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REGNIS (LANKA) PLC

**INTERIM FINANCIAL STATEMENTS FOR THE
NINE MONTHS ENDED 30TH SEPTEMBER 2016**

STATEMENT OF FINANCIAL POSITION

	Note	Group	Group	Group	Company	Company	Company
		30-September 2016 Rs'000	30-September 2015 Rs'000	31-December 2015 Rs'000	30-September 2016 Rs'000	30-September 2015 Rs'000	31-December 2015 Rs'000
ASSETS							
Non-Current Assets							
Property, Plant & Equipment		788,644	614,422	687,250	730,511	549,865	624,311
Intangible Assets		2,260	1,022	983	1,882	549	534
Investments in Subsidiary		-	-	-	150,000	150,000	150,000
Available for Sale Financial Asset		21,123	21,263	20,562	21,123	21,263	20,562
Other Receivables		6,798	6,041	5,993	2,151	3,013	2,889
Total Non-Current Asset		818,825	642,748	714,787	905,667	724,690	798,297
Current Assets							
Inventories		887,251	634,461	713,650	612,978	484,716	505,132
Trade and Other Receivables	3.1	509,582	414,161	404,256	417,081	294,106	260,383
Amounts Due from Related Parties		208	-	-	4,684	8,496	-
Prepayments		10,564	6,803	9,203	7,714	5,036	6,254
Cash at Bank and In hand		27,213	4,174	6,343	27,163	4,124	6,293
Total current Assets		1,434,818	1,059,599	1,133,451	1,069,620	796,478	778,062
Total Assets		2,253,642	1,702,346	1,848,238	1,975,287	1,521,168	1,576,359
EQUITY AND LIABILITIES							
Equity							
Stated Capital		211,192	211,192	211,192	211,192	211,192	211,192
Reserves		418,782	310,611	308,549	418,782	310,611	308,548
Retained Earnings		901,508	639,197	748,309	706,264	514,270	593,062
Total Equity		1,531,482	1,161,000	1,268,050	1,336,238	1,036,072	1,112,802
Non-Current Liabilities							
Deferred Tax Liabilities		74,998	67,802	70,686	66,705	60,751	63,619
Employee benefits		84,777	82,744	77,690	81,162	81,557	74,523
Loans and Borrowings		-	15,000	-	-	15,000	-
Total non-current liabilities		159,775	165,546	148,376	147,867	157,308	138,142
Current Liabilities							
Bank overdraft		83,673	36,436	49,663	51,691	19,742	34,826
Loans and Borrowings		50,000	15,000	341	50,000	15,000	-
Amounts Due to Related Parties		25,036	19,701	-	17,063	13,619	-
Trade and Other Payable	3.2	292,973	159,446	242,528	293,568	156,718	186,894
Provisions		54,116	32,986	45,350	40,023	26,036	32,740
Current tax liabilities		53,488	67,024	91,685	35,739	51,466	68,710
Dividends Payable		3,098	45,206	2,244	3,098	45,206	2,244
Total current liabilities		562,384	375,799	431,811	491,182	327,787	325,414
Total Liabilities		722,160	541,345	580,187	639,049	485,095	463,556
Total Equity and Liabilities		2,253,642	1,702,346	1,848,238	1,975,287	1,521,168	1,576,359
Net Assets per Share		135.92	103.04	112.54	118.59	91.95	98.76

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

(sgd.)
Eraj Fernando
Chief Financial Officer

Figures in brackets indicate deductions.

The above figures are provisional and subject to Audit.

