



HAYLEYS FIBRE PLC

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

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

STATEMENT OF FINANCIAL POSITION

Audited 31st March 2016 Rs'000	As at	Note	Unaudited 30th Sept 2016 Rs.'000	30th Sept 2015 Rs.'000
ASSETS				
Non-Current Assets				
68,400	Property, Plant & Equipment		50,370	67,400
186,893	Investment Property		-	186,991
54,227	Investment in Equity Accounted Investee		69,670	48,730
92,596	Other Non Current Financial Assets		92,796	92,123
-	Deferred Tax Assets		-	954
402,116	Total Non Current Assets		212,836	396,198
Current Assets				
59,783	Inventories		55,801	35,771
60,482	Trade and Other Receivables		77,967	50,520
3,922	Other Current Assets		2,593	4,435
4,486	Income Tax Recoverable		3,750	-
30,282	Amounts Due from Related Parties		90,077	152,298
1,491	Amounts Due from Equity Accounted Investee		803	-
21,290	Cash and Cash Equivalents		9,876	44,629
-	Assets Classified as Held for Sale		205,032	-
181,736	Total Current Asset		445,899	287,653
583,852	Total Assets		658,735	683,851
EQUITY AND LIABILITIES				
Equity				
80,000	Stated Capital	2	80,000	80,000
240,787	Other Components of Equity		240,984	240,314
50,625	Amalgamation Reserves		50,625	50,625
106,510	Revenue Reserves		128,874	87,824
477,922	Total Equity Attributable to Equity Holders of the Company		500,483	458,763
Non-Current Liabilities				
2,082	Deferred Tax Liabilities		2,082	-
12,550	Retirement Benefit Obligations		14,350	20,311
14,632	Total Non-Current Liabilities		16,432	20,311
Current Liabilities				
28,893	Trade and Other Payables		30,506	20,654
7,163	Other Current Liabilities		9,553	7,407
3,261	Amount Due to Related Parties		12,473	5,114
-	Amounts Due to Equity Accounted Investee		-	2,060
-	Income Tax Payable		-	403
51,981	Interest Bearing Borrowings		89,288	169,139
91,298	Total Current Liabilities		141,820	204,777
105,930	Total Liabilities		158,252	225,088
583,852	Total Equity and Liabilities		658,735	683,851
59.74	Net Assets per Share (Rs.)		62.56	57.35

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

Sgd.
M.C.Sampath
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 by,

Sgd.
A.M.Pandithage
Chairman

Sgd.
H.C.S.Mendis
Managing Director

31st October 2016.
Colombo

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

INCOME STATEMENT

Audited 31st March 2016 Rs.'000		Unaudited 30th Sept 2016 Rs.'000	30th Sept 2015 Rs.'000	Variance Rs.'000
442,038	Revenue	230,985	225,486	5,499
(401,364)	Cost of Sales	(207,426)	(211,258)	3,832
<u>40,674</u>	Gross Profit	<u>23,559</u>	14,228	9,331
20,390	Other Income	10,937	10,647	290
(44,334)	Administrative Expenses	(25,572)	(27,298)	1,726
(1,084)	Distribution Expenses	(569)	(297)	(272)
<u>15,646</u>	Profit/(Loss) from Operations	<u>8,355</u>	(2,720)	11,075
14,974	Finance Income	1,934	9,294	(7,360)
(28,885)	Finance Expenses	(3,982)	(18,464)	14,482
(13,911)	Net Finance Expenses	(2,048)	(9,169)	7,122
14,284	Share of Profit of Equity Accounted Investee (Net of Income Tax)	21,388	8,784	12,604
<u>16,019</u>	Profit/(Loss) Before Taxation	<u>27,695</u>	(3,105)	30,801
366	Income Tax Expenses	(1,331)	(850)	(481)
<u>16,385</u>	Profit/(Loss) for the period	<u>26,364</u>	(3,955)	30,320
2.05	Earnings per Share (Rs.)	3.30	(0.49)	
Share Prices				
		Period Ended 30/09/2016	Period Ended 30/09/2015	
	Highest	Rs.104.50	Rs.48.00	
	Lowest	Rs.37.30	Rs.38.00	
	Last Traded Price	Rs.97.20	Rs.44.90	

The Notes on pages 8 & 9 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

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

STATEMENT OF COMPREHENSIVE INCOME

Audited 31st March 2016 Rs.'000	For the Six Months Ended	Unaudited 30th Sept 2016 Rs.'000	30th Sept 2015 Rs.'000
16,385	Profit/ (Loss) for the Period	26,364	(3,955)
	Other Comprehensive Income		
704	Net Gain/(Loss) on Available-For-Sale Financial Assets	197	231
1,404	Actuarial Gain on Defined Benefit Plans	-	-
(168)	Deferred Tax on Other Comprehensive Income	-	-
1,940	Other Comprehensive Income for the Period, Net of Tax	197	231
18,325	Other Comprehensive Income for the Period, Net of Tax	26,561	(3,724)

Figures in brackets indicate deductions.

