



P→SITIVE REACTIONS

Interim Financial Statements
For the period ended 31st December 2022

Corporate Information

Name of Company	Chemanex PLC
Legal Status	A Public Quoted Company with Limited Liability Under the provisions of Companies Act No 7 of 2007
Registered Office	52, Galle Face Court 2, Colombo-3.
Date of Incorporation	28 August 1974
Company Registration Number	PQ 64
Directors	P R Saldin - Chairman E M M Boyagoda S A B Ekanayake
Company Secretary	S A B P W M R R W T Wegodapola
Auditors	Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10.
Legal Advisers	Nithya Partners Attorneys-at - Law 97A, Galle Road, Colombo 3.
Subsidiary Companies	Chemanex Exports (Pvt) Limited (Non operating) Chemcel (Pvt) Limited (Non operating)
Bankers	Commercial Bank of Ceylon PLC Standard Chartered Bank Hatton National Bank PLC National Development Bank PLC Nations Trust Bank PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Quarter ended 31 December			Nine months ended 31 December		
		2022	2021	Variance %	2022	2021	Variance %
<i>(In Rs. '000)</i>							
Revenue	1	221,047	161,456	37	828,674	462,919	79
Cost of sales		(146,621)	(119,389)	23	(504,820)	(353,174)	43
Gross profit		74,426	42,067	77	323,854	109,745	195
Other income	2	18,704	9,211	103	53,340	42,236	26
Finance cost		(598)	(1,587)	(62)	(18,238)	(2,236)	716
Finance income		624	1,793	(65)	707	2,667	(73)
Net finance income	3	26	206	(87)	(17,531)	431	4,168
Administrative expenses		(11,566)	(9,755)	19	(34,409)	(28,476)	21
Distribution expenses		(33,419)	(10,830)	209	(75,022)	(32,741)	129
Impairment reversal/(loss) on trade receivables		1,654	1,103	50	1,540	1,091	(41)
Other operating expenses	4	(10,068)	-	100	(28,160)	(5,393)	422
Profit before tax		39,757	32,002	24	223,612	86,893	157
Income tax expense		(17,496)	(8,075)	(117)	(66,074)	(20,774)	218
Profit for the period		22,261	23,927	(7)	157,538	66,119	138
Other comprehensive income							
<i>Items that will not be re-classified to profit or loss</i>							
Net gain/(loss) from fair value change of financial assets		(32,376)	(6,070)	433	(164,198)	78,313	(310)
Total other comprehensive income		(32,376)	(6,070)	433	(164,198)	78,313	(310)
Total comprehensive income for the period		(10,115)	17,857	(157)	(6,660)	144,432	(105)
Profit attributable to:							
Equity holders of the Company		22,261	23,927	(7)	157,538	66,119	138
		22,261	23,927	(7)	157,538	66,119	138
Other comprehensive income attributable to:							
Equity holders of the Company		(32,376)	(6,070)	433	(164,198)	78,313	(310)
		(32,376)	(6,070)	433	(164,198)	78,313	(310)
Earnings per share							
Basic/Diluted earnings per share (Rs.)		1.42	1.52	(7)	10.03	4.21	138

Figures in brackets indicate deductions.

The above figures are provisional & subject to audit.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Quarter ended 31 December			Nine months ended 31 December		
		2022	2021	Variance %	2022	2021	Variance %
<i>(In Rs. '000)</i>							
Revenue	1	221,047	161,456	37	828,674	462,919	79
Cost of sales		(146,621)	(119,389)	23	(504,820)	(353,174)	43
Gross profit		74,426	42,067	77	323,854	109,745	195
Other income	2	18,704	9,211	103	53,340	42,236	26
Finance cost		(598)	(1,587)	(62)	(18,238)	(2,236)	716
Finance income		624	1,793	(65)	707	2,667	(73)
Net finance income	3	26	206	(87)	(17,531)	431	4,168
Administrative expenses		(11,566)	(9,755)	19	(34,409)	(28,476)	21
Distribution expenses		(33,419)	(10,830)	209	(75,022)	(32,741)	129
Impairment reversal/(loss) on trade receivables		1,654	1,103	50	1,540	1,091	(41)
Share of loss of equity accounted investees, net of		(10,000)	-	-	(28,092)	(5,393)	421
Profit before tax		39,825	32,002	24	223,680	86,893	157
Income tax expenses		(17,496)	(8,075)	117	(66,074)	(20,774)	218
Profit after tax from continuing operations		22,329	23,927	(7)	157,606	66,119	138
Profit from discontinued operations, net of tax		1,268	258	391	13,230	1,054	1,155
Profit for the period		23,597	24,185	(2)	170,836	67,173	154
Other comprehensive income							
<i>Items that will not be re-classified to profit or loss</i>							
Net loss from fair value change of financial assets		(32,633)	(6,271)	420	(165,210)	78,595	(310)
Other comprehensive income for the period, net of tax		(32,633)	(6,271)	420	(165,210)	78,595	(310)
Total comprehensive income for the period		(9,036)	17,914	(150)	5,626	145,768	(96)
Profit attributable to :							
Equity holders of the Company		23,597	24,185	(2)	170,836	67,173	154
Non-controlling interest		-	-	-	-	-	-
		23,597	24,185	(2)	170,836	67,173	154
Other comprehensive income attributable to :							
Equity holders of the Company		(32,633)	(6,271)	420	(165,210)	78,595	(310)
Non-controlling interest		-	-	-	-	-	-
		(32,633)	(6,271)	420	(165,210)	78,595	(310)
Basic/Diluted earnings per share from continuing operations (Rs.)		1.42	1.52	(7)	10.03	4.21	138
Basic/Diluted earnings per share (Rs.)		1.50	1.54	(2)	10.88	4.28	154

