

MALWATTE VALLEY PLANTATIONS PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2018
INCOME STATEMENT

	3 Months ended 30.09.2018 (Rs.'000)	3 Months ended 30.09.2017 (Rs.'000)	9 Months ended 30.09.2018 (Rs.'000)	9 Months ended 30.09.2017 (Rs.'000)	Audited Year ended 31.12.2017 (Rs.'000)
Turnover	1,308,745	1,152,163	3,778,690	3,378,526	4,601,252
Cost of Sales	(1,213,926)	(925,718)	(3,474,749)	(2,796,592)	(4,042,388)
Gross Profit	94,818	226,445	303,941	581,934	558,864
Gain / (Loss) on change in fair value of biological assets			-	-	55,205
Other income	40,026	45,341	145,837	126,207	158,097
Finance income	20,924	20,122	67,005	51,163	82,820
Administration expenses	(62,169)	(31,246)	(151,049)	(107,110)	(163,050)
Written off of amount due from related parties	-	-	-	-	(14,372)
Interest Paid to Government on finance lease	(7,946)	(7,342)	(22,602)	(21,467)	(28,809)
Finance cost	(25,141)	(20,685)	(72,345)	(69,424)	(88,903)
Profit/(Loss) from ordinary activities	60,512	232,634	270,788	561,303	559,851
Income Tax			-	-	(6,165)
Profit/(Loss) for the period	60,512	232,634	270,788	561,303	553,686

Earnings per share	0.27	1.04	1.21	2.52	2.48
Net assets per share			0.00	0.00	0.00
Market value of shares - Voting					
Highest price			7.00	10.70	13.30
Lowest price			5.40	4.10	9.70
Last traded price			6.90	10.50	11.00
Market value of shares - Non Voting					
Highest price			5.70	10.40	13.00
Lowest price			4.10	3.80	8.50
Last traded price			4.80	10.20	9.20

STATEMENT OF CHANGES IN EQUITY

	Stated capital Rs.'000	Timber reserve Rs.'000	Available for sale reserve Rs.'000	Revaluation reserve Rs.'000	Retained earning Rs.'000	Total equity
Balance as at 31st December 2016	373,000	965,445	40	545,302	901,671	2,785,458
Net Profit / (Loss) for the period					561,303	561,303
Total other comprehensive income			-	-	-	-
Transferred to the Timber Reserve		-			-	-
Balance as at 30th September 2017	373,000	965,445	40	545,302	1,462,974	3,346,761
Balance as at 31st December 2017	373,000	1,020,601	66	661,326	1,441,659	3,496,652
Net Profit / (Loss) for the period					270,788	270,788
Total other comprehensive income	-	-	-	-	-	-
Transfer to the Timber Reserve		-			-	-
Dividends	-				(33,456)	(33,456)
Balance as at 30th September 2018	373,000	1,020,601	66	661,326	1,678,990	3,733,984

**MALWATTE VALLEY PLANTATIONS PLC
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FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2018
STATEMENT OF COMPREHENSIVE INCOME**

	30.09.2018	Rs.	30.09.2017	Rs.
Profit for the Period		270,788		561,303
		-		-
Comprehensive Income For the Period		270,788		561,303

