b>	<b>575%</b>	<b>(135,781)</b>	<b>(57,374)</b>	<b>137%</b>
<b>Profit for the period</b>	<b>481,198</b>	<b>513,860</b>	<b>-6%</b>	<b>1,500,444</b>	<b>1,483,233</b>	<b>1%</b>
<b>Attributable to:</b>						
Equity holders of the parent	481,198	513,860	-6%	1,500,444	1,483,233	1%
Non-controlling interest	Nil	Nil	0%	Nil	Nil	0%
	<b>481,198</b>	<b>513,860</b>	<b>-6%</b>	<b>1,500,444</b>	<b>1,483,233</b>	<b>1%</b>
<b>Basic earnings per share (LKR)</b>	0.69	0.77		2.15	2.22	

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Company					
	Quarter Ended 31 March			Year Ended 31 March		
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Audited	Variance
<b>Profit for the period</b>	481,198	513,860	-6%	1,500,444	1,483,233	1%
<b>Other comprehensive income</b>						
Effect on remeasurement of retirement benefit obligations	20,059	212	9362%	20,059	212	9362%
Deferred tax attributable to remeasurement of retirement benefit obligations	(2,808)	(26)	10700%	(2,808)	(26)	10700%
Currency translation differences	166,636	807,399	-79%	318,687	807,399	-61%
<b>Total other comprehensive income for the period</b>	<b>183,887</b>	<b>807,585</b>	<b>-77%</b>	<b>335,938</b>	<b>807,585</b>	<b>-58%</b>
<b>Total comprehensive income for the period</b>	<b>665,085</b>	<b>1,321,445</b>	<b>-50%</b>	<b>1,836,382</b>	<b>2,290,818</b>	<b>-20%</b>
<b>Attributable to:</b>						
Equity holders of the parent	665,085	1,321,445	-50%	1,836,382	2,290,818	-20%
Non-controlling interest	Nil	Nil	Nil	Nil	Nil	Nil
	<b>665,085</b>	<b>1,321,445</b>	<b>-50%</b>	<b>1,836,382</b>	<b>2,290,818</b>	<b>-20%</b>

**TEEJAY LANKA PLC**

**Statement of Financial Position**

(all amounts in Sri Lankan Rupees thousands)

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 March</b>		<b>As at 31 March</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>				
<b>Non - current assets</b>				
Property, plant & equipment	6,966,019	5,954,224	3,715,107	3,253,545
Capital work-in-progress	337,651	283,152	79,724	260,810
Intangible assets	65,914	84,460	34,054	43,132
Goodwill	50,537	48,944	Nil	Nil
Investment in Subsidiaries	Nil	Nil	2,764,328	2,677,210
Lease rentals paid in advance	240,306	247,781	94,550	95,728
Deferred tax assets	133,107	91,800	Nil	Nil
	<b>7,793,534</b>	<b>6,710,361</b>	<b>6,687,763</b>	<b>6,330,425</b>
<b>Current assets</b>				
Inventories	2,856,216	2,640,788	2,041,231	1,901,813
Trade and other receivables	3,332,243	2,702,607	2,263,444	1,882,132
Cash and cash equivalents	2,730,954	2,923,552	1,899,963	1,625,859
	<b>8,919,413</b>	<b>8,266,947</b>	<b>6,204,638</b>	<b>5,409,804</b>
<b>Total assets</b>	<b>16,712,947</b>	<b>14,977,308</b>	<b>12,892,401</b>	<b>11,740,229</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Stated capital	3,942,686	3,853,024	3,942,686	3,853,024
ESOP fund	64,160	42,283	64,160	42,283
Exchange equalisation reserve	2,445,457	2,090,184	2,366,254	2,047,567
Retained earnings	4,721,847	4,150,852	3,582,867	3,462,358
	<b>11,174,150</b>	<b>10,136,343</b>	<b>9,955,967</b>	<b>9,405,232</b>
<b>Non - current liabilities</b>				
Borrowings	567,429	141,680	Nil	Nil
Deferred tax liabilities	248,295	240,227	248,295	171,371
Retirement benefit obligations	205,812	190,931	171,228	158,673
	<b>1,021,536</b>	<b>572,838</b>	<b>419,523</b>	<b>330,044</b>
<b>Current liabilities</b>				
Trade and other payables	2,987,022	3,508,592	1,751,693	1,956,862
Current tax liability	10,690	4,148	Nil	Nil
Borrowings	1,519,549	755,387	765,218	48,091
	<b>4,517,261</b>	<b>4,268,127</b>	<b>2,516,911</b>	<b>2,004,953</b>
<b>Total liabilities</b>	<b>5,538,797</b>	<b>4,840,965</b>	<b>2,936,434</b>	<b>2,334,997</b>
<b>Total equity and liabilities</b>	<b>16,712,947</b>	<b>14,977,308</b>	<b>12,892,401</b>	<b>11,740,229</b>
<b>Net Asset per share</b>	<b>16.00</b>	<b>14.56</b>	<b>14.25</b>	<b>13.51</b>

