

CEYLON INVESTMENT PLC

A Carson Cumberbatch Company

Condensed Interim Financial Statements
For the six months ended 30th September 2023

CEYLON INVESTMENT PLC

Managers' Review

For the period ended 30th September 2023

Sri Lanka's economic crisis saw the economy contract by 3.1% for the second quarter, as per GDP estimates published by department of statistics. However, as the country secured an IMF bailout in March 2023 and implemented a series of reforms, there has been some improvement as the country cautiously treads the road to recovery. Although there is still a long road ahead for the recovery, the benefits experienced from the initial reforms implemented saw the Colombo Stock Exchange experience positive sentiment.

Ceylon Investment reported a consolidated profit after tax of Rs. 1.45 billion for the first half of FY 2024, largely resulting from a fair value gain of Rs.656.7 million from fair value through profit or loss financial assets which is influenced by movements in the share prices that the portfolio held. The discretionary portfolio grew by 25.87% (dividend adjusted) compared to the All Share Price Index growth of 21.87%. The total portfolio, which includes the strategic holdings, recorded a gain of 9.90% (dividend adjusted) for the six months. The discretionary portfolio continues to seek returns by investing in high quality investments in both equity and fixed income. Our equity strategy continues to invest in companies that display strong fundamentals that lead to long-term potential for future value creation.

Portfolio Performance

The share market has shown some recovery for the first half of FY 2024 with moderate activity levels. As we see the economic recovery to be a challenging time for all listed companies we have been a net seller in the equity market for the reporting period with sales amounting to Rs. 694 million and purchases of Rs. 215 million. The selling was largely concentrated around diversified companies, financial institutions and some consumption-oriented companies. We reduced exposure to companies that had approached their intrinsic value or may have a significantly more challenging time ahead. We will continue to monitor our investee companies and the economic direction going forward and take investment decisions accordingly.

	As at		Change %	As at 30-Sep-23 (Dividend adjusted) *	Dividend adjusted performance
	30-Sep-23	31-Mar-23			
Discretionary portfolio (Rs. '000) *	4,530,563	3,641,965	24.40%	4,583,963	25.87%
Total Portfolio (Rs.'000)*	11,597,012	10,600,778	9.40%	11,650,412	9.90%
ASPI (Points)	11,336	9,301	21.87%		21.87%
S&P 20 (Points)	3,198	2,683	19.19%		19.19%

Financial Performance

Ceylon Investment PLC together with its share of associate companies reported a profit after tax of Rs. 1.45 billion for the period ended 30th September 2023, compared to a profit after tax of Rs. 308.4 million in the previous year. The strong financial performance was significantly influenced by the positive fair value movement of Rs. 656.7 million from fair value through profit or loss financial assets, recognized in profit or loss as per SLFRS 9. The profits/loss recorded on a quarterly basis are volatile due to the accounting standards requiring

change in fair value, which largely reflects the change in share prices of investee companies, to be recognized in the income statement.

As of September 30, 2023, the company's net assets, valued at market price, demonstrated an impressive 10.38% increase from the previous year, reaching Rs. 116.29 per share. Despite this notable growth, the trading price of Rs. 56.30 per share still indicates a significant discount of 52% when compared to the Net Asset Value (NAV).

As at	30/09/2023	31/03/2023	Change %
ASPI	11,336	9,301	21.87
NAV per share (Rs.)	116.29	105.36	10.38
Market price per share (Rs.)	56.30	37.10	51.75
Discount of NAV to market price per share	52%	65%	

Guardian Fund Management Limited

Investment Managers

10th November 2023

Ceylon Investment PLC

Statement of Profit or Loss and Other Comprehensive Income

[All figures are in Sri Lankan Rupees Thousands]

