

INTERIM FINANCIAL STATEMENTS

For the Period Ended 31 December 2023



UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group						Company					
		Un-audited 9 Months ended 31.12.2023	Un-audited 9 Months ended 31.12.2022	Variance	Un-audited 3 Months ended 31.12.2023	Un-audited 3 Months ended 31.12.2022	Variance	Un-audited 9 Months ended 31.12.2023	Un-audited 9 Months ended 31.12.2022	Variance	Un-audited 3 Months ended 31.12.2023	Un-audited 3 Months ended 31.12.2022	Variance
		Revenue from contracts with customers	5	8,746,913	8,159,518	7.2%	3,447,193	1,937,913	77.9%	4,663,719	3,694,361	26.2%	1,719,240
Cost of sales		(6,558,129)	(5,986,900)	-9.5%	(2,602,794)	(1,331,481)	-95.5%	(3,129,059)	(2,432,782)	-28.6%	(1,176,955)	(816,853)	-44.1%
Gross profit		2,188,784	2,172,618	0.7%	844,399	606,432	39.2%	1,534,660	1,261,579	21.6%	542,285	480,749	12.8%
Distribution expenses		(407,071)	(267,200)	-52.3%	(131,615)	(106,940)	-23.1%	(217,961)	(135,456)	-60.9%	(71,503)	(49,192)	-45.4%
Administrative expenses		(1,785,747)	(2,015,721)	11.4%	(594,980)	(860,174)	30.8%	(1,516,146)	(1,331,733)	-13.8%	(516,245)	(452,947)	-14.0%
Net impairment gains/(losses) on trade and other receivables		52,924	(75,099)	170.5%	17,893	(21,043)	185.0%	(87,242)	(20,739)	-320.7%	(91,992)	(32,454)	-183.5%
Other gains/(losses)-net	6	79,323	167,317	-52.6%	8,439	(27,898)	-130.2%	130,028	224,165	-42.0%	(13,291)	57,174	-123.2%
Other income		82,772	75,383	9.8%	42,476	29,207	45.4%	171,422	168,510	1.7%	65,068	61,799	5.3%
Profit from operations		210,985	57,298	268.2%	186,612	(380,416)	149.1%	14,761	166,326	-91.1%	(85,678)	65,129	-231.6%
Finance income		95,205	66,248	43.7%	58,476	34,435	69.8%	365,366	352,750	3.6%	117,069	114,531	2.2%
Finance cost		(422,424)	(467,183)	9.6%	(141,527)	(200,284)	29.3%	(33,614)	(11,776)	-185.4%	(12,947)	(4,626)	-179.9%
Net finance (cost)/income		(327,219)	(400,935)	18.4%	(83,051)	(165,849)	49.9%	331,752	340,974	-2.7%	104,122	109,905	-5.3%
(Loss)/profit before income tax expense		(116,234)	(343,637)	-66.2%	103,561	(546,265)	119.0%	346,513	507,300	-31.7%	18,444	175,034	-89.5%
Income tax (expense)/reversal		(71,514)	168,276	-142.5%	4,202	257,882	98.4%	(97,290)	(187,999)	48.2%	(15,609)	(110,796)	85.9%
(Loss)/profit for the period		(187,748)	(175,361)	-7.1%	107,763	(288,383)	137.4%	249,223	319,301	-21.9%	2,835	64,238	-95.6%
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		73,702	(19,445)		(6,654)	11,229		62,620	(21,357)		(7,237)	(10,211)	
Re-measurements of post employment benefit obligations		(1,628)	-		(1,628)	-		-	-		-	-	
Deferred tax on re-measurements of post employment benefit obligations		488	-		488	-		-	-		-	-	
Revaluation of land		-	-		-	-		-	-		-	-	
Deferred tax on gains on revaluation of land	7.2	-	(281,375)		-	(281,375)		-	(262,975)		-	(262,975)	
Other Comprehensive Income/(loss) for the period		72,562	(300,820)		(7,794)	(270,146)		62,620	(284,332)		(7,237)	(273,186)	
Total Comprehensive (loss)/Income for the period		(115,186)	(476,181)		99,969	(558,529)		311,843	34,969		(4,402)	(208,948)	
(Loss)/profit attributable to:													
Owners of United Motors Lanka PLC		(187,748)	(175,361)		107,763	(288,383)		249,223	319,301		2,835	64,238	
(Loss)/profit for the period		(187,748)	(175,361)		107,763	(288,383)		249,223	319,301		2,835	64,238	
Total Comprehensive Income attributable to:													
Owners of United Motors Lanka PLC		(115,186)	(476,181)		99,969	(558,529)		311,843	34,969		(4,402)	(208,948)	
Total Comprehensive (loss)/Income for the period		(115,186)	(476,181)		99,969	(558,529)		311,843	34,969		(4,402)	(208,948)	
Earnings per share-basic and diluted (LKR)		(1.86)	(1.74)		1.07	(2.86)		2.47	3.16		0.03	0.64	