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

Signed for and on behalf of the board

(sgd.)
Dr.S. Kelegama
Director

(sgd.)
K.D Kospelawatta
Director

November 15, 2016
Colombo

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 30th September		Group		Company		Group Variance Vs Prior Year		Company Variance Vs Prior Year	
		2016 RS'000	2015 RS'000	2016 RS'000	2015 RS'000	RS'000	%	RS'000	%
	Note								
Revenue	2.2	1,224,587	1,064,478	977,078	854,858	160,109	15.0%	122,220	14.3%
Cost of Sales		(1,065,548)	(934,435)	(867,973)	(755,305)	(131,113)	14.0%	(112,668)	14.9%
Gross Profit		159,039	130,043	109,105	99,553	28,996	22.3%	9,552	9.6%
Other Operating Income/ (Loss)		845	557	57,573	27,557	288	51.7%	30,016	108.9%
Administrative Expenses		(4,966)	(3,780)	(4,223)	(3,402)	(1,186)	31.4%	(820)	24.1%
Selling & Distribution Expenses		(35,722)	(10,038)	(24,896)	(5,923)	(25,684)	255.9%	(18,973)	320.3%
Results from Operating Activities		119,196	116,782	137,559	117,785	2,414	2.1%	19,774	16.8%
Finance Cost		(1,310)	(1,950)	(1,986)	(2,978)	640	-32.8%	991	-33.3%
Finance Income		2,752	2,707	1,337	3,862	45	1.6%	(2,526)	-65.4%
Net Finance Cost		1,442	757	(650)	885	685	90.5%	(1,534)	-173.5%
Profit Before Taxation		120,638	117,539	136,910	118,668	3,099	2.6%	18,242	15.4%
Taxation Expense		(49,318)	(31,264)	(34,797)	(23,098)	(18,054)	57.7%	(11,699)	50.6%
Profit for the Three months		71,320	86,275	102,113	95,570	(14,955)	-17.3%	6,543	6.8%
Profit for the Period		71,320	86,275	102,113	95,570	(14,955)	-17.3%	6,543	6.8%
Other Comprehensive Income									
Items that will not be reclassified to profit or loss									
Items that are or may be reclassified subsequently to profit or loss									
Net change in fair value of available-for-sale financial assets		165	199	165	199	(34)	120.5%	(34)	-17.0%
Other Comprehensive Income net of tax		165	199	165	199	(34)	120.5%	(34)	-17.0%
Total Comprehensive Income		71,485	86,474	102,278	95,769	(14,989)	84.5%	6,509	6.8%
Profit attributable to:									
Owners of the Company		71,320	86,275	102,113	95,570	(14,955)	84.5%	6,543	6.8%
Non controlling interest		-	-	-	-	-	-	-	-
Profit for the period		71,320	86,275	102,113	95,570	(14,955)	84.5%	6,543	6.8%
Total Comprehensive Income attributable to:									
Owners of the Company		71,485	86,474	102,278	95,769	(14,989)	84.5%	6,509	6.8%
Non controlling interest		-	-	-	-	-	-	-	-
Total Comprehensive Income for the period		71,485	86,474	102,278	95,769	(14,989)	84.5%	6,509	6.8%
Earnings per Share		6.33	7.66	9.06	8.48				

Figures in brackets indicate deductions.
The above figures are provisional and subject to Audit.

Share Prices	3 Months Ended 30th September 16	3 Months Ended 30th September 15
Highest	Rs. 160.00	Rs. 206.00
Lowest	Rs. 139.20	Rs. 130.00
Last Traded Price	Rs. 143.80	Rs. 193.00

Interim Financial Statements For the Nine Months Ended 30th September 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group		Company		Group		Company	
		2016	2015	2016	2015	Variance		Variance	
		RS'000	RS'000	RS'000	RS'000	Vs prior Year RS'000	%	Vs prior Year RS'000	%
<i>nine months ended March</i>									
Revenue	2.1	3,674,450	3,037,341	2,872,156	2,387,426	637,109	21.0%	484,730	20.3%
Cost of Sales		(3,253,660)	(2,679,025)	(2,601,032)	(2,137,024)	(574,635)	21.4%	(464,008)	21.7%
Gross Profit		420,790	358,316	271,124	250,402	62,474	17.4%	20,722	8.3%
Other Operating Income		861	575	57,589	27,575	286	49.7%	30,014	108.8%
Administrative Expenses		(16,403)	(14,288)	(14,394)	(12,917)	(2,115)	14.8%	(1,477)	11.4%
Selling & Distribution Expenses		(70,500)	(25,252)	(47,859)	(13,821)	(45,248)	179.2%	(34,038)	246.3%
Results from Operating Activities		334,748	319,351	266,460	251,239	15,397	4.8%	15,221	6.1%
Finance Cost		(4,087)	(6,580)	(4,753)	(5,965)	2,493	-37.9%	1,212	-20.3%
Finance Income		8,207	5,775	4,761	6,502	2,432	42.1%	(1,741)	-26.8%
Net Finance Cost		4,120	(805)	8	537	4,925	-611.8%	(529)	-98.5%
Profit Before Taxation		338,868	318,546	266,468	251,776	20,322	6.4%	14,692	5.8%
Taxation Expense		(88,344)	(77,813)	(55,943)	(55,413)	(10,531)	13.5%	(530)	1.0%
Profit for the period		250,524	240,733	210,525	196,363	9,791	4.1%	14,162	7.2%
Other Comprehensive Income									
Items that will not be reclassified to profit or loss									
Revaluation Gain of Property, Plant and Equipment		116,872	-	116,872	-	116,872	100.0%	116,872	100.0%
Related Tax		(3,114)	-	(3,114)	-	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss									
Net change in fair value of available-for-sale financial assets		561	567	561	567	(5)	-1.0%	(5)	-1.0%
Other Comprehensive Income for the period, net of tax		114,320	567	114,320	567	116,867	20613.5%	116,867	20613.5%
Total Comprehensive Income for the period		364,844	241,300	324,845	196,929	123,544	51.2%	127,915	65.0%
Profit attributable to:									
Owners of the Company		250,524	240,733	210,525	196,363	9,791	4.1%	14,162	7.2%
Non controlling interest		-	-	-	-	-	0.0%	-	0.0%
Profit for the period		250,524	240,733	210,525	196,363	9,791	4.1%	14,162	7.2%
Total Comprehensive Income attributable to:									
Owners of the Company		364,844	241,300	324,845	196,929	123,544	51.2%	127,915	65.0%
Non controlling interest		-	-	-	-	-	0.0%	-	0.0%
Total Comprehensive Income for the period		364,844	241,300	324,845	196,929	123,544	51.2%	127,915	65.0%
Earnings per Share		22.23	21.36	18.68	17.43				

