

Sharpening **our focus**

LAUGFS GAS PLC INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018

CHAIRMAN'S MESSAGE

Dear Stakeholder,

LAUGFS Gas PLC is pleased to inform that its LPG transshipment Terminal facility in the Port of Hambantota will be commencing its operations shortly. We are proud to inform you that this project will be recognized as one of the largest and most commercially competitive LPG infrastructure development in the Indian Ocean Rim area in terms of the magnitude of the investment and the commercial competences and viability. Due to its strategic advantages in respect of regional logistic competitiveness, it is envisaged that this project would make Sri Lanka a LPG hub in the South Asian region while bringing much needed foreign exchange inflow to the country.

It should be noted that as a result of the Rupee depreciating rapidly against the US Dollar, coupled with the Company having to operate its business of LPG downstream under the prevailing retail price restrictions whilst LPG prices in the global market are surging, the finances for this quarter also has recorded losses. In order to address this current situation, the Company is in a continuous dialogue with the Consumer Affairs Authority in order to ensure that LPG retail prices are revised in line with global LPG market prices by adhering to the existing pricing formula. Whilst we are confident that we will receive a positive response in this regard, the Company has concurrently sought advice on seeking legal redress in order to ensure its rights.

In addition to the aforementioned, the Company is also continuing to pursue prospective strategic partnerships in order to enhance funding and create requisite marketing channels and opportunities which will no doubt bring in the expected returns in the years to come.

(Sgd).

W. K. H. Wegapitiya
Chairman/Group CEO
15th November 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the quarter ended 30 September 2018

	Quarter ended 30 September			Six Months ended 30 September			Year ended 31 March
	Unaudited		Change %	Unaudited		Change %	Audited
	2018 Rs.'000	2017 Rs.'000		2018 Rs.'000	2017 Rs.'000		2018 Rs.'000
Revenue	6,208,226	5,598,489	11	11,926,748	10,095,796	18	21,354,621
Cost of Sales	(5,621,348)	(4,783,457)	18	(10,537,731)	(9,010,500)	17	(19,210,054)
Gross Profit	586,878	815,032	(28)	1,389,017	1,085,296	28	2,144,568
Other Operating Income	139,877	114,378	22	272,849	227,958	20	468,028
Selling and Distribution Expenses	(337,680)	(373,481)	(10)	(722,963)	(757,400)	(5)	(1,377,165)
Administrative Expenses	(223,455)	(242,437)	(8)	(529,566)	(458,079)	16	(1,226,455)
Foreign Currency Exchange Gain/(Loss)	(55,552)	25,028	322	(66,697)	16,493	504	27,383
Operating Profit	110,067	338,520	(67)	342,639	114,268	200	36,360
Finance Cost	(446,378)	(393,055)	14	(884,891)	(769,088)	15	(1,767,153)
Fair Value Gain on Investment Properties	-	-	-	-	-	-	106,443
Finance Income	6,068	12,349	(51)	11,034	21,769	(49)	45,408
Profit/(Loss) Before Tax	(330,244)	(42,186)	683	(531,217)	(633,051)	(16)	(1,578,942)
Income Tax Expense	21,032	(33,773)	(162)	(22,004)	49,781	(144)	(49,135)
Profit/(Loss) for the Period from Continuing Operation	(309,211)	(75,960)	307	(553,222)	(583,270)	(5)	(1,628,077)
Discontinued Operations:							
Profit after Tax for the Period from Discontinued Operations	-	116,302	-	-	167,828	-	296,263
Profit/(Loss) for the Period	(309,211)	40,342	(866)	(553,222)	(415,442)	33	(1,331,813)
Attributable to:							
Equity Holders of the Parent	(311,892)	40,342	(873)	(559,352)	(415,442)	35	(1,331,813)
Non-Controlling Interests	2,681	-	-	6,130	-	-	-
	(309,211)	40,342	(866)	(553,222)	(415,442)	33	(1,331,813)
Earnings Per Share :							
Basic/Diluted loss attributable to Ordinary Equity Holders of the Parent (Rs.)	(0.81)	0.10		(1.45)	(1.07)		(3.44)
Loss Per Share for Continuing Operations:							
Basic/Diluted Loss from Continuing Operations attributable to Ordinary Equity Holders of the Parent (Rs.)	(0.81)	(0.20)		(1.45)	(1.51)		(4.21)

Note : Change % column represents the percentage change in current period's results compared to previous period
The above figures are subject to audit.
Figures in brackets indicates deductions.

