

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 2017

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	:	<p>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 Mr Ravi Dias Non Executive Independent Director Mr Hiroki Tsukigawa Non Executive Director & Nominee Director of Nippon Coke & Eng (Resigned on 28th July 2017) Mr W .C Fernando Executive Director and Group General Manager Mr Asite Talwatte Non Executive Independent Director Mr Susumo Ando Non Executive Director & Nominee Director of Ube Singapore Holdings Pte. Ltd) (Appointed on 28th July 2017)</p>
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) (Private) Limited Tokyo Eastern Cement Company (Private) Limited Tokyo Super Aggregate (Private) 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 - FOR THE THREE MONTHS PERIOD ENDED 30th JUNE 2017 - COMPANY

	<u>COMPANY</u>		
	(For the 1st Quarter)		
	Three Mths Ended 30th Jun <u>2017</u>	Three Mths Ended 30th Jun <u>2016</u>	% Change + / (-)
	Rs ' 000	Rs ' 000	—
Continuing Operations			
Turnover	5,362,565	4,913,860	9%
Cost of Sales	(4,273,649)	(3,961,179)	8%
Gross Profit	1,088,916	952,681	14%
Other Income	1,011,445	48,342	1992%
	2,100,361	1,001,023	110%
Distribution Expenses	(445,467)	(395,775)	13%
Administrative Expenses	(199,470)	(187,605)	6%
Profits from Operations	1,455,424	417,643	248%
Finance Income	4,305	5,114	-16%
Finance Expenses	(129,138)	(121,080)	7%
Profit before Taxation	1,330,591	301,677	341%
Income Tax Expenses	(101,963)	(94,292)	8%
Profit for the Period	1,228,628	207,385	492%
Other Comprehensive Income	-	-	
Total Comprehensive Income	1,228,628	207,385	492%
	=====	=====	
Basic Earnings Per Share (Rs)	3.06	0.52	492%

15th August 2017
 COLOMBO

Mr N Kuruwita
 Chief Financial Officer

The above figures are provisional and subject to Audit
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Page 3 of 11

- FOR THE THREE MONTHS ENDED 30th JUNE 2017 - GROUP

	GROUP		
	(For the 1st Quarter)		
	Three Mths Ended 30th June <u>2017</u>	Three Mths Ended 30th June <u>2016</u>	% Change + / (-)
	Rs ' 000	Rs ' 000	—
Continuing Operations			
Turnover	8,093,982	7,559,380	7%
Cost of Sales	(6,027,551)	(5,752,096)	5%
Gross Operating Profit	2,066,431	1,807,284	14%
Other Income	603	23,435	-97%
	2,067,034	1,830,719	13%
Distribution Expenses	(742,164)	(680,268)	9%
Administrative Expenses	(281,205)	(266,982)	5%
Profits from Operations	1,043,665	883,469	18%
Finance Income	24,918	8,230	203%
Finance Expenses	(139,815)	(128,802)	9%
Profit before Taxation	928,768	762,897	22%
Income Tax Expenses	(126,724)	(119,048)	6%
Profit for the Period	802,044	643,849	25%
Other Comprehensive Income	-	-	
Total Comprehensive Income	802,044	643,849	25%
Attributable to Equity of the Parent	802,774	643,849	
Non Controlling Interest	(730)	-	
Basic Earning Per Share (Rs)	2.00	1.61	