Figures in brackets indicate deductions.

The above figures are provisional & subject to audit.

STATEMENT OF FINANCIAL POSITION

As at	Note	Company			Group		
		31 December 2022	31 March 2022	31 December 2021	31 December 2022	31 March 2022	31 December 2021
<i>(In Rs. '000)</i>							
Non-Current Assets							
Property, plant & equipment		1,875	4,692	6,100	1,875	4,692	6,100
Intangible assets		833	938	973	833	938	973
Equity accounted investees		14,598	42,690	41,176	12,368	40,460	41,176
Equity investment at fair value through OCI		198,244	198,244	192,089	198,244	198,244	192,089
Deferred tax assets		15,740	15,740	21,927	15,740	15,740	21,927
		231,290	262,304	262,265	229,060	260,074	262,265
Current Assets							
Inventories		257,365	156,027	107,339	257,365	156,027	107,339
Trade and other receivables		203,683	264,628	131,696	203,683	264,628	131,696
Equity investment at fair value through OCI		1,812,289	1,973,261	2,005,096	1,812,289	1,973,261	2,005,096
Deposits with banks		8,429	-	-	8,429	-	-
Cash & cash equivalents	5	17,402	17,109	152,747	17,402	17,109	152,747
		2,299,168	2,411,025	2,396,878	2,299,168	2,411,025	2,396,878
Assets classified as held for distribution		47,000	47,000	47,000	62,083	49,792	37,125
		2,346,168	2,458,025	2,443,878	2,361,251	2,460,817	2,434,003
Total Assets		2,577,458	2,720,329	2,706,143	2,590,311	2,720,891	2,696,268
EQUITY & LIABILITIES							
Stated capital		126,250	126,250	126,250	126,250	126,250	126,250
Capital reserves		-	-	-	3,000	3,000	3,000
Revenue reserves		2,290,676	2,328,750	2,383,264	2,372,881	2,398,669	2,442,515
Equity attributable to equity holders of the parent		2,416,926	2,455,000	2,509,514	2,502,131	2,527,919	2,571,765
Non- controlling interests		-	-	-	(2,768)	(2,768)	(2,744)
Total Equity		2,416,926	2,455,000	2,509,514	2,499,363	2,525,151	2,569,021
Non-Current Liabilities							
Loans and borrowings		-	-	-	-	-	-
Retirement benefit obligations		3,058	2,343	3,445	3,058	2,343	3,445
		3,058	2,343	3,445	3,058	2,343	3,445
Current Liabilities							
Trade payable		3,404	23,652	54,888	3,404	23,652	54,953
Income tax payable		43,491	2,282	9,364	43,491	2,282	9,364
Accruals & other payable		110,579	104,614	120,677	40,058	34,075	50,057
Loans and borrowings		-	132,438	8,255	-	132,438	8,255
		157,474	262,986	193,184	86,953	192,447	122,629
Liabilities classified as held for distribution		-	-	-	937	950	1,173
Total liabilities		160,532	265,329	196,629	90,948	195,740	127,247
Total Equity & Liabilities		2,577,458	2,720,329	2,706,143	2,590,311	2,720,891	2,696,268
Net Assets per share (Rs.)		153.88	156.30	159.77	159.30	160.94	163.73

The above figures are provisional & subject to audit.

I certify that the above Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

(Sgd.) D D Wickramanayake

Finance Manager

The Board of Directors is responsible for these Financial Statements.