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the quarter ended 30 September 2018

	Quarter ended 30 September			Six Months ended 30 September			Year ended 31 March
	Unaudited		Change %	Unaudited		Change %	Audited
	2018 Rs.'000	2017 Rs.'000		2018 Rs.'000	2017 Rs.'000		2017 Rs.'000
Profit/(Loss) for the Period	(309,211)	40,342	(866)	(553,222)	(415,442)	33	(1,331,813)
Other Comprehensive Income							
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax) :							
Gain/(Loss) on Available for Sale Financial Assets	-	(4,113)	-	-	16,434	-	12,803
Reclassification during the Year to Profit or Loss	-	-	-	-	-	-	181,675
Exchange Differences in Translation of Foreign Operations	328,126	(68,331)	(580)	399,607	(46,294)	(963)	(62,873)
Surplus on Revaluation of Assets Transferred to Investment Properties	-	-	-	-	-	-	18,448
Income Tax Effect	-	-	-	-	-	-	(15,662)
Net Other Comprehensive Income/(Loss) to be Reclassified to Profit or Loss in Subsequent Periods	328,126	(72,443)	(553)	399,607	(29,860)	(1,438)	134,391
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax) :							
Net Gain/(Loss) on Equity Instruments at Fair Value Through Other Comprehensive Income	(7,917)	-	-	(22,744)	-	-	-
Actuarial Gains/(Losses) on Defined Benefit Plans	-	-	-	-	-	-	44,045
Income Tax Effect	-	-	-	-	-	-	(13,154)
Net Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods	(7,917)	-	-	(22,744)	-	-	30,891
Other Comprehensive Income/(Loss) for the Period Net of Tax	320,209	(72,443)	(542)	376,863	(29,860)	(1,362)	165,282
Total Comprehensive Income/(Loss) for the Period Net of Tax	10,998	(32,101)	(134)	(176,359)	(445,302)	(60)	(1,166,532)
Attributable to:							
Equity Holders of the Parent	8,317	(32,101)	(126)	(182,489)	(445,302)	(59)	(1,166,532)
Non-Controlling Interests	2,681	-	-	6,130	-	-	-
	10,998	(32,101)	(134)	(176,359)	(445,302)	(60)	(1,166,532)

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

LAUGFS Gas PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	Unaudited As at 30.09.2018 Rs.'000	Unaudited As at 30.09.2017 Rs.'000	Audited As at 31.03.2018 Rs.'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	20,294,704	23,955,142	17,070,443
Investment Properties	2,508,066	2,282,812	2,507,307
Intangible Assets	2,541,115	3,055,140	2,343,401
Prepayments	5,311	99,698	6,292
Other Non-Current Financial Assets	115,240	141,265	137,634
Deferred Tax Assets	277	18,817	208
	25,464,712	29,552,874	22,065,284
Current Assets			
Inventories	1,521,152	1,125,076	1,563,784
Trade and Other Receivables	4,868,713	3,876,632	4,470,102
Prepayments	73,178	39,123	69,802
Income Tax Recoverable	307,768	247,459	266,230
Other Current Financial Assets	2,344	2,924	2,678
Cash and Short-Term Deposits	1,346,438	2,741,513	2,957,223
	8,119,593	8,032,727	9,329,819
Total Assets	33,584,305	37,585,601	31,395,103
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,000,000	3,285,000	1,000,000
Fair value Reserve of financial assets at FVOCI	(22,022)	(177,322)	722
Foreign Currency Translation Reserve	523,594	140,513	123,987
Revaluation Reserve	86,842	112,559	86,842
Retained Earnings/(Losses)	(711,609)	3,845,237	(156,053)
Equity attributable to Equity Holders of the Parent	876,806	7,205,987	1,055,499
Non-Controlling Interests	392,314	-	386,184
Total Equity	1,269,120	7,205,987	1,441,683
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	13,308,555	16,261,448	13,486,083
Employee Benefit Liability	208,427	276,822	174,391
Deferred Tax Liability	589,108	538,986	649,945
Refundable Deposits	2,372,885	2,120,164	2,364,097
Deferred Income	801,184	712,152	810,972
	17,280,160	19,909,572	17,485,487
Current Liabilities			
Trade and Other Payables	5,649,556	3,912,711	4,183,661
Interest Bearing Loans and Borrowings	8,663,753	5,802,856	7,458,522
Deferred Income	14,894	16,491	15,711
Refundable Deposits	251,282	225,504	252,412
Income Tax Payable	455,540	512,478	557,627
	15,035,026	10,470,041	12,467,933
Total Equity and Liabilities	33,584,305	37,585,601	31,395,103
Net Assets Per Share (Rs.)	2.27	18.62	2.73

Note: The above figures are subject to audit.

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

(Sgd).

Dilshan Perera

Finance Director

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).

W.K.H. Wegapitiya

Director

(Sgd).

