

IN TERMS OF RULE 7.4 OF THE COLOMBO STOCK EXCHANGE

" NIPPON CEMENT "

TOKYO CEMENT COMPANY (LANKA) PLC

INTERIM FINANCIAL ACCOUNTS (Unaudited)

FOR THE THREE MONTHS PERIOD ENDED 30th JUNE 2016

## CORPORATE INFORMATION

Page 1 of 11

NAME OF THE COMPANY	:	Tokyo Cement Company (Lanka) PLC
COMPANY REGISTRATION NO	:	PQ 115
LEGAL FORM	:	A public Quoted Company with Limited Liability, Incorporated in Sri Lanka in 1982 and Listed on 1st January 1984
BOARD OF DIRECTORS	:	
		Dr Harsha Cabral Chairman and Non Executive Independent Director
		Mr S. R. Gnanam Managing Director
		Mr A.S.G. Gnanam Non Executive Director
		Mr E. J. Gnanam Non Executive Director
		Mr R Seevaratnam Non Executive Independent Director
		Dr Indrajit Coomaraswamy Non Executive Independent Director ( Resigned on 3rd July 2016)
		Mr Ravi Dias Non Executive Independent Director
		Mr Shiro Takihara Non Executive Director & Nominee Director of Nippon Coke & Eng
		Mr Hiroki Tsukigawa Non Executive Director & Nominee Director of Nippon Coke & Eng
		Mr W .C Fernando Executive Director and Group General Manager
COMPANY SECRETARY	:	Seccom (Private) Limited, (Company Secretaries) 1E - 2/1, De Fonseka Place, Colombo 5 T Phone 2590 176 Fax 2 581618 E_Mail kmaahamed@hotmail.com
HEAD OFFICE	:	469 - 1/1 Galle Road, Colombo 3 T Phone 2587 619 Fax 2500 897 Web Site www.tokyocement.lk
SUBSIDIARY COMPANIES	:	Tokyo Super Cement Company Lanka (Private) Limited Tokyo Cement Power (Lanka) Limited Tokyo Eastern Cement Company Limited (initial stages) Tokyo Cement Colombo Terminal (Private) Limited Tokyo Super Aggregate Limited
AUDITORS	:	BDO Partners, (Chartered Accountants) Chittambalam A Gardiner Mawatha, Colombo 2
LEGAL ADVISORS	:	Neelakandan & Neelakandan (Attorney at Law and Notaries Public)) M & N Building - Level 5 2, Deal Place, Colombo 3

## STATEMENT OF COMPREHENSIVE INCOME

- FOR THE THREE MONTHS PERIOD ENDED 30th JUNE 2016 - COMPANY

	<u>COMPANY</u>		
	(For the 1st Quarter )		
	Three Mths Ended 30th Jun <u>2016</u>	Three Mths Ended 30th Jun <u>2015</u>	% Change + / (-)
	Rs ' 000	Rs ' 000	—
Continuing Operations			
Turnover	3,632,249	3,580,729	1%
Cost of Sales	(2,804,872)	(2,997,867)	-6%
Gross Profit	827,377	582,862	42%
Other Income	48,342	292,539	-83%
	875,719	875,401	0%
Distribution Expenses	(330,044)	(326,931)	1%
Administrative Expenses	(163,742)	(156,410)	5%
Profits from Operations	381,933	392,060	-3%
Finance Income	5,114	1,567	
Finance Expenses	(109,894)	(75,169)	46%
Profit before Taxation	277,153	318,458	-13%
Income Tax Expenses	(90,000)	(31,600)	185%
Profit for the Period	187,153	286,858	-35%
Actuarial Gain/Loss on Defined Benefit Plan	-	-	
Tax Relating to Components of other Comprehensive Income	-	-	
Total Comprehensive Income	187,153	286,858	-35%
	=====	=====	
Basic Earnings Per Share ( Rs)	0.56	0.86	-35%

