

Alumex PLC

Interim Report



1

First Quarter

3 Months Ended 30th June, 2018

Income Statements

For the period ended 30th June, 2018

<u>Consolidated</u>		<u>Company</u>	<u>Consolidated</u>			<u>Company</u>		
Audited year ended 31.03.18 Rs.'000	Audited year ended 31.03.18 Rs.'000		Unaudited 3 months to 30.06.18 Rs.'000	Unaudited 3 months to 30.06.17 Rs.'000	Change %	Unaudited 3 months to 30.06.18 Rs.'000	Unaudited 3 months to 30.06.17 Rs.'000	Change %
4,512,228	3,945,239	Revenue	916,686	890,590	3	809,464	778,086	4
(89,766)	(78,339)	Less-NBT	(18,273)	(17,722)	3	(16,146)	(15,447)	5
4,422,462	3,866,900	Net Revenue	898,413	872,869	3	793,318	762,639	4
(3,362,135)	(3,119,674)	Cost of sales	(661,752)	(683,541)	(3)	(627,885)	(633,008)	(1)
1,060,327	747,226	Gross profit	236,661	189,328	25	165,433	129,631	28
29,493	213,645	Other income	1,561	1,525	2	1,561	55,525	(97)
(171,034)	(164,253)	Distribution expenses	(50,417)	(40,976)	23	(48,340)	(40,096)	21
(273,017)	(253,950)	Administrative expenses	(77,223)	(64,459)	20	(72,407)	(60,120)	20
645,769	542,668	Results from operating activities	110,583	85,418	29	46,247	84,940	(46)
19,518	18,184	Finance Income	2,131	5,461	(61)	1,942	5,167	(62)
(150,560)	(151,632)	Finance Costs	(62,769)	(31,382)	100	(58,512)	(31,165)	88
(131,043)	(133,448)	Net finance costs	(60,638)	(25,921)	>100	(56,569)	(25,998)	>100
514,727	409,220	Profit before tax	49,944	59,497	(16)	(10,322)	58,942	>100
(150,368)	(66,939)	Tax expense	(9,911)	(16,219)	(39)	2,923	1,312	>100
364,359	342,281	Profit for the period	40,033	43,277	(7)	(7,400)	60,254	>100
364,359		Attributable to: Owners of the parent	40,033	43,277				
1.22	1.14	Earnings per share Basic earnings per share (Rs.)	0.13	0.14		(0.02)	0.20	

Statements of Comprehensive Income

<u>Consolidated</u>		<u>Company</u>	<u>Consolidated</u>			<u>Company</u>		
Audited year ended 31.03.18 Rs.'000	Audited year ended 31.03.18 Rs.'000		Unaudited 3 months to 30.06.18 Rs.'000	Unaudited 3 months to 30.06.17 Rs.'000	Change %	Unaudited 3 months to 30.06.18 Rs.'000	Unaudited 3 months to 30.06.17 Rs.'000	Change %
364,359	342,281	Profit for the Period	40,033	43,277	(7)	(7,400)	60,254	>100
		Other Comprehensive Income						
(5,263)	(4,679)	Actuarial gains / (losses) on defined benefit plans	-	-		-	-	-
1,427	1,310	Income tax effect on actuarial gains / (losses)	-	-		-	-	-
(109,557)	(109,252)	Revaluation of land	-	-		-	-	-
(113,393)	(112,621)	Other comprehensive Income for the period, net of tax	-	-		-	-	-
250,966	229,660	Total comprehensive Income for the period, net of tax	40,033	43,277	(7)	(7,400)	60,254	>100
250,966		Attributable to Owners of the parent	40,033	43,277				

