

Richard Pieris Exports PLC

Interim Financial Statements

Six months ended 30th September 2016

Consolidated Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2016 Rs. '000	2015 Rs. '000	Change %	2016 Rs. '000	2015 Rs. '000	Change %
Continuing Operations						
Revenue	1,100,029	853,380	29	1,978,479	1,598,891	24
Cost of Sales	(723,750)	(597,013)	21	(1,300,550)	(1,098,014)	18
Gross Profit	376,279	256,367	47	677,929	500,877	35
Other Operating Income	1,873	5,878	(68)	3,073	6,358	(52)
Distribution Costs	(74,424)	(57,008)	31	(134,593)	(105,263)	28
Administrative Expenses	(51,587)	(43,236)	19	(96,907)	(85,091)	14
Profit from Operations	252,141	162,001	56	449,502	316,881	42
Finance Income	7,387	4,685	58	14,264	9,382	52
Finance Cost	(3,825)	(3,441)	11	(10,764)	(7,258)	48
Other Financial Items	1,605	10,608	(85)	(8,931)	7,413	(220)
Share of Profit of Associate	3,740	9,460	(60)	4,735	14,705	(68)
Profit Before Tax	261,048	183,313	42	448,806	341,123	32
Taxation	(41,698)	(16,839)	148	(63,292)	(33,145)	91
Profit for the Period from Continuing Operations	219,350	166,474	32	385,514	307,978	25
Discontinued Operations						
Loss after tax for the period from discontinued operations	(24)	(18)	33	(48)	(42)	14
Profit for the period	219,326	166,456	32	385,466	307,936	25
Attributable to:						
Equity Holders of the Parent	145,446	113,990	28	261,427	218,515	20
Non Controlling Interest	73,880	52,466	41	124,039	89,421	39
	219,326	166,456	32	385,466	307,936	25
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	13.03	10.21		23.42	19.57	
Earnings Per Share from Continuing Operations	13.03	10.21		23.42	19.58	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2016 Rs. '000	2015 Rs. '000	Change %	2016 Rs. '000	2015 Rs. '000	Change %
Revenue	373,512	314,018	19	709,910	635,846	12
Cost of Sales	(242,420)	(234,084)	4	(460,397)	(450,730)	2
Gross Profit	131,092	79,934	64	249,513	185,116	35
Other Operating Income	2,140	6,005	(64)	3,340	6,426	(48)
Distribution Costs	(14,482)	(10,747)	35	(23,335)	(23,217)	1
Administrative Expenses	(11,992)	(9,749)	23	(23,016)	(20,452)	13
Profit from Operations	106,758	65,443	63	206,502	147,873	40
Finance Income	2,522	2,089	21	4,566	4,292	6
Finance Cost	(2,717)	(2,784)	(2)	(7,859)	(4,893)	61
Other Financial Items	632	9,623	(93)	(5,129)	9,596	(153)
Profit before Tax	107,195	74,371	44	198,080	156,868	26
Taxation	(20,369)	(8,729)	133	(33,869)	(19,493)	74
Profit Attributable to Ordinary Shareholders	86,826	65,642	32	164,211	137,375	20
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	7.78	5.88		14.71	12.31	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Financial Position

	As at 30th September		As at 31st March
	2016 Rs. 000	2015 Rs. 000	2016 Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	532,085	458,066	472,628
Investment in Associate	168,388	159,143	163,500
Other Investment	72,284	72,284	72,284
Leasehold Land Prepayment	12,226	12,676	12,363
Deferred Tax Assets	-	23,520	237
	784,983	725,688	721,012
Discontinued Operations			
Assets of Arpico Natural Latex Foams (Pvt) Ltd	210	315	210
Current Assets			
Inventories	294,730	257,591	297,392
Trade & Other Receivables	871,895	668,278	649,412
Short Term Investments	325,736	200,753	312,653
Leasehold Land Prepayment	273	125	273
Amounts Due from Related Parties	39,877	57,085	58,547
Cash and Bank Balances	224,223	280,673	287,919
	1,756,734	1,464,505	1,606,196
Total Assets	2,541,927	2,190,508	2,327,418
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	613,886	388,078	352,459
Foreign Currency Translation	63,837	56,474	62,780
Equity Attributable to Equity Holders of the Parent	897,985	664,814	635,501
Non Controlling Interest	591,120	471,576	467,224
Total Equity	1,489,105	1,136,390	1,102,725
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	-	43,136	15,836
Deferred Tax Liabilities	8,273	1,913	2,137
Retirement Benefit Obligation	63,532	57,405	58,014
	71,805	102,454	75,987
Discontinued Operations			
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	226,897	226,886	226,850
Current Liabilities			
Trade and Other Payables	324,307	268,477	256,702
Income Tax Payable	41,388	21,160	24,007
Amounts Due to Related Parties	134,116	177,370	156,680
Interest Bearing Loans & Borrowings	254,309	257,771	484,467
	754,120	724,778	921,856
Total Liabilities	1,052,822	1,054,118	1,224,693
Total Equity and Liabilities	2,541,927	2,190,508	2,327,418

