



**Interim Financial Statements
For the period ended
31st December 2018**

eChannelling PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31.12.2018

| | Quarter Ended 31st December | | Year Ended 31st December | |
|---|-----------------------------|---------------------------|---------------------------|---------------------------|
| | Un-audited 2018 LKR | Un-audited 2017 LKR | Un-audited 2018 LKR | Un-audited 2017 LKR |
| Revenue | 32,904,460 | 33,800,324 | 132,805,602 | 136,129,453 |
| Cost of Sales/Direct Cost | (7,642,656) | (6,790,947) | (14,500,388) | (12,146,387) |
| Gross Profit | 25,261,804 | 27,009,377 | 118,305,214 | 123,983,065 |
| Net Other Operating Income | 1,747,285 | 31,971 | 1,747,703 | 938,020 |
| Administrative Expenses | (18,574,044) | (11,067,539) | (83,495,689) | (79,725,609) |
| Marketing & Distribution Expenses | (2,511,125) | (2,001,526) | (12,337,695) | (5,246,396) |
| Other expenses | - | - | - | - |
| Profit From Operations | 5,923,919 | 13,972,283 | 24,219,533 | 39,949,080 |
| Finance Income | 5,880,960 | 5,417,480 | 22,072,111 | 22,786,124 |
| Net Finance (Expenses) / Income | 5,880,960 | 5,417,480 | 22,072,111 | 22,786,124 |
| Profit Before Taxation | 11,804,879 | 19,389,763 | 46,291,644 | 62,735,204 |
| Income Tax Expenses | (2,441,235) | (12,853,817) | (12,571,494) | (27,163,512) |
| Profit for the Period | 9,363,644 | 6,535,946 | 33,720,150 | 35,571,692 |
| Other Comprehensive Income | | | | |
| Net change in fair value of available-for-sale financial assets | (114,202) | (132,435) | (8,378) | (157,270) |
| Remeasurement of employee benefit obligation | 36,669 | (6,639,380) | 648,474 | (368,099) |
| Deferred tax impact on actuarial (gain)/ loss | (10,267) | 1,859,026 | (181,573) | 103,068 |
| Other Comprehensive Income for the Period | (87,800) | (4,912,788) | 458,523 | (422,301) |
| Total Comprehensive Income for the Period | 9,275,844 | 1,623,158 | 34,178,673 | 35,149,391 |
| Earnings Per Share | 0.08 | 0.05 | 0.28 | 0.29 |
| Dividends Per Share | - | - | - | - |

The notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

eChannelling PLC
STATEMENT OF FINANCIAL POSITION
As at 31st Dec 2018

| | 31.12.2018 LKR Un-audited | 31.12.2017 LKR Audited |
|---------------------------------------|--|---|
| ASSETS | | |
| Non Current Assets | | |
| Property, plant & equipment | 8,678,188 | 12,571,218 |
| Intangible assets | 670,352 | 1,756,291 |
| Deferred tax assets | 2,070,845 | 126,167 |
| Total Non Current Assets | 11,419,385 | 14,453,676 |
| Current Assets | | |
| Inventories | 931,415 | 1,430,225 |
| Trade & other receivables | 59,566,303 | 72,896,032 |
| Amount due from related parties | 29,841,251 | 41,414,132 |
| Short term investments | 210,413,088 | 193,286,113 |
| Cash & cash equivalents | 5,700,694 | 4,934,307 |
| Total Current Assets | 306,452,750 | 313,960,809 |
| Total Assets | 317,872,135 | 328,414,485 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Stated capital | 93,758,316 | 93,758,316 |
| Retained earnings | 150,283,464 | 146,629,267 |
| Available for sale reserve | 233,954 | 242,332 |
| Total Equity | 244,275,735 | 240,629,914 |
| Non Current Liabilities | | |
| Employee benefits | 6,503,845 | 5,756,832 |
| Total Non Current Liabilities | 6,503,844 | 5,756,832 |
| Current Liabilities | | |
| Trade & other payables | 60,056,104 | 40,324,459 |
| Amount due to related parties | 402,690 | - |
| Income tax liability | 6,633,762 | 9,574,803 |
| Bank Overdraft | - | 32,128,476 |
| Total Current Liabilities | 67,092,556 | 82,027,738 |
| Total Liabilities | 73,596,400 | 87,784,570 |
| Total Equity & Liabilities | 317,872,135 | 328,414,485 |
| Net Asset Per Share | 2.00 | 1.97 |

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No 7 of 2007.

