

INTERIM FINANCIAL STATEMENTS

For the Year Ended 31 March 2021



UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Group | | | | | | Company | | | | | |
|--|-----------------------------|--------------------------|----------------|---------------------------------|---------------------------------|---------------|-----------------------------|--------------------------|---------------|---------------------------------|---------------------------------|----------------|
| | Un-audited year ended | Audited year ended | Variance | Un-audited 3 Months ended | Un-audited 3 Months ended | Variance | Un-audited year ended | Audited year ended | Variance | Un-audited 3 Months ended | Un-audited 3 Months ended | Variance |
| | 31.03.2021 | 31.03.2020 | | 31.03.2021 | 31.03.2020 | | 31.03.2021 | 31.03.2020 | | 31.03.2021 | 31.03.2020 | |
| Revenue from contracts with customers | 13,537,657 | 9,845,621 | 37.5% | 4,003,361 | 1,771,243 | 126.0% | 7,187,553 | 5,752,104 | 25.0% | 1,469,953 | 964,128 | 52.5% |
| Cost of sales | (10,832,471) | (7,796,897) | -38.9% | (3,353,262) | (1,352,413) | -147.9% | (5,101,072) | (3,976,254) | -28.3% | (1,085,888) | (583,947) | -86.0% |
| Gross profit | 2,705,186 | 2,048,724 | 32.0% | 650,099 | 418,830 | 55.2% | 2,086,481 | 1,775,850 | 17.5% | 384,065 | 380,181 | 1.0% |
| Distribution expenses | (415,467) | (401,463) | -3.5% | (120,071) | (122,125) | 1.7% | (217,356) | (222,737) | 2.4% | (49,281) | (65,979) | 25.3% |
| Administrative and other expenses | (1,641,737) | (1,818,094) | 9.7% | (392,469) | (519,942) | 24.5% | (1,332,040) | (1,509,118) | 11.7% | (279,325) | (392,296) | 28.8% |
| Other income | 138,415 | 94,025 | 47.2% | 56,510 | 29,889 | 89.1% | 306,949 | 194,579 | 57.8% | 211,430 | 30,010 | 604.5% |
| Profit from operating activities | 786,397 | (76,808) | 1123.8% | 194,069 | (193,348) | 200.4% | 844,034 | 238,574 | 253.8% | 266,889 | (48,084) | 655.0% |
| Finance income | 224,829 | 31,878 | 605.3% | 115,715 | 1,649 | 6917.3% | 277,477 | 209,553 | 32.4% | 131,942 | 127,808 | 3.2% |
| Finance cost | (364,834) | (502,952) | 27.5% | (55,556) | (155,105) | 64.2% | (223,845) | (344,578) | 35.0% | (34,407) | (124,809) | 72.4% |
| Net finance (cost)/income | (140,005) | (471,074) | 70.3% | 60,159 | (153,456) | 139.2% | 53,632 | (135,025) | 139.7% | 97,535 | 2,999 | 3152.3% |
| Change in fair value of investment property | - | - | | | | | 8,210 | 17,420 | -52.9% | 8,210 | 17,420 | -52.9% |
| Profit/(loss) before income tax expense | 646,392 | (547,882) | 218.0% | 254,228 | (346,804) | 173.3% | 905,876 | 120,969 | 648.8% | 372,634 | (27,665) | 1446.9% |
| Income tax expense | (142,717) | 138,207 | -203.3% | 937 | 201,303 | -99.5% | (139,237) | (3,642) | -3723.1% | 2,947 | 58,041 | -94.9% |
| Profit/(loss) for the year/period | 503,675 | (409,675) | 222.9% | 255,165 | (145,501) | 275.4% | 766,639 | 117,327 | 553.4% | 375,581 | 30,376 | 1136.4% |
| Other comprehensive income | | | | | | | | | | | | |
| Items that will never be reclassified to profit or loss | | | | | | | | | | | | |
| Changes in the fair value of equity investments at fair value through other comprehensive income | 123,891 | (62,557) | | (8,886) | (105,203) | | 97,414 | (43,673) | | (7,536) | (81,929) | |
| Re-measurements of post employment benefit obligations | (23,663) | 17,828 | | (23,663) | 17,828 | | (20,502) | 15,986 | | (20,502) | 15,986 | |
| Deferred tax on re-measurements of post employment benefit obligations | 4,301 | (2,490) | | 4,301 | (2,490) | | 3,662 | (1,977) | | 3,662 | (1,977) | |
| Revaluation of land | 135,210 | 780,927 | | 135,210 | 780,927 | | 126,000 | 734,877 | | 126,000 | 734,877 | |
| Deferred tax on gains on revaluation of land | (13,521) | (78,093) | | (13,521) | (78,093) | | (12,600) | (73,488) | | (12,600) | (73,488) | |
| Other comprehensive income for the year/period | 226,218 | 655,615 | | 93,441 | 612,969 | | 193,974 | 631,725 | | 89,024 | 593,469 | |
| Total comprehensive income for the year/period | 729,893 | 245,940 | | 348,606 | 467,468 | | 960,613 | 749,052 | | 464,605 | 623,845 | |
| Profit/(loss) attributable to: | | | | | | | | | | | | |
| Owners of United Motors Lanka PLC | 503,675 | (409,675) | | 255,165 | (145,501) | | 766,639 | 117,327 | | 375,581 | 30,376 | |
| Profit/(loss) for the year/period | 503,675 | (409,675) | | 255,165 | (145,501) | | 766,639 | 117,327 | | 375,581 | 30,376 | |
| Total comprehensive income attributable to: | | | | | | | | | | | | |
| Owners of United Motors Lanka PLC | 729,893 | 245,940 | | 348,606 | 467,468 | | 960,613 | 749,052 | | 464,605 | 623,845 | |
| Total comprehensive income for the year/period | 729,893 | 245,940 | | 348,606 | 467,468 | | 960,613 | 749,052 | | 464,605 | 623,845 | |
| Basic earnings/(loss) per share (LKR.) | 4.99 | (4.06) | | 2.53 | (1.44) | | 7.60 | 1.16 | | 3.72 | 0.30 | |

