



Swisstek (Ceylon) PLC

Provisional Financial Statements

For the six months ended 30th September 2018

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 30TH SEPTEMBER 2018

STATEMENT OF FINANCIAL POSITION

As at	GROUP		COMPANY	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018
	Unaudited	Audited	Unaudited	Audited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS				
Property, plant and equipment	2,551,444	2,452,724	1,082,355	1,057,488
Investment property	134,000	134,000	134,000	134,000
Investment in subsidiary	79	79	229,863	229,863
Non current assets	2,685,523	2,586,803	1,446,218	1,421,351
Inventories	1,966,993	1,605,100	130,967	107,775
Trade & other receivables	1,042,094	1,145,345	228,267	171,831
Income tax receivable	9,511	95	-	95
Amounts due from related parties	27,854	27,433	28,185	27,764
Cash & cash equivalents	43,236	65,632	1,196	2,817
Current assets	3,089,688	2,843,605	388,615	310,282
Total assets	5,775,211	5,430,408	1,834,833	1,731,633
EQUITY				
Stated capital	368,256	368,256	368,256	368,256
Reserve	616,134	616,134	524,929	524,929
Retained Earnings / (losses)	977,645	991,577	189,307	145,663
Equity attributable to owners of the company	1,962,035	1,975,967	1,082,492	1,038,848
Non controlling interest	159,332	167,647	-	-
Total equity	2,121,367	2,143,614	1,082,492	1,038,848
Liabilities				
Retirement benefits obligation	21,428	20,647	7,063	6,342
Deferred tax liability	292,389	309,877	208,252	208,252
Long term borrowings payable after one year	664,256	590,260	129,990	150,490
Non current liabilities	978,073	920,784	345,305	365,084
Trade & other payables	451,096	959,761	95,293	96,833
Long term borrowings payable within one year	178,898	183,832	41,000	37,500
Short term loans	1,695,344	1,027,766	179,743	121,659
Amount due to related parties	10,872	4,620	2,580	4,620
Loans payable to related companies	13,623	21,797	13,623	21,797
Income tax payable	-	2,700	5,509	-
Bank overdrafts	325,938	165,534	69,288	45,292
Current liabilities	2,675,771	2,366,010	407,036	327,701
Total liabilities	3,653,844	3,286,794	752,341	692,785
Total equity and liabilities	5,775,211	5,430,408	1,834,833	1,731,633
<i>Net asset value per share (Rs.)</i>	<i>71.68</i>	<i>72.19</i>	<i>39.55</i>	<i>37.95</i>

Signed on behalf of the Board of Directors of Swisstek (Ceylon) PLC.

Sgd.
Director

Sgd.
Director

9th November 2018

SWISSTEK (CEYLON) PLC
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FOR THE 6 MONTHS ENDED 30TH SEPTEMBER 2018

STATEMENT OF COMPREHENSIVE INCOME

Period ended	GROUP					COMPANY				
	30.09.2018		30.09.2017		Variance % for the Six months	30.09.2018		30.09.2017		Variance % for the Six months
	Unaudited		Unaudited			Unaudited		Unaudited		
	Quarter	6 Months	Quarter	6 Months	Quarter	6 Months	Quarter	6 Months		
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			
Gross sales (inclusive of tax)	1,236,099	2,115,069	1,132,338	1,953,675	8	298,643	494,322	202,209	376,731	31
Sales (net of tax)	1,056,770	1,806,054	966,779	1,668,930	8	257,895	424,896	174,148	325,100	31
Cost of sales	(835,054)	(1,437,134)	(661,854)	(1,169,041)	(23)	(195,501)	(325,119)	(134,025)	(248,201)	(31)
Gross profit	221,716	368,920	304,925	499,889	(26)	62,394	99,777	40,123	76,899	30
Other operating income	15,219	28,875	16,503	30,689	(6)	12,678	24,648	15,427	28,664	(14)
Distribution expenses	(93,836)	(150,715)	(107,769)	(190,860)	21	(17,249)	(30,829)	(10,891)	(23,003)	(34)
Administration expenses	(47,691)	(94,697)	(44,539)	(84,043)	(13)	(8,995)	(16,969)	(9,193)	(17,274)	2
Profit from operating activities	95,408	152,383	169,120	255,675	(40)	48,828	76,627	35,466	65,286	17
Net finance cost	(110,652)	(186,517)	(34,240)	(70,634)	(164)	(14,739)	(27,382)	(5,189)	(13,069)	(110)
Profit/(Loss) before taxation	(15,244)	(34,134)	134,880	185,041	(118)	34,089	49,245	30,277	52,217	(6)
Taxation	6,573	11,887	(29,396)	(42,166)	128	(3,291)	(5,601)	(5,413)	(9,481)	41
Profit/(Loss) for the period	(8,671)	(22,247)	105,484	142,875	(116)	30,798	43,644	24,864	42,736	2
Other Comprehensive income										
Gain on Revaluation of Land	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	(8,671)	(22,247)	105,484	142,875	(116)	30,798	43,644	24,864	42,736	2
Attributable to:										
Owners of the company	(3,690)	(13,932)	95,310	130,237	(111)	30,798	43,644	24,864	42,736	2
Non-controlling interest	(4,981)	(8,315)	10,174	12,638	(166)	-	-	-	-	-
Profit/(Loss) for the year	(8,671)	(22,247)	105,484	142,875	(116)	30,798	43,644	24,864	42,736	2
Total comprehensive income attributable to:										
Owners of the company	(3,690)	(13,932)	95,310	130,237	(111)	30,798	43,644	24,864	42,736	2
Non-controlling interest	(4,981)	(8,315)	10,174	12,638	(166)	-	-	-	-	-
Total comprehensive income for the period	(8,671)	(22,247)	105,484	142,875	(116)	30,798	43,644	24,864	42,736	2
Basic earnings per share (Rs.)	(0.13)	(0.51)	3.48	4.76	(111)	1.13	1.59	0.91	1.56	2