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

INCOME STATEMENT

	Quarter Ended 30th Sept 2016 Rs.'000	Quarter Ended 30th Sept 2015 Rs.'000	Variance Rs.'000
Revenue	112,040	123,074	(11,034)
Cost of Sales	(103,780)	(115,772)	11,992
Gross Profit	8,260	7,302	958
Other Income	5,255	5,829	(574)
Administrative Expenses	(12,642)	(8,154)	(4,488)
Distribution Expenses	(121)	33	(154)
Profit from Operations	752	5,011	(4,259)
Finance Income	987	5,356	(4,369)
Finance Expenses	(1,747)	(11,370)	9,623
Net Finance Expenses	(760)	(6,012)	5,254
Share of Profit of Equity Accounted Investee (Net of Income Tax)	12,546	3,157	9,389
Profit Before Taxation	12,538	2,155	10,385
Income Tax Expenses	(713)	-	(713)
Profit for the Quarter	11,825	2,155	9,672
Earnings per Share (Rs.)	1.48	0.27	

Figures in brackets indicate deductions.

Share Prices	2nd Quarter of 2016	2nd Quarter of 2015
Highest	Rs.104.50	Rs.48.00
Lowest	Rs.56.00	Rs.39.00
Last Traded Price	Rs.97.20	Rs.44.90

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

STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended	30th Sept 2016 Rs.'000	30th Sept 2015 Rs.'000
Profit for the Quarter Ended	11,825	2,155
Other Comprehensive Income		
Net Gain/(Loss) on Available-For-Sale Financial Assets	-	-
Actuarial Gain on Defined Benefit Plans	-	-
Deferred Tax on Other Comprehensive Income	-	-
Other Comprehensive Income for the Quarter ,Net of Tax	-	-
Other Comprehensive Income for the Quarter ,Net of Tax	11,825	2,155

Figures in brackets indicate deductions.

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

STATEMENT OF CASH FLOW

Audited 31st March 2016 Rs.'000	For the Six Months Ended	Unaudited 30th Sept 2016 Rs. '000	30th Sept 2015 Rs. '000
Cash Flows From Operating Activities			
16,019	Profit before Income Taxation	27,695	(3,105)
Adjustments for			
(14,284)	Share of Profit/(Loss) of Equity Accounted Investee	(21,388)	(8,784)
2,998	Depreciation	2,262	1,828
(488)	Profit on disposal of property, Plant & Equipment	-	122
10,122	Interest Expense	2,116	6,029
(609)	Dividend Income	-	(609)
(55)	Interest Income	(28)	(106)
(676)	Provision for Obsolete Inventories	800	300
(667)	Provision for Bad and Doubtful Debts	-	-
3,457	Provision for Retiring Gratuity	1,800	1,983
15,817	Operating Profit before Working Capital Changes	13,257	(2,342)
10,626	(Increase)/Decrease in Inventories	3,182	33,662
17,042	(Increase)/ Decrease in Trade and Other Receivables	(16,156)	25,824
172,387	(Increase)/Decrease in Dues from Related Parties	(59,107)	51,862
(54,327)	Increase/(Decrease) in Trade Dues to Related Parties	9,212	(50,414)
4,108	Increase /(Decrease) in Trade and Other Payables	4,003	(3,885)
165,653	Cash Generated from Operations	(45,609)	54,707
(10,122)	Interest Expense	(2,116)	(6,029)
(20,954)	Retiring Gratuity Paid	-	(13,126)
(5,313)	Income Tax Paid	(598)	(1,618)
129,264	Net Cash Flows From Operating Activities	(48,323)	33,934
Cash Flows from / (Used in) Investing Activities			
(2,535)	Acquisition of Property, Plant & Equipment	(2,371)	(462)
610	Proceeds from Disposal of Property, Plant & Equipment	-	-
609	Dividend Received	-	609
	Dividend Received from Equity Accounted Investee	5,945	-
55	Interest Received	28	103
(1,261)	Net Cash Flows From Investing Activities	3,602	250
-	Dividends Paid	(4,000)	-
-	Net Cash Flows From Financing Activities	(4,000)	-
128,003	Net Increase/(Decrease) in Cash and Cash Equivalents	(48,721)	34,184
(158,694)	Cash and Cash Equivalents at the beginning of the Year	(30,691)	(158,694)
(30,691)	Cash and Cash Equivalents (Note A)	(79,412)	(124,510)
A. Analysis of cash and cash equivalents			
21,290	Cash & Bank Balance	9,876	44,629
(51,981)	Short Term Loan and Overdrafts	(89,288)	(169,139)
(30,691)		(79,412)	(124,510)

Figures in brackets indicate deductions.