Signed
A.R.R.D. Alahakoon
Senior Finance Manager

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the board:

Signed
S.A. Hettiarachchi
Director

Signed
D.J. Stephen
Director

Date: 20.02.2019

Figures in the brackets indicate deductions.

The above figures are provisional and subject to audit.

eChannelling PLC
STATEMENT OF CHANGES IN EQUITY

For the Period Ended 31st December 2018

| | Stated Capital | Available for- sale Reserve | Retained Earnings | Total |
|---|-------------------|--------------------------------|----------------------|--------------------|
| | <u>LKR</u> | <u>LKR</u> | <u>LKR</u> | <u>LKR</u> |
| Balance as at 31st December 2016 | 93,758,316 | 399,602 | 111,322,606 | 205,480,524 |
| Profit for the year | - | - | 35,571,692 | 35,571,692 |
| Net Change in Fair Value of Available-For-Sale Financial Assets | - | (157,270) | (265,031) | (422,301) |
| Balance as at 31st December 2017 | 93,758,316 | 242,332 | 146,629,267 | 240,629,915 |
| Profit for the year | | | 33,720,150 | 33,720,150 |
| Net Change in Fair Value of Available-For-Sale Financial Assets | | (8,378) | 466,901 | 458,523 |
| Final dividend - 2017 | | | (30,532,854) | (30,532,854) |
| Balance as at 31st December 2018 | 93,758,316 | 233,954 | 150,283,464 | 244,275,734 |

Figures in the brackets indicate deductions.

The above figures are provisional and subject to audit.

eChannelling PLC
CASH FLOW STATEMENT

For the year ended

| | 31.12.2018 Un-audited <u>LKR</u> | 31.12.2017 Audited <u>LKR</u> |
|---|---|--|
| Cash Flow From Operating Activities | | |
| Profit Before Tax | 46,291,644 | 62,735,204 |
| Adjustments for : | | |
| Depreciation and amortization | 7,191,436 | 7,511,020 |
| Provision for employee benefits | 1,529,676 | 1,320,373 |
| Interest income | (22,072,111) | (22,786,124) |
| Profit on disposal of property, plant and equipment | - | (905,758) |
| Operating Profit before Working Capital Changes | 32,940,645 | 47,874,714 |
| (Increase) / decrease in inventories | 498,810 | (1,047,937) |
| Decrease / (increase) in trade & other receivable | 9,674,634 | (33,699,210) |
| Decrease / (increase) in amounts due from related parties | 11,975,571 | (29,156,631) |
| Increase / (decrease) in trade & other payables | 19,291,983 | 1,723,083 |
| Cash Generated from Operations | 74,381,643 | (14,305,981) |
| Interest received | 19,650,480 | 21,655,341 |
| Tax paid | (13,983,693) | (24,604,715) |
| Gratuity paid | (134,190) | - |
| Net Cash Generated from Operating Activities | 79,914,240 | (17,255,355) |
| Cash Flow From Investing Activities | | |
| Acquisition of property plant and equipment | (1,583,682) | (7,696,713) |
| Acquisition of intangible assets | (628,784) | - |
| Net Proceeds from short term investments | (14,713,723) | (18,130,921) |
| Cash proceeds from property plant and equipment disposal | - | 2,622,400 |
| Net Cash (used in) / Generated from Investing Activities | (16,926,189) | (23,205,234) |
| Cash flow from Financing Activities | | |
| Dividend Paid | (30,093,188) | - |
| Net Cash Generated from Financing Activities | (30,093,188) | - |
| Net Increase in Cash & Cash Equivalents | 32,894,864 | (40,460,588) |
| Cash & Cash Equivalents at beginning of the Period | (27,194,169) | 13,266,419 |
| Cash & Cash Equivalents at end of the Period | 5,700,694 | (27,194,169) |
| Analysis of Cash and Cash Equivalents | | |
| Cash at bank & in hand | 5,700,694 | 4,934,307 |
| Bank Overdraft | - | (32,128,476) |
| | 5,700,694 | (27,194,169) |

Figures in the brackets indicate deductions.

The above figures are provisional and subject to audit.