The above figures are provisional and subject to Audit

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30th JUNE 2017

	Group		Company	
	As at 30th Jun 2017	As at 31 st Mar 2017	As at 30th Jun 2017	As at 31 st Mar 2017
	Rs ' 000	Rs ' 000	Rs ' 000	Rs ' 000
<u>ASSETS</u>				
<u>Non Current Assets</u>				
Property, Plant & Equipment	13,136,423	13,147,402	7,908,914	7,884,758
Capital Work in Progress	8,332,288	7,602,546	1,128,211	1,091,017
Investments in Subsidiary	-	-	7,521,599	7,496,099
Intangible Assets	63,428	68,436	15,829	18,751
Operating Lease Pre-payment	57,399	58,580	57,399	58,580
	-----	-----	-----	-----
Total Non Current Assets	21,589,538	20,876,964	16,631,952	16,549,205
	-----	-----	-----	-----
<u>Current Assets</u>				
Inventories	1,511,145	2,001,601	785,576	876,166
Trade and Other Receivables	3,706,639	3,025,990	2,194,446	1,934,376
Operating lease Pre-payments	4,726	4,726	4,726	4,726
Amount Due from Related Parties	-	-	691,451	438,834
Financial Investments	6,357	6,238	-	-
Cash and Cash Equivalentents	1,661,861	2,523,941	1,405,728	1,194,352
	-----	-----	-----	-----
Total Current Assets	6,890,728	7,562,496	5,081,927	4,448,454
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TOTAL ASSETS	28,480,266	28,439,460	21,713,879	20,997,659
	=====	=====	=====	=====

Figures in brackets indicate deductions

Statement of Financial Position of the Company as at 30th June 2017 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 11th August 2017, 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 2017
COLOMBO

Sgd Mr S R Gnanam
Managing Director

Mr Asite Talwatte
Non Executive Independent Director

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2017

	Group		Company	
	As at 30th Jun 2017	As at 31 st Mar 2017	As at 30th Jun 2017	As at 31 st Mar 2017
	Rs ' 000	Rs ' 000	Rs ' 000	Rs ' 000
<u>EQUITY AND LIABILITIES</u>				
<u>Capital and Reserves</u>				
Stated Capital	4,239,611	2,893,756	4,239,611	2,893,756
Retained Earnings	10,935,290	11,478,371	7,920,079	8,037,306
Equity Attributable to Equity holders of Parent	15,174,901	14,372,127	12,159,690	10,931,062
Non Controlling Interest	75,956	52,186		
Total Equity	15,250,857	14,424,313	12,159,690	10,931,062
<u>Non Current Liabilities</u>				
Interest Bearing Borrowing	4,358,123	4,886,979	3,573,736	3,912,482
Finance Lease Obligation	8,631	-	-	-
Deferred Tax Liability	2,361,084	2,355,308	1,523,920	1,517,920
Retirement Benefits Obligations	135,275	130,406	125,429	121,221
	6,863,113	7,372,693	5,223,085	5,551,623
<u>CURRENT LIABILITIES</u>				
Trade and Other Payables	1,602,650	2,275,188	1,143,899	1,553,423
Amount Due to Related Parties	-	-	152,757	204,321
Short Term Borrowings	4,268,616	3,822,449	2,809,020	2,540,473
Finance Lease Obligation	2,877			
Bank Overdraft	492,153	544,817	225,428	216,757
Total Current Liabilities	6,366,296	6,642,454	4,331,104	4,514,974
<u>TOTAL EQUITY AND LIABILITIES</u>	28,480,266	28,439,460	21,713,879	20,997,659
Net Assets Represented by :				
Ordinary Shares - Voting	267,300,000	222,750,000	267,300,000	222,750,000
Ordinary Shares - Non Voting	133,650,000	111,375,000	133,650,000	111,375,000
Net Assets Per Share	38.04	43.17	30.33	32.72

