



# SINGER<sup>®</sup>

Trusted Excellence

SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE  
NINE MONTHS ENDED 30th SEPTEMBER 2017

## Group Chief Executive Officer's Review

The majority shares of Singer (Sri Lanka) PLC were purchased by Hayleys PLC from Retail Holdings (Sri Lanka) BV in September 2017, thus making Hayleys PLC the holding Company of the Singer Group. There has been a smooth transition and Singer will continue to pursue its programmes and strategies to retain the market leadership in consumer durables.

Further with additional ideas, plans, resources generated by the new owners as well as synergies with Hayleys PLC and its associate companies on a wide range of areas, augur a bright future for the Singer Group and its stakeholders.

The Singer Group revenue in the first nine months of 2017 was Rs. 37.0 billion, an increase of 12% compared to the same period last year.

The growth is despite tough business conditions. The continuous drought in the dry zone and sharp drop in harvest affected consumer purchases. This is in addition to customer purchasing power been affected by currency devaluation, increased value added tax (VAT), higher interest rates and floods in wet zone. Since almost 30% of households have some dependency on Agriculture, the drop in harvest eroded the purchasing power of a large market segment.

It should be noted that the Consumer Durables industry, where Singer is present is more susceptible to market conditions than others. When customer income increases, the demand for consumer durables is above that of the general market demand and when customer income decreases the demand for consumer durables is below that of general market demand.

The third quarter was the worst affected, as it usually is driven by the harvest incomes. As a result, the third quarter revenue increased at a lower pace – by 8%.

Due to slack market conditions, many participants in the market sold by discounting and chose not to pass on the full impact of the increase in VAT and costs to customers. As a result, the Company too could not increase prices and gross margins reduced to 29% in the first nine months compared to 31% last year. The increased mix of smart phone sales, which have lower margins, also impacted the overall Group's gross margin. At same time the Group was successful in lowering selling and administration expenses from 22.6% last year to 21.7% in current year. The first nine months of prior year had a one-time bargain purchase of Rs. 509 million. Excluding this one-time gain, operating profit decreased marginally to Rs. 2,874 million in the first nine months of 2017 from Rs. 2,966 million in prior year.

Net Finance Cost for first nine months of 2017 increased by 44% to Rs. 1,494 million largely due to increase in interest rates. The lower margins and higher interest both impacted Group profitability in the first nine months. Group net profit for first nine months was Rs. 789.2 million, a reduction of 37% compared to the prior year (excluding the one-time gain in first nine months of 2016). In case of the Company, net profit for the first nine months was Rs. 544.9 million, a decrease of 32%.

## Group Chief Executive Officer's Review

We are anticipating gradual improvements in the Business Conditions during the remainder of 2017 and in 2018 are also pursuing strategies to improve margins and lower the costs. Our key business initiatives are:

- To grow e-commerce business and to supplement the retail business.
- To grow furniture business exponentially with a wider range available to customers in a larger range of showrooms.
- To accelerate the renovation and expansion of our existing shops to increase the retail space to cater for our additional products and brands (in particular furniture).
- The Company launched its 4K Ultra HD Television series and new smart range of refrigerators.
- To strengthen and enlarge our manufacturing operations with new factories, additional machinery and more advanced technology.

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

I take this opportunity to appreciate the guidance given by our former Late Chairman, Dr. Saman Kelegama, former Chairman, Mr. Gavin Walker, current Chairman, Mr. Mohan Pandithage and Co-Chairman, Mr. Dhammika Perera in helping the Company to evolve strategies. I also thank all of the Board of Directors of the Group.

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*

31st October 2017

## Statement of Profit or Loss and Other Comprehensive Income

|  | Group            |                  | Company          |                  | Variance          |   | Variance |                     |   |     |
|--|------------------|------------------|------------------|------------------|-------------------|---|----------|---------------------|---|-----|
| For the quarter ended 30th September         | 2017<br>Rs. '000 | 2016<br>Rs. '000 | 2017<br>Rs. '000 | 2016<br>Rs. '000 | Group<br>Rs. '000 |   | %        | Company<br>Rs. '000 | % |     |
| Revenue                                      | 11,920,902       | 11,025,185       | 9,340,293        | 8,976,972        | 895,717           | + | 8        | 363,321             | + | 4   |
| Cost of Sales                                | (8,263,364)      | (7,395,388)      | (6,721,573)      | (6,271,483)      | (867,976)         | + | 12       | (450,090)           | + | 7   |
| Direct Interest Cost                         | (251,771)        | (193,053)        | —                | —                | (58,718)          | + | 30       | —                   | — | —   |
| Gross Profit                                 | 3,405,767        | 3,436,744        | 2,618,721        | 2,705,489        | 30,977            | - | 1        | 86,768              | - | 3   |
| Other Income                                 | 61,504           | 49,435           | 159,878          | 27,680           | 12,069            | + | 24       | 132,198             | + | 478 |
| Gain on Bargain Purchase                     | —                | 1,680            | —                | —                | 1,680             | - | 100      | —                   | — | —   |
| Selling & Administration Expenses            | (2,668,219)      | (2,562,899)      | (2,350,995)      | (2,254,222)      | (105,320)         | + | 4        | (96,773)            | + | 4   |
| Operating Profit                             | 799,052          | 924,960          | 427,603          | 478,947          | 125,908           | - | 14       | 51,344              | - | 11  |
| Finance Cost                                 | (572,285)        | (377,268)        | (552,619)        | (437,771)        | (195,017)         | + | 52       | (114,849)           | + | 26  |
| Finance Income                               | 33,947           | (453)            | 106,469          | 84,015           | 34,400            | + | 7,594    | 22,454              | + | 27  |
| Net Finance Cost                             | (538,338)        | (377,721)        | (446,150)        | (353,756)        | (160,617)         | + | 43       | (92,395)            | + | 26  |
| Value Added Tax on Financial Services        | (49,848)         | (35,290)         | (9,800)          | (12,800)         | (14,558)          | + | 41       | (3,000)             | - | 23  |
| Profit Before Tax                            | 210,865          | 511,949          | (28,347)         | 112,391          | 301,084           | - | 59       | 140,738             | - | 125 |
| Income Tax Expense                           | (88,136)         | (172,066)        | 47,718           | (31,000)         | (83,930)          | - | 49       | (78,718)            | - | 254 |
| Profit for the Period                        | 122,729          | 339,883          | 19,371           | 81,391           | 217,154           | - | 64       | 62,020              | - | 76  |
| Other Comprehensive Income for the Period    | —                | —                | —                | —                |                   |   |          |                     |   |     |
| Total Comprehensive Income for the Pperiod   | 122,729          | 339,883          | 19,371           | 81,391           |                   |   |          |                     |   |     |
| Profit Attributable to –                     |                  |                  |                  |                  |                   |   |          |                     |   |     |
| Owners of the Company                        | 100,137          | 265,459          | 19,371           | 81,391           |                   |   |          |                     |   |     |
| Non-Controlling Interests                    | 22,592           | 74,424           | —                | —                |                   |   |          |                     |   |     |
| Profit for the Period                        | 122,729          | 339,883          | 19,371           | 81,391           |                   |   |          |                     |   |     |
| Toatl Comprehensive Income Attributable to – |                  |                  |                  |                  |                   |   |          |                     |   |     |
| Owners of the Company                        | 100,137          | 265,459          | 19,371           | 81,391           |                   |   |          |                     |   |     |
| Non-Controlling Interests                    | 22,592           | 74,424           | —                | —                |                   |   |          |                     |   |     |
| Total Comprehensive Income for the Period    | 122,729          | 339,883          | 19,371           | 81,391           |                   |   |          |                     |   |     |
| Earnings Per Share – Basic (Rs.)             | 0.27             | 0.71             | 0.05             | 0.22             |                   |   |          |                     |   |     |

