

Richard Pieris and Company PLC

Interim Financial Statements

Three months ended 30th June 2017

Corporate Information

Legal Form

A quoted public Company with limited liability, incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 on 11th May 1940. The Company registration number is PQ 138.

Stock Exchange Listing

The Ordinary shares of the Company are listed in the Colombo Stock Exchange of Sri Lanka.

Board of Directors

Dr. Sena Yaddehige - *Chairman/ Managing Director/ CEO*

Mr. W. J. Viville P. Perera - *Director*

Mr. S.S.G. Liyanage – *Director*

Mr. Shaminda Yaddehige – *Director/COO*

Dr. Jayatissa De Costa P.C. - *Director*

Mr. Prasanna Fernando – *Director*

Mr. Jagath C. Korale – *Director*

Head/Registered Office

No. 310, High Level Road,
Nawinna, Maharagama,
Sri Lanka.

Telephone : + (94) 114310500

Fax : + (94) 114310777

Website : www.arpico.com

E-mail : cpu@arpico.com

Secretaries

Richard Pieris Group Services (Private) Limited

No. 310, High Level Road,
Nawinna, Maharagama,
Sri Lanka.

Auditors

Ernst & Young

Chartered Accountants

No. 201, De Saram Place,
Colombo 10,
Sri Lanka.

Consolidated Statement of Financial Position

| As at 30th June | 2017 Rs. '000 | Group 2016 Rs. '000 | As at 31st March 2017 Rs. '000 |
|--|-------------------|---------------------------|---|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 17,256,281 | 15,970,776 | 17,114,482 |
| Leasehold properties | 513,917 | 539,684 | 520,941 |
| Investment properties | 167,605 | 167,579 | 166,709 |
| Intangible assets | 1,140,284 | 1,146,759 | 1,140,835 |
| Biological assets | 865,762 | 824,557 | 865,762 |
| Investment in associates | 127,954 | 230,876 | 117,278 |
| Other non-current financial assets | 1,864,900 | 1,506,875 | 1,683,037 |
| Deferred tax assets | 66,949 | 90,111 | 75,918 |
| | <u>22,003,652</u> | <u>20,477,217</u> | <u>21,684,962</u> |
| Current assets | | | |
| Inventories | 5,571,777 | 4,598,522 | 5,621,019 |
| Trade and other receivables | 6,457,743 | 5,487,529 | 6,333,659 |
| Bearer biological assets | 26,463 | - | 26,463 |
| Loans and advances | 10,276,832 | 9,631,492 | 11,127,962 |
| Tax receivables | 188,611 | 160,651 | 185,482 |
| Other current financial assets | 489,348 | 592,144 | 481,985 |
| Cash and short-term deposits | 4,347,639 | 3,527,636 | 4,467,603 |
| | <u>27,358,413</u> | <u>23,997,974</u> | <u>28,244,173</u> |
| Total assets | <u>49,362,065</u> | <u>44,475,191</u> | <u>49,929,135</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Stated capital | 1,972,829 | 1,972,829 | 1,972,829 |
| Revenue reserves | 10,375,914 | 9,368,425 | 10,807,381 |
| Statutory reserve fund | 46,024 | 23,888 | 46,024 |
| Other components of equity | 112,054 | 95,214 | 104,969 |
| Equity attributable to equity holders of the parent | <u>12,506,821</u> | <u>11,460,356</u> | <u>12,931,203</u> |
| Non-controlling interests | 2,703,082 | 2,467,565 | 2,614,195 |
| Total equity | <u>15,209,903</u> | <u>13,927,921</u> | <u>15,545,398</u> |
| Non-current liabilities | | | |
| Interest - bearing loans and borrowings | 6,234,804 | 6,102,540 | 6,924,988 |
| Net liability to the lessor | 580,454 | 592,425 | 583,654 |
| Insurance provision | 883,415 | 592,478 | 814,633 |
| Provisions | 120,441 | 107,520 | 116,878 |
| Government grants | 535,717 | 546,375 | 534,240 |
| Deferred tax liabilities | 502,968 | 387,426 | 492,856 |
| Employee benefit liabilities | 2,411,814 | 2,427,486 | 2,426,498 |
| | <u>11,269,613</u> | <u>10,756,250</u> | <u>11,893,747</u> |
| Current liabilities | | | |
| Trade and other payables | 8,893,297 | 8,034,260 | 8,013,402 |
| Public Deposits | 3,874,814 | 3,883,141 | 3,935,016 |
| Current portion of Interest - bearing loans and borrowings | 3,251,755 | 2,751,381 | 3,432,564 |
| Current portion of net liability to the lessor | 12,040 | 11,577 | 11,790 |
| Income tax payable | 345,351 | 474,882 | 253,362 |
| Short term borrowings | 6,505,292 | 4,635,779 | 6,843,856 |
| | <u>22,882,549</u> | <u>19,791,020</u> | <u>22,489,990</u> |
| Total liabilities | <u>34,152,162</u> | <u>30,547,270</u> | <u>34,383,737</u> |
| Total equity and liabilities | <u>49,362,065</u> | <u>44,475,191</u> | <u>49,929,135</u> |