Figures in brackets indicate deductions.
The above figures are provisional and subject to Audit.

Share Prices	Nine months Ended 30th September 2016	Nine months Ended 30th September 2015
Highest	Rs. 188.90	Rs. 206.00
Lowest	Rs. 135.10	Rs. 80.00
Last Traded Price	Rs. 143.80	Rs. 193.00

Interim Financial Statements For the Nine Months Ended 30th September 2016

STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital	Revaluation Reserve	Available For Sale Reserves	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance as at 1st January 2015	211,192	311,434	2,696	473,254	998,576
Profit for the nine months ended 30th September 2015	-	-	-	240,733	240,733
Total other comprehensive income for the period	-	-	567	-	567
Total comprehensive income for the period	-	-	567	240,733	241,299
Transaction with owners of the company, recognised directly in equity					
Final dividends 2014	-	-	-	(78,875)	(78,875)
Total transaction with owners of the company	-	-	-	(78,875)	(78,875)
Realisation of revaluation surplus	-	(4,086)	-	4,086	-
Balance as at 30th September 2015	211,192	307,348	3,263	639,197	1,161,000
Profit for the three months ended	-	-	-	103,407	103,407
Total other comprehensive income for the period	-	-	(701)	4,343	3,642
Total comprehensive income for the period	-	-	(701)	107,750	107,049
Total transaction with owners of the company					
Realisation of revaluation surplus	-	(1,362)	-	1,362	-
Balance as at 31st December 2015	211,192	305,986	2,562	748,309	1,268,050
Profit for the nine months ended 30th September 2016	-	-	-	250,524	250,524
Total other comprehensive income for the period	-	113,758	561	-	114,320
Total comprehensive income for the period	-	113,758	561	250,524	364,844
Transaction with owners of the company, recognised directly in equity					
Final dividends 2015	-	-	-	(101,411)	(101,411)
Total transaction with owners of the company	-	-	-	(101,411)	(101,411)
Realisation of revaluation surplus	-	(4,086)	-	4,086	-
Balance as at 30th September 2016	211,192	415,658	3,123	901,508	1,531,482

Interim Financial Statements For the Nine Months Ended 30th September 2016

STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital	Revaluation Reserve	Available For Sale Reserves	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance as at 1st January 2015	211,192	311,434	2,696	392,694	918,016
Profit for the nine months ended 30th September 2015	-	-	-	196,363	196,363
Total other comprehensive income for the period	-	-	567	-	567
Total comprehensive income for the period	-	-	567	196,363	196,929
Transaction with owners of the company, recognised directly in equity					
Final dividends 2014	-	-	-	(78,875)	(78,875)
Total transaction with owners of the company	-	-	-	(78,875)	(78,875)
Realisation of revaluation surplus	-	(4,086)	-	4,086	-
Balance as at 30th September 2015	211,192	307,348	3,263	514,270	1,036,072
Profit for the three months ended	-	-	-	71,711	71,711
Total other comprehensive income for the period	-	-	(701)	5,721	5,020
Total comprehensive income for the period	-	-	(701)	77,432	76,732
Total transaction with owners of the company					
Realisation of revaluation surplus	-	(1,362)	-	1,362	-
Balance as at 31st December 2015	211,192	305,986	2,562	593,064	1,112,802
Profit for the nine months ended 30th September 2016	-	-	-	210,525	210,525
Total other comprehensive income for the period	-	113,758	561	-	114,320
Total comprehensive income for the period	-	113,758	561	210,525	324,845
Transaction with owners of the company, recognised directly in equity					
Final dividends 2015	-	-	-	(101,411)	(101,411)
Total transaction with owners of the company	-	-	-	(101,411)	(101,411)
Realisation of revaluation surplus	-	(4,086)	-	4,086	-
Balance as at 30th September 2016	211,192	415,658	3,123	706,264	1,336,238

