



SINGER[®]

Trusted Excellence



SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
SIX MONTHS ENDED 30TH JUNE 2015

Group Chief Executive Officer's Review

The Singer Group Revenue grew by 28% over the prior year to reach Rs. 18 Billion in the first half.

The growth in Revenue and profits is due both to the initiatives and expansion done by the Group and due to the improvement in the business environment.

While the improvement in business environment resulted in growth to an extent, the extra growth is due to the various initiatives taken by the Group. For example, the new brands of DELL, SONY, MITSUBISHI and SHARP had a Revenue of Rs. 1,246 Million in first half of 2015 compared with Rs. 99 Million in the same period of prior year.

The Company continues to take initiatives and expand by establishing new shops, dealers and channels of distribution; Improving and renovating shops; Securing new brands and distributorships; Introduction of new products, Improvement of processes, etc.

The revenue growth was once again driven by the Communication and the Digital Media segment which grew by 79%. This is now close to the Consumer Electronics Segment. At the same time, all other segments had a growth. Agro segment grew by 66%, Sewing products by 37%, Kitchen - related products by 39%, Furniture by 25%, White goods by 17% and Electronics by 14%.

The 2nd quarter Revenue at Rs. 9.4 Billion reflected a growth of 29%, over the prior year.

The Group Net Profit for the first half is Rs. 660.3 Million, which is an increase of 141% when compared with prior year. In case of the Company, Net Profit for the first half was Rs. 508.5 Million, which is an increase of 130%.

While we have a marked increase of profits in 2015 over that of 2014 and 2013, we need to be mindful that the profit is still 3% below that of 2012, which was the highest profits recorded at half year.

The Company's public listed subsidiary Singer Finance (Lanka) PLC, had increase of revenue of 2% and an increase of Net Profit of 60%, for the first half of 2015. Despite the good volume growth of business, the low revenue growth is due to the reduction in lending rates. This was compensated by a corresponding reduction in borrowing rates and lead to growth in Net Income.

The Company's new Subsidiary Singer Digital Media (Pvt) Limited, which is specializing in the sale of mobile phones and computers to the trade channel had a Revenue to external parties of Rs. 1,402 Million.

I wish to place on record my appreciation of all our staff for their contribution and commitment in bringing these results.

I also thank the Chairman and Board of Directors of the Company, Chairman and Chief Executive Officer of Singer Asia for their valuable support and guidance.

I also thank all our shareholders for their continued trust in the Board of Directors and the Management of the Company.

Sincerely,

Asoka Pieris
Group Chief Executive Officer

August 6, 2015

Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 30th June	Group		Company		Variance		%	Variance		%
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000	Group Rs. '000			Company Rs. '000		
Revenue	9,408,982	7,286,090	8,243,204	6,820,751	2,122,892	+	29	1,422,452	+	21
Cost of Sales	(6,281,640)	(4,777,623)	(5,731,802)	(4,777,623)	(1,504,077)	+	31	(954,179)	+	20
Direct Interest Cost	(152,734)	(169,594)	—	—	(16,860)	-	10	—	-	—
Gross Profit	2,974,608	2,338,872	2,511,402	2,043,127	635,735	+	27	468,274	+	23
Other Income	21,362	28,623	161,261	98,211	7,262	-	25	63,050	+	64
Selling and Administration Expenses	(2,060,287)	(1,797,239)	(1,861,185)	(1,607,790)	(263,046)	+	15	(253,395)	+	16
Other Operating Expenses	(68,191)	(64,652)	(62,820)	(59,783)	(3,539)	+	5	(3,037)	+	5
Finance Cost	(272,758)	(291,756)	(260,959)	(291,756)	(18,997)	-	7	(30,796)	-	11
Finance Income	35,831	19,080	15,041	3,796	16,750	+	88	(11,246)	+	296
Net Finance Cost	(236,928)	(272,676)	(245,917)	(287,961)	(35,748)	-	13	(42,043)	-	15
Share of Profit of Equity Accounted Investees (Net of Income Tax)	604	330	—	—	274	+	83	—	-	—
Value Added Tax on Financial Services	(26,774)	(23,139)	(7,000)	(10,800)	(3,635)	+	16	(3,800)	-	35
Profit before Tax	604,395	210,119	495,740	175,004	394,275	+	188	320,737	+	183
Income Tax Expense	(221,904)	(78,837)	(111,048)	(31,296)	(143,067)	+	181	(79,752)	+	255
Profit for the Period	382,490	131,282	384,692	143,708	251,210	+	191	240,984	+	168
Other Comprehensive Income	—	—	—	—						
Total Comprehensive Income for the Period	382,490	131,282	384,692	143,708						
Profit Attributable to –										
Owners of the Company	363,245	116,849	384,692	143,708						
Non-Controlling Interest	19,245	14,434	—	—						
Profit for the Period	382,490	131,282	384,692	143,708						
Total Comprehensive Income Attributable to –										
Owners of the Company	363,245	116,849	384,692	143,708						
Non-Controlling Interest	19,245	14,434	—	—						
Total Comprehensive Income for the Period	382,490	131,282	384,692	143,708						
Earnings per Share – Basic (Rs.)	3.05	0.93	3.07	1.15						

Above figures are provisional and subject to audit.