I certify that financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd

**Moiz Rehmanjee**

Chief Operating Officer - Commercial

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

Sgd

**Sriyan Joseph de Silva Wijeyeratne**  
Managing Director/Chief Executive Officer

Sgd

**Hasitha Premaratne**  
Director

16-May-2017

**TEEJAY LANKA PLC**

**Statement of Changes In Equity - Group**

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	ESOP fund	Exchange equalisation reserve	Retained earnings	Total
<b>Balance as at 1 April 2015</b>	<b>2,849,899</b>	<b>19,473</b>	<b>1,240,168</b>	<b>2,925,111</b>	<b>7,034,651</b>
Issue of ordinary shares related to business combinations	1,003,125	Nil	Nil	Nil	1,003,125
Profit for the period	Nil	Nil	Nil	2,170,667	<b>2,170,667</b>
Other comprehensive income	Nil	Nil	850,016	1,246	<b>851,262</b>
<b>Total comprehensive income</b>	<b>Nil</b>	<b>Nil</b>	<b>850,016</b>	<b>2,171,913</b>	<b>3,021,929</b>
<b>Transactions with owners</b>					
Final dividend paid - 2014/15	Nil	Nil	Nil	(528,602)	(528,602)
Interim dividend paid - 2015/16	Nil	Nil	Nil	(417,570)	(417,570)
Share option scheme	Nil	22,810	Nil	Nil	22,810
<b>Balance as at 31 March 2016</b>	<b>3,853,024</b>	<b>42,283</b>	<b>2,090,184</b>	<b>4,150,852</b>	<b>10,136,343</b>
<b>Balance as at 1 April 2016</b>	<b>3,853,024</b>	<b>42,283</b>	<b>2,090,184</b>	<b>4,150,852</b>	<b>10,136,343</b>
Issue of shares under Employee Share Option Scheme	89,662	Nil	Nil	Nil	89,662
Profit for the period	Nil	Nil	Nil	1,956,235	1,956,235
Other comprehensive income	Nil	Nil	367,219	Nil	367,219
<b>Total comprehensive income</b>	<b>Nil</b>	<b>Nil</b>	<b>367,219</b>	<b>1,956,235</b>	<b>2,323,454</b>
<b>Transactions with owners</b>					
Final dividend paid - 2015/16	Nil	Nil	Nil	(698,593)	(698,593)
Interim dividend paid - 2016/17	Nil	Nil	Nil	(698,593)	(698,593)
Share option scheme	Nil	21,877	Nil	Nil	21,877
<b>Balance as at 31 March 2017</b>	<b>3,942,686</b>	<b>64,160</b>	<b>2,457,403</b>	<b>4,709,901</b>	<b>11,174,150</b>