Signed for and on behalf of the Board by;

(Sgd.) P R Saldin

Chairman

Colombo

17th January 2023

(Sgd.) S A B Ekanayake

Director

(Sgd.) S A B P W M R R W T Wegodapola

Company Secretary

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER

COMPANY <i>(In Rs. '000)</i>	Stated Capital			Total Equity
		Fair Value Reserve	Retained Earnings	
Balance as at 01 April 2021	126,250	67,217	2,187,322	2,380,789
Profit for the period	-	-	66,119	66,119
Other comprehensive income	-	78,313	-	78,313
De-recognition of financial assets due to disposal	-	(98,601)	98,601	-
Dividends	-	-	(15,707)	(15,707)
Balance as at 31 December 2021	126,250	46,929	2,336,335	2,509,514
Balance as at 01 April 2022	126,250	(49,140)	2,377,890	2,455,000
Profit for the period	-	-	157,538	157,538
Other comprehensive income	-	(164,198)	-	(164,198)
Dividends	-	-	(31,414)	(31,414)
De-recognition of financial assets due to disposal	-	5,599	(5,599)	-
Balance as at 31 December 2022	126,250	(207,739)	2,498,415	2,416,926

Figures in brackets indicate deductions.

The above figures are provisional & subject to audit.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER

GROUP <i>(In Rs. '000)</i>	Stated Capital	Capital Reserves	Revenue Reserves		Total Reserves	Non-Controlling Interest	Total Equity
		Reserve on Script Issue	Fair Value Reserve	Retained Earnings			
Balance as at 01 April 2021	126,250	3,000	63,991	2,263,392	2,330,383	(17,673)	2,438,960
Profit for the period	-	-	-	67,173	67,173	-	67,173
Dividends	-	-	-	(15,707)	(15,707)	-	(15,707.00)
Other comprehensive income	-	-	78,595	-	78,595	-	78,595
De-recognition of financial assets due to disposal	-	-	(98,601)	98,601	-	-	-
Adjustment on non-controlling interest	-	-	-	(14,929)	(14,929)	14,929	-
Balance as at 31 DECEMBER 2021	126,250	3,000	43,985	2,398,530	2,445,515	(2,744)	2,569,021
Balance as at 01 April 2022	126,250	3,000	(52,914)	2,451,583	2,401,669	(2,768)	2,525,151
Profit for the period	-	-	-	170,836	170,836	-	170,836
Dividends	-	-	-	(31,414)	(31,414)	-	(31,414)
Other comprehensive income	-	-	(165,210)	-	(165,210)	-	(165,210)
De-recognition of financial assets due to disposal	-	-	5,599	(5,599)	-	-	-
Balance as at 31 December 2022	126,250	3,000	(212,525)	2,585,406	2,375,881	(2,768)	2,499,363

Figures in brackets indicate deductions.

The above figures are provisional & subject to audit.

CHEMANEX PLC
CASH FLOW STATEMENTS

<i>For the period ended 31 December</i>	Company		Group	
	2022	2021	2022	2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flow from operating activities				
Cash generated from operations (Note A)	189,107	107,513	187,710	108,198
Interest paid	(19,152)	(1,354)	(18,007)	(1,354)
Income tax paid	(24,865)	(10,328)	(24,865)	(10,328)
Net cash inflow/ (outflow) from operating activities	145,090	95,831	144,838	96,516
Cash flow from investing activities				
Acquisition of investments	(6,377)	(112,412)	(6,457)	(112,522)
Addition to property, plant & equipment	(1,574)	(894)	(1,574)	(894)
Proceeds from disposal of investments	3,151	139,050	3,151	139,050
Proceeds from disposal of property, plant & equipment	-	9,363	-	9,363
Dividend received from other companies	30,663	21,895	30,663	21,895
Investment in bank deposits	(8,429)	-	(8,429)	-
Interest income received	707	2,667	3,413	2,896
Net cash inflow from investing activities	18,141	59,669	20,767	59,788
Cash flow from financing activities				
Dividend paid	(31,414)	(15,707)	(31,414)	(15,707)
Settlement of lease liability	(6,507)	(5,212)	(6,507)	(5,212)
Net cash outflow from financing activities	(37,921)	(20,919)	(37,921)	(20,919)
Net increase in cash & cash equivalents during the period	125,310	134,581	127,684	135,385
Cash & cash equivalents at the beginning of the period	(109,053)	18,166	(63,775)	48,850
Unrealised exchange gain on cash & cash equivalent	1,145	-	10,449	-
Cash & cash equivalents at the end of the period (Note B)	17,402	152,747	74,358	184,235
Note A - Cash generated from operations				
Profit before tax from continued operations	223,612	86,893	223,680	86,893
Profit before tax from discontinued operations	-	-	13,312	1,054
Adjustments for:				
Depreciation on property, plant & equipment	402	156	402	156
Impairment of investment in Rainforest Ecolodge (Private) Limited	28,092	5,393	-	-
Amortization of intangible assets	104	104	104	104
Adjustment on de-recognition of ROU asset	-	(2,261)	-	(2,261)
Amortization of right of use of assets	3,990	3,990	3,990	3,990
Gain on disposal of property, plant & equipment	-	(9,363)	-	(9,363)
Provision for retirement benefit	715	1,445	715	1,445
Rent payment waive off received	-	(1,296)	-	(1,296)
Dividend income	(30,663)	(21,895)	(30,663)	(21,895)
Interest income	(707)	(2,667)	(3,413)	(2,896)
Interest expense	19,383	2,236	18,238	2,236
Unrelaised exchange gain	(1,145)	-	(10,449)	-
Share of equity accounted investees	-	-	28,092	5,393
Operating profit before working capital changes	243,783	62,735	244,008	63,560
(Increase)/decrease in trade and other receivables	60,945	(18,309)	59,318	(18,525)
(Increase)/ decrease in inventories	(101,338)	6,753	(101,338)	6,753
Increase in trade and other payables	(14,283)	56,334	(14,278)	56,410
Cash generated from operations	189,107	107,513	187,710	108,198
Note B - Analysis of cash & cash equivalents at the end of the year				
Cash in hand, at bank and investment in government securities	17,402	152,747	74,358	184,235
	17,402	152,747	74,358	184,235

