

Richard Pieris Exports PLC

Interim Financial Statements

Six months ended 30th September 2017

Consolidated Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2017	2016	Change	2017	2016	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Continuing Operations						
Revenue	1,073,051	1,100,029	(2)	2,136,090	1,978,479	8
Cost of Sales	(736,797)	(723,750)	2	(1,425,851)	(1,300,550)	10
Gross Profit	336,254	376,279	(11)	710,239	677,929	5
Other Operating Income	512	1,873	(73)	1,437	3,073	(53)
Distribution Costs	(84,138)	(74,424)	13	(182,858)	(134,593)	36
Administrative Expenses	(54,225)	(51,587)	5	(106,449)	(96,907)	10
Profit from Operations	198,403	252,141	(21)	422,369	449,502	(6)
Finance Income	12,558	7,387	70	23,418	14,264	64
Finance Cost	(2,128)	(3,825)	(44)	(5,796)	(10,764)	(46)
Other Financial Items	1,279	1,605	(20)	11,753	(8,931)	(232)
Share of Profit/ (Loss) of Associate	(4,816)	3,740	(229)	(7,322)	4,735	(255)
Profit Before Tax	205,296	261,048	(21)	444,422	448,806	(1)
Taxation	(25,980)	(41,698)	(38)	(65,479)	(63,292)	3
Profit for the Period from Continuing Operations	179,316	219,350	(18)	378,943	385,514	(2)
Discontinued Operations						
Loss after tax for the period from discontinued operations	(15)	(24)	(36)	(30)	(48)	(37)
Profit for the period	179,301	219,326	(18)	378,913	385,466	(2)
Attributable to:						
-	-	-	-	-	-	-
Equity Holders of the Parent	97,940	145,446	(33)	218,608	261,427	(16)
Non Controlling Interest	81,361	73,880	10	160,305	124,039	29
	179,301	219,326	(18)	378,913	385,466	(2)

	Rs.	Rs.	Rs.	Rs.
Earnings Per Share	8.77	13.03	19.58	23.42
Earnings Per Share from Continuing Operations	8.77	13.03	19.58	23.42

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2017 Rs. '000	2016 Rs. '000	Change %	2017 Rs. '000	2016 Rs. '000	Change %
Revenue	265,549	373,512	(29)	548,315	709,910	(23)
Cost of Sales	(201,168)	(242,420)	(17)	(386,271)	(460,397)	(16)
Gross Profit	64,381	131,092	(51)	162,044	249,513	(35)
Other Operating Income	479	2,140	(78)	78,728	3,340	2,257
Distribution Costs	(11,273)	(14,482)	(22)	(24,152)	(23,335)	4
Administrative Expenses	(12,211)	(11,992)	2	(24,511)	(23,016)	6
Profit from Operations	41,376	106,758	(61)	192,109	206,502	(7)
Finance Income	5,465	2,522	117	9,269	4,566	103
Finance Cost	(1,234)	(2,717)	(55)	(3,150)	(7,859)	(60)
Other Financial Items	1,689	632	167	10,627	(5,129)	(307)
Profit before Tax	47,296	107,195	(56)	208,855	198,080	5
Taxation	(6,102)	(20,369)	(70)	(17,791)	(33,869)	(47)
Profit Attributable to Ordinary Shareholders	41,194	86,826	(53)	191,064	164,211	16
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	3.69	7.78		17.11	14.71	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Financial Position

	As at 30th September		As at 31st March
	2017	2016	2017
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	961,529	532,085	589,765
Investment in Associate	172,672	168,388	178,217
Other Investment	72,284	72,284	72,284
Leasehold Land Prepayment	11,953	12,226	12,090
	1,218,438	784,983	852,356
Discontinued Operations			
Assets of Arpico Natural Latex Foams (Pvt) Ltd	162	210	162
Current Assets			
Inventories	384,058	294,730	378,868
Trade & Other Receivables	852,069	871,895	748,498
Short Term Investments	230,441	325,736	343,470
Leasehold Land Prepayment	273	273	273
Amounts Due from Related Parties	31,541	39,877	36,301
Cash and Bank Balances	293,965	224,223	276,450
	1,792,347	1,756,734	1,783,860
Total Assets	3,010,947	2,541,927	2,636,378
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	856,165	613,886	637,557
Foreign Currency Translation	72,275	63,837	70,765
Equity Attributable to Equity Holders of the Parent	1,148,702	897,985	928,584
Non Controlling Interest	629,480	591,120	583,546
Total Equity	1,778,182	1,489,105	1,512,130
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	-	-	-
Deferred Tax Liabilities	43,263	8,273	26,529
Retirement Benefit Obligation	69,170	63,532	66,176
	112,433	71,805	92,705
Discontinued Operations			
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	226,869	226,897	226,839
Current Liabilities			
Trade and Other Payables	325,368	324,307	397,862
Income Tax Payable	17,262	41,388	26,113
Amounts Due to Related Parties	157,858	134,116	27,786
Interest Bearing Loans & Borrowings	392,975	254,309	352,943
	893,463	754,120	804,704
Total Liabilities	1,232,765	1,052,822	1,124,248
Total Equity and Liabilities	3,010,947	2,541,927	2,636,378