The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Palika Chandrajeewa
 Sector Finance Manager

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 on 09th November 2016 in Colombo.



W.R. Abeyirigunawardena
 Director



W.J. Viville P. Perera
 Director

Company Statement of Financial Position

	As at 30th September		As at 31st March
	2016 Rs. 000	2015 Rs. 000	2016 Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	76,790	65,328	71,044
Long Term Investments	535,307	535,306	535,307
	612,097	600,634	606,351
Current Assets			
Inventories	94,092	97,445	121,101
Trade & Other Receivables	385,957	333,132	270,306
Short Term Investment	95,439	87,847	91,217
Amounts Due from Related Parties	40,368	56,797	51,098
Cash and Bank Balances	52,568	45,300	94,291
	668,424	620,521	628,013
Total Assets	1,280,521	1,221,155	1,234,364
EQUITY AND LIABILITIES			
Equity			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	738,410	604,572	574,199
Total Equity	958,672	824,834	794,461
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	-	33,723	15,836
Deferred Tax Liability	818	638	949
Retirement Benefit Obligation	49,992	45,491	45,481
	50,810	79,852	62,266
Current Liabilities			
Trade and Other Payables	113,804	104,307	103,547
Income Tax Payable	28,027	14,008	14,897
Amounts Due to Related Parties	15,147	16,097	15,522
Interest Bearing Loans & Borrowings	114,061	182,057	243,671
	271,039	316,469	377,637
Total Liabilities	321,849	396,321	439,903
Total Equity and Liabilities	1,280,521	1,221,155	1,234,364


The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Palika Chandrajeewa
 Sector Finance Manager

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 Approved and Signed for and on behalf of the Board on 09th November 2016 in Colombo.



W.R. Abeyirigunawardena
 Director



W.J. Viville P. Perera
 Director

Statements of Comprehensive Income

	3 months ended 30th September		6 months ended 30th September	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Consolidated				
Profit for the period	219,326	166,456	385,466	307,936
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods				
Share of Other Comprehensive Income of Associate				
Translation of Associate using foreign functional currency	1,099	10,216	1,057	10,777
Other comprehensive income for the period	1,099	10,216	1,057	10,777
Total comprehensive income for the period	220,425	176,672	386,523	318,713
Attributable to				
Equity Holder of the Parent Company	146,545	124,206	262,484	229,292
Non Controlling Interest	73,880	52,466	124,039	89,421
	220,425	176,672	386,523	318,713

	3 months ended 30th September		6 months ended 30th September	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Company				
Profit for the period	86,826	65,642	164,211	137,375
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	86,826	65,642	164,211	137,375

Figures in brackets indicate deductions.

Statement of Changes in Equity

Consolidated	Stated Capital Rs. '000	Revenue Reserves		Foreign Currency Translation Rs. '000	Non Controlling Interest Rs. '000	Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000			
Balance as at 31st March 2015	220,262	219,250	(49,687)	45,697	382,298	817,820
Profit for the period	-	-	218,515	-	89,421	307,936
Other Comprehensive Income	-	-	-	10,777	-	10,777
Total Comprehensive Income	-	-	218,515	10,777	89,421	318,713
Dividend paid by subsidiary company to outside shareholders					(143)	(143)
Balance as at 30th September 2015	220,262	219,250	168,828	56,474	471,576	1,136,390
Balance as at 31st March 2016	220,262	219,250	133,209	62,780	467,224	1,102,725
Profit for the period	-	-	261,427	-	124,039	385,466
Other Comprehensive Income	-	-	-	1,057	-	1,057
Total Comprehensive Income	-	-	261,427	1,057	124,039	386,523
Dividend paid by subsidiary company to outside shareholders					(143)	(143)
Balance as at 30th September 2016	220,262	219,250	394,636	63,837	591,120	1,489,105