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CASH FLOW STATEMENT

	GROUP		COMPANY	
	30-06-17 Rs ' 000	30-06-16 Rs ' 000	30-06-17 Rs ' 000	30-06-16 Rs ' 000
Cash Flow from Operating Activities				
Cash Generated from Operations - Note A	395,513	736,448	8,228	137,206
Interest Paid	(139,815)	(128,802)	(129,138)	(121,080)
Income Tax Paid	(45,065)	(8,476)	(31,308)	-
Net Cash from Operating Activities	210,633	599,170	(152,218)	16,126
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(961,741)	(1,030,205)	(250,574)	(495,782)
Withdrawals/ (Investments) in Short Term Investment	(119)	(97)	-	-
Dividend Received	-	-	1,005,377	-
Investment in Subsidiary Company	-	-	(304,181)	18,121
Net Cash Generated in Investing Activities	(961,860)	(1,030,302)	450,622	(477,661)
Cash Flow from Financing Activities				
Receipt/(Repayment) of Term Loans (net)	(82,689)	643,511	(70,199)	601,880
Advance to/From Subsidiary Companies	24,500	-	(25,500)	-
Net Cash Generated /(used) in Financing Activities	(58,189)	643,511	(95,699)	601,880
Net Increase / (Decrease) in Cash and Cash Equivalents	(809,416)	212,379	202,705	140,345
Cash and Cash Equivalents at Beginning of Period	1,979,124	147,932	977,595	97,399
Cash and Cash Equivalents at End of Period	1,169,708	360,311	1,180,300	237,744
A Cash Generated from Operations				
Profit before Taxation and Finance Cost	1,068,583	891,699	1,459,729	422,757
Adjustment for -				
Depreciation	254,486	267,938	189,224	179,228
Provision for Gratuity	4,869	1,448	4,208	1,448
Amortization of Operating Lease/Intangible Assets	6,189	5,643	4,103	3,558
Dividend Income	-	-	(1,005,377)	-
Gratuity Paid	-	(620)	-	(620)
	1,334,127	1,166,108	651,887	606,371
(Increase) / Decrease in Inventory	490,456	88,959	90,590	30,667
(Increase) / Decrease in Receivables	(680,649)	(21,529)	(260,070)	(300,802)
Increase / (Decrease) in Payables	(748,421)	(497,090)	(474,179)	(199,030)
	395,513	736,448	8,228	137,206
B Cash and Cash Equivalents at End of Period				
Bank and Cash Balances	1,661,861	728,514	1,405,728	588,294
Bank Overdrafts	(492,153)	(368,203)	(225,428)	(350,550)
	1,169,708	360,311	1,180,300	237,744

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STATEMENT OF CHANGES IN EQUITY

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 2016	2,893,756	8,528,260	11,422,016	
Profit for the Period	-	643,849	643,849	-	643,849
Balance As at 30th June 2016	2,893,756	9,172,109	12,065,865	49,000	12,114,865
Balance as at 1st April 2017	2,893,756	11,478,371	14,372,127	52,186	14,424,313
Capitalization of Reserves	1,345,855	(1,345,855)	-	-	-
Profit for the Period	-	802,774	802,774	(730)	802,044
Acquisition and Changes in Non controlling Interest	-	-	-	24,500	24,500
Balance As at 30th June 2017	4,239,611	10,935,290	15,174,901	75,956	15,250,857
COMPANY					TOTAL EQUITY Rs '000
Balance as at 1st April 2016	2,893,756	4,988,511			7,882,267
Profit for the Period	-	207,385			207,385
Balance As at 30th June 2016	2,893,756	5,195,896			8,089,652
Balance as at 1st April 2017	2,893,756	8,037,306			10,931,062
Capitalization of Reserves	1,345,855	(1,345,855)			-
Profit for the Period	-	1,228,628			1,228,628
Balance As at 30th June 2017	4,239,611	7,920,079			12,159,690

1 Dividend Payments

	<u>Date Paid</u>	<u>Voting Ord Share</u>	<u>Non Voting Ord Share</u>
First and Final Dividends 2015/16	15th Aug 2016	Rs 1/35 per share	Rs 1/35 per share
First and Final Dividends 2016/17	8th Aug 2017	Rs 1/87 per share	Rs 1/87 per share

2 Share Trading from 1 st April 2017 to 30th June 2017

	<u>30th Jun 17</u> <u>Voting</u>	<u>30th Jun 16</u> <u>Voting</u>	<u>30th Jun 17</u> <u>Non Voting</u>	<u>30th Jun 16</u> <u>Non Voting</u>
No of Transactions	3,088	1,620	2,976	843
No of Shares Traded	36,733,058	19,052,616	18,287,985	6,211,517
Value of Shares Traded (Rs)	2,604,398,693	771,301,185	1,143,292,442	215,358,594
Market Value (Rs)	75.50	40.80	69.50	35.60