Share Prices	2nd Quarter 2015 Rs.	2nd Quarter 2014 Rs.
Highest	135.00	98.90
Lowest	105.50	88.00
Last Traded Price	127.90	93.40

Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th June	Group		Company		Variance		Variance		
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000	Group Rs. '000	%	Company Rs. '000	%	
Revenue	18,004,428	14,027,415	15,656,111	13,106,470	3,977,013	+ 28	2,549,641	+ 19	
Cost of Sales	(12,016,828)	(9,032,688)	(10,875,131)	(9,032,688)	(2,984,140)	+ 33	(1,842,443)	+ 20	
Direct Interest Cost	(304,110)	(354,995)	—	—	(50,885)	+ 14	—	—	
Gross Profit	5,683,489	4,639,732	4,780,980	4,073,782	1,043,756	+ 22	707,198	+ 17	
Other Income	48,717	69,928	178,423	120,863	21,210	- 30	57,560	+ 48	
Selling and Administration Expenses	(4,038,666)	(3,570,401)	(3,647,430)	(3,190,363)	(468,266)	+ 13	(457,067)	+ 14	
Other Operating Expenses	(141,169)	(131,026)	(130,217)	(121,808)	(10,143)	+ 8	(8,408)	+ 7	
Finance Cost	(545,082)	(585,448)	(547,060)	(585,448)	(40,365)	- 7	(38,388)	- 7	
Finance Income	43,670	36,909	51,901	10,493	80,579	+ 218	41,408	+ 395	
Net Finance Cost	(501,413)	(548,539)	(495,158)	(574,955)	(47,126)	- 9	(79,796)	- 14	
Share of Profit of Equity Accounted Investees (Net of Income Tax)	982	680	—	—	303	+ 45	—	- -	
Value Added Tax on Financial Services	(43,842)	(42,012)	(9,400)	(20,600)	(1,830)	+ 4	(11,200)	- 54	
Profit before Tax	1,008,099	418,362	677,199	286,919	589,737	+ 141	390,280	+ 136	
Income Tax Expense	(347,820)	(144,586)	(168,749)	(65,453)	(203,234)	+ 141	(103,296)	+ 158	
Profit for the Period	660,277	273,776	508,450	221,466	386,502	+ 141	286,984	+ 130	
Other Comprehensive Income	—	—	—	—					
Total Comprehensive Income for the Period	660,277	273,776	508,450	221,466					
Profit Attributable to -									
Owners of the Company	616,909	246,724	508,450	221,466					
Non-Controlling Interest	43,368	27,052	—	—					
Profit for the Period	660,277	273,776	508,450	221,466					
Total Comprehensive Income Attributable to -									
Owners of the Company	616,909	246,724	508,450	221,466					
Non-Controlling Interest	43,368	27,052	—	—					
Total Comprehensive Income for the Period	660,277	273,776	508,450	221,466					
Earnings per Share - Basic (Rs.)	4.93	1.97	4.06	1.77					

Above figures are provisional and subject to audit.

	Six Months Ended 2015 Rs.	Six Months Ended 2014 Rs.
Share Prices		
Highest	135.00	98.90
Lowest	105.50	88.00
Last Traded Price	127.90	93.40

