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EXPOLANKA HOLDINGS PLC

INTERIM REPORT

TWELVE MONTHS ENDED 31ST MARCH
2020

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Un Audited 31.03.2020	Audited 31.03.2019
ASSETS		
Non-current Assets		
Property, plant and equipment	3,405,360,822	3,961,747,782
Right-of-use assets	3,022,912,858	-
Intangible assets	676,970,824	635,099,255
Investment in an associate and joint ventures	164,272,698	237,698,403
Other financial assets	2,621,551	145,023,258
Deferred income tax assets	146,784,042	186,779,308
Prepayments and other assets	308,972,775	234,548,242
	<u>7,727,895,570</u>	<u>5,400,896,248</u>
Current Assets		
Inventories	152,464,733	122,879,282
Trade and other receivables	18,400,000,094	21,302,591,358
Amount due from related parties	16,014,688	47,389,747
Prepayments and other assets	1,677,888,069	1,795,751,200
Other financial assets	159,645,640	194,276,010
Income tax recoverable	457,994,406	275,912,047
Cash and cash equivalents	7,156,046,860	4,456,865,049
	<u>28,020,054,490</u>	<u>28,195,664,693</u>
Assets held for sale	274,883,413	-
Total Assets	<u>36,022,833,473</u>	<u>33,596,560,941</u>
EQUITY AND LIABILITIES		
Stated capital	4,097,985,000	4,097,985,000
Reserves	940,585,702	983,692,993
Retained earnings	7,600,459,260	9,193,919,473
Equity attributable to equity holders of parent	<u>12,639,029,962</u>	<u>14,275,597,466</u>
Non-controlling Interest	191,512,037	1,511,718,909
Total Equity	<u>12,830,541,999</u>	<u>15,787,316,375</u>
Non-current liabilities		
Financing and lease payables	5,468,961,990	1,198,889,432
Deferred income tax liabilities	728,696	482,305
Retirement benefit obligation	616,995,167	514,217,666
	<u>6,086,685,853</u>	<u>1,713,589,403</u>
Current liabilities		
Financing and lease payables	6,726,988,713	4,132,734,967
Trade and other payables	10,183,970,970	11,517,862,977
Amount due to related parties	12,544,909	35,655,019
Income tax liabilities	182,101,030	409,402,200
	<u>17,105,605,622</u>	<u>16,095,655,163</u>
Total Equity and liabilities	<u>36,022,833,473</u>	<u>33,596,560,941</u>
Net asset per share	6.47	7.30

These financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

[SIGNED]

Mushtaq Ahamed

Director - Group Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by,

[SIGNED]

Hanif Yusoof

Director

26th May 2020

[SIGNED]