15th August 2016  
COLOMBO

Mr N Kuruwita  
Chief Financial Officer

The above figures are provisional and subject to Audit  
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## STATEMENT OF COMPREHENSIVE INCOME

- FOR THE THREE MONTHS ENDED 30th JUNE 2016 - GROUP

	<u>GROUP</u>		
	(For the 1st Quarter )		
	Three Mths Ended 30th June <u>2016</u>	Three Mths Ended 30th June <u>2015</u>	% Change + / (-)
	Rs ' 000	Rs ' 000	—
Continuing Operations			
Turnover	7,559,380	6,912,223	9%
Cost of Sales	(5,752,096)	(5,405,315)	6%
Gross Operating Profit	1,807,284	1,506,908	20%
Other Income	23,435	38,989	-40%
	1,830,719	1,545,897	18%
Distribution Expenses	(680,268)	(666,594)	2%
Administrative Expenses	(266,982)	(257,429)	4%
Profits from Operations	883,469	621,874	42%
Finance Income	8,230	5,973	
Finance Expenses	(128,802)	(126,441)	2%
Profit before Taxation	762,897	501,406	52%
Income Tax Expenses	(119,048)	(35,293)	237%
Profit for the Period	643,849	466,113	38%
Actuarial Gain/Loss on Defined Benefit Plan	-	-	
Tax Relating to Components of Other Comprehensive Income	-	-	
Total Comprehensive Income	643,849	466,113	38%
Attributable to Equity of the Parent	643,849	466,113	
Non Controlling Interest	-	-	
Basic Earnings Per Share ( Rs)	1.93	1.40	

The above figures are provisional and subject to Audit

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30th JUNE 2016

	Group		Company	
	As at 30th Jun 2016	As at 31 st Mar 2016	As at 30th Jun 2016	As at 31 st Mar 2016
	Rs ' 000	Rs ' 000	Rs ' 000	Rs ' 000
<u>ASSETS</u>				
<u>Non Current Assets</u>				
Property, Plant & Equipment	12,640,673	12,891,752	7,064,524	7,231,490
Capital Work in Progress	5,365,604	4,352,258	759,354	269,971
Investments in Subsidiary	-	-	4,714,518	4,714,518
Intangible Assets	78,891	83,169	22,948	25,034
Operating Lease Pre-payment	62,046	63,411	19,719	19,999
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Total Non Current Assets	18,147,214	17,390,590	12,581,063	12,261,012
	-----	-----	-----	-----
<u>Current Assets</u>				
Inventories	1,453,052	1,542,012	609,212	736,792
Trade and Other Receivables	2,761,130	2,739,601	1,435,991	1,385,037
Amount Due from Related Parties	-	-	1,872,126	1,624,199
Financial Investments	5,972	5,875	-	-
Cash and Cash Equivalentents	728,514	571,724	536,104	283,454
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Total Current Assets	4,948,668	4,859,212	4,453,433	4,029,482
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TOTAL ASSETS	23,095,882	22,249,802	17,034,496	16,290,494
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Figures in brackets indicate deductions

Statement of Financial Position of the Company as at 30th June 2016 and the Consolidated Statement of Comprehensive Income for the Period then ended are drawn up from the unaudited accounts of the Company, and they provide the information required by the Colombo Stock Exchange

The Board of Directors at its meeting held on 12th August 2016, on the Recommendation of the Audit Committee, approved the accounts for circulation to the members of the Company in terms of Rule 7.4 of the Colombo Stock Exchange