Statement of Financial Position

As at 30th	Group			Company		
	June 2015 Rs. '000	June 2014 Rs. '000	December 2014 Rs. '000	June 2015 Rs. '000	June 2014 Rs. '000	December 2014 Rs. '000
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	2,586,053	2,492,042	2,667,909	2,513,837	2,421,505	2,603,691
Intangible Assets	246,881	198,405	243,646	203,351	164,921	205,413
Investments in Subsidiaries	—	—	—	992,242	982,242	987,242
Investments in Equity Accounted Investees	56,171	53,906	55,189	48,000	48,000	48,000
Other Financial Assets	17,061	17,061	17,061	616,303	166,303	166,303
Trade and Other Receivables	6,350,235	5,667,829	5,778,199	1,556,205	1,606,113	1,564,675
Deferred Tax Assets	155,216	110,412	185,024	178,695	135,362	179,385
	<u>9,411,617</u>	<u>8,539,655</u>	<u>8,947,028</u>	<u>6,108,633</u>	<u>5,524,446</u>	<u>5,754,709</u>
Current Assets						
Inventories	5,999,290	4,974,983	5,475,791	5,614,626	4,974,983	5,178,215
Loans due from Related Parties	63,135	66,635	65,135	602,665	114,921	717,069
Income Tax Receivable	—	28,838	—	—	28,838	—
Trade and Other Receivables	12,365,878	10,499,472	10,963,330	7,947,973	7,082,397	7,043,914
Amounts due from Related Parties	—	7,590	45,073	47,353	7,590	298,389
Deposits with Banks	90,725	112,849	110,388	—	—	—
Other Financial Assets	932,466	554,537	653,380	—	—	—
Cash and Cash Equivalents	1,536,711	1,234,603	1,176,934	1,512,131	774,038	914,488
	<u>20,988,205</u>	<u>17,479,507</u>	<u>18,490,030</u>	<u>15,724,748</u>	<u>12,982,767</u>	<u>14,152,075</u>
Total Assets	<u>30,399,822</u>	<u>26,019,162</u>	<u>27,437,058</u>	<u>21,833,381</u>	<u>18,507,213</u>	<u>19,906,784</u>
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	863,969	756,394	870,358	863,969	756,394	870,358
Statutory Reserve	73,318	136,128	136,128	—	—	—
Revenue Reserves	4,215,759	3,379,202	3,842,675	3,284,116	2,842,892	3,082,302
Total Equity Attributable for Equity Holders of the Company	<u>5,779,094</u>	<u>4,897,772</u>	<u>5,475,207</u>	<u>4,774,133</u>	<u>4,225,334</u>	<u>4,578,708</u>
Non-Controlling Interest	<u>444,826</u>	<u>401,894</u>	<u>441,960</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Equity	<u>6,223,919</u>	<u>5,299,666</u>	<u>5,917,169</u>	<u>4,774,133</u>	<u>4,225,334</u>	<u>4,578,708</u>
Non-Current Liabilities						
Interest-Bearing Loans and Borrowings	6,623,668	3,681,372	4,226,596	4,500,000	2,600,000	3,146,637
Retirement Benefit Obligations	433,147	356,257	383,912	409,728	340,445	362,593
Deferred Taxation Liability	117,304	107,347	119,789	117,304	107,347	119,789
Security Deposits	787,879	680,667	732,124	787,879	680,667	732,124
Other Financial Liabilities	595,088	855,230	798,492	—	—	—
	<u>8,557,087</u>	<u>5,680,873</u>	<u>6,260,914</u>	<u>5,814,912</u>	<u>3,728,459</u>	<u>4,361,144</u>
Current Liabilities						
Trade and Other Payables	5,062,484	3,292,049	3,818,024	4,159,558	2,846,869	3,021,470
Deferred Revenue	261,084	17,460	235,334	261,084	17,460	235,334
Income Tax Payable	405,970	50,093	212,842	210,750	—	109,210
Dividends Payable	267,261	16,251	15,491	267,261	16,251	15,491
Amounts due to Related Parties – Trade	365,331	272,876	346,767	365,331	272,876	767,168
Amounts due to Related Parties – Non-Trade	98,017	80,542	90,246	103,186	80,542	90,246
Other Financial Liabilities	2,994,603	3,926,040	3,696,150	—	—	—
Interest-Bearing Loans and Borrowings	6,164,064	7,383,312	6,844,121	5,877,166	7,319,422	6,728,013
	<u>15,618,814</u>	<u>15,038,623</u>	<u>15,258,976</u>	<u>11,244,337</u>	<u>10,553,420</u>	<u>10,966,933</u>
Total Equity and Liabilities	<u>30,399,822</u>	<u>26,019,162</u>	<u>27,437,058</u>	<u>21,833,381</u>	<u>18,507,213</u>	<u>19,906,784</u>
Net Assets per Share	<u>46.16</u>	<u>39.12</u>	<u>43.73</u>	<u>38.13</u>	<u>33.75</u>	<u>36.57</u>

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

(Sgd.) Lalith Yatiwella

Finance Director

Above figures are provisional and subject to audit.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by,