Note:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF FINANCIAL POSITION

| As at | Group | | Company | |
|--|--------------------------|-----------------------|--------------------------|-----------------------|
| | Un-audited 31.03.2021 | Audited 31.03.2020 | Un-audited 31.03.2021 | Audited 31.03.2020 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant & equipment | 7,836,020 | 7,942,818 | 7,190,990 | 7,279,449 |
| Investment property | - | - | 521,260 | 513,050 |
| Intangible assets | 220,119 | 236,492 | 216,992 | 233,037 |
| Right-of-use assets | 265,208 | 250,125 | 212,415 | 279,325 |
| Investments in subsidiaries | - | - | 222,400 | 222,400 |
| Financial assets at fair value through other comprehensive income | 258,864 | 208,256 | 211,519 | 168,485 |
| Reimbursable right | 46,833 | 67,210 | 41,885 | 62,788 |
| Deferred tax assets | 507,080 | 477,549 | 189,714 | 182,926 |
| Total non-current assets | 9,134,124 | 9,182,450 | 8,807,175 | 8,941,460 |
| Current assets | | | | |
| Inventories | 3,383,961 | 7,105,025 | 1,427,937 | 3,969,655 |
| Trade and other receivables | 2,065,783 | 3,469,036 | 764,046 | 2,791,963 |
| Amounts due from related parties | - | - | 380,206 | 135,744 |
| Current tax receivables | 8,657 | 66,378 | - | 57,718 |
| Financial assets at fair value through profit or loss | 3,309,783 | 54,924 | 3,309,783 | 54,924 |
| Cash and cash equivalents | 851,744 | 261,960 | 644,512 | 208,790 |
| Total current assets | 9,619,928 | 10,957,323 | 6,526,484 | 7,218,794 |
| Total assets | 18,754,052 | 20,139,773 | 15,333,659 | 16,160,254 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Stated capital | 336,335 | 336,335 | 336,335 | 336,335 |
| Capital reserve | 5,380,532 | 5,258,843 | 5,017,658 | 4,904,258 |
| Other components of equity | 1,364,572 | 1,245,227 | 1,405,852 | 1,312,212 |
| Retained earnings | 6,218,547 | 5,881,039 | 6,554,818 | 5,952,596 |
| Total equity attributable to the equity holders of the parent | 13,299,986 | 12,721,444 | 13,314,663 | 12,505,401 |
| Non-current liabilities | | | | |
| Interest bearing borrowings | 3,150 | - | - | - |
| Employee benefits | 282,299 | 239,546 | 251,995 | 214,145 |
| Lease liabilities | 180,985 | 109,514 | 74,651 | 153,539 |
| Deferred tax liabilities | 315,655 | 322,866 | 291,749 | 323,505 |
| Total non-current liabilities | 782,089 | 671,926 | 618,395 | 691,189 |
| Current liabilities | | | | |
| Interest bearing borrowings | 2,103,829 | 5,662,003 | 500,411 | 2,096,853 |
| Trade and other payables | 2,319,162 | 747,615 | 619,915 | 500,810 |
| Lease liabilities | 100,363 | 138,801 | 152,423 | 132,918 |
| Amounts due to related parties | - | - | 2,841 | 64,796 |
| Current tax liabilities | 76,941 | - | 76,454 | - |
| Bank overdrafts | 71,682 | 197,984 | 48,557 | 168,287 |
| Total current liabilities | 4,671,977 | 6,746,403 | 1,400,601 | 2,963,664 |
| Total liabilities | 5,454,066 | 7,418,329 | 2,018,996 | 3,654,853 |
| Total equity and liabilities | 18,754,052 | 20,139,773 | 15,333,659 | 16,160,254 |
| Net assets per share -LKR | 131.81 | 126.08 | 131.96 | 123.94 |

Note:

All amounts are in LKR.'000s, unless otherwise stated.

I certify that these interim financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Thushara Jayasekara
Group Chief Financial Officer

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



Sunil G. Wijesinha
Chairman
24 May 2021
Colombo



Chanaka Yatawara
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF CHANGES IN EQUITY