The above figures are subject to audit.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007



Shiron Gooneratne
Group Chief Financial Officer

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



W J V P Perera
Director



S S G Liyanage
Director

Statement of Financial Position

| As at 30th June | Company | | As at |
|--|-------------------|-------------------|--------------------------------|
| | 2017 Rs. '000 | 2016 Rs. '000 | 31st March 2017 Rs. '000 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 93,022 | 102,685 | 94,253 |
| Investment properties | 1,227,114 | 1,232,308 | 1,229,014 |
| Investment in subsidiaries | 3,808,772 | 3,875,439 | 3,808,772 |
| Other non-current financial assets | 112,545 | 108,311 | 109,595 |
| Deferred tax assets | - | 8,796 | - |
| | <u>5,241,453</u> | <u>5,327,539</u> | <u>5,241,634</u> |
| Current assets | | | |
| Trade and other receivables | 219,416 | 430,227 | 209,982 |
| Amounts due from subsidiaries | 1,824,880 | 1,640,525 | 1,961,764 |
| Taxation receivable | 5,978 | 2,176 | 5,012 |
| Cash and short-term deposits | 4,684,198 | 4,538,099 | 5,734,994 |
| | <u>6,734,472</u> | <u>6,611,027</u> | <u>7,911,752</u> |
| Total assets | <u>11,975,925</u> | <u>11,938,566</u> | <u>13,153,386</u> |
| Equity and liabilities | | | |
| Equity attributable to equity holders of the parent | | | |
| Stated capital | 1,972,829 | 1,972,829 | 1,972,829 |
| Revenue reserves | 610,417 | 1,485,875 | 1,400,185 |
| Other components of equity | 19,562 | 15,449 | 16,612 |
| Total equity | <u>2,602,808</u> | <u>3,474,153</u> | <u>3,389,626</u> |
| Non-current liabilities | | | |
| Interest - bearing loans and borrowings | 2,372,049 | 4,286,697 | 3,146,317 |
| Employee benefit liabilities | 81,109 | 86,053 | 79,823 |
| | <u>2,453,158</u> | <u>4,372,750</u> | <u>3,226,140</u> |
| Current liabilities | | | |
| Trade and other payables | 1,380,161 | 417,270 | 277,921 |
| Current portion of Interest - bearing loans and borrowings | 1,080,729 | 498,991 | 1,293,285 |
| Amounts due to subsidiaries | 5,401 | 19,113 | 2,997 |
| Short term borrowings | 4,453,668 | 3,156,289 | 4,963,417 |
| | <u>6,919,959</u> | <u>4,091,663</u> | <u>6,537,620</u> |
| Total liabilities | <u>9,373,117</u> | <u>8,464,413</u> | <u>9,763,760</u> |
| Total equity and liabilities | <u>11,975,925</u> | <u>11,938,566</u> | <u>13,153,386</u> |

The above figures are subject to audit.