The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Palika Chandrajeewa
 Sector Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
 Approved and Signed for and on behalf of the Board on 10th November 2017 in Colombo.



W.R. Abeyasingunawardena
 Director



W.J. Viville P. Perera
 Director

Company Statement of Financial Position

	As at 30th September		As at 31st March
	2017	2016	2017
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	78,433	76,790	77,444
Long Term Investments	535,307	535,307	535,307
	613,740	612,097	612,751
Current Assets			
Inventories	110,767	94,092	128,858
Trade & Other Receivables	256,590	385,957	238,510
Short Term Investment	106,325	95,439	100,393
Amounts Due from Related Parties	108,430	40,368	35,845
Cash and Bank Balances	229,930	52,568	187,359
	812,042	668,424	690,965
Total Assets	1,425,782	1,280,521	1,303,716
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	955,552	738,410	764,488
Total Equity	1,175,814	958,672	984,750
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	-	-	-
Deferred Tax Liability	851	818	715
Retirement Benefit Obligation	50,706	49,992	49,392
	51,557	50,810	50,107
Current Liabilities			
Trade and Other Payables	115,131	113,804	148,869
Income Tax Payable	9,324	28,027	13,903
Amounts Due to Related Parties	25,087	15,147	14,522
Interest Bearing Loans & Borrowings	48,869	114,061	91,565
	198,411	271,039	268,859
Total Liabilities	249,968	321,849	318,966
Total Equity and Liabilities	1,425,782	1,280,521	1,303,716


The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Palika Chandrajeewa
 Sector Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
 Approved and Signed for and on behalf of the Board on 10th November 2017 in Colombo.



W.R. Abeysirigunawardena
 Director



W.J. Viville P. Perera
 Director

Statements of Comprehensive Income

	3 months ended 30th September		6 months ended 30th September	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Consolidated				
Profit for the period	179,301	219,326	378,913	385,466
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods				
Share of Other Comprehensive Income of Associate				
Translation of Associate using foreign functional currency	(763)	1,099	1,510	1,057
Other comprehensive income for the period	(763)	1,099	1,510	1,057
Total comprehensive income for the period	178,538	220,425	380,423	386,523
Attributable to				
Equity Holder of the Parent Company	97,177	146,545	220,118	262,484
Non Controlling Interest	81,361	73,880	160,305	124,039
	178,538	220,425	380,423	386,523

	3 months ended 30th September		6 months ended 30th September	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Company				
Profit for the period	41,194	86,826	191,064	164,211
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	41,194	86,826	191,064	164,211

Figures in brackets indicate deductions.

Statement of Changes in Equity

	Stated Capital Rs. '000	Revenue Reserves		Foreign Currency Translation Rs. '000	Non Controlling Interest Rs. '000	Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit Rs. '000			
Consolidated						
Balance as at 31st March 2016	220,262	219,250	133,209	62,780	467,224	1,102,725
Profit for the period	-	-	261,427	-	124,039	385,466
Other Comprehensive Income	-	-	-	1,057	-	1,057
Total Comprehensive Income	-	-	261,427	1,057	124,039	386,523
Dividend paid by subsidiary company to outside shareholders	-	-	-	-	(143)	(143)
Balance as at 30th September 2016	220,262	219,250	394,636	63,837	591,120	1,489,105
Balance as at 31st March 2017	220,262	219,250	418,307	70,765	583,546	1,512,130
Profit for the period	-	-	218,608	-	160,305	378,913
Other Comprehensive Income	-	-	-	1,510	-	1,510
Total Comprehensive Income	-	-	218,608	1,510	160,305	380,423
Dividend paid by subsidiary company to outside shareholders	-	-	-	-	(114,371)	(114,371)
Balance as at 30th September 2017	220,262	219,250	636,915	72,275	629,480	1,778,182