Statements of Financial Position

<u>Consolidated</u>		<u>Company</u>	<u>Consolidated</u>		<u>Company</u>	
Audited	Audited		Unaudited	Unaudited	Unaudited	Unaudited
as at	as at		as at	as at	as at	as at
31.03.18	31.03.18		30.06.18	30.06.17	30.06.18	30.06.17
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Non - current assets						
3,288,933	3,089,885	Property, plant & equipment	3,459,003	2,005,457	3,260,725	1,795,424
46,426	46,426	Intangible assets	45,610	42,609	45,610	42,609
-	30,000	Investments in subsidiaries	-	-	30,000	30,000
3,335,359	3,166,311	Total non-current assets	3,504,613	2,048,066	3,336,335	1,868,034
Current assets						
1,787,477	1,443,879	Inventories	1,931,523	1,195,479	1,608,112	981,553
988,847	817,983	Trade and other receivables	836,124	683,771	642,718	573,104
60,489	58,090	Advances and prepayments	103,643	166,019	101,365	162,824
13,965	13,965	Income tax recoverable	20,710	-	20,710	-
-	-	- Other current financial assets	-	1,233	-	1,233
216,366	207,038	Cash & cash equivalents	165,826	35,090	162,953	29,462
3,067,144	2,540,955	Total current assets	3,057,825	2,081,592	2,535,858	1,748,176
6,402,503	5,707,266	Total assets	6,562,438	4,129,659	5,872,193	3,616,209
EQUITY AND LIABILITIES						
283,735	283,735	Stated capital	283,735	283,735	283,735	283,735
228,056	228,056	Capital reserve	228,056	228,056	228,056	228,056
437,425	412,212	Revaluation reserve	436,104	550,946	410,891	525,428
1,303,415	788,262	Revenue reserves	1,210,083	1,146,823	647,498	670,256
2,252,631	1,712,265	Total equity attributable to owners of the parent	2,157,978	2,209,560	1,570,180	1,707,476
-	-	Non- controlling interest	-	-	-	-
2,252,631	1,712,265	Total Equity	2,157,978	2,209,560	1,570,180	1,707,476
Non - current liabilities						
1,133,750	1,133,750	Interest bearing borrowings	1,157,986	480,000	1,157,986	480,000
108,229	96,644	Employee benefit obligations	110,032	93,958	98,455	85,047
221,551	216,580	Deferred tax liability	216,681	101,660	214,562	97,895
1,463,530	1,446,974	Total non-current liabilities	1,484,700	675,618	1,471,004	662,942
Current liabilities						
1,095,402	1,101,508	Trade and other payables	1,057,902	718,420	1,117,687	752,513
380,000	380,000	Current portion of long term interest bearing borrowings	423,359	32,000	423,359	32,000
1,169,989	1,061,367	Short-term interest bearing borrowings	1,390,854	445,249	1,284,405	438,778
6,251	5,152	Provisions	6,721	10,127	5,559	8,299
34,700	-	Income tax payable	40,925	38,685	-	14,203
2,686,342	2,548,027	Total current liabilities	2,919,761	1,244,481	2,831,010	1,245,792
4,149,872	3,995,001	Total liabilities	4,404,461	1,920,099	4,302,014	1,908,734
6,402,503	5,707,266	Total equity and liabilities	6,562,438	4,129,659	5,872,193	3,616,209

The Financial Position as at 30th June, 2018 and Income Statements, Statements of Comprehensive Income, Changes in Equity and Cash Flow for the three months then ended are drawn up from the unaudited financial statements of the Company, its Subsidiary and they provide the information required by the Colombo Stock Exchange.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007 .

Sgd

R P P K Rajapaksha

Director / Chief Financial Officer

Signed for and on behalf of the Board

Sgd

A M Pandithage

Chairman

31st July 2018

Sgd

D W P N Dediwela

Managing Director

Statements of Changes in Equity

For the period ended 30th June, 2018

Consolidated

	Attributable to owners of the parent					
	Stated capital	Capital reserve	Revaluation reserve	Retained earnings	Shareholders' Funds	Total Equity
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st at April, 2018	283,735	228,056	437,425	1,303,415	2,252,631	2,252,631
Profit for the period	-	-	-	40,033	40,033	40,033
Other Comprehensive Income						
Actuarial gains / (losses) on defined benefit plans	-	-	-	-	-	-
Income tax effect on actuarial gains / (losses)	-	-	-	-	-	-
Revaluation of land	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	40,033	40,033	40,033
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	(134,686)	(134,686)	(134,686)
Recovery for the period	-	-	-	-	-	-
Transfers	-	-	(1,321)	1,321	-	-
Total contributions by and distributions to owners	-	-	(1,321)	(133,365)	(134,686)	(134,686)
Balance as at 30th June 2018	283,735	228,056	436,104	1,210,083	2,157,978	2,157,978
Balance as at 1st at April, 2017	283,735	228,056	552,267	1,251,876	2,315,935	2,315,935
Profit for the period	-	-	-	43,277	43,277	43,277
Other Comprehensive Income						
Actuarial gains / (losses) on defined benefit plans	-	-	-	-	-	-
Income tax effect on actuarial gains / (losses)	-	-	-	-	-	-
Revaluation of land	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	43,277	43,277	43,277
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	(149,651)	(149,651)	(149,651)
Recovery for the period	-	-	-	-	-	-
Transfers	-	-	(1,321)	1,321	-	-
Total contributions by and distributions to owners	-	-	(1,321)	(148,330)	(149,651)	(149,651)
Balance as at 30th June 2017	283,735	228,056	550,946	1,146,823	2,209,560	2,209,560

