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SINGER INDUSTRIES (CEYLON) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31ST DECEMBER 2018

STATEMENT OF FINANCIAL POSITION

As at 31 st December	Note	2018 Rs'000	2017 Rs'000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment		943,958	947,370
Investment Property		200,000	200,000
Investment in Equity Accounted Investee		70,871	68,549
Other Receivables		813	853
		1,215,642	1,216,772
Current Assets			
Inventories		115,131	97,606
Trade and Other Receivables		1,172	1,920
Amounts Due from Related Parties		80,418	101,031
Prepayments		4,096	3,502
Income Tax Recoverable		7,466	5,119
Investment in Fixed Deposits		138,518	122,905
Cash and Cash Equivalents		2,590	17,934
		349,391	350,017
Total Assets		1,565,033	1,566,789
EQUITY AND LIABILITIES			
Equity			
Stated Capital	2	100,004	38,463
Capital Reserves		583,963	655,522
Revenue Reserves		460,806	503,844
Total Equity		1,144,773	1,197,829
Non-Current Liabilities			
Deferred Tax Liabilities		236,386	238,641
Employee Benefits		58,048	51,524
		294,434	290,165
Current Liabilities			
Trade and Other Payables		58,547	59,259
Provisions		8,759	7,639
Amounts due to Related Parties-Non Trade		231	5,552
Dividend Payable		1,852	1,168
Loans and Borrowings		56,437	5,177
		125,826	78,795
Total Liabilities		420,260	368,960
Total Equity and Liabilities		1,565,033	1,566,789
Net Assets per Share		114.47	311.42

I certify that the Financial Statements of the Company comply with the requirements of the Companies Act No 7 of 2007.

(Sgd.)

Vinod Gamage

Chief Financial Officer

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

Signed for and on behalf of the Board by,

(Sgd.)

M.H.Wijewardene
Director

Colombo
07th February 2019

(Sgd.)

K.D.Kospelwatta
Director

Interim Financial Statements For the Period Ended 31st December 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Period Ended 12/31/2018 Rs'000	Period Ended 12/31/2017 Rs'000	Variance Rs'000	Variance %
Revenue	634,304	646,579	(12,275)	-2%
Cost of Sales	(641,502)	(651,067)	9,565	1%
Gross Profit/(Loss)	(7,198)	(4,488)	(2,710)	-60%
Other Income	19,534	10,802	8,732	81%
Change in Fair Value of Investment Property	-	50,000	(50,000)	-100%
Administrative Expenses	(12,630)	(7,344)	5,286	-72%
Distribution Cost	(3,029)	(2,160)	869	-40%
Finance Income	17,059	16,245	814	
Finance Cost	(5,518)	(129)	(5,389)	
Net Finance Income	11,541	16,116	(4,575)	-28%
Share of Profit of Equity Accounted Investee (Net of Income Tax)	2,322	8,006	(5,684)	-71%
Profit Before Taxation	10,540	70,931	(60,391)	-85%
Income Tax Expense	(2,421)	(2,522)	101	4%
Profit for the Period	8,119	68,410	(60,292)	-88%
Other Comprehensive Income				
Revaluation of Property, Plant and Equipment	-	-	-	-
Remeasurements of Defined Benefit Liability/ (Asset)	-	(1,282)	1,282	-
Related Tax	-	(232,066)	232,066	-
Other Comprehensive Income - (Net of Tax)	-	(233,348)	233,348	-
Total Comprehensive Income	8,119	(164,939)	173,057	-105%
Basic Earnings per Share	0.81	17.79		

Accounting Policies of Interim Accounts are the same as in 2017 Annual Financial Statements.
Figures in brackets indicate deductions.