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CASH FLOW STATEMENT

Period ended

CASH FLOW FROM OPERATING ACTIVITIES

Profit/(loss) before tax

Adjustments for;

Depreciation

Provision for gratuity

Interest cost

Operating profit/(loss) before working capital changes

Changes in working capital

(Increase)/Decrease in inventory

(Increase)/Decrease in trade & other receivables

(Increase)/Decrease in amounts due from/to related parties

Increase/(Decrease) in trade & other payables

Cash generated from operations

Interest paid

Tax paid

Gratuity payments

Net cash generated from/(used) in operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment

Net cash generated from/(used) in investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from borrowings

Repayment of borrowings

Net cash generated from/(used) in financing activities

Net Increase/ (Decrease) in cash and cash equivalents

Cash & cash equivalents at the beginning of the year

Cash & cash equivalents at the end of the period (Note a)

Note a

Analysis of cash and cash equivalent at the end of the period

Cash at banks and cash in hand

Bank Overdraft

Cash and cash equivalent at the end of the period

	Group		Company	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	Unaudited	Unaudited	Unaudited	Unaudited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	(34,134)	185,041	49,245	52,217
Adjustments for;				
Depreciation	67,202	44,429	14,186	6,278
Provision for gratuity	1,389	637	720	600
Interest cost	186,355	71,054	27,220	12,442
Operating profit/(loss) before working capital changes	220,812	301,161	91,371	71,537
Changes in working capital				
(Increase)/Decrease in inventory	(361,893)	(180,561)	(23,192)	335
(Increase)/Decrease in trade & other receivables	103,253	33,775	(56,433)	(37,915)
(Increase)/Decrease in amounts due from/to related parties	5,831	20,517	(2,461)	(12,997)
Increase/(Decrease) in trade & other payables	(533,617)	84,823	(3,114)	(12,541)
Cash generated from operations	(565,614)	259,715	6,171	8,419
Interest paid	(161,403)	(72,152)	(25,646)	(11,967)
Tax paid	(17,718)	(13,271)	-	(13,271)
Gratuity payments	(611)	(881)	-	(881)
Net cash generated from/(used) in operating activities	(745,346)	173,411	(19,475)	(17,700)
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(165,921)	(263,078)	(39,053)	(155,920)
Net cash generated from/(used) in investing activities	(165,921)	(263,078)	(39,053)	(155,920)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	2,121,257	1,185,834	174,701	188,715
Repayment of borrowings	(1,392,790)	(1,233,184)	(141,790)	(86,231)
Net cash generated from/(used) in financing activities	728,467	(47,350)	32,911	102,484
Net Increase/ (Decrease) in cash and cash equivalents	(182,800)	(137,017)	(25,617)	(71,136)
Cash & cash equivalents at the beginning of the year	(99,902)	(46,665)	(42,475)	(9,231)
Cash & cash equivalents at the end of the period (Note a)	(282,702)	(183,682)	(68,092)	(80,367)
Note a				
Analysis of cash and cash equivalent at the end of the period				
Cash at banks and cash in hand	43,236	48,234	1,196	2,433
Bank Overdraft	(325,938)	(231,916)	(69,288)	(82,800)
Cash and cash equivalent at the end of the period	(282,702)	(183,682)	(68,092)	(80,367)

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STATEMENT OF CHANGES IN EQUITY

Group

	Stated capital	Revaluation reserve	General reserve	Retained earnings	Shareholders' funds	Non-controlling Interest	Total Equity
Balance as at 1st April 2017	368,256	740,420	19,842	741,511	1,870,029	144,320	2,014,349
Total comprehensive income							
- Profit for the year	-	-	-	130,237	130,237	12,638	142,875
- Dividend paid	-	-	-	-	-	-	-
Balance as at 30th September 2017	368,256	740,420	19,842	871,748	2,000,266	156,958	2,157,224
Balance as at 1st April 2018	368,256	596,292	19,842	991,577	1,975,967	167,647	2,143,614
Total comprehensive income							
- Profit/(Loss) for the year	-	-	-	(13,932)	(13,932)	(8,315)	(22,247)
- Dividend paid	-	-	-	-	-	-	-
Balance as at 30th September 2018	368,256	596,292	19,842	977,645	1,962,035	159,332	2,121,367