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023
STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	Un-audited 31.12.2023	Audited 31.03.2023	Un-audited 31.12.2023	Audited 31.03.2023
Assets				
Non-current assets				
Property, plant & equipment	8,661,566	8,519,939	7,808,987	7,860,162
Investment property	-	-	580,000	580,000
Intangible assets	147,617	168,339	144,729	165,451
Right-of-use assets	210,087	251,682	120,026	131,138
Investments in subsidiaries	-	-	922,400	222,400
Other financial assets at amortised cost	445,192	-	-	-
Financial assets at fair value through other comprehensive income	166,999	122,532	129,354	96,448
Reimbursable right	19,619	19,619	13,584	13,584
Deferred tax assets	1,025,086	925,524	226,217	213,138
Total non-current assets	10,676,166	10,007,635	9,945,297	9,282,321
Current assets				
Inventories	4,383,750	5,537,596	1,933,513	2,245,136
Trade and other receivables	4,082,858	2,642,257	1,479,377	1,070,440
Amounts due from related parties	-	5,845	140,389	72,903
Current tax receivables	19,630	19,544	-	-
Other financial assets at amortised cost	94,660	-	1,039,909	2,694,773
Financial assets at fair value through profit or loss	1,953,858	615,479	1,953,858	312,619
Cash and cash equivalents	477,613	329,583	278,466	203,053
Total current assets	11,012,369	9,150,304	6,825,512	6,598,924
Total assets	21,688,535	19,157,939	16,770,809	15,881,245
Equity and liabilities				
Equity				
Stated capital	336,335	336,335	336,335	336,335
Capital reserve	5,829,573	5,829,573	5,436,283	5,436,283
Other components of equity	1,458,924	1,390,247	1,486,158	1,428,563
Retained earnings	5,762,227	6,072,216	7,166,465	7,038,343
Total equity attributable to the equity holders of the parent	13,387,059	13,628,371	14,425,241	14,239,524
Non-current liabilities				
Employee benefit obligations	289,137	234,612	212,553	208,286
Lease liabilities	126,246	153,884	92,520	96,524
Deferred tax liabilities	800,120	821,589	774,579	785,034
Total non-current liabilities	1,215,503	1,210,085	1,079,652	1,089,844
Current liabilities				
Interest bearing borrowings	5,214,891	2,926,236	634,494	-
Trade and other payables	1,317,579	1,143,205	422,116	344,630
Lease liabilities	62,548	94,957	25,798	28,883
Amounts due to related parties	-	-	80,310	33,803
Current tax liabilities	180,915	90,198	46,674	88,203
Bank overdrafts	310,040	64,887	56,524	56,358
Total current liabilities	7,085,973	4,319,483	1,265,916	551,877
Total liabilities	8,301,476	5,529,568	2,345,568	1,641,721
Total equity and liabilities	21,688,535	19,157,939	16,770,809	15,881,245
Net assets per share -LKR	132.68	135.07	142.96	141.12

Note:

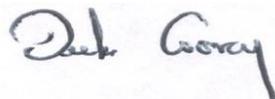
All amounts are in LKR.'000s, unless otherwise stated.

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



Thushara Jayasekara
Executive Director - Finance

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



Devaka Cooray
Chairman
9-Feb-2024
Colombo



Chanaka Yatawara
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023
STATEMENT OF CHANGES IN EQUITY

