



B P P L Holdings PLC

Unaudited Interim Condensed Consolidated Financial Statements
for the Third Quarter ended
31st December 2017

BPPL Holdings Financial Results for the Period Ending 31st December 2017

BPPL Holdings announced today its unaudited financial results for the three month period October to December 2017.

Consolidated revenue for the period was Rs.736 million, up 12% over the corresponding period in the previous year. Consolidated revenue was also an increase of 16% compared to the preceding quarter.

Revenue growth was largely from new customer accounts the group had won from the North American and European regions for its traditional brushware products and from the Indian sub-continent for its newer synthetic filament ranges.

Consolidated revenue for the April-December 2017 period was Rs1.9 billion, up 9% over April-December 2016.

The group continued with its twin strategies of direct sales through buying offices to the professional/commercial market segments and branded sales to the household markets. Direct sales grew 17% during the April to December 2017 period over the corresponding period in the previous year and accounted for 27% of group revenue. Branded sales grew a more moderate 6% over the same period but still accounts for only 2% of group revenue. Branded revenue generally has much longer gestation periods as it takes time to establish brand names in consumer minds.

Net profits for the October to December 2017 period was Rs116 million, marginally down from the Rs123 million reported in the previous year. Although the group had recovered from the impact of floods in Sri Lanka in May/June which affected timber supply, rising petroleum prices impacted plastic prices and negated improving margins. As a solution to rising petroleum prices, we will fast track our development efforts for using more recycled plastic material in our products and thereby minimize its impact in subsequent quarters. Recycled plastics are generally less expensive than virgin.

Gross profit margin for the period as a result was down to 37% from 40% seen in the same period in the previous year.

Distribution expenses also rose by 26% for the reported three month period compared to the corresponding period in the previous year due to expenses incurred in establishing offices in Malaysia for the commencement of branded sales in that country. We will continue our efforts to develop these brands given the much larger size of the household market segments it serves but look at more cost efficient ways to do so in future.

Profit-After-Tax attributable to the company's shareholders was Rs.295 million for the nine month period ending December 2017 slightly down from the Rs302 million reported for the same period in the previous year. Non-annualized EPS for the nine months was Rs.0.96 compared to Rs0.98 for the corresponding period in the previous year.

I'm also pleased to report that our yarn extrusion plant is currently being commissioned with completion scheduled for March '18. This would be the first spinning plant of its kind in Sri Lanka and should start to accept orders for polyester yarn from the subsequent quarter. We also invested in a filament extrusion plant during the previous quarter due to very strong demand for synthetic filaments from all our markets. The filament extruder is due to be delivered in May '18 with commissioning in the following month.

Total investments in both these plants amounts to close to Rs1 billion and is funded through borrowings. However, our debt/equity position as at December '17 remains a fairly conservative 42%. We also see tremendous potential for growth from both these plants with profit contributions likely to commence from the June to September 2018 quarter.

About BPPL

Founded in 1984, BPPL Holdings manufactures a range of high quality, durable cleaning products and synthetic fiber for both professional and household applications. Leveraging on its sustainable manufacturing and vertically integrated processes, coupled with commitment to consistent quality, on-time delivery, reasonable pricing and flexibility allows it to supply to major distributors and retailers of cleaning tools worldwide.