U.K.Thilak De Silva

Director

14 November 2018

Colombo

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Stated Capital	Retained Earnings	Fair value Reserve of financial assets at FVOCI	Revaluation Reserves	Foreign Currency Translation Reserve	Total	Non- Controlling Interests	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs. '000	Rs.'000	Rs. '000	Rs. '000
Balance as at 01 April 2018	1,000,000	(156,053)	722	86,842	123,987	1,055,499	386,184	1,441,683
Profit /(Loss) for the period	-	(559,352)	-	-	-	(559,352)	6,130	(553,222)
Other Comprehensive Income/(Loss) for the period	-	-	(22,744)	-	399,607	376,863	-	376,863
Total Comprehensive Income/(Loss) for the period	-	(559,352)	(22,744)	-	399,607	(182,489)	6,130	(176,359)
Deferred Tax Liability Reversal during the period	-	3,796	-	-	-	3,796	-	3,796
Balance as at 30 September 2018	1,000,000	(711,609)	(22,022)	86,842	523,594	876,806	392,314	1,269,120
Balance as at 01 April 2017	3,285,000	4,253,763	(193,756)	112,559	186,807	7,644,374	-	7,644,374
Profit /(Loss) for the period	-	(415,442)	-	-	-	(415,442)	-	(415,442)
Other Comprehensive Income for the period	-	-	16,434	-	(46,294)	(29,860)	-	(29,860)
Total Comprehensive Income for the period	-	(415,442)	16,434	-	(46,294)	(445,302)	-	(445,302)
Deferred Tax Liability Reversal during the period	-	11,781	-	-	-	11,781	-	11,781
Reversal of Surplus on revaluation for Disposal of Property, Plant and Equipments	-	(4,865)	-	-	-	(4,865)	-	(4,865)
Balance as at 30 September 2017	3,285,000	3,845,237	(177,322)	112,559	140,513	7,205,987	-	7,205,987

Note : The above figures are subject to audit.
Figures in brackets indicates deductions.

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

LAUGFS Gas PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	Unaudited 2018 Rs.'000	Unaudited 2017 Rs.'000
Cash Flows Generated from/(Used in) Operating Activities		
Cash Flows from Operating Activities		
Profit/(Loss) Before Tax from Continuing Operations	(531,217)	(633,051)
Profit/(Loss) Before Tax from Discontinued Operations	-	225,671
Profit/(Loss) Before Tax	(531,217)	(407,379)
Non-Cash Adjustment to Reconcile Profit before Tax to Net Cash Flows:		
Amortization of Intangible Assets	9,143	12,371
Decrease /(Increase) in Fair Value of Quoted Equity Securities	334	(231)
Depreciation of Property, Plant and Equipment	453,201	630,165
Finance Costs	884,891	1,100,378
Finance Income	(11,034)	(39,758)
Dividend Income	(2,440)	(3,515)
Provision for Employee Benefit Liability	25,740	13,269
Provision for Worker's Profit Participation Fund	1,923	11,320
(Profit)/Loss on Disposal of Property, Plant & Equipment	8,840	860
Exchange Rate Difference Adjustments	113,716	(12,866)
Operating Profit Before Working Capital Changes	953,097	1,304,612
Working Capital Adjustments:		
(Increase)/Decrease in Inventories	42,632	303,135
(Increase)/Decrease in Trade and Other Receivables and Prepayments	(1,091,921)	(86,628)
Increase/(Decrease) in Trade and Other Payables	2,488,665	178,769
Increase/(Decrease) in Deferred Income	(10,605)	43,419
Cash Generated from Operating Activities	2,381,868	1,743,306
Employee Benefit Liability Costs Paid	(3,156)	(3,693)
Finance Costs Paid	(884,891)	(1,100,378)
Income Tax Paid	(258,206)	(303,149)
Refundable Deposits Received	246,942	289,534
Refund/Transfers of Refundable Deposits	(239,284)	(258,512)
Net Cash Flows Generated from Operating Activities	1,243,274	367,107
Cash Flows from / (Used in) Investing Activities		
Acquisition of Intangible Assets	(1,485)	(7,027)
Acquisition of Property, Plant and Equipment	(3,457,548)	(1,979,800)
Acquisition of Investment Properties	(759)	(12,012)
Dividend Received	2,091	3,515
Investments in Quoted Equity Securities	-	(2,004)
Proceeds from Disposal of Property, Plant and Equipment	7,655	3,412
Net Cash Flows from/(Used in) Investing Activities	(3,450,047)	(1,993,916)
Cash Flows from / (Used in) Financing Activities		
Finance Income	11,034	39,758
Proceeds from Interest Bearing Loans and Borrowings	13,343,328	7,809,959
Repayment of Interest Bearing Loans and Borrowings	(12,460,562)	(5,807,771)
Net Cash Flows from/(Used) in Financing Activities	893,800	2,041,946
Net Increase /(Decrease) in Cash and Cash Equivalent	(1,312,974)	415,137
Cash and Cash Equivalent at the Beginning of the Period	2,271,437	1,416,302
Cash and Cash Equivalent at the End of the Period	958,463	1,831,439

Note : The above figures are subject to audit.

Figures in brackets indicates deductions.

