



Maskeliya Plantations PLC

Interim Financial Statements

**FOR THE SIX MONTHS ENDED
September 2016**

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

| | As at 30/09/16 Rs. ' 000 | As at 30/09/15 Rs. ' 000 | As at 31/03/16 Rs. ' 000 |
|--|--------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Lease hold Property ,Plant and Equipment | 261,692 | 279,309 | 269,783 |
| Freehold Property, plant & equipment | 537,948 | 568,803 | 550,339 |
| Bearer Biological Assets | 2,185,458 | 2,133,235 | 2,178,317 |
| Consumable Biological Assets | 615,954 | 604,275 | 615,953 |
| Defferd Tax Assets | 36,164 | 36,165 | 36,165 |
| | <u>3,637,216</u> | <u>3,621,787</u> | <u>3,650,557</u> |
| CURRENT ASSETS | | | |
| Inventories | 381,669 | 414,569 | 431,922 |
| ACT Recoverable | 47,926 | 47,926 | 47,926 |
| VAT Receivable | 20,110 | 21,025 | 21,024 |
| Trade and other Receivables | 194,528 | 155,403 | 202,249 |
| ESC Recoverable | 40,878 | 38,755 | 34,858 |
| Amount due from Related Parties | 4,043 | 3,631 | 2,730 |
| Short Term Investment | - | - | - |
| Cash and Bank balances | 7,658 | 7,383 | 10,899 |
| | <u>696,812</u> | <u>688,692</u> | <u>751,608</u> |
| TOTAL ASSETS | <u>4,334,028</u> | <u>4,310,479</u> | <u>4,402,165</u> |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Stated Capital - Note 01 | 673,721 | 673,721 | 673,721 |
| General Reserve | 540,000 | 540,000 | 540,000 |
| Timber Reserves | 573,202 | 561,524 | 573,202 |
| Retained Earnings | (1,044,201) | (799,651) | (866,885) |
| TOTAL EQUITY | <u>742,722</u> | <u>975,594</u> | <u>920,038</u> |
| NON CURRENT LIABILITIES & DEFERRED INCOME | | | |
| Interest Bearing Loans & Borrowings | 477,240 | 550,100 | 470,850 |
| Retiring Benefit Obligations | 883,825 | 988,509 | 905,211 |
| Deferred Tax Liability | - | - | - |
| Deferred Income | 209,668 | 218,858 | 215,200 |
| Liability to make Lease Payment after one year | 111,801 | 113,898 | 112,861 |
| | <u>1,682,534</u> | <u>1,871,365</u> | <u>1,704,122</u> |
| CURRENT LIABILITIES | | | |
| Trade & Other payables | 485,429 | 395,344 | 374,306 |
| Dividend payable | 2,008 | 2,008 | 2,008 |
| Amount due to Related parties | 429,948 | 285,991 | 288,301 |
| Interest Bearing Loans & Borrowings | 989,243 | 778,034 | 1,111,246 |
| Liability to make Lease Payment within one year | 2,144 | 2,143 | 2,144 |
| | <u>1,908,772</u> | <u>1,463,520</u> | <u>1,778,005</u> |
| TOTAL EQUITY AND LIABILITIES | <u>4,334,028</u> | <u>4,310,479</u> | <u>4,402,165</u> |
| | - | - | - |
| | Rs. | Rs. | Rs. |
| Net Assets Per Share | 13.77 | 18.08 | 17.05 |

The above figures are subject to audit

These Financial Statements are in Compliance with the requirements of the Companies Act No. 07 of 2007.

Financial Controller

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors of Maskeliya Plantations PLC.

Director

Director

XX November 2016

INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS

| | Quarter Ended September | | | Six Months Ended September | | | Year Ended |
|---|----------------------------|-------------------|--------------------------|-------------------------------|-------------------|--------------------------|-------------------------|
| | 2016 Rs. ' 000 | 2015 Rs. ' 000 | Variance + / (-) % | 2016 Rs. ' 000 | 2015 Rs. ' 000 | Variance + / (-) % | 31/03/2016 Rs. ' 000 |
| Revenue | 776,777 | 815,942 | (5) | 1,580,798 | 1,737,742 | (9) | 3,273,852 |
| Cost of Sales | (834,451) | (892,670) | 7 | (1,622,499) | (1,826,415) | 11 | (3,425,634) |
| Gross Profit / (Loss) | (57,674) | (76,728) | 25 | (41,701) | (88,673) | 53 | (151,782) |
| Other Operating Income | 9,263 | 6,745 | 37 | 13,554 | 13,210 | 3 | 17,569 |
| Gain on Change in Fair Value of Biological Assets | - | - | - | - | - | - | 13,267 |
| Administration Expenses | (11,317) | (9,405) | (20) | (22,589) | (21,025) | (7) | (40,011) |
| Management Fee | (4,082) | (33,688) | 88 | (9,000) | (71,224) | 87 | (101,531) |
| Finance Cost | (53,863) | (44,520) | (21) | (117,579) | (85,956) | (37) | (198,304) |
| Profit / (Loss) before Taxation | (117,673) | (157,596) | 25 | (177,315) | (253,668) | 30 | (460,792) |
| Income Tax (Expense)/Income | - | - | - | - | - | - | (7,677) |
| Net Profit/(Loss) for the period | (117,673) | (157,596) | 25 | (177,315) | (253,668) | 30 | (468,469) |
| | Rs. | Rs. | | Rs. | Rs. | | Rs. |
| Basic Earnings Per Share | (2.18) | (2.92) | | (3.29) | (4.70) | | (8.68) |