Dr. Anush Amarasinghe
Managing Director / Chief Executive Officer

BPPL HOLDINGS PLC
STATEMENT OF FINANCIAL POSITIONS

	Group		Company	
Balance as at,	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
ASSETS	Rs.	Rs.	Rs.	Rs.
Non-Current Assets				
Property, Plant and Equipment	2,143,117,815	1,274,132,240	764,659,493	694,156,153
Lease hold land	8,677,358	8,909,515	-	-
Intangible Asset	16,308,568	7,936,237	1,267,062	226,173
Investment in Subsidiaries	-	-	367,626,688	367,626,688
Other Investments	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Non-Current Assets	2,168,103,741	1,290,977,992	1,133,553,243	1,062,009,014
Current Assets				
Inventories	548,276,986	485,003,479	149,509,580	112,029,293
Trade and Other Receivables	748,769,308	648,280,911	105,556,510	93,927,003
Income Tax Receivables	891,147	1,287,282	753,818	-
Deferred Tax	1,065,502	702,930	-	-
Cash and Bank Balances	33,923,943	57,657,978	4,942,206	8,740,811
Total Current Assets	1,332,926,886	1,192,932,580	260,762,114	214,697,107
Total Assets	3,501,030,627	2,483,910,572	1,394,315,357	1,276,706,121
EQUITY AND LIABILITIES				
Equity				
Stated Capital	100,371,584	100,371,584	100,371,584	100,371,584
Revaluation reserve	259,933,800	-	257,827,800	-
Retained Earnings	1,894,626,826	1,842,359,701	409,788,469	608,052,927
Total Equity	2,254,932,210	1,942,731,285	767,987,853	708,424,511
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	594,435,901	92,596,415	-	-
Deferred Tax Liabilities	46,001,978	56,419,824	17,195,148	19,266,773
Retirement Benefit Obligations	49,878,991	55,132,371	13,445,646	16,049,528
Total Non-Current Liabilities	690,316,870	204,148,610	30,640,794	35,316,301
Current Liabilities				
Trade and Other Payables	161,220,187	136,835,642	559,211,045	423,438,553
Income Tax Payable	328,025	34,757,531	-	7,510,041
Interest Bearing Loans and Borrowings	394,233,335	165,437,504	36,475,665	102,016,715
Total Current Liabilities	555,781,547	337,030,677	595,686,710	532,965,309
Total Liabilities	1,246,098,417	541,179,287	626,327,504	568,281,610
Total Equity and Liabilities	3,501,030,627	2,483,910,572	1,394,315,357	1,276,706,121
Net Assets per Ordinary Share (Rs.)	7.35	6.33	2.50	2.31


Note: The above figures are not audited.

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


.....
Senior Manager - Finance

The board of directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the board by:


.....
Director


.....
Director

The accounting policies and notes form an integral part of the financial statements.

January 02, 2018
Colombo.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group				Company			
	Quarter ended 31 December		Nine months ended 31 December		Quarter ended 31 December		Nine months ended 31 December	
	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Revenue	736,350,266	657,708,210	1,924,296,705	1,772,641,334	164,830,130	153,883,378	477,562,579	465,982,841
Cost of Sales	(466,738,849)	(395,568,278)	(1,215,746,883)	(1,064,794,280)	(146,376,923)	(117,740,953)	(391,175,346)	(335,115,430)
Gross Profit	269,611,417	262,139,932	708,549,822	707,847,054	18,453,207	36,142,425	86,387,233	130,867,411
Other Operating Income	1,370,419	(252,142)	5,476,196	(206,062)	410,038	959,647	58,147,826	42,335,822
Distribution Costs	(74,611,094)	(59,414,807)	(197,042,976)	(169,627,179)	(6,363,147)	(5,402,325)	(20,350,657)	(20,721,645)
Administrative Expenses	(64,899,667)	(52,683,039)	(178,127,649)	(160,811,256)	(4,555,372)	(11,751,237)	(23,431,745)	(32,251,265)
Finance Cost	(6,084,398)	(4,061,692)	(16,170,373)	(16,031,033)	(2,530,818)	(2,165,451)	(6,035,398)	(9,519,213)
Finance Income	87,118	64,760	170,009	148,623	598	1,246	2,982	2,878
Profit Before Tax	125,473,795	145,793,012	322,855,029	361,320,147	5,414,506	17,784,305	94,720,241	110,713,988
Income Tax Expense	(9,552,603)	(22,727,796)	(27,573,211)	(59,519,319)	(1,259,796)	(4,602,546)	(5,567,837)	(17,997,395)
Profit for the Period	115,921,192	123,065,216	295,281,818	301,800,828	4,154,710	13,181,759	89,152,404	92,716,593
Other Comprehensive Income								
Remeasurement of employee benefit obligations	-	-	-	-	-	-	-	-
Deferred tax adjustment	-	-	-	-	-	-	-	-
Total Other Comprehensive Income/ (Loss) for the period	-	-	-	-	-	-	-	-
Total Comprehensive Income/ (Loss) for the period	115,921,192	123,065,216	295,281,818	301,800,828	4,154,710	13,181,759	89,152,404	92,716,593
Earnings/ (Loss) per Ordinary Share (Rs.)	0.38	0.40	0.96	0.98	0.01	0.04	0.29	0.30

Note: The above figures are not audited.

The accounting policies and notes form an integral part of the financial statements.