Interim Financial Statements For the Nine Months Ended 30th September 2016

STATEMENT OF CASH FLOWS

	Group September 2016 Rs. '000	Group September 2015 Rs. '000	Company September 2016 Rs. '000	Company September 2015 Rs. '000
Cash Flows from Operating Activities				
Profit before income tax expense	338,868	318,546	266,468	251,776
Adjustments for:				
Depreciation of property, plant & equipment	34,856	31,238	28,828	24,334
Amortisation of intangible assets	217	117	146	47
Profit /Loss on disposal of Property, Plant & Equipment	(822)	3	(850)	3
Provision for inventories	2,437	5,928	2,411	7,166
Interest expense	4,087	6,580	4,753	5,965
Interest income	(21,764)	(6,353)	(4,775)	(6,529)
Dividend Income	-	-	(56,700)	(27,000)
Provision for employee benefits	8,053	10,715	7,605	10,906
Operating profit before working capital changes	365,931	366,774	247,886	266,669
(Increase)/decrease in inventories	(176,038)	(11,657)	(110,256)	(19,691)
(Increase)/decrease in trade and other receivables	(106,132)	(192,552)	(155,349)	(122,791)
(Increase)/decrease in prepayments	(1,362)	5,808	(1,460)	6,226
(Increase)/decrease in amounts due from related parties	(208)	-	(4,684)	(8,496)
Increase /(decrease) in trade and other payables	50,445	19,349	106,674	33,822
Increase /(decrease) in Provision	8,766	13,548	7,283	10,806
Increase/(decrease) in amount due to related parties	25,036	19,701	17,063	13,604
Cash generated from operations	166,440	220,971	107,156	180,148
Interest paid	(4,082)	(6,697)	(4,753)	(6,109)
Retiring gratuity paid	(966)	(483)	(966)	(483)
Income tax paid	(125,345)	(39,849)	(88,942)	(25,393)
Net cash flow from operating activities	36,047	173,942	12,495	148,162
Cash Flows from Investing Activities				
Acquisition of property, plant & equipment and intangible assets	(21,711)	(13,933)	(20,459)	(12,275)
Proceeds from disposal of property, plant & equipment	1,661	-	1,661	-
Interest income received	21,764	4,337	4,164	4,870
Dividend Income received	-	-	56,700	27,000
Net cash flows used in investing activities	1,714	(9,594)	42,067	19,596
Cash Flows from Financing Activities				
Repayment of long-term loans	-	(11,250)	-	(11,250)
Proceeds from short-term borrowings	175,000	155,000	175,000	155,000
Repayment of short-term borrowings	(125,346)	(265,681)	(125,000)	(265,000)
Dividend paid	(100,557)	(35,368)	(100,557)	(35,368)
Net cash flows from/(used in) financing activities	(50,903)	(157,299)	(50,557)	(156,618)
Net increase/(decrease) in cash and cash equivalents	(13,139)	7,049	4,004	11,141
Cash and cash equivalents at the beginning of the period	(43,320)	(39,309)	(28,533)	(26,759)
Cash and cash equivalents at the end of the September	(56,460)	(32,262)	(24,528)	(15,618)

Notes to the Interim Financial Statements (Contd)

1

The Interim Condensed 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 31st December 2015, are in Compliance with the Sri Lanka Accounting Standards – LKAS 34 – “Interim Financial Reporting”.

2.0 Segment Information

Segmental Analysis of Group is as Follows.

