



**TEEJAY LANKA PLC**

(Formerly known as TEXTURED JERSEY LANKA PLC)

**Condensed Interim Financial Statements**

**Period Ended 31 December 2016**



## TEEJAY LANKA PLC

### Chairman's Review

Teejay Group reported a strong revenue growth of 33% for the nine month period ending 31<sup>st</sup> December 2016 compared to the corresponding period last year. As a result of continually operating at optimal capacity with a full order booking during the period the group reported Rs. 16.4Bn revenue compared to Rs. 12.3Bn last year. However, the growth in top line was a result of additional orders being canvassed to cater to the future growth of the Group.

This resulted in the gross profit growth of only 27% with Rs.2.4Bn to that of last year's result of Rs. 1.9 Bn. A combination of factors effected the GP which was a result of acceptance of excess orders in preparation for growth, competitive sales pricing, product mix and raw material impact. The profit before tax for the Group is reported at Rs. 1.6Bn compared to Rs. 1.4Bn last year, an increase of 16%, mainly driven by diligent overhead management and cost control across the entire Group.

On taxation, Teejay Lanka saw its tax holiday end in the month of September 2016, whilst the two subsidiaries Teejay India and Teejay Prints being subject to tax. The tax line grew by 281% from Rs. 39 Mn previous year to Rs. 150 Mn current year. Despite this situation the Group reported a 9% profit after tax growth for the same period, reporting Rs. 1.5Bn compared to Rs 1.3 Bn 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. 4Bn. The consolidated Earnings per Share for the Group recorded LKR 2.10 on a year on year basis showing a growth of 3% but for the quarter it reported a 34% drop due to the challenges discussed above.

On the quarterly performance the Group reported a revenue growth of Rs. 6.3Bn compared to Rs. 5.6Bn last quarter recording a 14% growth. However, the Group reported a gross profit drop of 15% from the prior year quarter, reporting Rs. 832Mn against Rs. 977Mn last year, again due to reasons stemming from acceptance of excess orders in preparation for growth, product mix, low margin products and raw material impact. Apart from this a temporary countrywide stock outage in Coal was also a contributing factor with energy cost rising due to the coal plant not being able to function at maximum capacity during some of the period under review. This situation further deteriorated the profit before tax for the quarter, reporting Rs. 552Mn against Rs. 694Mn last quarter, a drop of 20% on the operating profits. The impact of GP was not adequately mitigated by the tight overhead controls. This further impacted the final profit where the Group reported a net profit of Rs. 473Mn compared to Rs. 672Mn, a drop of 30% on Quarterly basis.

Despite these minor setbacks the company announced a 66% growth in dividends to shareholders. The interim dividend of Rs. 1.00 per share is a clear indication of our confidence in the future potential we possess.

As the Group embarks on its final lap of the second half setting the foundation for its long-term growth plans, the business is cautious of the future market challenges, mainly driven by price challenges in the market and increasing changes in product mix. Despite these short-term impacts, our aspirations remain ambitious and aggressive, as we continue to explore new ways of enhancing our footprint and look towards the future. Teejay will forge ahead with new plans for expansion and growth and will enhance and invest on automation, technology and innovation. The company is already enhancing capacity in India and strategic investments in digital printing and synthetic production coming into fruition will place the Group on a solid growth platform for the coming years. As regional expansion plans move forward to secure Teejay's long term growth trajectory, the prospects of GSP Plus in the future would further augment the Group's progress in to the future.

Sgd

Bill Lam

Chairman

**TEEJAY LANKA PLC**

**Income Statement**

(all amounts in Sri Lankan Rupees thousands)