15th August 2016  
COLOMBO

Sgd Mr S R Gnanam  
Managing Director

Mr Shiro Takihara  
Director

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30th JUNE 2016

	Group		Company	
	As at 30th Jun 2016	As at 31 st Mar 2016	As at 30th Jun 2016	As at 31 st Mar 2016
	Rs ' 000	Rs ' 000	Rs ' 000	Rs ' 000
<u>EQUITY AND LIABILITIES</u>				
<u>Capital and Reserves</u>				
Stated Capital	2,893,756	2,893,756	2,893,756	2,893,756
Retained Earnings	9,172,108	8,528,259	5,330,280	5,143,127
Equity Attributable to Equity holders of Parent	12,065,864	11,422,015	8,224,036	8,036,883
Total Equity	12,065,864	11,422,015	8,224,036	8,036,883
Non Controlling Interest	49,000	49,000		
<u>Non Current Liabilities</u>				
Interest Bearing Borrowing	4,103,879	2,858,172	3,093,778	2,974,999
Deferred Tax Liability	2,265,072	2,206,574	1,534,905	1,476,405
Retirement Benefits Obligations	113,252	112,424	97,616	96,788
	6,482,203	5,177,170	4,726,299	4,548,192
<u>CURRENT LIABILITIES</u>				
Trade and Other Payables	1,404,700	1,849,716	852,041	1,118,829
Amount Due to Related Parties	-	-	928,609	907,460
Short Term Borrowings	2,725,912	3,328,109	1,985,216	1,358,679
Bank Overdraft	368,203	423,792	318,295	320,451
Total Current Liabilities	4,498,815	5,601,617	4,084,161	3,705,419
<u>TOTAL EQUITY AND LIABILITIES</u>	23,095,882	22,249,802	17,034,496	16,290,494
	=====	=====	=====	=====

Net Assets Represented by :

Ordinary Shares - Voting	222,750,000	222,750,000	222,750,000	222,750,000
Ordinary Shares - Non Voting	111,375,000	111,375,000	111,375,000	111,375,000
Net Assets Per Share	36.11	34.18	24.61	24.05

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## CASH FLOW STATEMENT

	GROUP		COMPANY	
	30-06-16 Rs ' 000	30-06-15 Rs ' 000	30-06-16 Rs ' 000	30-06-15 Rs ' 000
Cash Flow from Operating Activities				
Cash Generated from Operations - Note A	719,496	455,467	341,665	259,495
Interest Paid	(128,802)	(126,441)	(109,894)	(75,169)
Income Tax Paid	8,476	-	-	-
Net Cash from Operating Activities	599,170	329,026	231,771	184,326
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(1,030,205)	(850,733)	(495,503)	(333,181)
Withdrawals/ (Investments) in Short Term Investment	(97)	234,265	-	(78,659)
Investment in Subsidiary	-	-	-	(250,000)
Net Cash Generated in Investing Activities	(1,030,302)	(616,468)	(495,503)	(661,840)
Cash Flow from Financing Activities				
Receipt/(Repayment) of Term Loans ( net)	643,511	167,166	745,316	609,755
Investment in Subsidiary Company	-	-	(226,778)	32,948
Net Cash Generated /(used) in Financing Activities	643,511	167,166	518,538	642,703
Net Increase / (Decrease) in Cash and Cash Equivalents	212,379	(120,276)	254,806	165,189
Cash and Cash Equivalents at Beginning of Period	147,932	224,150	(36,997)	(167,756)
Cash and Cash Equivalents at End of Period	360,311	103,874	217,809	(2,567)
A Cash Generated from Operations				
Profit before Taxation and Finance Cost	891,699	627,847	387,047	393,627
Adjustment for -				
Depreciation	267,938	240,100	173,086	154,459
Provision for Gratuity	1,448	8,286	1,448	6,875
Amortization of Operating Lease/Intangible Assets	5,643	7,311	2,366	2,190
Gratuity Paid	(620)	(610)	(620)	(610)
	1,166,108	882,934	563,327	556,541
(Increase) / Decrease in Inventory	88,959	156,618	127,580	358,014
(Increase) / Decrease in Receivables	(21,529)	(66,189)	(50,954)	(226,366)
Increase / (Decrease) in Payables	(514,042)	(517,896)	(298,288)	(428,694)
	719,496	455,467	341,665	259,495
B Cash and Cash Equivalents at End of Period				
Bank and Cash Balances	728,514	358,217	536,104	197,645
Bank Overdrafts	(368,203)	(254,343)	(318,295)	(200,212)
	360,311	103,874	217,809	(2,567)