**TEEJAY LANKA PLC**

**Statement of Changes In Equity - Company**

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	ESOP fund	Exchange equalisation reserve	Retained earnings	Total
<b>Balance as at 1 April 2015</b>	<b>2,849,899</b>	<b>19,473</b>	<b>1,240,168</b>	<b>2,925,111</b>	<b>7,034,651</b>
Issue of ordinary shares related to business combinations	1,003,125	Nil	Nil	Nil	1,003,125
Profit for the period	Nil	Nil	Nil	1,483,233	<b>1,483,233</b>
Other comprehensive income	Nil	Nil	807,399	186	<b>807,585</b>
<b>Total comprehensive income</b>	<b>Nil</b>	<b>Nil</b>	<b>807,399</b>	<b>1,483,419</b>	<b>2,290,818</b>
<b>Transactions with owners</b>					
Final dividend paid - 2014/15	Nil	Nil	Nil	(528,602)	(528,602)
Interim dividend paid - 2014/15	Nil	Nil	Nil	(417,570)	(417,570)
Share option scheme	Nil	22,810	Nil	Nil	22,810
<b>Balance as at 31 March 2016</b>	<b>3,853,024</b>	<b>42,283</b>	<b>2,047,567</b>	<b>3,462,358</b>	<b>9,405,232</b>
<b>Balance as at 1 April 2016</b>	<b>3,853,024</b>	<b>42,283</b>	<b>2,047,567</b>	<b>3,462,358</b>	<b>9,405,232</b>
Issue of shares under Employee Share Option Scheme	89,662	Nil	Nil	Nil	89,662
Profit for the period	Nil	Nil	Nil	1,500,444	1,500,444
Other comprehensive income	Nil	Nil	335,938	Nil	335,938
<b>Total comprehensive income</b>	<b>Nil</b>	<b>Nil</b>	<b>335,938</b>	<b>1,500,444</b>	<b>1,836,382</b>
<b>Transactions with owners</b>					
Final dividend paid - 2015/16	Nil	Nil	Nil	(698,593)	(698,593)
Interim dividend paid - 2016/17	Nil	Nil	Nil	(698,593)	(698,593)
Share option scheme	Nil	21,877	Nil	Nil	21,877
<b>Balance as at 31 March 2017</b>	<b>3,942,686</b>	<b>64,160</b>	<b>2,383,505</b>	<b>3,565,616</b>	<b>9,955,967</b>

TEEJAY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	Year Ended 31 March		Year Ended 31 March	
	2017	2016	2017	2016
	Unaudited	Audited	Unaudited	Audited
<b>Cash flows from operating activities</b>				
Cash generated from operations	1,732,147	3,925,704	1,479,049	2,462,426
Finance income received	80,009	62,598	48,547	49,562
Finance cost paid	(42,064)	(33,836)	(4,426)	(1,812)
Retirement benefit obligations paid	(18,418)	(4,940)	(7,555)	(4,210)
<b>Net cash generated/(used) from operating activities</b>	<b>1,751,674</b>	<b>3,949,526</b>	<b>1,515,614</b>	<b>2,505,966</b>
<b>Cash flows from investing activities</b>				
Additions to capital work - in - progress	(1,766,912)	(472,474)	(651,114)	(377,472)
Acquisition of subsidiary- net of cash acquired	Nil	(1,281,873)	Nil	Nil
Proceeds from sale of property, plant & equipment		41	Nil	41
Investment in subsidiary	Nil	Nil	Nil	(1,496,496)
<b>Net cash used in investing activities</b>	<b>(1,766,912)</b>	<b>(1,754,306)</b>	<b>(651,114)</b>	<b>(1,873,927)</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(1,397,186)	(946,172)	(1,397,186)	(946,172)
Issue of shares under Employee Share Option Scheme	89,662	Nil	89,662	Nil
Proceeds from / (settlement of) borrowings	1,131,196	(265,488)	759,950	Nil
<b>Net cash used in financing activities</b>	<b>(176,328)</b>	<b>(1,211,660)</b>	<b>(547,573)</b>	<b>(946,172)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(191,566)</b>	<b>983,560</b>	<b>316,927</b>	<b>(314,133)</b>
Cash and cash equivalents at the beginning of the period	2,875,461	1,891,901	1,577,768	1,891,901
<b>Cash and cash equivalents at the end of the period</b>	<b>2,683,895</b>	<b>2,875,461</b>	<b>1,894,695</b>	<b>1,577,768</b>