(Sgd.) Dr. Saman Kelegama

Director

Colombo,

August 6, 2015

(Sgd.) Asoka Pieris

Director/Group Chief Executive Officer

Statement of Changes in Equity

For the six months ended 30th June 2015

Group	Attributable to Equity Holders of the Company						Total	Non-Controlling Interest	Total Equity
	Stated Capital	Statutory Reserve		Revaluation Reserves	General Reserves	Retained Earnings			
		Reserve Fund	Investment Fund						
Balance at 1st January 2014	626,048	40,455	87,992	762,034	2,500,000	947,543	4,964,072	395,903	5,359,975
Realisation of Revaluation Surplus	—	—	—	(5,640)	—	5,640	—	—	—
Transferred to/(from) during the Year	—	13,430	(5,749)	—	—	(7,681)	—	—	—
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Final Dividend - 2013	—	—	—	—	—	(313,024)	(313,024)	—	(313,024)
Dividend Paid by Subsidiary Company to Non-Controlling Interest - 2013	—	—	—	—	—	—	—	(21,061)	(21,061)
Total Distributions to Owners of the Company	—	—	—	—	—	(313,024)	(313,024)	(21,061)	(334,086)
Total Comprehensive Income for the Period	—	—	—	—	—	—	—	—	—
Profit for the Six-Month Period	—	—	—	—	—	246,724	246,724	27,052	273,777
Other Comprehensive Income	—	—	—	—	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	—	—	246,724	246,724	27,052	273,777
Balance at 30th June 2014	626,048	53,885	82,243	756,394	2,500,000	879,202	4,897,772	401,894	5,299,666
Realisation of Revaluation Surplus	—	—	—	(5,639)	—	5,639	—	—	—
Transferred to/(from) during the Year	—	—	—	—	100,000	(100,000)	—	—	—
Total Comprehensive Income for the Period	—	—	—	—	—	—	—	—	—
Profit for the Six-Month Period	—	—	—	—	—	467,485	467,485	40,374	507,859
Other Comprehensive Income	—	—	—	—	—	—	—	—	—
Surplus on Revaluation for the year	—	—	—	134,237	—	—	134,237	—	134,237
Actuarial Loss on Retirement Benefit Obligation	—	—	—	—	—	(13,405)	(13,405)	(426)	(13,830)
Tax on Other Comprehensive Income	—	—	—	(14,635)	—	3,753	(10,881)	119	(10,762)
Total Other Comprehensive Income for the Period	—	—	—	119,603	—	(9,651)	109,951	(306)	109,645
Total Comprehensive Income for the Period	—	—	—	119,603	—	457,834	577,436	40,067	617,504
Balance at 31st December 2014	626,048	53,885	82,243	870,358	2,600,000	1,242,675	5,475,208	441,960	5,917,169
Realisation of Revaluation Surplus	—	—	—	(6,389)	—	6,389	—	—	—
Transferred to/(from) during the Year	—	19,433	(82,243)	—	—	62,810	—	—	—
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Final Dividend - 2014	—	—	—	—	—	(313,024)	(313,024)	—	(313,024)
Dividend Paid by Subsidiary Company to Non-Controlling Interest - 2014	—	—	—	—	—	—	—	(40,503)	(40,503)
Total Distributions to Owners of the Company	—	—	—	—	—	(313,024)	(313,024)	(40,503)	(353,527)
Total Comprehensive Income for the Period	—	—	—	—	—	—	—	—	—
Profit for the Six-Month Period	—	—	—	—	—	616,909	616,909	43,368	660,277
Other Comprehensive Income	—	—	—	—	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	—	—	616,909	616,909	43,368	660,277
Balance at 30th June 2015	626,048	73,318	—	863,969	2,600,000	1,615,759	5,779,094	444,826	6,223,919

Statement of Changes in Equity

Company	Stated Capital Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance at 1st January 2014	626,048	762,034	2,500,000	428,810	4,316,892
Realisation of Revaluation Surplus	—	(5,640)	—	5,640	—
Transactions with Owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Final Dividend - 2013	—	—	—	(313,024)	(313,024)
Total Distributions to Owners of the Company	—	—	—	(313,024)	(313,024)
Total Comprehensive Income for the Period					
Profit for the Six-Month Period	—	—	—	221,466	221,466
Other Comprehensive Income	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	221,466	221,466
Balance at 30th June 2014	626,048	756,394	2,500,000	342,892	4,225,334
Realisation of Revaluation Surplus	—	(5,639)	—	5,639	—
Transferred to/(from) during the Year	—	—	100,000	(100,000)	—
Total Comprehensive Income for the Period					
Profit for the Six-Month Period	—	—	—	242,165	242,165
Other Comprehensive Income					
Realisation on Revaluation Surplus	—	134,237	—	—	134,237
Actuarial Loss on Retirement Benefit Obligation	—	—	—	(11,659)	(11,659)
Tax on Other Comprehensive Income	—	(14,635)	—	3,264	(11,370)
Total Other Comprehensive Income for the Period	—	119,603	—	(8,394)	111,208
Total Comprehensive Income for the Period	—	119,603	—	233,771	353,374
Balance at 31st December 2014	626,048	870,358	2,600,000	482,302	4,578,708
Realisation of Revaluation Surplus	—	(6,389)	—	6,389	—
Transactions with Owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Final Dividend - 2014	—	—	—	(313,024)	(313,024)
Total Distributions to Owners of the Company	—	—	—	(313,024)	(313,024)
Total Comprehensive Income for the Period					
Profit for the Period	—	—	—	508,449	508,449
Other Comprehensive Income	—	—	—	—	—
Total Comprehensive Income for the Period	—	—	—	508,449	508,449
Balance at 30th June 2015	626,048	863,969	2,600,000	684,116	4,774,133