3 Stated Capital of Rs 4,239,611,000/= is Represented by :

Ordinary Shares - Voting	267,300,000
Ordinary Shares - Non Voting	133,650,000

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 2017 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

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9 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) (Pvt) Limited		100 %
Tokyo Eastern Cement Company (Pvt) Limited		100 %
Tokyo Super Aggregate (Pvt) Limited		51 %

The Group accounts for the period 2017/18 includes the operating results of the subsidiary companies

10	<u>Market Price per Share</u>	<u>30th Jun 17</u> <u>Voting</u>	<u>30th Jun 16</u> <u>Voting</u>	<u>30th Jun 17</u> <u>Non Voting</u>	<u>30th Jun 16</u> <u>Non Voting</u>
	Highest for The Period	78.00	44.50	69.80	39.90
	Lowest for The Period	61.00	36.20	51.00	32.70
	Last Traded for The Period	75.50	40.80	69.50	35.60
11	<u>Public Shareholding</u>	<u>30th Jun 17</u> <u>Voting</u>	<u>30th Jun 16</u> <u>Voting</u>	<u>30th Jun 17</u> <u>Non Voting</u>	<u>30th Jun 16</u> <u>Non Voting</u>
	The percentage of shares held by Public	42.07 %	28.84 %	100 %	100 %
	No of Public Shareholders	2,958	3,125	3,059	3,380

12 Inter Company Dividends

Following Interim Dividends were received from Subsidiary Company for the period 2017/18

- Tokyo Super Cement Company Lanka (Pvt) Limited Rs 1,005,377,738/=

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Twenty Largest Voting Shareholders as at

	30th Jun 17 No of Shares	%	30th Jun 16 No of Shares	%
St. Anthony's Consolidated (Pvt) Ltd	73,507,172	27.5%	61,255,977	27.50%
South Asian Investment (Pvt) Ltd	53,820,756	20.1%	44,850,630	20.13%
Ube Singapore Holdings Pte. Ltd	26,730,000	10.0%	Not in Top 20 list	0.00%
Nippon Coke & Engineering Co. Ltd	18,954,360	7.1%	45,251,879	20.32%
Capital City Holdings (Private) Limited	8,019,367	3.0%	6,682,806	3.00%
The Ceylon Investment Plc A/C # 02	5,700,000	2.1%	5,250,000	2.36%
The Ceylon Guardian Investment Trust Plc A/C # 02	5,583,120	2.1%	Not in Top 20 list	0.00%
J.B. Cocoshell (Pvt) Ltd	5,109,633	1.9%	Not in Top 20 list	0.00%
Deutsche Bank Ag-National Equity Fund	3,600,000	1.3%	3,000,000	1.35%
Pictet And Cie (Europe) S.A. S/A Lloyd George Indi	3,140,880	1.2%	1,100,000	0.49%
Citibank Newyork S/A Norges Bank Account 2	2,766,584	1.0%	3,698,809	1.66%
Rubber Investment Trust Limited A/C # 01	2,573,608	1.0%	1,052,166	0.47%
Deutsche Bank Ag As Trustee For Namal Acuity Value	1,800,000	0.7%	862,000	0.39%
Hsbc International Nominees Ltd-Morgan Stanley And Waldock Mackenzie Limited / M.T.Moosajee	1,531,338	0.6%	Not in Top 20 list	0.00%
	1,320,000	0.5%	1,100,000	0.49%
Seb Ab-Tundra Frontier Opportunities Fund	1,315,592	0.5%	Not in Top 20 list	0.00%
Mr. T.L.M. Imtiaz	1,291,356	0.5%	Not in Top 20 list	0.00%
Mr. R. Maheswaran	1,096,940	0.4%	914,117	0.41%
Miss M.P. Radhakrishnan	1,096,939	0.4%	914,116	0.41%
Miss A. Radhakrishnan	1,096,939	0.4%	914,116	0.41%
TOTAL	220,054,584	82.3%	176,846,616	79.39%