Company	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	
Balance as at 31st March 2015	220,262	219,250	247,947	687,459
Profit for the period	-	-	137,375	137,375
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	137,375	137,375
Balance as at 30th September 2015	220,262	219,250	385,322	824,834
Balance as at 31st March 2016	220,262	219,250	354,949	794,461
Profit for the period	-	-	164,211	164,211
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	164,211	164,211
Balance as at 30th September 2016	220,262	219,250	519,160	958,672

Cash Flow Statements

	Consolidated		Company	
	For the 6 months period ended		For the 6 months period ended	
	30th Sep 2016	30th Sep 2015	30th Sep 2016	30th Sep 2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	448,806	341,123	198,080	156,868
Loss from discontinued Operations	(48)	(42)	-	-
Adjustment to reconcile profit before tax to net cash flows	19,687	27,097	11,276	12,626
Operating profit before working capital changes	468,445	368,178	209,356	169,494
Changes in Working Capital adjustments	(153,628)	(144,212)	(66,413)	(68,695)
Cash generated from operations	314,817	223,966	142,943	100,799
Interest Paid	(11,584)	(7,904)	(8,636)	(5,539)
Income Tax Paid	(38,634)	(28,499)	(20,870)	(21,734)
Defined Benefit plan costs paid	(125)	(6,836)	(125)	(6,663)
Net cash flows from Operating activities	264,474	180,727	113,312	66,863
Net cash flows from / (used in) investing activities	(82,107)	(16,863)	(9,853)	1,256
Net cash inflow before financing	182,367	163,864	103,459	68,119
Net cash flows from / (used in) financing activities	(79,526)	(86,797)	(42,746)	(95,664)
Net Increase / (Decrease) in cash and cash equivalents	102,841	77,067	60,713	(27,545)
Cash and cash equivalents at the beginning of the period	(39,291)	101,468	(28,780)	(939)
Cash and cash equivalents at the end of the period	63,550	178,535	31,933	(28,484)
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	224,223	280,673	52,568	45,300
From Discontinuing operations	210	315	-	-
	224,433	280,988	52,568	45,300
Bank Overdraft	(160,883)	(102,453)	(20,635)	(73,784)
	63,550	178,535	31,933	(28,484)

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Segmental Information

	Turnover		Profit / (Loss) from operations		Net Assets	
	For the 6 months period ended		For the 6 months period ended		As at	As at
	30th Sep	30th Sep	30th Sep	30th Sep	30th Sep	30th Sep
	2016	2015	2016	2015	2016	2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	29,665	33,021	(252)	1,891	32,192	32,293
Latex Based Segment	1,257,202	944,715	243,534	167,399	792,874	583,141
Hard Rubber Segment	709,910	635,846	206,502	147,873	958,672	824,834
	1,996,777	1,613,582	449,784	317,163	1,783,738	1,440,268
Adjustment for Inter Group Transactions	(18,298)	(14,691)	(282)	(282)	(885,753)	(775,454)
	1,978,479	1,598,891	449,502	316,881	897,985	664,814

Figures in brackets indicate deductions.
The above figures are subject to audit.

Notes to the Financial Statements

1 The figures given above for the six months ended 30th Sep 2016 and 30th Sep 2015 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the six months ended 30th September 2016 have been prepared in accordance with LKAS 34, Interim Financial Reporting. There were no changes to the Accounting Policies and methods of Computation since the publication of the Annual Report for the year ended 31st March 2016. The provisions of the new Companies Act No.7 of 2007 have been considered in preparing the interim financial statements of the Company and of the Group.

The Interim financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value.

2 Figures for the corresponding period have been re-arranged where ever necessary to confirm to the current presentation. The figures in brackets indicate deductions.

3 Stated Capital

	As at 30.09.2016	As at 31.03.2016
Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745
	Rs.	Rs.
Stated Capital (Rs)	220,262,000	220,262,000

4 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended 31st March 2016.

5 There have been no events subsequent to the interim period, which require disclosure in the Interim Financial Statements.

6 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 30.09.2016, approved by the board are as follows.

	Group		Company	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Contracted but not provided for	-	-	-	-
Approved but not contracted for	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Lease Commitments

	Group			
	2016 Rs.'000	2016 USD	2015 Rs.'000	2015 USD
Within one year	4,110	27,971	3,269	23,112
After one year but not more than five years	16,441	111,884	13,077	92,447
More than five years	251,283	1,709,991	222,740	1,574,688
	<u>271,834</u>	<u>1,849,846</u>	<u>239,086</u>	<u>1,690,247</u>

7 Discontinued operations Comprise the results of Subsidiaries of the Group whose Commercial operations have been discontinued.