Statement of Cash Flows

<i>For the six months ended 30th June</i>	Group		Company	
	2015	2014	2015	2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	1,008,099	418,362	677,199	286,919
Adjustments for -				
Depreciation on Property, Plant and Equipment	147,167	136,787	139,473	129,803
Share of Profit from Equity Accounted Investees	(982)	(680)	-	-
Amortisation of Intangible Assets	9,067	8,409	6,238	6,175
Loss on Disposal of Property, Plant and Equipment	30	2,333	30	2,333
Interest Expense	538,545	578,395	540,522	578,395
Interest Income	(43,670)	(36,886)	(51,901)	(10,493)
Impairment of Inventories	124,074	28,641	118,852	28,641
Impairment on Trade and Other Receivables	144,133	219,460	85,052	102,028
Dividend Income	(1,547)	(36)	(151,095)	(11,765)
Provision for Retiring Gratuity	51,970	38,196	49,870	36,634
Operating Profit before Working Capital Changes	1,976,885	1,392,981	1,414,240	1,082,670
(Increase)/Decrease in Inventories	(647,573)	152,042	(555,263)	152,042
(Increase)/Decrease in Debtors Falling Due after One Year	(572,036)	1,400	8,470	(91,982)
(Increase)/Decrease in Debtors Falling Due within One Year	(1,465,858)	(1,204,312)	(908,287)	(788,252)
(Increase)/Decrease in Dues from Related Parties	45,073	29	251,036	29
Increase/(Decrease) in Dues to Related Parties	26,335	(56,893)	(388,898)	(56,893)
Increase/(Decrease) in Security Deposits	55,755	28,902	55,755	28,902
Increase/(Decrease) in Customer Deposit Liabilities	(904,951)	1,013,040	-	-
Increase/(Decrease) in Trade and Other Payables	1,019,499	(77,226)	885,816	(98,266)
Cash Generated from Operations	(466,871)	1,249,963	762,868	228,250
Finance Costs Paid	(512,202)	(595,757)	(513,210)	(597,752)
Retiring Gratuity Paid	(2,735)	(1,972)	(2,735)	(1,972)
Income Tax Paid	(154,002)	(81,589)	(69,003)	(45,520)
Net Cash from/(used in) Operating Activities	(1,135,810)	570,645	177,920	(416,994)
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible Assets	(76,436)	(132,348)	(53,826)	(129,515)
Proceeds from Disposal of Property, Plant and Equipment	-	(2,193)	-	5,757
Investment in shares/Debentures in Subsidiary Company	-	-	(455,000)	-
(Acquisition)/Disposal of Marketable Securities	(279,085)	(126,652)	-	-
Investment in Bank Deposits	19,663	1,110	-	-
Net Cash Flows from Loans Given to Related Companies	-	3,000	114,404	(24,040)
Interest Income Received	43,670	36,886	51,901	10,493
Dividends Received	1,547	36	151,095	77,765
Net Cash Flows from Investing Activities	(290,642)	(220,161)	(191,426)	(59,540)
Cash Flows from Financing Activities				
Net Proceeds from Interest-Bearing Loans and Borrowings	1,979,087	331,165	804,107	813,154
Net Payment to Minority Shareholders	(40,503)	(21,061)	-	-
Dividends Paid	(61,254)	(311,729)	(61,254)	(311,729)
Net Cash Flow from Financing Activities	1,877,330	(1,625)	742,853	501,425
Net Increase/(Decrease) in Cash and Cash Equivalents	450,878	348,859	729,347	24,891
Cash and Cash Equivalents at the beginning of the Year	827,988	(148,644)	607,657	(234,304)
Cash and Cash Equivalents at the end of the Period	1,278,866	200,215	1,337,004	(209,413)

Notes to the Financial Statements

- 1.1** The Interim Financial Statements of the Company and Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st December 2014, are in compliance with Sri Lanka Accounting Standard 34 - 'Interim Financial Reporting'.

2.1 Segmental Analysis of Company Net Turnover is as Follows:

	Quarter ending 30th June 2015 Rs. '000	Quarter ending 30th June 2014 Rs. '000	1st half ending 30th June 2015 Rs. '000	1st half ending 30th June 2014 Rs. '000
Sewing-Related Products	778,539	632,118	1,697,488	1,238,345
Consumer Electronics	1,512,258	1,321,166	3,178,431	2,777,901
White Goods	3,265,517	2,765,894	5,707,313	4,895,666
Kitchen-Related Products	606,515	413,101	1,142,133	819,510
Communications	896,824	913,023	1,774,097	1,771,654
Furniture	591,697	439,255	1,066,487	854,884
Transport	154,127	110,058	301,792	275,171
Agro	437,726	226,136	788,369	473,339
	8,243,204	6,820,751	15,656,111	13,106,470

2.2 Segmental Analysis of Company Profits Before Tax is as Follows:

	Quarter ending 30th June 2015 Rs. '000	Quarter ending 30th June 2014 Rs. '000	1st half ending 30th June 2015 Rs. '000	1st half ending 30th June 2014 Rs. '000
Sewing-Related Products	38,081	10,862	60,383	21,983
Consumer Electronics	77,788	21,086	128,431	52,275
White Goods	137,623	41,301	196,352	78,637
Kitchen-Related Products	34,346	7,528	51,955	17,120
Communications	10,881	6,793	20,860	16,419
Furniture	26,549	5,518	38,708	13,004
Transport	3,104	491	4,566	1,120
Agro	17,822	3,660	26,397	8,595
Dividend Income	149,547	77,765	149,547	77,765
	495,740	175,004	677,199	286,919