MALWATTE VALLEY PLANTATIONS PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2018
STATEMENTS OF FINANCIAL POSITION

	As at 30.09.2018 (Rs'000)	As at 30.09.2017 (Rs'000)	Audited Year ended 31.12.2017 (Rs'000)
ASSETS			
NON CURRENT ASSETS			
Leasehold Property , Plant & Equipment	245,490	265,549	262,117
Freehold Property, Plant & Equipment	1,812,540	1,562,129	1,818,288
Bearer biological assets	1,121,411	1,033,721	1,064,562
Consumable biological assets	1,121,524	1,065,851	1,121,105
Other non current financial assets	82	56	82
	4,301,047	3,927,307	4,266,154
CURRENT ASSETS			
Produce on Bearer Biological Assets	3,262	4,651	3,262
Inventories	500,687	624,030	567,255
WHT Receivable	11,275	12,654	7,552
Trade & Other Receivables	428,084	248,903	260,912
Income Tax Recoverable	5,374	1,444	5,374
Economic Service Charges Recoverable	17,843	22,622	-
Amount due from related parties	43,302	57,518	43,174
Short Term Investments	753,811	647,800	697,239
Cash & Bank Balances	93,808	162,037	100,852
Total Current Assets	1,857,446	1,781,659	1,685,620
TOTAL ASSETS	6,158,494	5,708,966	5,951,774
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Stated Capital	373,000	373,000	373,000
Timber reserve	1,020,601	965,445	1,020,601
Available for sale reserve	66	40	66
Revaluation Reserve	661,326	545,302	661,326
Retained earnings	1,678,990	1,462,974	1,441,659
Total Equity	3,733,984	3,346,761	3,496,652
NON CURRENT LIABILITIES			
Interest bearing loans & borrowings	341,209	440,375	412,652
Deferred Income	114,493	118,551	117,971
Deferred Tax Liability	196,334	88,816	196,334
Retiring Benefit Obligations	714,141	762,315	773,111
Liability to make lease payment after one year	136,310	139,326	138,623
	1,502,488	1,549,383	1,638,691
CURRENT LIABILITIES			
Trade and other payable	234,252	346,743	314,280
Liability to make lease payment within one year year	3,044	2,927	2,927
Interest Bearing Borrowings payable within one year	408,438	374,720	370,967
Dividend Payable	2,943	404	404
VAT payable	564	1,095	145
WHT payable	13	-	-
NBT payable	495	592	282
Bank overdraft	272,273	86,341	127,426
Total current Liabilities	922,022	812,822	816,431
Total Liabilities	2,424,510	2,362,205	2,455,122
TOTAL EQUITY AND LIABILITIES	6,158,494	5,708,966	5,951,774

Approved and signed for and on behalf of the Board of Directors of Malwatte Valley Plantations PLC

L.Bogtstra
Managing Director/CEO.

K.G.M. Piyaratne
Director Finance

MALWATTE VALLEY PLANTATIONS PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2018
CASH FLOW STATEMENT

	30.09.2018	30.09.2017	Audited Year ended 31.12.2017
	(Rs.'000)	(Rs.'000)	(Rs.'000)
Cash Flow from operating activities			
Net profit before taxation	270,788	561,303	559,851
Adjustment for			
Dividend Income	(4)	(2)	(2)
Interest Income	(67,005)	(51,163)	(82,820)
Depreciation/ Amortisation	87,424	87,384	125,997
Provision for Defined Benefit Plan	42,430	44,650	131,961
Amortisation of Grants	(7,267)	(7,123)	(9,689)
Finance Cost	94,946	90,891	117,713
Profit on disposal of Property,Plant & Equipments	-	8,225	(13,207)
Change in fair value of Timber Stock	-	-	(55,205)
Written off of Amount Due to Related Party	-	-	14,372
Profit from sale of timber trees	-	-	(16,525)
Impairment on investment in subsidiary	-	-	(1,742)
Operating profit before working capital changes	421,312	734,165	770,703
(Increase) / Decrease in Trade & other receivables	(188,739)	(105,057)	(99,665)
(Increase) / Decrease in Inventories	66,568	(218,114)	(161,339)
Increase / (Decrease) in trade & other payables	(79,038)	(7,655)	(42,081)
(Increase) / Decrease in amounts due from related parties	(128)	(6,667)	7,678
(Increase) / Decrease in amounts due to related parties	-	(20,040)	(20,040)
Cash generated from operation	219,975	376,634	455,256
Finance cost paid	(72,345)	(69,424)	(88,903)
Tax Paid	-	-	(11,372)
Defined Benefit Plan Cost Paid	(101,400)	(86,050)	(114,358)
Net cash from operating activities	46,231	221,159	240,622
CASH FLOW FROM INVESTMENT ACTIVITIES			
Investment in / disposal of Short - term Investment	(56,572)	(29,775)	(79,214)
Investment in /Disposal of Investment in Subsidiary	-	28,041	-
Dividend Income received	4	2	2
Grant Received	3,789	1,517	3,503
Proceeds from sale of Property, Plant & Equipment	-	-	24,580
Field development expenditure	(83,192)	(54,453)	(102,191)
Expenditure on Timber Cultivation	(416)	(68)	(150)
Cash received on harvested timber	-	-	17,963
Purchase of Property, Plant & Equipment	(38,709)	(64,762)	(98,563)
Interest Income	67,005	51,163	82,820
Net cash used in investment activities	(108,091)	(68,335)	(151,249)
CASH FLOW FROM FINANCE ACTIVITIES			
Dividends paid	(33,456)	-	-
Payment of Governemnt Lease Rental	(22,602)	(21,467)	(28,809)
Proceeds from loans	1,196,380	948,012	1,360,041
Repayment of Loans	(1,230,352)	(822,050)	(1,265,555)
Net cash used in financing activities	(90,030)	104,495	65,677
Net increases / (Decreases) in cash & cash equivalents	(151,891)	257,319	155,050
Effect of Exchange Rate Differences			
Cash & cash equivalents at beginning of the period - Note - A	(26,573)	(181,623)	(181,623)
Cash & cash equivalents at the end of the period - Note - B	(178,465)	75,696	(26,573)
NOTE A			
Cash& Cash Equivalents at the beginning of the period			
Cash & Bank Balance	100,852	168,818	168,818
Bank Overdrafts	(127,426)	(350,441)	(350,441)
	(26,573)	(181,623)	(181,623)
NOTE B			
Cash and cash equivalents at the end of the period			
Cash & Bank Balance	93,808	162,037	100,852
Bank Overdrafts	(272,273)	(86,341)	(127,426)
	(178,465)	75,696	(26,573)