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME

| | Quarter Ended September | | | Six Months Ended September | | | Year Ended |
|---|----------------------------|------------------|----------------------|-------------------------------|-------------------|----------------------|-------------------------|
| | 2016 Rs.'000 | 2015 Rs.'000 | Variance % '+/(-) | 2016 Rs. ' 000 | 2015 Rs. ' 000 | Variance % '+/(-) | 31/03/2016 Rs. ' 000 |
| Profit/ (Loss) for the year | (117,673) | (157,596) | 25 | (177,315) | (253,668) | 30 | (468,469) |
| Other Comprehensive Income | | | | | | | |
| Actuarial Gains/(Losses) on Defined benefit Plans | - | - | - | - | - | - | - |
| Income tax effect | - | - | - | - | - | - | - |
| Other Comprehensive Income for the year, net of tax | - | - | - | - | - | - | - |
| Total Comprehensive Income for the quarter, net of tax | <u>(117,673)</u> | <u>(157,596)</u> | 25 | <u>(177,315)</u> | <u>(253,668)</u> | 30 | <u>(468,469)</u> |

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

For the Six Months Ended September 2016

| | 30/09/2016 | 30/09/2015 |
|--|-------------------|-------------------|
| | Rs. ' 000 | Rs. ' 000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit before Taxation | (177,315) | (253,668) |
| ADJUSTMENTS FOR | | |
| Depreciation/Amortization | 56,995 | 55,956 |
| Provision for Defined Benefit Plan Cost | 38,882 | 39,362 |
| Amortisation of Grants | (6,000) | (6,000) |
| Gain/(Loss) on change in fair value Timber plantations Net of Harvesting Finance Costs | 117,580 | 85,957 |
| Operating Profit before Working Capital changes | 30,142 | (78,393) |
| (Increase)/Decrease in Trade and other receivables | 20,445 | 90,709 |
| (Increase)/Decrease in Inventories | 50,253 | 62,796 |
| Increase/(Decrease) in Trade and other payables | 117,145 | 18,834 |
| Increase/(Decrease) in amounts due to Related Parties | 141,647 | 69,324 |
| (Increase)/Decrease in amounts due from Related Parties | (1,313) | (924) |
| Cash Generated from Operations | 358,319 | 162,346 |
| Finance Costs Paid | (100,361) | (69,219) |
| Defined Benefit Plan Costs paid | (60,268) | (32,132) |
| Tax Paid | (6,019) | (4,409) |
| Net Cash from Operating Activities | 191,671 | 56,586 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Grants Received | 468 | 2,551 |
| Field Development Expenditure | (29,278) | (75,410) |
| Purchase of Property, Plant & Equipment | (14,381) | (2,651) |
| Net Cash used in Investing Activities | (43,191) | (75,510) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends Paid | - | - |
| Payment of Government lease rentals | (36,109) | (17,525) |
| Proceeds from loans | 200,000 | 300,000 |
| Payment of loans | (247,400) | (175,847) |
| Net Cash from Financing Activities | (83,509) | 106,628 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 64,971 | 87,704 |
| A. Cash & Cash Equivalents at the beginning of the period | (655,547) | (506,565) |
| B. Cash & Cash Equivalents at the end of the period | (590,576) | (418,861) |
| NOTE A | | |
| Cash & Cash Equivalents at the beginning of the period | | |
| Cash & Bank Balances | 10,899 | 10,427 |
| Bank Overdrafts | (666,447) | (516,992) |
| | (655,548) | (506,565) |
| NOTE B | | |
| Cash & Cash Equivalents at the end of the period | | |
| Cash & Bank Balances | 7,658 | 7,383 |
| Bank Overdrafts | (598,234) | (426,244) |
| | (590,576) | (418,861) |