2.1 For the Quarter ended 30 September 2016

	Refrigerator		Washing Machine		Other		Consolidation Adjustment		Total	Total
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
External Segment Revenue	977,078	854,858	237,228	201,512	10,280	8,109	-	-	1,224,587	1,064,478
Inter-Segment revenue	-	-	-	-	69,445	63,274	-	-	69,445	63,274
Reportable segment revenue	977,078	854,858	237,228	201,512	79,725	71,383	-	-	1,294,032	1,127,752
Segment Result from Operating Activities	137,559	117,785	29,187	18,472	9,150	7,525	(56,700)	(27,000)	119,196	116,782
Net Finance cost	(650)	885	1,581	(90)	510	(38)	-	-	1,442	757
Profit before taxation	136,910	118,668	30,768	18,382	9,660	7,487	(56,700)	(27,000)	120,638	117,539
Capital expenditure	1,398	7,887	94	-	-	25	-	-	1,492	7,912

2.2 For the Nine Months Ended 30th September 2016

	Refrigerator		Washing Machine		Other		Consolidation Adjustment		Total	Total
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
External Segment Revenue	2,872,156	2,387,426	767,362	624,345	34,931	25,571	-	-	3,674,450	3,037,341
Inter-Segment revenue	-	-	-	-	204,538	169,165	-	-	204,538	169,165
Reportable segment revenue	2,872,156	2,387,426	767,362	624,345	239,469	194,736	-	-	3,878,987	3,206,507
Segment Result from Operating Activities	266,460	251,239	96,333	71,146	30,062	22,203	(58,107)	(25,237)	334,748	319,351
Net Finance cost	8	537	3,134	(1,023)	978	(319)	-	-	4,120	(805)
Profit before taxation	266,468	251,776	99,467	70,123	31,040	21,884	(58,107)	(25,237)	338,868	318,546
Capital expenditure	20,459	12,275	1,202	-	48	1656	-	-	21,711	13,933

2.3 Segmental Information - Company

The company, Regnis (Lanka) PLC, does not have different segments for the Refrigerators and Bottle Coolers because, they require same technology and market strategies. The segment is managed as one SBU (Strategic Business Unit) and CEO considers the products manufacture by the company within Refrigerator segment.

3.0 TRADE AND OTHER RECEIVABLES & PAYABLES

3.1 TRADE AND OTHER RECEIVABLES

	Group 2016 September Rs.000	Group 2015 September Rs.000	Group 2015 December Rs.000	Company 2016 September Rs.000	Company 2015 September Rs.000	Company 2015 December Rs.000
Trade Receivable from Related Parties						
- Singer (Sri Lanka) PLC	452,079	383,988	356,903	366,173	267,541	216,631
- Singer Industries (Ceylon) PLC	2,642	-	-	-	-	-
- Brand Trading (Cambodia) Ltd	-	-	2,584	-	-	2,584
- Regnis Appliances (Pvt) Ltd.	-	-	-	-	-	4
Trade Receivable - Other	25,470	9,867	21,551	25,470	9,867	21,551
Other receivables	29,391	20,306	23,218	25,438	16,698	19,613
	509,582	414,161	404,256	417,081	294,106	260,383
	2016 September Rs.000	2015 September Rs.000	2015 December Rs.000	2016 September Rs.000	2015 September Rs.000	2015 December Rs.000
3.2 TRADE AND OTHER PAYABLES						
Trade Payable to Related Parties						
- Regnis Appliances (Pvt) Ltd.	-	-	-	97,645	55,115	55,379
Trade payable - Other	206,511	96,510	192,714	132,921	59,476	108,411
Other payable	86,462	62,935	49,814	63,001	42,127	23,104
	292,973	159,446	242,528	293,568	156,718	186,894

Notes to the Financial Statements

4.0 Information on the Freehold Land and Building of the Company

Location - No. 52, Ferry Road , Off Borupona Road, Ratmalana.

	Last Revaluation date	Valuation Rs "000	Extent	No. of Buildings	Accommodation
Land	30.06.2016	317,250	705 Perches	-	Factory
Buildings	30.06.2016	208,545	120,615 Sq.ft	16	Factory

- 4.1** The carrying amount of the revalued assets that would have been included in the financial statements had the assets been carried at cost would amount to Rs.65.5 million

	Cost Rs. 000	Accumulated Depreciation Rs.000	Carrying Amount Rs.000
Land	11,743	-	11,743
Buildings	88,691	(34,889)	53,802
Total carrying amount	100,434	(34,889)	65,545

**4.2 Property, plant and equipment at fair value
Reconciliation of carrying amount**

	Group 2016 Rs.'000	Company 2016 Rs.'000
Balance as at 1 January	423,553	423,553
Additions	-	-
Adjustment on revaluation	(14,630)	(14,630)
Change in fair value	116,872	116,872
Balance as at 30th June 2016	525,795	525,795

**Measurement of fair value
Fair value hierarchy**

The freehold land and buildings were re-valued during the first half of 2016 by Messrs Chulananda Wellappili, an Independent Qualified Valuer. The result of such revaluation was incorporated in these financial statements from its effective date which is 30th June 2016. The surplus arising from the revaluation was transferred to a revaluation reserve.