	Stated Capital LKR '000	Capital Reserve LKR '000	Other Components of Equity				Retained Earnings LKR '000	Total Equity LKR '000
			Development Reserve LKR '000	Property, Plant & Equipment Replacement Reserve LKR '000	General Reserves LKR '000	FVOCI Reserve LKR '000		
Group								
Balance as at 01.04.2022	336,335	5,822,198	785,400	308,900	466,250	(176,909)	6,337,108	13,879,282
Loss for the nine months ended 31.12.2022							(175,361)	(175,361)
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Net change in equity investments at fair value through Other Comprehensive Income						(19,445)	-	(19,445)
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(6,034)	6,034	-
Deferred tax on revaluation of land		(281,375)						(281,375)
Total comprehensive income for the period	-	(281,375)	-	-	-	(25,479)	(169,327)	(476,181)
Transactions with owners in their capacity as owners :								
Final dividend payable 2021 / 2022							(50,450)	(50,450)
Total Dividends	-	-	-	-	-	-	(50,450)	(50,450)
Balance as at 31.12.2022	336,335	5,540,823	785,400	308,900	466,250	(202,388)	6,117,331	13,352,651
Pofit for the three months ended 31.03.2023							44,270	44,270
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							18,562	18,562
Deferred tax on re-measurements of post employment benefit obligations							(7,046)	(7,046)
Net change in equity investments at fair value through Other Comprehensive Income						32,085	-	32,085
Revaluation of land		412,500					-	412,500
Deferred tax on revaluation of land		(123,750)					-	(123,750)
Total comprehensive income for the period	-	288,750	-	-	-	32,085	55,786	376,621
Transactions with owners in their capacity as owners :								
Interim dividend payable 2022 / 2023							(100,901)	(100,901)
Total Dividends	-	-	-	-	-	-	(100,901)	(100,901)
Balance as at 31.03.2023	336,335	5,829,573	785,400	308,900	466,250	(170,303)	6,072,216	13,628,371
Loss for the nine months ended 31.12.2023							(187,748)	(187,748)
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							(1,628)	(1,628)
Deferred tax on re-measurements of post employment benefit obligations							488	488
Net change in equity investments at fair value through Other Comprehensive Income						73,702	-	73,702
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(5,025)	5,025	-
Total comprehensive income for the period	-	-	-	-	-	68,677	(183,863)	(115,186)
Transactions with owners in their capacity as owners :								
Final dividend payable for 2022 / 2023							(126,126)	(126,126)
Total Dividends	-	-	-	-	-	-	(126,126)	(126,126)
Balance as at 31.12.2023	336,335	5,829,573	785,400	308,900	466,250	(101,626)	5,762,227	13,387,059

Notes:
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Figures in the brackets indicate deduction.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023
STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Capital Reserve	Other Components of Equity				Retained Earnings	Total Equity
			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	LKR '000
Company								
Balance as at 01.04.2022	336,335	5,426,258	785,400	308,900	466,250	(133,932)	6,622,299	13,811,510
Profit for the nine months ended 31.12.2022							319,301	319,301
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Net change in equity investments at fair value through Other Comprehensive Income						(21,357)	-	(21,357)
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(4,262)	4,262	-
Deferred tax on revaluation of land		(262,975)						(262,975)
Total comprehensive income for the period	-	(262,975)	-	-	-	(25,619)	323,563	34,969
Transactions with owners in their capacity as owners :								
Final dividend payable 2021 / 2022							(50,450)	(50,450)
Total Dividends	-	-	-	-	-	-	(50,450)	(50,450)
Balance as at 31.12.2022	336,335	5,163,283	785,400	308,900	466,250	(159,551)	6,895,412	13,796,029
Profit for the three months ended 31.03.2023							233,215	233,215
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							17,200	17,200
Deferred tax on re-measurements of post employment benefit obligations							(6,583)	(6,583)
Net change in equity investments at fair value through Other Comprehensive Income	-	-	-	-	-	27,564	-	27,564
Revaluation of land		390,000						390,000
Deferred tax on revaluation of land		(117,000)						(117,000)
Total comprehensive income for the period	-	273,000	-	-	-	27,564	243,832	544,396
Transactions with owners, recognised directly in equity								
Interim dividend payable 2022 / 2023							(100,901)	(100,901)
Total Dividends	-	-	-	-	-	-	(100,901)	(100,901)
Balance as at 31.03.2023	336,335	5,436,283	785,400	308,900	466,250	(131,987)	7,038,343	14,239,524
Profit for the nine months ended 31.12.2023							249,223	249,223
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Net change in equity investments at fair value through Other Comprehensive Income						62,620	-	62,620
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(5,025)	5,025	-
Total comprehensive income for the period	-	-	-	-	-	57,595	254,248	311,843
Transactions with owners in their capacity as owners :								
Final dividend payable for 2022 / 2023							(126,126)	(126,126)
Total Dividends	-	-	-	-	-	-	(126,126)	(126,126)
Balance as at 31.12.2023	336,335	5,436,283	785,400	308,900	466,250	(74,392)	7,166,465	14,425,241