Statements of Changes in Equity

For the period ended 30th June, 2018

Company

	Stated capital	Capital reserve	Revaluation reserve	Retained earnings	Total
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st at April, 2018	283,735	228,056	412,212	788,262	1,712,266
Profit for the period	-	-	-	(7,400)	(7,400)
Other Comprehensive income					-
Actuarial gains / (losses) on defined benefit plans	-	-	-	-	-
Income tax effect on actuarial gains / (losses)				-	-
Revaluation of land	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	(7,400)	(7,400)
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(134,686)	(134,686)
Transfers			(1,321)	1,321	-
Total contributions by and distributions to owners	-	-	(1,321)	(133,365)	(134,686)
Balance as at 30th June 2018	283,735	228,056	410,891	647,498	1,570,180
Balance as at 1st at April, 2017	283,735	228,056	526,750	758,333	1,796,873
Profit for the period	-	-	-	60,254	60,254
Other Comprehensive income					-
Actuarial gains / (losses) on defined benefit plans				-	-
Income tax effect on actuarial gains / (losses)	-	-	-	-	-
Revaluation of land	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	60,254	60,254
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(149,651)	(149,651)
Transfers			(1,321)	1,321	-
Total contributions by and distributions to owners	-	-	(1,321)	(148,330)	(149,651)
Balance as at 30th June 2017	283,735	228,056	525,428	670,256	1,707,476

Cash Flow Statements

For the period ended 30th June, 2018

Consolidated	Company		Consolidated		Company	
			Unaudited	Unaudited	Unaudited	Audited
Audited as at 31.03.18	Audited as at 31.03.18		3 months to 30.06.18	3 months to 30.06.17	3 months to 30.06.18	3 months to 30.06.17
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities						
514,727	409,220	Profit before taxation	49,944	59,497	(10,322)	58,942
		Adjustments for,				
117,956	123,049	Finance cost	53,004	19,440	50,799	21,035
(14,049)	(12,715)	Finance income	(1,323)	(4,688)	(1,135)	(4,395)
18,749	16,841	Provision for gratuity	3,272	3,932	2,807	3,632
(5,533)	(1,664)	(Profit)/ loss on disposal of property, plant and equipment	-	-	-	-
10,226	8,532	Provision for bad debts	10,899	462	9,947	234
-	-	Provision for Impairment of Investment	-	-	-	-
116,191	101,574	Depreciation and amortisation	30,823	28,836	27,771	25,201
758,267	644,837	Operating profit before working capital changes	146,619	107,478	79,867	104,650
(652,772)	(552,386)	(Increase)/ decrease in inventories	(144,046)	(52,505)	(164,233)	(79,514)
(161,277)	(110,980)	(Increase)/ decrease in trade and other receivables	134,400	171,907	159,480	135,644
65,525	66,737	(Increase)/ decrease in advances and prepayments	(43,154)	(40,006)	(43,275)	(37,997)
(14,379)	(8,560)	Increase/ (decrease) in trade and other payables	(37,030)	(387,485)	16,587	(354,408)
(4,637)	39,648	Cash generated from operating activities	56,787	(200,610)	48,425	(231,625)
(117,956)	(123,049)	Finance cost paid	(53,004)	(19,440)	(50,799)	(21,035)
(170,691)	(130,287)	Income tax paid	(7,875)	(48,695)	-	(37,612)
(7,032)	(7,032)	Retirement benefit liability paid	(1,468)	(1,223)	(996)	(1,223)
(300,316)	(220,720)	Net cash from operating activities	(5,561)	(269,968)	(3,370)	(291,495)
Cash Flows from Investing Activities						
(1,479,237)	(1,474,660)	Acquisition of property, plant and equipment	(200,077)	(112,856)	(197,796)	(110,517)
5,536	1,667	Proceeds from sale of property, plant and equipment	-	-	-	-
1,233	1,233	Proceeds from short term investments	-	-	-	-
14,049	12,715	Finance income received	1,323	4,688	1,135	4,395
(1,458,419)	(1,459,045)	Net cash flows used in investing activities	(198,754)	(108,168)	(196,661)	(106,123)
Cash Flows from Financing Activities						
(6,250)	(6,250)	Repayment of interest bearing loans and borrowings	(105,405)	-	(105,405)	-
1,008,000	1,008,000	Proceeds from interest bearing loans and borrowings	173,000	-	173,000	-
(314,268)	(314,268)	Dividend paid	(134,686)	(149,651)	(134,686)	(149,651)
687,482	687,482	Net cash flows from/ (used in) financing activities	(67,091)	(149,651)	(67,091)	(149,651)
(1,071,252)	(992,283)	Net increase/ (decrease) in cash and cash equivalents	(271,405)	(527,787)	(267,121)	(547,269)
117,629	137,953	Cash and cash equivalents at the beginning of the period	(953,623)	117,629	(854,330)	137,953
(953,623)	(854,330)	Cash and cash equivalents at end of the period	(1,225,028)	(410,159)	(1,121,451)	(409,316)
Analysis of Cash & Cash Equivalents						
216,366	207,038	Cash in Hand and at Bank	165,826	35,090	162,953	29,462
(1,169,989)	(1,061,367)	Short-term interest bearing borrowings	(1,390,854)	(445,249)	(1,284,405)	(438,778)
(953,623)	(854,330)	Cash and cash equivalents at end of the period	(1,225,028)	(410,159)	(1,121,451)	(409,316)