Above figures are provisional and subject to audit.

|                   | Quarter Ended<br>30th September 2017<br>Rs. | Quarter Ended<br>30th September 2016<br>Rs. |
|-------------------|---|---|
| Share Prices      |   |   |
| Highest           | 53.50                                       | 44.97                                       |
| Lowest            | 43.00                                       | 35.67                                       |
| Last Traded Price | 46.50                                       | 44.60                                       |

## Statement of Profit or Loss and Other Comprehensive Income

| For the nine months ended<br>30th September         | Group             |                   | Company          |                  | Variance          |          | Variance            |          |
|---|-------------------|-------------------|------------------|------------------|-------------------|----------|---------------------|----------|
|   | 2017<br>Rs. '000  | 2016<br>Rs. '000  | 2017<br>Rs. '000 | 2016<br>Rs. '000 | Group<br>Rs. '000 | %        | Company<br>Rs. '000 | %        |
| Revenue   | 37,033,837        | 33,140,390        | 29,576,034       | 28,060,869       | 3,893,447         | +        | 1,515,164           | +        |
| Cost of Sales                                       | (25,630,992)      | (22,242,725)      | (21,206,231)     | (19,665,567)     | (3,388,267)       | +        | (1,540,664)         | +        |
| Direct Interest Cost                                | (712,005)         | (571,263)         | —                | —                | (140,742)         | +        | —                   | —        |
| <b>Gross Profit</b>                                 | <b>10,690,840</b> | <b>10,326,402</b> | <b>8,369,802</b> | <b>8,395,302</b> | <b>364,437</b>    | <b>+</b> | <b>25,500</b>       | <b>-</b> |
| Other Income  | 203,981           | 140,149           | 540,445          | 326,936          | 63,832            | +        | 213,509             | +        |
| Gain on Bargain Purchase                            | —                 | 509,370           | —                | —                | 509,370           | -        | —                   | —        |
| Selling & Administration Expenses                   | (8,020,674)       | (7,500,948)       | (7,028,022)      | (6,685,628)      | (519,726)         | +        | (342,394)           | +        |
| <b>Operating Profit</b>                             | <b>2,874,147</b>  | <b>3,474,973</b>  | <b>1,882,225</b> | <b>2,036,610</b> | <b>600,826</b>    | <b>-</b> | <b>154,385</b>      | <b>-</b> |
| Finance Cost  | (1,577,305)       | (1,099,192)       | (1,509,725)      | (1,136,648)      | (478,113)         | +        | (373,077)           | +        |
| Finance Income                                      | 82,819            | 63,868            | 255,537          | 184,292          | 18,952            | +        | 71,244              | +        |
| Net Finance Cost                                    | (1,494,485)       | (1,035,324)       | (1,254,189)      | (952,356)        | (459,160)         | +        | (301,833)           | +        |
| Value Added Tax on Financial Services               | (139,921)         | (104,772)         | (31,400)         | (35,200)         | (35,149)          | +        | (3,800)             | -        |
| <b>Profit Before Tax</b>                            | <b>1,239,741</b>  | <b>2,334,877</b>  | <b>596,636</b>   | <b>1,049,054</b> | <b>1,095,136</b>  | <b>-</b> | <b>452,418</b>      | <b>-</b> |
| Income Tax Expense                                  | (450,492)         | (572,367)         | (51,754)         | (253,286)        | (121,875)         | -        | (201,533)           | -        |
| <b>Profit for the Period</b>                        | <b>789,249</b>    | <b>1,762,510</b>  | <b>544,882</b>   | <b>795,768</b>   | <b>973,261</b>    | <b>-</b> | <b>250,885</b>      | <b>-</b> |
| <b>Other Comprehensive Income for the Period</b>    | <b>—</b>          | <b>—</b>          | <b>—</b>         | <b>—</b>         |                   |          |                     |          |
| <b>Total Comprehensive Income for the Period</b>    | <b>789,249</b>    | <b>1,762,510</b>  | <b>544,882</b>   | <b>795,768</b>   |                   |          |                     |          |
| <b>Profit Attributable to –</b>                     |                   |                   |                  |                  |                   |          |                     |          |
| Owners of the Company                               | 645,252           | 1,590,789         | 544,882          | 795,768          |                   |          |                     |          |
| Non-Controlling Interests                           | 143,997           | 171,721           | —                | —                |                   |          |                     |          |
| <b>Profit for the Period</b>                        | <b>789,249</b>    | <b>1,762,510</b>  | <b>544,882</b>   | <b>795,768</b>   |                   |          |                     |          |
| <b>Total Comprehensive Income Attributable to –</b> |                   |                   |                  |                  |                   |          |                     |          |
| Owners of the Company                               | 645,252           | 1,590,789         | 544,882          | 795,768          |                   |          |                     |          |
| Non-Controlling Interests                           | 143,997           | 171,721           | —                | —                |                   |          |                     |          |
| <b>Total Comprehensive Income for the Period</b>    | <b>789,249</b>    | <b>1,762,510</b>  | <b>544,882</b>   | <b>795,768</b>   |                   |          |                     |          |
| Earnings per Share – Basic (Rs.)                    | 1.72              | 4.24              | 1.45             | 2.12             |                   |          |                     |          |

Above figures are provisional and subject to audit.

|                   | Nine months Ended<br>30th September 2017<br>Rs. | Nine months Ended<br>30th September 2016<br>Rs. |
|-------------------|---|---|
| Share Prices      |   |   |
| Highest           | 53.50   | 44.97   |
| Lowest            | 43.00   | 35.67   |
| Last Traded Price | 46.50   | 44.60   |

