

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2015



ORIENT FINANCE PLC

ORIENT FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

<i>For the</i>	Three months ended			Six months ended		
	30-Sep-2015	30-Sep-2014	Variance	30-Sep-2015	30-Sep-2014	Variance
	Rs.	Rs.	%	Rs.	Rs.	%
Income	646,468,903	538,142,636	20.1	882,714,627	894,580,710	(1.3)
Interest and Similar Income	575,007,777	334,719,293	71.8	791,527,916	677,698,328	16.8
Interest and Similar Expenses	(295,864,987)	(216,359,248)	36.7	(440,428,996)	(458,169,363)	(3.9)
Net Interest Income	279,142,790	118,360,045	135.8	351,098,920	219,528,965	59.9
Fee and Commission Income	32,218,430	3,630,768	787.4	32,759,289	8,854,246	270.0
Net Fee and Commission Income	32,218,430	3,630,768	787.4	32,759,289	8,854,246	270.0
Net Trading Income / (Expenses)	-	3,150,951	-	-	3,150,951	(100.0)
Other Operating Income	39,242,696	196,641,624	(80.0)	58,427,422	204,877,185	(71.5)
	39,242,696	199,792,575	(80.4)	58,427,422	208,028,136	(71.9)
Total Operating Income	350,603,916	321,783,388	9.0	442,285,631	436,411,347	1.3
Impairment Charges for Loans and Other Losses	(81,090,584)	(187,800,000)	(56.8)	(126,926,843)	(204,300,000)	(37.9)
Net Operating Income	269,513,332	133,983,388	101.2	315,358,788	232,111,347	35.9
Operating Expenses						
Personnel Expenses	(104,044,707)	(38,186,459)	172.5	(134,220,550)	(77,805,087)	72.5
Depreciation of Property, Plant and Equipment	(9,363,938)	(7,809,944)	19.9	(13,964,744)	(12,938,915)	7.9
Other Operating Expenses	(61,800,862)	(51,591,514)	19.8	(99,292,745)	(102,180,330)	(2.8)
Total Operating Expenses	(175,209,507)	(97,587,917)	79.5	(247,478,039)	(192,924,332)	28.3
Profit / (Loss) Before Tax	94,303,825	36,395,471	159.1	67,880,749	39,187,015	73.2
Income Tax / Deferred Tax (Expense) / Reversal	282,007,733	-	-	282,007,733	-	-
Profit / (Loss) for the Period	376,311,558	36,395,471	934.0	349,888,482	39,187,015	792.9
Other Comprehensive Income / (Expenses)						
Appreciation / (Depreciation) in Fair Value of Available for Sale Financial Assets	(24,781)	-		(24,781)	-	100.0
Total Other Comprehensive Income / (Expenses) for the Period, Net of Tax	(24,781)	-		(24,781)	-	100.0
Total Comprehensive Income for the Period, Net of Tax	376,286,777	36,395,471	933.88	349,863,701	39,187,015	792.8
Basic Earnings per Share	4.92	4.76		4.57	5.12	