	Group						
	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2016 Unaudited	2015 Unaudited	Variance	2016 Unaudited	2015 Unaudited	Variance	2016 Audited
Revenue	6,347,581	5,576,159	14%	16,381,376	12,349,114	33%	17,820,179
Cost of sales	(5,515,782)	(4,599,446)	20%	(13,941,424)	(10,426,897)	34%	(14,825,317)
<b>Gross profit</b>	<b>831,799</b>	<b>976,713</b>	<b>-15%</b>	<b>2,439,952</b>	<b>1,922,217</b>	<b>27%</b>	<b>2,994,862</b>
Other income	38,711	32,700	18%	114,279	62,895	82%	109,655
Distribution expenses	(42,176)	(36,860)	14%	(116,942)	(84,274)	39%	(123,349)
Administrative expenses	(270,882)	(282,209)	-4%	(837,361)	(586,010)	43%	(813,560)
<b>Results from operating activities</b>	<b>557,452</b>	<b>690,344</b>	<b>-19%</b>	<b>1,599,928</b>	<b>1,314,828</b>	<b>22%</b>	<b>2,167,608</b>
Non Operating Income	Nil	Nil	-100%	Nil	45,843	-100%	17,883
Finance income	16,328	16,192	1%	60,000	42,617	41%	77,292
Finance costs	(21,605)	(12,092)	79%	(47,127)	(17,235)	173%	(33,836)
Net finance income	(5,277)	4,100	-229%	12,873	25,382	-49%	43,456
<b>Profit before tax</b>	<b>552,175</b>	<b>694,444</b>	<b>-20%</b>	<b>1,612,801</b>	<b>1,386,053</b>	<b>16%</b>	<b>2,228,947</b>
Income tax	(78,821)	(22,381)	252%	(150,342)	(39,426)	281%	(58,280)
<b>Profit for the period</b>	<b>473,354</b>	<b>672,063</b>	<b>-30%</b>	<b>1,462,459</b>	<b>1,346,627</b>	<b>9%</b>	<b>2,170,667</b>
<b>Attributable to:</b>							
Equity holders of the parent	473,354	672,063	-30%	1,462,459	1,346,627	9%	2,170,667
Non-controlling interest	Nil	Nil	0%	Nil	Nil	0%	Nil
	<b>473,354</b>	<b>672,063</b>	<b>-30%</b>	<b>1,462,459</b>	<b>1,346,627</b>	<b>9%</b>	<b>2,170,667</b>

Basic earnings per share (LKR)

0.68

1.02

2.10

2.04

3.24

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Group						
	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2016 Unaudited	2015 Unaudited	Variance	2016 Unaudited	2015 Unaudited	Variance	2016 Audited
<b>Profit for the period</b>	<b>473,354</b>	<b>672,063</b>	<b>-30%</b>	<b>1,462,459</b>	<b>1,346,627</b>	<b>9%</b>	<b>2,170,667</b>
<b>Other comprehensive income</b>							
Deferred tax attributable to remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	(271)
Effect on remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	1,517
Currency translation differences	194,473	201,065	-3%	189,973	624,922	-70%	850,016
<b>Total other comprehensive income for the period</b>	<b>194,473</b>	<b>201,065</b>	<b>-3%</b>	<b>189,973</b>	<b>624,922</b>	<b>-70%</b>	<b>851,262</b>
<b>Total comprehensive income for the period</b>	<b>667,827</b>	<b>873,128</b>	<b>-24%</b>	<b>1,652,432</b>	<b>1,971,549</b>	<b>-16%</b>	<b>3,021,929</b>
<b>Attributable to:</b>							
Equity holders of the parent	667,827	873,128	-24%	1,652,432	1,971,549	-16%	3,021,929
Non-controlling interest	Nil	Nil	0%	Nil	Nil	0%	Nil
	<b>667,827</b>	<b>873,128</b>	<b>-24%</b>	<b>1,652,432</b>	<b>1,971,549</b>	<b>-16%</b>	<b>3,021,929</b>