## Statement of Financial Position

| As at   | Group             |                   |                   | Company           |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 30th September    | 30th September    | 31st December     | 30th September    | 30th September    | 31st December     |
|   | 2017              | 2016              | 2016              | 2017              | 2016              | 2016              |
|   | Rs. '000          | Rs. '000          | Rs. '000          | Rs. '000          | Rs. '000          | Rs. '000          |
| <b>Assets</b>   |                   |                   |                   |                   |                   |                   |
| <b>Non-Current Assets</b>   |                   |                   |                   |                   |                   |                   |
| Property, Plant & Equipment                                       | 5,590,363         | 4,958,632         | 5,426,841         | 3,073,291         | 2,751,217         | 3,022,805         |
| Intangible Assets   | 271,357           | 265,681           | 261,538           | 215,077           | 211,519           | 213,157           |
| Investment in Subsidiaries  | —                 | —                 | —                 | 2,455,180         | 2,455,180         | 2,455,180         |
| Other Financial Assets  | 27,830            | 17,061            | 17,061            | 939,879           | 929,110           | 929,110           |
| Trade and Other Receivables                                       | 8,984,828         | 7,988,073         | 8,206,081         | 2,069,818         | 1,744,424         | 1,888,467         |
| Deferred Tax Assets   | 58,396            | 6,666             | 124,061           | 151,441           | 107,529           | 147,270           |
|   | <b>14,932,774</b> | <b>13,236,113</b> | <b>14,035,583</b> | <b>8,904,686</b>  | <b>8,198,978</b>  | <b>8,655,989</b>  |
| <b>Current Assets</b>   |                   |                   |                   |                   |                   |                   |
| Inventories   | 10,181,918        | 9,124,450         | 9,540,328         | 8,908,477         | 7,840,654         | 7,793,495         |
| Loans due from Related Parties                                    | —                 | —                 | —                 | 599,497           | 1,124,815         | 1,378,075         |
| Income Tax Receivable   | 72,143            | —                 | —                 | 224,156           | 32,966            | 1,767             |
| Trade and Other Receivables                                       | 17,095,227        | 15,365,027        | 16,536,066        | 10,061,989        | 8,803,389         | 9,886,667         |
| Amounts due from Related Parties                                  | —                 | —                 | —                 | 111,437           | 280,656           | 74,783            |
| Deposits with Banks   | 81,186            | 86,140            | 81,158            | —                 | —                 | —                 |
| Marketable Securities   | 668,703           | 497,397           | 515,256           | —                 | —                 | —                 |
| Cash & Cash Equivalents   | 1,452,433         | 1,038,258         | 1,541,475         | 892,966           | 761,979           | 1,039,586         |
|   | <b>29,551,608</b> | <b>26,111,273</b> | <b>28,214,282</b> | <b>20,798,522</b> | <b>18,844,458</b> | <b>20,174,373</b> |
| <b>Total Assets</b>   | <b>44,484,383</b> | <b>39,347,386</b> | <b>42,249,865</b> | <b>29,703,208</b> | <b>27,043,436</b> | <b>28,830,362</b> |
| <b>Equity and Liabilities</b>                                     |                   |                   |                   |                   |                   |                   |
| <b>Equity</b>   |                   |                   |                   |                   |                   |                   |
| Stated Capital  | 626,048           | 626,048           | 626,048           | 626,048           | 626,048           | 626,048           |
| Capital Reserves  | 1,047,239         | 846,932           | 1,057,964         | 1,054,817         | 846,932           | 1,065,542         |
| Statutory Reserve   | 113,852           | 95,361            | 95,361            | —                 | —                 | —                 |
| Revenue Reserves  | 5,910,085         | 5,783,179         | 6,374,444         | 3,695,976         | 3,893,316         | 4,242,213         |
| <b>Total Equity Attributable to Equity Holders of the Company</b> | <b>7,697,224</b>  | <b>7,351,520</b>  | <b>8,153,817</b>  | <b>5,376,841</b>  | <b>5,366,296</b>  | <b>5,933,803</b>  |
| <b>Non-Controlling Interests</b>                                  | <b>1,424,540</b>  | <b>1,323,741</b>  | <b>1,401,088</b>  | <b>—</b>          | <b>—</b>          | <b>—</b>          |
| <b>Total Equity</b>   | <b>9,121,764</b>  | <b>8,675,261</b>  | <b>9,554,905</b>  | <b>5,376,841</b>  | <b>5,366,296</b>  | <b>5,933,803</b>  |
| <b>Non-Current Liabilities</b>                                    |                   |                   |                   |                   |                   |                   |
| Interest-Bearing Loans & Borrowings                               | 5,933,337         | 10,665,461        | 8,381,885         | 2,898,333         | 8,250,000         | 6,000,000         |
| Retirement Benefit Obligations                                    | 731,567           | 701,180           | 651,144           | 538,842           | 533,483           | 476,754           |
| Security Deposits   | 1,122,281         | 978,724           | 1,018,452         | 1,122,281         | 978,724           | 1,018,452         |
| Other Financial Liabilities                                       | 521,957           | 458,181           | 454,013           | —                 | —                 | —                 |
|   | <b>8,309,143</b>  | <b>12,803,547</b> | <b>10,505,493</b> | <b>4,559,457</b>  | <b>9,762,207</b>  | <b>7,495,206</b>  |
| <b>Current Liabilities</b>  |                   |                   |                   |                   |                   |                   |
| Trade and Other Payables  | 5,198,707         | 5,614,260         | 6,224,738         | 4,035,118         | 4,152,837         | 4,590,537         |
| Deferred Revenue  | 290,109           | 399,058           | 438,989           | 290,109           | 399,058           | 438,989           |
| Income Tax Payable  | —                 | 134,809           | 245,281           | —                 | —                 | —                 |
| Deferred Tax Payable  | —                 | —                 | —                 | —                 | —                 | —                 |
| Dividends Payable   | 36,305            | —                 | 24,459            | 26,223            | 500,941           | 20,524            |
| Amounts due to Related Parties                                    | 78,884            | 98,965            | 119,738           | 1,055,823         | 98,965            | 996,657           |
| Other Financial Liabilities                                       | 4,595,130         | 2,479,528         | 2,587,934         | —                 | —                 | —                 |
| Interest-Bearing Loans & Borrowings                               | 15,459,431        | 7,845,332         | 11,345,751        | 13,323,415        | 5,986,016         | 8,652,550         |
| Bank Overdrafts   | 1,394,911         | 1,296,626         | 1,202,577         | 1,036,221         | 777,116           | 702,096           |
|   | <b>27,053,477</b> | <b>17,868,578</b> | <b>22,189,467</b> | <b>19,766,910</b> | <b>11,914,933</b> | <b>15,401,353</b> |
| <b>Total Equity and Liabilities</b>                               | <b>44,484,383</b> | <b>39,347,386</b> | <b>42,249,865</b> | <b>29,703,208</b> | <b>27,043,436</b> | <b>28,830,362</b> |
| <b>Net Assets per Share (Rs.)</b>                                 | <b>20.49</b>      | <b>19.57</b>      | <b>21.71</b>      | <b>14.31</b>      | <b>14.29</b>      | <b>15.80</b>      |