	30th Sep 2016	30th Sep 2015	31st March 2016
	Rs.	Rs.	Rs.
Consolidated (in Rs.)	80.44	59.55	56.92
Company (in Rs.)	85.87	73.88	71.16

	30th Sep 2016	30th Sep 2015	31st March 2016
	Rs	Rs.	Rs.
Highest for the Quarter (in Rs.)	250.00	242.00	329.90
Lowest for the Quarter (in Rs.)	227.00	142.60	131.00
Last Traded Price for the Year / Quarter (in Rs.)	235.00	230.60	211.20

10 All values included in this financial statements, are in Rupees 000's unless otherwise stated.

Shareholder Information

1. Major Shareholders as at 30th September 2016

	<u>As at 30th September 2016</u>		<u>As at 31st March 2016</u>		<u>Change</u>
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	8,959,997	80.26%	8,959,997	80.26%	-
2 T R L Holdings(Pvt) Ltd	386,000	3.46%	365,000	3.27%	21,000
3 Mr. Astrue Alpha	218,648	1.96%	214,381	1.92%	4,267
4 Mr. T.T.T.Al-Nakib	86,723	0.78%	59,000	0.53%	27,723
5 Mr. P.Vijendran	60,000	0.54%	59,477	0.53%	523
6 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
7 Mr.K.A.S.R.Nissanka	53,397	0.48%	53,397	0.48%	-
8 Mr. R.A.Rishard	52,819	0.47%			52,819
9 Mr. A.A.A.Noorudin	50,000	0.45%	50,000	0.45%	-
10 Ransiri Enterprises (Pvt) Ltd	41,572	0.37%	41,572	0.37%	-
11 Union Investments (Pvt) Ltd	40,600	0.36%	27,800	0.25%	12,800
12 Mr. Sithampalam	35,000	0.31%	35,000	0.31%	-
13 Mr. W.Jinadasa	31,120	0.28%			31,120
14 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
15 Mr. M.S.P.Fernando	28,008	0.25%	25,008	0.22%	3,000
16 Mrs M Y Amerasinghe	26,000	0.23%	34,367	0.31%	(8,367)
17 Mr. N.A.Withana	25,000	0.22%	25,000	0.22%	-
18 Mr. W.M.H.B.Senevi	22,114	0.20%	22,114	0.20%	-
19 Mr.H.A. Pieris	20,932	0.19%	20,932	0.19%	-
20 Mr.K.M.M.Jabir	17,681	0.16%			
Total	10,239,010	91.72%	10,205,569	91.42%	144,885

2. Public & Parent Shareholding

As at 30th Sep 2016, the public held 19.74% (2015 : 19.74%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 80.26%. (2015-80.26%).

As at 30th September 2016 number of public holders are 1,488 (2015 : 1,467)

3 Details of Directors Share holding is given below

Name of the Director	No of Shares as at 30th September 2016	No of Shares as at 31st March 2016
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Dr.L.M.K.Tillekeratne	-	-
Mr. Angelo Maharajah Patrick	-	-

CORPORATE INFORMATION

LEGAL FORM

A Quoted Public Company with limited liability
Incorporated in Sri Lanka on 30th June, 1983

PRINCIPAL BUSINESS ACTIVITIES

Manufacture and Export of rubber based products and manufacture of
fillers for the rubber industry

BOARD OF DIRECTORS

Dr. Sena Yaddehige (Chairman)
Shaminda Yaddehige
Sunil S G Liyanage
W.J.Viville P Perera
W R Abeyvirigunawardena
Dr.L.M.K.Tillekeratne
Angelo Maharajah Patrick

REGISTERED OFFICE

No. 310, High Level Road, Nawinna,
Maharagama.
T.P. 0114 310500
E-mail : rpe@arpico.com
Web : www.arpicorubber.com

COMPANY SECRETARIES

Richard Pieris Group Services (Private) Limited.
No. 310, High Level Road,
Nawinna,
Maharagama.
T.P. 0114 310500

AUDITORS

M/s Kreston MNS & Company
Chartered Accountants

LEGAL ADVISORS

M/s Paul Ratnayake Associates
International Legal Consultants, Solicitors & Attorneys-at-Law