Sanjay Kulatunga

Director

CONSOLIDATED INCOME STATEMENT

	Three months ended 31st March			Twelve months ended 31st March		
	Un-Audited 2020	Un-Audited 2019	Change %	Un-Audited 2020	Audited 2019	Change %
Revenue from contracts with customers	23,773,074,101	22,738,790,849	4.55	103,245,670,750	95,454,911,468	8.16
Cost of sales	(19,194,869,480)	(18,271,826,457)	5.05	(84,062,988,003)	(77,355,321,966)	8.67
Gross profit	4,578,204,621	4,466,964,393	2.49	19,182,682,747	18,099,589,502	5.98
Other income and gains	16,497,946	37,980,700	(56.56)	421,151,024	568,382,484	(25.90)
Administrative expenses	(4,398,104,157)	(3,238,551,500)	35.80	(17,766,233,804)	(14,231,084,931)	24.84
Selling and distribution cost	(413,250,576)	(303,079,345)	36.35	(1,216,362,263)	(1,234,192,602)	(1.44)
Finance cost	(94,011,893)	(53,011,022)	77.34	(455,321,573)	(239,693,976)	89.96
Finance income	72,321,266	6,399,244	1,030.15	83,042,876	49,821,042	66.68
Share of results of equity accounted investees (net tax)	1,453,321	18,302,574	(92.06)	31,143,002	60,413,620	(48.45)
Profit before tax	(236,889,471)	935,005,043	(125.34)	280,102,010	3,073,235,139	(90.89)
Tax expense	(95,989,073)	(359,938,914)	(73.33)	(718,038,357)	(1,164,390,306)	(38.33)
Profit for the period	(332,878,544)	575,066,130	(157.89)	(437,936,347)	1,908,844,833	(122.94)
Attributable to:						
Equity holders of the parent	(361,592,756)	382,648,780	(194.50)	(736,557,807)	1,447,985,319	(150.87)
Non- Controlling Interest	28,714,212	192,417,350	(85.08)	298,621,459	460,859,514	(35.20)
	(332,878,544)	575,066,130		(437,936,347)	1,908,844,833	
Basic earnings per share	(0.18)	0.20		(0.38)	0.74	
Dividend per share	-	-		-	0.15	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31st March		Twelve months ended 31st March	
	Un-Audited	Un-Audited	Un-Audited	Audited
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Profit for the period	(332,878,544)	575,066,130	(437,936,347)	1,908,844,833
Other comprehensive income to be reclassified to statement of profit or loss in subsequent periods				
Net Exchange differences on translation of foreign operations	(49,331,985)	(464,827,468)	86,906,630	502,068,481
Net other comprehensive income to be reclassified to statement of profit or loss in subsequent periods	(49,331,985)	(464,827,468)	86,906,630	502,068,481
Other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods				
Net (loss)/gain on financial instruments at fair value through OCI	-	(10,282,510)	(2,372,887)	(11,864,435)
Sale of AFS financial instruments at fair value through OCI	-	-	1,072,649	-
Actuarial gains on defined benefit plans	(27,323,170)	(40,057,324)	(27,323,170)	(40,057,324)
Income tax effect	6,767,889	3,009,595	6,767,889	3,009,595
Net other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods	(20,555,281)	(47,330,239)	(21,855,519)	(48,912,164)
Other comprehensive income for the year, net of tax	(69,887,266)	(512,157,707)	65,051,112	453,156,317
Total comprehensive income for the year, net of tax	(402,765,810)	62,908,423	(372,885,236)	2,362,001,150
Attributable to:				
Equity holders of the parent	(443,845,853)	(239,869,807)	(718,001,183)	1,790,780,756
Non-controlling Interest	41,080,043	302,778,230	345,115,947	571,220,394
	(402,765,810)	62,908,423	(372,885,236)	2,362,001,150



CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 31st March	Un Audited 2020	Audited 2019
Cash Flows From / (Used in) Operating Activities		
Profit before Income Tax Expenses	280,102,010	3,073,235,139
Adjustments for,		
Depreciation	1,676,851,605	427,670,721
Amortization	67,261,707	83,729,795
Amortization of prepayment and other assets	105,329,552	55,328,393
Investment Income	(105,449)	(32,436,708)
Profit on Sale of Property, Plant and Equipment	(1,525,183)	(9,319,883)
Profit / Loss on Sale of Subsidiaries	8,195,545	-
Dividend Income	(2,388,858)	(17,384,334)
Finance Cost	340,516,220	239,693,976
Share of results of equity accounted investees	(31,143,002)	(60,413,620)
Allowances for Expected Credit Losses	354,121,751	209,320,282
Provision for Defined Benefit Plans	145,923,639	153,728,550
Operating Profit / (Loss) before Working Capital Changes	2,943,139,537	4,123,152,311
(Increase)/Decrease in Inventories	(28,468,658)	30,721,371
(Increase)/Decrease in Trade and Other Receivables	815,631,056	(3,752,643,634)
(Increase)/Decrease in Prepayments	48,695,264	477,915,314
Increase/ (Decrease) in Trade and Other Payables	(488,295,749)	2,182,434,155
Net change in working capital due to Group structure	11,948,035	978,519
Cash Generated from Operations	3,302,649,485	3,062,558,036
Finance Cost paid	(340,516,220)	(239,693,976)
Income Tax Paid	(1,078,482,431)	(1,647,730,873)
Defined Benefit Plan Costs paid	(71,249,906)	(343,353,945)
Net Cash From / (Used in) Operating Activities	1,812,400,928	831,779,242
Cash Flows From / (Used in) Investing Activities		
Investment Income Received	105,449	32,436,708
Acquisition of Property, Plant and Equipment	(339,461,436)	(510,038,245)
Net Acquisition of Intangible assets	(36,198,841)	(103,799,761)
Proceeds from Sale of Property, Plant and Equipment	179,022,652	36,066,500
Other current Investments (net)	28,823,507	(30,314,822)
Other non current investments (net)	(2)	(1,743,548)
Sales Proceeds from Disposal of Equity Investment	103,931,082	-
Net Acquisition of Subsidiaries, net of Cash Acquired	(120,687,571)	(37,177,209)
Dividend Received	9,212,340	53,593,899
Additions to prepayment and other asset	(211,426,123)	(273,333,295)
Proceeds from Sale of Subsidiaries	12,223,586	4,076,650
Net Cash Used in Investing Activities	(374,455,357)	(830,233,124)
Net Cash Flows Used in Financing Activities		
Proceeds From Financing	4,726,692,181	2,324,876,351
Repayment of Financing and Lease	(2,368,653,314)	(978,812,101)
Changes in non-controlling interest	(1,421,888,061)	(1,458,571)
Dividends Paid to Minority Share holders	(182,576,573)	(309,020,764)
Dividends Paid to Parent Company Share Holders	-	(293,237,250)
Net Cash From / (Used in) Financing Activities	753,574,233	742,347,664
Effect of Exchange Rate Changes	246,179,741	678,799,224
Net Increase / (Decrease) in Cash and Cash Equivalents	2,437,699,545	1,422,693,007
Cash and Cash Equivalents at the beginning of the year	4,216,366,784	2,793,673,778
Cash and Cash Equivalents at the end of the year	6,654,066,329	4,216,366,784

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



	Attributable to equity holders of parent						Non-controlling Interest	Total Equity
	Stated Capital	Fair Value Reserve of Finance Assets of FVOCI	Foreign Currency Translation Reserve	Retained Earnings	Total			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
As at 1 April 2019	4,097,985,000	(11,864,435)	995,557,428	9,193,919,472	14,275,597,465	1,511,718,909	15,787,316,374	
Profit for the period	-	-	-	(736,557,807)	(736,557,807)	298,621,459	(437,936,347)	
Other comprehensive income	-	(1,300,238)	86,906,630	(20,555,281)	65,051,112	-	65,051,112	
Total comprehensive income	-	(1,300,238)	86,906,630	(757,113,087)	(671,506,695)	298,621,459	(372,885,236)	
Dividend	-	-	-	-	-	(182,576,573)	(182,576,573)	
Transfer due to sale of Quarted equity shares	-	13,164,673	-	(13,164,673)	-	-	-	
Disposal of Subsidiaries	-	-	-	-	-	(14,363,697)	(14,363,697)	
Changes in holdings during the year	-	-	(141,878,356)	(823,182,452)	(965,060,808)	(1,421,888,061)	(2,386,948,869)	
As at 31st Mar 2020	4,097,985,000	-	940,585,702	7,600,459,260	12,639,029,962	191,512,037	12,830,541,999	
As at 1 April 2018	4,097,985,000	-	603,849,826	8,075,240,615	12,777,075,441	1,250,977,852	14,028,053,293	
Profit for the period	-	-	-	1,447,985,318	1,447,985,318	460,859,514	1,908,844,832	
Other comprehensive income	-	(11,864,435)	391,707,602	(37,047,729)	342,795,438	110,360,878	453,156,316	
Total comprehensive income	-	(11,864,435)	391,707,602	1,410,937,589	1,790,780,756	571,220,392	2,362,001,148	
Dividend	-	-	-	(293,237,250)	(293,237,250)	(309,020,764)	(602,258,015)	
Amount transferred due to changes in holdings	-	-	-	978,519	978,519	(1,458,571)	(480,052)	
As at 31 March 2019	4,097,985,000	(11,864,435)	995,557,428	9,193,919,472	14,275,597,465	1,511,718,909	15,787,316,374	