## TEEJAY LANKA PLC

### Notes to the Financial Statements

#### 1. Corporate Information

Teejay Lanka PLC is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The address of its registered office is Block D8 - D14, C V Gooneratne Seethawaka International Industrial Park, Avissawella.

The previous name of the Company "Textured Jersey Lanka PLC" has now been changed to "Teejay Lanka PLC" with effect from 15 September 2016. The Company has obtained the approval of the shareholders at the Annual General meeting held on 16 August 2016. With the name change of the parent company, subsidiary companies also carried out the name change. Quenby Lanka Prints Private Limited was changed to Teejay Prints Private Limited and Ocean India Private Limited was changed to Teejay India Private Limited.

#### 2. Condensed Interim Financial Statements

The financial statements for the period ended 31 March 2017, includes "the Company" referring to Teejay Lanka PLC.

The Company has also presented the statement of comprehensive income and the statement of financial position in United States Dollars (USD) since the functional currency of the enterprise is USD.

#### 3. Approval of Financial Statements

The condensed interim financial statements of the Company for the 12 months ended 31 March 2017 were authorised for issue by the Board of Directors on 16 May 2017

#### 4. Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2016.

The condensed interim financial statements have been prepared on a historical cost basis.

#### 5. Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

#### 6. Non-Operating Income

Administrative costs associated with technical assistance support to Ocean India Private Limited is classified to Administration expenses with effect from 1 April 2016.

#### 7. Contingencies, Capital and Other Commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2017.

#### 8. Key Ratios of the Group and the Company

	Group		Company	
	Year Ended 31 March		Year Ended 31 March	
	2017	2016	2017	2016
<b><u>Profitability Ratios</u></b>				
Net Profit Margin	8.82%	12.18%	9.54%	10.49%
Asset to Turnover	1.33	1.19	1.22	1.20
Debt : Equity	0.19	0.09	0.08	0.01
Return on Assets (ROA)	11.70%	14.49%	12.18%	14.67%
Return on Equity (ROE)	17.51%	21.41%	15.50%	15.77%

#### **Investor Ratios**

Earnings per Share (EPS) - LKR	2.80	3.24	2.15	2.22
Net Asset Value per Share - LKR	16.00	14.56	14.25	13.51
Price / Earnings Ratio (PE Ratio)	13.20	9.76	17.22	14.29
Price to Book Value Ratio (PBV Ratio)	2.31	2.18	2.60	2.35

(PE and PBV Ratios are based on a market price of LKR 37.00 per share closed 31 March 2017)

#### 9. Number of shares representing the entity's Stated Capital - 698,592,840 Shares

#### 10. Directors' Interest in Shares of the Company (As at 31 March 2017)

	No. of Shares	%
Sriyan Joseph de Silva Wijeyeratne	386,833	0.06
Hasitha Premaratne	40,000	0.01

## TEEJAY LANKA PLC

### Notes to the Financial Statements

#### 11. Market Price per Share

	Highest (LKR)	Lowest (LKR)
Quarter ended 31 March 2017	45.10	35.00
Last traded price (on 31 March 2017)	37.00	

#### 12. Public Shareholding 266,989,056 shares - 38.22%

The percentage of shares held by the public as at 31 March 2017 was 38.22% (266,989,056 number of shares).