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.) Ranil De Silva

Director

Colombo,

31st October 2017

(Sgd.) Asoka Pieris

Director/Group Chief Executive Officer

## Statement of Changes in Equity

For the nine months ended 30th September 2017

| Group   | Stated Capital | Reserve Fund   | Revaluation Reserves | General Reserves | Retained Earnings  | Total              | Non-Controlling Interests | Total Equity       |
|---|----------------|----------------|----------------------|------------------|--------------------|--------------------|---------------------------|--------------------|
|   | Rs. '000       | Rs. '000       | Rs. '000             | Rs. '000         | Rs. '000           | Rs. '000           | Rs. '000                  | Rs. '000           |
| <b>Balance as at 1st January 2016</b>   | <b>626,048</b> | <b>73,318</b>  | <b>857,580</b>       | <b>2,700,000</b> | <b>2,028,455</b>   | <b>6,285,401</b>   | <b>484,584</b>            | <b>6,769,985</b>   |
| Realisation on Revaluation Surplus  | -              | -              | (10,648)             | -                | 10,648             | -                  | -                         | -                  |
| Transferred to/(from) during the Period                                       | -              | 22,043         | -                    | -                | (22,043)           | -                  | -                         | -                  |
| <b>Total Comprehensive Income for the Period</b>                              |                |                |                      |                  |                    |                    |                           |                    |
| Profit for the Nine Months Period   | -              | -              | -                    | -                | 1,590,789          | 1,590,789          | 171,721                   | 1,762,510          |
| <b>Total Comprehensive Income for the Period</b>                              | <b>-</b>       | <b>-</b>       | <b>-</b>             | <b>-</b>         | <b>1,590,789</b>   | <b>1,590,789</b>   | <b>171,721</b>            | <b>1,762,510</b>   |
| <b>Transactions with Owners of the Company, Recognised Directly in Equity</b> |                |                |                      |                  |                    |                    |                           |                    |
| <b>Distributions to Owners of the Company</b>                                 |                |                |                      |                  |                    |                    |                           |                    |
| Final Dividend – 2015   | -              | -              | -                    | -                | (525,880)          | (525,880)          | (89,096)                  | (614,976)          |
| <b>Total Distributions to Owners of the Company</b>                           | <b>-</b>       | <b>-</b>       | <b>-</b>             | <b>-</b>         | <b>(525,880)</b>   | <b>(525,880)</b>   | <b>(89,096)</b>           | <b>(614,976)</b>   |
| <b>Changes in Ownership Interests in Subsidiary</b>                           |                |                |                      |                  |                    |                    |                           |                    |
| Acquisition of Subsidiaries with NCI  | -              | -              | -                    | -                | -                  | -                  | 798,035                   | 798,035            |
| Acquisition of NCI without Change in Control                                  | -              | -              | -                    | -                | -                  | -                  | (41,503)                  | (41,503)           |
| Gain on Acquisition of Non-Controlling Interests                              | -              | -              | -                    | -                | 13,166             | 13,166             | -                         | 13,166             |
| Disposal of Associate   | -              | -              | -                    | -                | (11,955)           | (11,955)           | -                         | (11,955)           |
| <b>Balance as at 30th September 2016</b>                                      | <b>626,048</b> | <b>95,361</b>  | <b>846,932</b>       | <b>2,700,000</b> | <b>3,083,180</b>   | <b>7,351,520</b>   | <b>1,323,741</b>          | <b>8,675,261</b>   |
| Realisation on Revaluation Surplus  | -              | -              | (9,708)              | -                | 9,708              | -                  | -                         | -                  |
| Transferred to/(from) during the Period                                       | -              | -              | -                    | -                | -                  | -                  | -                         | -                  |
| <b>Total Comprehensive Income for the Period</b>                              |                |                |                      |                  |                    |                    |                           |                    |
| Profit for the Three Months Period  | -              | -              | -                    | -                | 531,405            | 531,405            | 63,841                    | 595,246            |
| <b>Other Comprehensive Income</b>   |                |                |                      |                  |                    |                    |                           |                    |
| Revaluation of Property, Plant & Equipment                                    | -              | -              | 250,154              | -                | -                  | 250,154            | -                         | 250,154            |
| Remeasurement of Defined Benefit Obligation                                   | -              | -              | -                    | -                | 59,696             | 59,696             | 2,581                     | 62,277             |
| Related Taxes   | -              | -              | (29,414)             | -                | (16,615)           | (46,029)           | (651)                     | (46,680)           |
| <b>Total Other Comprehensive Income for the Period</b>                        | <b>-</b>       | <b>-</b>       | <b>220,740</b>       | <b>-</b>         | <b>43,081</b>      | <b>263,821</b>     | <b>1,930</b>              | <b>265,751</b>     |
| <b>Total Comprehensive Income for the Period</b>                              | <b>-</b>       | <b>-</b>       | <b>220,740</b>       | <b>-</b>         | <b>574,486</b>     | <b>795,226</b>     | <b>65,771</b>             | <b>860,997</b>     |
| <b>Transactions with Owners of the Company, Recognised Directly in Equity</b> |                |                |                      |                  |                    |                    |                           |                    |
| <b>Distributions to Owners of the Company</b>                                 |                |                |                      |                  |                    |                    |                           |                    |
| Dividend Paid by Subsidiary Companies to Non-Controlling Interests – 2015     | -              | -              | -                    | -                | -                  | -                  | -                         | -                  |
| <b>Total Distributions to Owners of the Company</b>                           | <b>-</b>       | <b>-</b>       | <b>-</b>             | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>                  | <b>-</b>           |
| <b>Changes in Ownership Interests in Subsidiary</b>                           |                |                |                      |                  |                    |                    |                           |                    |
| Acquisition of Subsidiaries with NCI  | -              | -              | -                    | -                | -                  | -                  | 38,821                    | 38,821             |
| Acquisition of NCI without Change in Control                                  | -              | -              | -                    | -                | 7,070              | 7,070              | (27,244)                  | (20,174)           |
| <b>Balance as at 31st December 2016</b>                                       | <b>626,048</b> | <b>95,361</b>  | <b>1,057,964</b>     | <b>2,700,000</b> | <b>3,674,444</b>   | <b>8,153,817</b>   | <b>1,401,088</b>          | <b>9,554,905</b>   |
| Realisation on Revaluation Surplus  | -              | -              | (10,725)             | -                | 10,725             | -                  | -                         | -                  |
| Transferred to/(from) during the Period                                       | -              | 18,491         | -                    | -                | (18,491)           | -                  | -                         | -                  |
| <b>Total Comprehensive Income for the Period</b>                              |                |                |                      |                  |                    |                    |                           |                    |
| Profit for the Nine Months Period   | -              | -              | -                    | -                | 645,252            | 645,252            | 143,997                   | 789,249            |
| <b>Total Comprehensive Income for the Period</b>                              | <b>-</b>       | <b>-</b>       | <b>-</b>             | <b>-</b>         | <b>645,252</b>     | <b>645,252</b>     | <b>143,997</b>            | <b>789,249</b>     |
| <b>Transactions with Owners of the Company, Recognised Directly in Equity</b> |                |                |                      |                  |                    |                    |                           |                    |
| <b>Distributions to Owners of the Company</b>                                 |                |                |                      |                  |                    |                    |                           |                    |
| Final Dividend – 2016   | -              | -              | -                    | -                | (1,101,845)        | (1,101,845)        | (120,545)                 | (1,222,390)        |
| <b>Total Distributions to Owners of the Company</b>                           | <b>-</b>       | <b>-</b>       | <b>-</b>             | <b>-</b>         | <b>(1,101,845)</b> | <b>(1,101,845)</b> | <b>(120,545)</b>          | <b>(1,222,390)</b> |
| <b>Balance as at 30th September 2017</b>                                      | <b>626,048</b> | <b>113,852</b> | <b>1,047,239</b>     | <b>2,700,000</b> | <b>3,210,085</b>   | <b>7,697,224</b>   | <b>1,424,540</b>          | <b>9,121,764</b>   |