COMPANY STATEMENT OF FINANCIAL POSITION

As at	Un Audited 31.03.2020	Audited 31.03.2019
ASSETS		
Non-current assets		
Property, plant and equipment	28,428,883	24,518,180
Right of Use Assets	26,733,273	-
Intangible assets	4,980,680	1,806,250
Investments in subsidiaries	4,552,696,593	4,570,227,815
Investment in associate	43,990,000	43,990,000
Other investments	-	142,561,786
	<u>4,656,829,429</u>	<u>4,783,104,031</u>
Current assets		
Trade and Other Receivables	2,618,161	4,540,000
Amounts Due from Related Parties	304,653,517	170,934,629
Prepayments	16,570,397	21,696,144
Other Financial assets	402,647	451,656
Cash and cash equivalents	22,470,893	155,779,974
	<u>346,715,615</u>	<u>353,402,404</u>
Total Assets	<u>5,003,545,044</u>	<u>5,136,506,435</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent		
Stated capital	4,097,985,000	4,097,985,000
Reserves	-	(11,864,435)
Retained earnings/ (losses)	52,641,452	238,138,521
Total equity	<u>4,150,626,452</u>	<u>4,324,259,086</u>
Non-current liabilities		
Financing and lease payables	752,762,369	691,284,493
Retirement benefit obligation	26,994,225	22,958,932
	<u>779,756,594</u>	<u>714,243,425</u>
Current liabilities		
Financing and lease payables	12,278,314	-
Trade and other payables	30,560,604	91,997,265
Amounts Due to Related Parties	30,323,080	6,006,658
	<u>73,161,998</u>	<u>98,003,923</u>
Total equity and liabilities	<u>5,003,545,044</u>	<u>5,136,506,434</u>
Net asset per share	2.17	2.21

These financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

[SIGNED]

.....
Mushtaq Ahamed

Director - Group Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by,

[SIGNED]

.....
Hanif Yusoof

Director

26th May 2020

[SIGNED]

.....
Sanjay Kulatunga

Director

COMPANY INCOME STATEMENT

	Three months ended 31st March			Twelve months ended 31st March		
	Un-Audited 2020 Rs.	Un-Audited 2019 Rs.	Change %	Un-Audited 2020 Rs.	Audited 2019 Rs.	Change %
Revenue	31,260,000	44,760,000	-30.16%	125,040,000	125,190,000	-0.12%
Other income and gains	403,639	7,794,653	-94.82%	8,811,089	8,287,916	6.31%
Administrative expenses	(82,850,315)	(48,261,529)	71.67%	(278,592,200)	(351,235,668)	-20.68%
Selling and distribution costs	(558,297)	(5,183,043)	-89.23%	(11,493,965)	(19,538,403)	-41.17%
Finance Income	7,084	214,999,876	-100.00%	6,853,640	239,992,200	-97.14%
Finance cost	(4,310,807)	(766,190)	462.63%	(14,826,092)	(6,106,201)	142.80%
Profit/(Loss) before tax	(56,048,696)	213,343,766	-126.27%	(164,207,528)	(3,410,156)	4715.25%
Income tax expense		-	0.00%	(7,854,610)	-	0.00%
Profit/(Loss) for the period	(56,048,696)	213,343,766	-126.27%	(172,062,138)	(3,410,156)	4945.58%

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31st March Un audited 2020 Rs.	Three months ended 31st March Un audited 2019 Rs.	Twelve Months ended 31st March Un audited 2020 Rs.	Twelve Months ended 31st March Audited 2019 Rs.
Profit/(Loss) for the period	(56,048,696)	213,343,766	-172,062,138	(3,410,156)
Other comprehensive income not to be reclassified to statement of profit/loss in subsequent period				
Loss on financial instruments at fair value through OCI	-	(10,282,512)	(1,300,236)	(11,864,437)
Actuarial gain/(loss) on defined benefit plans	(270,260)	(2,766,290)	(270,260)	(2,766,290)
Other comprehensive income not to be reclassified to statement of profit/loss in subsequent period	(270,260)	(13,048,802)	(1,570,496)	(14,630,727)
Total comprehensive income for the year, net of tax	(56,318,956)	200,294,964	(173,632,634)	(18,040,883)