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

| | Stated Capital Rs. ' 000 | General Reserve Rs. ' 000 | Retained Earnings Rs. ' 000 | Timber Reserve Rs. ' 000 | Total Equity Rs. ' 000 |
|--|--------------------------------|---------------------------------|-----------------------------------|--------------------------------|------------------------------|
| Balance as at 31 March 2015 | 673,721 | 540,000 | (545,983) | 561,524 | 1,229,262 |
| Net profit/ (Loss) for the period | - | - | (253,668) | - | (253,668) |
| Other Comprehensive income | - | - | - | - | - |
| Balance as at 30 September 2015 | 673,721 | 540,000 | (799,651) | 561,524 | 975,594 |
| Balance as at 31 March 2016 | 673,721 | 540,000 | (866,886) | 573,202 | 920,037 |
| Net profit/(Loss) for the period | - | - | (177,315) | - | (177,315) |
| Other Comprehensive income | - | - | - | - | - |
| Balance as at 30 September 2016 | 673,721 | 540,000 | (1,044,201) | 573,202 | 742,722 |

The above figures are subject to audit

1 Stated Capital of Maskeliya Plantations PLC amounts to 673,720,950 represented by 53,953,490 shares.

2 The Interim Financial Statements of the Company are unaudited and have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standards 34-Interim Financial Reporting. Further, provisions of the Companies Act No 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company.

The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the year ended 31 March 2016.

3 The presentation and classification of figures for the corresponding period of the previous quarter have been amended, where relevant, for better presentation and to be comparable with those of the current period.

4 No circumstances have arisen since the Statement of Financial Position date, which would require adjustment or disclosure in the Interim Financial Statements.

5 There has been no significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2016.

6 Financial statements does not include/classify actuarial gain/(loss) on defined benefit plans costs as the valuation is done at the year end.

INTERIM FINANCIAL STATEMENTS SEGMENT INFORMATION

Geographical Segment
For the Six Months Ended September 2016

| | Maskeliya | | Upcot | | Talawakelle | | Bandarawela | | Total | |
|---|--------------|--------------|-----------------|---------------|---------------|-----------------|-----------------|-----------------|------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 |
| Revenue | 416,397 | 463,310 | 559,349 | 657,918 | 314,725 | 308,599 | 290,324 | 307,915 | 1,580,795 | 1,737,742 |
| Revenue Expenditure | (386,680) | (433,250) | (570,590) | (614,040) | (280,504) | (302,126) | (288,842) | (381,681) | (1,526,616) | (1,731,097) |
| Depreciation/ Amortization | (15,793) | (14,116) | (16,134) | (16,805) | (10,658) | (10,934) | (14,410) | (14,101) | (56,995) | (55,956) |
| Gratuity | (9,453) | (9,721) | (14,013) | (14,684) | (6,434) | (5,845) | (8,985) | (9,112) | (38,885) | (39,362) |
| Segment Results | 4,471 | 6,223 | (41,388) | 12,389 | 17,129 | (10,306) | (21,913) | (96,979) | (41,701) | (88,673) |
| Other Income | | | | | | | | | 13,554 | 13,210 |
| Gain on change in fair value of Biological Assets | | | | | | | | | - | - |
| Administration Expenses | | | | | | | | | (22,589) | (21,025) |
| Management Fees | | | | | | | | | (9,000) | (71,224) |
| Finance Cost | | | | | | | | | (117,579) | (85,956) |
| Income Tax (Expense)/Income | | | | | | | | | - | - |
| Profit /(Loss) for the period | | | | | | | | | (177,315) | (253,668) |

The above figures are subject to audit

**INTERIM FINANCIAL STATEMENTS
SHAREHOLDER AND INVESTOR INFORMATION**

| For the Six Months Ended 30 September | Quarter Ended | | Year Ended |
|---|---------------|-------------|-------------|
| | 2016 Rs. | 2015 Rs. | 2016 Rs. |
| Market Price per Share | | | |
| - Last Traded price (For the quarter) | 8.60 | 10.00 | 7.70 |
| - Highest (For the quarter) | 9.50 | 12.40 | 12.40 |
| - Lowest (For the quarter) | 7.50 | 9.70 | 7.70 |