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

STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company						Total Rs.'000
	Stated Capital Rs.'000	Other Component of Equity [*]		Amalgamation Capital Reserve Rs.'000	Amalgamation Revenue Reserve Rs.'000	Retained Earnings Rs.'000	
		Revaluation Reserve Rs.'000	Available for Sale Reserve Rs.'000				
Balance as at 1st April 2015	80,000	189,001	51,082	14,000	36,625	91,779	462,487
Profit for the Year	-	-	-	-	-	(3,955)	(3,955)
Net Gain on Available for Sale Financial Assets	-	-	231	-	-	-	231
Balance as at 30th September 2015	80,000	189,001	51,313	14,000	36,625	87,824	458,763
Balance as at 1st April 2016	80,000	189,001	51,786	14,000	36,625	106,510	477,922
Profit for the Year	-	-	-	-	-	26,364	26,364
Actuarial Gain on Employee Benefit Obligations	-	-	-	-	-	-	-
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-
Net Gain on Available for Sale Financial Assets	-	-	197	-	-	-	197
Dividend Paid	-	-	-	-	-	(4,000)	(4,000)
Balance as at 30th September 2016	80,000	189,001	51,983	14,000	36,625	128,874	500,483

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

Notes to the Financial Statements

- 1 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 31st March 2016, are in compliance with Sri Lanka Accounting Standards -LKAS 34 - "Interim Financial Reporting". where necessary, comparative figures have been re-classified to confirm with the current presentation as per the SLFRS/LKAS adjustment.

2 Stated Capital	30th Sept 2016	30th Sept 2015
Value - ordinary shares (Rs.)	80,000,000	80,000,000
No of shares - ordinary shares	8,000,000	8,000,000
Voting rights	One vote per ordinary share	One vote per ordinary share

- 3 **Contingencies**
There has not been a significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31.03.2016.

4 **Events Occurring after the Reporting Date**

- a) Company paid first and final dividend of cents 50 per share on 7th July 2016 for the financial year 2015/2016.
- b) **Disposal of Ekala Property**
The Company is in the process of disposing its Ekala Property to Alumex PLC (which is a subsidiary of Hayleys PLC) at a consideration of, Rs.420,000,000/= ,
This was approved by the shareholders on 27th of July 2016. Once the transaction is being carried out, the expected gain on the disposal of above property amounts to Rs. 215,000,000.

5 **Share Trading from 1st April 2016 to 30th Sept 2016**

No of transactions	16,805
No of shares traded	7,808,825
Value of shares traded (Rs.)	595,890,939

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

NOTES TO THE FINANCIAL STATEMENTS

6 Twenty Largest Shareholders		Sept 2016	
Name	No of Shares	%	
1 HAYLEYS PLC NO.3 SHARE INVESTMENT ACCOUNT	5,200,000	65.00	
2 NATION LANKA CAPITAL LTD/ K. L. G. UDAYANANDA	156,218	1.95	
3 MR. S. SRIKANTHAN & MRS. S. SRIKANTHAN	60,000	0.75	
4 MR. J. A. A. M. JAYASINGHE	55,000	0.69	
5 MR. A. R. IBRAHIM	39,390	0.49	
6 MRS. M. J. NIHARA	38,218	0.48	
7 NATION LANKA CAPITAL LTD/ J. P. N. P. K. JAYASEKERA	33,312	0.42	
8 DR. D. JAYANNTHA	32,000	0.40	
9 MBSL / N. K. C. J. DE SILVA	31,677	0.40	
10 COLOMBO TRUST FINANCE PLC / G. R. D. S. GAMLATH	29,720	0.37	
11 MBSL / S. WETHTHASINGHE	29,000	0.36	
12 MRS. M. Y. AMERASINGHE	28,080	0.35	
13 MR. R. RASARETNAM	26,052	0.33	
14 PEOPLE'S LEASING & FINANCE PLC / MR. DEEPTHI NILUPUL	24,026	0.30	
15 MRS. L. P. THENABADU & MR. S. K. THENABADU	23,832	0.30	
16 DR. A. K. A. JAYAWARDENE	22,042	0.28	
17 MRS. K. J. M. DE SILVA	21,422	0.27	
18 MR. M. S. KHAN	21,011	0.26	
19 MR. T. D. DE JONK	20,653	0.26	
20 MR. G. RAJANNIRUBASINGHAM	20,200	0.25	
Total	5,911,853	73.90	

7 Director's Shareholdings as at		30th Sept 2016	30th Sept 2015
Name of the Director	No of Shares	No of Shares	No of Shares
MR. A. M. PANDITHAGE	320	320	320
MR. F. R. ALLES	11,200	11,200	11,200
MR. H. C. S. MENDIS	320	320	320
DR. S. A. B. EKANAYAKE	NIL	NIL	NIL
MR. S. C. GANEGODA	608	608	608
MR. T. G. THORADENIYA	NIL	NIL	NIL
MR. B. D. A. PERERA	NIL	NIL	NIL
MR. N. UDAGE	NIL	NIL	NIL
MR. K.S.PADIWITA	1,280	1,280	1,280

8	Total Number of Shareholders representing the public holding	%
Shares held by public	3,807	34.81

9 There were no non voting shares as at 31st March 2016.