| | Stated Capital | Other Components of Equity | | | | Retained Earnings | Total Equity | |
|---|----------------|----------------------------|---------------------|---|------------------|-------------------|--------------|---------------|
| | | Capital Reserve | Development Reserve | Property, Plant & Equipment Replacement Reserve | General Reserves | | | FVOCI Reserve |
| | LKR '000 | LKR '000 | LKR '000 | LKR '000 | LKR '000 | LKR '000 | LKR '000 | |
| Group | | | | | | | | |
| Balance as at 01.04.2019 | 336,335 | 4,556,009 | 785,400 | 308,900 | 466,250 | (252,766) | 6,678,979 | 12,879,107 |
| Loss for the year | | | | | | | (409,675) | (409,675) |
| Other comprehensive income | | | | | | | | |
| Re-measurements of post employment benefit obligations | | | | | | | 17,828 | 17,828 |
| Deferred tax on re-measurements of post employment benefit obligations | | | | | | | (2,490) | (2,490) |
| Net change in equity investments at fair value through other comprehensive income | | | | | | (62,557) | - | (62,557) |
| Revaluation of land | | 780,927 | | | | | - | 780,927 |
| Deferred tax on revaluation of land | | (78,093) | | | | | - | (78,093) |
| Total comprehensive income for the year | - | 702,834 | - | - | - | (62,557) | (394,337) | 245,940 |
| Transactions with owners in their capacity as owners : | | | | | | | | |
| Final dividend paid for 2018 / 2019 | | | | | | | (403,603) | (403,603) |
| Balance as at 31.03.2020 | 336,335 | 5,258,843 | 785,400 | 308,900 | 466,250 | (315,323) | 5,881,039 | 12,721,444 |
| Profit for the year | | | | | | | 503,675 | 503,675 |
| Other comprehensive income | | | | | | | | |
| Re-measurements of post employment benefit obligations | | | | | | | (23,663) | (23,663) |
| Deferred tax on re-measurements of post employment benefit obligations | | | | | | | 4,301 | 4,301 |
| Net change in equity investments at fair value through other comprehensive income | | | | | | 123,891 | - | 123,891 |
| Net gain on disposal of equity investments at fair value through other comprehensive income | | | | | | (4,546) | 4,546 | - |
| Revaluation of land | | 135,210 | | | | | - | 135,210 |
| Deferred tax on revaluation of land | | (13,521) | | | | | - | (13,521) |
| Total comprehensive income for the year | - | 121,689 | - | - | - | 119,345 | 488,859 | 729,893 |
| Transactions with owners in their capacity as owners : | | | | | | | | |
| Interim dividend paid for 2020 / 2021 | | | | | | | (151,351) | (151,351) |
| Balance as at 31.03.2021 | 336,335 | 5,380,532 | 785,400 | 308,900 | 466,250 | (195,978) | 6,218,547 | 13,299,986 |

Notes:

All amounts are in LKR.'000s, unless otherwise stated.

Figures in the brackets indicate deduction.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
STATEMENT OF CHANGES IN EQUITY

| | Stated Capital | Capital | | | | Other Components of Equity | | Retained Earnings | Total Equity |
|---|----------------|----------------|---------------------|---|------------------|----------------------------|----------------|-------------------|--------------|
| | | Reserve | Development Reserve | Property, Plant & Equipment Replacement Reserve | General Reserves | FVOCI Reserve | | | |
| Company | LKR '000 | LKR '000 | LKR '000 | LKR '000 | LKR '000 | LKR '000 | LKR '000 | LKR '000 | |
| Balance as at 01.04.2019 | 336,335 | 4,242,869 | 785,400 | 308,900 | 466,250 | (204,665) | 6,224,863 | 12,159,952 | |
| Profit for the year | | | | | | | 117,327 | 117,327 | |
| Other comprehensive income | | | | | | | | | |
| Re-measurements of post employment benefit obligations | | | | | | | 15,986 | 15,986 | |
| Deferred tax on re-measurements of post employment benefit obligations | | | | | | | (1,977) | (1,977) | |
| Revaluation of land | | 734,877 | | | | | | 734,877 | |
| Deferred tax on revaluation of land | | (73,488) | | | | | | (73,488) | |
| Net change in equity investments at fair value through other comprehensive income | - | - | - | - | - | (43,673) | - | (43,673) | |
| Total comprehensive income for the year | - | 661,389 | - | - | - | (43,673) | 131,336 | 749,052 | |
| Transactions with owners, recognised directly in equity | | | | | | | | | |
| Final dividend paid for 2018 / 2019 | | | | | | | (403,603) | (403,603) | |
| Balance as at 31.03.2020 | 336,335 | 4,904,258 | 785,400 | 308,900 | 466,250 | (248,338) | 5,952,596 | 12,505,401 | |
| Profit for the year | | | | | | | 766,639 | 766,639 | |
| Other comprehensive income | | | | | | | | | |
| Re-measurements of post employment benefit obligations | | | | | | | (20,502) | (20,502) | |
| Deferred tax on re-measurements of post employment benefit obligations | | | | | | | 3,662 | 3,662 | |
| Net change in equity investments at fair value through other comprehensive income | | | | | | 97,414 | - | 97,414 | |
| Net gain on disposal of equity investments at fair value through other comprehensive income | | | | | | (3,774) | 3,774 | - | |
| Revaluation of land | | 126,000 | | | | | | 126,000 | |
| Deferred tax on revaluation of land | | (12,600) | | | | | | (12,600) | |
| Total comprehensive income for the year | - | 113,400 | - | - | - | 93,640 | 753,573 | 960,613 | |
| Transactions with owners in their capacity as owners : | | | | | | | | | |
| Interim dividend paid for 2020 / 2021 | | | | | | | (151,351) | (151,351) | |
| Balance as at 31.03.2021 | 336,335 | 5,017,658 | 785,400 | 308,900 | 466,250 | (154,698) | 6,554,818 | 13,314,663 | |

Notes:

All amounts are in LKR.'000s, unless otherwise stated.

Figures in the brackets indicate deduction.