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

LAUGFS Gas PLC

COMPANY STATEMENT OF PROFIT OR LOSS

For the quarter ended 30 September 2018

	Quarter ended 30 September			Six Months ended 30 September			Year ended 31 March
	Unaudited		Change %	Unaudited		Change %	Audited
	2018 Rs.'000	2017 Rs.'000		2018 Rs.'000	2017 Rs.'000		2017 Rs.'000
Revenue	3,619,230	3,202,341	13	7,156,733	5,939,677	20	12,834,119
Cost of Sales	(3,248,566)	(2,837,444)	14	(6,295,943)	(5,553,672)	13	(12,258,443)
Gross Profit	370,664	364,897	2	860,791	386,005	123	575,677
Other Operating Income	139,749	117,825	19	512,837	231,474	122	1,003,102
Selling and Distribution Expenses	(198,003)	(224,992)	(12)	(423,485)	(489,406)	(13)	(898,517)
Administrative Expenses	(66,433)	(128,358)	(48)	(223,357)	(261,621)	(15)	(576,472)
Foreign Currency Exchange Gain/(Loss)	(33,063)	29,341	213	(19,701)	37,725	152	78,138
Operating Profit/(Loss)	212,914	158,711	34	707,085	(95,824)	(838)	181,928
Finance Cost	(422,552)	(371,472)	14	(838,138)	(725,194)	16	(1,682,219)
Fair Value Gain on Investment Properties	-	-	-	-	-	-	43,000
Finance Income	1,247	1,019	22	2,398	2,093	15	5,905
Profit/(Loss) Before Tax	(208,391)	(211,741)	(2)	(128,655)	(818,925)	(84)	(1,451,387)
Income Tax Expense	39,234	44,849	(13)	65,872	143,531	(54)	180,484
Profit/(Loss) for the Period	(169,158)	(166,893)	1	(62,783)	(675,395)	(91)	(1,270,903)

Note : Change % column represents the percentage change in current period's results compared to previous period

The above figures are subject to audit.

Figures in brackets indicates deductions.

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

For the quarter ended 30 September 2018

	Quarter ended 30 September			Six Months ended 30 September			Year ended 31 March
	Unaudited		Change %	Unaudited		Change %	Audited
	2018 Rs.'000	2017 Rs.'000		2018 Rs.'000	2017 Rs.'000		2017 Rs.'000
Profit/(Loss) for the Period	(169,158)	(166,893)	1	(62,783)	(675,395)	(91)	(1,270,903)
Other Comprehensive Income							
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax) :							
Reclassification during the Year to Profit or Loss	-	-	-	-	-	-	122,300
Gain/(Loss) on Available for Sale Financial Assets	-	(4,113)	-	-	16,434	-	2,913
Net Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods	-	(4,113)	-	-	16,434	-	125,213
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax) :							
Net Gain/(Loss) on Equity Instruments at Fair Value Through Other Comprehensive Income	(7,917)	-	-	(22,744)	-	-	-
Actuarial Gains/ (Losses) on Defined Benefit Plans	-	-	-	-	-	-	11,123
Income Tax Effect	-	-	-	-	-	-	(2,225)
Net Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods	(7,917)	-	-	(22,744)	-	-	8,898
Other Comprehensive Income/(Loss) for the Period Net of Tax	(7,917)	(4,113)	92	(22,744)	16,434	(238)	134,111
Total Comprehensive Income/(Loss) for the Period Net of Tax	(177,074)	(171,006)	4	(85,527)	(658,961)	(87)	(1,136,792)

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

LAUGFS Gas PLC

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	Unaudited As at 30.09.2018 Rs.'000	Unaudited As at 30.09.2017 Rs.'000	Audited As at 31.03.2018 Rs.'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	7,707,430	6,963,455	7,586,202
Investment Properties	804,500	761,500	804,500
Intangible Assets	6,800	18,540	12,364
Investments in Subsidiaries	6,874,035	12,170,337	6,874,035
Other Non-Current Financial Assets	115,240	141,265	137,634
	15,508,005	20,055,097	15,414,736
Current Assets			
Inventories	678,079	375,206	771,276
Trade and Other Receivables	3,323,301	3,087,434	3,381,684
Prepayments	33,511	8,266	34,073
Income Tax Recoverable	301,987	230,006	265,237
Other Current Financial Assets	2,344	2,924	2,678
Cash and Short-Term Deposits	267,093	255,238	122,949
	4,606,315	3,959,074	4,577,898
Total Assets	20,114,320	24,014,171	19,992,634
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	1,000,000	3,285,000	1,000,000
Fair value Reserve of financial assets at FVOCI	(22,022)	(177,322)	722
Retained Earnings	(469,391)	3,543,774	(406,608)
Equity attributable to Equity Holders of the Parent	508,587	6,651,452	594,114
Total Equity	508,587	6,651,452	594,114
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	5,813,056	7,578,019	6,245,291
Employee Benefit Liability	55,563	61,347	54,274
Deferred Tax Liability	385,724	439,704	451,744
Refundable Deposits	2,261,541	2,029,540	2,271,709
Deferred Income	801,184	712,152	810,972
	9,317,068	10,820,763	9,833,990
Current Liabilities			
Trade and Other Payables	2,442,903	1,529,224	2,429,679
Interest Bearing Loans and Borrowings	7,579,586	4,770,737	6,866,727
Deferred Income	14,894	16,491	15,711
Refundable Deposits	251,282	225,504	252,412
	10,288,665	6,541,956	9,564,529
Total Equity and Liabilities	20,114,320	24,014,171	19,992,634
Net Assets Per Share (Rs.)	1.31	17.19	1.54

Note: The above figures are subject to audit.