TEEJAY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Company						
	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2016 Unaudited	2015 Unaudited	Variance	2016 Unaudited	2015 Unaudited	Variance	2016 Audited
Revenue	4,524,528	3,943,909	15%	11,859,417	10,148,515	17%	14,142,151
Cost of sales	(3,999,016)	(3,354,708)	19%	(10,281,021)	(8,786,029)	17%	(12,108,474)
<b>Gross profit</b>	<b>525,512</b>	<b>589,201</b>	<b>-11%</b>	<b>1,578,396</b>	<b>1,362,486</b>	<b>16%</b>	<b>2,033,677</b>
Other income	35,489	7,381	381%	64,705	22,701	185%	32,866
Distribution expenses	(33,916)	(28,955)	17%	(94,734)	(73,214)	29%	(105,471)
Administrative expenses	(159,837)	(158,519)	1%	(463,989)	(394,947)	17%	(512,874)
<b>Results from operating activities</b>	<b>367,248</b>	<b>409,108</b>	<b>-10%</b>	<b>1,084,378</b>	<b>917,026</b>	<b>18%</b>	<b>1,448,198</b>
Non Operating Income	4,331	4,901	-12%	12,888	55,077	-77%	31,399
Finance income	12,580	10,588	19%	38,553	37,465	3%	62,822
Finance costs	(8,226)	(171)	4711%	(10,642)	(566)	1780%	(1,812)
Net finance income	4,354	10,417	-58%	27,911	36,899	-24%	61,010
<b>Profit before tax</b>	<b>375,933</b>	<b>424,426</b>	<b>-11%</b>	<b>1,125,177</b>	<b>1,009,002</b>	<b>12%</b>	<b>1,540,607</b>
Income tax	(56,699)	(22,381)	153%	(105,930)	(39,426)	169%	(57,374)
<b>Profit for the period</b>	<b>319,234</b>	<b>402,045</b>	<b>-21%</b>	<b>1,019,247</b>	<b>969,576</b>	<b>5%</b>	<b>1,483,233</b>
<b>Basic earnings per share (LKR)</b>	<b>0.46</b>	<b>0.61</b>		<b>1.46</b>	<b>1.47</b>		<b>2.22</b>

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Company						
	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2016 Unaudited	2015 Unaudited	Variance	2016 Unaudited	2015 Unaudited	Variance	2016 Audited
<b>Profit for the period</b>	<b>319,234</b>	<b>402,045</b>	<b>-21%</b>	<b>1,019,247</b>	<b>969,576</b>	<b>5%</b>	<b>1,483,233</b>
<b>Other comprehensive income</b>							
Deferred tax attributable to remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	(26)
Effect on remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	212
Currency translation differences	174,274	185,803	-6%	168,616	603,657	-72%	807,399
<b>Total other comprehensive income for the period</b>	<b>174,274</b>	<b>185,803</b>	<b>-6%</b>	<b>168,616</b>	<b>603,657</b>	<b>-72%</b>	<b>807,585</b>
<b>Total comprehensive income for the period</b>	<b>493,508</b>	<b>587,848</b>	<b>-16%</b>	<b>1,187,863</b>	<b>1,573,233</b>	<b>-24%</b>	<b>2,290,818</b>

**TEEJAY LANKA PLC**

**Statement of Financial Position**

(all amounts in Sri Lankan Rupees thousands)