Notes to the Financial Statements

1 Basis of preparation

The Interim Financial Statements of the Company 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 Report for the year ended 31 December 2017. The financial statements provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

- 2** Company is following the same accounting policies published in the Annual report for the year ended 31st December 2017.
- 3** The figures are provisional and subject to audit.
- 4** All known expenses including management fees and similar expenses have been provided for the financial statements.
- 5** According to the best of knowledge and belief of the Board of Directors no circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.
- 6** There has not been a significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 December 2017.
- 7** Basic earnings per share is calculated by dividing the net profit for the respective period attributable to ordinary shareholders of the entity by the weighted average number of ordinary shares outstanding during that period.

| 20 Largest Shareholders | | |
|--------------------------------|---------------------|------------------|
| Name of Shareholder | No of Shares | % Holding |
| | 31-Dec-18 | |
| Mobitel (Pvt) Ltd | 106,974,618 | 87.59 |
| Mr.G.C. Goonetilleke | 1,162,000 | 0.95 |
| Mr. F.N. Herft | 933,137 | 0.81 |
| Mr.P. Rathnayaka | 840,000 | 0.69 |
| Mr. M Fazal & Mr. M.F.M Fazeel | 345,570 | 0.28 |
| Dr. M.M. Rinoza | 322,400 | 0.26 |
| Mr.M Fazal | 300,032 | 0.25 |
| Mr. M.A.B Morahela | 292,300 | 0.24 |
| Mr. A.H Munasinghe | 277,031 | 0.23 |
| Mrs.N.D Palliya Guruge | 260,000 | 0.21 |
| Mr. H.A.V. Starrex | 239,181 | 0.20 |
| Mr. Z.G Carimjee | 231,933 | 0.19 |
| Mr.D.K.A.K. Weeratunga | 219,544 | 0.18 |
| Mr.P.A.G Weerakoon Banda | 208,714 | 0.17 |
| MRS.T.A Selvanayagam | 201,000 | 0.16 |
| EST.Of.Lat Perera (Deceased) | 195,260 | 0.16 |
| Mr. M.H.A Kamil | 179,138 | 0.15 |
| MBSL/H.W.R.S Jayawardena | 177,511 | 0.15 |
| Mr.D.P. Kumarasingha | 174,989 | 0.14 |
| Dasatha Investments Limited | 163,331 | 0.13 |
| Sub Total | 113,697,689 | 93.69 |
| Others | 8,433,726 | 6.31 |
| Total Shares | 122,131,415 | 100 |

Public Shareholding

| | |
|--|------------|
| Number of Shareholders representing the public holding | 1,771 |
| Number of Shares representing the public holding | 15,156,797 |
| Percentage Holding | 12.41% |
| Float Adjusted Market Capitalization - Rs. | 65,174,227 |

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 Shareholding | | As at 31st |
|---------------------------------|-------------------|----------------------|
| Name of Director | | December 2018 |
| Mr. D.J. Stephen | | - |
| Mr.S.A. Hettiarachchi | | - |
| Mr. P.G.K. Sirisena | | - |
| Mr. D.K. Senanayake | | - |
| Mr. L.M. Paratz | | - |
| Mr. N.T.M. Perera | | - |
| Mr.K.G.D. Sudharshana | | - |
| Market Price Per Share | 2018 | 2017 |
| For the 3 months ended 31st Dec | <u>LKR</u> | <u>LKR</u> |
| Highest | 5.30 | 8.20 |
| Lowest | 4.20 | 5.60 |
| Last Traded | 4.30 | 5.90 |

Corporate Information

| | |
|-----------------------------------|--|
| Name of the Company | eChannelling PLC |
| Company Registration No | PQ 205 |
| Registered Office | No.409, R.A.De Mel Mawatha, Colombo 03 |
| Telephone | (+94 71) 4 225225 |
| Telefax | (+94 11) 2 370979 |
| Website | www.echannelling.com |
| Contant Person | Dhammika Alahakoon (Senior Manager Finance) |
| Legal Form | Quoted Public Company incorporated in Sri Lanka in 2000, Ordinary share listed on the Diri Savi Board of the Colombo Stock Exchange |
| Board of Directors | Mr. P.G.K. Sirisena - Chairman Mr. D.K. Senanayake Mr. L.M. Paratz Mr. N.T.M. Perera Mr. D.J. Stephen Mr. S.A. Hettiarachchi Mr.K.G.D. Sudharshana |
| Secretaries of the Company | S.S.P Corporate Services (Pvt) Limited No 101, Inner Flower Road Colombo 03 Tel. 2573894/ 2576871 Contact person: Mr.Lalindra Abeysekera |
| Auditors | KPMG Chartered Accountants 32A, Sir Mohamed Macan Marker Mawatha P.O. Box 186 Colombo 03 |
| Lawyer(s) | D. L. & F. De Saram 47 Alexandra Place, Colombo 07 |
| Bankers | Sampath Bank PLC Nations Trust Bank PLC Peoples Bank Commercial Bank of Ceylon PLC DFCC Bank Amana Bank PLC National Development Bank City Bank |