	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit Rs. '000	
Company				
Balance as at 31st March 2016	220,262	219,250	354,949	794,461
Profit for the period	-	-	164,211	164,211
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	164,211	164,211
Balance as at 30th September 2016	220,262	219,250	519,160	958,672
Balance as at 31st March 2017	220,262	219,250	545,238	984,750
Profit for the period	-	-	191,064	191,064
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	191,064	191,064
Balance as at 30th September 2017	220,262	219,250	736,302	1,175,814

Cash Flow Statements

	Consolidated		Company	
	For the 6 months period ended		For the 6 months period ended	
	30th Sep 2017	30th Sep 2016	30th Sep 2017	30th Sep 2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	444,422	448,806	208,855	198,080
Loss from discontinued Operations	(30)	(48)	-	-
Adjustment to reconcile profit before tax to net cash flows	23,033	19,687	(74,525)	11,276
Operating profit before working capital changes	467,425	468,445	134,330	209,356
Changes in Working Capital adjustments	(46,393)	(153,628)	(95,747)	(66,413)
Cash generated from operations	421,032	314,817	38,583	142,943
Interest Paid	(6,676)	(11,584)	(3,852)	(8,636)
Income Tax Paid	(57,863)	(38,634)	(22,234)	(20,870)
Defined Benefit plan costs paid	(3,123)	(125)	(2,921)	(125)
Net cash flows from Operating activities	353,370	264,474	9,576	113,312
Net cash used in investing activities	(261,817)	(82,107)	75,726	(9,853)
Net cash inflow before financing	91,553	182,367	85,302	103,459
Net cash used in financing activities	(43,464)	(79,526)	(55,357)	(42,746)
Net Increase / (Decrease) in cash and cash equivalents	48,089	102,841	29,945	60,713
Cash and cash equivalents at the beginning of the period	64,380	(39,291)	187,359	(28,780)
Cash and cash equivalents at the end of the period	112,469	63,550	217,304	31,933
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	293,965	224,223	229,930	52,568
From Discontinuing operations	162	210	-	-
	294,127	224,433	229,930	52,568
Bank Overdraft	(181,658)	(160,883)	(12,626)	(20,635)
	112,469	63,550	217,304	31,933

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Segmental Information

	Turnover		Profit / (Loss) from operations		Net Assets	
	For the 6 months period ended		For the 6 months period ended		As at	As at
	30th Sep	30th Sep	30th Sep	30th Sep	30th Sep	30th Sep
	2017	2016	2017	2016	2017	2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	24,496	29,665	(668)	(252)	33,034	32,192
Latex Based Segment	1,571,861	1,257,202	308,678	243,534	859,680	792,874
Hard Rubber Segment	548,315	709,910	192,109	206,502	1,175,814	958,672
	2,144,672	1,996,777	500,119	449,784	2,068,528	1,783,738
Adjustment for Inter Group Transactions	(8,582)	(18,298)	(77,750)	(282)	(919,826)	(885,753)
	2,136,090	1,978,479	422,369	449,502	1,148,702	897,985

Figures in brackets indicate deductions.

The above figures are subject to audit.

Notes to the Financial Statements

1 The figures given above for the six months ended 30th Sep 2017 and 30th Sep 2016 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the six months ended 30th September 2017 have been prepared in accordance with LKAS 34, Interim Financial Reporting. There were no changes to the Accounting Policies and methods of Computation since the publication of the Annual Report for the year ended 31st March 2017. The provisions of the new Companies Act No.7 of 2007 have been considered in preparing the interim financial statements of the Company and of the Group.

The Interim financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value.

2 Figures for the corresponding period have been re-arranged where ever necessary to confirm to the current presentation. The figures in brackets indicate deductions.

3 Stated Capital

	As at 30.09.2017	As at 31.03.2017
Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745
	Rs.	Rs.
Stated Capital (Rs)	220,262,000	220,262,000

4 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended 31st March 2017.

5 There have been no events subsequent to the interim period, which require disclosure in the Interim Financial Statements.

6 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 30.09.2017, approved by the board are as follows.

	Group		Company	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Contracted but not provided for	241,330	-	-	-
Approved but not contracted for	287,157	-	-	-
	<u>528,487</u>	<u>-</u>	<u>-</u>	<u>-</u>

Lease Commitments

	Group			
	2017 Rs.'000	2017 USD	2016 Rs.'000	2016 USD
Within one year	4,580	29,910	4,110	27,971
After one year but not more than five years	18,322	119,640	16,441	111,884
More than five years	281,690	1,839,313	251,283	1,709,991
	<u>304,592</u>	<u>1,988,863</u>	<u>271,834</u>	<u>1,849,846</u>

7 Discontinued operations Comprise the results of Subsidiaries of the Group whose Commercial operations have been discontinued.