	Group			Company		
	As at 31 December		As at 31 March	As at 31 December		As at 31 March
	2016 Unaudited	2015 Unaudited	2016 Audited	2016 Unaudited	2015 Unaudited	2016 Audited
<b>ASSETS</b>						
<b>Non - current assets</b>						
Property, plant & equipment	6,132,582	6,048,302	5,954,224	3,513,160	3,293,076	3,253,545
Capital work-in-progress	912,751	151,610	283,152	283,163	103,909	260,810
Intangible assets	63,033	77,597	84,460	28,948	48,051	43,132
Goodwill	49,792	Nil	48,944	Nil	Nil	Nil
Investment in Subsidiaries	Nil	Nil	Nil	2,723,588	2,615,487	2,677,210
Lease rentals paid in advance	240,468	230,562	247,781	94,202	94,824	95,728
Deferred tax assets	118,268	Nil	91,800	Nil	Nil	Nil
	<b>7,516,894</b>	<b>6,508,071</b>	<b>6,710,361</b>	<b>6,643,061</b>	<b>6,155,347</b>	<b>6,330,425</b>
<b>Current assets</b>						
Inventories	3,044,095	2,940,674	2,640,788	2,216,397	2,006,163	1,901,813
Trade and other receivables	2,972,082	2,607,262	2,702,607	1,968,160	1,778,578	1,882,132
Cash and cash equivalents	4,098,698	2,113,490	2,923,552	3,302,803	1,285,362	1,625,859
	<b>10,114,875</b>	<b>7,661,426</b>	<b>8,266,947</b>	<b>7,487,360</b>	<b>5,070,103</b>	<b>5,409,804</b>
<b>Total assets</b>	<b>17,631,769</b>	<b>14,169,497</b>	<b>14,977,308</b>	<b>14,130,421</b>	<b>11,225,450</b>	<b>11,740,229</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves</b>						
Stated capital	3,942,686	3,853,024	3,853,024	3,942,686	3,853,024	3,853,024
ESOP fund	42,283	19,473	42,283	42,283	19,473	42,283
Exchange equalisation reserve	2,280,157	1,865,090	2,090,184	2,216,183	1,843,825	2,047,567
Retained earnings	4,914,718	3,743,136	4,150,852	3,783,012	3,366,085	3,462,358
	<b>11,179,844</b>	<b>9,480,723</b>	<b>10,136,343</b>	<b>9,984,164</b>	<b>9,082,407</b>	<b>9,405,232</b>
<b>Non - current liabilities</b>						
Borrowings	401,517	748,658	141,680	Nil	Nil	Nil
Deferred tax liabilities	356,528	165,182	240,227	238,082	165,182	171,371
Retirement benefit obligations	227,355	200,347	190,931	183,453	162,813	158,673
	<b>985,400</b>	<b>1,114,187</b>	<b>572,838</b>	<b>421,535</b>	<b>327,995</b>	<b>330,044</b>
<b>Current liabilities</b>						
Trade and other payables	3,243,860	3,420,271	3,508,592	2,164,904	1,777,935	1,956,862
Current tax liability	57,083	Nil	4,148	44,263	Nil	Nil
Borrowings	2,165,582	154,316	755,387	1,515,555	37,113	48,091
	<b>5,466,525</b>	<b>3,574,587</b>	<b>4,268,127</b>	<b>3,724,722</b>	<b>1,815,048</b>	<b>2,004,953</b>
<b>Total liabilities</b>	<b>6,451,925</b>	<b>4,688,774</b>	<b>4,840,965</b>	<b>4,146,257</b>	<b>2,143,043</b>	<b>2,334,997</b>
<b>Total equity and liabilities</b>	<b>17,631,769</b>	<b>14,169,497</b>	<b>14,977,308</b>	<b>14,130,421</b>	<b>11,225,450</b>	<b>11,740,229</b>
<b>Net Asset per share</b>	<b>16.00</b>	<b>14.35</b>	<b>14.56</b>	<b>14.29</b>	<b>13.75</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

25-Jan-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	1,462,459	1,462,459
Other comprehensive income	Nil	Nil	189,973	Nil	189,973
<b>Total comprehensive income</b>	<b>Nil</b>	<b>Nil</b>	<b>189,973</b>	<b>1,462,459</b>	<b>1,652,432</b>
<b>Transactions with owners</b>					
Final dividend paid - 2015/16	Nil	Nil	Nil	(698,593)	(698,593)
<b>Balance as at 31 December 2016</b>	<b>3,942,686</b>	<b>42,283</b>	<b>2,280,157</b>	<b>4,914,718</b>	<b>11,179,844</b>
<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	1,346,627	1,346,627
Other comprehensive income	Nil	Nil	624,922	Nil	624,922
<b>Total comprehensive income</b>	<b>Nil</b>	<b>Nil</b>	<b>624,922</b>	<b>1,346,627</b>	<b>1,971,549</b>
<b>Transactions with owners</b>					
Final dividend paid - 2014/15	Nil	Nil	Nil	(528,602)	(528,602)
<b>Balance as at 31 December 2015</b>	<b>3,853,024</b>	<b>19,473</b>	<b>1,865,090</b>	<b>3,743,136</b>	<b>9,480,723</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	1,019,247	1,019,247
Other comprehensive income	Nil	Nil	168,616	Nil	168,616
<b>Total comprehensive income</b>	<b>Nil</b>	<b>Nil</b>	<b>168,616</b>	<b>1,019,247</b>	<b>1,187,863</b>
<b>Transactions with owners</b>					
Final dividend paid - 2015/16	Nil	Nil	Nil	(698,593)	(698,593)
<b>Balance as at 31 December 2016</b>	<b>3,942,686</b>	<b>42,283</b>	<b>2,216,183</b>	<b>3,783,012</b>	<b>9,984,164</b>
<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	<b>1,003,125</b>
Profit for the period	Nil	Nil	Nil	969,576	969,576
Other comprehensive income	Nil	Nil	603,657	Nil	603,657
<b>Total comprehensive income</b>	<b>Nil</b>	<b>Nil</b>	<b>603,657</b>	<b>969,576</b>	<b>1,573,233</b>
<b>Transactions with owners</b>					
Final dividend paid - 2014/15	Nil	Nil	Nil	(528,602)	<b>(528,602)</b>
<b>Balance as at 31 December 2015</b>	<b>3,853,024</b>	<b>19,473</b>	<b>1,843,825</b>	<b>3,366,085</b>	<b>9,082,407</b>