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

(Sgd).

Dilshan Perera

Finance Director

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).

W.K.H.Wegapitiya

Director

(Sgd).

U.K.Thilak De Silva

Director

14 November 2018

Colombo

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

LAUGFS Gas PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Stated Capital	Retained Earnings	Fair value Reserve of financial assets at FVOCI	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01 April 2018	1,000,000	(406,608)	722	594,114
Profit/(Loss) for the period	-	(62,783)	-	(62,783)
Other Comprehensive Income for the period	-	-	(22,744)	(22,744)
Total Comprehensive Income for the period	-	(62,783)	(22,744)	(85,527)
Balance as at 30 September 2018	1,000,000	(469,391)	(22,022)	508,587
Balance as at 01 April 2017	3,285,000	4,215,871	(193,756)	7,307,115
Profit/(Loss) for the period	-	(675,395)	-	(675,395)
Other Comprehensive Income for the period	-	-	16,434	16,434
Total Comprehensive Income for the period	-	(675,395)	16,434	(658,961)
Deferred Tax Liability Reversal during the period	-	8,163	-	8,163
Reversal of Surplus on revaluation for Disposal of Property, Plant and Equipments	-	(4,865)	-	(4,865)
Balance as at 30 September 2017	3,285,000	3,543,774	(177,322)	6,651,452

Note : The above figures are subject to audit.

Figures in brackets indicates deductions.

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

LAUGFS Gas PLC

COMPANY STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	Unaudited	Unaudited
	2018	2017
	Rs.'000	Rs.'000
Cash Flows Generated from/(Used in) Operating Activities		
Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	(128,655)	(818,925)
Non-Cash Adjustment to Reconcile Profit before Tax to Net Cash Flows:		
Amortization of Intangible Assets	5,564	6,787
Decrease /(Increase) in Fair Value of Quoted Equity Securities	334	(231)
Depreciation of Property, Plant and Equipment	244,994	214,670
Finance Costs	838,138	725,194
Finance Income	(2,398)	(2,093)
Dividend Income	(242,615)	(7,275)
Provision for Employee Benefit Liability	4,445	4,287
(Profit)/Loss on Disposal of Property, Plant and Equipment	8,840	1,632
Exchange Rate Difference Adjustments	(49,487)	1,844
Operating Profit Before Working Capital Changes	679,161	125,889
Working Capital Adjustments:		
(Increase)/ Decrease in Inventories	93,197	194,314
(Increase)/Decrease in Trade and Other Receivables and Prepayments	230,320	313,963
Increase/ (Decrease) in Trade and Other Payables	366,115	135,026
Increase/ (Decrease) in Deferred Income	(10,605)	43,419
Cash Generated from Operating Activities	1,358,189	812,611
Employee Benefit Liability Costs Paid	(3,156)	(2,814)
Finance Costs Paid	(838,138)	(725,194)
Income Tax Paid	(36,898)	(28,747)
Refund/Transfers of Refundable Deposits	(239,284)	(258,512)
Refundable Deposits Received	227,986	288,607
Net Cash Flows Generated from Operating Activities	468,699	85,950
Cash Flows from / (Used in) Investing Activities		
Acquisition of Intangible Assets	-	(149)
Acquisition of Property, Plant and Equipment	(382,717)	(556,960)
Dividend Received	70,891	7,275
Investments in Quoted Equity Securities	-	(2,004)
Investments in Subsidiaries	-	(320,000)
Proceeds from Disposal of Property, Plant and Equipment	7,655	2,064
Net Cash Flows from/(Used in) Investing Activities	(304,172)	(869,773)
Cash Flows from / (Used in) Financing Activities		
Finance Income	2,398	2,093
Proceeds from Interest Bearing Loans and Borrowings	12,434,602	6,236,015
Repayment of Interest Bearing Loans and Borrowings	(12,050,795)	(5,528,609)
Net Cash Flows from / (Used) in Financing Activities	386,205	709,499
Net Decrease in Cash and Cash Equivalent	550,732	(74,324)
Cash and Cash Equivalent at the Beginning of the Period	(377,160)	(114,131)
Cash and Cash Equivalent at the End of the Period	173,572	(188,455)

Note : The above figures are subject to audit.

Figures in brackets indicates deductions.

The accounting policies and notes on pages 13 to 17 form an integral part of these financial statements.

