



Colombo Dockyard PLC

"...An Odyssey of Excellence..."

Interim Financial Report

For the Three Months Period Ended 31 March 2017

This page kept blank Intentionally

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31st March	2017	2016	Change %	Year ended
	Rs,'000	Rs,'000		31.12.2016
				Rs,'000
Revenue	4,060,266	2,697,709	50.51	10,735,674
Cost of sales	(3,469,904)	(2,322,814)	49.38	(9,165,303)
Gross profit	590,362	374,895	57.47	1,570,371
Other income	39,479	30,959	27.52	133,583
Distribution expenses	(5,834)	(5,901)	(1.14)	(27,303)
Administrative expenses	(494,796)	(486,442)	1.72	(1,971,192)
Other operating expenses	-	-	-	(4,929)
Net finance income / (expenses)	36,491	26,529	37.55	51,130
Profit before tax	165,703	(59,960)	376.36	(248,340)
Income tax expense	(21,832)	(17,065)	27.93	(40,723)
Profit / (Loss) for the period	143,871	(77,025)	286.78	(289,063)
Other comprehensive income				
Fair value change of available-for-sale financial assets	-	(38)		12,149
Foreign currency translation differences - foreign operations	6,174	6,607		2,390
Defined benefit plan actuarial gains	-	-		12,238
Tax on other comprehensive income	-	-		(837)
Other comprehensive income for the period - net of taxes	6,174	6,569		25,940
Total comprehensive income for the period	150,045	(70,456)		(263,123)
Profits / (Losses) attributable to :				
Owners of the company	141,431	(76,664)		(286,780)
Non - controlling interest	2,440	(361)		(2,283)
Profit / Loss for the period	143,871	(77,025)		(289,063)
Total comprehensive income attributable to :				
Equity holders of the parent	144,562	(72,948)		(262,011)
Non - Controlling interest	5,483	2,492		(1,112)
Total comprehensive income for the period	150,045	(70,456)		(263,123)
Earnings per share (Rs)	1.97	(1.07)		(3.99)

Note : Figures in brackets indicate deductions

The above figures are subject to audit

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March	2017	2016	As at 31.12.2016
	Rs,'000	Rs,'000	Rs,'000
ASSETS			
Non-current assets			
Property, plant and equipment	3,988,144	4,333,808	4,126,068
Intangible assets	35,182	4,339	38,213
Other investments	15,062	15,266	15,062
Differed tax assets	129,519	101,069	134,018
Other financial assets including derivatives	416,328	622,342	577,508
Total non-current assets	4,584,235	5,076,824	4,890,869
Current assets			
Inventories	1,227,595	1,336,104	1,310,425
Trade and other receivables	8,043,414	11,110,529	11,228,832
Other financial assets including derivatives	349,832	142,111	298,903
Cash and cash equivalents	3,160,218	2,779,522	2,665,157
Total current assets	12,781,059	15,368,266	15,503,317
Total assets	17,365,294	20,445,090	20,394,186
EQUITY AND LIABILITIES			
Stated capital	714,396	714,396	714,396
Exchange equalization reserve	7,988	6,102	4,857
Available-for-sale reserves	27,305	15,156	27,305
Retained earnings	9,303,466	9,359,632	9,162,035
Equity attributable to equity holders of the parent	10,053,155	10,095,286	9,908,593
Non-controlling interest	58,915	57,543	53,432
Total equity	10,112,070	10,152,829	9,962,025
Non-current liabilities			
Differed tax liability	-	1,274	-
Employee benefits	860,191	881,838	854,257
Total non-current liabilities	860,191	883,112	854,257
Current liabilities			
Interest bearing borrowings	4,078,515	6,618,102	7,409,743
Trade and other payables	2,213,139	2,686,806	2,054,263
Other financial liabilities including derivatives	-	-	18,617
Income tax payable	55,049	74,946	56,286
Dividends payable	26,191	26,466	26,191
Bank overdrafts	20,139	2,829	12,804
Total current liabilities	6,393,033	9,409,149	9,577,904
Total equity and liabilities	17,365,294	20,445,090	20,394,186
Net assets per share (RS)	139.90	140.49	137.89