2.3 Segmental Analysis of Group Net Turnover is as Follows:

	Quarter ending 30th June 2015 Rs. '000	Quarter ending 30th June 2014 Rs. '000	1st half ending 30th June 2015 Rs. '000	1st half ending 30th June 2014 Rs. '000
Sewing-Related Products	778,539	632,118	1,697,488	1,238,345
Consumer Electronics	1,512,258	1,321,166	3,178,431	2,777,901
White Goods	3,265,517	2,765,894	5,707,313	4,895,666
Kitchen-Related Products	606,515	413,101	1,142,133	819,510
Communications	896,824	913,023	1,774,097	1,771,654
Furniture	591,697	439,255	1,066,487	854,884
Transport	154,127	110,058	301,792	275,171
Agro	437,726	226,136	788,369	473,339
Singer Finance (Lanka) PLC	472,900	465,339	946,191	920,945
Singer Digital Media (Pvt) Ltd.	692,812	—	1,402,061	—
Singer Business School (Pvt) Ltd.	64	—	64	—
	9,408,982	7,286,090	18,004,428	14,027,415

Notes to the Financial Statements

2.4 Segmental Analysis of Group Profits Before Tax is as Follows:

	Quarter ending 30th June 2015 Rs. '000	Quarter ending 30th June 2014 Rs. '000	1st half ending 30th June 2015 Rs. '000	1st half ending 30th June 2014 Rs. '000
Sewing-Related Products	38,081	10,862	60,383	21,983
Consumer Electronics	77,786	21,086	128,429	52,275
White Goods	137,720	41,301	196,448	78,637
Kitchen-Related Products	34,346	7,528	51,955	17,120
Communications	10,881	6,793	20,860	16,419
Furniture	26,549	5,518	38,708	13,004
Transport	3,104	491	4,566	1,120
Agro	17,822	3,660	26,397	8,595
Singer Finance (Lanka) PLC	162,969	112,514	343,077	208,492
Dividend	1,547	36	1,547	36
Share of Profit on Equity Accounted Investees	604	330	982	680
Singer Digital Media (Pvt) Ltd.	92,983	—	134,743	—
Singer Business School (Pvt) Ltd.	3	—	3	—
	604,395	210,119	1,008,098	418,362

3. Related Parties

3.1 Identity of Related Parties

The Company has a related party relationship with its Parent Company, its Associate Companies, Affiliate Companies and with its Directors.

3.2 Transactions with Parent Companies

(a) During the year, the Company had following transactions with its Parent Companies:

Singer Asia Ltd. - (Intermediate Parent)

	2015 Rs. Million	2014 Rs. Million
Royalty Expenses	174.0	145.6
Royalty Payable Balance as at Period End	98.0	80.5

Singer Asia Holdings BV - (Intermediate Parent)

Royalty Paid to Singer Asia Ltd., through Singer Asia Holdings BV

Notes to the Financial Statements

3.3 Transactions with Subsidiary Companies

			2015 Rs. Million	2014 Rs. Million
Singer Finance (Lanka) PLC	Dr. S. Kelegama (Chairman)	Sales Financed through Singer		
	Mr. J.A. Setukavalar	Finance (Lanka) PLC	88.9	131.8
	Ms. M. Tharmaratnam	Withdrawal of Rental Collections		
	Mr. G.J. Walker	from Singer (Sri Lanka) PLC	760.7	746.7
	Mr. J.J. Hyun	Interest Income/(Expense)	2.4	8.2
	Mr. J. Khan	Dividend Received - Gross	166.2	86.4
	Mr. K.K.L.P. Yatiwella	Cash Collection through		
	Mr. R.S. Wijeweera	Singer (Sri Lanka) PLC	1,003.3	972.1
	Mr. S. Ramanathan	Expenses Paid	126.8	103.4
	Mr. P.J.P. De Silva (Resigned w.e.f. 30th June 2015)	Administrative Fee Charged/(Paid)	-	0.1
		Collecting Commission Paid		
		through Singer (Sri Lanka) PLC	10.2	9.3
		Purchase of Assets	0.4	0.5
		Rent Reimbursed	6.8	6.0
Singer Digital Media (Pvt) Ltd.	Mr. H.A. Pieris	Royalty Paid through Singer		
	Mr. M.H. Wijewardena	(Sri Lanka) PLC	9.9	9.6
	Mr. K.K.L.P. Yatiwella	Balance Receivable - Loans	-	48.3
		Balance Payable - Trade	47.4	-
		Purchases	855.9	-
		Expenses Reimbursed	33.3	-
		Interest Charged	30.7	-
		Fixed Assets Acquisitions	0.2	-
		Royalty paid through	15.6	-
		Balance Receivable - Loans	1,037.2	-
Singer Business School (Pvt) Ltd.	Mr. H.A. Pieris	Balance Payable - Trade	76.5	-
	Mr. M.H. Wijewardena	Balance Receivable - Non-Trade	17.4	-
	Mr. K.K.L.P. Yatiwella	Corporate Guarantee Given	50.0	-
		Services Provided	1.7	-
		Expenses Reimbursed	1.4	-
		Capital Invested	5.0	-
		Balance Payable - Trade	5.3	-

3.4 Transactions with Associate Companies

(a) During the year Company had following transactions with its Associate Companies

Reality (Lanka) Ltd.