SEGMENTAL REPORTING

Operating Segments	Energy		Energy- Overseas		Property		Transportation & Logistics		Trading		Eliminations/Adjustments		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue														
External Customers	7,153,993	5,936,229	4,555,901	3,960,548	55,936	52,315	150,981	146,705	9,939	-	-	-	11,926,748	10,095,796
Inter-Segment	2,741	3,449	-	-	12,613	21,340	547,346	493,431	4,635,759	1,038,283.86	(5,198,459)	(1,556,504)	-	-
Total Revenue	7,156,733	5,939,677	4,555,901	3,960,548	68,548	73,656	698,327	640,135	4,645,698	1,038,284	(5,198,459)	(1,556,504)	11,926,748	10,095,796
Results														
Operating Profit	707,085	(95,824)	28,631	195,782	47,814	57,159	33,720	94,569	(179,894)	(70,493)	(294,717)	(66,926)	342,639	114,268
Finance Costs	(838,138)	(725,194)	(456)	-	(13,753)	(16,110)	(30,331)	(27,783)	(2,213)	-	-	-	(884,891)	(769,088)
Finance Income	2,398	2,093	8,369	19,295	106	193	145	188	16	-	-	-	11,034	21,769
Profit/(Loss) Before Tax	(128,655)	(818,925)	36,544	215,077	34,167	41,243	3,535	66,974	(182,091)	(70,493)	(294,717)	(66,926)	(531,217)	(633,051)
Income Tax Expense	65,872	143,531	(20,020)	(82,541)	(9,645)	(11,793)	(14,955)	9	-	-	(43,256)	574	(22,004)	49,781
Profit/(Loss) for the Six Months from Continuing Operations	(62,783)	(675,395)	16,524	132,536	24,521	29,450	(11,420)	66,983	(182,091)	(70,493)	(337,973)	(66,352)	(553,222)	(583,270)
Profit/(Loss) for the Six Months from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	167,828	-	167,828
Profit/(Loss) for the Six Months	(62,783)	(675,395)	16,524	132,536	24,521	29,450	(11,420)	66,983	(182,091)	(70,493)	(337,973)	101,476	(553,222)	(415,442)
Net Gain/(Loss) on Equity Instruments at Fair Value Through Other Comprehensive Income	(22,744)	16,434	-	-	-	-	-	-	-	-	-	-	(22,744)	16,434
Exchange Differences in Translation of Foreign Operations	-	-	154,162	(21,900)	-	-	-	-	44,320	3,740	201,125	(28,134)	399,607	(46,294)
Total Comprehensive Income for the Six Months Net of Tax	(85,527)	(658,961)	170,687	110,636	24,521	29,450	(11,420)	66,983	(137,771)	(66,753)	(136,849)	73,342	(176,359)	(445,302)
Assets & Liabilities														
Non-Current Assets														
Total Non-Current Assets	15,508,005	20,055,097	2,748,833	1,200,764	1,882,525	1,812,799	10,056,770	5,576,865	1,320,190	1,320,337	(6,051,610)	(412,989)	25,464,712	29,552,874
Current Assets														
Total Current Assets	4,606,315	3,959,074	2,245,376	2,779,581	240,530	236,035	1,264,999	1,448,778	1,303,030	461,356	(1,540,657)	(852,096)	8,119,593	8,032,727
Total Assets													33,584,305	37,585,601
Non-Current Liabilities														
Total Non-Current Liabilities	9,317,068	10,820,763	820,690	313,297	397,282	307,357	6,753,398	3,319,800	-	-	(8,278)	5,148,356	17,280,160	19,909,572
Current Liabilities														
Total Current Liabilities	10,288,665	6,541,956	2,311,604	1,872,247	156,516	148,322	2,396,106	1,336,672	1,472,488	474,099	(1,590,353)	96,745	15,035,026	10,470,041
Total Liabilities													32,315,185	30,379,613

The above figures are subject to audit.
Figures in brackets indicates deductions.

1 Corporate Information

LAUGFS Gas PLC is a public limited liability company incorporated and domiciled in Sri Lanka. Its ordinary voting and non voting shares are listed on Main Board of Colombo Stock Exchange.

The interim financial statements of the group and company for the Quarter ended 30 September 2018 were authorised for issue by the board of directors on 14 November 2018

2 Basis of Preparation

The Interim financial statements of LAUGFS Gas PLC have been prepared in accordance with Sri Lanka Accounting Standards comprising of SLFRS and LKAS (here after referred as "SLFRS") issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and accounting policies set out in the Annual Report for the year ended 31 March 2018.

These interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34 - "Interim Financial Reporting". They should be read in conjunction with the Annual Report for the year ended 31 March 2018.

The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim financial statements have been prepared on historical cost basis, except for "investment properties", "non-current financial assets" and "current financial assets" which have been measured at fair value.