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

ORIENT FINANCE PLC
STATEMENT OF FINANCIAL POSITION

AS AT	Unaudited 30-Sep-2015 Rs.	Audited 31-Mar-2015 Rs.
ASSETS		
Cash and Balances Due from Banks	394,307,719	194,035,452
Due from Banks and Other Financial Institutions	565,814,977	27,258,987
Loans and Advances to Customers	12,440,482,756	4,933,959,608
Financial Investments - Available for Sale	609,155,376	3,200,000
Financial Investments - Held to Maturity	-	695,740,846
Amount Due from Related Parties	-	265,825,725
Economic Service Charges Recoverable	27,367,853	25,744,211
Other Debtors, Deposits & Prepayments	379,622,085	92,794,231
Deferred Tax Asset	275,353,029	54,021
Real Estate Stocks	46,223,606	47,227,436
Brand Value	235,880,000	-
Goodwill	572,115,899	-
Property, Plant & Equipment	457,805,958	446,863,819
Total Assets	16,004,129,258	6,732,704,336
LIABILITIES AND SHAREHOLDERS' FUNDS		
Liabilities		
Bank Overdraft	693,916,410	86,619,893
Due to Customers	8,498,193,663	5,580,072,379
Debt Issued and Other Borrowed Funds	3,773,816,500	31,760,395
Deferred Tax Liabilities	-	50,300,826
Debentures	1,204,000,000	204,000,000
Income Tax Payable	2,136,341	-
Other Liabilities	859,937,557	165,069,120
Retirement Benefit Obligations	52,101,142	44,882,599
	15,084,101,613	6,162,705,212
Shareholders' Funds		
Stated Capital	306,189,810	306,024,990
Statutory Reserve	171,016,612	171,016,612
Revaluation Reserve	116,471,908	116,471,908
Available for Sale Reserve	(3,398,785)	(3,374,004)
Retained Earnings	329,748,100	(20,140,382)
Total Shareholders' Funds	920,027,645	569,999,124
Total Liabilities and Shareholders' Funds	16,004,129,258	6,732,704,336
Net Assets per Share	12.02	7.45

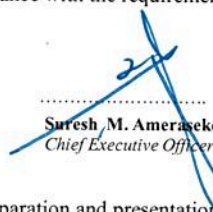
Figures in brackets indicate deductions.

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Certification

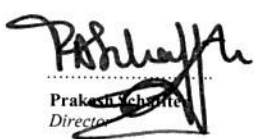
The Financial Statements are prepared in compliance with the requirements of the Companies Act No. 07 of 2007.


Asela Wijayabandara
A.G.M. - Finance


Suresh M. Amerasekera
Chief Executive Officer

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.


Sarath Wikramanayake
Director


Prakesh Vithanage
Director

Colombo,
09th November 2015

ORIENT FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Statutory Reserve Rs.	Revaluation Reserve Rs.	Available for Sale Reserve	Investment Fund Reserve	Retained Earnings Rs.	Total Rs.
	-						
Balance as at 31st March, 2014	306,024,990	170,180,249	148,094,569	(7,778,079)	1,868,462	(56,976,957)	561,413,234
Net Profit for the Year	-	-	-	-	-	4,181,815	4,181,815
Transfer to Retained Earnings - Investment Fund	-	-	-	-	(1,868,462)	1,868,462	-
Transfer to Retained Earnings on Disposal Land	-	-	(31,622,661)	-	-	31,622,661	-
Disposal of AFS Investment	-	-	-	4,404,075	-		4,404,075
Transfer to Statutory Reserve	-	836,363	-	-	-	(836,363)	-
Balance as at 31st March, 2015	306,024,990	171,016,612	116,471,908	(3,374,004)	-	(20,140,382)	569,999,124
Issue of shares	164,820	-	-	-	-	-	164,820
Net Profit for the Year	-	-	-	-	-	349,888,482	349,888,482
Fair Value Changes of AFS Financial Assets	-	-	-	(24,781)	-	-	(24,781)
Balance as at 30th September, 2015	306,189,810	171,016,612	116,471,908	(3,398,785)	-	329,748,100	920,027,646

Figures in brackets indicate deductions.