MALWATTE VALLEY PLANTATIONS PLC
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NOTES TO THE FINANCIAL STATEMENTS

	2018	2017
	Rs.'000	Rs.'000
TURNOVER		
TEA	1,983,104	2,144,076
RUBBER	239,449	245,412
COCONUT	1,939	1,659
OTHERS	1,554,198	987,378
	<u>3,778,690</u>	<u>3,378,525</u>
COST OF SALE		
TEA	1,767,358	1,665,704
RUBBER	242,622	225,440
COCONUT	653	447
OTHERS	1,464,116	905,001
	<u>3,474,749</u>	<u>2,796,592</u>
SEGMENT RESULTS		
TEA	215,746	478,372
RUBBER	(3,173)	19,972
COCONUT	1,286	1,212
OTHERS	90,083	82,377
	<u>303,941</u>	<u>581,933</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Stated Capital represents 202,792,332 number of issued & fully Paid Ordinary Shares including one Golden Share held by the Treasury which has special rights and 20,250,660 number of Non voting shares.
2. The Company repurchased 21,797,829 voting ordinary shares and 2,749,340 non voting ordinary shares in July 2013 and the Stated Capital remains at Rs.373,000,010/-.
3. The Company subdivided its shares on 4th April 2011 in the proportion of 10 shares for every 01 share held.
4. Accounting policies and methods of computation adopted for the preparation of provisional financial statements are same as those in the previous audited financial statements.
5. The above figures are provisional and subject to audit.
6. No circumstances have arisen since the Balance Sheet date, which would require adjustments or disclosure in the Financial statements.
7. There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Audited Financial Statements for the year ended 31st December 2017
8. The Board of Directors of the Company has declared an interim dividend of Rs.0.12 per share for the financial year ended 31st December 2017. As required by Section 56(2) of the Companies Act No. 7 of 2007, the Board of directors has confirmed that company satisfies the solvency Test in accordance with Section 57 of the Companies Act No. 7 of 2007 and has obtained a certificate from the auditors, prior to declaring the Interim dividend which was paid on 29th March 2018.
9. Further the Board of Directors has declared a Final dividend of Rs0.03 per share for the financial year ended 31.12.2017 at the Board Meeting on 27.04.2018. As required by Section 56(2) of the Companies Act No. 7 of 2007, the Board of directors has confirmed that company satisfies the solvency Test in accordance with Section 57 of the Companies Act No. 7 of 2007 and has obtained a certificate from the auditors, prior to declaring the Final dividend.
10. The Company has been adopting Sri Lanka Accounting Standards (SLRFS/LKAS) with effect from 1st January 2012.
11. No provision was made for Income Tax liability.
12. The Financial Statements were authorized for issue on 12th Nov 2018.