The number of public shareholders as at 31 March 2017 was 8,523

#### 13. List of the 20 Largest Shareholders

	No. of Shares	%
Brandix Lanka Ltd-Number 1 Account	232,198,344	33.24
Pacific Textured Jersey Holdings Limited	195,926,217	28.05
HSBC Intl Nom Ltd-Ssbt-First State Investments ICVC-Stewart Investors Asia Pacific Fund	49,278,338	7.05
Citibank Newyork S/A Norges Bank Account 2	20,863,973	2.99
Hsbc Intl Nom Ltd - BBH - Fidelity Funds	14,472,590	2.07
Melstacorp PLC	12,622,428	1.81
HSBC Intl Nom Ltd-BBH-Matthews Emerging Asia Fund	9,200,551	1.32
Mr. L.K.M.Fernando	5,119,300	0.73
Deutsche Bank AG Singapore-Dss A/C Navis Yield Fund	4,980,903	0.71
Nuwara Eliya Property Developers (Pvt) Ltd	4,329,343	0.62
Union Assurance Plc/Account No. 05 (Unit-Linked Life Insurance Fund-Equity Fund)	4,234,849	0.61
SEB AB-Fim Frontier Fund	4,172,470	0.60
HSBC Intl Nom Ltd-JPCMB Na-Fidelity Asian Values PLC	4,074,958	0.58
Deutsche Bank AG -National Equity Fund	4,000,000	0.57
J.B. Cocoshell (Pvt) Ltd	3,097,942	0.44
Periceyl ( Private ) Limited A/C No. 03	2,694,100	0.39
Mr. A.R.Gunasekara	2,399,700	0.34
Deutsche Bank AG As Trustee For Namal Acuity Value Fund	2,250,000	0.32
Mellon Bank N.A-Eaton Vance Trust Co. Collective Inv. Trust For Employee Benefit Plans-Eaton Vance Trust	2,100,000	0.30
Co./Parametric Structured Emerging Mkt. Equity Fund		
Mr. M.E.Wickremesinghe	2,065,000	0.30

#### 14. Material events that occurred subsequent to the interim period

No events have occurred since the date of the statement of financial position which would require adjustments to, or disclosure in, the financial statements.

TEEJAY LANKA PLC

Income Statement

(all amounts in United States Dollars)

	Group					
	Quarter Ended 31 March			Year Ended 31 March		
	2017 Unaudited	2016 Audited	Variance	2017 Unaudited	2016 Audited	Variance
Revenue	38,515,375	38,262,535	1%	150,050,256	128,554,171	17%
Cost of sales	(34,177,729)	(30,604,821)	12%	(129,099,861)	(106,949,337)	21%
<b>Gross profit</b>	<b>4,337,646</b>	<b>7,657,714</b>	<b>-43%</b>	<b>20,950,395</b>	<b>21,604,834</b>	<b>-3%</b>
Other income	628,917	149,407	321%	1,407,000	791,048	78%
Distribution expenses	(221,526)	(225,497)	-2%	(1,017,739)	(889,833)	14%
Administrative expenses	(2,302,331)	(1,813,123)	27%	(8,003,617)	(5,869,000)	36%
<b>Results from operating activities</b>	<b>2,442,706</b>	<b>5,768,501</b>	<b>-58%</b>	<b>13,336,039</b>	<b>15,637,049</b>	<b>-15%</b>
Non Operating Income	Nil	(55,067)	-100%	Nil	129,003	-100%
Finance income	230,886	246,133	-6%	541,359	557,587	-3%
Finance costs	(61,792)	(95,570)	-35%	(284,616)	(244,093)	17%
<b>Net finance income</b>	<b>169,094</b>	<b>150,563</b>	<b>12%</b>	<b>256,743</b>	<b>313,494</b>	<b>-18%</b>
<b>Profit before tax</b>	<b>2,611,800</b>	<b>5,863,997</b>	<b>-55%</b>	<b>13,592,782</b>	<b>16,079,546</b>	<b>-15%</b>
<b>Income tax</b>	<b>667,128</b>	<b>(51,401)</b>	<b>-1398%</b>	<b>(356,498)</b>	<b>(420,427)</b>	<b>-15%</b>
<b>Profit for the period</b>	<b>3,278,928</b>	<b>5,812,596</b>	<b>-44%</b>	<b>13,236,284</b>	<b>15,659,119</b>	<b>-15%</b>
<b>Attributable to:</b>						
Equity holders of the parent	3,278,928	5,812,596	-44%	13,236,284	15,659,119	-15%
Non-controlling interest	Nil	Nil	0%	Nil	Nil	0%
	<b>3,278,928</b>	<b>5,812,596</b>	<b>-44%</b>	<b>13,236,284</b>	<b>15,659,119</b>	<b>-15%</b>