UNITED MOTORS LANKA PLC

INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Statement of Cash Flows

| For the period ended 31 March | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2021 LKR '000 | 2020 LKR '000 | 2021 LKR '000 | 2020 LKR '000 |
| Cash flows from operating activities | | | | |
| Profit/(loss) before income tax expense | 646,392 | (547,882) | 905,876 | 120,969 |
| Adjustments for: | | | | |
| Provision for depreciation/amortisation | 255,807 | 242,185 | 210,037 | 200,955 |
| Profit on disposal of property, plant & equipment | (37,897) | (2,640) | (37,772) | (2,640) |
| Net gains on disposal of financial asset at fair value through profit or loss | (70,183) | - | (70,183) | - |
| Net change in fair value - financial asset at fair value through profit or loss | (17,725) | 14,359 | (17,725) | 14,359 |
| Change in fair value of investment property | - | - | (8,210) | (17,420) |
| Interest expense | 343,482 | 480,849 | 218,790 | 322,475 |
| Interest income | (93,349) | (12,806) | (148,870) | (199,840) |
| Dividend income | (15,157) | (9,240) | (14,803) | (6,688) |
| Dividend received from subsidiary | - | - | (150,000) | (88,500) |
| Impairment of trade receivables and losses on warranty claims | 4,462 | 52,002 | 4,462 | 50,577 |
| Provision for employee benefit obligations | 49,599 | 49,012 | 44,108 | 43,547 |
| Amortisation of right-of-use assets | 138,815 | 137,008 | 145,466 | 150,694 |
| Expected return on plan asset | (6,244) | (7,988) | (5,817) | (7,536) |
| Write-down of inventory to lower of cost or NRV (Net Realisable Value) | 2,113 | 31,543 | 2,113 | 6,712 |
| Fair value adjustment on unit trust | (9,605) | - | (9,605) | - |
| Operating profit before working capital changes | 1,190,510 | 426,402 | 1,067,867 | 587,664 |
| Decrease/(increase) in inventories | 3,718,951 | (948,811) | 2,539,605 | (1,142,527) |
| Decrease/(increase) in trade and other receivables | 1,398,792 | (487,124) | 2,023,456 | (395,283) |
| Increase in amounts due from related parties | - | - | (244,463) | (81,463) |
| (Decrease)/increase in amounts due to related parties | - | - | (61,955) | 8,068 |
| Increase/(decrease) in trade and other payables | 1,571,543 | (194,300) | 119,100 | (208,645) |
| Cash in flow/(out flow) from operating activities | 7,879,796 | (1,203,833) | 5,443,610 | (1,232,186) |
| Interest paid | (361,628) | (476,711) | (225,808) | (319,615) |
| Income tax paid | (54,018) | (90,685) | (52,547) | (88,563) |
| Contribution paid and received from investment plan (net) | (3,888) | (484) | (40) | (398) |
| Net cash inflow/(out flow) from operating activities | 7,460,262 | (1,771,713) | 5,165,215 | (1,640,762) |
| Cash flows from investing activities | | | | |
| Investment in shares/unit trust | (5,707,571) | (14,403) | (5,707,571) | (14,403) |
| Proceeds from disposal of investments/unit trust | 2,623,513 | 180,187 | 2,604,610 | 180,187 |
| Acquisitions of property, plant & equipment and intangible assets | (44,240) | (258,194) | (26,167) | (224,674) |
| Proceeds from disposal of property, plant & equipment | 84,710 | 2,640 | 84,406 | 2,640 |
| Lease rentals paid in advance | - | (29,074) | - | (900) |
| Interest received | 93,349 | 12,806 | 148,870 | 199,840 |
| Dividend received | 15,157 | 9,240 | 164,803 | 95,188 |
| Net cash (out flow)/in flow from investing activities | (2,935,082) | (96,798) | (2,731,049) | 237,878 |
| Cash flows from financing activities | | | | |
| Dividend paid | (151,351) | (403,603) | (151,351) | (403,603) |
| Principal element of lease payments | (120,865) | (81,502) | (137,939) | (121,975) |
| Loans obtained | 41,142,168 | 57,928,165 | 28,495,850 | 36,841,759 |
| Loans paid | (44,679,046) | (55,881,728) | (30,085,274) | (35,188,693) |
| Net cash (out flow)/in flow from financing activities | (3,809,094) | 1,561,332 | (1,878,714) | 1,127,488 |
| Net increase/(decrease) in cash & cash equivalents | 716,086 | (307,179) | 555,452 | (275,396) |
| Cash & cash equivalents at the beginning of the year | 63,976 | 371,155 | 40,503 | 315,899 |
| Cash and cash equivalents at end of the year | 780,062 | 63,976 | 595,955 | 40,503 |
| | | Group | | Company |
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| | LKR '000 | LKR '000 | LKR '000 | LKR '000 |
| Cash and bank balances | 459,605 | 258,202 | 252,373 | 205,032 |
| Short term deposits | 392,139 | 3,758 | 392,139 | 3,758 |
| | 851,744 | 261,960 | 644,512 | 208,790 |
| Bank overdrafts | (71,682) | (197,984) | (48,557) | (168,287) |
| Total cash & cash equivalents | 780,062 | 63,976 | 595,955 | 40,503 |

Notes:

All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Reporting entity

United Motors Lanka PLC (the "Company"), is a Public Quoted Company incorporated on 9 May 1989 and domiciled in Sri Lanka. The registered office and the principal place of business of the Company are located at No.100, Hyde Park Corner, Colombo 02.

The ultimate parent company - R I L Property PLC holds 51% of the issued shares of the Company.

2. Interim consolidated financial statements

The consolidated interim financial statements of the Group as at and for the year ended 31 March 2021 comprise the Company and its subsidiaries. All the group entities are limited liability companies, incorporated and domiciled in Sri Lanka.

The Company is primarily involved in distribution of brand new Mitsubishi and Fuso vehicles, spare parts, lubricants, 3D printers and filaments, after sales services and related services and other companies in the Group are engaged in distribution of vehicles of other brands, heavy equipment, generators, accessories, tyres and assembling of vehicles.

3. Basis of preparation

The interim financial statements of the Company and the Group have been prepared based on the Sri Lanka Accounting Standards SLFRS/LKAS and consistently applied the accounting policies as stated in the most recent annual report for the year ended 31 March 2020.

These interim financial statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended 31 March 2020.

These financial statements provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

The presentation and classification of the consolidated financial statements of the previous periods have been amended where relevant, for better presentation and to be comparable with those of current period.