LAUGFS Gas PLC

NOTES TO THE FINANCIAL STATEMENTS

3 Share Information

3.1. Public share holdings

The percentage of ordinary voting shares held by the public as at 30 September 2018 were 25.22% (30 June 2018 - 25.22%).

Total number of shareholders who hold the public holding as at 30 September 2018 were 9,318 (30 June 2018 were 9,273).

The float adjusted market capitalisation as at 30 September 2018 is Rs.1,495,248,263 and company is in compliance with option 5 of Section 7.13.1(a) of the Listing Rules of the Colombo Stock Exchange.

3.2 Directors Share holdings

The number of shares held by the Board of directors are as follows

Ordinary Voting Shares

As at Name of Directors	30-09-2018	30-06-2018
Mr W K H Wegapitiya	1,411,536	1,411,536
Mr U K Thilak De Silva	1,077,897	1,077,897
Mr H A Ariyaratne	3,900	3,900
Mr T K Bandaranayake	Nil	Nil
Mr. N M Prakash	17,000	17,000
Mr. A R D Perera	Nil	Nil
Mr. A N Ranasinghe (Resigned on 15 August 2018)	Nil	Nil
Prof. S.S.P. Amaratunga	Nil	Nil

Ordinary Non Voting Shares

As at Name of Directors	30-09-2018	30-06-2018
Mr W K H Wegapitiya	Nil	Nil
Mr U K Thilak De Silva	Nil	Nil
Mr H A Ariyaratne	3,400	3,400
Mr T K Bandaranayake	Nil	Nil
Mr. N M Prakash	Nil	Nil
Mr. A R D Perera	Nil	Nil
Mr. A N Ranasinghe (Resigned on 15 August 2018)	Nil	Nil
Prof. S.S.P. Amaratunga	Nil	Nil

3.3 Chief Executive Officer's Share holdings

Ordinary Voting Shares

As at Name	30-09-2018	30-06-2018
Mr Ashan De Silva	22,600	22,600

Ordinary Non Voting Shares

As at Name	30-09-2018	30-06-2018
Mr Ashan De Silva	22,500	22,500

LAUGFS Gas PLC

NOTES TO THE FINANCIAL STATEMENTS

3.4 Twenty Largest Shareholders of the company are as follows Ordinary Voting Shares

As at Name of Shareholder	30-09-2018		30-06-2018	
	No.of Shares	%	No.of Shares	%
1 LAUGFS HOLDINGS LIMITED	247,980,050	74.02	247,980,050	74.02
2 EMPLOYEES PROVIDENT FUND	57,897,800	17.28	57,897,800	17.28
3 AMANA BANK PLC / ALMAS ORGANISATION (PVT) LTD	1,714,131	0.51	1,547,795	0.46
4 SEYLAN BANK PLC / CARLINES HOLDINGS (PRIVATE) LIMITED	1,653,696	0.49	1,653,696	0.49
5 MR W K H WEGAPITIYA	1,411,536	0.42	1,411,536	0.42
6 DEUTSCHE BANK AG AS TRUSTEE FOR NAMAL ACUITY VALUE FUND	1,339,563	0.40	1,339,563	0.40
7 DEUTSCHE BANK AG-NATIONAL EQUITY FUND	1,318,182	0.39	1,318,182	0.39
8 DEUTSCHE BANK AG-NAMAL GROWTH FUND	1,198,934	0.36	1,198,934	0.36
9 MR U K T N DE SILVA	1,077,897	0.32	1,077,897	0.32
10 MR G Y N MAHINKANDA	794,572	0.24	794,572	0.24
11 MR H D M P SIRIWARDENA	749,000	0.22	749,000	0.22
12 MR M I BUHARDEEN	357,356	0.11	24,898	0.01
13 SEYLAN BANK PLC / S.R. FERNANDO	347,204	0.10	130,615	0.04
14 SEYLAN BANK PLC / MOHAMED MUSHTAQ FUAD	316,329	0.09	448,287	0.13
15 MR A. RAJARATNAM	207,702	0.06	207,702	0.06
16 EMPLOYEES TRUST FUND BOARD	205,304	0.06	205,304	0.06
17 MR. C S KARIYAWASAN	200,000	0.06	200,000	0.06
18 MR. H A VAN STARREX	197,098	0.06	197,098	0.06
19 ASSETLINE LEASING CO. LTD/ DON AND DON HOLDINGS PVT LTD	193,045	0.06	-	-
20 J. B. COCOSHELL (PVT) LTD	187,669	0.06	187,669	0.06

