



THE FORTRESS RESORTS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 ST DECEMBER 2014**

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER

| | As.At 31.12.2014 | As.At 31.03.2014 | Change % |
|--|-------------------------|-------------------------|-------------|
| | Rs. '000 | Audited Rs. '000 | |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 1,065,874 | 1,104,287 | (3) |
| Intangible Assets | 3,966 | 5,150 | (23) |
| | <u>1,069,840</u> | <u>1,109,437</u> | (4) |
| Current Assets | | | |
| Inventories | 18,800 | 16,610 | 13 |
| Trade and Other Receivables | 33,197 | 55,473 | (40) |
| Advances and Prepayments | 22,083 | 19,624 | 13 |
| Income Tax Receivables | 137 | 137 | - |
| Short Term Investments | 330,000 | 175,000 | 89 |
| Cash and Bank Balances | 9,186 | 20,914 | (56) |
| | <u>413,403</u> | <u>287,758</u> | 44 |
| Total Assets | <u>1,483,243</u> | <u>1,397,195</u> | 6 |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Stated Capital | 1,108,867 | 1,108,867 | - |
| Accumulated Profits | 194,136 | 105,893 | 83 |
| Total Equity | <u>1,303,003</u> | <u>1,214,760</u> | 7 |
| Non-Current Liabilities | | | |
| Interest Bearing Loans and Borrowings | 11,939 | 12,452 | 4 |
| Retirement Benefit Obligations | 7,788 | 6,692 | (16) |
| Deferred Tax Liability | 25,997 | 25,997 | - |
| | <u>45,724</u> | <u>45,141</u> | |
| Current Liabilities | | | |
| Trade and Other Payables | 120,741 | 68,379 | (77) |
| Income Tax Payables | 1,831 | 10,670 | 83 |
| Interest Bearing Loans and Borrowings | 11,944 | 58,245 | 79 |
| | <u>134,516</u> | <u>137,294</u> | 2 |
| Total Equity and Liabilities | <u>1,483,243</u> | <u>1,397,195</u> | (6) |
| Net Asset Value per Share (Rs.) | 11.75 | 10.95 | |

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

Sgd
Shyamalie Weerasooriya
Chief Financial Officer

Approved and signed for and on behalf of the Board of Directors.

Sgd
K.D.D. Perera
Chairman

Sgd
J.A.S.S.Adhihetty
Managing Director

Colombo
10 February 2014

Note :The above figures for the interim period are subject to audit.

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 ST DECEMBER

| | FOR 3 MONTHS ENDED | | Change | YEAR TO DATE | | Change |
|---|----------------------|----------------------|--------|----------------------|----------------------|--------|
| | 31.12.2014 | 31.12.2013 | % | 31.12.2014 | 31.12.2013 | % |
| | Rs. '000 | Rs. '000 | | Rs. '000 | Rs. '000 | |
| Revenue | 189,900 | 189,007 | - | 446,876 | 395,061 | 13 |
| Cost of Sales | (49,454) | (48,013) | (3) | (127,822) | (117,410) | (9) |
| Gross Profit | <u>140,446</u> | <u>140,994</u> | - | <u>319,054</u> | <u>277,651</u> | 15 |
| Other Income | 7,573 | 8,629 | (12) | 20,128 | 34,675 | (42) |
| Selling and Marketing Expenses | (9,038) | (6,570) | (38) | (20,622) | (16,901) | (22) |
| Administrative Expenses | (73,942) | (77,859) | 5 | (215,146) | (201,029) | (7) |
| Finance Cost | (605) | (8,940) | 93 | (2,280) | (33,414) | 93 |
| Finance Income | 5,800 | 9,046 | (36) | 14,864 | 26,225 | (43) |
| Profit/(Loss) before Tax | <u>70,234</u> | <u>65,300</u> | 8 | <u>115,998</u> | <u>87,207</u> | 33 |
| Income Tax Expenses | (8,171) | (8,246) | 1 | (27,755) | (13,995) | (98) |
| Profit / (Loss) for the period | <u><u>62,063</u></u> | <u><u>57,054</u></u> | 9 | <u><u>88,243</u></u> | <u><u>73,212</u></u> | 21 |
| Other Comprehensive Income | - | - | | - | - | |
| Total Comprehensive Income for the period net of Tax | <u><u>62,063</u></u> | <u><u>57,054</u></u> | 9 | <u><u>88,243</u></u> | <u><u>73,212</u></u> | 21 |
| Attributable to: | | | | | | |
| Equity holders of the parent | <u><u>62,063</u></u> | <u><u>57,054</u></u> | 9 | <u><u>88,243</u></u> | <u><u>73,212</u></u> | 21 |
| Earnings / (Loss) per share - Basic / Diluted (Rs.) | 0.56 | 0.51 | 9 | 0.80 | 0.66 | 21 |

Note :The above figures for the interim period are subject to audit.