Share Prices

	Period Ended 12/31/2018	Period Ended 12/31/2017
Highest	Rs.175.00	Rs.175.00
Lowest	Rs.62.00	Rs.120.00
Last Traded Price	Rs.66.00	Rs.144.00

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter Ended 12/31/2018 Rs'000	Quarter Ended 12/31/2017 Rs'000	Variance Rs'000	Variance %
Revenue	151,137	178,692	(27,555)	-15%
Cost of Sales	(153,845)	(174,515)	20,670	12%
Gross Profit/(Loss)	(2,708)	4,177	(6,885)	-165%
Other Income	4,516	2,555	1,961	77%
Change in Fair Value of Investment Property	-	50,000	(50,000)	-100%
Administrative Expenses	(3,090)	(2,384)	(706)	-30%
Distribution Cost	(851)	109	(960)	-881%
Finance Income	4,392	4,742	(350)	
Finance Cost	(1,913)	(11)	(1,902)	
Net Finance Income	2,479	4,731	(2,252)	-48%
Share of Profit of Equity Accounted Investee (Net of Income Tax)	578	6,260	(5,682)	-91%
Profit Before Taxation	924	65,448	(64,524)	-99%
Income Tax Expense	968	(1,475)	2,443	166%
Profit for the Quarter	1,892	63,973	(62,081)	-97%
Other Comprehensive Income				
Revaluation of Property, Plant and Equipment	-	-	-	-
Remeasurements of Defined Benefit Liability/ (Asset)	-	(1,282)	1,282	-
Related Tax	-	(232,066)	232,066	-
Other Comprehensive Income - (Net of Tax)	-	(233,348)	233,348	-
Total Comprehensive Income for the Quarter	1,892	(169,375)	171,267	101%
Basic Earnings/(Loss) per Share	0.19	16.63		

Accounting Policies of Interim Accounts are the same as in 2017 Annual Financial Statements.
Figures in brackets indicate deductions.

Share Prices

	Quarter Ended 12/31/2018	Quarter Ended 12/31/2017
Highest	Rs.74.00	Rs.175.00
Lowest	Rs.62.00	Rs.125.50
Last Traded Price	Rs.66.00	Rs.144.00

STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company				
	Stated Capital Rs'000	Capital Reserves	Revenue Reserves		Total Equity Rs'000
		Revaluation Reserve Rs'000	General Reserve Rs'000	Retained Earnings Rs'000	
Balance as at 1st January 2017	38,463	890,077	61,484	397,745	1,387,769
<u>Total Comprehensive Income for the Year</u>					
Profit for the Year	-	-	-	68,410	68,410
<u>Other Comprehensive Income</u>	-	-	-	-	-
Revaluation Land & Building	-	-	-	-	-
remeasurement of defined benefit liability				(1,282)	(1,282)
Related tax	-	-	-	359	359
Deferred Tax on revaluation of land	-	(232,425)	-	-	-
Other Comprehensive Income for the Year	-	(232,425)	-	(923)	(233,348)
Total Comprehensive income for the year	-	(232,425)	-	67,486	(164,939)
Transactions with the owners of the Company, recognised directly in the equity					
Dividend of Rs. 6.50/- per share for 2016	-	-	-	(25,001)	(25,001)
Total transactions with the owners of the Company	-	-	-	(25,001)	(25,001)
Realisation of Revaluation Surplus	-	(2,129)	-	2,129	-
Balance as at 31st December 2017	38,463	655,523	61,484	442,359	1,197,829
<u>Total Comprehensive Income for the Year</u>					
Profit for the Year	-	-	-	8,119	8,119
Bonus Issue	61,541	(71,559)	-	-	(10,018)
<u>Other Comprehensive Income</u>					
Revaluation Land & Building	-	-	-	-	-
Actuarial Loss on Retirement Benefit Obligation	-	-	-	-	-
Related tax	-	-	-	-	-
Deferred tax on revaluation of land	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-
Transactions with the owners of the Company, recognised directly in the equity	-	-	-	-	-
Dividend of Rs.13.40 per share for 2017	-	-	-	(51,156)	(51,156)
Realisation of Revaluation Surplus	-	-	-	-	-
Balance as at 31st December 2018	100,004	583,963	61,484	399,322	1,144,773