COMPANY STATEMENT OF CASH FLOWS

For the twelve months ended 31st March	Un Audited 2020	Audited 2019
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Loss before income tax expenses	(164,207,528)	(3,410,156)
Adjustments for,		
Depreciation	33,042,930	9,578,226
Amortization	785,000	785,000
Income from investments	(30,159)	(706,065)
Profit on Sale of Property, Plant and Equipment		(8,000)
Profit / Loss on sale of Investments	1,300,236	-
Dividend Income	(6,823,482)	(239,292,670)
Finance Cost	11,708,678	6,106,201
Provision for Impairment of Equity Investment	17,631,222	
Actuarial gain/(loss) on defined benefit plans	270,260	
Provision for defined benefit plans	4,726,983	4,109,329
Operating profit / (loss) before working capital changes	(101,595,860)	(222,838,135)
(Increase)/Decrease in trade and other receivables	(131,797,049)	296,056,520
(Increase)/Decrease in Prepayments	5,125,747	(7,703,742)
Increase/(Decrease) in trade and other payables	(1,090,008)	(327,720,881)
Cash generated from / (used in) operations	(229,357,170)	(262,206,238)
Finance Cost paid	(11,708,678)	(6,106,201)
Income Tax Paid	(7,854,610)	-
Defined benefit plan costs paid	(1,069,200)	(425,850)
Net cash from / (used in) operating activities	(249,989,658)	(268,738,289)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Investment income received	30,159	706,065
Acquisition of property, plant and equipment	(22,011,587)	(2,172,621)
Acquisition of intangible assets	(3,959,430)	-
Proceeds from Sale of Property, Plant and Equipment	-	348,550
Net Other current Investment	49,009	(451,656)
Investment in Subsidiaries	(100,000)	
Sales Proceeds from Disposal of Equity Investment	103,931,082	-
Dividend Received	6,823,482	239,292,670
Net cash flows from / (used in) investing activities	84,762,715	237,723,008
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from financing and lease	51,625,699	445,149,923
Repayment of financing and lease	(19,707,837)	-
Dividends Paid to Parent Company Share Holders	-	(293,237,250)
Net cash flows from / (used in) financing activities	31,917,862	151,912,673
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(133,309,081)	120,897,392
CASH AND CASH EQUIVALENTS AT THE BEGINNING	155,779,974	34,882,582
CASH AND CASH EQUIVALENTS AT THE END	22,470,893	155,779,974

COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Fair Value Reserve Of Financial Assets at FVOCI Rs.	Retained Earnings Rs.	Total Rs.
As at 01 April 2019	4,097,985,000	(11,864,435)	238,138,521	4,324,259,086
Loss for the period	-	-	(172,062,138)	(172,062,138)
Other comprehensive income	-	(1,300,236)	(270,260)	(1,570,496)
Total comprehensive income	-	(1,300,236)	(172,332,398)	(173,632,634)
Transfer due to sale of Quoted equity shares	-	13,164,671	(13,164,671)	-
As at 31st March 2020	4,097,985,000	-	52,641,452	4,150,626,452
As at 1 April 2018	4,097,985,000	-	537,552,216	4,635,537,216
Loss for the period	-	-	(3,410,156)	(3,410,156)
Other comprehensive income	-	(11,864,437)	(2,766,290)	(14,630,727)
Total comprehensive income	-	(11,864,437)	(6,176,446)	(18,040,883)
Interim Dividends paid	-	-	(293,237,254)	(293,237,254)
As at 31st March 2019	4,097,985,000	(11,864,437)	238,138,516	4,324,259,080

SEGMENT ANALYSIS OF REVENUE AND PROFIT / (Loss)

Logistics			
For the twelve months ended 31st March	Un-Audited 2020	Un-Audited 2019	Change %
Revenue	98,695,017,105	90,953,300,347	9
Earnings Before finance cost and Tax	926,839,793	3,472,387,028	(73)
Profit / (Loss) before tax	594,370,622	3,310,764,565	(82)
Profit / (Loss) for the period	(89,802,282)	2,206,893,180	(104)