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2014

COMPANY, STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER

| | As.At 31.12.2014 | As.At 31.03.2014 | Change % |
|---------------------------------------|-------------------------|-------------------------|-------------|
| | Rs. '000 | Audited Rs. '000 | |
| ASSETS | | | |
| Non-Current Assets | | | |
| Investment In Subsidiary | 1,000,010 | 1,000,010 | - |
| | <u>1,000,010</u> | <u>1,000,010</u> | - |
| Current Assets | | | |
| Trade and Other Receivables | 93,770 | - | - |
| Income Tax Receivables | 137 | 137 | |
| Cash & Cash Equivalents | 36 | 36 | - |
| | <u>93,943</u> | <u>173</u> | 54,202 |
| Total Assets | <u>1,093,953</u> | <u>1,000,183</u> | 9 |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Stated Capital | 1,108,867 | 1,108,867 | - |
| Accumulated losses | (14,957) | (127,156) | 88 |
| Total Equity | <u>1,093,910</u> | <u>981,711</u> | 11 |
| Non-Current Liabilities | | | |
| Interest Bearing Loans and Borrowings | - | - | |
| Retirement Benefit Obligations | - | - | |
| | <u>-</u> | <u>-</u> | |
| Current Liabilities | | | |
| Trade Creditors & Other Payables | 43 | 18,472 | 100 |
| Interest Bearing Loans and Borrowings | - | - | |
| | <u>43</u> | <u>18,472</u> | 100 |
| Total Equity and Liabilities | <u>1,093,953</u> | <u>1,000,183</u> | (9) |
| Net Asset value per share (Rs.) | 9.87 | 8.85 | |

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

Sgd
Shyamalie Weerasooriya
Chief Financial Officer

Approved and signed for and on behalf of the Board of Directors.

Sgd
K.D.D. Perera
Chairman

Sgd
J.A.S.S.Adhihetty
Managing Director

Colombo
10 February 2014

Note :The above figures for the interim period are subject to audit.

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2014

COMPANY, STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 ST DECEMBER

| | FOR 3 MONTHS ENDED | | Change | YEAR TO DATE | | Change |
|---|--------------------|--------------|--------|----------------|---------------|--------|
| | 31.12.2014 | 31.12.2013 | % | 31.12.2014 | 31.12.2013 | % |
| | Rs. '000 | Rs. '000 | | Rs. '000 | Rs. '000 | |
| Revenue | - | - | | - | - | - |
| Cost of Sales | - | - | | - | - | - |
| Gross Profit | - | - | | - | - | - |
| Other Income | - | - | - | 117,000 | 15,000 | 680 |
| Selling and Marketing Expenses | - | - | | - | - | - |
| Administrative Expenses | (1,036) | (877) | (18) | (4,800) | (4,358) | (10) |
| Finance Cost | - | - | | (1) | (1) | - |
| Finance Income | - | - | | - | - | - |
| Profit/(Loss) before Tax | (1,036) | (877) | (18) | 112,199 | 10,641 | 954 |
| Income Tax Expenses | - | - | | - | - | - |
| Profit /(Loss) for the period | <u>(1,036)</u> | <u>(877)</u> | (18) | <u>112,199</u> | <u>10,641</u> | 954 |
| Other Comprehensive Income | - | - | | - | - | - |
| Total Comprehensive Income/(Loss) for the period | <u>(1,036)</u> | <u>(877)</u> | (18) | <u>112,199</u> | <u>10,641</u> | 954 |
| Earnings / (Loss) per share for the period | (0.01) | (0.01) | (18) | 1.01 | 0.10 | 954 |

Note :The above figures for the interim period are subject to audit.