TEEJAY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	Period Ended 31 December		Period Ended 31 December	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flows from operating activities</b>				
Cash generated from operations	1,513,840	2,555,643	1,362,512	1,667,111
Finance income received	60,000	42,617	38,553	37,465
Finance cost paid	(47,127)	(17,235)	(10,642)	(566)
Retirement benefit obligations paid	(9,515)	(3,296)	(1,927)	(3,296)
<b>Net cash generated/(used) from operating activities</b>	<b>1,517,198</b>	<b>2,577,729</b>	<b>1,388,496</b>	<b>1,700,714</b>
<b>Cash flows from investing activities</b>				
Additions to capital work - in - progress	(1,356,059)	(268,638)	(570,086)	(203,399)
Acquisition of subsidiary- net of cash acquired	Nil	(1,374,617)	Nil	Nil
Investment in subsidiary	Nil	Nil	Nil	(1,612,362)
<b>Net cash used in investing activities</b>	<b>(1,356,059)</b>	<b>(1,643,255)</b>	<b>(570,086)</b>	<b>(1,815,761)</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(698,593)	(528,602)	(698,593)	(528,602)
Issue of shares under Employee Share Option Scheme	89,662	Nil	89,662	Nil
Proceeds from / (settlement of) borrowings	1,652,973	(221,395)	1,497,500	Nil
<b>Net cash used in financing activities</b>	<b>1,044,043</b>	<b>(749,997)</b>	<b>888,569</b>	<b>(528,602)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,205,182</b>	<b>184,477</b>	<b>1,706,980</b>	<b>(643,649)</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>4,080,643</b>	<b>2,076,378</b>	<b>3,284,748</b>	<b>1,248,252</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 December 2016, 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 09 months ended 31 December 2016 were authorised for issue by the Board of Directors on 25 January 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 2016.

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

	Group		Company	
	Period Ended 31 December		Period Ended 31 December	
	2016	2015	2016	2015
<b>Profitability Ratios</b>				
Net Profit Margin	8.93%	10.90%	8.59%	9.55%
Asset to Turnover	1.24	1.16	1.12	1.21
Debt : Equity	0.23	0.09	0.15	0.00
Return on Assets (ROA)	11.96%	12.67%	10.51%	13.03%
Return on Equity (ROE)	18.30%	18.94%	14.02%	16.29%

#### Investor Ratios

Earnings per Share (EPS) - LKR	2.10	2.04	1.46	1.47
Net Book Value per Share - LKR	16.00	14.35	14.29	13.75
Price / Earnings Ratio (PE Ratio)	12.48	12.62	20.23	15.83
Price to Book Value Ratio (PBV Ratio)	2.67	2.47	2.99	2.58

(PE and PBV Ratios are based on a market price of LKR 42.80 per share closed 31 December 2016)

#### 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 December 2016)

	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 December 2016	47.80	41.80
Last traded price (on 31 December 2016)	42.80	