		2015 Rs. Million	2014 Rs. Million
Rent Expense	Dr. S. Kelegama	3.6	2.4
Loan Receivable	Mr. G.J. Walker	63.1	66.6
	Mr. H.A. Pieris		

(b) Following company is an Associate Company of Singer (Sri Lanka) PLC, with whom Singer (Sri Lanka) PLC or Singer Finance (Lanka) PLC had no transactions taken place other than through Advertising Agencies during the year:

Telshan Network (Pvt) Ltd.

Notes to the Financial Statements

3.5 Transactions with Affiliate Companies

Name of the Company and Relationship	Name of Director	Nature of Transaction	2015 Rs. Million	2014 Rs. Million
Singer Industries (Ceylon) PLC (Affiliate Company)	Dr. S. Kelegama (Appointed w.e.f. 01.04.2015)	Purchases	448.1	383.9
		Corporate Guarantee Given	75.0	75.0
	Mr. H.A. Pieris	Lease Rental Paid	2.1	1.9
	Mr. G.J. Walker	Net Finance Charges	0.2	0.2
	Mr. V.G.K. Vidyaratne	Trade Creditor Settled	513.2	427.5
	Mr. Ranil De Silva	Expenses Reimbursed	3.4	0.8
	Mr. K.D. Kospelawatta	Balance Payable	43.1	62.0
	Mr. H.D.S. Amarasuriya (Resigned w.e.f. 31.03.2015)			
Regnis (Lanka) PLC (Affiliate Company)	Dr. S. Kelegama (Appointed w.e.f. 01.04.2015)	Purchases	1,527.7	1,344.4
		Sales Taxes	202.6	192.1
	Mr. H.A. Pieris	Corporate Guarantees Given	455.5	455.5
	Mr. V.G.K. Vidyaratne	Interest Expense	-	0.7
	Mr. K.D. Kospelawatta (Appointed w.e.f. 01.04.2015)	Non-Trade Settlement	15.0	10.0
	Mr. H.D.S. Amarasuriya	Trade Credit Settled	1,600.8	1,508.4
	Mr. H.D.S. Amarasuriya (Resigned w.e.f. 31.03.2015)	Expenses Reimbursed	23.3	25.2
		Balance Payable	268.6	180.7
Regnis Appliances (Pvt) Ltd. (Affiliate Company)	Dr. S. Kelegama (Appointed w.e.f. 01.04.2015)	Purchases	432.7	276.1
		Trade Settlements	478.0	346.5
	Mr. H.A. Pieris	Sales Taxes	57.4	39.8
	Mr. V.G.K. Vidyaratne	Expenses Paid	3.5	1.2
	Mr. K.D. Kospelawatta (Appointed w.e.f. 01.04.2015)	Finance Charged	0.6	0.6
	Mr. H.D.S. Amarasuriya	Balance Payable	54.4	30.5
	Mr. H.D.S. Amarasuriya (Resigned w.e.f. 31.03.2015)			

- 3.7** Key Management Personnel includes members of the Board of Directors of the Company, Its Subsidiary and Parent. Transaction with Key Management Personnel, their close family members and parties/entities in which such Key Management Personnel or their close family members have control, joint control or significant influence can be shown as follows:

(i) Transactions with Key Management Personnel or their Close Family Members

	2015 Rs. Million	2014 Rs. Million
Deposits kept by Key Management Personnel or their close family members of Singer (Finance) PLC	46.6	80.0

4. Stated Capital

	30th June 2015	30th June 2014
Value - Ordinary Shares	Rs. 626,048,050/-	Rs. 626,048,050/-
No. of Shares - Ordinary Shares	125,209,610	125,209,610
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

Notes to the Financial Statements

5. Contingencies

- (a) Guarantees given to banks and other lending institutions on behalf of Singer Industries (Ceylon) PLC, Regnis (Lanka) PLC and Singer Digital Media (Pvt) Ltd. amounts to Rs. 75 Million, Rs. 455.5 Million and 50 Million respectively.
- (b) The Company has provided bank guarantees amounting to Rs. 197.2 Million to the Director General of Customs to clear imports during the years 2008 to June 2015. The bank guarantees related to alleged additions duty payable on imports, claimed by the Customs and is being contested by the Company in Courts.
- The Court of Appeal made order that the Director General of Customs continue with the investigations. The Company being aggrieved by the decision of the Court of Appeal has filed an appeal which is pending before the Supreme Court.
- The Company lawyers are of the opinion that there is no basis that the Company is liable for the additional duty and hence, no provision is made in the Financial Statements.
- (c) Singer Finance (Lanka) PLC has provided guarantees to its Fixed Deposit Holders amounting to Rs. 1,250,000/- holding deposit holders fixed deposits amounting to Rs. 1,526,862/- as security.
- (d) Board of Directors of Singer (Sri Lanka) PLC make an announcement for purchase of shares held by its parent Singer (Sri Lanka) B.V., in Regnis Lanka PLC and Singer Industries (Ceylon) PLC, which would result in Singer (Sri Lanka) PLC, being the holding company of such companies. Based on the proposed purchased prices the total commitment to buy above two mentioned companies will be Rs. 1,385 Million.