Twenty Largest Shareholders

| | as at 30/09/2016 | | as at 31/03/2016 | |
|---|-----------------------|------------------|-----------------------|------------------|
| | Number of Shares held | % of the Holding | Number of Shares held | % of the Holding |
| R.P.C Mangement Services (Pvt) Ltd | 44,998,397 | 83.40 | 44,998,397 | 83.40 |
| David Pieris Motor Company Ltd | 1,058,806 | 1.96 | 1,058,806 | 1.96 |
| Bansei Securities Capital (Pvt) Ltd/Dawi Investment | 952,704 | 1.77 | - | - |
| Amina Investment Ltd | 650,000 | 1.20 | 650,000 | 1.20 |
| Seylan Bank Ltd/Govindasamy Ramanan | 306,539 | 0.57 | 251,529 | 0.47 |
| Mr.M.H.M.Fazal | 155,858 | 0.29 | 145,858 | 0.27 |
| HSBC International Nominees Ltd-SSBT-Deutsche | 141,600 | 0.26 | 141,600 | 0.26 |
| Freudenberg Shipping Agencies Ltd | 137,295 | 0.25 | 137,295 | 0.25 |
| Mr. P.S.M Fernando | 122,943 | 0.23 | 122,943 | 0.23 |
| Merchant Bank of Sri Lanka PLC/ R R S Ananda | 104,098 | 0.19 | 104,098 | 0.19 |
| Mrs.M.M.C Fernando | 100,000 | 0.19 | 100,000 | 0.19 |
| Mrs. J.K.P Singh | 100,000 | 0.19 | 100,000 | 0.19 |
| Mr.S.Senthinandhanan | 97,113 | 0.18 | - | - |
| Mr. R. Magdon Ismail | 87,586 | 0.16 | 87,586 | 0.16 |
| Mr.R.Maheswaran | 86,867 | 0.16 | - | - |
| Miss.A.Radhakrishnan | 86,867 | 0.16 | - | - |
| Miss.M.P.Radhakrishnan | 86,866 | 0.16 | - | - |
| Mr. A.K Seneviratne | 84,766 | 0.16 | 61,156 | 0.11 |
| Dee Investments (Pvt) Ltd | 84,100 | 0.16 | 84,100 | 0.16 |
| Mrs.V.Indraganthi | 55,200 | 0.10 | 55,200 | 0.10 |
| | 49,497,605 | 91.74 | | |
| Balance held by 16,515 Shareholders (2015-16,559) | 4,455,885 | 8.26 | 4,380,881 | 8.12 |
| Total no. of Shares | 53,953,490 | 100.00 | 53,953,490 | 100.00 |

The percentage of shares held as at

| | 30/09/2016 | | | 31/03/2016 | | |
|----------------|------------------------|-------------------|---------------|------------------------|-------------------|---------------|
| | Number of Shareholders | Number of Shares | % | Number of Shareholders | Number of Shares | % |
| Public Holding | 16,533 | 8,954,793 | 16.60 | 16,593 | 8,951,993 | 16.59 |
| Other Holding | 2 | 44,998,697 | 83.40 | 3 | 45,001,497 | 83.41 |
| Total | 16,535 | 53,953,490 | 100.00 | 16,596 | 53,953,490 | 100.00 |

The number of shares held by the Board of Directors are as follows:

| As at | 30/09/2016 | 31/03/2016 |
|-------------------------------------|------------|------------|
| Dr.S Yaddhegige | - | - |
| S S Poholiyadde | - | - |
| E M M Boyagoda (Resigned 23/082016) | - | - |
| Dr. L S Hettiarachchi | - | - |
| J L A Fernando | 300 | 300 |
| Shaminda Yaddhegige | - | - |

INTERIM FINANCIAL STATEMENTS

CORPORATE INFORMATION

| | |
|--------------------------------------|---|
| Name of Company | Maskeliya Plantations PLC |
| Legal Form | A Quoted Public Company with Limited Liability Incorporated in Sri Lanka. |
| Date of Incorporation | 22nd June 1992 |
| Company Registration No | PQ 134 |
| Principal Business Activities | Cultivation, Manufacture and Sale of Tea, Planting and Cultivation of Timber. |
| Stock Exchange Listing | The Ordinary Shares are listed with the Colombo Stock Exchange of Sri Lanka. |
| Registered / Head Office | 310, High Level Road, Nawinna, Maharagama Sri Lanka |
| Ultimate Parent Enterprise | Richard Pieris & Company PLC |
| Board of Directors | Dr. Sena Yaddehige - Chairman S S Poholiyadde - Chief Executive Officer E M M Boyagoda (Resigned 23/08/2016) Dr. L S Hettiarachchi J L A Fernando Shaminda Yaddehige |
| Secretaries | Richard Pieris Group Services (Private) Limited 310, High Level Road, Nawinna, Maharagama. Sri Lanka Telephone: +(94) 11-4310564 |
| Auditors | Messrs Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10, Sri Lanka. |
| Bankers | Sampath Bank - Nawam Mawatha Branch Bank of Ceylon - Corporate Branch & Regional Branches Seylan Bank - Millennium Branch Hatton National Bank - City Office NDB Bank |
| Legal Advisors | Paul Ratnayake Associates International Legal Consultants Solicitors and Attorneys-at-law No.59, Gregory's Road Colombo 07. |
| Contact Details | Telephone : +(94) 11 4310888 Facsimile : +(94) 11 4310835 Internet : www.arpico.com E-mail : mpl.rpk@arpico.com |