#### 12. Public Shareholding 266,373,450 shares - 38.13%

#### 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
Melstacorp Limited	12,622,428	1.81
Deutsche Bank Ag Singapore-Dss A/C Navis Yield Fund	12,605,668	1.80
HSBC Intl Nom Ltd-Bbh-Matthews Emerging Asia Fund	7,456,936	1.07
HSBC Intl Nom Ltd - Bbh - Fidelity Funds	6,212,902	0.89
Mr. L.K.M.Fernando	4,619,300	0.66
Nuwara Eliya Property Developers (Pvt) Ltd	4,329,343	0.62
SEB AB-Fim Frontier Fund	4,172,470	0.60
Deutsche Bank Ag-National Equity Fund	4,000,000	0.57
Northern Trust Co S/A Driehaus International Select Fund L.P.	3,984,202	0.57
J.B. Cocoshell (Pvt) Ltd	3,724,542	0.53
HSBC Intl Nom Ltd-Jpmcb Na-Fidelity Asian Values Plc	3,262,060	0.47
Periceyl ( Private ) Limited A/C No. 03	2,694,100	0.39
Mellon Bank N.A-Acadian Frontier Markets Equity Fund	2,676,771	0.38
Mr. A.R.Gunasekara	2,399,700	0.34
Deutsche Bank Ag As Trustee For Namal Acuity Value Fund	2,250,000	0.32
Union Assurance Plc/Account No. 05 (Unit-Linked Life Insurance Fund-Equity Tracker Fund)	2,181,931	0.31
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
Mcsen Range Private Limited	2,031,400	0.29

#### 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 December			Period Ended 31 December			Year Ended 31 March
	2016 Unaudited	2015 Unaudited	Variance	2016 Unaudited	2015 Unaudited	Variance	2016 Audited
Revenue	42,935,551	39,909,054	8%	111,534,881	90,359,370	23%	128,554,171
Cost of sales	(37,317,471)	(32,886,915)	13%	(94,922,132)	(76,294,369)	24%	(106,949,337)
<b>Gross profit</b>	<b>5,618,080</b>	<b>7,022,139</b>	<b>-20%</b>	<b>16,612,749</b>	<b>14,065,001</b>	<b>18%</b>	<b>21,604,834</b>
Other income	261,436	235,291	11%	778,083	460,204	69%	791,048
Distribution expenses	(285,048)	(263,460)	8%	(796,213)	(616,639)	29%	(889,833)
Administrative expenses	(1,828,365)	(2,030,965)	-10%	(5,701,286)	(4,293,687)	33%	(5,869,000)
<b>Results from operating activities</b>	<b>3,766,103</b>	<b>4,963,005</b>	<b>-24%</b>	<b>10,893,333</b>	<b>9,614,879</b>	<b>13%</b>	<b>15,637,049</b>
Non Operating Income	Nil	Nil	-100%	Nil	341,247	-100%	129,003
Finance income	109,936	115,000	-4%	408,518	311,835	31%	557,587
Finance costs	(146,379)	(87,806)	67%	(320,870)	(126,113)	154%	(244,093)
Net finance income	(36,443)	27,194	-234%	87,648	185,722	-53%	313,494
<b>Profit before tax</b>	<b>3,729,660</b>	<b>4,990,199</b>	<b>-25%</b>	<b>10,980,981</b>	<b>10,141,848</b>	<b>8%</b>	<b>16,079,546</b>
<b>Income tax</b>	<b>(534,650)</b>	<b>(161,520)</b>	<b>231%</b>	<b>(1,023,626)</b>	<b>(288,483)</b>	<b>255%</b>	<b>(420,427)</b>
<b>Profit for the period</b>	<b>3,195,010</b>	<b>4,828,679</b>	<b>-34%</b>	<b>9,957,355</b>	<b>9,853,365</b>	<b>1%</b>	<b>15,659,119</b>
<b>Attributable to:</b>							
Equity holders of the parent	3,195,010	4,828,679	-34%	9,957,355	9,853,365	1%	15,659,119
Non-controlling interest	Nil	Nil	0%	Nil	Nil	0%	Nil
	<b>3,195,010</b>	<b>4,828,679</b>	<b>-34%</b>	<b>9,957,355</b>	<b>9,853,365</b>	<b>1%</b>	<b>15,659,119</b>