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 PERIOD ENDED 31 DECEMBER 2023

Statement of Cash Flows

For the period ended 31 December	Group		Company	
	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000
Cash flows from operating activities				
(Loss)/profit before income tax expense	(116,234)	(343,637)	346,513	507,300
Adjustments for;				
Provision for depreciation / amortisation	114,267	141,735	99,035	124,199
Profit on disposal of property, plant & equipment	(9,921)	(19,693)	(1,965)	(18,959)
Net gains on disposal of financial asset at fair value through profit or loss	(26,750)	(8,330)	(26,750)	(8,330)
Net change in fair value - financial asset at fair value through profit or loss	(56,517)	15,030	(56,517)	15,030
Interest expense	422,424	467,184	33,614	11,776
Interest income	(95,205)	(66,248)	(87,785)	(60,823)
Dividend income from equity investments	(6,574)	(7,477)	(6,153)	(6,660)
Impairment of trade & other receivables and losses on warranty claims	(52,924)	75,099	87,242	20,739
Provision for employee benefit obligations	36,758	35,440	30,159	28,509
Amortisation of right-of-use assets	108,847	120,938	29,091	109,669
Write-down/(write back) of inventory to lower of cost or NRV (Net Realisable Value)	39,066	20,604	36,319	1,887
Gain on bargain purchase of subsidiary	(9,323)	-	-	-
Fair value adjustment on unit trust and commercial papers	(8,212)	-	(53,194)	(140,163)
Operating profit before working capital changes	339,702	430,645	429,609	584,174
Decrease in inventories	1,586,400	713,512	275,304	185,629
(Increase)/decrease in trade and other receivables	(190,395)	463,955	(402,650)	(154,395)
Decrease/(increase) in amounts due from related parties	5,845	-	(67,486)	(50,459)
Increase in amounts due to related parties	-	-	46,507	57,256
(Decrease)/increase in trade and other payables	(275,935)	(2,302,076)	77,487	(700,588)
Cash inflow/(outflow) from operating activities	1,465,617	(693,964)	358,771	(78,383)
Interest paid	(423,042)	(449,734)	(29,121)	(11,734)
Taxes paid	(186,882)	(119,763)	(162,351)	(114,962)
Contribution paid and received from investment plan (net)	(45,789)	(731)	(25,892)	-
Net cash inflow/(outflow) from operating activities	809,904	(1,264,192)	141,407	(205,079)
Cash flows from investing activities				
Investment in shares, unit trust and commercial papers	(6,509,011)	(1,690,000)	(7,115,000)	(3,141,948)
Proceeds from disposal of investments/unit trust/commercial papers	5,287,812	2,619,821	7,201,267	3,870,017
Acquisitions of property, plant & equipment and intangible assets	(53,045)	(32,640)	(31,329)	(24,966)
Proceeds from disposal of property, plant & equipment	31,216	26,153	6,157	23,478
Net cash & cash equivalents on acquisition of subsidiary	(873,336)	-	(700,000)	-
Interest received	95,205	66,248	87,785	60,823
Dividend received	6,574	7,477	6,153	6,660
Net cash (outflow)/inflow from investing activities	(2,014,585)	997,059	(544,967)	794,064
Cash flows from financing activities				
Dividend paid	(126,125)	(50,450)	(126,125)	(50,450)
Principal element of lease payments	(129,035)	(126,902)	(25,068)	(104,069)
Loans obtained	24,651,483	3,934,254	2,872,399	108,726
Loans paid	(23,288,765)	(3,018,965)	(2,242,399)	(84,726)
Net cash inflow/(outflow) from financing activities	1,107,558	737,937	478,807	(130,519)
Net (decrease)/increase in cash & cash equivalents	(97,123)	470,804	75,247	458,466
Cash & cash equivalents at the beginning of the period	264,696	342,718	146,695	220,686
Cash and cash equivalents at the end of the period	167,573	813,522	221,942	679,152
	Group		Company	
	31.12.2023 LKR.'000	31.12.2022 LKR.'000	31.12.2023 LKR.'000	31.12.2022 LKR.'000
Cash and bank balances	391,933	314,498	192,786	182,709
Short term deposits	85,680	607,519	85,680	555,759
	477,613	922,017	278,466	738,468
Bank overdrafts	(310,040)	(108,495)	(56,524)	(59,316)
Total cash & cash equivalents	167,573	813,522	221,942	679,152

Notes:

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023
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 period ended 31 December 2023 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, used 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, trailers, 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 2023.