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007



Shiron Gooneratne
Group Chief Financial Officer

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



W J V P Perera
Director



S S G Liyanage
Director

09th August 2017

Consolidated Statement of Profit or Loss

| | 3 months ended 30th June | | | 12 months ended 31st March |
|--|-----------------------------|-------------|----------|-------------------------------|
| | 2017 | 2016 | % | 2017 |
| | Rs. '000 | Rs. '000 | Variance | Rs. '000 |
| Continuing operations | | | | |
| Revenue | 12,944,951 | 11,347,068 | 14% | 49,149,395 |
| Cost of sales | (9,641,646) | (8,545,247) | 13% | (36,373,136) |
| Gross profit | 3,303,305 | 2,801,821 | 18% | 12,776,259 |
| Other operating income | 270,469 | 214,593 | 26% | 1,071,660 |
| Selling and distribution expenses | (811,630) | (661,508) | 23% | (2,887,625) |
| Administrative expenses | (1,435,120) | (1,309,654) | 10% | (5,614,365) |
| Other operating expenses | (21,068) | (12,851) | 64% | (55,470) |
| Operating profit | 1,305,956 | 1,032,401 | 26% | 5,290,459 |
| Finance costs | (277,620) | (233,216) | 19% | (955,768) |
| Finance Income | 121,267 | 67,062 | 81% | 383,695 |
| Share of profit of an associate | 12,576 | 6,632 | 90% | 83,028 |
| Profit before tax from continuing operations | 1,162,179 | 872,879 | 33% | 4,801,414 |
| Income tax expense | (411,306) | (242,596) | 70% | (1,237,426) |
| Profit for the period from continuing operations | 750,873 | 630,283 | 19% | 3,563,988 |
| Discontinued operations | | | | |
| Loss after tax for the period from discontinued operations | (1,229) | (1,619) | -24% | (5,018) |
| Profit for the period | 749,644 | 628,664 | 19% | 3,558,970 |
| Attributable to: | | | | |
| Equity holders of the parent | 614,909 | 582,317 | 6% | 3,170,095 |
| Non-controlling interests | 134,735 | 46,347 | 191% | 388,875 |
| | 749,644 | 628,664 | | 3,558,970 |
| Earnings per share | | | | |
| Basic (Rs.) | 0.30 | 0.29 | | 1.56 |
| Diluted (Rs.) | 0.30 | 0.29 | | 1.55 |
| Dividend per share | 0.50 | - | | 0.60 |

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Comprehensive Income

| | 3 months ended 30th June | | | 12 months ended 31st March |
|--|-----------------------------|------------------|---------------|-------------------------------|
| | 2017 Rs. '000 | 2016 Rs. '000 | % Variance | 2017 Rs. '000 |
| Profit for the period | <u>749,644</u> | <u>628,664</u> | 19% | <u>3,558,970</u> |
| Other comprehensive income/ (loss) | | | | |
| Other comprehensive income/(loss) to be reclassified to profit or loss; | | | | |
| Net gain/(loss) on available for sale financial assets | (3,782) | 3,108 | -222% | 6,691 |
| Fair value movement of AFS reserve transferred to life fund | 6,732 | - | 0% | (3,094) |
| Exchange differences on translation of foreign operations | <u>6,134</u> | <u>2,161</u> | 184% | <u>18,487</u> |
| Net other comprehensive income to be reclassified to profit or loss | <u>9,084</u> | <u>5,269</u> | | <u>22,084</u> |
| Other comprehensive income/(loss) not to be reclassified to profit or loss; | | | | |
| Gain on actuarial valuation | - | - | 0% | 136,265 |
| Income tax effect | <u>-</u> | <u>-</u> | 0% | <u>(12,709)</u> |
| Net other comprehensive income not to be reclassified to profit or loss | <u>-</u> | <u>-</u> | | <u>123,556</u> |
| Other comprehensive income for the period, net of tax | <u>9,084</u> | <u>5,269</u> | 72% | <u>145,640</u> |
| Total comprehensive income for the period, net of tax | <u>758,728</u> | <u>633,933</u> | 20% | <u>3,704,610</u> |
| Attributable to: | | | | |
| Equity holders of the parent | 621,994 | 587,628 | 6% | 3,281,790 |
| Non-controlling interests | <u>136,734</u> | <u>46,305</u> | 195% | <u>422,820</u> |
| | <u>758,728</u> | <u>633,933</u> | | <u>3,704,610</u> |