## Statement of Changes in Equity

| Company   | Stated<br>Capital<br>Rs. '000 | Revaluation<br>Reserves<br>Rs. '000 | General<br>Reserves<br>Rs. '000 | Retained<br>Earnings<br>Rs. '000 | Total<br>Rs. '000 |
|---|-------------------------------|-------------------------------------|---------------------------------|----------------------------------|-------------------|
| <b>Balance as at 1st January 2016</b>   | 626,048                       | 857,580                             | 2,700,000                       | 912,779                          | 5,096,407         |
| Realisation on Revaluation Surplus  | —                             | (10,648)                            | —                               | 10,648                           | —                 |
| <b>Total Comprehensive Income for the Period</b>                                  |                               |                                     |                                 |                                  |                   |
| Profit for the Nine Months Period   | —                             | —                                   | —                               | 795,768                          | 795,768           |
| <b>Total Comprehensive Income for the Period</b>                                  | —                             | —                                   | —                               | 795,768                          | 795,768           |
| <b>Transactions with Owners of the Company,<br/>Recognised Directly in Equity</b> |                               |                                     |                                 |                                  |                   |
| <b>Distributions to Owners of the Company</b>                                     |                               |                                     |                                 |                                  |                   |
| Final Dividend – 2015   | —                             | —                                   | —                               | (525,880)                        | (525,880)         |
| <b>Total Distributions to Owners of the Company</b>                               | —                             | —                                   | —                               | (525,880)                        | (525,880)         |
| <b>Balance as at 30th September 2016</b>  | 626,048                       | 846,932                             | 2,700,000                       | 1,193,314                        | 5,366,294         |
| Realisation on Revaluation Surplus  | —                             | (2,130)                             | —                               | 2,130                            | —                 |
| <b>Total Comprehensive Income for the Period</b>                                  |                               |                                     |                                 |                                  |                   |
| Profit for the Three Months Period  | —                             | —                                   | —                               | 308,677                          | 308,677           |
| <b>Other Comprehensive Income</b>   |                               |                                     |                                 |                                  |                   |
| Realisation on Revaluation Surplus  | —                             | 250,154                             | —                               | —                                | 250,154           |
| Remeasurement of Defined Benefit Obligation                                       | —                             | —                                   | —                               | 52,905                           | 52,905            |
| Related Taxes   | —                             | (29,414)                            | —                               | (14,813)                         | (44,227)          |
| <b>Total Other Comprehensive Income for the Period</b>                            | —                             | 220,740                             | —                               | 38,092                           | 258,832           |
| <b>Total Comprehensive Income for the Period</b>                                  | —                             | 220,740                             | —                               | 346,769                          | 567,509           |
| <b>Balance as at 31st December 2016</b>   | 626,048                       | 1,065,542                           | 2,700,000                       | 1,542,213                        | 5,933,803         |
| Realisation on Revaluation Surplus  | —                             | (10,725)                            | —                               | 10,725                           | —                 |
| <b>Total Comprehensive Income for the Period</b>                                  |                               |                                     |                                 |                                  |                   |
| Profit for the Nine Months Period   | —                             | —                                   | —                               | 544,882                          | 544,882           |
| <b>Total Comprehensive Income for the Period</b>                                  | 626,048                       | 1,054,817                           | 2,700,000                       | 2,097,821                        | 6,478,686         |
| <b>Transactions with Owners of the Company,<br/>Recognised Directly in Equity</b> |                               |                                     |                                 |                                  |                   |
| <b>Distributions to Owners of the Company</b>                                     |                               |                                     |                                 |                                  |                   |
| Final Dividend – 2016   | —                             | —                                   | —                               | (1,101,845)                      | (1,101,845)       |
| <b>Total Distributions to Owners of the Company</b>                               | —                             | —                                   | —                               | (1,101,845)                      | (1,101,845)       |
| <b>Balance as at 30th September 2017</b>  | 626,048                       | 1,054,817                           | 2,700,000                       | 995,976                          | 5,376,841         |