Leisure			
For the twelve months ended 31st March	Un-Audited 2020	Un-Audited 2019	Change %
Revenue	1,261,871,195	1,375,168,180	(8)
Earnings Before finance cost and Tax	187,498,709	303,467,143	(38)
Profit before tax	140,096,890	278,525,942	(50)
Profit for the period	110,049,173	208,446,730	(47)

Investment			
For the twelve months ended 31st March	Un-Audited 2020	Un-Audited 2019	Change %
Revenue	3,288,782,450	3,126,442,942	5
Loss Before finance cost and Tax	(378,914,920)	(462,925,056)	(18)
Loss before tax	(454,365,503)	(516,055,368)	(12)
Loss for the period	(458,183,239)	(506,495,077)	(10)

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Expolanka Holdings PLC is a public limited Company incorporated and domiciled in Sri Lanka and ordinary shares of the Company are listed on the Colombo Stock Exchange. The interim financial statements of the Group and the Company for the three months ended 31st March 2020 were authorized for issue by the Board of Directors on 26th of May 2020.

2. Basis for preparation

The interim condensed financial statements of Expolanka Holdings PLC have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 – Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statement for the year ended 31st March 2020.

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).

3. Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. The presentation and classification of the Financial Statement of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

The Group applied SLFRS 16 with effect from 1 April 2019. Due to the transition method chosen in applying these standards, comparative information throughout these financial statements have not been restated to reflect the requirements of the new standards.

4. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2019, except for the adoption of new standards effective as of 1 April 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, SLFRS 16 Leases. As required by LKAS 34, the nature and effect of these changes are disclosed below.

SLFRS 16 supersedes SLAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under SLFRS 16 is substantially unchanged under SLAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SLAS 17. Therefore, SLFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted SLFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

NOTES TO THE FINANCIAL STATEMENTS

	Group	Company
Assets		
Right-of-use assets	3,022,912,858	26,733,273
Property, plant and equipment	(477,539,514)	6,631,614
Deferred Tax Asset	7,216,670	-
Total Assets	2,552,590,014	20,101,659
Liabilities		
Financing and lease payables	(2,637,298,670)	22,465,055
Total Liabilities	2,637,298,670	22,465,055
Total Net Assets	(84,708,656)	(2,363,396)
Total Adjustment on Equity		
Retained earnings	63,563,453	(2,363,396)
Reserves	1,037,116	-
Non-controlling Interest	20,108,088	-
Total Equity	84,708,656	(2,363,396)

a). Nature of the effect of adoption of SLFRS 16

The Group has lease contracts for various items such as lands, offices, warehouses, retail stores and vehicles. Property leases are the major asset included in the right of use assets category, typically made for in between 1 to 30 years of lease term and have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. On adoption of SLFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of LKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of the transition date.

Leases previously classified as finance leases

For leases previously classified as finance leases, the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The requirements of SLFRS 16 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Group recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of SLFRS 16, which have been applied from the date of initial application:

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term.

NOTES TO THE FINANCIAL STATEMENTS

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Amounts recognised in the statement of financial position and income statement set out below, are the carrying amounts of the Group's right of use assets and lease liabilities and the movements for the period ended 31st March 2020.

Amounts in LKR Mn	Right-Of-Use Assets			Lease Liabilities
	Leasehold Properties	Motor Vehicles	Total	
Opening Balance	-	-	-	142
Additions	3,707	20	3,727	3,342
Transfers	432	74	506	-
Depreciation	(1,220)	(27)	(1,247)	-
Disposal	-	(1)	(1)	(6)
Acquisition of Subsidiaries	1	-	(26)	(150)
Disposal of Subsidiaries	-	(26)	(26)	(150)
Interest Accrued	-	-	-	10
Payments	-	-	-	(1,319)
Exchange translation difference	62	2	64	66
Closing Balance	2,981	42	3,023	2,735