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Group					
	Quarter Ended 31 March			Year Ended 31 March		
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Audited	Variance
<b>Profit for the period</b>	3,278,928	5,812,596	-44%	13,236,284	15,659,119	-15%
<b>Other comprehensive income</b>						
Effect on remeasurement of retirement benefit obligations	103,852	10,945	849%	103,852	10,945	849%
Deferred tax attributable to remeasurement of retirement benefit obligations	(23,027)	(1,958)	1076%	(23,027)	(1,958)	1076%
<b>Total other comprehensive income for the period</b>	<b>80,825</b>	<b>8,987</b>	<b>799%</b>	<b>80,825</b>	<b>8,987</b>	<b>799%</b>
<b>Total comprehensive income for the period</b>	<b>3,359,753</b>	<b>5,821,583</b>	<b>-42%</b>	<b>13,317,109</b>	<b>15,668,106</b>	<b>-15%</b>
<b>Attributable to:</b>						
Equity holders of the parent	3,359,753	5,821,583	-42%	13,317,109	15,668,106	-15%
Non-controlling interest	Nil	Nil	0%	Nil	Nil	0%
	<b>3,359,753</b>	<b>5,821,583</b>	<b>-42%</b>	<b>13,317,109</b>	<b>15,668,106</b>	<b>-15%</b>

TEEJAY LANKA PLC

Income Statement

(all amounts in United States Dollars)

	Company					
	Quarter Ended 31 March			Year Ended 31 March		
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Audited	Variance
Revenue	25,630,204	27,763,575	-8%	106,376,701	102,021,000	4%
Cost of sales	(23,170,142)	(22,991,104)	1%	(93,169,908)	(87,350,115)	7%
<b>Gross profit</b>	<b>2,460,062</b>	<b>4,772,471</b>	<b>-48%</b>	<b>13,206,793</b>	<b>14,670,885</b>	<b>-10%</b>
Other income	256,245	(14,377)	-1882%	696,799	237,097	194%
Distribution expenses	(176,586)	(225,154)	-22%	(821,599)	(760,864)	8%
Administrative expenses	(1,139,079)	(1,043,099)	9%	(4,298,212)	(3,699,859)	16%
<b>Results from operating activities</b>	<b>1,400,642</b>	<b>3,489,841</b>	<b>-60%</b>	<b>8,783,781</b>	<b>10,447,259</b>	<b>-16%</b>
Non Operating Income	1,900,976	(25,131)	-7664%	1,988,726	226,507	778%
Finance income	110,288	179,062	-38%	328,478	453,196	-28%
Finance costs	(1,788)	(8,930)	-80%	(29,945)	(13,074)	129%
Net finance income	108,500	170,132	-36%	298,533	440,122	-32%
<b>Profit before tax</b>	<b>3,410,118</b>	<b>3,634,842</b>	<b>-6%</b>	<b>11,071,040</b>	<b>11,113,888</b>	<b>0%</b>
Income tax	(197,481)	(27,836)	609%	(918,719)	(413,903)	122%
<b>Profit for the period</b>	<b>3,212,637</b>	<b>3,607,006</b>	<b>-11%</b>	<b>10,152,321</b>	<b>10,699,985</b>	<b>-5%</b>