The fair value measurement for freehold land and building of Rs 525.8 million has been categorised as a Level 3 fair values based on the inputs to the valuation techniques used in Note 4.4

4.3 Level 3 Fair value

Reconciliation of opening balance to the closing balance is shown in Note 4.2 above.

4.4 Valuation techniques and significant unobservable inputs

The property is valued based on open market value for "existing use" basis. The following table shows the valuation techniques used in measuring the fair value of freehold land and building, as well as the significant unobservable inputs used.

	Valuation Techniques	Significant unobservable Inputs 2016
Land	Open market value for existing use basis	- 450,000/- per perch
Buildings	Contractors Method	_ Construction cost per square feet of a similar building
		_ Depreciation rate for the usage of assets

Land Value as per the previous revaluation report dated 30th December 2014 was Rs 300,000/- per perch.

Notes to the Financial Statements

5 CAPITAL COMMITMENTS & CONTINGENCIES

5.1.1 Contingencies

The company cleared a shipment of imported goods during the year 2008 on provision of a bank guarantee amounting to Rs. 6,522,083/- to the Director of Customs. The bank guarantee relates to alleged additional duty payable on imports which is contested by the Company. The customs inquiry initiated in 2008 is still pending. The management is of the opinion that there is no basis that the company is liable for additional duty and hence, no provision is made in the financial statements.

5.1.2 Corporate guarantees were given to banks on behalf of the Subsidiary Company Regnis Appliances (Pvt) Ltd amounting to Rs.345 Mn. for the purpose of obtaining banking facilities.

Other than the above, the company does not have significant contingencies as at the Reporting date.

5.1.3 Capital Commitments

There were no material capital commitments as at the Reporting date, except that the company entered in to an agreement with COMI SPA (the supplier) to procure a Thermo-forming machine for EUR 745,000.

5.1.4 EVENTS OCCURRING AFTER THE REPORTING DATE

No Circumstances have arisen since the reporting date which would require adjustments or disclosure in the financial statement.

6.0 RELATED PARTY TRANSACTIONS

6.1 Parent and Ultimate controlling party

Singer (Sri Lanka) PLC acquired 58.29%, the entire equity stake held by Retail Holdings (Sri Lanka) BV [formally know as Singer (Sri Lanka) B.V] on 23rd February 2016 after getting necessary regulatory approval.

Accordingly, Singer (Sri Lanka) PLC is the immediate parent of the company (with effect from 23rd February 2016). Retail Holdings (Sri Lanka) BV will continue to be an intermediate Parent Company.

The Company's Ultimate Parent undertaking and controlling party is Retail Holdings NV which is incorporated in the Netherlands, Antilles.

During the Period Company has not carried out any transaction with the intermediate Parent or it's ultimate parent. Transactions with parent company is disclosed in note No 07

6.2 Transactions with Subsidiary Company

a) During the period Company had following transactions with its Subsidiary Company

Regnis Appliances (Pvt) Ltd.

		2016 Sep	2015 Sep
		Rs. Mn.	Rs. Mn.
Principal Activities			
Manufacture and Assembly of washing machines and producing plastic components for Refrigerators	Bank guarantee issued	345.00	345.00
	Opening balance	(55.40)	(53.60)
	Purchases	(234.00)	(191.60)
	Sale of raw materials	0.20	0.10
	Funds (received)/paid	135.00	163.00
	Expenses incurred	1.60	4.40
	Interest Income on Corporate Guarantee	2.60	2.60
	Interest expense	(1.70)	(0.30)
	Dividend Received	56.70	27.00
	Staff Loan transfer	1.80	1.80
	Balance at the end of the period	(93.20)	(46.60)

6.3 Transactions with Affiliate Entities

Transactions with the following parties have been disclosed in Note No 07

Company	Relationship
Singer(Sri Lanka) PLC	Parent Company
Singer Industries (Ceylon) PLC	Related Company
Reality (Lanka) Ltd	Related Company
Brand Trading (Cambodia) Ltd	Affiliate Company

6.4 The Company is authorized to use the name "REGNIS" as part of its corporate name so long as Singer Asia Limited continues to hold , directly or indirectly ,at least a majority of the voting stock of the Company.