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Statement of Profit or Loss

| | 3 months ended 30th June | | | 12 months ended 31st March |
|------------------------------|-----------------------------|------------------|---------------|-------------------------------|
| | 2017 Rs. '000 | 2016 Rs. '000 | % Variance | 2017 Rs. '000 |
| Revenue | 439,488 | 433,421 | 1% | 2,309,476 |
| Cost of sales | - | - | | - |
| Gross profit | 439,488 | 433,421 | 1% | 2,309,476 |
| Other operating income | - | 3,153 | -100% | - |
| Administrative expenses | (112,770) | (108,766) | 4% | (541,451) |
| Other operating expenses | (9,168) | - | 100% | (31,664) |
| Operating profit | 317,550 | 327,808 | -3% | 1,736,361 |
| Finance costs | (96,913) | (99,967) | -3% | (384,418) |
| Finance Income | 7,114 | 6,443 | 10% | 22,290 |
| Profit before tax | 227,751 | 234,284 | -3% | 1,374,233 |
| Income tax expense | - | (2,931) | -100% | (11,726) |
| Profit for the period | 227,751 | 231,353 | -2% | 1,362,507 |
| Earnings per share | | | | |
| Basic (Rs.) | 0.11 | 0.11 | | 0.62 |
| Diluted (Rs.) | 0.11 | 0.11 | | 0.62 |
| Dividend per share | 0.50 | | | 0.60 |

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

Company Statement of Comprehensive Income

| | 3 months ended 30th June | | | 12 months ended 31st March |
|--|-----------------------------|----------------|----------|-------------------------------|
| | 2017 | 2016 | % | 2017 |
| | Rs. '000 | Rs. '000 | Variance | Rs. '000 |
| Profit for the period | <u>227,751</u> | <u>231,353</u> | -2% | <u>1,362,507</u> |
| Other comprehensive income | | | | |
| Other comprehensive income to be reclassified to profit or loss; | | | | |
| Net gain on available for sale financial assets | <u>2,950</u> | <u>3,108</u> | -5% | <u>4,271</u> |
| Net other comprehensive income to be reclassified to profit or loss | <u>2,950</u> | <u>3,108</u> | | <u>4,271</u> |
| Other comprehensive income not to be reclassified to profit or loss; | | | | |
| Gain on actuarial valuation | <u>-</u> | <u>-</u> | | <u>4,179</u> |
| Net other comprehensive income not to be reclassified to profit or loss | <u>-</u> | <u>-</u> | | <u>4,179</u> |
| Other comprehensive income for the period, net of tax | <u>2,950</u> | <u>3,108</u> | -5% | <u>8,450</u> |
| Total comprehensive income for the period, net of tax | <u>230,701</u> | <u>234,461</u> | -2% | <u>1,370,957</u> |

Figures in brackets indicate deductions.

The above figures are subject to audit.