TOP 20 VOTING SHAREHOLDER'S LIST AS AT 30TH SEPTEMBER 2018

<u>No's</u>	<u>Name/Address</u>	<u>No. of Shares</u>	<u>%</u>
01	Wayamba Plantation (Private) Limited	135,839,160	66.98
02	Seylan Bank PLC/Carlines Holdings (Pvt) Ltd	14,526,281	7.16
03	Amana Bank PLC/ Almas Organiztion (Private) Ltd	5,641,164	2.78
04	Peoples Leasing & Finance PLC/Mr. M I Samsudeen	1,977,631	0.98
05	Mr. Radhakrishnan Maheshwaran	1,206,667	0.60
06	Miss.A. Radhakrishnan	1,206,667	0.60
07	Miss. Meenambigai P Radhakrishnan	1,206,666	0.60
08	Dr. Niranjana Deepal Gunawardena	1,044,834	0.52
09	Sezeka Limited	891,708	0.44
10	Employees Provident Fund	792,000	0.39
11	Mellon Bank – Acadian Frontier Markets Equity Fund	708,402	0.35
12	Camille Consulting Corp	600,000	0.30
13	J. B. Cocoshell (Pvt) Ltd	591,524	0.29
14	Tranz Dominion,L.L.C	520,000	0.26
15	Pershing LLC S/A Averbach Grauson & Company	350,000	0.17
16	Mr. M.I. Samsudeen	318,648	0.16
17	MR. E. J. B. U. Fernando	306,743	0.15
18	People's Leasing & Finance PLC/ Mr. E.J.B.U.Fernando	253,765	0.13
19	Mr. S. D. Divakarage	248,275	0.12
20	Mr. R. E. Rambukwella	244,692	0.12

Public Shareholding % - 33.02%**No of Voting Share Holders – 18,857****TOP 20 NON-VOTING SHAREHOLDER'S LIST AS AT 30TH SEPTEMBER 2018**

<u>No's</u>	<u>Name/Address</u>	<u>No. of Shares</u>	<u>%</u>
01	Commercial Bank / Lanka Mountcastle (Pvt) Ltd	6,728,001	33.22
02	Lanka Mountcastle (Pvt) Ltd	4,508,836	22.27
03	Mr. R.E. Rambukwelle	640,129	3.16
04	Dr. A.R. Mohamed	391,104	1.93
05	Mr. A.J. Kahagalage	370,500	1.83
06	Employees Provident Fund	346,000	1.71
07	Mr. M.I. Samsudeen	301,866	1.49
08	Amana Bank PLC/ Almas Organiztion (Private) Ltd	278,202	1.37
09	Mr. J.F.I. Abeydeera	235,292	1.16
10	Vingrows Business Solutions (Private) Limited	233,000	1.15
11	Mr. J.A.C.C. Jayakody	231,700	1.14
12	Mr. A.W.A. Lakshman	219,972	1.09
13	Seylan Bank PLC/Carlines Holdings (Pvt) Ltd	206,000	1.02
14	Sezeka Limited	152,000	0.75
15	Mr. J.D.S. Gunasekera	137,028	0.68
16	Mr. E.P.I Fernando	133,700	0.66
17	Mr. M.L.M. Fahmy	126,770	0.63
18	Mr. N. Raviendran	126,031	0.62
19	Mr. A.K. Seneviratne	120,490	0.60
20	Mrs. M. Arudpragasam	109,866	0.54

Public Shareholding % - 66.78%**No of Non-Voting Shareholders – 705**

Directors Shareholdings in the Company - VOTING

Name	As at 30.09.2018	As at 30.09.2017
Mr. Lucas Bogtstra	100,000	100,000
Mr. T R Gerlach	Nil	Nil
Mrs. C A Gerlach	Nil	Nil
Mr.A. N. De Silva	Nil	Nil
Mr. K A S Gunasekera	Nil	Nil
Mr.G.C.De Silva	Nil	Nil
Mr.Frits Bogtstra	Nil	Nil
Mr.K.G. M. Piyaratne	Nil	Nil

Directors Shareholdings in the Company – NON-VOTING

Name	As at 30.09.2018	As at 30.09.2017
Mr. Lucas Bogtstra	Nil	Nil
Mr. T R Gerlach	Nil	Nil
Mrs. C A Gerlach	Nil	Nil
Mr. A N De Silva	Nil	Nil
Mr. K A S Gunasekera	Nil	Nil
Mr.G.C.De Silva	Nil	Nil
Mr.Frits Bogtstra	Nil	Nil
Mr. K G M Piyaratne	Nil	Nil