	Three months ended 30th September			Six months ended 30th September		
	2023	2022	Change %	2023	2022	Change %
Revenue	251,419	80,838	211	370,394	100,428	269
Net change in fair value through profit or loss financial assets	588,756	455,878	29	656,713	144,762	354
Profit on investment activities	840,175	536,716	57	1,027,107	245,190	319
Administrative and other operating expenses	(32,008)	(16,885)	90	(57,011)	(33,611)	70
Profit from operations	808,167	519,831	55	970,096	211,579	359
Finance expense	(5,310)	(14,235)	(63)	(16,437)	(16,778)	(2)
Profit from operations after finance expense	802,857	505,596	59	953,659	194,801	390
Share of profit of equity accounted investees, net of tax	451,065	335,677	34	534,909	131,866	306
Profit before taxation	1,253,922	841,273	49	1,488,568	326,667	356
Income tax expense	(24,239)	(7,690)	215	(41,462)	(18,313)	126
Profit for the period	1,229,683	833,583	48	1,447,106	308,354	369
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
Share of other comprehensive income/(expense) of equity accounted	249,168	78,678	217	(305,643)	(431,192)	(29)
Other comprehensive income/(expense) for the period	249,168	78,678	217	(305,643)	(431,192)	(29)
Total comprehensive income/(expense) for the period	1,478,851	912,261	62	1,141,463	(122,838)	1,029
Earnings per share (Rs.)	12.38	8.39		14.56	3.10	
Dividend per share (Rs.)*	-	-		-	-	

* Dividend per share is based on the proposed / interim dividends.

Figures in brackets indicate deductions.

Ceylon Investment PLC
Statement of Financial Position

(All figures are in Sri Lankan Rupees Thousands)

	As at 30.09.2023	As at 31.03.2023 (Audited)
ASSETS		
Non-current assets		
Investment in equity accounted investees	7,066,449	6,958,402
Investment in fixed deposits	1,392,974	1,255,827
Total non-current assets	8,459,423	8,214,229
Current assets		
Trade and other receivables	2,811	6,369
Fair value through profit or loss financial assets	2,542,675	2,215,818
Investment in unit trusts	57,704	21,248
Investment in fixed deposits	-	347,097
Cash and cash equivalents	537,210	53,604
Total current assets	3,140,400	2,644,136
Total assets	11,599,823	10,858,365
EQUITY AND LIABILITIES		
Equity		
Stated capital	838,033	838,033
Capital reserves	187,141	187,141
Revenue reserves	10,529,657	9,547,033
Total equity	11,554,831	10,572,207
Current liabilities		
Trade and other payables	25,296	22,668
Current tax payable	19,696	11,861
Short term borrowings	-	251,629
Total current liabilities	44,992	286,158
Total liabilities	44,992	286,158
Total equity and liabilities	11,599,823	10,858,365
Net assets value per share (Rs.)	116.29	105.36

The Statement of Financial Position as at 30th September 2023 and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the period then ended as disclosed in pages 3 to 6 have been drawn up from unaudited accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd).

P.C. Ekanayake

Finance Manager

Guardian Fund Management Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed on behalf of the Managers,

(Sgd).

K. Selvanathan

Director

Carsons Management Services (Private) Limited

10th November 2023

Colombo

Approved and Signed on behalf of the Board,

(Sgd).

M.A.R.C. Cooray (Mrs.)

Chairperson

(Sgd).

D.C.R. Gunawardena

Director

Ceylon Investment PLC
Statement of Changes in Equity

(All figures are in Sri Lankan Rupees Thousands)

	Stated capital	Capital reserves	Revenue reserves	Total equity
Balance as at 1st April 2023	838,033	187,141	9,547,033	10,572,207
Profit for the period	-	-	1,447,106	1,447,106
Other comprehensive expense for the period	-	-	(305,643)	(305,643)
Total comprehensive income for the period	-	-	1,141,463	1,141,463
Re-purchase of shares	-	-	(103,650)	(103,650)
Dividend	-	-	(55,189)	(55,189)
Balance as at 30th September 2023	838,033	187,141	10,529,657	11,554,831
Balance as at 1st April 2022	838,033	187,141	8,252,461	9,277,635
Surcharge tax for the year of assessment 2020/21	-	-	(48,531)	(48,531)
Balance as at 1st April 2022 (Adjusted)	838,033	187,141	8,203,930	9,229,104
Profit for the period	-	-	308,354	308,354
Other comprehensive expense for the period	-	-	(431,192)	(431,192)
Total comprehensive expense for the period	-	-	(122,838)	(122,838)
Dividend	-	-	(75,258)	(75,258)
Balance as at 30th September 2022	838,033	187,141	8,005,834	9,031,008

Figures in brackets indicate deductions.