Cash Flow Statements

| For the three months ended 30th June | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2017 Rs. '000 | 2016 Rs. '000 | 2017 Rs. '000 | 2016 Rs. '000 |
| Cash flows from / (used in) operating activities | | | | |
| Profit before tax and non controlling interests from continuing operations | 1,162,179 | 872,879 | 227,751 | 234,284 |
| Loss after tax from discontinued operation | (1,229) | (1,619) | - | - |
| Adjustments to reconcile profit before tax to net cash flows | 561,285 | 520,943 | 108,412 | 99,430 |
| Operating profit before working capital changes | <u>1,722,235</u> | <u>1,392,203</u> | <u>336,163</u> | <u>333,714</u> |
| Working capital adjustments | 506,300 | (208,230) | 142,757 | 805,222 |
| Cash generated from operations | <u>2,228,535</u> | <u>1,183,973</u> | <u>478,920</u> | <u>1,138,936</u> |
| Interest paid | (204,274) | (136,015) | (24,331) | (2,770) |
| Gratuity paid | (92,793) | (83,084) | (2,465) | (2,985) |
| Interest received | 121,267 | 67,062 | 7,114 | 6,443 |
| Income tax paid | (301,463) | (171,929) | (966) | (459) |
| Net cash from operating activities | <u>1,751,272</u> | <u>860,007</u> | <u>458,272</u> | <u>1,139,165</u> |
| Net cash flows used in investing activities | <u>(632,634)</u> | <u>(360,558)</u> | <u>(2,563)</u> | <u>(1,315)</u> |
| Net cash inflows before financing activities | <u>1,118,638</u> | <u>499,449</u> | <u>455,709</u> | <u>1,137,850</u> |
| Net cash flows used in financing activities | <u>(1,385,038)</u> | <u>(1,435,392)</u> | <u>(1,481,756)</u> | <u>(1,648,075)</u> |
| Net decrease in cash and cash equivalents | <u>(266,400)</u> | <u>(935,943)</u> | <u>(1,026,047)</u> | <u>(510,225)</u> |
| Cash and cash equivalents at the beginning of the period | <u>(1,891,253)</u> | <u>(172,200)</u> | <u>1,256,577</u> | <u>1,892,035</u> |
| Cash and cash equivalents at the end of the period | <u>(2,157,653)</u> | <u>(1,108,143)</u> | <u>230,530</u> | <u>1,381,810</u> |
| Analysis of cash and cash equivalents at the end of the period | | | | |
| Bank and cash balances | 4,347,639 | 3,527,636 | 4,684,198 | 4,538,099 |
| Short term borrowings * | (6,505,292) | (4,635,779) | (4,453,668) | (3,156,289) |
| | <u>(2,157,653)</u> | <u>(1,108,143)</u> | <u>230,530</u> | <u>1,381,810</u> |
| * Short term borrowings | | | | |
| Bank overdraft | (1,746,532) | (2,243,429) | (1,458,668) | (1,256,289) |
| Other short term borrowings - settled within 90 days | (4,758,760) | (2,392,350) | (2,995,000) | (1,900,000) |
| | <u>(6,505,292)</u> | <u>(4,635,779)</u> | <u>(4,453,668)</u> | <u>(3,156,289)</u> |

Figures in brackets indicate deductions.

The above figures are subject to audit.