6.5 Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated. Transaction with related parties are carried out in the ordinary course of the business. Outstanding current account balances at the year end are unsecured,and the settlements will be made in cash subject to the credit period.

6.6 Regnis (Lanka) PLC holds 15% stake in Reality Lanka Ltd

Notes to the Financial Statements

7 RELATED PARTY DISCLOSURES

a) Transactions with Key management personnel

(i) Loans to Directors

No loans have been given to the Directors of the company

(ii) Key management personnel & directors transaction

A number of key management personnel or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. These transactions are given below

The aggregated value of transactions and outstanding balance relating to key management personnel and entities over which they have control or significant influence were as follows:

Name of the Company and Relationship	Nature of Transaction	2016 Rs. Mn.	2015 Rs. Mn.
Singer (Sri Lanka) PLC Parent Company	Bank guarantees obtained on behalf of the Company	455.50	455.50
	Balance at the beginning	216.60	147.40
	Revenue	2,889.20	2,379.10
	Sales taxes	401.90	315.60
	Non-Trade Settlement	45.00	25.00
	Funds received for sales	(3,142.80)	(2,576.60)
	Expenses incurred	(58.60)	(37.20)
	Fixed Asset Purchases	(1.00)	-
	Transfer of Vehical Loan	(0.90)	-
	Interest expense on Corporate Guarantee	(1.70)	(1.70)
	Interest Income	1.60	2.30
	Balance at the end of the Period	349.10	253.90
Singer Industries (Ceylon) PLC - Related Entity	Expenses incurred	0.07	-
	Settlement of dues	-	-
	Proceeds on Sales of Fixed Assets	0.13	-
	Balance at the end of the Period	0.20	-
Singer Business School (Pvt) Ltd - Related Entity	Training fees incurred	0.05	-
	Settlement of dues	(0.05)	-
	Balance at the end of the Period	-	-
Reality Lanka Ltd	Share of Profit from available-for-sale-financial Asset	0.6	0.6
Brand Trading (Cambodia) Ltd Affiliate Company	Balance at the Beginning	2.50	-
	Fund received for sales	(2.50)	-

7.1 Parent /Subsiaris and Related Companies

Company Name	Principal Activity	Director
Singer (Sri Lanka) PLC	The principal activities of the Company were marketing domestic and industrial sewing machines, appliances, furniture, agricultural equipment, personal computers and manufacturing furniture and agricultural equipment.	Dr.S. Kelegama Mr. H.A.Pieris Mr.Ranil De Silva (Appointed on 01.04.2015) Mr. G.J.Walker
Regnis Appliances (Pvt) Ltd.	Manufacture and Assembly of washing machines and producing plastic components for Refrigerators	Dr.S. Kelegama (Appointed on 01.04.2015) Mr. H.A.Pieris Mr. V.G.K. Vidyaratne Mr.K.D Kospelawatta (Appointed on 01.04.2015)
Singer Industries (Ceylon) PLC	Manufacture of Sewing Machines	Dr.S. Kelegama (Appointed on 01.04.2015)☐ Mr. H.A.Pieris Mr. G.J.Walker Mr. V.G.K. Vidyaratne Mr.Ranil De Silva☐ Mr.K.D Kospelawatta
Reality Lanka Ltd	Investment on Properties	Dr.S. Kelegama (Appointed on 01.04.2015)☐ Mr. H.A.Pieris Mr. G.J.Walker
Singer Business School (Pvt) Ltd	Educational Services	Mr. H.A.Pieris

Notes to the Financial Statements

8 GENERAL	30-Sep-16	30-Sep-15
Stated Capital	Rs. 211,192,425/-	Rs. 211,192,425/-
No of shares - Ordinary Shares	11,267,863	11,267,863
Voting rights	One vote per ordinary share	One vote per ordinary share