4. Impact due to the COVID-19

- 4.1** The COVID-19 outbreak in March 2020 followed by the second and the third waves continues to pose challenges to businesses and industries both locally and globally due to uncertainties, restrictions and limitations associated with the pandemic. This in turn continues to impact the operations and performance of the Group. Required adjustments have been made for the potential implications in these financial statements based on the available information and application of judgment. The Group has strictly adhered to the COVID-19 related guidelines and directives issued by the Government. The Board will continue to monitor the implications and make adjustments, if required.

4.2 Rent concessions

The Company and the Group have received COVID-19 related rent concessions and have applied the practical expedient introduced in May 2020. As earlier application is permitted Company and the Group have applied the amendment from 01 April 2020. Practical expedient has been applied to all qualifying rent concessions. Accordingly, rent concessions received LKR 10,644,376 to the Group and LKR 5,243,376 to the Company were accounted as gains in profit or loss statements during the year ended 31 March 2021 respectively.

4.3 Temporary suspension of vehicle imports

The temporary suspension of vehicle imports brought in through the Gazette Extraordinary No 2176/19 and later amended by Gazette Extraordinary No 2182/10 is still in force.

5. Taxation

As per Sri Lanka Accounting Standard No. 12 on "Income Taxes", current tax and deferred tax shall be measured based on tax rates (and tax laws) that have been "enacted" or "substantively enacted" by the end of the reporting period. Therefore Group has computed current tax and deferred tax based on the substantively enacted rates.

6. Fair values Vs. carrying amounts

- 6.1** The following notes show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Trade receivable includes the contractual amounts for settlement of trade and other obligations due to the Company/Group. Trade and other payables and borrowings represent contract amounts and obligations due by the Company/Group.

Below note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards.

At each reporting period, the Group/Company's equity securities are measured at fair value referring to quoted market prices in the active market.

In last financial year Investments in equity shares were categorized under level two of the fair value hierarchy in the previous year as the reason that share market was inactive as at 31.03.2020.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

| | Group | | | | | |
|---|--------------------------------|------------------------|------------------|--------------------------------|------------------------|----------------|
| | LKR '000 Carrying amount | 31.03.2021 | | LKR '000 Carrying amount | 31.03.2020 | |
| | | LKR '000 Fair value | LKR '000 | | LKR '000 Fair value | LKR '000 |
| | Level 1 | Level 2 | Level 1 | Level 2 | Level 2 | |
| Financial assets at fair value through profit or loss (FVPL) | | | | | | |
| Equity shares | 300,178 | 300,178 | - | 54,924 | - | 54,924 |
| Investments in unit trusts | 3,009,605 | - | 3,009,605 | - | - | - |
| Financial assets at amortised cost | | | | | | |
| Trade & other receivables excluding prepayments | 1,844,614 | - | - | 3,210,485 | - | - |
| Amounts due from related parties | - | - | - | - | - | - |
| Cash & cash equivalents | 851,744 | - | - | 261,960 | - | - |
| Financial assets measured at fair value through other comprehensive income (FVOCI) | | | | | | |
| Equity shares | 258,864 | 258,864 | - | 208,256 | - | 208,256 |
| | <u>6,265,005</u> | <u>559,042</u> | <u>3,009,605</u> | <u>3,735,625</u> | <u>-</u> | <u>263,180</u> |
| Financial liabilities at amortised cost | | | | | | |
| Interest bearing borrowings | 2,106,979 | - | - | 5,662,003 | - | - |
| Bank overdrafts | 71,682 | - | - | 197,984 | - | - |
| | <u>2,178,661</u> | <u>-</u> | <u>-</u> | <u>5,859,987</u> | <u>-</u> | <u>-</u> |

| | Company | | | | | |
|---|--------------------------------|------------------------|------------------|--------------------------------|------------------------|----------------|
| | LKR '000 Carrying amount | 31.03.2021 | | LKR '000 Carrying amount | 31.03.2020 | |
| | | LKR '000 Fair value | LKR '000 | | LKR '000 Fair value | LKR '000 |
| | Level 1 | Level 2 | Level 1 | Level 2 | Level 2 | |
| Financial assets at fair value through profit or loss (FVPL) | | | | | | |
| Equity shares | 300,178 | 300,178 | - | 54,924 | - | 54,924 |
| Investments in unit trusts | 3,009,605 | - | 3,009,605 | - | - | - |
| Financial assets at amortised cost | | | | | | |
| Trade & other receivables excluding prepayments | 715,908 | - | - | 2,738,763 | - | - |
| Amounts due from related parties | 380,206 | - | - | 135,744 | - | - |
| Cash & cash equivalents | 644,512 | - | - | 208,790 | - | - |
| Financial assets measured at fair value through other comprehensive income (FVOCI) | | | | | | |
| Equity shares | 211,519 | 211,519 | - | 168,485 | - | 168,485 |
| | <u>5,261,928</u> | <u>511,697</u> | <u>3,009,605</u> | <u>3,306,706</u> | <u>-</u> | <u>223,409</u> |
| Financial liabilities at amortised cost | | | | | | |
| Interest bearing borrowings | 500,411 | - | - | 2,096,853 | - | - |
| Bank overdrafts | 48,557 | - | - | 168,287 | - | - |
| | <u>548,968</u> | <u>-</u> | <u>-</u> | <u>2,265,140</u> | <u>-</u> | <u>-</u> |

The following table shows the valuation technique used in measuring level 2 fair values, as well as the significant unobservable inputs used.

| Type | Valuation technique | Significant unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|----------------------------|---|---------------------------------|---|
| Investments in unit trusts | Fair value is based on the published unit prices. | Based on published unit prices. | The estimated fair value will increase (decrease) if; The published unit prices are higher (lower). |

6.2 Fair value hierarchy

Fair value of financial instruments are based on a fair value hierarchy which is defined below.