## Statement of Cash Flows

| For the nine months ended 30th September                         | Group              |                    | Company            |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2017<br>Rs. '000   | 2016<br>Rs. '000   | 2017<br>Rs. '000   | 2016<br>Rs. '000   |
| <b>Cash Flows from Operating Activities</b>                      |                    |                    |                    |                    |
| Net Profit before Income Tax Expense                             | 1,239,741          | 2,334,877          | 596,636            | 1,049,054          |
| <b>Adjustment for:</b>   |                    |                    |                    |                    |
| Depreciation on Property, Plant & Equipment                      | 362,520            | 309,385            | 292,092            | 247,197            |
| Amortisation of Intangible Assets                                | 18,945             | 33,420             | 10,144             | 10,660             |
| Loss on Disposal of Property, Plant & Equipment                  | 3,969              | (4,858)            | 4,309              | (4,885)            |
| Fair Value Gain from Investment                                  | (10,769)           | —                  | (10,769)           | —                  |
| Interest Expense   | 1,577,305          | 1,099,192          | 1,509,725          | 1,136,648          |
| Interest Income  | (82,819)           | (63,868)           | (255,537)          | (184,292)          |
| Impairment of Inventories  | 34,399             | 107,297            | 26,606             | 104,861            |
| Impairment on Trade and Other Receivables                        | 89,351             | 140,789            | 182,354            | 129,425            |
| Dividend Income  | —                  | —                  | (419,098)          | (235,910)          |
| Provision for Retiring Gratuity                                  | 97,169             | 96,875             | 75,981             | 84,424             |
| Gain on Bargain Purchase   | —                  | (509,370)          | —                  | —                  |
| <b>Operating Profit before Working Capital Changes</b>           | <b>3,329,812</b>   | <b>3,543,740</b>   | <b>2,012,443</b>   | <b>2,337,182</b>   |
| (Increase)/Decrease in Inventories                               | (675,989)          | (1,283,552)        | (1,141,587)        | (1,268,486)        |
| (Increase)/Decrease in Debtors falling Due after One Year        | (778,747)          | (768,145)          | (181,351)          | (123,842)          |
| (Increase)/Decrease in Debtors falling Due within One Year       | (648,511)          | (1,759,852)        | (357,676)          | (607,033)          |
| (Increase)/Decrease in Dues from Related Parties                 | —                  | —                  | (36,654)           | (46,399)           |
| Increase/(Decrease) in Dues to Related Parties                   | (40,855)           | (554,990)          | 59,166             | (297,077)          |
| Increase/(Decrease) in Security Deposits                         | 103,830            | 126,930            | 103,830            | 126,930            |
| Increase/(Decrease) in Trade and Other Payables                  | (1,026,031)        | 722,460            | (555,419)          | 807,379            |
| Increase/(Decrease) in Deferred Liabilities                      | (148,880)          | 80,598             | (148,880)          | 80,598             |
| <b>Cash Generated from Operations</b>                            | <b>114,628</b>     | <b>107,189</b>     | <b>(246,128)</b>   | <b>1,009,252</b>   |
| Finance Costs Paid   | (1,663,824)        | (1,099,192)        | (1,555,366)        | (1,107,225)        |
| Retiring Gratuity Paid   | (16,747)           | (10,565)           | (13,893)           | (8,123)            |
| Income Tax Paid  | (702,250)          | (728,600)          | (278,313)          | (424,185)          |
| <b>Net Cash from/(used in) Operating Activities</b>              | <b>(2,268,194)</b> | <b>(1,731,168)</b> | <b>(2,093,700)</b> | <b>(530,281)</b>   |
| <b>Cash Flows from Investing Activities</b>                      |                    |                    |                    |                    |
| Acquisition of Property, Plant & Equipment and Intangible Assets | (561,526)          | (488,553)          | (361,337)          | (423,084)          |
| Proceeds from Disposal of Property, Plant & Equipment            | 2,750              | 8,082              | 2,386              | 8,110              |
| Investment in Shares/Debentures in Subsidiary Company            | —                  | (1,497,318)        | —                  | (1,727,745)        |
| (Acquisition)/Disposal of Marketable Securities                  | (153,447)          | 108,614            | —                  | —                  |
| Investment in Bank Deposits                                      | (28)               | 100,043            | —                  | —                  |
| Net Cash Flows from Loans Given to Related Companies             | —                  | (65,891)           | 778,578            | (2,177)            |
| Interest Income Received   | 82,819             | 63,868             | 255,537            | 184,292            |
| Dividends Received   | —                  | —                  | 419,098            | 235,910            |
| <b>Net Cash Flows from Investing Activities</b>                  | <b>(629,432)</b>   | <b>(1,771,155)</b> | <b>1,094,262</b>   | <b>(1,724,694)</b> |
| <b>Cash Flows from Financing Activities</b>                      |                    |                    |                    |                    |
| Net Proceeds from Interest-Bearing Loans and Borrowings          | 1,751,652          | 4,260,862          | 1,614,839          | 2,502,490          |
| Net Payment to Minority Shareholders                             | (114,398)          | (89,096)           | —                  | —                  |
| Increase/(Decrease) in Customer Deposit Liabilities              | 2,075,140          | (430,123)          | —                  | —                  |
| Dividends Paid   | (1,096,146)        | (522,290)          | (1,096,146)        | (522,290)          |
| Net Cash Flow from Financing Activities                          | 2,616,249          | 3,219,353          | 518,693            | 1,980,200          |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>      | <b>(281,377)</b>   | <b>(282,969)</b>   | <b>(480,745)</b>   | <b>(274,774)</b>   |
| <b>Cash and Cash Equivalents at the beginning of the Year</b>    | <b>338,898</b>     | <b>111,849</b>     | <b>337,490</b>     | <b>259,637</b>     |
| <b>Cash and Cash Equivalents at the end of the Period</b>        | <b>57,522</b>      | <b>(171,120)</b>   | <b>(143,255)</b>   | <b>(15,137)</b>    |

## Notes to the Financial Statements

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 2016.

2.

### 2.1 Segmental Analysis of Company Net Turnover is as Follows:

|                      | Quarter ending<br>30th September 2017<br>Rs. '000 | Quarter ending<br>30th September 2016<br>Rs. '000 | Nine months ending<br>30th September 2017<br>Rs. '000 | Nine months ending<br>30th September 2016<br>Rs. '000 |
|----------------------|---|---|---|---|
| Consumer Electronics | 1,489,561   | 1,517,473   | 4,729,748   | 4,542,496   |
| Financial Services   | 871,670   | 771,515   | 2,602,234   | 2,312,395   |
| Furniture            | 576,474   | 511,875   | 1,967,092   | 1,728,561   |
| Home Appliances      | 3,525,053   | 3,531,357   | 11,881,225  | 11,533,704  |
| IT Products          | 1,445,271   | 1,159,913   | 4,252,710   | 3,472,401   |
| Sewing               | 680,853   | 650,105   | 1,950,872   | 2,185,053   |
| Other                | 751,411   | 834,734   | 2,192,153   | 2,286,259   |
|                      | <b>9,340,293</b>                                  | <b>8,976,972</b>                                  | <b>29,576,034</b>                                     | <b>28,060,869</b>                                     |

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

|                           | Quarter ending<br>30th September 2017<br>Rs. '000 | Quarter ending<br>30th September 2016<br>Rs. '000 | Nine months ending<br>30th September 2017<br>Rs. '000 | Nine months ending<br>30th September 2016<br>Rs. '000 |
|---------------------------|---|---|---|---|
| Consumer Electronics      | 45,076  | 66,284  | 210,095   | 275,153   |
| Financial Services        | 105,119   | 140,076   | 454,883   | 498,362   |
| Furniture                 | 8,415   | 24,321  | 68,838  | 96,346  |
| Home Appliances           | 85,081  | 172,609   | 514,020   | 652,721   |
| IT Products               | 13,842  | 6,278   | 49,297  | 43,502  |
| Sewing                    | 22,013  | 29,850  | 86,421  | 124,643   |
| Other                     | 21,240  | 37,901  | 79,572  | 109,972   |
| Dividend                  | 126,817   | 1,627   | 419,098   | 235,911   |
| <b>Operating Profit</b>   | <b>427,603</b>                                    | <b>478,946</b>                                    | <b>1,882,224</b>                                      | <b>2,036,610</b>                                      |
| Net Finance Cost          | (446,150)   | (353,755)   | (1,254,188)   | (952,356)   |
| VAT on Financial Services | (9,800)   | (12,800)  | (31,400)  | (35,200)  |
| <b>Profit Before Tax</b>  | <b>(28,347)</b>                                   | <b>112,391</b>                                    | <b>596,636</b>  | <b>1,049,054</b>                                      |