8.1 Rights, Preference and Restrictions of Classes of Capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company.

9 TWENTY LARGEST SHAREHOLDERS AS AT 30TH SEPTEMBER 2016

Name	2016	
	No of Shares	%
1 SINGER (SRI LANKA) PLC	6,568,577	58.29
2 MR. CHANNA NALIN RAJAHMONEY	500,519	4.44
3 WALDOCK MACKENZIE LIMITED/MR.SURANJAN PRAVEEN PERERA	140,068	1.24
4 FREUDENBERG SHIPPING AGENCIES LIMITED	135,284	1.20
5 MR.JOSEPH ROMESH DE SILVA	125,141	1.11
6 UNION INVESTMENTS PRIVATE LTD	124,600	1.11
7 BANSEI SECURITIES CAPITAL (PVT) LTD/DAWI INVESTMENT TRUST (PVT) LTD	100,811	0.89
8 ALLIANCE FINANCE COMPANY PLC	100,000	0.89
9 WALDOCK MACKENZIE LIMITED/MR.P.S.R.CASIE CHITTY	100,000	0.89
10 MR. HAMISH WINSTON MCDONALD WOODWARD	87,835	0.78
11 Mr. AZEEZ JALALUDDIN RUMY	71,100	0.63
12 MR. MILINDA RANJAN PERERA	64,423	0.57
13 MR. THAMBI LEBBE MOHAMED IMTIAZ	62,137	0.55
14 MR.CHANDIRAPAL CHANMUGAM	61,722	0.55
15 Mr. VIDYARATNE GANITAGURUGE KULATUNGE VIDYARATNE	60,155	0.53
16 TRADING PARTNERS (PVT) LTD	58,584	0.52
17 Mrs. SONALI ROSHINI PERERA	58,282	0.52
18 Dr. ALAGU CARUPPIAH VISVALINGAM/'498532144VN'	54,805	0.49
19 WALDOCK MACKENZIE LIMITED/MR.P.T.S.DE SILVA	53,900	0.48
20 MR. SUVIN WETTUMUNY	50,188	0.45
Total	8,578,131	76.13

9.1 TWENTY LARGEST SHAREHOLDERS AS AT 30TH SEPTEMBER 2015

Name	2015	
	No of Shares	%
1 SINGER (SRI LANKA) BV	6,568,461	58.29
2 MR. CHANNA NALIN RAJAHMONEY	487,019	4.32
3 FREUDENBERG SHIPPING AGENCIES LIMITED	255,821	2.27
4 MELLON BANK N.A.-COMMONWEALTH OF MASSACHUSETTS	200,135	1.78
5 WALDOCK MACKENZIE LIMITED/MR.SURANJAN PRAVEEN PERERA	150,100	1.33
6 DAWI INVESTMENT TRUST (PVT) LTD	133,475	1.18
7 UNION INVESTMENTS PRIVATE LTD	124,600	1.11
8 Dr. ALAGU CARUPPIAH VISVALINGAM/'498532144VN'	122,472	1.09
9 ALLIANCE FINANCE COMPANY PLC	100,000	0.89
10 MR. JOSEPH ROMESH DE SILVA	96,080	0.85
11 MR. PRASANNA SENANI RAJIV CASIE CHITTY	94,905	0.84
12 MR. HAMISH WINSTON MCDONALD WOODWARD	87,835	0.78
13 MR. CHANDIRAPAL CHANMUGAM	86,269	0.77
14 MR. PIRANAVAN SIVAGANANATHAN	85,000	0.75
15 Mr. AZEEZ JALALUDDIN RUMY	68,600	0.61
16 MRS. LILANI IRANDATHIE PERERA	61,053	0.54
17 Mr. VIDYARATNE GANITAGURUGE KULATUNGE VIDYARATNE	60,155	0.53
18 TRADING PARTNERS (PVT) LTD	59,182	0.53
19 Mrs. SONALI ROSHINI PERERA	58,282	0.52
20 ROSEWOOD (PVT) LIMITED-ACCOUNT NO.1	55,958	0.50
Total	8,955,402	79.48

Notes to the Financial Statements

10 DIRECTORS' AND CEO'S SHAREHOLDINGS AS AT		30-Sep-16	30-Sep-15
Name of the Director		No of Shares	No of Shares
Dr.S. Kelegama		-	-
Mr.H.A.Pieris (CEO)		1,000	1,000
Mr.G.J.Walker		-	-
Mr.V.G.K.Vidyaratne		60,155	67,655
Mr.Ranil De Silva		-	-
Mr.K.D Kospelawatta		-	-
Mr.N.B. Karunaratne (Appointed on 05.05.2016) (Alternate Director to Mr.G.J.Walker)		-	-
11	No of share holders	No of Shares	%
SHARES HELD BY PUBLIC AS AT 30TH SEPTEMBER 2016	1566	4,638,131	41.16%

12

INFORMATION OF THE COMPANY SECRETARY

Eraj Fernando (ACA)
Tel : 0112622641

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