NOTES TO THE FINANCIAL STATEMENTS

3.5 Twenty Largest Shareholders of the company are as follows
Ordinary Non Voting Shares

As at Name of Shareholder	30-09-2018		30-06-2018	
	No.of Shares	%	No.of Shares	%
1 EMPLOYEES PROVIDENT FUND	18,041,300	34.69	18,041,300	34.69
2 HSBC INTL NOM LTD - STATE STREET LUXEMBOURG C/O SSBT - ALLIANCEBERNSTEIN NEXT 50 EMERGING MARKETS (MASTER) FUND SICAV-SIF	3,846,247	7.40	3,846,247	7.40
3 BANK OF CEYLON NO. 1 ACCOUNT	3,420,538	6.58	3,420,538	6.58
4 DEUTSCHE BANK AG AS TRUSTEE FOR J B VANTAGE VALUE EQUITY FUND	2,505,696	4.82	2,505,696	4.82
5 SEYLAN BANK PLC/ CARLINES HOLDINGS (PRIVATE) LIMITED	2,213,517	4.26	2,213,417	4.26
6 AMANA BANK PLC / ALMAS ORGANISATION (PVT) LTD	1,396,168	2.68	1,249,845	2.40
7 J. B. COCOSHELL (PVT) LTD	1,247,549	2.40	1,247,549	2.40
8 MR. A.M. WEERASINGHE	813,471	1.56	813,471	1.56
9 COMMERCIAL BANK OF CEYLON PLC/DUNAMIS CAPITAL PLC	793,906	1.53	793,906	1.53
10 DEUTSCHE BANK AG - NATIONAL EQUITY FUND	663,000	1.28	663,000	1.28
11 MR. S SIVASHANTH	500,000	0.96	465,000	0.89
12 MR. G H I JAFFERJEE (DECEASED)	442,008	0.85	442,008	0.85
13 GOLD INVESTMENT LIMITED	390,000	0.75	390,000	0.75
14 MRS C N G NARAYANA	378,800	0.73	378,800	0.73
15 MRS S D AMARASINGHE	372,400	0.72	372,400	0.72
16 SEYLAN BANK PLC / S R FERNANDO	371,903	0.72	723,966	1.39
17 NARATHA VENTURES (PRIVATE) LIMITED	308,000	0.59	308,000	0.59
18 PERSHING LLC S/A AVERBACH GRAUSON & CO.	307,604	0.59	307,604	0.59
19 MR. M.A. VALABHJI	280,000	0.54	280,000	0.54
20 MR K B DE VOS	151,202	0.29	161,073	0.31

3.6 Stated Capital

Stated Capital is represented by number of shares in issue as given below.

As at	30-09-2018	30-06-2018
Ordinary voting shares	335,000,086	335,000,086
Ordinary non voting shares	<u>52,000,000</u>	<u>52,000,000</u>
	<u><u>387,000,086</u></u>	<u><u>387,000,086</u></u>

LAUGFS Gas PLC

NOTES TO THE FINANCIAL STATEMENTS

3.7 Market price per share

For the three months ended

	30-09-2018		30-09-2017	
	Rs.		Rs.	
	Voting Share	Non Voting Share	Voting Share	Non Voting Share
Highest	21.30	18.50	29.30	25.40
Lowest	14.60	12.10	24.50	20.00
Last Traded	17.70	15.30	25.70	22.60

4 Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2018.

5 Events occurring after the reporting date

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

Corporate Information

Name of the company	: LAUGFS Gas PLC
Company No	: PV - 8330 PB/PQ
Legal Form	: A Public Quoted Company with Limited Liability
Subsidiaries	: LAUGFS Gas (Bangladesh) Ltd. LAUGFS Property Developers (Pvt) Ltd. LAUGFS Maritime Services (Pvt) Ltd. SLOGAL Energy DMCC LAUGFS Terminals Ltd.
Sub Subsidiaries	: LAUGFS On Reid (Pvt) Ltd
Parent Enterprise	: The Company's holding Company and controlling entity is LAUGFS Holdings Limited, which is incorporated in Sri Lanka.
Board Of Directors	: Mr.W.K.H.Wegapitiya (Chairman/ Group CEO) Mr.U.K.Thilak De Silva (Group Managing Director) Mr.H.A.Ariyaratne. Mr.T.K.Bandaranayake. Mr. N M Prakash. Mr. A R D Perera. Mr. A N Ranasinghe. (Resigned on 15 August 2018) Prof. S.P.P. Amarathunga.
Bankers	: Commercial Bank of Ceylon PLC. Hatton National Bank PLC. People's Bank. Bank of Ceylon. Seylan Bank PLC. DFCC Bank PLC. Union Bank of Colombo PLC. Standard Chartered Bank. Pan Asia Banking Corporation PLC. MCB Bank Ltd.
Auditors	: Ernst & Young. (Chartered Accountants) # 201, De Saram Place, Colombo 10, Sri Lanka.
Secretaries	: Corporate Advisory Services (Pvt) Ltd. # 47, Alexandra Place, Colombo 07, Sri Lanka.
Registrars	: P W Corporate Secretarial (Pvt) Ltd. # 3/17, Kinsey Road, Colombo 08, Sri Lanka.
Registered Office	: # 101, Maya Avenue, Colombo 06, Sri Lanka.
Corporate Website	: www.laugfs.lk www.laugfsgas.lk