### 2.3 Segmental Analysis of Group Net Turnover is as Follows:

|                      | Quarter ending<br>30th September 2017<br>Rs. '000 | Quarter ending<br>30th September 2016<br>Rs. '000 | Nine months ending<br>30th September 2017<br>Rs. '000 | Nine months ending<br>30th September 2016<br>Rs. '000 |
|----------------------|---|---|---|---|
| Consumer Electronics | 1,489,561   | 1,517,473   | 4,729,748   | 4,542,496   |
| Financial Services   | 1,605,969   | 1,354,978   | 4,664,988   | 3,972,227   |
| Furniture            | 576,474   | 511,875   | 1,967,092   | 1,728,561   |
| Home Appliances      | 3,526,458   | 3,533,536   | 11,888,187  | 11,539,385  |
| IT Products          | 3,289,785   | 2,622,479   | 9,639,961   | 6,886,113   |
| Sewing               | 680,853   | 650,105   | 1,950,872   | 2,185,053   |
| Other                | 751,802   | 834,739   | 2,192,989   | 2,286,555   |
|                      | <b>11,920,902</b>                                 | <b>11,025,185</b>                                 | <b>37,033,837</b>                                     | <b>33,140,390</b>                                     |

## Notes to the Financial Statements

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

|                           | Quarter ending<br>30th September 2017<br>Rs. '000 | Quarter ending<br>30th September 2016<br>Rs. '000 | Nine months ending<br>30th September 2017<br>Rs. '000 | Nine months ending<br>30th September 2016<br>Rs. '000 |
|---------------------------|---|---|---|---|
| Consumer Electronics      | 45,077  | 66,283  | 210,096   | 275,153   |
| Financial Services        | 345,300   | 290,432   | 1,074,720   | 1,000,164   |
| Furniture                 | 8,415   | 24,321  | 68,838  | 96,346  |
| Home Appliances           | 121,680   | 281,528   | 755,450   | 940,851   |
| IT Products               | 241,622   | 187,797   | 599,582   | 399,949   |
| Sewing                    | 14,710  | 32,072  | 82,562  | 136,939   |
| Other                     | 22,248  | 39,220  | 82,899  | 114,574   |
| Dividend                  | –   | 1,627   | –   | 1,627   |
| Gain on Bargain Purchase  | –   | 1,680   | –   | 509,370   |
| <b>Operating Profit</b>   | <b>799,052</b>                                    | <b>924,960</b>                                    | <b>2,874,147</b>                                      | <b>3,474,973</b>                                      |
| Net Finance Cost          | (538,338)   | (377,722)   | (1,494,485)   | (1,035,324)   |
| VAT on Financial Services | (49,848)  | (35,289)  | (139,921)   | (104,772)   |
| <b>Profit Before Tax</b>  | <b>210,865</b>                                    | <b>511,949</b>                                    | <b>1,239,741</b>                                      | <b>2,334,877</b>                                      |

### 3. Stated Capital

|  | 30th September 2017                | 30th September 2016         |
|--|------------------------------------|-----------------------------|
| <b>Value – Ordinary Shares</b>         | <b>Rs. 626,048,050/-</b>           | Rs. 626,048,050/-           |
| <b>No. of Shares – Ordinary Shares</b> | <b>375,628,830</b>                 | 125,209,610                 |
| <b>Voting Rights</b>                   | <b>One Vote per Ordinary Share</b> | One Vote per Ordinary Share |

- 3.2** At the Extraordinary General Meeting held on the 31st March 2017, the shareholders approved a subdivision of shares on the basis of three shares for every one existing share held. Subsequent to the share split the issued number of shares increased to 375,628,830 from the previous position of 125,209,610. This will not alter the stated capital of the Company, which will remain at Rs. 626,048,050/-.

- 3.3** Hayleys PLC together with its subsidiaries, Volanka (Pvt) Ltd. and Carbotels (Pvt) Ltd. acquired on 15th September 2017 a total of 231,864,362 ordinary shares in Singer (Sri Lanka) PLC, constituting approximately 61.73% of the total shares in issue at a price of Rs. 47/- per share, making Hayleys PLC the ultimate controlling party of Singer (Sri Lanka) PLC with effect from 15th September 2017. Previous parent company of Singer (Sri Lanka) PLC was Retail Holdings (Sri Lanka) BV.

Consequent to the purchase of 210,587,766 shares held by Hayleys PLC, Hayleys PLC triggered the Company takeovers and mergers code 1995, published under the rules made by the Securities and Exchange Commission of Sri Lanka under Section 53 of the Securities and Exchange Commission of Sri Lanka, Act No. 36 of 1987 as amended, and in terms of Rule 31 (1) (a) of the code, is obliged to make a Mandatory Offer to purchase 108,201,585 ordinary shares carrying voting rights of Singer (Sri Lanka) PLC at a price of Rs. 47/- per share (excluding 35,562,883 shares held by Retail Holdings (Sri Lanka) BV, who have their letter dated 14th September 2017 confirmed, that they will not accept the offer in respect of the said shares).

At the Board meeting held on 20th October 2017, the Board of Directors approved to circulate the Independent Advisor's Report [obtained from Acuity Partners (Pvt.) Ltd.] together with the views, comments and advice of the Board of Directors to every shareholder of the Company on 24th October 2017.

## Notes to the Financial Statements

### 4. Contingencies

- (a) Guarantees given to banks and other lending institutions by Singer (Sri Lanka) PLC on behalf of Regnis (Lanka) PLC and Singer Digital Media (Pvt) Ltd., amounts to Rs. 455.5 million and Rs. 50 million respectively.
- Regnis (Lanka) PLC provided guarantees to banks and other lending institutions amounting to Rs. 345 million.
- (b) The Company has provided bank guarantees amounting to Rs. 262.05 million to Director General of Customs to clear imports during the years 2008 to September 2017. The bank guarantee related to alleged additional duty payable on imports, claimed by the customs and is being contested by the Company in courts.
- The Court of Appeal ordered that the Director General of Customs continue with the investigations. The Company being aggrieved by the decision 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. 1,050,000/- holding deposit holders' Fixed Deposits amounting to Rs. 1,231,517.18 as security.
- (d) Commissioner General of Inland Revenue has issued Assessment Notices on Singer (Sri Lanka) PLC pertaining to an additional VAT Liability/Payment on account of Deemed VAT for seven quarters for the period 1st January 2014 to 30th September 2015. The assessment was for a Deemed VAT payment of Rs. 1,076 million and Penalty of Rs. 423 million totalling to Rs. 1,499 million.
- The Company after carefully reviewing the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for Deemed VAT, hence, no provision has been made in the Financial Statements. The Company previously sought a clarification from the Department of Inland Revenue on the interpretation of the Act and did not receive the required clarification. The Company has appealed against the VAT assessment, requesting to cancel the notice of assessment.
- Deemed VAT was removed with effect from 1st January 2016 under VAT Amendment Act No. 20 of 2016.