Ceylon Investment PLC
Statement of Cash Flows

(All figures are in Sri Lankan Rupees Thousands)

For the six months ended 30th September	2023	2022
Cash flows from operating activities		
Profit before taxation	1,488,568	326,667
Adjustments for:		
Net change in fair value through profit or loss financial assets	(656,713)	(144,762)
Finance expense	16,437	16,778
Share of profit of equity accounted investees, net of tax	(534,909)	(131,866)
Operating profit before changes in working capital	313,383	66,817
Decrease / (Increase) in trade and other receivables	3,558	(16,811)
Decrease in investments	293,400	158,391
Decrease / (increase) in fixed deposits	209,950	(778,608)
Increase / (decrease) in trade and other payables	839	(102,451)
Cash generated from / (used in) operations	821,130	(672,662)
Income tax paid	(33,627)	(21,571)
Surcharge tax paid	-	(32,974)
Net cash generated from / (used in) operating activities	787,503	(727,207)
Cash flows from investing activities		
Dividend received from equity accounted investees	121,219	27,639
Net cash generated from investing activities	121,219	27,639
Cash flows from financing activities		
Finance expense paid	(18,066)	(16,225)
Short term borrowings (net movement)	(250,000)	200,000
Dividend paid	(53,400)	(71,889)
Re-purchase of shares	(103,650)	-
Net cash generated from / (used in) financing activities	(425,116)	111,886
Net increase / (decrease) in cash and cash equivalents during the period	483,606	(587,682)
Cash and cash equivalents at the beginning of the period	53,604	736,108
Cash and cash equivalents at the end of the period	537,210	148,426
Statement of cash and cash equivalents		
Placements with banking and financial institutions	422,225	101,767
Cash at bank	114,985	46,659
Cash and cash equivalents for the cash flow statement purposes	537,210	148,426

Figures in brackets indicate deductions.

Ceylon Investment PLC

Notes to the Interim Financial Statements

(All figures are in Sri Lankan Rupees Thousands unless otherwise stated)

1 BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements of the Company have been prepared based on the same accounting policies and methods applied to the audited financial statements for the year ended 31st March 2023 and are in compliance with Sri Lanka Accounting Standard LKAS 34 - "Interim Financial Reporting". The provisions of the Companies Act, No. 7 of 2007 have been considered in preparing these Interim Financial Statements.

2 VALUATION OF INVESTMENT PORTFOLIO

		Carrying value as at	
		30.09.2023	31.03.2023
Non-current assets			(Audited)
Strategic investments - Investment in equity accounted investees		7,066,449	6,958,402
		7,066,449	6,958,402
		Fair value as at	
	Fair value hierarchy	30.09.2023	31.03.2023
			(Audited)
Current assets			
Investment in equity securities- Fair value through profit or loss-Quoted	Level 1	2,542,665	2,215,808
Investment in equity securities- Fair value through profit or loss-Unquoted	Level 3	10	10
Investment in unit trusts	Level 2	57,704	21,248
		2,600,379	2,237,066

3 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosures in the financial statements.

4 COMMITMENTS AND CONTINGENCIES

4.1 Capital expenditure commitments

There were no material capital commitments exist as at the reporting date.

4.2 Contingencies

There were no material contingent liabilities as at the reporting date.

5 COMPARATIVE FIGURES

Comparative figures have been rearranged where necessary to conform to the classification and presentation as at 30th September 2023.

6 LIABILITIES FOR EXPENDITURE

Management fees and other similar expenses for the quarter have been accounted for in full in the interim financial statements.