Figures in brackets indicate deductions.

The above figures are provisional & subject to audit.

SEGMENT INFORMATION

Note 1

For the period ended 31 December	Group	
	2022	2021
<i>(In Rs. '000)</i>		
(a) Industry segment revenue		
Rubber and plastic	482,037	235,834
Coating and packaging	194,170	134,399
Home and personal care	152,467	92,686
Total revenue from external customers	828,674	462,919

PROFIT BEFORE TAXATION*(In Rs. '000)*

(b) Industry segment		
Rubber and plastic	146,813	40,819
Coating and packaging	35,358	4,055
Home and personal care	37,782	8,735
	219,953	53,609
Unallocated expenses	(3,990)	(3,990)
Other income	53,340	42,236
Finance (cost)/income (net)	(17,531)	431
Share of loss of equity accounted investees	(28,092)	(5,393)
Income tax expense	(66,074)	(20,774)
Profit from discontinued operations	13,230	1,054
	170,836	67,173

The above figures are provisional & subject to audit.

Figures in brackets indicate deductions.

Notes to the Financial Statements

	Company		Group	
	2022	2021	2022	2021
For the period ended 31 December				
<i>(In Rs. '000)</i>				
2 Other income				
Dividend income	30,663	21,895	30,663	21,895
Direct sales commission	12,117	1,086	12,117	1,086
Rent income	10,180	8,589	10,180	8,589
Gain in disposal of property, plant & equipment	-	9,363	-	9,363
Sundry income	380	1,303	380	1,303
	53,340	42,236	53,340	42,236
3 Net finance income				
For the period ended 31 December				
<i>(In Rs. '000)</i>				
Interest income on deposits	707	2,667	707	2,667
Finance cost (Note 3.1)	(18,238)	(2,236)	(18,238)	(2,236)
	(17,531)	431	(17,531)	431
3.1 Finance cost				
For the period ended 31 December				
<i>(In Rs. '000)</i>				
Interest on short-term loans & overdrafts	12,594	27	12,594	27
Interest on lease	231	882	231	882
Loss on foreign currency	5,413	1,327	5,413	1,327
	18,238	2,236	18,238	2,236
4 Other operating expenses				
For the period ended 31 December				
<i>(In Rs. '000)</i>				
Impairment of investment in Rainforest Ecolodge (Private) Limited	28,092	5,393		
Provision for inter company receivables	68	-		
	28,160	5,393		
5 Cash and Cash equivalents				
For the period ended 31 December				
<i>(In Rs. '000)</i>				
Cash and bank - Local Currency	11,900	25,643	11,900	25,643
Investment in Government securities	5,502	127,104	5,502	127,104
	17,402	152,747	17,402	152,747
Cash & Cash equivalents classified as held for sale and distribution	-	-	56,956	31,488
Cash & Cash equivalents for cash flow purpose	17,402	152,747	74,358	184,235

Notes to the Financial Statements (Cont..)