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 2023.

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. Acquisition of a subsidiary

4.1 On 11 December 2023, United Motors Lanka PLC acquired 100% stake in Dutch Lanka Trailer Manufacturers Limited (DLT) along with Dutch Lanka Engineering (Pvt) Limited (DLE), a 100% subsidiary of DLT.

DLT is a BOI registered company incorporated in 1992 and is engaged in the design, engineering and manufacture of a range of port and road trailers for both domestic and export markets. DLT established Dutch Lanka Engineering (Pvt) Limited (DLE) in 2004. DLE manufactures trailers for the local market, provides aftermarket service support, supplies spare parts for trailers, undertakes steel fabrication work and refurbishment.

The primary reason for the acquisition is to diversify the existing business to different business sectors and to give more returns to the stakeholders.

4.2 Details of the purchase consideration, contingent consideration and gain on bargain purchase are as follows;

	LKR'000
Purchase consideration paid in cash	700,000
Contingent consideration	75,000
Gain on bargain purchase	9,323
Fair values of the identifiable assets and liabilities	<u>784,323</u>

4.3 Contingent consideration

As per the sales purchase agreement (SPA) between United Motors Lanka PLC and TRF Singapore PTE Ltd on the acquisition of Dutch Lanka Trailer Manufacturers Ltd, the TRF Singapore PTE Ltd (seller), retained LKR 75 MN cash in lieu of all representations and warranties of the seller and that the seller shall not be liable for any loss, damage, claim or expense other than fundamental warranties. Accordingly, LKR 75 MN has been recorded as a liability in the consolidated balance sheet as at the acquisition date. The outcome of the maximum payment is unlimited and cannot be estimated. At every balance sheet date, the management will assess the liabilities that are settled, canceled, or expired and relevant amounts will be adjusted in profit or loss in accordance with SLFRS 3.

4.4 The provisional fair values of the identifiable assets and liabilities based on un-audited financial statements as at the date of acquisition were as follows.

	LKR'000
Assets	
Property, plant and equipment	203,422
Right of use assets	3,867
Deferred tax assets	29,398
Investment in equity shares	480
Other financial assets	442,072
Inventories	471,620
Trade and other receivables	1,197,282
Other current financial assets	93,769
Cash and short-term deposits	34,764
	<u>2,476,674</u>
Liabilities	
Retirement benefit obligations	61,927
Interest bearing loans and borrowings	932,161
Trade and other payables	375,309
Income tax payable	114,854
Bank overdrafts	208,100
	<u>1,692,351</u>
Net assets acquired	<u>784,323</u>

4.5 Acquired receivables

The fair value of the acquired trade receivables is LKR 1,045.4 MN. The gross contractual amount for trade receivable due is LKR 1,068.2 MN, with a loss allowance of LKR 22.8 MN recognised on acquisition.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

4.6 Revenue and profit contribution

Revenue of LKR 170 MN and profit after tax of LKR 27.2 MN of Dutch Lanka Trailer Manufacturers Limited and its subsidiary, since the acquisition date of 11 December 2023 have been included in the consolidated financial statements for the period ended 31 December 2023.

4.7 Acquisition-related costs

Acquisition-related costs of LKR 3 MN have been included in administrative expenses in the statement of profit or loss for the period ended 31 December 2023.

4.8 Purchase consideration - cash outflow

	LKR'000	LKR'000
Purchase consideration paid		700,000
Cash and cash equivalents acquired		
Cash in hand	(34,764)	
Bank overdraft	208,100	173,336
Net cash used in acquisition		<u>873,336</u>

5. Operating segments

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components whose operating results are reviewed regularly by the Group Chief Executive Officer/Executive Director to make decisions about resources allocated to each segment and assess its performance and for which discrete financial information is available.

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

Reportable segment	Nature of business
Spare parts & workshop	Repair and service of vehicles, machinery and equipment, Sale of vehicle spare parts, accessories and related components.
Vehicles	Sale of passenger vehicles, assembled vehicles, commercial vehicles, special purpose vehicles, pre-owned passenger vehicles and commercial vehicles. Provide vehicle sales facilitation and brokering services.
Equipment & machinery	Sale of heavy equipment, generators & machinery
3D Printers & services	Sale of 3D printers, filaments, spare parts and related services
Tyres	Sale of tyres
Lubricant and car care products	Sale of lubricants and car care products
Trailers	Manufacturing and selling of trailers, carriage of cargo containers and related services.