Notes to the Financial Statements

- 1 The Interim Condensed Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34- Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2018.

There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the financial year 2017/18.

The Interim Condensed Financial Statements also provide information required by the Colombo Stock Exchange.

- 2 No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the financial statements.
- 3 Basic Earning Per Share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of shares outstanding during the period

<u>Consolidated</u>		<u>Consolidated</u>	
Audited		Unaudited	Unaudited
as at		as at	as at
31.03.18		30.06.18	30.06.17
<u>Rs.'000</u>		<u>Rs.'000</u>	<u>Rs.'000</u>
364,359	Profit for the Period	40,033	43,277
299,302,840	Weighted Average No. of Shares	299,302,840	299,302,840
1.22	Earning Per share	0.13	0.14

4 STATED CAPITAL

Audited		Unaudited	Unaudited
as at		as at	as at
31.03.18		30.06.18	30.06.17
<u>Rs.'000</u>		<u>Rs.'000</u>	<u>Rs.'000</u>
	Issued and fully paid		
283,735	299,302,840 Ordinary Shares	283,735	283,735

- 5 During the period there were no material changes in the composition of assets, liabilities and contingent liabilities and there is no seasonality and cyclicity affecting the interim operation.
- 6 Previous year's figures and phrases have been re-arranged wherever necessary to conform to current year presentation.

Investor Information

MARKET VALUE OF SHARES

The market value of an ordinary share of Alumex PLC was as follows:

	30.06.2018	30.06.2017
	Rs.	Rs.
Closing price on	14.10	24.80
Highest price recorded for the three months ending	18.00	25.00
Lowest price recorded for the three months ending	13.90	19.00
Market capitalisation (Rs. Mn.)	4,220	7,423

RATIOS

	30.06.2018	30.06.2017
Net assets per share	7.21	7.38
Price earnings ratio (times) (Annualised)	26.35	42.88
Return on Equity	7.33%	8.49%
Return on Assets	2.44%	4.19%
Current Ratio	1.05	1.67
Gearing	42%	19%

DIVIDEND PAYMENT

Final Dividend 2017/18 - Rs.0.45 per share paid on 29th June , 2018.

SHARE TRADING FROM 1ST APRIL, 2018 TO 30TH JUNE, 2018

No. of transactions	1,362
No. of shares traded	3,933,711
Value of shares traded (Rs.)	65,263,934

Investor Information

FIRST TWENTY SHAREHOLDERS AS AT 30 JUNE 2018

	Name of the Shareholder	No.of Shares	%
1	Hayleys PLC	157,413,032	52.59
2	Alkbar Brothers Pvt Ltd A/C No.1	40,417,782	13.50
3	Rosewood (Pvt) Ltd - Account No.01	29,340,300	9.80
4	Dean Foster (Pvt) Ltd A/C No.1	14,213,900	4.75
5	Mr. D.W.P.N.Dediwela	10,669,200	3.56
6	Sampath Bank PLC/Dr.T.Senthilvel	2,426,991	0.81
	Dr.T.Senthilvel	1,179,775	0.39
7	Mrs.G.Vasunthara	1,510,000	0.50
8	Peoples Bank	1,498,732	0.50
9	Ceylon Investment PLC A/C No.1	1,352,489	0.45
10	Mr.T.H.D.I.U.Thrimanne	1,081,040	0.36
11	Asia Securities (Pvt) Ltd (Trading Account)	1,000,000	0.33
	Insite Holdings (Pvt) Ltd	1,000,000	0.33
	Mr.K.D.H.Perera	1,000,000	0.33
12	Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	858,230	0.29
13	Arunodhaya Industries (Private) Limited	850,000	0.28
14	People's Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd	784,052	0.26
15	Arunodhaya Investments (Private) Limited	760,000	0.25
16	Arunodhaya (Private) Limited	750,000	0.25
17	Commercial Bank of Ceylon PLC A/C No.01	714,200	0.24
	Mr. M.L.Hirdaramani	714,200	0.24
	Mr.S.J.Hirdaramani	714,200	0.24
18	The Ceylon Chamber of Commerce Account No.02	630,000	0.21
19	Mr.K.N.J.Balendra	622,365	0.21
20	Guardian Fund Management Limited/The Aitken Spence & Associated Companies Executive Staff Provident Fund	600,000	0.20
	Total	272,100,488	90.87