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2014

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
31 ST DECEMBER 2014

| Group | Stated Capital | Accumulated | Total |
|--|-----------------------|------------------------|------------------|
| | Rs. '000 | Profit/(Losses) | Rs. '000 |
| | | Rs. '000 | Rs. '000 |
| Balance as at 01 st April 2014 | 1,108,867 | 105,893 | 1,214,760 |
| Net Profit / (Loss) for the Period | - | 88,243 | 88,243 |
| Balance as at 31 st December 2014 | <u>1,108,867</u> | <u>194,136</u> | <u>1,303,003</u> |
| Balance as at 01st April 2013 | 1,108,867 | (70,785) | 1,038,082 |
| Net Profit / (Loss) for the period | - | 73,212 | 73,212 |
| Balance as at 31 st December 2013 | <u>1,108,867</u> | <u>2,427</u> | <u>1,111,294</u> |
| Company | Stated | Accumulated | Total |
| | Capital | Profit/(Losses) | |
| | Rs. '000 | Rs. '000 | Rs. '000 |
| Balance as at 01 st April 2014 | 1,108,867 | (127,156) | 981,711 |
| Net Profit / (Loss) for the Period | - | 112,199 | 112,199 |
| Balance as at 31 st December 2014 | <u>1,108,867</u> | <u>(14,957)</u> | <u>1,093,910</u> |
| Balance as at 01st April 2013 | 1,108,867 | (136,728) | 972,139 |
| Net Profit / (Loss) for the period | - | 10,641 | 10,641 |
| Balance as at 31 st December 2013 | <u>1,108,867</u> | <u>(126,087)</u> | <u>982,780</u> |

Note :The above figures for the interim period are subject to audit.

THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2014

CASH FLOW STATEMENT FOR THE PERIOD ENDED
31 ST DECEMBER

| | FOR THE PERIOD ENDED | | FOR THE PERIOD ENDED | |
|---|----------------------|----------------|----------------------|-----------|
| | Group | | Company | |
| | 2014 | 2013 | 2014 | 2013 |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Cash Flows From / (Used in) Operating Activities | | | | |
| Profit/(Loss) before tax | 115,998 | 87,207 | 112,199 | 10,641 |
| Adjustments for | | | | |
| Depreciation | 78,892 | 76,916 | - | - |
| Amortisation | 1,184 | 973 | | |
| Finance Cost | 2,280 | 33,413 | 1 | - |
| Finance Income | (14,864) | (26,226) | - | - |
| Exchange Gain | (111) | (1,541) | - | - |
| (Profit)/Loss on Disposal of Property, Plant & Equipment | 171 | (15) | - | - |
| Provision for Defined Benefit Obligation | 1,549 | 1,244 | - | - |
| Operating Profit/(Loss) before Working Capital Changes | 185,099 | 171,971 | 112,200 | 10,641 |
| (Increase)/ Decrease in Inventories | (2,190) | (3,695) | - | - |
| (Increase)/ Decrease in Trade and Other Receivables and prepayments | 19,817 | 21,031 | (93,769) | 48 |
| Increase /(Decrease) in Trade and Other Payables | 52,361 | 46,378 | (18,430) | (10,689) |
| Cash Generated from / (Used in) Operations | 255,087 | 235,685 | 1 | - |
| Finance Cost Paid | (2,280) | (34,052) | (1) | - |
| Income Tax Paid | (36,593) | (10,255) | | - |
| Gratuity Paid | (453) | (507) | | |
| Net Cash From / (used in) Operating Activities | 215,761 | 190,871 | - | - |
| Cash Flows from / (Used in) Investing Activities | | | | |
| Proceeds from Disposal of Property, Plant & Equipment | 1,782 | 15 | - | - |
| Acquisition of Property, Plant & Equipment | (41,826) | (21,268) | - | - |
| Finance Income Received | 14,864 | 23,181 | - | - |
| Investment In Short term Investment | (155,000) | (80,000) | - | - |
| Net Cash from/(Used in) Investing Activities | (180,180) | (78,072) | - | - |
| Cash Flows from (Used in) Financing Activities | | | | |
| Re-payment of Bank Loans | (45,000) | (104,000) | - | - |
| Principal Payment under Finance Lease Liabilities | (8,996) | (7,617) | - | - |
| Net Cash from/(Used in) Financing Activities | (53,996) | (111,617) | - | - |
| Effect of Exchange rates changes on Cash and Cash Equivalent | 111 | 1,541 | - | - |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (18,304) | 2,723 | - | - |
| Cash and Cash Equivalents at the beginning of the year | 19,037 | (4,497) | 36 | 36 |
| Cash and Cash Equivalents at the end of the period | 733 | (1,774) | 36 | 36 |

For the purpose of the cash flow statement, the period end cash and cash equivalents comprise of the following:

| | | | | |
|------------------------|------------|----------------|-----------|-----------|
| Cash at Bank & In Hand | 9,186 | 3,571 | 36 | 36 |
| Bank Overdraft | (8,453) | (5,345) | - | - |
| | 733 | (1,774) | 36 | 36 |

Note :The above figures for the interim period are subject to audit.