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Group						
	Period Ended 31 December			Quarter Ended 31 December			Year Ended 31 March
	2016 Unaudited	2015 Unaudited	Variance	2016 Unaudited	2015 Unaudited	Variance	2016 Audited
<b>Profit for the period</b>	3,195,010	4,828,679	-34%	9,957,355	9,853,365	1%	15,659,119
<b>Other comprehensive income</b>							
Deferred tax attributable to remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	10,945
Effect on remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	(1,958)
<b>Total other comprehensive income for the period</b>	<b>Nil</b>	<b>Nil</b>	<b>0%</b>	<b>Nil</b>	<b>Nil</b>	<b>0%</b>	<b>8,987</b>
<b>Total comprehensive income for the period</b>	<b>3,195,010</b>	<b>4,828,679</b>	<b>-34%</b>	<b>9,957,355</b>	<b>9,853,365</b>	<b>1%</b>	<b>15,668,106</b>
<b>Attributable to:</b>							
Equity holders of the parent	3,195,010	4,828,679	-34%	9,957,355	9,853,365	1%	15,668,106
Non-controlling interest	Nil	Nil	0%	Nil	Nil	0%	Nil
	<b>3,195,010</b>	<b>4,828,679</b>	<b>-34%</b>	<b>9,957,355</b>	<b>9,853,365</b>	<b>1%</b>	<b>15,668,106</b>

TEEJAY LANKA PLC

Income Statement

(all amounts in United States Dollars)

	Company						
	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2016 Unaudited	2015 Unaudited	Variance	2016 Unaudited	2015 Unaudited	Variance	2016 Audited
Revenue	30,599,124	28,040,622	9%	80,746,497	74,257,423	9%	102,021,000
Cost of sales	(27,050,779)	(23,831,254)	14%	(69,999,766)	(64,288,018)	9%	(87,350,115)
<b>Gross profit</b>	<b>3,548,345</b>	<b>4,209,368</b>	<b>-16%</b>	<b>10,746,731</b>	<b>9,969,405</b>	<b>8%</b>	<b>14,670,885</b>
Other income	240,812	51,991	363%	440,554	166,105	165%	237,097
Distribution expenses	(229,212)	(206,032)	11%	(645,013)	(535,710)	20%	(760,864)
Administrative expenses	(1,079,696)	(1,128,759)	-4%	(3,159,133)	(2,889,858)	9%	(3,699,859)
<b>Results from operating activities</b>	<b>2,480,249</b>	<b>2,926,568</b>	<b>-15%</b>	<b>7,383,139</b>	<b>6,709,942</b>	<b>10%</b>	<b>10,447,259</b>
Non Operating Income	29,250	29,250	0%	87,750	403,002	-78%	226,507
Finance income	84,920	73,932	15%	262,493	274,133	-4%	453,196
Finance costs	(55,944)	(1,202)	4554%	(72,460)	(4,145)	1648%	(13,074)
Net finance income	28,976	72,730	-60%	190,033	269,988	-30%	440,122
<b>Profit before tax</b>	<b>2,538,475</b>	<b>3,028,548</b>	<b>-16%</b>	<b>7,660,922</b>	<b>7,382,932</b>	<b>4%</b>	<b>11,113,888</b>
Income tax	(384,657)	(161,520)	138%	(721,238)	(288,483)	150%	(413,903)
<b>Profit for the period</b>	<b>2,153,818</b>	<b>2,867,028</b>	<b>-25%</b>	<b>6,939,684</b>	<b>7,094,449</b>	<b>-2%</b>	<b>10,699,985</b>