BPPL HOLDINGS PLC
STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital Rs.	Revaluation reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 31st March 2017	100,371,584	259,933,800	1,654,568,984	2,014,874,368
Profit for the Period	-	-	295,281,818	295,281,818
Other Comprehensive Income	-	-	-	-
Tax on Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	295,281,818	295,281,818
Dividend Paid	-	-	(55,223,976)	(55,223,976)
Balance as at 31st December 2017	100,371,584	259,933,800	1,894,626,826	2,254,932,210

Company				
Balance as at 31st March 2017	100,371,584	257,827,800	375,860,041	734,059,425
Profit for the Period	-	-	89,152,404	89,152,404
Other Comprehensive Income	-	-	-	-
Tax on Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	89,152,404	89,152,404
Dividend Paid	-	-	(55,223,976)	(55,223,976)
Balance as at 31st December 2017	100,371,584	257,827,800	409,788,469	767,987,853

Note: The above figures are not audited.
The accounting policies and notes form an integral part of the financial statements.

BPPL HOLDINGS PLC

STATEMENT OF CASHFLOW

For the period ended,	Group		Company	
	31.12.2017 Rs.	31.12.2016 Rs.	31.12.2017 Rs.	31.12.2016 Rs.
Cash Flow from Operating Activities				
Profit Before Tax	322,855,029	361,320,147	94,720,241	110,713,988
Adjustments for				
Depreciation	56,972,428	49,242,867	11,990,181	10,103,285
Provision for Retirement Benefit Obligations	8,428,482	10,114,687	2,340,000	2,652,224
Interest Income	(170,009)	(148,623)	(2,982)	(2,878)
Dividend Income	-	-	(55,223,976)	(39,428,095)
Finance Cost	16,170,373	16,031,033	6,035,398	9,519,213
Profit from disposal of Fixed Assets	-	-	-	-
Operating Profit/ (Loss) Before Working Capital Changes	404,256,303	436,560,111	59,858,862	93,557,737
(Increase)/Decrease in Inventories	(27,019,554)	(56,184,085)	(40,270,451)	(15,590,465)
(Increase)/Decrease in Trade and Other Receivables	(97,573,205)	(77,134,073)	9,206,175	70,734,895
Increase/(Decrease) in Trade and Other Payables	21,448,703	32,497,477	104,039,955	400,541,681
Cash Generated from Operations	301,112,247	335,739,430	132,834,541	549,243,848
Income Tax Paid	(51,591,247)	(12,462,239)	(9,797,687)	(6,030,290)
Retirement Benefit Obligations Costs paid	(4,722,306)	(2,479,091)	(2,491,980)	(4,165,023)
Interest Paid	(16,170,373)	(16,031,033)	(6,035,398)	(9,519,213)
Cash Flow from Operating Activities	228,628,321	304,767,067	114,509,476	529,529,322
Cash Flow from Investing Activities				
Acquisition of Property, Plant and Equipment	(784,259,801)	(49,840,794)	(79,272,828)	(22,582,741)
Investment in group comp	-	-	-	(358,524,458)
Proceeds from Disposal of PP&E	-	-	-	-
Proceeds from non operation operation	-	-	-	-
Interest Received	170,009	148,623	2,982	2,878
Dividend Received	-	-	55,223,976	39,428,095
Capital Work In Progress	-	-	-	-
Net Cash Flows used in Investing Activities	(784,089,792)	(49,692,171)	(24,045,870)	(341,676,226)
Cash Flow from Financing Activities				
Net of Interest Bearing Loans and Borrowings	635,104,828	(115,967,955)	(16,796,187)	(106,942,265)
Dividends Paid	(55,223,976)	(59,202,818)	(55,223,976)	(54,944,139)
Net Cash Flows from/(used in) Financing Activities	579,880,852	(175,170,773)	(72,020,163)	(161,886,404)
Net Increase/ (Decrease) in Cash and Cash Equivalents	24,419,381	79,904,123	18,443,443	25,966,692
Cash and Cash Equivalent at the beginning of the period	(10,549,447)	(30,519,359)	(17,191,811)	(25,499,097)
Cash and Cash Equivalent at the end of the period	13,869,934	49,384,764	1,251,632	467,595
Cash and Cash Equivalent Analysis				
Cash and Bank Balances	33,923,943	57,657,978	4,942,206	8,740,811
Bank Over Draft	(20,054,009)	(8,273,214)	(3,690,574)	(8,273,216)
Cash and Cash Equivalent at the end of the period	13,869,934	49,384,764	1,251,632	467,595

Note: The above figures are not audited.

The accounting policies and notes form an integral part of the financial statements.