Twenty Largest Non Voting Shareholders as at

	30th Jun 17 No of Shares	%	30th Jun 16 No of Shares	%
Bnymstanv Re-Butterfield Trust (Bermuda) Limited	16,258,204	12.2%	Not in Top 20 list	0.00%
Hsbc Intl Nom Ltd-State Street Luxembourg C/O Ssbt	6,827,366	5.1%	5,689,472	5.11%
Citibank Newyork S/A Norges Bank Account 2	6,523,359	4.9%	6,269,466	5.63%
Employees Provident Fund	5,643,524	4.2%	4,927,776	4.42%
Northern Trust Company S/A Apollo Asia Fund Limite	5,490,624	4.1%	Not in Top 20 list	0.00%
J.B. Cocoshell (Pvt) Ltd	5,165,950	3.9%	10,676,765	9.59%
Deutsche Bank Ag As Trustee For Jb Vantage Value E	4,914,606	3.7%	4,095,505	3.68%
Pershing Llc S/A Averbach Grauson & Co.	4,621,382	3.5%	1,484,547	1.33%
Deutsche Bank Ag-National Equity Fund	3,720,000	2.8%	2,591,100	2.33%
Mas Capital (Private) Limited	3,493,030	2.6%	2,910,859	2.61%
Phoenix Ventures Private Limited	2,827,005	2.1%	Not in Top 20 list	0.00%
Deutsche Bank Ag As Trustee For Namal Acuity Value	2,782,635	2.1%	2,218,863	1.99%
Citibank London S/A Old Mutual Global Investors Se	2,698,434	2.0%	Not in Top 20 list	0.00%
Seb Ab-Tundra Frontier Opportunities Fund	2,520,000	1.9%	Not in Top 20 list	0.00%
Seb Ab-Fim Frontier Fund	2,181,610	1.6%	Not in Top 20 list	0.00%
Union Assurance Plc/No-01A/C	1,989,780	1.5%	1,658,150	1.49%
Waldock Mackenzie Ltd/Hi-Line Trading (Pvt) Ltd	1,944,562	1.5%	1,509,289	1.36%
Seylan Bank Plc/Arrc Capital (Pvt) Ltd	1,500,000	1.1%	Not in Top 20 list	0.00%
Gf Capital Global Limited	1,476,000	1.1%	Not in Top 20 list	0.00%
Dfcc Bank Plc A/C 1	1,472,515	1.1%	1,127,096	1.01%
TOTAL	84,050,586	75.47	45,158,888	40.55

Directors / CEO's Shareholdings

	Voting Ordinary Shares		Non Voting Ordinary Shares	
	No of <u>Shares Held</u> <u>As at 30/6/17</u>	No of <u>Shares Held</u> <u>As at 30/6/16</u>	No of <u>Shares Held</u> <u>As at 30/6/17</u>	No of <u>Shares Held</u> <u>As at 30/6/16</u>
Local Joint Venture Partner - St Anthony's Consolidated (Private) Limited	73,507,172	61,255,977	0	0
Gnanam A S G	14	12	0	0
Gnanam S R - Managing Director/CEO	14	12	0	0
Gnanam E J	14	12	0	0
Foreign Joint Venture Partner - Nippon Coke Engineering Co Limited, Japan	18,954,360	45,251,879	0	0
<u>Nominee Directors of Foreign Collaborator</u>				
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
Mr Ravi Dias	0	0	0	0
Mr Asite Talwatte	0	0	0	0
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	92,461,574	106,507,892	0	0
	=====	=====	=====	=====
Total Shares in Issue	267,300,000	222,750,000	133,650,000	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> <u>As at 30/6/17</u>	No of <u>Shares Held</u> <u>As at 30/6/16</u>	No of <u>Shares Held</u> <u>As at 30/6/17</u>	No of <u>Shares Held</u> <u>As at 30/6/16</u>
St Anthony's Consolidated (Pvt) Limited	73,507,172	61,255,977	0	0
South Asian Investment (Pvt) Limited	53,820,756	44,850,630	0	0
Capital City Holdings (Pvt) Limited	8,019,367	6,682,806	0	0
St Anthony's Hardware (Pvt) Limited	545,292	454,410	0	0
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TOTAL	135,892,587	113,243,823	0	0
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