Level 1

Inputs that are quoted market prices (unadjusted) in active market for identical instruments. The Company measures the fair value of an instrument using active quoted prices or dealer price quotations without any deductions for transaction cost. Market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions at arm's length basis.

Level 2

Inputs other than quoted prices included within level one that are observable either directly or indirectly. This category includes instruments valued using ; quoted market prices in an active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or valuation techniques in which whole significant inputs are directly or indirectly observable from market data.

Level 3

The input that are unobservable. This category includes all the instruments for which valuation techniques includes input not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

7. Approval of financial statements

These consolidated interim financial statements for the year ended 31 March 2021 were authorized for issue by the Board of Directors on 24 May 2021.

8. Operating segments

An operating segment is a distinguishable component of the Group / Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segmentation has been determined based on the Group's management and internal reporting structure. Segment Information is based on the primary format representing the industry segments of the Company and the Group. The Group has six reportable segments whilst the Company has five.

The business segments of the Group are highlighted in the table below:

| Reportable segment | Nature of business |
|----------------------------|---|
| Spare parts & workshop | Sale of spare parts and repairs and servicing of vehicles |
| Vehicles | Sale of passenger vehicles, commercial vehicles and special purpose vehicles. |
| Equipment & machinery | Sale of heavy equipment & machinery |
| Tyres | Sale of tyres |
| Lubricant & other services | Sale of lubricant & hiring of vehicles |
| 3D Printers & services | Sale of 3D printers, filaments, spare parts and related services. |

9. Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the Annual Report 2019 / 2020 .

10. Events after the reporting period and other matters

Change in Directorate

Ms. M. Coralie Pietersz was appointed as an Independent Non-Executive Director to the Board with effect from 1 April 2021 and was appointed as Chairperson of the Audit Committee with effect from 6 May 2021.

Mr. Devaka Cooray was appointed as an Independent Non-Executive Director to the Board with effect from 4 May 2021.

Mr. Yoshisuke Ishii resigned from the Board with effect from 12 May 2021.

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

11. Related party transactions

11.1 Transactions with the parent company

| Transaction type | Year ended 31.03.2021 LKR.'000s | Year ended 31.03.2020 LKR.'000s |
|------------------------------------|---------------------------------------|---------------------------------------|
| Repairs & services provided | 1,142 | 1,131 |
| Rent paid in advance | - | 185 |
| Rentals paid for premises occupied | 770 | 4,598 |
| Refundable rent deposit | - | 1,045 |
| Reimbursement of expenses | 14 | 593 |

11.2 Transactions with subsidiaries

| Transaction type | Year ended 31.03.2021 LKR.'000s | Year ended 31.03.2020 LKR.'000s |
|--|---------------------------------------|---------------------------------------|
| Sale of goods | 9,892 | 2,063 |
| Purchase of goods | 8,040 | 8,408 |
| Repairs and services provided | 79,455 | 61,416 |
| Repairs & services obtained | 1,192 | - |
| Dividend received | 150,000 | 88,500 |
| Expenses incurred | 153,487 | 61,629 |
| Reimbursement of expenses | 14,252 | 12,516 |
| Hiring income received | 4,865 | 3,575 |
| Hiring rentals paid for vehicles | 801 | - |
| Interest received | 82,041 | 187,754 |
| Loans granted | 6,399,700 | 7,374,000 |
| Loan settlements | 6,131,021 | 7,374,000 |
| Rentals paid for premises occupied | 98,043 | 99,377 |
| Rentals received for premises occupied | 23,128 | 22,649 |

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

11.3 Transactions with other related entities of the parent company

| Company | Transaction type | Year ended 31.03.2021 LKR.'000s | Year ended 31.03.2020 LKR.'000s |
|--------------------|--------------------|---------------------------------------|---------------------------------------|
| Foodbuzz (Pvt) Ltd | Repairs & services | 140 | 359 |

11.4 Non – recurrent related party transactions

There were no non – recurrent transactions for the year ended 31 March 2021 which requires immediate market disclosure.

12. Share information

12.1 Stated capital

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

| As at | 31.03.2021 | 31.03.2020 |
|-----------------|-------------|-------------|
| Ordinary shares | 100,900,626 | 100,900,626 |

12.2 Public shareholding

| As at | 31.03.2021 | 31.03.2020 |
|---|------------|------------|
| Number of public shareholders | 3,818 | 3,743 |
| Percentage of shares held by the public | 24.57% | 24.84% |

The float adjusted market capitalisation as at 31 March 2021 - LKR. 1,430,408,446.

Public shareholding percentage as at 31 March 2021 is 24.57% and the Company is in compliance with option 5 of Section 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange.

12.3 Directors' shareholding

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

| As at | 31.03.2021 | 31.03.2020 |
|------------------------|------------------|------------------|
| Mr. Sunil G. Wijesinha | - | - |
| Mr. Chanaka Yatawara | 1,696,193 | 1,421,321 |
| Mr. Ananda Atukorala | 3,000 | 3,000 |
| Ms. Hiroshini Fernando | - | - |
| Mr. Ramesh Yaseen | 10,620 | 10,620 |
| Prof. Malik Ranasinghe | - | - |
| Mr. Stuart Chapman | - | - |
| Mr. Yoshisuke Ishii | - | - |
| | <u>1,709,813</u> | <u>1,434,941</u> |