1 CORPORATE INFORMATION

B P P L Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. The Company's parent undertaking is Infinity Capital (Private) Limited, which is incorporated in Sri Lanka. The Group is principally engaged in the provision of wooden handles, brooms, brushes, mops and synthetic fibre. The registered office of the Company and principal place of business is situated at Level 17, Access Towers, No. 278/4, Union Place, Colombo 02.

The Interim Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The subsidiaries of the Company are set out below,

Subsidiary	Controlling interest
Beira Brush (Private) Limited	100%
Beira Enviro Solutions (Private) Limited	100%
BPPL Enterprises (Private) Limited	100%

2 BASIS OF PREPARATION**2.1 Statement of Compliance**

The Interim condensed Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 – Interim Financial Reporting. This Interim Financial Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2017 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards, ("SLFRSs/LKASs").

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following;

- Freehold Land and buildings are measured at cost at the time of acquisition and construction and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.
- Employee benefits are recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

2 BASIS OF PREPARATION (Cont...)

2.3 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees which is the Group's functional currency, unless otherwise indicated.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with the previous financial year.

4 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

5.1 Finance Commitments

There are no any material financial commitments.

5.2 Contingent Liabilities

There are no any material contingent liabilities.

5 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, no circumstances have arisen which required adjustment to or disclosure in the Financial Statements.

6 STATED CAPITAL

The Company's stated capital consists of 306,843,357 ordinary shares.

7 DIVIDENDS

The company declared its first interim dividend of Rs 0.18 per ordinary share on 27th July 2017 for the Financial year 2017/18 and the dividend was paid on 17th August 2017.

The company declared its second interim dividend of Rs 0.24 per ordinary share on 6th February 2018 for the Financial year 2017/18 and the dividend will be paid on 27th February 2018.

The Board of Directors confirmed that the company satisfied the solvency test in accordance with section 57 of the companies Act no 7 of 2007 and obtained a certificate from the auditors, prior to declaring the interim dividend.

8 INVESTOR INFORMATION

8.1 Share Trading Information

	Quarter Ended		Year Ended	
	31-Dec-17	30-Sep-17	31-Mar-17	31-Mar-16
Share Information				
Highest Price (Rs.)	15.00	15.60	N/A	N/A
Lowest Price (Rs.)	13.90	14.50	N/A	N/A
Closing Price (Rs.)	14.00	14.90	N/A	N/A

8.2 Public Holding as at 31st December 2017

Ordinary shares of the Company held by the public as at 31st December 2017;

- Percentage of ordinary shares held by the public 9.99%
- Number of Public Shareholders 559.

There were no non-voting shares as at 31st December 2017.

The Company was listed with the Colombo Stock Exchange of Sri Lanka on 4th April 2017. Therefore, there were no share trading prior to 4th April 2017.

The Stock Exchange code for BPPL Holding PLC shares is "BPPL".

8.3 Twenty Major Shareholders

No	Name of the Shareholder	No. of Shares as at 30 th September 2017	%
1	Infinity Capital (Pvt) Ltd	154,382,777	50.31%
2	LOLC Investments Ltd	80,546,372	26.25%
3	Hirdaramani Investment Holdings Private Limited	41,229,208	13.44%
4	Seylan Bank PLC/Arrc Capital (Pvt) Ltd	3,176,301	1.04%
5	J.B. Cocoshell (Pvt) Ltd	2,945,288	0.96%
6	Deutsche Bank Ag Singapore Branch	2,600,000	0.85%
7	Mr. Samaranayake Nihal Parakrama De Alwis	1,000,000	0.33%
7	Miss. Page Marianne Mahilmalar	1,000,000	0.33%
9	Mr. Udayananda Karagoda Loku Gamage	802,690	0.26%
10	Jafferjee Brothers (Exports) Limited	772,800	0.25%
11	Mr. Fernando Merrill Joseph	750,000	0.24%
12	Mr. Esufally Murtazaali Abidhussen Hassanaly	733,400	0.24%
13	Mr. Hirdaramani Mahesh Lalchand	732,100	0.24%
13	Mr. Hirdaramani Akshay Anil	732,100	0.24%
15	Deutsche Bank Ag-Comtrust Equity Fund	730,000	0.24%
16	Lanka Century Investments PLC	645,100	0.21%
17	Alpex Marine (Pvt) Ltd	585,000	0.19%
18	Gf Capital Global Limited	476,600	0.16%
19	Katunayake Garments Limited	419,200	0.14%
20	Mr. Hirdaramani Siddharth Janak	412,700	0.13%
20	Mr. Hirdaramani Aroon Janak	412,700	0.13%
		295,084,336	96.03%