ORIENT FINANCE PLC
CASH FLOW STATEMENT

	For the six months ended	
	30-Sep-2015	30-Sep-2014
	Rs.	Rs.
Profit Before Taxation	67,880,749	39,187,016
Adjustment for :		
Depreciation	13,964,744	12,938,915
Impairment Charges for Loans and Other Losses	126,926,843	204,300,000
(Profit) / Loss on Disposal of Property, Plant & Equipment	(20,428,936)	(32,928,980)
Interest Income on Investments	(33,256,528)	(57,570,273)
Provision for Staff Retirement Benefits	3,198,358	6,000,000
Interest on Borrowings	440,428,996	41,912,744
Operating Profit / (Loss) Before Working Capital Changes	598,714,226	213,839,422
(Increase) / Decrease in Operating Assets		
Net (Payment) / Receipt from Loan and Advances	(213,157,460)	27,174,413
Sale Proceeds / (Investment Made) on Real Estate Stock	1,003,830	29,811,120
Net / (Payment) Receipt Other Receivables, Deposit & Prepayment	(119,315,795)	(53,232,177)
(Increase) / Decrease of Amount Due from Related Parties	265,825,725	-
Net Placement of Fixed & Saving Deposit Made by Customers	(461,390,647)	(88,697,041)
Net Payment to the Creditors & Accruals	(159,374,915)	71,705,252
Cash Generated from / (Used in) Operations	(87,695,036)	200,600,989
Gratuity Paid	(8,930,673)	(1,361,481)
Income Tax Paid	-	-
Economic Service Charges Paid	-	-
Net Cash from / (Used in) Operating Activities	(96,625,709)	199,239,508
Cash Flows from Investing Activities		
Payment to shareholders of former Orient Finance PLC	(1,730,741,430)	-
Dividend Received	-	216,041
Interest Received on Investments	33,252,925	30,742,369
Acquisition of Property, Plant and Equipment	(2,684,546)	(960,003)
Sales Proceeds from Investment Property	-	128,000,000
(Increase) / Decrease of Investments	28,832,317	194,015,761
Sales Proceeds from Property, Plant & Equipment	34,525,887	43,725,000
Net Cash from / (Used in) Investing Activities	(1,636,814,847)	395,739,168
Cash Flows from Financing Activities		
Interest on Borrowings	(440,428,996)	(13,296,329)
Net Borrowings / (Repayment) of Interest Bearing Borrowings	1,766,845,304	(290,466,951)
Net Cash from / (Used in) Financing Activities	1,326,416,308	(303,763,280)
Net Increase / (Decrease) in Cash and Cash Equivalents	(407,024,250)	291,215,396
Cash and Cash Equivalents at the Beginning of the Period (Note A)	107,415,559	199,513,683
Cash and Cash Equivalents at the End of the Period (Note B)	(299,608,691)	490,729,079
Cash and Cash Equivalents at the Beginning of the Period	Note A	
Cash in Hand and Cash at Bank	194,035,452	200,985,276
Bank Overdraft	(86,619,893)	(1,471,593)
	107,415,559	199,513,683
Cash and Cash Equivalents at the End of the Period	Note B	
Cash in Hand and Cash at Bank	394,307,719	524,368,675
Bank Overdraft	(693,916,410)	(33,639,596)
	(299,608,691)	490,729,079

Figures in brackets indicate deductions.
The above figures are provisional and subject to audit.

ORIENT FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
Business Segments

The Company has two reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Company's management reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Company's reportable segments.

Hire Purchase & Leasing -	Provision of Hire Purchase and Leasing Facilities to customers
Factoring -	Debt Factoring

For the Period Ended September	Lease & Hire purchase		Factoring		Unallocated		Total	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Income								
Interest Income	758,549,182	782,488,661	32,477,304	-	501,430	9,039,255	791,527,916	677,698,328
Interest Expenses	(419,543,526)	(458,169,363)	(20,558,714)	-	(326,756)	(6,111,141)	(440,428,996)	(458,169,363)
Net Interest Income	339,005,656	324,319,298	11,918,590	-	174,674	2,928,114	351,098,920	219,528,965
Fee based income & Others	13,766,343	177,221,237	8,426,883	-	68,993,485	39,661,145	91,186,711	216,882,382
Total Operating Income	352,771,999	204,019,594	20,345,473	-	69,168,159	42,589,259	442,285,631	436,411,347
Impairment Charges for Loans and Other Losses	(118,182,746)	(204,300,000)	(8,828,473)	-	84,376	-	(126,926,843)	(204,300,000)
Segmental Results	234,589,253	204,019,594	11,517,000	-	69,252,535	42,589,259	315,358,788	232,111,347
Expenses	(165,465,086)	(192,924,332)	(8,742,636)	-	(73,270,317)	-	(247,478,039)	(192,924,332)
Profit / (Loss) Before Tax	69,124,166	11,095,262	2,774,364	-	(4,017,782)	42,589,259	67,880,749	39,187,015
Income Tax Expenses	-	-	-	-	282,007,733	-	282,007,733	-
Profit / (Loss) for the Period	69,124,166	11,095,262	2,774,364	-	277,989,952	223,034,740	349,888,482	39,187,015
Segmental Assets	11,675,949,254	5,574,525,160	752,900,357	-	3,575,279,647	1,158,179,176	16,004,129,258	6,732,704,336
Segmental Liabilities	399,977,948	5,092,286,224	-	-	14,684,123,664	1,070,418,988	15,084,101,612	6,162,705,212