6. Events Occurring after the Balance Sheet Date

There have been no material events occurring after the Balance Sheet date that require disclosure in the Financial Statements.

7. Listed Debentures

Details regarding the listed debentures are as follows:

	Interest rate of Comparable Government Securities as at Issue Date (%)
1. 15.5% senior rated unsecured redeemable on 24th July 2015.	14.62
2. 17% senior rated listed unsecured redeemable on 25th October 2015.	13.74
3. 17% senior rated listed unsecured redeemable on 24th December 2015.	13.53
4. 14.5 % senior rated listed unsecured redeemable on 30th May 2016.	12.04
5. 8.25 % senior rated listed unsecured redeemable on 22nd December 2017.	6.66
6. 8.60 % senior rated listed unsecured redeemable on 7th June 2018.	6.97
7. 7.54 % senior rated listed unsecured redeemable on 7th June 2018.	6.97

Interest rate of Comparable Government Securities as at 30th June 2015 was 6.98%.

Notes to the Financial Statements

The Listed Debentures were not traded during the period 1st April 2015 to 30th June 2015. Therefore, Highest Traded price, Lowest Traded Price, Last Traded Price as at 30th June 2015, Interest Yield and Yield to Maturity of trade were not available.

	30th June 2015	30th June 2014
Debt Equity Ratio	0.94	0.62
Interest Cover	3.02	1.61
Quick Assets Ratio	0.90	0.76

8. Top 20 Shareholders as at 30th June 2015

Name	No. of Shares	%
1. Singer (Sri Lanka) BV	107,812,850	86.11
2. Bank of Ceylon A/c Ceybank Unit Trust	4,385,868	3.50
3. Deutsche Bank Ag as Trustee for Jb Vantage Value Equity Fund Deut	805,710	0.64
4. Bank of Ceylon A/c Ceybank Century Growth Fund	666,748	0.53
5. Mrs. Mihiri Virani Fernando	610,000	0.49
6. Mrs. Zohra Taher Jafferjee	330,890	0.26
7. People's Bank	200,000	0.16
8. Dr. Nimal Ebenezer Herat Sanderatne	183,133	0.15
9. Mrs. Anoma Kamalika Amarasuriya	178,970	0.14
10. Mrs. Maria Tasneem Moosajee	154,257	0.12
11. Mrs. Kalutaravedage Jinangali Manel De Silva	131,248	0.10
12. Mr. Nalin Amita De Silva	126,326	0.10
13. Jafferjee Brothers (Exports) Ltd.	125,200	0.10
14. Mr. Abeyisiri Hemapala Munasinghe	109,548	0.09
15. Mrs. Enoka Kamali Wickramasinghe	106,619	0.09
16. Bank of Ceylon A/C Eagle Growth Fund	100,848	0.08
17. Mrs. Jasbinderjit Kaur Piara Singh	91,268	0.07
18. Miss. Nai Kaluge Ruvani Hemamala De Silva	89,950	0.07
19. Mr. Hemaka Devapriya Senarath Amarasuriya	89,482	0.07
20. Merchant Bank of Sri Lanka Ltd. - Union	88,894	0.07
	<u>116,387,809</u>	<u>92.95</u>
Others	8,821,801	7.05
Total	<u>125,209,610</u>	<u>100.00</u>

Notes to the Financial Statements

9. Directors' and CEO's Shareholding as at 30th June 2015

Name of the Director	Shareholding 30th June 2015 No. of Shares	Shareholding 31st December 2014 No. of Shares
Dr. Saman Kelegama	—	—
Mr. H.A. Pieris	2,000	2,000
Mr. L.N.S. Kumara Samarasinghe	4,124	4,124
Mr. M.H. Wijewardene	—	—
Mr. P.J.O'Donnell	—	—
Mr. G.J. Walker	—	—
Mr. J.J. Hyun	—	—
Mr. A.S. Paranavitane	—	—
Prof. Uditha Pilane Liyanage	—	—
Mr. D.T.R. De Silva	—	—
Mr. K.K.L.P. Yatiwella	—	—

10. Public Holding

Public holding as at 30th June 2015 is 13.89% (As at 30th June 2014 - 13.65%).

Number of Public shareholders as at 30th June 2015 - 2,467

11. Secretary Information

A.C.M Irzan, FCMA (UK)

Contact No. 2300129



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