Statement of Changes in Equity

| Group | Attributable to equity holders of the parent | | | | | | | Total equity |
|--|--|-------------------|-----------------------------|--------------------------------------|------------------------|-------------------|--------------------------|-------------------|
| | Stated capital | Revenue reserves | Available -for-sale reserve | Foreign currency translation reserve | Statutory reserve fund | Total | Non controlling interest | |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | |
| As at 1st April 2016 | 1,972,829 | 8,786,806 | 13,607 | 76,296 | 23,190 | 10,872,728 | 2,412,573 | 13,285,301 |
| Profit for the period | - | 582,317 | - | - | - | 582,317 | 46,347 | 628,664 |
| Other comprehensive income | - | - | 3,108 | 2,203 | - | 5,311 | (42) | 5,269 |
| Total comprehensive income | - | 582,317 | 3,108 | 2,203 | - | 587,628 | 46,305 | 633,933 |
| Transfers during the period | - | (698) | - | - | 698 | - | - | - |
| Subsidiary/Associate dividend to minority shareholders | - | - | - | - | - | - | 8,687 | 8,687 |
| As at 30th June 2016 | <u>1,972,829</u> | <u>9,368,425</u> | <u>16,715</u> | <u>78,499</u> | <u>23,888</u> | <u>11,460,356</u> | <u>2,467,565</u> | <u>13,927,921</u> |
| As at 1st April 2017 | 1,972,829 | 10,807,381 | 17,218 | 87,751 | 46,024 | 12,931,203 | 2,614,195 | 15,545,398 |
| Profit for the period | - | 614,909 | - | - | - | 614,909 | 134,735 | 749,644 |
| Other comprehensive income | - | - | 2,950 | 4,135 | - | 7,085 | 1,999 | 9,084 |
| Total comprehensive income | - | 614,909 | 2,950 | 4,135 | - | 621,994 | 136,734 | 758,728 |
| Dividends | - | (1,017,519) | - | - | - | (1,017,519) | - | (1,017,519) |
| Adjustments due to changes in holding | - | (28,857) | - | - | - | (28,857) | (47,335) | (76,192) |
| Subsidiary/Associate dividend to minority shareholders | - | - | - | - | - | - | (512) | (512) |
| As at 30th June 2017 | <u>1,972,829</u> | <u>10,375,914</u> | <u>20,168</u> | <u>91,886</u> | <u>46,024</u> | <u>12,506,821</u> | <u>2,703,082</u> | <u>15,209,903</u> |
| Company | | | | | | | | |
| As at 1st April 2016 | 1,972,829 | 1,254,522 | 12,341 | - | - | 3,239,692 | - | 3,239,692 |
| Profit for the period | - | 231,353 | - | - | - | 231,353 | - | 231,353 |
| Other comprehensive income | - | - | 3,108 | - | - | 3,108 | - | 3,108 |
| Total comprehensive income | - | 231,353 | 3,108 | - | - | 234,461 | - | 234,461 |
| As at 30th June 2016 | <u>1,972,829</u> | <u>1,485,875</u> | <u>15,449</u> | <u>-</u> | <u>-</u> | <u>3,474,153</u> | <u>-</u> | <u>3,474,153</u> |
| As at 1st April 2017 | 1,972,829 | 1,400,185 | 16,612 | - | - | 3,389,626 | - | 3,389,626 |
| Profit for the period | - | 227,751 | - | - | - | 227,751 | - | 227,751 |
| Other comprehensive income | - | - | 2,950 | - | - | 2,950 | - | 2,950 |
| Total comprehensive income | - | 227,751 | 2,950 | - | - | 230,701 | - | 230,701 |
| Dividends | - | (1,017,519) | - | - | - | (1,017,519) | - | (1,017,519) |
| As at 30th June 2017 | <u>1,972,829</u> | <u>610,417</u> | <u>19,562</u> | <u>-</u> | <u>-</u> | <u>2,602,808</u> | <u>-</u> | <u>2,602,808</u> |

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

Segmental Results

| | For the three months ended 30th June | | | | | | | | As at 30th June | | | |
|----------------------------|--------------------------------------|-------------------|------------------|------------------|------------------|------------------|---------------------------------|-------------------|-------------------------|------------------|-------------------|-------------------|
| | Gross Revenue | | Inter segmental | | Intra segmental | | Revenue from external customers | | Operating profit/(Loss) | | Assets | |
| | 2017 Rs. '000 | 2016 Rs. '000 | 2017 Rs. '000 | 2016 Rs. '000 | 2017 Rs. '000 | 2016 Rs. '000 | 2017 Rs. '000 | 2016 Rs. '000 | 2017 Rs. '000 | 2016 Rs. '000 | 2017 Rs. '000 | 2016 Rs. '000 |
| Rubber | 1,183,268 | 1,001,364 | (46,968) | (39,761) | (3,938) | (4,837) | 1,132,362 | 956,766 | 231,998 | 203,413 | 3,708,211 | 3,160,272 |
| Tyre | 1,067,547 | 1,005,765 | (1,822) | (1,574) | (430,573) | (365,811) | 635,152 | 638,380 | 101,323 | 144,474 | 1,984,855 | 2,281,746 |
| Plastic and furniture | 1,754,744 | 1,775,669 | (141,724) | (158,699) | (210,746) | (227,110) | 1,402,274 | 1,389,860 | 104,223 | 242,184 | 7,230,508 | 5,832,511 |
| Retail | 6,566,731 | 6,019,862 | (4,447) | (2,935) | (61,848) | (59,959) | 6,500,436 | 5,956,968 | 423,624 | 367,119 | 10,518,370 | 8,797,011 |
| Financial services | 754,851 | 576,095 | - | - | - | - | 754,851 | 576,095 | 90,949 | 66,080 | 15,109,338 | 13,457,517 |
| Other services | 546,922 | 550,913 | (536,468) | (541,071) | - | - | 10,454 | 9,842 | 166,977 | 208,124 | 7,959,084 | 7,076,993 |
| Plantations | 2,798,773 | 1,961,767 | (204,193) | (121,491) | (85,158) | (21,119) | 2,509,422 | 1,819,157 | 436,862 | 51,007 | 18,409,448 | 18,180,642 |
| Inter segment eliminations | - | - | - | - | - | - | - | - | (250,000) | (250,000) | (15,685,703) | (14,542,377) |
| Group | <u>14,672,836</u> | <u>12,891,435</u> | <u>(935,622)</u> | <u>(865,531)</u> | <u>(792,263)</u> | <u>(678,836)</u> | <u>12,944,951</u> | <u>11,347,068</u> | <u>1,305,956</u> | <u>1,032,401</u> | <u>49,234,111</u> | <u>44,244,315</u> |