Interim Financial Statements For the Period Ended 31st December 2018

STATEMENT OF CASH FLOW

For the period ended 31 st December	2018 Rs. '000	2017 Rs. '000
Cash Flows From Operating Activities		
Profit Before Income Tax Expense	10,540	70,931
<i>Adjustments for;</i>		
Share of (Profit)/Loss of Equity Accounted Investee	(2,322)	(8,006)
Depreciation on Property , Plant & Equipment	6,964	9,386
Gain on Disposal of Property, Plant & Equipment	-	-
Change in Fair Value of Investment Property	-	(50,000)
Impairment of machineries	-	-
Interest Income	(17,059)	(16,245)
Interest Expense	5,518	129
Provision/(reversal) for Obsolete Inventories	4,637	3,485
Provision for Bonus	6,139	7,617
Provision for warranty	1,629	7,940
Provision for Employee Benefits	9,622	7,278
Operating Profit before Working Capital Changes	25,668	32,515
(Increase)/Decrease in Inventories	(22,162)	25,355
(Increase)/ Decrease in Other Receivables	788	1,245
(Increase)/Decrease in Trade Dues from Related Companies	20,613	14,540
(Increase)/Decrease in Pre - Payments	(594)	363
Increase /(Decrease) in Trade and Other Payables	(619)	(24,399)
Increase/(Decrease) in Other Dues to Related Parties	(5,321)	1,184
Cash Generated from Operations	18,373	50,803
Interest Paid	(5,518)	(129)
Retiring Gratuity Paid	(3,099)	(1,561)
Income Tax Paid	(7,022)	(10,428)
Warranty paid	(1,249)	(8,599)
Bonus Paid	(5,492)	(12,476)
Net Cash Flows from/(used in) Operating Activities	(4,007)	17,610
Cash Flows from Investing Activities		
Proceeds from Disposal of Property Plant & Equipment	-	-
Acquisition of Property, Plant & Equipment and Intangible Assets	(3,552)	(182)
(Investment)/Withdrawal of Fixed Deposits	(15,613)	-
Interest Income received	17,059	2,270
Net Cash Flows from/(used in) Investing Activities	(2,106)	2,088
Cash Flows From Financing Activities		
Repayment of Interest - Bearing Loans & Borrowings	(10,000)	-
Dividends Paid	(50,490)	(24,678)
Net Cash Flows used in Financing Activities	(60,490)	(24,678)
Net Increase/(Decrease) in Cash and Cash Equivalents	(66,603)	(4,981)
Cash and Cash Equivalents at the beginning of the year	12,757	17,738
Cash and Cash Equivalents at the end of the period	(53,846)	12,757

Notes to the Financial Statements

1 Interim Financial Statements

The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the period ended 31st December 2017, are in compliance with Sri Lanka Accounting Standards -LKAS 34 - "Interim Financial Reporting".

* The Interim Financial Statements are provisional and subject to audit.

2 General

31st Dec 2018 31st Dec 2017

Stated Capital	100,003,800	38,463,000
Number of Shares - Ordinary Shares	10,000,380	3,846,300
Voting Rights	One vote per ordinary share	One vote per ordinary share

- 2.1 The Board of Singer Industries (Ceylon) PLC capitalized its reserves of Rs. 71,559,069.76 (Including related taxes of Rs. 10,018,269.76), as required by CSE listing rule No 5.3 in issuing of shares credited as fully paid up, i.e. 6,154,080 no of Ordinary Shares have been issued (8 new ordinary shares for each 5 existing ordinary shares) in order to meet the listing requirement of Diri Savi Board of CSE.

3 Commitments and Contingencies**3.1 Capital Expenditure Commitments**

The company does not have significant capital commitments as at the reporting date.

3.2 Contingencies :**Financial Commitments**

The company does not have significant financial commitments as at the reporting date.

4 Events Occurring after the Reporting Date

There have been no materials events occurring after the date of Statement of Financial Position that require adjustment to or disclose in the financial statements.

5 Related Party Disclosure

The Company carries out transaction in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosure", the details of which are reported below.

5.1 Parent and Ultimate Controlling Party

Singer (Sri Lanka) PLC is the parent company of Singer Industries (Ceylon) PLC. The Hayleys PLC is the ultimate parent company of Singer Industries (Ceylon) PLC.

On 15th October 2018, Hayleys PLC purchased the balance 35,562,883 (9.47%) ordinary shares held by Retail Holdings (Sri Lanka) BV in Singer (Sri Lanka) PLC at a price of Rs.47/- per share upon Retail Holdings (Sri Lanka) BV exercising their option to sell its shares to Hayleys PLC as previously agreed. After accepting this offer, Hayleys PLC together with its group Companies holds 90.43% (80.96% previously) of Singer(Sri Lanka) PLC.