8 Net asset value per Share

	30th Sep 2017 Rs.	30th Sep 2016 Rs.	31st March 2017 Rs.
Consolidated (in Rs.)	102.90	80.44	83.18
Company (in Rs.)	105.32	85.87	88.21

9 Market Price Per Share

	30th Sep 2017 Rs	30th Sep 2016 Rs	31st March 2017 Rs.
Highest for the Quarter / Year (in Rs.)	240.00	250.00	255.00
Lowest for the Quarter / Year (in Rs.)	210.00	227.00	200.00
Last Traded Price for the Quarter / Year (in Rs.)	212.10	235.00	209.00

10 All values included in this financial statements, are in Rupees 000's unless otherwise stated.

Shareholder Information

1. Major Shareholders as at 30th September 2017

	<u>As at 30th Sep 2017</u>		<u>As at 31st March 2017</u>		<u>Change</u>
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	9,366,027	83.90%	8,959,997	80.26%	406,030
4 Mr.D.F.G.Dalpethado	147,171	1.32%	32,671	0.29%	114,500
3 Mr. T.T.T.Al-Nakib	125,800	1.13%	125,000	1.12%	800
5 Mr. P.Vijendran	60,000	0.54%	60,000	0.54%	-
6 First Capital Markets Ltd	57,500	0.52%	-	-	57,500
7 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
8 Mr.K.A.S.R.Nissanka	53,397	0.48%	53,397	0.48%	-
9 Mr. A.A.A.Noorudin	50,000	0.45%	50,000	0.45%	-
10 Ransiri Enterprises (Pvt) Ltd	42,100	0.38%	41,572	0.37%	528
11 Union Investments (Pvt) Ltd	40,600	0.36%	40,600	0.36%	-
12 Mr. Sithampalam	35,000	0.31%	35,000	0.31%	-
13 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
14 Mr. M.S.P.Fernando	28,008	0.25%	28,008	0.25%	-
16 Mrs M. Y. Amerasinghe	25,000	0.22%	26,000	0.23%	(1,000)
17 Mr. N.A.Withana	25,000	0.22%	25,000	0.22%	-
18 Mr. W.M.H.B.Senevi	22,114	0.20%	22,114	0.20%	-
19 Mr.H.A. Pieris	20,931	0.19%	20,932	0.19%	(1)
20 Mr P.T.S.De Silva	19,124	0.17%	17,873	0.16%	1,251
15 Mr. W.P.Gunasena	17,240	0.15%	50,578	0.45%	(33,338)
20 Mr M.H.M.Anees	16,644	0.15%	17,873	0.16%	(1,229)
Total	10,235,055	91.68%	10,205,569	91.42%	545,041

2. Public & Parent Shareholding

As at 30th September 2017, the public held 16.10% (2016 : 19.74%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 83.90%. (2016-80.26%).

As at 30th September 2017 no of public holders are 1,490 (2016 : 1,488)

The Ordinary Voting Shares of Richard Pieris Exports PLC have been transferred from Main Board to the Diri Savi Board of the CSE , with effect from 07th July 2017.

3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 30th September 2017	No of Shares as at 31st March 2017
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Dr.L.M.K.Tillekeratne	-	-
Mr. Angelo Maharajah Patrick	-	-

CORPORATE INFORMATION

LEGAL FORM

A Quoted Public Company with limited liability
Incorporated in Sri Lanka on 30th June, 1983

PRINCIPAL BUSINESS ACTIVITIES

Manufacture and Export of rubber based products and manufacture of
fillers for the rubber industry

BOARD OF DIRECTORS

Dr. Sena Yaddehige (Chairman)

Shaminda Yaddehige

Sunil S G Liyanage

W.J.Viville P Perera

W R Abeysirigunawardena

Dr.L.M.K.Tillekeratne

Angelo Maharajah Patrick

REGISTERED OFFICE

No. 310, High Level Road, Nawinna,
Maharagama.

T.P. 0114 310500

E-mail : rpe@arpico.com

Web : www.arpicorubber.com

COMPANY SECRETARIES

Richard Pieris Group Services (Private) Limited.

No. 310, High Level Road,
Nawinna,

Maharagama.

T.P. 0114 310500

AUDITORS

M/s Kreston MNS & Company
Chartered Accountants