Explanatory Notes

1. These Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from 01st January 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the Year Ended 31st March 2015. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard 34 (LKAS 34) on Interim Financial Reporting. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
2. There are no material events that took place after the reporting date that require adjustments to or disclosure in the Financial Statements except the following.
 - 2.1 As per the Central Bank guidelines on Investment Tax Relief on Financial Sector Consolidation, a Deferred Tax gain of Rs. 282 Mn on the purchase consideration paid to owners of former Orient Finance PLC has been recognised to the comprehensive income, to the extent of future profit estimates.
 - 2.2 There is no income tax liability since qualifying payment on acquisition of Assets and Liabilities of former Orient Finance PLC can be deducted from the assessable income.
 - 2.3 The company has increased its Ordinary Shares by way of a sub-division thereof without any changes to the stated capital of the Company. Sub division has been done by splitting every one existing ordinary share into 10 ordinary shares. Accordingly the number of shares has been increased to 76,518,370 without any change to the Stated Capital of the Company.
 - 2.4 Pursuant to the Shareholder approval at the Extraordinary General Meeting held on 25th June 2015, the Assets and Liabilities of Orient Finance PLC (OFP) were amalgamated with Bartleet Finance PLC (BFP) in terms of part VIII of section 239 of Companies act No. 07 of 2007.

Further BFP is the surviving entity upon the completion of the amalgamation and continues its activities as a single legal entity which is a licensed finance Company. The amalgamation is effective from 16th July 2015, the date approved by the Registrar of Companies.

Subsequently on 14th August 2015 the Company was renamed as Orient Finance PLC.
- e Out of the total Goodwill on the acquisition of Orient Finance PLC, Rs.236 Mn has been allocated as Brand Value of former Orient Finance PLC and balance 572 Mn has been recognized as Goodwill in the Balance Sheet.
3. All known expenses have been provided for in these Financial Statements.
4. There are no significant changes in the nature of the Contingent Assets or Contingent Liabilities which were disclosed in the Audited Financial Statements for the year ended 31st March 2015.

ORIENT FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS****Ordinary Share Information**

The Company's Ordinary Shares are not quoted in the Colombo Stock Exchange (CSE).

<u>Stated Capital</u>	<u>30th September 2015</u>	<u>30th September 2014</u>
Value of Ordinary Shares (Rs.)	306,189,810	306,024,990
No. of Ordinary Shares	76,518,370	7,650,624

Shareholders as at 30th September 2015

Name	No. of Shares	%
1. Janashakthi PLC	76,481,120	99.95%
2. Mr. N. A. De Silva	12,500	0.02%
3. Mrs. M.C.N. De Saram	12,500	0.02%
4. Mr. D. C.R. Gunawardena	20	0.00%
5. Mr. C.P. Malalanayake	10	0.00%
6. Mr. K.C.S. Jayatilaka	1,100	0.00%
7. Mr. E.A.N.K. Abeyawardena	11,020	0.01%
8. Mr. C.T.A. Schaffter	10	0.00%
9. Mr. P.A. Schaffter	10	0.00%
10. Mr. R. Schaffter	10	0.00%
11. Mrs. M. Mathews	10	0.00%
12. Mr. D. Schaffter	10	0.00%
13. Mrs. L.S. Schaffter	10	0.00%
14. Mrs. E.S. Schaffter	10	0.00%
15. Mrs. E.A.M.S. Schaffter	10	0.00%
17. Mr. J.P. Mathews	10	0.00%
18. Mrs. T.S. Schaffter	10	0.00%
Total	76,518,370	100.00%