6. Revenue from contracts with customers

	Group		Company	
	9 months ended 31.12.2023 LKR'000	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2023 LKR'000	9 months ended 31.12.2022 LKR'000
Spare parts, repairs and services	2,487,360	1,857,138	2,581,817	1,860,550
Vehicles	4,020,888	4,975,210	478,195	824,241
Local charges and brokering fees - vehicles	26,081	5,588	26,081	5,588
Equipment and machinery	291,916	219,127	-	-
3D printers and services	8,251	10,367	8,251	10,367
Tyres	182,865	103,157	-	-
Lubricants and car care products	1,559,491	988,931	1,563,318	990,278
Trailers	170,061	-	-	-
Hiring	-	-	6,057	3,337
	<u>8,746,913</u>	<u>8,159,518</u>	<u>4,663,719</u>	<u>3,694,361</u>

Timing of revenue recognition

The group recognised total revenue from the transfer of goods and services at a point in time.

	Group		Company	
	9 months ended 31.12.2023 LKR'000	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2023 LKR'000	9 months ended 31.12.2022 LKR'000
Revenue recognised at a point in time	8,746,913	8,159,518	4,663,719	3,694,361
	<u>8,746,913</u>	<u>8,159,518</u>	<u>4,663,719</u>	<u>3,694,361</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

Revenue by nature of transactions

	Group		Company	
	9 months ended 31.12.2023 LKR'000	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2023 LKR'000	9 months ended 31.12.2022 LKR'000
Sale of goods	8,283,613	7,775,934	4,048,490	3,265,976
Rendering of services	437,219	377,996	583,091	419,460
Service support income	26,081	5,588	32,138	8,925
	<u>8,746,913</u>	<u>8,159,518</u>	<u>4,663,719</u>	<u>3,694,361</u>

7. Other gains/(losses)-net

	Group		Company	
	9 months ended 31.12.2023 LKR'000	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2023 LKR'000	9 months ended 31.12.2022 LKR'000
Foreign exchange (losses)/gains-net	(21,479)	174,017	(6,433)	90,703
Gain on bargain purchase of subsidiary	9,323	-	-	-
Net change in fair value of financial assets at				
Fair value through profit or loss-equity investments	56,517	(15,030)	56,517	(15,030)
Fair value through profit or loss-unit trust	8,212	-	8,212	-
Fair value through profit or loss-commercial papers	-	-	44,982	140,162
Net gains on disposal of				
Financial assets at fair value through profit or loss	26,750	8,330	26,750	8,330
	<u>79,323</u>	<u>167,317</u>	<u>130,028</u>	<u>224,165</u>

8. Fair values Vs. carrying amounts

8.1 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 the fair value.

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

This section 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 the fair values, the Group has classified its financial instruments into the three levels prescribed in the accounting standard.

	Group					
	Carrying amount	31.12.2023		Carrying amount	31.03.2023	
		Fair value	Level 1		Level 2	Fair value
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	60,646	60,646	-	252,426	252,426	-
Investments in unit trusts	1,893,212	-	1,893,212	363,053	-	363,053
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	3,564,717	-	-	2,304,238	-	-
Amounts due from related parties	-	-	-	5,845	-	-
	539,852	-	-	-	-	-
Other financial assets at amortised cost						
Cash & cash equivalents	477,613	-	-	329,583	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	166,999	166,999	-	122,532	122,532	-
	<u>6,703,039</u>	<u>227,645</u>	<u>1,893,212</u>	<u>3,377,677</u>	<u>374,958</u>	<u>363,053</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	5,214,891	-	-	2,926,236	-	-
Bank overdrafts	310,040	-	-	64,887	-	-
	<u>5,524,931</u>	<u>-</u>	<u>-</u>	<u>2,991,123</u>	<u>-</u>	<u>-</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

	Company					
	Carrying amount	31.12.2023		Carrying amount	31.03.2023	
		Fair value			Fair value	
		LKR '000	Level 1 LKR '000		Level 2 LKR '000	LKR '000
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	60,646	60,646	-	252,426	252,426	-
Investments in unit trusts	1,893,212	-	1,893,212	60,193	-	60,193
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	1,416,930	-	-	1,010,006	-	-
Amounts due from related parties	140,389	-	-	72,903	-	-
Other financial assets at amortised cost-investments in commercial papers	1,039,909	-	-	2,694,773	-	-
Cash & cash equivalents	278,466	-	-	203,053	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	129,354	129,354	-	96,448	96,448	-
	<u>4,958,906</u>	<u>190,000</u>	<u>1,893,212</u>	<u>4,389,802</u>	<u>348,874</u>	<u>60,193</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	634,494	-	-	-	-	-
Bank overdrafts	56,524	-	-	56,358	-	-
	<u>691,018</u>	<u>-</u>	<u>-</u>	<u>56,358</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).