12.4 Twenty largest shareholders of the Company are as follows:

| As at | 31.03.2021 | | 31.03.2020 | |
|---|------------------|-------|------------------|-------|
| | Number of shares | % | Number of shares | % |
| R I L Property PLC | 51,459,320 | 51.00 | 51,459,320 | 51.00 |
| Ms. R. R. Takahashi | 11,762,041 | 11.66 | 11,762,041 | 11.66 |
| Mr. M. A. Yaseen | 11,178,511 | 11.08 | 11,178,511 | 11.08 |
| Mrs. S. M. Chrysostom | 6,945,471 | 6.88 | 6,945,471 | 6.88 |
| Mitsubishi Motors Corporation | 4,937,142 | 4.89 | 4,937,142 | 4.89 |
| Mr. Chanaka Yatawara | 1,696,193 | 1.68 | 1,421,321 | 1.41 |
| Mr. A. M. Weerasinghe | 1,552,280 | 1.54 | 301,880 | 0.30 |
| Mr. D. G. Wijemanna | 1,000,000 | 0.99 | - | - |
| Bank of Ceylon A/C No. 1 | 524,677 | 0.52 | 404,478 | 0.40 |
| J. B. Cocoshell (Pvt) Limited | 458,496 | 0.45 | - | - |
| Mr. S. D. Yaseen | 243,300 | 0.24 | 243,300 | 0.24 |
| Mrs. L. E. M. Yaseen | 200,000 | 0.20 | 200,000 | 0.20 |
| Mr. P. Rathnayaka | 156,000 | 0.15 | 156,000 | 0.15 |
| Mercantile Investments and Finance PLC | 150,000 | 0.15 | 150,000 | 0.15 |
| Akbar Brothers (Pvt) Ltd A/C No. 1 | 136,648 | 0.14 | 136,648 | 0.14 |
| Mr. M. Andreino Yaseen | 119,430 | 0.12 | 119,430 | 0.12 |
| Mr. V. A. Yaseen | 119,427 | 0.12 | 119,427 | 0.12 |
| Mr. J. A. Yaseen | 119,427 | 0.12 | 119,427 | 0.12 |
| Mr. M. H. M. Nazeer | 100,984 | 0.10 | 100,984 | 0.10 |
| Mr. S. A. C. Keerthisinghe & Mrs. D. M. J. S. Dissanayaka | 86,410 | 0.09 | - | - |

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

12.5 Earnings per share (EPS)

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

12.6 Net assets per share

Net assets per share has been calculated for all the periods based on the number of shares in issue as at the current period end.

12.7 Market price per share

| For the quarter ended 31 March | 2021 | 2020 |
|--------------------------------|-------------|-------------|
| | LKR | LKR |
| Highest price | 83.00 | 63.90 |
| Lowest price | 55.00 | 45.00 |
| Last traded price | 57.70 | 45.40 |

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
SEGMENT INFORMATION

| Group | Spare parts & workshop | | Vehicles | | Equipment & machinery | | 3D Printers & services | | Tyres | | Lubricant & other services | | Total | | | | |
|--|------------------------|------------------|------------------|-------------------|-----------------------|-----------------|------------------------|-----------------|----------------|----------------|----------------------------|------------------|-------------------|-------------------|------------------|------------------|--|
| | 2021 | | 2020 | | 2021 | | 2020 | | 2021 | | 2020 | | 2021 | | 2020 | | |
| | Un-audited | Audited | Un-audited | Audited | Un-audited | Audited | Un-audited | Audited | Un-audited | Audited | Un-audited | Audited | Un-audited | Audited | Un-audited | Audited | |
| In LKR'000 | | | | | | | | | | | | | | | | | |
| Revenue from contracts with customers | | | | | | | | | | | | | | | | | |
| External - Goods transferred at a point in time | 1,543,068 | 1,423,976 | 8,956,284 | 6,167,510 | 659,455 | 264,233 | 23,058 | 14,904 | 259,784 | 206,054 | 1,170,797 | 967,794 | 12,612,446 | 9,044,471 | | | |
| - Services rendered | 427,262 | 502,737 | 490,781 | 296,062 | 7,168 | 2,351 | - | - | - | - | - | - | 925,211 | 801,150 | | | |
| Total revenue from contracts with customers | 1,970,330 | 1,926,713 | 9,447,065 | 6,463,572 | 666,623 | 266,584 | 23,058 | 14,904 | 259,784 | 206,054 | 1,170,797 | 967,794 | 13,537,657 | 9,845,621 | | | |
| Segment results | 459,286 | 360,095 | 595,961 | 11,192 | 20,380 | (10,842) | (8,353) | (15,750) | 36,324 | 9,696 | 84,164 | 72,955 | 1,187,762 | 427,346 | | | |
| Unallocated income | | | | | | | | | | | | | 138,415 | 94,025 | | | |
| Unallocated expenses | | | | | | | | | | | | | (539,780) | (598,179) | | | |
| Profit from operations before finance cost | | | | | | | | | | | | | 786,397 | (76,808) | | | |
| Net finance cost | | | | | | | | | | | | | (140,005) | (471,074) | | | |
| Profit/(loss) before income tax expense | | | | | | | | | | | | | 646,392 | (547,882) | | | |
| Income tax expenses | | | | | | | | | | | | | (142,717) | 138,207 | | | |
| Profit/(loss) from ordinary activities | | | | | | | | | | | | | 503,675 | (409,675) | | | |
| Re-measurements of post employment benefit obligations | | | | | | | | | | | | | (23,663) | 17,828 | | | |
| Deferred tax on re-measurements of post employment benefit obligations | | | | | | | | | | | | | 4,301 | (2,490) | | | |
| Revaluation of land | | | | | | | | | | | | | 135,210 | 780,927 | | | |
| Deferred tax on gains on revaluation of land | | | | | | | | | | | | | (13,521) | (78,093) | | | |
| Changes in the fair value of equity investments at fair value through other comprehensive income | | | | | | | | | | | | | | 123,891 | (62,557) | | |
| Total comprehensive income attributable to Owners of United Motors Lanka PLC | | | | | | | | | | | | | | 729,893 | 245,940 | | |
| Segment assets | 3,021,566 | 3,145,702 | 7,107,352 | 10,806,226 | 717,661 | 407,808 | 22,859 | 15,832 | 380,647 | 420,543 | 1,257,436 | 1,219,276 | 12,507,521 | 16,015,387 | | | |
| Unallocated assets | | | | | | | | | | | | | 6,246,531 | 4,124,386 | | | |
| Total assets | 3,021,566 | 3,145,702 | 7,107,352 | 10,806,226 | 717,661 | 407,808 | 22,859 | 15,832 | 380,647 | 420,543 | 1,257,436 | 1,219,276 | 18,754,052 | 20,139,773 | | | |
| Segment liabilities | | | | | | | | | | | | | | | 5,454,066 | 7,418,329 | |
| Total liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,454,066 | 7,418,329 | |
| Segment capital expenditure-allocated | 6,439 | 51,858 | 30,871 | 167,165 | 2,178 | 7,175 | 75 | 401 | 849 | 5,546 | 3,826 | 26,049 | 44,240 | 258,194 | | | |
| Depreciation & amortisation-allocated | 55,393 | 63,641 | 285,462 | 253,748 | 19,236 | 13,444 | 1,168 | 4,527 | 5,074 | 6,967 | 28,289 | 36,866 | 394,622 | 379,193 | | | |
| Non cash expenses/(income) | - | 42,544 | 690 | 8,144 | - | - | - | - | - | 5,674 | 5,885 | 27,183 | 6,575 | 83,545 | | | |