Note :The above figures are subject to audit

These Financial Statements have been prepared in compliance with the Companies Act No. 7 of 2007

(Sgd.) P D Gihan Ravinatha
Chief Financial Officer

(Sgd.) M. Koshi
Director

(Sgd.) D V Abeyasinghe
Managing Director / CEO

May 12, 2017 Colombo

STATEMENT OF CHANGES IN EQUITY - GROUP

For the three months ended 31st March	Stated capital	Retained earnings	Available - for - sale reserve	Exchange equalization reserve	Total	Non controlling interest	Total equity
	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000
As at 1 January 2017	714,396	9,162,035	27,305	4,857	9,908,593	53,432	9,962,025
Net Profit / (Loss) for the period	-	141,431	-	-	141,431	2,440	143,871
Other comprehensive income	-	-	-	3,131	3,131	3,043	6,174
Dividends paid	-	-	-	-	-	-	-
As at 31 March 2017	714,396	9,303,466	27,305	7,988	10,053,155	58,915	10,112,070
As at 1 January 2016	714,396	9,436,296	15,194	2,348	10,168,234	55,051	10,223,285
Net Profit / (Loss) for the period	-	(76,664)	-	-	(76,664)	(361)	(77,025)
Other comprehensive income	-	-	(38)	3,754	3,716	2,853	6,569
Dividends paid	-	-	-	-	-	-	-
As at 31 March 2016	714,396	9,359,632	15,156	6,102	10,095,286	57,543	10,152,829

CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 31st March	2017 Rs,'000	2016 Rs,'000
Cash flow from operating activities		
Net profit before tax	165,703	(59,960)
Adjustment for ;		
Depreciation of property, plant & equipment	105,276	113,296
Amortization of intangible assets	3,473	743
Provision for retirement benefit obligations	35,262	42,110
Provision / (reversal) for obsolete stocks	(83)	-
(Profit) / loss on disposal of property, plant and equipment	-	(151)
Interest income	(53,942)	(36,136)
Interest expense	23,065	9,607
Operating profit before working capital changes	278,755	69,509
(Increase) / Decrease in inventories	82,913	(278,174)
(Increase) / Decrease in trade and other receivables	3,235,960	(1,484,528)
(Increase) / Decrease in other financial assets	110,251	(59,759)
Increase / (Decrease) in trade and other payables	211,638	181,592
Increase / (Decrease) other financial liabilities	(18,617)	(27,701)
Cash generated from / (used in) operating activities	3,900,900	(1,599,061)
Interest paid	(23,065)	(9,607)
Gratuity paid	(29,328)	(42,365)
Income tax paid	(37,612)	(5,472)
Net cash generated from / (used in) operating activities	3,810,895	(1,656,505)
Cash Flow from investing activities		
Purchase of property plant and equipment	(20,557)	(50,812)
Proceeds from disposal of property plant and equipment	-	2,639
Interest received	28,615	26,529
Net cash generated from / (used in) investing activities	8,059	(21,644)
Cash flow from financing activities		
Loans obtained / (paid) during the period	(3,331,228)	2,111,185
Dividends paid	-	(13,121)
Net cash generated from / (used in) financing activities	(3,331,228)	2,098,064
Net Increase / (Decrease) in cash and cash equivalents	487,726	419,915
Cash and cash equivalent at the beginning of the period	2,652,353	2,356,778
Cash and cash equivalent at the end of the period	3,140,079	2,776,693
Analysis of cash and cash equivalents		
Cash in hand and bank / short term investments	3,160,218	2,779,522
Bank overdrafts	(20,139)	(2,829)
	3,140,079	2,776,693