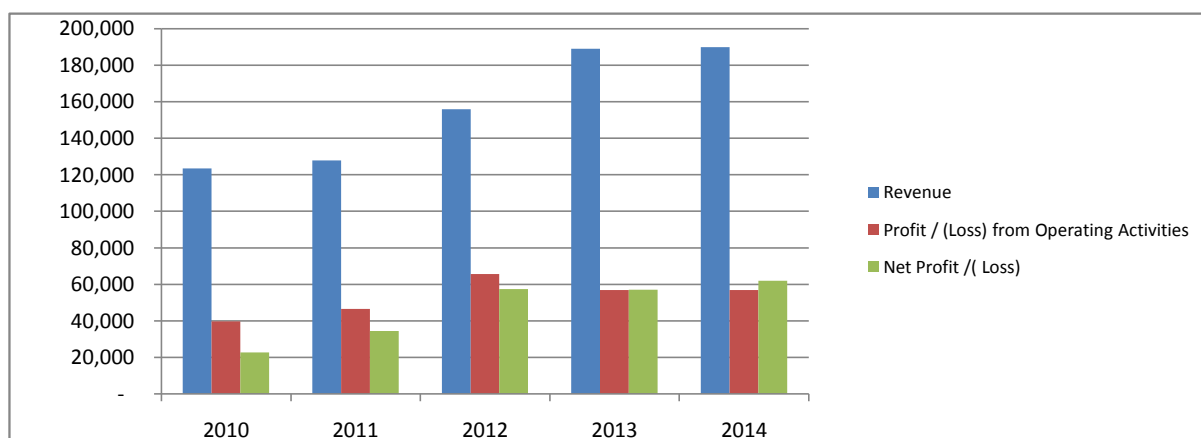
THE FORTRESS RESORTS PLC
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 ST DECEMBER 2014

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 ST DECEMBER

1. Market Price of Ordinary Shares

| | 31.12.2014 | 31.12.2013 |
|---|------------|------------|
| Highest Price Per Share for the Quarter | 19.90 | 15.50 |
| Lowest Price Per Share for the Quarter | 16.20 | 13.20 |
| Last Traded | 16.80 | 13.40 |

2. Financial year of the company / group ends on 31st March . Interim figures are for three months ended 31 st December 2014
3. The Statement of Financial Position of the compnay and group as at 31 st December 2014 and Statements of Income, Changes in Equity and Cash Flow for the period then ended have been prepared in accordance with Sri Lanka Accounting Standars 34 interim financial statements and are in agreement with the books of accounts maintained by the group and have provided the information required by the Colombo Stock Exchange.
4. The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, to be comparable with those for the current year.
5. All values included in these Financial Statements are in Rs.'000 unless otherwise stated.
6. There have been no other material events that took place since 31 st December 2014, that require disclosure in the Financial Statements.
7. Net Assets per Share has been calculated, for all periods, based on the number of shares in issue as at 31 st December 2014, amounting to 110,886,684.
8. There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2014.
9. Graphical Analysis of Seasonality performance - For the three Months ended 31 st December



10. The percentage of the shares held by public as at 31 st December 2014 was 18.154% Comprising of 2,231 Shareholders. (31 st December 2013 - 27.834 %)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 ST DECEMBER 2014

11. The interim financial statements are unaudited and have been prepared in accordance with the same accounting policies and methods set out in the Annual Financial Statements for the year ended 31 March 2014 and are in compliance with the Sri Lanka Accounting Standard 34 - Interim Financial Reporting.
12. The number of shares held by the Board of directors as of 31 st December 2014 are as follows:

| Name of the Director | No of Shares | % |
|--|--------------|-------|
| Mr. K.D.D.Perera | 10,329,317 | 9.315 |
| Mr.J.A.S.S. Adhihetty | 13,741 | 0.012 |
| Mr.W.A.D. C. J. Wickramasinghe | 19,291 | 0.017 |
| Mr. Malik J. Fernando | 833,333 | 0.752 |
| Mr. Merrill .J. Fernando | 2,124,400 | 1.916 |
| Mr. S. Senaratne | 1,000 | 0.001 |
| Mr. L.T.Samarawickrama | 1,550 | 0.001 |
| Mr. D.E.Silva | 500 | 0.000 |
| Mr.L.N.De Silva Wijeyerathne | Nil | - |
| Mr.P.B.Perera | 500 | 0.000 |
| Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama) | Nil | - |
| Mr.W.D.N.H.Perera (Alternate Director to Mr.P.B. Perera) | 89 | 0.000 |
| Mr.Jan Peter Van Twest | Nil | - |
| Mr.C.V.Cabraal | Nil | - |
| Ms.M. Tissera (Alternate Director to Mr.K.D.D.Perera) | Nil | - |

13. Twenty largest shareholders of the company are as follows,

| | Name of the Share Holder | No of Shares | % |
|----|--|--------------|--------|
| 1 | M J F HOLDINGS LTD | 28,616,411 | 25.807 |
| 2 | VALLIBEL LEISURE (PRIVATE) LIMITED | 24,417,932 | 22.021 |
| 3 | VALLIBEL ONE PLC | 19,977,345 | 18.016 |
| 4 | MR K D D PERERA | 10,329,317 | 9.315 |
| 5 | L B FINANCE PLC | 4,051,100 | 3.653 |
| 6 | MR. MERRIL J FERNANDO | 2,124,400 | 1.916 |
| 7 | BANK OF CEYLON NO. 1 ACCOUNT | 1,461,100 | 1.318 |
| 8 | SEYLAN BANK PLC/JAYANTHA DEWAGE | 1,441,400 | 1.300 |
| 9 | ALMAR INTERNATIONAL (PVT) LTD | 1,249,600 | 1.127 |
| 10 | FREUDENBERG SHIPPING AGENCIES LIMITED | 933,539 | 0.842 |
| 11 | MRS N U D ARIYARATNA | 843,678 | 0.761 |
| 12 | MR D C FERNANDO | 833,333 | 0.752 |
| 13 | MR. MALIK J FERNANDO | 833,333 | 0.752 |
| 14 | POLYCHROME INKS LIMITED | 566,666 | 0.511 |
| 15 | SEYLAN BANK PLC/BERTRAM MANSON AMARASEKARA | 550,000 | 0.496 |
| 16 | MR. A P L FERNANDO | 501,700 | 0.452 |
| 17 | DEE INVESTMENTS (PVT) LTD | 394,375 | 0.356 |
| 18 | ROYAL CERAMICS LANKA PLC | 336,100 | 0.303 |
| 19 | MR. R MANOHARAN | 291,000 | 0.262 |
| 20 | SAKUVI INVESTMENT (PRIVATE) LIMITED | 284,166 | 0.256 |

CORPORATE INFORMATION

| | |
|--------------------------------|--|
| STATUTORY STATUS | Public Company with Limited Liability, Quoted on the Secondary Board of the Colombo Stock Exchange |
| COMPANY REGISTRATION NO | <i>PQ 207</i> |
| BOARD OF DIRECTORS | Mr.K.D.D.Perera (Chairman) Mr. J.A.S.S.Adhihetty(Managing Director) Mr. W. A. D. C.J. Wickramasinghe Mr. Malik .J.Fernando Mr. Merril J. Fernando Mr. S. Senaratne Mr.L.T.Samarawickrama Mr.W.D.N.H.Perera (Alternate Director to Mr.P.B.Perera) Mr.D.E.Silva Mr. L.N.De Silva Wijeyeratne Mr.H.Somashantha (Alternate Director to Mr.L.T.Samarawickrama) Mr.P.B. Perera Mr.Jan Peter Van Twest Mr.C.V.Cabraal Ms.M. Tissera (Alternate Director to Mr.K.D.D.Perera) |
| HOTEL | The Fortress , Koggala. |
| REGISTERED OFFICE | Level 27, East Tower World Trade Center Echelon Square Colombo 01 |
| SECRETARIES | P W Corporate Secretarial (Pvt) Ltd. 3/17, Kynsey Road Colombo 08 |
| AUDITORS | Ernst & Young Chartered Accountants 201, De Seram Place Colombo 10 |
| BANKERS | Bank of Ceylon Hatton National Bank PLC Sampath Bank PLC Pan Asia Banking Corporation PLC |