NOTES TO THE FINANCIAL STATEMENTS

5. Share Information

5.1 Public share holding

The percentage of shares held by the public as at 31st of March 2020 was

Issued Share Capital as at 31st of March 2020	1,954,915,000
Less	
Parent Company	1,333,141,210
Subsidiaries or Associate Companies of Parent	0
Subsidiaries or Associate Companies	0
Directors shareholding	147,021,464
Key Management Personnel	24,000
Spouses & Children under 18 of Directors	0
Chief Executive Officer's Shareholding (included in Directors shareholding)	0
CEO's Spouse & Children (included in Spouses & Children under 18 of Directors)	0
Public Holding	474,728,326
Public Holding as a % of Issued Share Capital	24.28%
Total No. of Shareholders representing the Public Holding as at 31st of March 2020	7,118

5.2 Directors share holdings

The number of shares held by the Board of Directors are as follows;

	31.12.2019	30.09.2019
	No of Shares	No of Shares
Naosuke Kawasaki	Nil	Nil
Hanif Yusoof	147,021,464	147,021,464
Yoshifumi Matsubara	Nil	Nil
Sanjay Kulatunga	Nil	Nil
Harsha Amarasekera	Nil	Nil
Motonori Matzusono	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

5.3 Twenty largest shareholders of the Company are as follows;

	Name of the Share Holder	As at 31 March 20	%	As at 31 December 19	%
1	SG HOLDINGS GLOBAL PTE.LTD	1,333,141,210	68.19%	1,333,141,210	68.19%
2	CACEIS BANK, LUXEMBOURG BRANCH-BARCA GLOBAL MASTER FUND LP	173,811,433	8.89%	173,811,433	8.89%
3	MR. H. YUSOOF	147,021,464	7.52%	147,021,464	7.52%
4	BBH-MATTHEWS EMERGING ASIA FUND	91,311,871	4.67%	94,231,424	4.82%
5	MR. F. KASSIM	23,560,811	1.21%	23,560,811	1.21%
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	9,499,000	0.49%	9,499,000	0.49%
7	E.W. BALASURIYA & CO. (PVT) LTD	7,591,805	0.39%	7,591,805	0.39%
8	MR. S. KASSIM	5,401,559	0.28%	5,401,559	0.28%
9	INSITE HOLDINGS PRIVATE LIMITED	5,000,000	0.26%	1,000,000	0.05%
10	MRS. V. SARASWATHI	4,036,860	0.22%	4,036,860	0.21%
11	J.B. COCOSHELL (PVT) LTD	3,664,456	0.19%	6,654,288	0.52%
12	EMPLOYEES TRUST FUND BOARD	3,486,700	0.18%	3,486,700	0.18%
13	HALLSVILLE TRADING GROUP INC.	3,000,000	0.15%	3,000,000	0.15%
14	MR. M.H. OMAR	2,898,660	0.15%	2,898,660	0.15%
15	HATTON NATIONAL BANK PLC- ASTRUE ALPHA FUND	2,770,354	0.14%	2,672,654	0.14%
16	MR. K.S.R. NISSANKA	2,000,000	0.10%	2,000,000	0.23%
17	MR. A.M. WEERASINGHE	1,956,966	0.10%	1,956,966	0.10%
18	MR. RAHUL GAUTAM	1,818,000	0.09%	1,545,000	0.08%
19	JANASHAKTHI INSURANCE PLC - NON PAR	1,780,100	0.09%	1,780,100	0.09%
20	BANK OF CEYLON	1,716,193	0.09%	1,716,193	0.09%

NOTES TO THE FINANCIAL STATEMENTS

5.4. Stated capital

Stated capital is represented by the number of shares in issue as given below;

As at	31st March 2020	31st December 2019
Ordinary Shares	1,954,915,000	1,954,915,000

5.5. Earnings per share

Earnings per share have been calculated for all periods based on the number of shares in issue as at the end of each period.

5.6. Market price per share

For the three months ended 31 March	2020	2019
	RS	RS
Highest	5.10	4.50
Lowest	1.80	3.90
Last Traded	2.00	4.00

5.7. Float Adjusted Market Capitalization

As at	31.03.2020	31.12.2019
Public shareholding (%)	24.28%	24.28%
Public Shareholders	7,118	7,018
Float adjusted market capitalization	949,424,018.90	2,420,732,146.20

Expolanka Holdings PLC complies with the Minimum Public Holding requirement under option 4 as listed out in section 7B (a) of CSE Listing Rules.