Note : Figures in brackets indicate deductions
The above figures are subject to audit

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31st March	2017 Rs,'000	2016 Rs,'000	Change %	Year ended 31.12.2016 Rs,'000
Revenue	3,849,861	2,531,923	52.05	9,972,729
Cost of sales	(3,333,276)	(2,239,685)	48.83	(8,735,583)
Gross Profit	516,585	292,238	76.77	1,237,146
Other income	39,504	31,012	27.38	143,186
Distribution expenses	(3,035)	(4,413)	(31.23)	(20,927)
Administrative expenses	(449,738)	(446,372)	0.75	(1,802,428)
Other operating expenses	-	-	-	(4,929)
Net finance income / (expenses)	11,579	18,083	(35.97)	9,838
Profit before tax	114,896	(109,452)	204.97	(438,114)
Income tax (expense) / reversal	(9,000)	(3,001)	199.90	6,012
Profit / (Loss) for the period	105,896	(112,453)	194.17	(432,102)
Other comprehensive income				
Fair value change of available-for-sale financial assets	-	(38)		(203)
Defined benefit plan actuarial gains / (losses)	-	-		12,783
Tax on other comprehensive income	-	-		(990)
Other comprehensive income for the period - net of taxes	-	(38)		11,590
Total comprehensive income for the period	105,896	(112,491)		(420,512)
Earnings per share (Rs)	1.47	(1.57)		(6.01)

Note : Figures in brackets indicate deductions

The above figures are subject to audit

STATEMENT OF FINANCIAL POSITION - COMPANY

As at 31st March	2017 Rs,'000	2016 Rs,'000	As at 31.12.2016 Rs,'000
ASSETS			
Non-current assets			
Property, plant and equipment	3,901,824	4,243,474	4,038,396
Investment property	2,865	2,865	2,865
Intangible assets	32,863	2,113	36,243
Investments In subsidiaries	3,141	2,503	3,141
Other investments	15,062	15,266	15,062
Differed tax assets	123,296	101,069	127,795
Other financial assets including derivatives	407,995	423,135	408,108
Total non-current assets	4,487,046	4,790,425	4,631,610
Current assets			
Inventories	1,126,845	1,234,278	1,234,514
Trade and other receivables	7,659,780	10,794,043	10,825,984
Other financial assets including derivatives	148,767	138,728	148,796
Amounts due from related parties	6,076	-	31,692
Cash and cash equivalents	2,494,943	2,325,573	2,109,540
Total current assets	11,436,411	14,492,622	14,350,526
Total assets	15,923,457	19,283,047	18,982,136
EQUITY AND LIABILITIES			
Stated capital	714,396	714,396	714,396
Available-for-sale reserves	14,953	15,156	14,953
Retained earnings	8,407,680	8,608,525	8,301,784
Total equity	9,137,029	9,338,077	9,031,133
Non-current liabilities			
Employee benefits	844,097	869,997	838,925
Total non-current liabilities	844,097	869,997	838,925
Current liabilities			
Interest bearing borrowings	4,078,515	6,618,102	7,409,743
Trade and other payables	1,670,059	2,361,463	1,554,086
Other financial liabilities including derivatives	-	-	19,256
Amounts due to related parties	154,095	66,113	102,802
Dividends payable	26,191	26,466	26,191
Bank overdrafts	13,471	2,829	-
Total current liabilities	5,942,331	9,074,973	9,112,078
Total equity and liabilities	15,923,457	19,283,047	18,982,136
Net assets per share (RS)	127.15	129.95	125.68

Note :The above figures are subject to audit

These Financial Statements have been prepared in compliance with the Companies Act No. 7 of 2007