Directors' Shareholding as at 30th September 2015

Name of the Director	No. of Shares	%
1. Dr. D.C. Jayasuriya PC - Chairman	-	-
2. Mr. Prakash Schaffter	10	-
3. Mr. Ramesh Schaffter	10	-
4. Mrs. Lakshmi K. Gunatilake	-	-
5. Mr. D. Sarath P. Wikramanayake	-	-
6. Mr. Ananda W. Atukorala	-	-
7. Mr. K. M. A. T. B. Tittawella	-	-
8. Mr. A. I. Fernando	-	-
9. Ms. Minette D. A. Perera	-	-
Total	20.00	-

CEO's Shareholding as at 30th September 2015

Mr. Suresh M. Amerasekera	-	-
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Public Holding as at 30th September 2015	37,150	0.03%
Number of Public Shareholders	6	

ORIENT FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS

Listed Debenture Information		
Debenture	30-Sep-15	30-Sep-14
Debentures Issued in 2011 (Deb. 01)	204,000,000	204,000,000
Debentures Issued in 2014 (Deb. 02)	1,000,000,000	-
	<u>1,204,000,000</u>	<u>204,000,000</u>
	<u>30th September 2015</u>	<u>30th September 2014</u>
Debenture 01		
Market Prices - Debenture		
Highest price	93.78	100.00
Lowest price	83.78	83.78
Last traded price	93.78	83.78
Debenture 02		
Market Prices - Debenture		
Highest price	Not Traded as at 30 Sep 2015	
Lowest price		
Last traded price		
Debt to Equity Ratio (Times)	15.40	10.51
Interest Coverage Ratio (Times)	1.15	1.17
Liquid Asset Ratio	20.44%	16.00%
Interest Rate of Comparable Government Securities	7.33%	8.93%
Interest Yield as at Date of Last Trade (28/09/2015)	13.86%	12.88%
Yield to maturity of trade done on (28/09/2015)	21.92%	12.37%

CORPORATE INFORMATION

NAME OF THE COMPANY

Orient Finance PLC

LEGAL FORM

A public limited liability company incorporated on 24th July 1981 under the Companies Act No.17 of 1982 and was re-registered in terms of the Companies Act No. 07 of 2007 on 27th July 2009.

The Company is registered under the Finance Business Act No.42 of 2011 and Finance Leasing Act No.56 of 2000.

COMPANY REGISTRATION NUMBER

PB 1079 PQ (previous PVS/PBS 7651)

TAX PAYER IDENTIFICATION NUMBER

104076513

BOARD OF DIRECTORS

Dr. D.C. Jayasuriya PC - Chairman
Mr. Prakash Schaffter
Mr. Ramesh Schaffter
Mrs. Lakshmi K. Gunatilake
Mr. D. Sarath P. Wikramanayake
Mr. Ananda W. Atukorala
Mr. K. M. A. T. B. Tittawella
Mr. Indrajith Fernando
Ms. Minette D. A. Perera

STOCK EXCHANGE LISTING

The Debentures of the Company are listed on the Main Board of the Colombo Stock Exchange of Sri Lanka.

HEAD OFFICE

18, Sri Sangaraja Mawatha
Colombo 10
Tel : 0117 577 577
Fax : 0117 444 200
Web : www.orientfinance.com
E-mail : orientfinance@orient.lk

COMPANY SECRETARY

KHL Corporate Services Ltd,
No. 02, Deal Place, Colombo 03.
Tel : 0112 639 878
Fax : 0112 639 868

EXTERNAL AUDITORS

BDO Partners,
Chartered Accountants,
“Charter House”, 65/2,
Sir Chittampalam A Gardiner Mawatha,
Colombo 02.

ACCOUNTING YEAR END

31st March