7 STATED CAPITAL AND SHARE REPURCHASE

The Stated Capital of the Company as at 30th September 2023 was Rs.838,032,311/66 comprising of 100,344,530 Ordinary Shares.

The Company made a Repurchase Offer via Offer document dated 21st July 2023 to repurchase the shares of the Company at a ratio of 1 share for every 102 shares held and accordingly, the Company repurchased 983,770 Ordinary Shares from the Shareholders at a price of Rs.105/36 per share. The repurchased shares were cancelled on 26th October 2023. Accordingly, as at 26th October 2023 the Stated Capital of the Company amounted to Rs.838,032,311/66, which consists of 99,360,760 Ordinary Shares.

8 GOING CONCERN

Based on currently available information, the directors are satisfied that the Company will continue its operations in the foreseeable future.

Ceylon Investment PLC

Notes to the Interim Financial Statements

[All figures are in Sri Lankan Rupees Thousands unless otherwise stated]

9 RELATED PARTY TRANSACTIONS

For the six months ended 30th September	2023	2022
Transactions with the parent company		
Dividends paid	36,392	49,625
Share repurchase	68,347	-
Transactions with associate company		
Dividends received	121,219	27,639
Transactions with affiliated companies		
Receiving of services	40,440	27,239

10 TWENTY MAJOR SHAREHOLDERS

	30 Sep 2023		26 Oct 2023	
	No. of Shares	%	No. of Shares	%
1 Ceylon Guardian Investment Trust PLC A/C No.03	65,518,370	65.29	65,518,370	65.94
2 Mr. K.C. Vignarajah	1,459,721	1.45	1,459,721	1.47
Commercial Bank Of Ceylon Ltd/K.C.Vignarajah	510,352	0.51	510,352	0.51
3 Associated Electrical Corporation Ltd	1,395,358	1.39	1,395,358	1.40
4 Mrs. M.L. De Silva	1,342,757	1.34	1,342,757	1.35
5 Miss G.I.A. De Silva	1,314,088	1.31	1,314,088	1.32
6 Mr. Y.H. Abdulhussein	903,636	0.90	903,636	0.91
7 Mr. G.J.W. De Silva	883,194	0.88	883,194	0.89
8 Thurston Investments Limited	878,377	0.88	878,377	0.88
9 Miss R.H. Abdulhussein	844,517	0.84	844,517	0.85
10 Oakley Investments (Private) Limited	810,398	0.81	810,398	0.82
Offer By Ceylon Investment PLC to repurchase of ordinary shares from the holders of such shares *	797,692	0.79	-	-
Offer By Ceylon Investment PLC to repurchase of ordinary shares from the holders of such shares *	8,964	0.01	-	-
12 People's Leasing & Finance PLC/Mr.M.A.N.Yoosufali	592,000	0.59	592,000	0.60
13 Miss N.K.R.H. De Silva	562,721	0.56	562,721	0.57
14 Bank of Ceylon No. 1 Account	538,124	0.54	538,124	0.54
15 Mr. H.M. Abdulhussein	420,819	0.42	510,352	0.42
16 Mercantile Bank (agency) Private Limited	412,939	0.41	412,939	0.42
17 Mr. L.H. Abeysondera	388,225	0.39	388,225	0.39
18 Miss G.N.A. De Silva	384,178	0.38	384,178	0.39
19 J.B. Cocoshell (Pvt) Ltd	379,061	0.38	379,061	0.38
20 Miss J.B. Aymer	347,135	0.35	347,135	0.35
21 Union Investments Private Ltd	310,175	0.31	310,175	0.31
Additional share repurchase account of Ceylon Investment PLC *	149,690	0.15	-	-
22 Additional share repurchase account of Ceylon Investment PLC *	27,010	0.03	-	-

* The Company announced a Repurchase Offer on 23rd June 2023 to repurchase a maximum of 983,770 Ordinary Shares and the said

Offer was concluded on 01st September 2023. The relevant payments were made to Shareholders on 15th September 2023.