6. Impact due to the COVID - 19

As referred to in our disclosure to the Colombo Stock Exchange on the 29th April 2020, Expolanka Holdings PLC, has taken several proactive steps to mitigate and manage the impact of the COVID-19 outbreak on our global business operations. At the onset the focus of the company was to ensure continuity of its business operations in the most efficient and effective manner keeping in mind the health & safety of staff across the globe.

In order to meet the unprecedented challenge of the pandemic, the company focused on optimizing its opportunities to bring stability on its business operations, effectively managing the liquidity position of the company and bringing in short term cost reduction initiatives to its overall operations across all sectors of the group. The above focused efforts undertaken by the group has enabled Expolanka Holdings PLC and subsidiary companies, to reasonably mitigate the impacts on the business.

The current environment continues to remain very dynamic, and the company continues to monitor the situation closely and will continue to take proactive steps.

NOTES TO THE FINANCIAL STATEMENTS

7. Asset Held for Sale

As at the reporting date the group has changed the accounting treatment of its Investment in Expo Freight Ltd (Bangladesh) from a subsidiary to a non-current asset held for sale.

This change in the classification arose due to changes in the governing & operational structure of the entity, where the group has concluded that the management & operational control of the business is not with the group. The group has further decided to dispose of its equity interest in the company to its current partner. Accordingly, the carrying amount of the investment will be recovered principally through a sale transaction rather than through continuing use.

For that effect Expolanka Holdings PLC has made and entered into a Share Purchase Agreement (SPA) dated 19th February 2020 with its current partner, who also is a minority shareholder in other group companies in Pakistan, Vietnam, Cambodia and Myanmar.

The parties have agreed to complete the transaction by 31st July 2020 at an agreed cash consideration and a share consideration of the subsidiaries of Pakistan, Vietnam, Cambodia and Myanmar, where the Group will acquire the equity interest of its partner.

The major classes of assets and liabilities of Expo Freight Ltd (Bangladesh) classified as held for sale as at 31 March 2020 are, as follow;

	31-December-2019 Rs.
Assets	
PPE	285,520,796
Receivable	2,800,191,960
Liabilities	1,635,099,666
Net Assets	1,450,613,090
Attributable to The Group	652,775,890
Attributable to Minority interest	797,837,199

8. Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies, capital and other commitments, which were disclosed in the Annual Report for the year ended 31 March 2019

9. Events after the reporting period

There have been no events subsequent to the reporting period, which require disclosure in the interim condensed financial statements.

CORPORATE INFORMATION

Name of Company

Expolanka Holdings PLC

Legal Form

The Company is a Public Limited Liability Company. Incorporated in Sri Lanka on 05th March 2003 as a Private Limited Liability Company under the Companies Act No. 17 of 1982 and re-registered on 11th November 2008 as a Public Limited Liability Company under the Companies Act No 07 of 2007. Currently ordinary shares have been listed on the Colombo Stock Exchange.

Company Registration Number

P B 744

Board of Directors

Naosuke Kawasaki – Chairman
Hanif Yusoof – Chief Executive Officer
Yoshifumi Matsubara
Harsha Amarasekera
Sanjay Kulatunga
Motonori Matzuso

Registered office of the Company

10, Milepost Avenue,
Colombo 03
Sri Lanka

Audit Committee

Sanjay Kulatunga – Chairman
Harsha Amarasekera

CORPORATE INFORMATION

Remuneration Committee

Harsha Amarasekera – Chairman

Sanjay Kulatunga

Contact Details

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CORPORATE INFORMATION

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Bank of Ceylon
Commercial Bank
Habib Bank
Hatton National Bank
Hong Kong and Shanghai Banking Corporation
ICICI Bank Limited
Muslim Commercial Bank
National Development Bank
Nations Trust Bank
Pan Asia Bank Corporation
Peoples Bank
People's Leasing Finance PLC
Sampath Bank
Seylan Bank
Standard Chartered Bank

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Company Auditors

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Chartered Accountants
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