

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2016



ORIENT FINANCE PLC

ORIENT FINANCE PLC
INCOME STATEMENT

<i>For the Period Ended 30 June</i>	2016 Rs. (Unaudited)	2015 Rs. (Unaudited)	Change
Income	741,071,719	236,245,724	213.7%
Interest Income	676,989,067	216,520,139	212.7%
Interest Expense	(368,795,543)	(144,564,009)	155.1%
Net Interest Income	308,193,524	71,956,130	328.3%
Fee and Commission Income	28,216,292	540,859	5116.9%
Other Income	35,866,360	19,184,726	87.0%
Operating Income	372,276,176	91,681,715	306.1%
Provision for Impairment	(80,324,778)	(45,836,259)	75.2%
Net Operating Income	291,951,398	45,845,456	536.8%
Operating Expenses			
Personnel Expenses	(107,774,981)	(30,175,843)	257.2%
Depreciation and Amortization	(8,169,333)	(4,600,806)	77.6%
Other Overhead Expenses	(79,545,024)	(37,491,883)	112.2%
Operating Profit Before Value Added Tax & NBT	96,462,060	(26,423,076)	465.1%
Value Added Tax on Financial Services, NBT	(9,466,716)	-	100.0%
Profit Before Income Tax	86,995,344	(26,423,076)	429.2%
Income Tax Expense	(13,815,050)	-	100.0%
Profit for the Period	73,180,294	(26,423,076)	377%
Basic Earnings Per Share (Rs.)	0.70	(0.35)	
Diluted Earnings Per Share (Rs.)	0.70	(0.35)	

Figures in brackets indicate deductions where applicable.

ORIENT FINANCE PLC**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

<i>For the Quarter Ended 30th June</i>	2016 Rs. (Unaudited)	2015 Rs. (Unaudited)	Change
Profit for the Period	73,180,294	(26,423,076)	377%
Other Comprehensive Income			
Available for Sale Financial Assets - Net Change in Fair Value	4,405,179	-	100%
	-	-	
Other Comprehensive Income for the year Net of Tax	4,405,179	-	100%
Total Comprehensive Income for the Period Net of Tax	77,585,473	(26,423,076)	394%

Figures in brackets indicate deductions where applicable.

ORIENT FINANCE PLC
STATEMENT OF FINANCIAL POSITION

<i>As At</i>	30-Jun-16	31-Mar-16
	Rs.	Rs.
	Unaudited	Audited
ASSETS		
Cash and Cash Equivalent	125,999,255	231,677,698
Available for Sale Financial Assets	757,602,771	756,124,104
Loans and Receivables from Customers	14,498,449,516	13,839,304,166
Investment Securities	303,913,497	432,329,213
Trade and Other Receivable	312,279,494	247,641,495
Real Estate Stock	46,586,100	46,407,850
Deferred Tax Asset	305,703,029	319,518,080
Brand Value	235,880,000	235,880,000
Goodwill	564,545,746	564,545,746
Intangible Assets	361,158	517,658
Property, Plant and Equipment	436,380,069	438,736,121
Total Assets	17,587,700,635	17,112,682,131
LIABILITIES		
Bank Overdrafts	619,879,924	433,373,124
Deposits from Customers	9,020,469,860	9,249,312,393
Interest Bearing Borrowings	3,666,444,815	3,262,737,550
Term Debt	953,288,688	1,176,912,865
Current Tax Payable	2,136,340	2,136,340
Trade and Other Payable	962,500,800	704,484,745
Non Interest Bearing Security Deposits	1,784,366	1,891,105
Retirement Benefit Obligations	40,629,396	38,853,036
Total Liabilities	15,267,134,189	14,869,701,158
EQUITY		
Stated Capital	1,378,689,779	1,378,689,779
Reserve Fund	307,027,178	292,391,119
Available for sale Fair Value Reserve	4,027,635	(377,544)
Revaluation Reserve	116,471,908	116,471,908
Retained Earnings	514,349,946	455,805,711
Total Equity	2,320,566,446	2,242,980,973
Total Equity and Liabilities	17,587,700,635	17,112,682,131
Net Assets Per Share	15.68	15.15

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

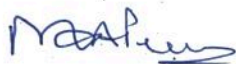


Asela Wijayabandara
Asst. General Manager - Finance

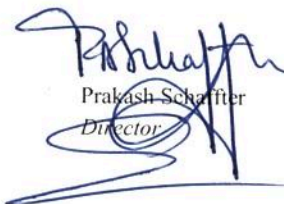


Mayura Fernando
Chief Executive Officer

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;



Minette Perera
Director
2-Aug-16



Prakash Schaffter
Director

ORIENT FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
For The Period Ended 30 June 2016,