## Notes to the Financial Statements

### 5. 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.

### 6. Listed Debentures

Details regarding the Listed Debentures are as follows:

Interest Rates of Comparable  
Government Securities as at  
Issue Date (%)

|  |      |
|--|------|
| 8.25% Senior Rated Listed Unsecured Redeemable on 22nd December 2017 | 6.66 |
| 8.60% Senior Rated Listed Unsecured Redeemable on 7th June 2018      | 6.29 |
| 9.5% Senior Rated Listed Unsecured Redeemable on 7th June 2018       | 6.29 |
| 10.5% Senior Rated Listed Unsecured Redeemable on 19th March 2019    | 9.43 |
| 12.29% Senior Rated Listed Unsecured Redeemable on 19th March 2019   | 9.43 |

Interest rate of comparable Government Securities as at 30th September 2017 was 9.01%.

Highest traded price, lowest traded price, last traded price as at 30th September 2017, interest yield and yield to maturity of trade of debentures which were traded are as follows:

|   | Highest<br>Traded Price<br>Rs. | Lowest<br>Traded Price<br>Rs. | Last<br>Traded Price<br>Rs. | Interest<br>Yield<br>% | Yield to<br>Maturity<br>% |
|---|--------------------------------|-------------------------------|-----------------------------|------------------------|---------------------------|
| 9.5% Senior Rated Listed Unsecured<br>Redeemable Debentures | 95                             | 95                            | 95                          | 14.73                  | 14.73                     |

The following debentures were not traded since date of issue:

8.60% senior rated listed unsecured redeemable debentures  
10.5% senior rated listed unsecured redeemable debentures  
12.29% senior rated listed unsecured redeemable debentures

|                    | Group               |                     | Company             |                     |
|--------------------|---------------------|---------------------|---------------------|---------------------|
|                    | 30th September 2017 | 30th September 2016 | 30th September 2017 | 30th September 2016 |
| Debt Equity Ratio  | <b>2.90</b>         | 2.50                | <b>3.04</b>         | 2.66                |
| Interest Cover     | <b>1.83</b>         | 3.26                | <b>1.48</b>         | 2.10                |
| Quick Assets Ratio | <b>0.72</b>         | 0.95                | <b>0.60</b>         | 0.92                |

## Notes to the Financial Statements

### 7. Top 20 Shareholders as at 30th September 2017

| Name  | No. of Shares      | %             |
|---|--------------------|---------------|
| 1. National Savings Bank/Hayleys PLC  | 85,147,054         | 22.67         |
| 2. Peoples Bank/Hayleys PLC   | 85,147,053         | 22.67         |
| 3. Hayleys PLC  | 40,293,659         | 10.73         |
| 4. Retail Holdings (Sri Lanka) BV   | 35,562,883         | 9.47          |
| 5. BNYMSANV RE-CF Ruffer Investment Funds: CF Ruffer Pacific Fund BN        | 24,000,000         | 6.39          |
| 6. Pemberton Asian Opportunities Fund                                       | 16,000,000         | 4.26          |
| 7. Bank of Ceylon A/C Ceybank Unit Trust                                    | 12,221,042         | 3.25          |
| 8. Volanka (Pvt) Ltd.   | 11,595,745         | 3.09          |
| 9. Carbotels (Pvt) Ltd.   | 9,680,851          | 2.58          |
| 10. HSBC INTL NOM Ltd. – Morgan Stanley and Co. LLC-RWC Frontier Markets    | 9,656,559          | 2.57          |
| 11. Northern Trust Company S/A The Establishment Investment Trust PLC       | 3,420,000          | 0.91          |
| 12. RBC Investor Services Bank S.A. Blackfriars Developing Markets FU       | 3,420,000          | 0.91          |
| 13. Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund DEUT       | 2,492,130          | 0.66          |
| 14. HSBC INTL NOM Ltd. – SSBT – Russell Investments Institutional Funds Pub | 1,968,819          | 0.52          |
| 15. Mrs. Mihiri Virani Fernando   | 1,890,000          | 0.50          |
| 16. Bank of Ceylon A/C Ceybank Century Growth Fund                          | 1,407,119          | 0.37          |
| 17. Mrs. Zohra Taher Jafferjee  | 992,670            | 0.26          |
| 18. Andaradeniya Estate Private Ltd.  | 669,849            | 0.18          |
| 19. Dr. Nimal Ebenezer Herat Sanderatne                                     | 575,888            | 0.15          |
| 20. Mrs. Anoma Kamalika Amarasuriya   | 536,910            | 0.14          |
|   | <u>346,678,231</u> | <u>92.29</u>  |
| Others  | <u>28,950,599</u>  | <u>7.71</u>   |
|   | <u>375,628,830</u> | <u>100.00</u> |

## Notes to the Financial Statements

### 8. Directors' and CEO's Shareholding as at 30th September 2017

| Name of the Director  | Shareholding<br>30th September 2017<br>No. of Shares | Shareholding<br>31st December 2016<br>No. of Shares |
|---|--|---|
| Mr. A. Mohan Pandithage<br>(Appointed with effect from 2nd October 2017)  | -  | -   |
| Mr. K.D. Dhammika Perera<br>(Appointed with effect from 2nd October 2017) | -  | -   |
| Late Dr. Saman Kelegama (Deceased on 23rd June 2017)                      | -  | -   |
| Mr. G.J. Walker   | -  | -   |
| Mr. H.A. Pieris   | 6,000  | 2,000   |
| Mr. L.N.S. Kumara Samarasinghe  | 17,372   | 4,124   |
| Mr. M.H. Wijewardene  | -  | -   |
| Mr. P.J. O'Donnell (Resigned with effect from 2nd October 2017)           | -  | -   |
| Mr. J.J. Hyun (Resigned with effect from 2nd October 2017)                | -  | -   |
| Mr. D.T.R. De Silva   | -  | -   |
| Mr. Deepal Sooriyaarachchi  | -  | -   |
| Mr. M. Hisham Jamaldeen<br>(Appointed with effect from 2nd October 2017)  | -  | -   |
| Mr. Sarath C. Ganegoda<br>(Appointed with effect from 2nd October 2017)   | -  | -   |
| Mr. Dumith H. Fernando<br>(Appointed with effect from 2nd October 2017)   | -  | -   |
| Mr. K.K.L.P. Yatiwella  | -  | -   |
| Mr. S.H. Goodman  | -  | -   |
| Mr. H.A.P. Sujeewa Perera   | -  | -   |

### 9. Public Holding

Shares held by public as at 30th September 2017

| No. of Shareholders | No. of Shares | %     |
|---------------------|---------------|-------|
| 2,669               | 165,017,692   | 43.93 |

10. Earnings Per Share (EPS) and Net Assets Value Per Share (NAVPS) for the period under review has been stated in proportion to the share split (Refer Note No. 3.2), prior year Share price, EPS and NAVPS too has been re-stated accordingly.

### 11. Information of the Company Secretary

A.C.M. Irzan

FCMA (UK)

Contact No. 011 2 316 244

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