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Company					
	Quarter Ended 31 March			Year Ended 31 March		
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Audited	Variance
<b>Profit for the period</b>	3,212,637	3,607,006	-11%	10,152,321	10,699,985	-5%
<b>Other comprehensive income</b>						
Effect on remeasurement of retirement benefit obligations	135,726	1,526	8794%	135,726	1,526	8794%
Deferred tax attributable to remeasurement of retirement benefit obligations	(19,002)	(184)	10227%	(19,002)	(184)	10227%
<b>Total other comprehensive income for the period</b>	<b>116,724</b>	<b>1,342</b>	<b>8598%</b>	<b>116,724</b>	<b>1,342</b>	<b>8598%</b>
<b>Total comprehensive income for the period</b>	<b>3,329,361</b>	<b>3,608,348</b>	<b>-8%</b>	<b>10,269,045</b>	<b>10,701,327</b>	<b>-4%</b>



**TEEJAY LANKA PLC**

**Statement of Financial Position**

(all amounts in United States Dollars)

	Group		Company	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
	Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>				
<b>Non - current assets</b>				
Property, plant & equipment	45,832,085	40,449,888	24,443,104	22,102,892
Capital work-in-progress	2,221,536	1,923,589	524,535	1,771,809
Intangible assets	433,671	573,774	224,053	293,016
Goodwill	332,502	332,502	Nil	Nil
Investment in Subsidiaries	Nil	Nil	18,187,567	18,187,567
Lease rentals paid in advance	1,581,063	1,683,297	622,080	650,329
Deferred tax Assets	875,764	623,642	Nil	Nil
	51,276,621	45,586,692	44,001,339	43,005,613
<b>Current assets</b>				
Inventories	18,792,131	17,940,134	13,430,037	12,919,918
Trade and other receivables	21,924,096	18,360,101	14,892,061	12,786,225
Cash and cash equivalents	17,967,985	19,861,090	12,500,580	11,045,239
	58,684,212	56,161,325	40,822,678	36,751,382
<b>Total assets</b>	<b>109,960,833</b>	<b>101,748,017</b>	<b>84,824,017</b>	<b>79,756,995</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Stated capital	36,813,832	36,198,782	36,813,832	36,198,782
ESOP Fund	456,004	307,979	456,004	307,979
Retained earnings	36,249,151	32,354,260	28,234,257	27,387,481
	73,518,987	68,861,021	65,504,093	63,894,242
<b>Non - current liabilities</b>				
Borrowings	3,733,333	962,500	Nil	Nil
Deferred tax liabilities	1,633,626	1,631,977	1,633,626	1,164,211
Retirement benefit obligations	1,354,115	1,297,087	1,126,571	1,077,944
	6,721,074	3,891,564	2,760,197	2,242,155
<b>Current liabilities</b>				
Trade and other payables	19,652,752	23,835,544	11,525,067	13,293,891
Current Tax Liabilities	70,331	28,181	Nil	Nil
Borrowings	9,997,689	5,131,707	5,034,660	326,707
	29,720,772	28,995,432	16,559,727	13,620,598
<b>Total liabilities</b>	<b>36,441,846</b>	<b>32,886,996</b>	<b>19,319,924</b>	<b>15,862,753</b>
<b>Total equity and liabilities</b>	<b>109,960,833</b>	<b>101,748,017</b>	<b>84,824,017</b>	<b>79,756,995</b>

I certify that financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd  
**Moiz Rehmanjee**  
 Chief Operating Officer - Commercial

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

Sgd  
**Sriyan Joseph de Silva Wijeyeratne**  
 Managing Director/Chief Executive Officer

Sgd  
**Hasitha Premaratne**  
 Director

16-May-2017