Interim Financial Statements For the Period Ended 31st December 2018

Notes to the Financial Statements

6 Twenty Largest Shareholders

		December 2018	
	Name	No of Shares	%
1	Singer (Sri Lanka) PLC	8,772,314	87.72
2	J.B.Cocoshell (Pvt) Ltd	84,219	0.84
3	Union Investments Private Ltd	82,680	0.83
4	Mr.U.I.Suriyabandara	71,889	0.72
5	Mr.G.C.Goonetilleke	30,915	0.31
6	Mr.A.L.M.Hussain	26,000	0.26
7	Mrs.Z.T.Jafferjee	21,899	0.22
8	Mrs.C.D.D.Kumari	17,550	0.18
9	Mr.S.Ramanathan	17,329	0.17
10	Dr.D.Jayanthan	17,000	0.17
11	Mr.S.Nishyanthan	15,600	0.16
	Mr.W.D.D.R.Mahatantila	15,600	0.16
12	Mr.S.Aravinthan	13,260	0.13
13	Mrs.M.J.Thambinayagam	13,000	0.13
	The Incorporated Trustees of the Church of Ceylon	13,000	0.13
14	Mr.A.M.R.Adasooriya	11,960	0.12
15	Mr.A.N.Majeed	10,730	0.11
16	Mr.L.N.S.K.Samarasinghe	10,670	0.11
17	Mr.A.R.Jayasinghe	10,345	0.10
18	Mr.P.D.Hennayake	9,620	0.10
19	Mrs.J.Shakeila	9,500	0.09
20	Miss. S.N.Dias	8,495	0.08
	Total	9,283,575	92.83

7 Director's and CEO's Shareholdings as at :

		31st December 2018	31st December 2017
	Name of the Director	No of Shares	No of Shares
	Mr. A.M.Pandithage (Chairman)	-	-
	Mr.H.A.Pieris (Resigned with effect from 31 October 2018)	-	-
	Mr.M.H.Wijewardene (Appointed with effect from 01 November 2018)	-	-
	Mr. V.G.K.Vidyaratne	260	100
	Mr. K.D.Kospelwatta	520	200
	Mr.S.C.Ganegoda	-	-
	Mr.M.H.Jamaldeen	-	-
	Mr.N.L.S.Josep	-	-
	Mr.G.Guaratne	-	-
	Mr.D.K.De Silva Wijeyeratne	-	-
	Mr.G.J.Walker (Resigned with effect from 4th July 2018)	-	-
	Mr.A.C.M.Irzan (Alternative Director) (Resigned with effect from 4th July 2018)	-	-

	No. of Shareholders	No. of Shares	%
8	Shares held by public	1,227,286	12.27

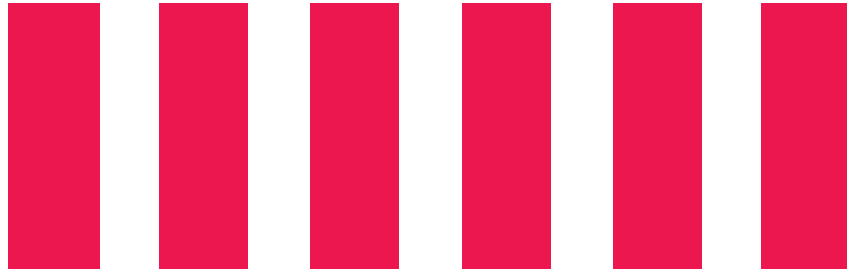
9 Float-adjusted Market Capitalization

Float Adjusted Market Capitalization as at 31st December 2018 was Rs.80,985,077/-.

The ordinary voting shares of the Company were transferred to the 'Diri Savi' Board of CSE with effect from 15th October 2018. In terms of the option 2 of Section 7.13.1 (b) the Company is in compliance with the minimum public holding of 10%.

10 Company Secretary

Hayleys Group Service (Private) Limited
Contact No: 0112627650



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31st December 2018