6. Bukit Darah

The Group has shown its resilience in the face of adversity with an operational performance that is noteworthy.

Board of Directors

Hari Selvanathan

Chairman

1. Mano Selvanathan

2. Israel Paulraj

3. Chandima Gunawardena

4. Leslie Ralph De Lanerolle

5. Suresh Shah

6. Mahendra Dayananda

7. Krishna Selvanathan

(Alternate Director To M. Selvanathan)

Delivering an exceptionally strong operational and financial performance

Bukit Darah rises to number 6 in the Business Today Top 40. The year in review was a period of unprecedented challenges to Sri Lanka, Indonesia, and Malaysia. The Group moved quickly at the start of the year to adapt its businesses to the impact of COVID-19, and the Group achieved a top-line of 115 billion rupees with a satisfactory growth of 8 percent over the corresponding financial year.

The Bukit Darah Group observed a commendable profit after tax of Rs.9.7 billion rupees. Of the Rs.9.7 billion rupees profit, Rs.1.9 billion was attributable to upward mark-to-market adjustments of the financial assets of the Portfolio and Asset Management sector due to the improved performance of the Colombo Stock Exchange. Additionally, Rs.1.5 billion was derived from the significant appreciation of the Indonesian Rupiah (IDR) against the US Dollar (USD) over the year. The Oil Palm Plantations sector's results were impacted by the magnitude of the increase in the duty and levy on Crude Palm Oil (CPO) in Indonesia from December 2020. Still, since the Government of Indonesia is using these funds collected to continue purchasing CPO for its biodiesel requirement, this will act as a price stabilizer for the industry.

In a year of persistent market uncertainties and operational restrictions from the pandemic, the businesses endured well and delivered a solid operational and financial performance. On a stand-alone basis, the Bukit Darah Company reported a revenue of Rs.79.2 million, a 3 percent YoY increase. Accordingly, the company's net profit improved to Rs.49.8 million from Rs.47.6 million in the previous year.

Continued capital expenditure projects

The Group continued its capital expenditure projects during the year, even under a restricted movement environment.

The Oil Palm Plantations sector completed three milling projects to a commission on schedule, thus bringing all of their plantation locations adequate milling capacity and increased margins.

The Beverage sector successfully migrated all its Information Technology systems to the Cloud as per its strategic plan. At the same time, it carried out several key investments into the supply chain and completed specific capacity enhancements in line with the long-term infrastructure development plan to meet future demand requirements. The ability to complete these projects under this turbulent situation showcases the staff's commitment to their business sectors, which is commendable.

Making great strides in Environmental, Social, and Governance (ESG) spheres

The Group will continue to improve its financial performance while making great strides into the Environmental, Social, and Governance (ESG) spheres, especially in

progressing on actions related to the Environmental, Social, and Governance (ESG) fronts concerning its Oil Palm Plantations sector.

The Brewery will focus on increasing the geographical coverage, balancing its export markets, and developing flexibility in production to cater to niche demand for smaller batch volumes. Sustained market performance for the Portfolio and Asset Management sector and the need for the Real Estate sector will greatly depend on Sri Lanka’s attractiveness as a destination of growth, level of Foreign Direct Investments (FDIs), as well as the country’s successful execution of core economic policies while managing its foreign debt obligations.