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

Notes to the Financial Statements

| For the period ended 30th June | 2017 Rs. | 2016 Rs. | Year ended 31st March 2017 Rs. |
|--------------------------------------|-------------|-------------|--------------------------------------|
| 1. Net asset value per share - Group | 6.15 | 5.63 | 6.35 |
| Net asset value per share - Company | 1.28 | 1.71 | 1.67 |
| Market price per share | | | |
| Highest | 10.40 | 8.60 | 9.20 |
| Lowest | 8.20 | 7.40 | 7.40 |
| Last traded | 10.20 | 8.30 | 8.30 |

2. Stated capital of Richard Pieris and Company PLC amounts to Rs.1,972,829,182 represented by 2,035,038,275 ordinary shares.
3. The Interim condensed Financial Statements for the three months ended 30th June 2017 have been prepared in accordance with 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 2017.
4. Chilaw Finance PLC, a subsidiary of the Group has been de-listed from the official list of Colombo Stock Exchange with effect from end of trading on 20th April 2017, pursuant to the amalgamation of the company with Richard Pieris Finance Limited.
5. A final dividend of Rs 0.50 per share for the financial year ended 31st March 2017 was paid on 10th July 2017, after it was approved by shareholders at the Annual General Meeting on the 30th June 2017.
6. The presentation and classification of the Financial Statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.
7. There has been no significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2017.
8. Discontinued operations comprise the results of subsidiaries of the Group whose commercial operations have been discontinued.
9. There have been no material events occurring after the reporting date that require adjustments or disclosure in the Financial Statements.
10. The percentage of shares held by the public as at 30th June 2017 was 42.66% represented by 8,507 public shareholders.
(Public shareholding as at 31st March 2017 was 42.66% represented by 8,699 public shareholders)

11. Listed Debentures;

Details regarding the listed debentures are as follows;

Three types of Rated Unsecured Redeemable Debentures were issued on 7th May 2014 and subsequently listed on 23rd May 2014. The Type A debentures were redeemed on 16th May 2017. The details of outstanding debentures are as follows;

| Type of Debenture | Interest Rate | Frequency of Interest Payment | Redemption Date | Interest Rate of Government Security* |
|-------------------|---------------|-------------------------------|---------------------------|---------------------------------------|
| Type A | 10.75% | Semi-annual | Redeemed on 16th May 2017 | |
| Type B | 11.00% | Semi-annual | 16th May 2018 | 10.54% |
| Type C | 11.25% | Semi-annual | 16th May 2019 | 10.85% |

*Interest rate of comparable government securities are net of tax as of 30th June 2017.

Debenture trading from 1st of April 2017 to 30th June 2017

From 1st of April 2017 to 30th June 2017 period, 200 Type A debentures were traded at a price of Rs.98/-, 10,000 Type C debentures were traded at a price of Rs. 95/-.

The Yield to Maturity of trades done for the period was 14.21% and the yield of the last trade was also the same for Type C debentures which was done on 17th May 2017.