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GROUP	Attributable to Equity Shareholders				TOTAL EQUITY Rs '000
	Stated Capital Voting and Non Voting Rs '000	Retained Earnings Rs '000	Total Rs '000	Non Controlling Interest Rs '000	
	Balance as at 1st April 2015	2,893,756	7,088,585	9,982,341	
Profit for the Period	-	466,113	466,113		466,113
As at 30th June 2015	2,893,756	7,554,698	10,448,454	-	10,448,454
Balance as at 1st April 2016	2,893,756	8,528,259	11,422,015	49,000	11,471,015
Profit for the Period	-	643,849	643,849	-	643,849
As at 30th June 2016	2,893,756	9,172,108	12,065,864	49,000	12,114,864
COMPANY					
	Stated Capital Voting and Non Voting Rs '000	Retained Earnings Rs '000			TOTAL EQUITY Rs '000
Balance as at 1st April 2015	2,893,756	4,228,897			7,122,653
Profit for the Period	-	286,858			286,858
As at 30th June 2015	2,893,756	4,515,755			7,409,511
Balance as at 1st April 2016	2,893,756	5,143,127			8,036,883
Profit for the Period	-	187,153			187,153
As at 30th June 2016	2,893,756	5,330,280			8,224,036



1 Dividend Payments

	<u>Date Paid</u>	<u>Voting Ord Share</u>	<u>Non Voting Ord Share</u>
First and Final Dividends 2014/15	7th Sept 2015	Rs 1/19 per share	Rs 1/19 per share
First and Final Dividends 2015/16	15th Aug 2016	Rs 1/35 per share	Rs 1/35 per share

2 Share Trading from 1 st April 2016 to 30th June 2016

	<u>30th Jun 16 Voting</u>	<u>30th Jun 15 Voting</u>	<u>30th Jun 16 Non Voting</u>	<u>30th Jun 15 Non Voting</u>
No of Transactions	1,620	756	843	1,401
No of Shares Traded	19,052,616	4,934,400	6,211,517	7,147,956
Value of Shares Traded (Rs)	771,301,185	269,364,237	215,358,594	281,226,358
Market Value (Rs)	40.80	49.00	35.60	38.70

## 3 Stated Capital of Rs 2,893,756,250/= is Represented by :

Ordinary Shares - Voting	222,750,000
Ordinary Shares - Non Voting	111,375,000

4 Deferred Liabilities

Deferred Taxation is provided on the liability method in respect of the excess of capital allowances over historical cost depreciation and other material timing differences. It also includes sums provided for retirement benefit obligations.

## 5 Accounting Policies

The Company has followed the same Accounting Policies as disclosed in the Annual Report for the financial year ended 31 st March 2016 and are in compliance with LKAS 34 - Interim Financial Reporting of the Company and Group.

## 6 Sale of Electricity to The National Grid

The excess power generated from the Biomass power plant is sold to the National Grid.

## 7 Comparative Information

The accounting policies have been consistently applied by the Company and are consistent with those of the previous year. The previous year's figures and phrases have been re-arranged wherever necessary to conform to the current year's presentation.

## 8 Events After the Reporting Period

No material events subsequent to the period have occurred where adjustments are necessary. There has been no significant change in the nature of the contingent liability and contingent asset which were disclosed in the previous annual report

## 9 Amalgamation Proposal

As per decision taken by the Board of Directors at the Board Meeting held on 25th April 2016, Tokyo Cement Colombo Terminal (Private) Limited would be amalgamated with the Company, which will come in effect on such a date as may be decided by the Registrar General of Companies.