Notes:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
SEGMENT INFORMATION

| Company | Spare parts & workshop | | Vehicles | | Equipment & machinery | | 3D Printers & services | | Lubricant & other services | | Total | |
|--|------------------------|------------------|--------------------|------------------|-----------------------|-----------------|------------------------|-----------------|----------------------------|------------------|--------------------|-------------------|
| | 2021 Un-audited | 2020 Audited | 2021 Un-audited | 2020 Audited | 2021 Un-audited | 2020 Audited | 2021 Un-audited | 2020 Audited | 2021 Un-audited | 2020 Audited | 2021 Un-audited | 2020 Audited |
| In LKR'000 | | | | | | | | | | | | |
| Revenue from contracts with customers | | | | | | | | | | | | |
| External - Goods transferred at a point in time | 1,534,591 | 1,417,499 | 3,484,658 | 2,514,943 | 22,499 | - | 23,058 | 14,904 | 1,175,309 | 968,105 | 6,240,115 | 4,915,451 |
| - Services rendered | 451,792 | 535,387 | 490,781 | 296,062 | - | - | - | - | 4,865 | 5,204 | 947,438 | 836,653 |
| Total revenue from contracts with customers | 1,986,383 | 1,952,886 | 3,975,439 | 2,811,005 | 22,499 | - | 23,058 | 14,904 | 1,180,174 | 973,309 | 7,187,553 | 5,752,104 |
| Segment results | 516,617 | 427,499 | 475,893 | 141,637 | 3,435 | - | (8,353) | (15,750) | 89,029 | 78,157 | 1,076,621 | 631,543 |
| Unallocated income | | | | | | | | | | | 306,949 | 106,079 |
| Unallocated expenses | | | | | | | | | | | (539,536) | (587,548) |
| Profit from operations before finance cost | | | | | | | | | | | 844,034 | 150,074 |
| Net finance income | | | | | | | | | | | 53,632 | (46,525) |
| Change in fair value of investment property | | | | | | | | | | | 8,210 | 17,420 |
| Profit before income tax expense | | | | | | | | | | | 905,876 | 120,969 |
| Income tax expenses | | | | | | | | | | | (139,237) | (3,642) |
| Profit from ordinary activities | | | | | | | | | | | 766,639 | 117,327 |
| Re-measurements of post employment benefit obligations | | | | | | | | | | | (20,502) | 15,986 |
| Deferred tax on re-measurements of post employment benefit obligations | | | | | | | | | | | 3,662 | (1,977) |
| Revaluation of land | | | | | | | | | | | 126,000 | 734,877 |
| Deferred tax on gains on revaluation of land | | | | | | | | | | | (12,600) | (73,488) |
| Changes in the fair value of equity investments at fair value through other comprehensive income | | | | | | | | | | | 97,414 | (43,673) |
| Total comprehensive income attributable to Owners of United Motors Lanka PLC | | | | | | | | | | | 960,613 | 749,052 |
| Segment assets | 3,009,309 | 3,465,202 | 4,528,892 | 6,820,753 | - | - | 32,982 | 22,920 | 1,781,141 | 1,686,739 | 9,352,324 | 11,995,614 |
| Unallocated assets | | | | | | | | | | | 5,981,335 | 4,164,640 |
| Total assets | 3,009,309 | 3,465,202 | 4,528,892 | 6,820,753 | - | - | 32,982 | 22,920 | 1,781,141 | 1,686,739 | 15,333,659 | 16,160,254 |
| Segment liabilities | | | | | | | | | | | 2,018,996 | 3,654,853 |
| Total liabilities | - | - | - | - | - | - | - | - | - | - | 2,018,996 | 3,654,853 |
| Segment capital expenditure-allocated | 7,254 | 76,279 | 14,518 | 109,796 | - | - | 84 | 582 | 4,311 | 38,017 | 26,167 | 224,674 |
| Depreciation & amortisation-allocated | 129,044 | 147,350 | 177,245 | 151,654 | - | - | 1,543 | 4,771 | 47,671 | 47,874 | 355,503 | 351,649 |
| Non cash expenses/(income) | - | 41,519 | - | (11,884) | - | - | 690 | - | 5,885 | 27,654 | 6,575 | 57,289 |

Notes:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.