Company

	Stated capital	Revaluation reserve	General reserve	Retained earnings	Total Equity
Balance as at 1st April 2017	368,256	649,514	19,842	62,933	1,100,545
Total comprehensive income					
- Profit for the year	-	-	-	42,736	42,736
- Dividend paid	-	-	-	-	-
Balance as at 30th September 2017	368,256	649,514	19,842	105,669	1,143,281
Balance as at 1st April 2018	368,256	505,087	19,842	145,663	1,038,848
Total comprehensive income					
- Profit for the year	-	-	-	43,644	43,644
- Dividend paid	-	-	-	-	-
Balance as at 30th September 2018	368,256	504,937	19,842	189,457	1,082,492

Segmental Information						
For the period ended 30th September	GROUP			COMPANY		
	2018 Rs.'000	2017 Rs.'000	Variance %	2018 Rs.'000	2017 Rs.'000	Variance %
Turnover						
Flooring and tile accessories	424,896	325,100	30.7%	424,896	325,100	30.7%
Aluminium products	1,381,158	1,343,830	2.8%	-	-	0.0%
Consolidated turnover	1,806,054	1,668,930	8.2%	424,896	325,100	30.7%
Profit/ (Loss) before tax						
Flooring and tile accessories	49,245	52,217	-5.7%	49,245	52,217	-5.7%
Aluminium products	(83,379)	132,824	-162.8%	-	-	0.0%
Consolidated profit/ (Loss) before tax	(34,134)	185,041	-118.4%	49,245	52,217	-5.7%

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Notes

- These figures are provisional and subject to audit.
- The accounting policies followed in the preparation of interim financial statements are consistent with those followed in the preparation of financial statements for the year ended 31st March 2018 and are in compliance with LKAS 34 - Interim Financial Reporting.
- 27,372,000 ordinary shares are in issue and included under Stated Capital.
- The presentation and classification of figures for corresponding period of the previous year have been amended, where relevant, to be comparable with those for the current year.
- The subsidiary Swisstek Aluminium Ltd incurred Rs. 42.28 Mn. for the services rendered in improving the manufacturing processes. This service has been provided by related Company, Lanka Walltiles PLC- Rs. 21.14 Mn. & Vallibel One PLC- Rs. 21.14 Mn.
- There have been no changes in contingent assets and contingent liabilities since 31st March 2018.
- There have been no material events occurring after the balance sheet date that require adjustment or disclosure in the financial statement.

- Market prices recorded during the quarter ended

30thSeptember	2018	2017	Variance	
	Rs.cts	Rs.cts	Rs.cts	%
Highest market price per share	52.00	80.00	(28.00)	(35)
Lowest market price per share	38.50	65.20	(26.70)	(41)
Closing market price per share	39.30	65.20	(25.90)	(40)

- Directors' Holdings as at 30th September 2018.

Director's name	Shareholding	
	No. of Shares	%
Mr. A M Weerasinghe (Director)	220,340	0.805
Mr. J A P M Jayasekera (Managing Director)	25,557	0.093
	<u>245,897</u>	<u>0.898</u>

- 20 Major Shareholders as at 30th September 2018.

Shareholder's Name	Shareholding	
	No. of Shares	%
1 Lanka Tiles PLC	13,085,180	47.805
2 Lanka Walltiles PLC	3,141,250	11.476
3 Royal Ceramics Lanka PLC	1,882,613	6.878
4 Deutsche Bank AG as Trustee to Candor Opportunities Fund	600,000	2.192
5 Citizens Development Business Finance PLC	457,121	1.670
6 Seylan Bank PLC / Rizmy Ahamed Rishard	410,410	1.499
7 Sri Lanka Insurance Corporation Ltd-Life Fund	368,132	1.345
8 Mr. A S Ratnayake	290,526	1.061
9 Mr. M M Fuad	261,226	0.954
10 Rubber Investment Trust Limited	260,000	0.950
11 Arunodhaya (Pvt) Limited	250,000	0.913
12 Arunodhaya Industries (Private) Limited	250,000	0.913
13 Andysel Private Limited	250,000	0.913
14 Mr. A M M Risvi	250,000	0.913
15 Elgin Investments Limited	246,977	0.902
16 Mr. A M Weerasinghe	220,340	0.805
17 Deutsche Bank AG as Trustee to Candor Growth Fund	190,356	0.695
18 Guardian Fund Management Limited/The Aitken Spence and Associated Companies Executive Staff Provident Fund	185,000	0.676
19 Central Finance Company PLC - Account No. 05	178,319	0.651
20 Arunodhaya Investments (Private) Limited	170,000	0.621
	<u>22,947,450</u>	<u>83.835</u>
Sub Total	4,424,550	16.165
Others	27,372,000	100.000

- Percentage of public holding as at 30th September 2018 was 29.116%, comprising of 1,011 shareholders.

- The float adjustment market capitalization of the Company as at 30th September 2018 was Rs. 313,211,568/- under Option 5 of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.