10 Holding and Subsidiary Companies

<u>Subsidiary Companies</u>	<u>% holding</u>
Tokyo Super Cement Company Lanka (Pvt) Ltd ( tax holiday ending March 2018)	100 %
Tokyo Cement Power (Lanka) Limited	100 %
Tokyo Eastern Cement Company Limited (initial stages)	100 %
Tokyo Cement Colombo Terminal (Pvt) Limited	100 %
Tokyo Super Aggregate Limited - initial stage	51 %

The Group accounts for the period 2016/17 includes the operating results of the subsidiary companies

11 <u>Market Price per Share</u>	<u>30th Jun 16</u>	<u>30th Jun 15</u>	<u>30th Jun 16</u>	<u>30th Jun 15</u>	
	<u>Voting</u>	<u>Voting</u>	<u>Non Voting</u>	<u>Non Voting</u>	
	Highest for The Period	44.50	59.90	39.90	42.00
	Lowest for The Period	36.20	48.10	32.70	36.50
	Last Traded for The Period	40.80	49.00	35.60	38.70
12 <u>Public Shareholding</u>	<u>30th Jun 16</u>	<u>30th Jun 15</u>	<u>30th Jun 16</u>	<u>30th Jun 15</u>	
	<u>Voting</u>	<u>Voting</u>	<u>Non Voting</u>	<u>Non Voting</u>	
	The percentage of shares held by Public	28.84 %	26.2 %	100 %	100 %
	No of Public Shareholders	3,125	3,102	3,380	3,518

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## Twenty Largest Voting Shareholders as at

	30th Jun 16		30th Jun 15	
	No of Shares	%	No of Shares	%
St. Anthony's Consolidated (Pvt) Ltd	61,255,977	27.5%	61,255,977	27.50%
Nippon Coke & Engineering Co. Ltd	45,251,879	20.3%	51,129,299	22.95%
South Asian Investment (Pvt) Ltd	44,850,630	20.1%	44,850,630	20.13%
Capital City Holdings (Private) Limited	6,682,806	3.0%	6,682,806	3.00%
The Ceylon Guardian Investment Trust Plc A/C # 02	5,360,000	2.4%	Not in Top 20 List	-
The Ceylon Investment Plc A/C # 02	5,250,000	2.4%	Not in Top 20 List	-
Citibank Newyork S/A Norges Bank Account 2	3,698,809	1.7%	Not in Top 20 List	-
Deutsche Bank Ag-National Equity Fund	3,000,000	1.3%	3,000,000	1.35%
Deutsche Bank Ag As Trustee For Namal Acuity Value	1,500,000	0.7%	1,500,000	0.67%
Waldock Mackenzie Limited / M.T.Moosajee	1,100,000	0.5%	1,100,000	0.49%
Cb London S/A Tundra Frontier Opportunities Fund	1,096,327	0.5%	1,096,327	0.49%
Rubber Investment Trust Limited A/C # 01	1,052,166	0.5%	Not in Top 20 List	-
	914,117	0.4%	Not in Top 20 List	-
Miss Andal Radhakrishnan	914,116	0.4%	Not in Top 20 List	-
Miss Meenambigai Priyadarshini Radhakrishnan	914,116	0.4%	Not in Top 20 List	-
Mr Hamish Winston Mcdonald Woodward	887,346	0.4%	887,346	0.40%
Deutsche Bank Ag-Namal Growth Fund	862,000	0.4%	612,000	0.27%
Mr Kenneth Rudy Kamon	762,740	0.3%	762,740	0.34%
Union Assurance Plc/No-01A/C	640,777	0.3%	640,777	0.29%
Waldock Mackenzie Ltd/Hi-Line Trading (Pvt) Ltd	621,242	0.3%	Not in Top 20 List	-
TOTAL	186,615,048	83.8%	173,517,902	77.9%