No. 11 and 22 are Reserve Accounts opened to facilitate the said Repurchase Offer. The Company repurchased the entire shares that were accepted by the Eligible Ordinary Shareholders as shown in No. 11.

No. 22 consists of the total number of Additional Shares which were repurchased by the Shareholders via the said Repurchase Offer as the Company had resolved to repurchase only 983,770 Ordinary Shares.

The Ordinary Shares that were repurchased (i.e. 983,770 Ordinary Shares) were cancelled on 26th October 2023 as announced by the CSE on 26th October 2023.

Ceylon Investment PLC

Notes to the Interim Financial Statements

(All figures are in Sri Lankan Rupees Thousands unless otherwise stated)

11 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.13.1 (i)(a) of the Listing Rules of the Colombo Stock Exchange, under Option 5, i.e. Float-Adjusted Market Capitalization of less than Rs.2.5 Billion with 500 Public Shareholders and a Public Holding percentage of 20%.

The Company's Public Holding as at 30th September 2023:

Market Capitalization of the Public Holding	Rs.1.96 Billion
Percentage of ordinary shares held by the public	34.70%
Number of public shareholders	2,963

12 DIRECTORS SHAREHOLDING AS AT 30TH SEPTEMBER 2023

No. of shares

Mrs. M.A.R.C. Cooray (Chairperson)	-
Mr. D.C.R. Gunawardena	2,157
Mr. A.P. Weeratunge	-
Mr. V.M. Fernando	-
Mr. K. Selvanathan	-
Mr. S. M. Perera	-

13 INVESTOR INFORMATION

Market Performance - Ordinary Shares

As at/ for the three months ended

30.09.2023

Last traded price per share (Rs.)	56.30
Highest price per share (Rs.)	68.50
Lowest price per share (Rs.)	34.50
Market capitalization (in rupees thousands)	5,649,397

Corporate Information

NAME OF COMPANY	Ceylon Investment PLC (A Carson Cumberbatch Company)
DOMICILE AND LEGAL FORM	Ceylon Investment PLC is a Public Quoted Company with limited liability domiciled in Sri Lanka. The Company was incorporated in Sri Lanka in 1919.
COMPANY REGISTRATION NO.	PQ 68
PRINCIPAL ACTIVITY AND NATURE OF OPERATIONS	During the period, the principal activity of the Company was holding and managing of an investment portfolio.
PARENT ENTERPRISE AND ULTIMATE PARENT ENTERPRISE	Ceylon Guardian Investment Trust PLC is the immediate Parent Company of Ceylon Investment PLC. Carson Cumberbatch PLC is the Parent Company of Ceylon Guardian Investment Trust PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Guardian Investment Trust PLC.
DIRECTORS	Mrs. M.A.R.C. Cooray (Chairperson) Mr. D.C.R. Gunawardena Mr. A.P. Weeratunge Mr. V.M. Fernando Mr. K. Selvanathan Mr. S. M. Perera
NUMBER OF EMPLOYEES	The Company did not have its own employees during the period under review.
BANKERS	Standard Chartered Bank Commercial Bank of Ceylon PLC Deutsche Bank AG Colombo Hatton National Bank PLC National Development Bank PLC Sampath Bank PLC DFCC Bank PLC SBI Sri Lanka Nations Trust Bank PLC
AUDITORS	Messrs. KPMG Chartered Accountants, No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3.
INVESTMENT MANAGERS	Guardian Fund Management Limited No. 61, Janadhipathi Mawatha, Colombo 1. Tele: +94-11-2039200 Fax: +94-11-2039385
MANAGERS & SECRETARIES	Carsons Management Services (Private) Limited No. 61, Janadhipathi Mawatha, Colombo 1. Tele: +94-11-2039200 Fax: +94-11-2039300
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	No. 61, Janadhipathi Mawatha, Colombo 1. Tele: +94-11-2039200 Fax: +94-11-2039300
CORPORATE WEBSITE	www.carsoncumberbatch.com