8.2 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.

9. Approval of financial statements

These consolidated interim financial statements for the period ended 31 December 2023 were authorized for issue by the Board of Directors on 9 February 2024.

10 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.

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INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

11. Capital commitments and other Contingent liabilities

There has been no significant change in nature of the contingencies, capital commitments and other matters which were disclosed in the Annual Report 2022/23 under note number 39 and 42 except below;

During the quarter ended 30 September 2023, Unimo Enterprises Ltd (UEL) a fully owned subsidiary of United Motors Lanka PLC (UML) settled the dispute it had with a licensed Commercial bank on settlement of some Letters of Credit which was disclosed under other matters in the Annual Report for the year 2022/23. According to the mutually agreed settlement, LKR 99 million was debited to UEL accounts during the period ended 31 December 2023.

12. Events after the reporting period and other matters

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

13. Related party transactions

13.1 Transactions with the parent company

Transaction type	Period ended 31.12.2023 LKR'000	Period ended 31.12.2022 LKR'000
United Motors Lanka PLC		
Repairs & services provided	1,632	1,311

13.2 Transactions with subsidiaries

Transaction type	Period ended 31.12.2023 LKR'000	Period ended 31.12.2022 LKR'000
Sale of goods	47,078	3,536
Purchase of goods	14,339	1,073
Repairs and services provided	167,995	83,249
Repairs & services obtained	2,083	1,130
Fees on financial services provided	70,311	67,951
Expenses incurred	537,566	58,545
Reimbursement of expenses	3,426	5,321
Hiring income received	6,057	3,337
Hiring rentals paid for vehicles	601	601
Interest received	323,542	432,090
Interest paid	1,899	-
Loans granted	965,000	13,600
Loan settlements	965,000	13,600
Commission on sales	961	-
Investments in commercial papers	610,000	1,403,800
Settlement of commercial papers including interest	2,377,118	1,508,518
Rentals paid for premises occupied	73,533	73,533
Rentals received for premises occupied	28,543	30,580

13.3 Transactions with other related entities of the parent company

Company	Transaction type	Period ended 31.12.2023 LKR'000	Period ended 31.12.2022 LKR'000
Pap Solar One (Pvt) Ltd	Repairs & services provided	563	276

13.4 Non – recurrent related party transactions

There were no non – recurrent transactions for the period ended 31 December 2023 which requires immediate market disclosure.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

14. Share information

14.1 Stated capital

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

As at	31.12.2023	31.03.2023
Ordinary shares	100,900,626	100,900,626

14.2 Public shareholding

As at	31.12.2023	31.03.2023
Number of public shareholders	3,558	3,593
Percentage of shares held by the public	24.48%	24.47%

The float adjusted market capitalisation as at 31 December 2023 - LKR. 1,434,878,444.

Public shareholding percentage as at 31 December 2023 is 24.48% and the Company is in compliance with option 5 of Section 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange.

14.3 Directors' shareholding

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

As at	31.12.2023	31.03.2023
Mr. Devaka Cooray	50,000	50,000
Mr. Chanaka Yatawara	1,696,193	1,696,193
Mr. Ananda Atukorala	3,000	3,000
Ms. Hiroshini Fernando	-	-
Mr. Ramesh Yaseen	10,620	10,620
Prof. Malik Ranasinghe	-	-
Mr. Stuart Chapman	-	-
Ms. Coralie Pietersz	-	-
Mr. Junya Takami	-	-
Mr. Thushara Jayasekara	-	-
	<u>1,759,813</u>	<u>1,759,813</u>