## Twenty Largest Non Voting Shareholders as at

	30th Jun 16		30th Jun 15	
	No of Shares	%	No of Shares	%
Hinl-Jpmcb-Butterfield Trust ( Bermuda ) Limited	12,746,647	11.4%	Not in Top 20 List	-
J.B. Cocoshell (Pvt) Ltd	10,676,765	9.6%	Not in Top 20 List	-
Citibank Newyork S/A Norges Bank Account 2	6,269,466	5.6%	Not in Top 20 List	-
Hsbc Intl Nom Ltd-State Street Luxembourg C/O Ssbt	5,689,472	5.1%	5,409,302	4.86%
Employees Provident Fund	4,927,776	4.4%	4,055,452	3.64%
Deutsche Bank Ag As Trustee For Jb Vantage Value E	4,095,505	3.7%	3,619,184	3.25%
Mas Capital (Private) Limited	2,910,859	2.6%	3,360,859	3.02%
Deutsche Bank Ag-National Equity Fund	2,591,100	2.3%	2,591,000	2.33%
Deutsche Bank Ag As Trustee For Namal Acuity Value	2,218,863	2.0%	2,218,863	1.99%
Cb London S/A Tundra Frontier Opportunities Fund	2,100,000	1.9%	4,800,000	4.31%
Yoropa Investments (Private) Ltd	2,000,000	1.8%	2,000,000	1.80%
Union Assurance Plc/No-01A/C	1,658,150	1.5%	2,658,150	2.39%
Waldock Mackenzie Ltd/Hi-Line Trading (Pvt) Ltd	1,509,289	1.4%	2,509,289	2.25%
Pershing Llc S/A Averbach Grauson & Co.	1,484,547	1.3%	Not in Top 20 List	-
Rubber Investment Trust Limited A/C # 01	1,413,199	1.3%	Not in Top 20 List	-
Bank Of Ceylon No. 1 Account	1,285,557	1.2%	1,035,583	0.93%
Peoples Bank	1,264,598	1.1%	Not in Top 20 List	-
Cb London S/A Tundra Sustainable Frontier Fund	1,200,000	1.1%	Not in Top 20 List	-
Dfcc Bank Plc A/C 1	1,127,096	1.0%	1,127,096	1.01%
Bank Of Ceylon-No2 A/C	1,021,009	0.9%	1,021,009	0.92%
TOTAL	68,189,898	61.23	36,405,787	32.69

Directors / CEO's Shareholdings

	Voting Ordinary Shares		Non Voting Ordinary Shares	
	No of <u>Shares Held</u> As at 30/6/16	No of <u>Shares Held</u> As at 30/6/15	No of <u>Shares Held</u> As at 30/6/16	No of <u>Shares Held</u> As at 30/6/15
Local Joint Venture Partner - St Anthony's Consolidated (Private) Limited	61,255,977	61,255,977	0	0
Gnanam A S G	12	11	0	0
Gnanam S R - Managing Director/CEO	12	11	0	0
Gnanam E J	12	11	0	0
	45,251,879	51,129,299	0	0
Foreign Joint Venture Partner - Nippon Coke Engineering Co Limited, Japan <u>Nominee Directors of Foreign Collaborator</u>				
Mr Shiro Takihara	0	0	0	0
Mr Hiroki Tsukigawa	0	0	0	0
Independent Non Executive Directors				
Mr Ranjeevan Seevaratnam	0	0	0	0
Dr Harsha Cabral	0	0	0	0
Dr Indrajit Coomaraswamy	0	0	0	0
Mr Ravi Dias	0	0	0	0
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	106,507,892	112,385,309	0	0
	=====	=====	=====	=====
Total Shares in Issue	222,750,000	222,750,000	111,375,000	111,375,000

Chief Executive Officer's Shareholding

Mr S R Gnanam, the Managing Director and Chief Executive Officer is also director and shareholder of the following companies

	Voting Ordinary Shares		Non Voting Ordinary Shares	
	No of <u>Shares Held</u> As at 30/6/16	No of <u>Shares Held</u> As at 30/6/15	No of <u>Shares Held</u> As at 30/6/16	No of <u>Shares Held</u> As at 30/6/15
St Anthony's Consolidated ( Pvt) Limited	61,255,977	61,255,977	0	0
South Asian Investment (Pvt) Limited	44,850,630	44,850,630	0	0
Capital City Holdings (Pvt) Limited	6,682,806	6,682,806	0	0
St Anthony's Hardware (Pvt) Limited	454,410	454,410	0	0
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TOTAL	113,243,823	113,243,823	0	0
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