	Stated Capital Rs.	Reserve Fund Rs.	Revaluation Reserve Rs.	Available for Sale Fair Value Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2015	306,024,990	171,016,612	116,471,908	(3,374,004)	(20,140,382)	569,999,124
Issue of Ordinary Shares	1,072,664,789					1,072,664,789
Profit for the year	-	-	-	-	606,872,535	606,872,535
Equity transaction cost relating to IPO					(4,838,069)	(4,838,069)
Written off of available for sale financial assets				3,374,004	(3,374,004)	-
Other Comprehensive Income net of taxes				(377,544)	(1,339,862)	(1,717,406)
Transfer to Statutory Reserve		121,374,507			(121,374,507)	-
Balance as at 31 March 2016	<u>1,378,689,779</u>	<u>292,391,119</u>	<u>116,471,908</u>	<u>(377,544)</u>	<u>455,805,711</u>	<u>2,242,980,973</u>
Profit for the Period	-	-	-	-	73,180,294	73,180,294
Other Comprehensive Income Net of Taxes	-	-	-	4,405,179	-	4,405,179
Transfer to Statutory Reserve	-	14,636,059	-	-	(14,636,059)	-
Balance as at 30 June 2016	<u>1,378,689,779</u>	<u>307,027,178</u>	<u>116,471,908</u>	<u>4,027,635</u>	<u>514,349,946</u>	<u>2,320,566,446</u>

Figures in brackets indicate deductions where applicable.

ORIENT FINANCE PLC
CASH FLOW STATEMENT

<i>For the Period ended 30 June</i>	2016 Rs. (Unaudited)	2015 Rs. (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Income Tax Expense	86,995,344	(26,423,076)
Adjustment for;		
Depreciation / Amortization	8,169,333	4,600,806
Profit on disposal of Property Plant & Equipment	(5,100,517)	(16,036,229)
Impairment Charge/(Write Back)	80,324,778	45,836,259
Finance Expenses	368,795,543	144,564,009
Investment Income	(24,688,141)	(12,536,436)
Provision for Gratuity	2,400,434	-
Operating Profit before Working Capital Changes	516,896,774	140,005,333
Change in Loans and Receivables from Customers	(739,470,128)	572,478,170
Change in Trade & Other Receivables	(64,637,999)	(5,984,154)
Change in Related Party Receivable	-	265,825,725
Change in Deposits from Customers	(217,609,081)	(537,238,284)
Change in Trade & Other Payables	258,016,055	37,303,747
Change in Non Interest Bearing Security Margins	(106,739)	-
Change in Real Estate Receivable	(178,250)	(107,955)
	(247,089,368)	472,282,582
Interest Paid	(406,390,796)	(144,376,434)
Income Tax / Economic Service Charges Paid	-	(911,275)
Gratuity Paid	(709,552)	(3,681,234)
Net Cash Used in Operating Activities	(654,189,716)	323,313,639
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment	(7,274,120)	(563,748)
Proceeds from Sale of Property Plant & Equipment	6,717,758	25,033,000
Net Change in Available for Sale Financial Assets	2,926,512	(199,742,582)
Net change in Investment Securities	128,415,716	71,755,162
Investment Income Received	24,688,141	12,536,436
Net Cash Generated from Investing Activities	155,474,007	(90,981,732)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Bearing Borrowings Obtained	2,022,000,000	-
Interest Bearing Borrowings Repayments	(1,611,469,534)	(27,811,970)
Settlement of Debentures	(204,000,000)	
Net Cash Generated from Financing Activities	206,530,466	(27,811,970)
Net Change in Cash and Cash Equivalents	(292,185,243)	204,519,937
Cash and Cash Equivalents at Beginning of the Period	(201,695,426)	107,415,559
Cash and Cash Equivalents at End of the Year (Note A)	(493,880,669)	311,935,496
Note - A		
Analysis of Cash and Cash Equivalents		
Cash in Hand	82,549,518	307,118,024
Cash at Bank	43,449,737	7,095,961
Bank Overdrafts - Secured	(619,879,924)	(2,278,489)
	(493,880,669)	311,935,496

Figures in brackets indicate deductions where applicable.

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 2016. 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.
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 2016.
5. Comparative figures in the Income Statement, Cash Flow Statement and Notes reflect only the former Bartleet Finance PLC performance since the merger of two entities took place only on 16 July 2016.

Listed Debenture Information

Debenture	30-Jun-16 Rs	30-Jun-15 Rs
Debentures Issued in 2011 (Deb. 01) *	-	204,000,000
Debentures Issued in 2014 (Deb. 02)	1,000,000,000	-
	<u>1,000,000,000</u>	<u>204,000,000</u>

* Debenture 01 has been redeemed on 15th June 2016 upon maturity

Debenture 02

Market Prices - Debenture

Highest price	Not Traded as at 30 June 2016	
Lowest price		
Last traded price		
Debt to Equity Ratio (Times)	2.26	0.39
Interest Coverage Ratio (Times)	1.26	0.82
Liquid Asset Ratio	20.44%	16.00%
Interest Rate of Comparable Government Securities	11.48%	8.93%
Interest Yield as at Date of Last Trade	N/T*	12.88%
Yield to maturity as of Last Trade	N/T*	12.37%

* N/T - Not Traded

Ordinary Share Information

The Company's Ordinary Shares are listed on the Diri Savi Board of the Colombo Stock Exchange (CSE).