14.4 Twenty largest shareholders of the Company are as follows:

As at	31.12.2023		31.03.2023	
	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	1,696,193	1.68
Mr. A. M. Weerasinghe	1,369,743	1.36	1,369,743	1.36
Amana Bank PLC / Mr. M. Z. Mohamed Ghouse	636,500	0.63	636,000	0.63
Rubber Investment Trust LTD A/C No. 01	389,427	0.39	389,427	0.39
Seylan Bank PLC / Mr. Mohamed Nayaz Deen	359,175	0.36	359,175	0.36
Amana Bank PLC / Mr. Mohamed Nayaz Deen	255,683	0.25	255,683	0.25
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. M. S. Bahaudeen	197,217	0.20	184,497	0.18
Hatton National Bank PLC / Mohamed Zulficar Mohamed	171,000	0.17	171,000	0.17
Mr. P. Rathnayaka	156,000	0.15	156,000	0.15
Mercantile Investments and Finance PLC	150,000	0.15	150,000	0.15
Mr. S. A. C. Keerthisinghe & Mrs. D. M. J. S. Dissanayaka	141,000	0.14	131,000	0.13
Akbar Brothers (Pvt) Ltd A/C No. 1	136,648	0.14	136,648	0.14
Mr. M. Anndreino Yaseen	119,430	0.12	119,430	0.12

14.5 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.

14.6 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.

14.7 Market price per share

For the quarter ended 31 December	2023	2022
	LKR	LKR
Highest price	76.00	65.90
Lowest price	57.00	53.00
Last traded price	58.10	60.90

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SEGMENT INFORMATION

Group	Spare parts and workshop		Vehicles		Equipment and machinery		Trailers		3D Printers and services		Tyres		Lubricants and car care products		Total	
	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
In LKR'000	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
Segment revenue	2,654,982	1,904,029	4,056,219	4,980,798	291,916	220,257	170,061	-	8,251	10,367	187,705	104,230	1,610,042	993,615	8,979,176	8,213,296
Inter segment revenue	(167,622)	(46,891)	(9,250)	-	-	(1,130)	-	-	-	-	(4,840)	(1,073)	(50,551)	(4,684)	(232,263)	(53,778)
Revenue from external customers	2,487,360	1,857,138	4,046,969	4,980,798	291,916	219,127	170,061	-	8,251	10,367	182,865	103,157	1,559,491	988,931	8,746,913	8,159,518
Revenue from contracts with customers																
Goods transferred at a point in time	2,061,113	1,479,142	4,020,888	4,975,210	291,916	219,127	159,089	-	8,251	10,367	182,865	103,157	1,559,491	988,931	8,283,613	7,775,934
Services rendered at a point in time	426,247	377,996	26,081	5,588	-	-	10,972	-	-	-	-	-	-	-	463,300	383,584
Total revenue from contracts with customers	2,487,360	1,857,138	4,046,969	4,980,798	291,916	219,127	170,061	-	8,251	10,367	182,865	103,157	1,559,491	988,931	8,746,913	8,159,518
Segment profit/(loss)	410,686	419,752	204,497	86,069	(12,207)	(69,090)	46,469	-	(5,954)	(7,587)	27,205	21,944	124,127	223,146	794,823	674,234
Unallocated income															82,772	75,383
Unallocated expenses															(666,610)	(692,319)
Profit from operations before finance cost															210,985	57,298
Finance income															95,205	66,248
Finance cost															(422,424)	(467,183)
Net finance (cost)/income															(327,219)	(400,935)
(Loss)/profit before income tax expenses															(116,234)	(343,637)
Income tax reversal/(expense)															(71,514)	168,276
(Loss)/profit for the period															(187,748)	(175,361)
Segment assets	3,672,834	4,785,558	6,039,123	6,680,170	550,293	666,583	2,531,295	-	11,588	16,152	341,454	192,294	3,204,975	2,256,817	16,351,562	14,597,574
Unallocated assets															5,336,973	4,181,118
Total assets	3,672,834	4,785,558	6,039,123	6,680,170	550,293	666,583	2,531,295	-	11,588	16,152	341,454	192,294	3,204,975	2,256,817	21,688,535	18,778,692
Segment liabilities	32,667	88,851	87,442	607,908	11,622	39,994	1,720,937	-	667	-	-	-	1,981	12,962	1,855,316	749,715
Unallocated liabilities															6,446,160	4,676,326
Total liabilities	32,667	88,851	87,442	607,908	11,622	39,994	1,720,937	-	667	-	-	-	1,981	12,962	8,301,476	5,426,041
Segment capital expenditure-allocated	12,657	7,429	20,591	19,924	1,485	877	9,405	-	42	41	930	413	7,935	3,956	53,045	32,640
Depreciation and amortisation-allocated	42,858	43,920	142,344	188,168	8,821	8,830	1,524	-	110	183	2,447	1,817	25,010	19,755	223,114	262,673
Non cash expenses/(income)	27,525	11,516	(49,456)	91,329	7,444	(253)	-	-	1,327	198	(6,135)	7,303	5,437	22,601	(13,858)	132,694

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