(Sgd.) P D Gihan Ravinatha
Chief Financial Officer

(Sgd.) M. Koshi
Director

(Sgd.) D V Abeyasinghe
Managing Director / CEO

May 12, 2017 Colombo

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the three months ended 31st March	Stated capital Rs,'000	Retained earnings Rs,'000	Available - for - sale reserves Rs,'000	Total Rs,'000
As at 1 January 2017	714,396	8,301,784	14,953	9,031,133
Net Profit / (Loss) for the period	-	105,896	-	105,896
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
As at 31 March 2017	714,396	8,407,680	14,953	9,137,029
As at 1 January 2016	714,396	8,720,978	15,194	9,450,568
Net Profit / (Loss) for the period	-	(112,453)	-	(112,453)
Other comprehensive income	-	-	(38)	(38)
Dividends paid	-	-	-	-
As at 31 March 2016	714,396	8,608,525	15,156	9,338,077

COMPANY CASH FLOW STATEMENT

For the three months ended 31st March	2017 Rs, '000	2016 Rs, '000
Cash flow from operating activities		
Net profit before tax	114,896	(109,452)
Adjustment for ;		
Depreciation of property, plant & equipment	100,101	106,837
Amortization of intangible assets	3,380	610
Provision for retirement benefit obligations	34,500	41,510
Provision / (reversal) for obsolete stocks	(14)	-
(Profit) / loss on disposal of property, plant and equipment	-	38
Interest income	(29,008)	(27,686)
Interest expense	23,043	9,603
Operating profit before working capital changes	246,899	21,460
(Increase) / Decrease in inventories	107,683	(249,727)
(Increase) / Decrease in trade and other receivables	3,201,494	(1,466,738)
(Increase) / Decrease in amounts due from related parties	25,616	30,856
(Increase) / Decrease in other financial assets	142	11,519
Increase / (Decrease) in trade and other payables	168,735	143,832
Increase / (Decrease) in amounts due to related parties	51,293	(20,131)
Increase / (Decrease) other financial liabilities	(19,256)	(27,701)
Cash generated from / (used in) operating activities	3,782,606	(1,556,630)
Interest paid	(23,043)	(9,603)
Gratuity paid	(29,328)	(41,915)
Income tax / ESC paid	(25,319)	-
Net cash generated from / (used in) operating activities	3,704,916	(1,608,148)
Cash Flow from investing activities		
Purchase of property plant and equipment	(16,292)	(48,121)
Proceeds from disposal of property plant and equipment	-	2,450
Interest received	14,535	18,079
Net cash generated from / (used in) investing activities	(1,756)	(27,592)
Cash flow from financing activities		
Loans obtained / (paid) during the period	(3,331,228)	2,111,185
Dividends paid	-	(13,121)
Net cash generated from / (used in) financing activities	(3,331,228)	2,098,064
Net Increase / (Decrease) in cash and cash equivalents	371,932	462,324
Cash and cash equivalent at the beginning of the period	2,109,540	1,860,420
Cash and cash equivalent at the end of the period	2,481,472	2,322,744
Analysis of cash and cash equivalents		
Cash in hand and bank / short term investments	2,494,943	2,325,573
Bank overdrafts	(13,471)	(2,829)
	2,481,472	2,322,744

Note : All values in Rupees '000s, unless otherwise stated

Figures in brackets indicate deductions

The above figures are subject to audit

NOTES TO THE FINANCIAL STATEMENTS

01. Corporate Information

Colombo Dockyard PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock exchange.

Company Subsidiaries are :

Dockyard General Engineering Services (Pvt) Ltd - Sri Lanka

Ceylon Shipping Agency (Pte) Ltd - Singapore

The interim financial statements of the Group and the Company for the three months period ended 31 March 2017 were authorized for issue by the board of directors on May 12, 2017

02. Basis Of Preparation

The Interim Financial Statements of the Company and Group have been prepared on the basis of the same accounting policies and methods applied for the year ended December 31, 2016, are in compliance with Sri Lanka Accounting Standard 34, *LKAS 34 - Interim Financial Reporting*

Comparative figures have been re-classified, where necessary, to confirm to the current period recognition, measurement and presentation.

03. Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual Financial Statements for the year ended December 31, 2016

04. Post balance sheet events

Subsequent to the reporting date, no circumstances have arisen which would require adjustment to or disclosures in Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS Cont.,

06. Share Information

06.1 MARKET PRICES RECORDED DURING THE QUARTER ENDED 31 MARCH

	2017	2016
	RS.	Rs.
Highest market price per share	79.50	153.00
Lowest market price per share	65.30	105.00
Closing market price per share	76.00	108.10

06.2 DERECTORS SHAREHOLDING AS AT 31 MARCH 2017

No	NAME OF DIRECTOR	NO. OF SHARES
1	Dr. T. Takehara	Nil
2	Mr. C Sarath W De Costa	Nil
3	Mr. D V Abeyasinghe	733
4	Mr. T Nakabe	Nil
5	Mr. M Koshi	Nil
6	Mr. G A D L H Ganlath	578
7	Mr. H A R K Wickramathilake	1,103
8	Mr. T M R Bangsa Jayah	Nil
9	Mr C J P Siriwardana	Nil

06.3 TOTAL NUMBER OF SHARES

As at 31.03.2016	71,858,924
As at 31.03.2017	71,858,924

06.4 PUBLIC SHAREHOLDING PRECENTAGE AS AT 31.03.2017 48.94%

06.5 NUMBER OF PUBLIC SHAREHOLDERS AS AT 31.03.2017 4,907

06.6 TWENTY (20) MAJOR SHAREHOLDERS AS AT 31.03.2017

NO	NAME	NO. OF SHARES	%
1	Onomichi Dockyard Company Limited	36,648,051	51.000
2	Employees Provident Fund	11,744,009	16.343
3	Sri Lanka Insurance Corporation Ltd-General Fund	3,592,998	5.000
4	Sri Lanka Insurance Corporation Ltd-Life Fund	3,592,548	4.999
5	Sri Lanka Ports Authority	2,186,191	3.042
6	Employees Trust Fund Board	1,736,660	2.417
7	National Savings Bank	1,234,706	1.718
8	Bank of Ceylon No.1 Account	897,622	1.249
9	Mellon Bank N.A-Florida Retirement Systems	480,580	0.669
10	Bank of Ceylon No.2 A/C	335,900	0.467
11	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	277,827	0.387
12	Union Assurance PLC/No-01 A/C	238,350	0.332
13	Star Packageing (pvt) Ltd	235,000	0.327
14	Lanka Milk Foods	219,948	0.306
15	Mr S M B Obeysekera and Mrs C N Obeysekera	200,000	0.278
16	HSBC intl Nom Ltd - State Street Munic	194,119	0.270
17	Mercantile Investments and Finance PLC	169,050	0.235
18	DFCC Bank A/C 1	160,000	0.223
19	Askold (Private) Limited	150,000	0.209
20	Sri lanka Export Development Board	138,760	0.193

NOTES TO THE FINANCIAL STATEMENTS Cont.,

07. SEGMENTAL INFORMATION

07.1 Segment revenue

For the three months ended 31st March	2017		2016	
	Group	Company	Group	Company
Shipbuilding	2,201,137	2,201,137	1,401,864	1,401,864
Ship repairing	1,635,754	1,635,754	1,124,871	1,124,871
Heavy engineering	166,921	12,970	104,293	5,188
Material sales and other services	56,454	-	66,681	-
Total	4,060,266	3,849,861	2,697,709	2,531,923

07.2 Segment results

For the three months ended 31st March	2017		2016	
	Group	Company	Group	Company
Shipbuilding	94,772	94,772	115,132	115,132
Ship repairing	420,334	420,334	176,402	176,402
Heavy engineering	44,106	1,479	47,789	705
Material sales and other services	31,150	-	35,573	-
Total	590,362	516,585	374,895	292,238

* Segment results have been stated up to the Gross Profit Level