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Company						
	Period Ended 31 December			Quarter Ended 31 December			Year Ended 31 March
	2016 Unaudited	2015 Unaudited	Variance	2016 Unaudited	2015 Unaudited	Variance	2016 Audited
<b>Profit for the period</b>	2,153,818	2,867,028	-25%	6,939,684	7,094,449	-2%	10,699,985
<b>Other comprehensive income</b>							
Deferred tax attributable to remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	1,526
Effect on remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	(184)
<b>Total other comprehensive income for the period</b>	<b>Nil</b>	<b>Nil</b>	<b>0%</b>	<b>Nil</b>	<b>Nil</b>	<b>0%</b>	<b>1,342</b>
<b>Total comprehensive income for the period</b>	<b>2,153,818</b>	<b>2,867,028</b>	<b>-25%</b>	<b>6,939,684</b>	<b>7,094,449</b>	<b>-2%</b>	<b>10,701,327</b>



**TEEJAY LANKA PLC**
**Statement of Financial Position**

(all amounts in United States Dollars)

	Group			Company		
	As at 31 December		As at 31 March	As at 31 December		As at 31 March
	2016	2015	2016 Audited	2016	2015	2016
	Unaudited	Unaudited		Unaudited	Unaudited	Audited
<b>ASSETS</b>						
<b>Non - current assets</b>						
Property, plant & equipment	40,952,131	41,929,304	40,449,888	23,460,164	22,828,946	22,102,892
Capital work-in-progress	6,095,167	1,051,025	1,923,589	1,890,908	720,337	1,771,809
Intangible assets	420,924	537,932	573,774	193,309	333,106	293,016
Goodwill	332,502	Nil	332,502	Nil	Nil	Nil
Investment in Subsidiaries	Nil	Nil	Nil	18,187,567	18,131,628	18,187,567
Lease rentals paid in advance	1,605,795	1,598,347	1,683,297	629,065	657,360	650,329
Deferred tax Assets	789,769	Nil	623,642	Nil	Nil	Nil
	50,196,288	45,116,608	45,586,692	44,361,013	42,671,377	43,005,613
<b>Current assets</b>						
Inventories	20,327,844	20,385,954	17,940,134	14,800,649	13,907,541	12,919,918
Trade and other receivables	19,846,958	18,074,604	18,360,101	13,142,969	12,329,835	12,786,225
Cash and cash equivalents	27,370,270	14,651,577	19,861,090	22,055,445	8,910,657	11,045,239
	67,545,072	53,112,135	56,161,325	49,999,063	35,148,033	36,751,382
<b>Total assets</b>	<b>117,741,360</b>	<b>98,228,743</b>	<b>101,748,017</b>	<b>94,360,076</b>	<b>77,819,410</b>	<b>79,756,995</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves</b>						
Stated capital	36,813,832	36,142,843	36,198,782	36,813,832	36,142,843	36,198,782
ESOP Fund	307,979	149,794	307,979	307,979	149,794	307,979
Retained earnings	37,534,906	29,431,613	32,354,260	29,550,406	26,670,318	27,387,481
	74,656,717	65,724,250	68,861,021	66,672,217	62,962,955	63,894,242
<b>Non - current liabilities</b>						
Borrowings	2,681,250	5,190,000	962,500	Nil	Nil	Nil
Deferred tax liabilities	2,380,824	1,145,107	1,631,977	1,589,866	1,145,107	1,164,211
Retirement benefit obligations	1,518,230	1,388,890	1,297,087	1,225,060	1,128,687	1,077,944
	6,580,304	7,723,997	3,891,564	2,814,926	2,273,794	2,242,155
<b>Current liabilities</b>						
Trade and other payables	21,661,836	23,710,714	23,835,544	14,456,787	12,325,379	13,293,891
Current Tax Liabilities	381,188	Nil	28,181	295,581	Nil	Nil
Borrowings	14,461,315	1,069,782	5,131,707	10,120,565	257,282	326,707
	36,504,339	24,780,496	28,995,432	24,872,933	12,582,661	13,620,598
<b>Total liabilities</b>	<b>43,084,643</b>	<b>32,504,493</b>	<b>32,886,996</b>	<b>27,687,859</b>	<b>14,856,455</b>	<b>15,862,753</b>
<b>Total equity and liabilities</b>	<b>117,741,360</b>	<b>98,228,743</b>	<b>101,748,017</b>	<b>94,360,076</b>	<b>77,819,410</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

25-Jan-2017