Stated Capital	30-Jun-16	30-Jun-15
Value of Ordinary Shares (Rs.)	1,378,689,780	306,024,990
No. of Ordinary Shares	148,018,370	7,650,624

Share Price During the Period

		For the Quarter Ended	
		30-Jun-16	30-Jun-15
Highest	(Rs)	17.50	
Lowest	(Rs)	12.50	N/A
Closing	(Rs)	14.60	

Shareholders as at 30 June 2016

	Name	No. of Shares	%
1	Janashakthi PLC	132,940,720	89.81
2	B G Investments (Pvt) Ltd	5,323,200	3.60
3	Dunamis Capital PLC	3,333,300	2.25
4	First Capital PLC	3,332,300	2.25
5	Rosewood (Pvt) Ltd	666,700	0.45
6	Asset Trust Management (Pvt) Ltd	333,300	0.23
7	Ceylinco General Insurance Ltd	333,300	0.23
8	Commercial Credit And Finance PLC	330,000	0.22
9	Mr. Kosgallana Durage Ananda Weerasighe	133,400	0.09
10	Mr. Nilan Asela Saipath Wickramasinghe	100,000	0.07
11	Mr. Lasantha Chandika Ranaweera Pathirana	78,117	0.05
12	Mrs. Kamalinie Samarakoon	75,000	0.05
13	Mr. Maligaspe Koralege Kasun Chathuranga Maligaspe	67,000	0.05
14	Capital Trust Holding Ltd	67,000	0.05
15	Mr. Kapila Dharmapriya Ariyaratne Hettiarachchi	66,700	0.05
16	Mr. Wijayasinhage Ruchika Amarasekara	66,700	0.05
17	Mr. Kosgallana Durage Sineth Gajaba Weerasinghe	66,700	0.05
18	Mr. Peter Devaan Marlon Cooray	60,000	0.04
19	Mr. Asiri Dayan Merenchige	67,000	0.05
20	Dr. Srinath Daminda Rajamantri	50,000	0.03
	Others	602,933	0.41
	Total	148,018,370	100.05

Directors' Shareholding as at 30 June 2016

	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	-	-
10.	Ms. I. Gunasekara	-	-
	Total	20	-

CEO's Shareholding as at 30 June 2016

Mr. Mayura Fernando	-	-
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Public Holding as at 30 June 2016	15,077,610	10.19
Number of Public Shareholders	299	

ORIENT FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FIANANCIAL REPORTING BY SEGMENTS
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

	Lease & Hire purchase		Factoring		Unallocated		Total	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Income	628,421,804	204,139,667	48,092,149	-	475,114	12,380,472	676,989,067	216,520,139
Fee and Commission Income	17,111,598	15,502,142	11,104,694	-	-	-	28,216,292	540,859
Other Income	5,513,480	-	-	-	30,352,880	64,075,642	35,866,360	19,184,726
Total Segmental Income	651,046,882	219,641,809	59,196,843	-	30,827,994	76,456,114	741,071,719	236,245,724
Less: Interest expense	(336,499,754)	(648,018,718)	(32,104,039)	-	(191,750)	(157,260,510)	(368,795,543)	(144,564,009)
Segmental Results	314,547,128	(428,376,909)	27,092,804	-	30,636,244	(80,804,396)	372,276,176	91,681,715
Depreciation and Amortization	(6,092,070)	(3,588,629)	(58,389)	-	(2,018,874)	(1,012,177)	(8,169,333)	(4,600,806)
Impairment Charge / (Reversal)	(77,703,641)	(45,836,259)	(1,786,781)	-	(834,356)	-	(80,324,778)	(45,836,259)
Unallocated Company expenses	(75,641,692)	(39,247,281)	(6,892,453)	-	(114,252,576)	(28,420,445)	(196,786,721)	(67,667,726)
Income Tax	-	-	-	-	(13,815,050)	-	(13,815,050)	-
Profit After Tax	155,109,725	(517,049,078)	18,355,181	-	(100,284,612)	(110,237,018)	73,180,294	(26,423,076)
Segmental Assets	13,228,806,023	4,315,645,179	1,262,105,239	-	3,096,789,373	1,829,229,840	17,587,700,635	6,144,875,019
Segmental Liabilities	755,823,597	3,933,882,923	-	-	14,511,310,592	1,667,416,048	15,267,134,189	5,601,298,971