The Yield to Maturity of trades done for the period was 38.55% and the yield of the last trade was also the same for Type A debentures which was done on 18th April 2017.

Ratios

| | 30-06-2017 | 30-06-2016 | 31-03-2017 |
|-------------------|------------|------------|------------|
| Debt/Equity Ratio | 3.04 | 2.29 | 2.77 |
| Quick Asset Ratio | 0.97 | 1.62 | 1.21 |
| Interest Cover | 3.54 | 3.51 | 4.79 |

Notes to the Financial Statements (Contd.)

12. The number of shares held by the Board of Directors are as follows:

| As at | 30-06-2017 | 31-03-2017 |
|---|-------------|-------------|
| 1 Dr. Sena Yaddhige - Chairman/Managing Director/CEO | 104,375,732 | 104,375,732 |
| 2 Mr. W J V P Perera | 4,500 | 4,500 |
| 3 Mr. S S G Liyanage | 3,942,825 | 3,942,825 |
| 4 Mr. Shaminda Yaddhige | - | - |
| 5 Dr. Jayatissa De Costa P.C. | - | - |
| 6 Mr. Prasanna Fernando | - | - |
| 7 Mr. Jagath C Korale | - | - |

13. Twenty largest shareholders of the Company are as follows:

| As at | 30-06-2017 | % | 31-03-2017 | % |
|---|----------------------|---------------|----------------------|---------------|
| | Number of shares | | Number of shares | |
| 1 Skyworld Overseas Holdings Ltd | 516,388,590 | 25.37% | 516,388,590 | 25.37% |
| 2 Camille Consulting Corp. | 316,935,120 | 15.57% | 316,935,120 | 15.57% |
| 3 HSBC International Nominees Ltd-SSBT- Deutsche Bank | 225,153,787 | 11.06% | 225,153,787 | 11.06% |
| 4 Sezeka Limited | 175,784,490 | 8.64% | 174,447,000 | 8.57% |
| 5 Employees Provident Fund | 169,899,520 | 8.35% | 169,899,520 | 8.35% |
| 6 Dr. Sena Yaddhige | 104,375,732 | 5.13% | 104,375,732 | 5.13% |
| 7 Rockport Limited | 99,506,865 | 4.89% | 99,506,865 | 4.89% |
| 8 Dhanasiri Recreation Pvt Ltd | 33,655,437 | 1.65% | 33,655,437 | 1.65% |
| 9 Mr. D.W.R. Rutnam | 25,759,500 | 1.27% | 25,759,500 | 1.27% |
| 10 The Executor of the Estate of Late Mrs L.B.S. Pieris | 22,782,045 | 1.12% | 22,782,045 | 1.12% |
| 11 Investment Resource Company (Pvt) Ltd | 20,000,000 | 0.98% | 20,000,000 | 0.98% |
| 12 J.B Cocoshell (Pvt) Ltd | 17,717,948 | 0.87% | 16,094,048 | 0.79% |
| 13 Mercantile Investments and Finance PLC | 16,035,995 | 0.79% | 16,035,995 | 0.79% |
| 14 Kalday (Pvt) Ltd | 12,126,030 | 0.60% | 12,126,030 | 0.60% |
| 15 National Savings Bank | 11,576,659 | 0.57% | 12,001,659 | 0.59% |
| 16 Seylan Bank PLC/Channa Nalin Rajahmoney | 7,453,473 | 0.37% | - | 0.00% |
| 17 Bank Of Ceylon No 1 Account | 6,889,225 | 0.34% | 6,889,225 | 0.34% |
| 18 Dr. C.M Fernando | 6,660,570 | 0.33% | 6,660,570 | 0.33% |
| 19 The Incorporated Trustees of the Church of Ceylon | 4,868,795 | 0.24% | 4,868,795 | 0.24% |
| 20 Mrs. D. M. Sinnetamby | 4,086,877 | 0.20% | 4,111,877 | 0.20% |
| | 1,797,656,658 | 88.34% | 1,787,691,795 | 87.85% |

14. All values included in these Financial Statements are in Rs. '000s unless otherwise stated.