There were no non voting shares as at 30th June 2018

PUBLIC HOLDING

Percentage of public holding as at 30.06.2018

15.65%

Total number of shareholders representing the public holding

2,291

Flot-adjusted market capitalization

Rs.660,456,612/-

The Company complies with option 2 of the Listing Rules 7.13.1 (b) – Less than Rs.1 Bn Float Adjusted Market Capitalization which requires 10% minimum Public Holding.

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2018

Directors' holdings of ordinary shares in the Company were as follows

Name of Director	No.of Shares
Mr.A.M.Pandithage	10,000
Mr.R.P.Peris *	70,000
Mr.S.C.Ganegoda	20,239
Mr.D.W.P.N.Dediwela	10,669,200
Mr.R.P.Pathirana	243,949
Mr.S.Munaweera	20,000
Mr.R.P.P.K. Rajapaksha	19,907
Total	11,053,295

* Mr.R.P.Peris resigned w.e.f. 30th June 2018

Corporate Information

NAME OF COMPANY

Alumex PLC

(A limited Liability company, incorporated in Sri Lanka in 2007)

COMPANY NUMBER

PV 539 PQ

STOCK EXCHANGE LISTIN

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka on 31 March 2014

REGISTERED OFFICE

Pattiwila Road,

Sapugaskanda, Makola,

Sri Lanka

Telephone: +94 11 240 0332

Facsimile: +94 11 240 0415

Website: www.alumexgroup.com

DIRECTORS

A M Pandithage – Chairman

D W P N Dediwela -Managing Director

R P Peris -(Resigned W.E.F. 30th June 2018)

S C Ganegoda

R P Pathirana

A A Akbarally

Dr.H.Cabral, PC

S Munaweera

R P P K Rajapaksha

A J Hirdaramani (Alternate Director to R P Pathirana)

T Akbarally (Alternate Director to A A Akbarally)

AUDIT COMMITTEE

S Munaweera - Chairman

Dr.H.Cabral, PC

R P Pathirana

REMUNERATION COMMITTEE

Dr.H.Cabral, PC – Chairman

S Munaweera

SUBSIDIARY COMPANIES

Alco Industries (Pvt) Ltd

AUDITORS

Ernst & Young

Chartered Accountants

No. 201, De Seram Place

Colombo 10, Sri Lanka

INVESTOR RELATIONS

Please contact Corporate Affaires Unit

Telephone: +94 11 262 7610

E-mail: info@cau.hayleys.com

SECRETARIES

Hayleys Group Services (Private) Limited

400, Deans Road, Colombo 10, Sri Lanka

Telephone: +94 11 262 7650

Facsimile: +94 11 262 7655

E-mail: info.sec@hayleys.com

Please direct any queries about the administration of shareholdings to the Company Secretaries

BANKERS

Commercial Bank of Ceylon PLC

Foreign Branch

Commercial House, NO 21, Sir Razik Fareed Mawatha

Colombo 01, Sri Lanka

Sampath Bank PLC

Head Office,

No. 110, Sir James Peiris Mawatha

Colombo 02, Sri Lanka

Bank Of Ceylon

Personal Branch

2nd Floor, Head Office

No. 04, Bank of Ceylon Mawatha

Colombo 01, Sri Lanka

Hatton National Bank PLC

Head office, No. 479, T. B. Jayah Mawatha

Colombo 10, Sri Lanka

DFCC Bank PLC

No. 73, W A D Ramanayake Mawatha

Colombo 02, Sri Lanka

Standard Chartered Bank

37 York Street

Colombo 1

People's Bank

Head Office, No.75, Sir Chittampalam A Gardiner Mawatha

Colombo 02