6 Market value of a share

	2022	2021
	31-Dec	31-Dec
	Rs.	Rs.
Highest	98.00	84.90
Lowest	60.00	70.20
Last traded	72.00	77.30

7 Earnings and net assets per share
For the period ended 31 December

	Company		Group	
	2022	2021	2022	2021
Basic earnings per share (Rs.)	10.03	4.21	10.03	4.21
Net assets per share (Rs.)	153.88	159.77	159.30	163.73

8 Share trading

For the period ended 31 December

	2022	2021
	31-Dec	31-Dec
No of transactions during the period	592	762
No of shares traded during the period	412,695	437,099
Value of shares traded during the period (Rs.000)	37,223,399	34,102,856

9 Stated capital

	2022		2021	
	No of shares ('000)	Value Rs.000	No of shares ('000)	Value Rs.000
As at 31 December	15,707	126,250	15,707	126,250

10 Dividend paid per share

For the period ended 31st December

	2022	2021
Final	Rs. 2.00	1.00

11 Directors' shareholding

As at the reporting date no Directors had shares of the Company together with their spouses.

12 Twenty largest shareholders

Name of the shareholder	31.12.2022	31.12.2022
	No of shares	%
CIC Holdings PLC	7,939,373	50.55
CIC Holdings PLC/ Charitable & Education Trust Fund	1,627,383	10.36
Sakuvi Investment Trust (Private) Limited	538,366	3.43
CIC Agri Businesses (Private) Limited	446,604	2.84
S.K. Wickremesinghe Trust (Guarantee) Limited	400,000	2.55
Mr. S.K. Wickremesinghe	315,245	2.01
Mr U. Amarasinghe & Mr. R. Amarasinghe	309,480	1.97
Mr. S.Srikanthan & Mrs. S. Srikanthan	300,000	1.91
Mr. D.A. De Zoysa	184,740	1.18
J.B. Cocoshell (Private) Limited	153,274	0.98
Mr. M.J. Ismail	139,079	0.89
Bank of Ceylon Account No.01	118,179	0.75
Peoples Leasing Finance PLC/ Mr. L.P. Hapangama	109,419	0.70
Merchant Bank of Sri Lanka Finance PLC/ Mr. P.V. Kuma	102,360	0.65
Lotus Global Investments Limited	98,617	0.63
Sandwave Limited	97,408	0.62
Bensons Limited	83,286	0.53
Mr. M.C. Abeysekera	81,546	0.52
Mr. H.R. Peries	72,500	0.46
Dr. H.S.D Soysa & Mrs. G. Soysa	68,429	0.44
	13,185,288	83.94

Notes to the Financial Statements (Cont..)

13 Public Holding	31.12.2022	31.12.2022
	No of shares	%
Parent company & related companies		
CIC Holdings PLC	7,939,373	50.55
CIC Trustees for Charitable & Educational Trust Fund	1,627,383	10.36
CIC Agri Businesses (Private) Limited	446,604	2.84
	10,013,360	63.75
Public holding	5,693,952	36.25
	15,707,312	100.00

13.1 Public Holding

Ordinary shares of the Company held by public as at 31 December 2022 were as follows :

Number of Public Shareholders	1,254
Percentage of public holding	36.25%

14 Market Capitalization

	No of shares	Share price Rs.	Capitalization Rs.
Ordinary shares	15,707,312	72.00	1,130,926,464

15 Float Adjusted Market Capitalization

	No of shares	Share price Rs.	Capitalization Rs.
Shares held by public	5,693,952	72.00	409,964,544

As the float adjusted market capitalisation is below Rs.2.5 Bn, Chemanex PLC complies under option 5 with the minimum public holding requirement.

- 16** The accounting policies followed in the preparation of the Interim Statement of Comprehensive Income for the period ended 31 December 2022 and the Interim Statement of Financial Position as at 31 December 2022 unless otherwise stated are consistent with those followed in the preparation of Financial Statements for the year ended 31 March 2022 and are in compliance with Sri Lanka Accounting Standard 34 - Interim Financial Reporting. 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.

17 Fair value measurement and related fair value disclosures

As at 31 December 2022, all the listed equity instruments amounting to Rs.1,812.29Mn were measured based on the active market prices as at 31 December 2022 and categorised under Level 1 of the fair value hierarchy.

Based on the fair valuation methodology, other non-current equity investment at fair value through OCI amounting to Rs.198.24 Mn is categorised under "Level 3" of the "fair value measurement hierarchy". Fair value would not significantly vary if one or more of the inputs were changed.

- 18** There are no material contingent liabilities as at the reporting date, which require adjustment and/or disclosure in the Financial Statements.

- 19** There were no material events took place since the reporting date which require adjustments to or disclosures in these interim Financial Statements.