9 DIRECTOR'S SHAREHOLDINGS

Name of the Director	Role	No. of Shares
Mr. Sarath Amarasinghe	Chairman	-
Dr. Anush Amarasinghe	Managing Director/CEO	-
Mr. Vaithilingam Selvaraj	Director-Finance/ CFO	-
Mr. B D P D Perera	Director-Factory operations	-
Mr. Ranil Pathirana	NED	-
Mr. Manjula De Silva	INED	-
Mrs. Sharmini Ratwatte	INED	-
Mr. Savantha S De Saram	INED	-

Office Addresses

Head Office

Level 17,
Access Towers,
No. 278/4, Union Place,
Colombo 02

Wood, Brush and Mop Factory

No 88,
Ratnapura Road,
Ingiriya

Synthetic Filament Factory

Batuvita,
Mawgama,
Horana.

Recycling and Yarn Plant

Lot 7,
Horana Export Processing Zone,
Boralugoda,
Poruwadonda,
Horana.

Offshore Offices:

Canada

Beira Marketing Services (N.A) Inc,
1465,
Caulder Drive,
Oakville,
Ontario, L6J 5T1,
Canada

Malaysia

Suite 11.01, Level 11,
South Wing, Menara OBYU,
4, Jalan PJU 8/8A,
Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

CORPORATE INFORMATION

Company Name	B P P L Holdings PLC	
Date of Incorporation	26 th August 1991	
Legal Form	Incorporated in Sri Lanka on 26 th August 1991 as a public company under the Companies Act No. 17 of 1982 [N (PBS) 291]], re-registered under the Companies Act No. 07 of 2007 on 21 st January 2009 (PB 859), converted to a private limited liability on 20 th July 2012 (PB 859 PV), converted to a public company on 29th July 2016 (PB 859 PV) and subsequently converted to Public Quoted Company (PB 859 PQ) on 29 th June 2017 . Authority of Incorporation: Registrar of Companies (ROC), Colombo.	
Company Registration Number	PB 859 PQ	
Registered Office and Current Place of Business	B P P L Holdings PLC, Level 17, Access Towers, No. 278/4, Union Place, Colombo 02. Tel : +94 11 2307168 Fax: +94 11 2307169	
Board of Directors	Mr. Sarath Dayantha Amarasinghe – Chairman Dr. Anush Amarasinghe – Managing Director / Chief Executive Officer Mr. Vaithilingam Selvaraj - Executive Director / Chief Financial Officer Mr. B. D. Prasad Devapriya Perera - Executive Director Mr. Ranil Pathirana – Non-Executive Director Mr. Manjula De Silva - Independent Non- Executive Director Mrs. Sharmini Ratwatte - Independent Non- Executive Director Mr. Savantha De Saram – Independent Non-Executive Director	
Company Secretary	Secretarius (Pvt) Ltd. 3rd Floor, 40, Galle Face Court, Colombo 03. Tel : +94 11 2333431 Fax: +94 11 2381907	
Company Registrar	S S P Corporate Services (Private) Limited, 101, Inner Flower Road, Colombo 03. Tel : +94 11 2573894 Fax : +94 11 2573609 Email : sspsec@sltnet.lk	
Auditors to the Company	Messrs. Ernst & Young (Chartered Accountants) 201, De Saram Place, Colombo 10. Tel : +94 11 2204444 Fax: +94 11 2697369	
Lawyers to the Company	AIM LAW Attorneys-at-Law and Notaries Public No. 514C, R A De Mel Mawatha Colombo 03. Tel: +94 11 2503426/ +94 712 228 044 Email: amilaw@sltnet.lk	
Company Website	www.beiragroup.com	
Company E-Mail	info@beiragroup.com	
Bankers to the Company	<div> <u>Bank of Ceylon</u> 04, Bank of Ceylon Mawatha, Colombo 01. Tel :+94 11 2204444 Fax:+94 11 2321160 </div> <div> <u>Hongkong and Shanghai Banking Corporation Limited</u> 24, Sir Baron Jayathilake Mawatha, Colombo 01. Tel : + 94 11 2325435 Fax: + 94 11 2690177 </div> <div> <u>National Development Bank</u> 42, DHPL Building, Nawam Mawatha, Colombo 02. Tel : +94 11 2448448 Fax: +94 11 2341044 </div> <div> <u>Hatton National Bank</u> HNB Towers, 479, T.B. Jayah Mawatha, Colombo 10. </div>	