



Interim Financial Statements

Six Months Ended 30 September 2018

Corporate Information

Domicile & Legal Form	Ambeon Holdings PLC is a Public Limited Liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 10, 5th Floor, Gothami Road, Colombo 08.										
Principal Activity & Nature of the Company	Investment Holding										
Company Reg. No.	PQ 26										
Board of Directors	<table> <tr> <td>Mr. A. G. Weerasinghe</td><td>- Chairman</td></tr> <tr> <td>Mr. N. M. Prakash</td><td>- Group Managing Director/CEO</td></tr> <tr> <td>Mr. R. P. Sugathadasa</td><td>- Non-Executive Director</td></tr> <tr> <td>Mr. E. M. M. Boyagoda</td><td>- Non-Executive Director</td></tr> <tr> <td>Mr. P. P. Maddumage</td><td>- Non-Executive Director</td></tr> </table>	Mr. A. G. Weerasinghe	- Chairman	Mr. N. M. Prakash	- Group Managing Director/CEO	Mr. R. P. Sugathadasa	- Non-Executive Director	Mr. E. M. M. Boyagoda	- Non-Executive Director	Mr. P. P. Maddumage	- Non-Executive Director
Mr. A. G. Weerasinghe	- Chairman										
Mr. N. M. Prakash	- Group Managing Director/CEO										
Mr. R. P. Sugathadasa	- Non-Executive Director										
Mr. E. M. M. Boyagoda	- Non-Executive Director										
Mr. P. P. Maddumage	- Non-Executive Director										
Secretaries	P W CORPORATE SECRETARIAL (PRIVATE) LIMITED 3/17, Kynsey Road, Colombo 08.										
Registrars	S S P CORPORATE SERVICES (PRIVATE) LIMITED 101, Inner Flower Road, Colombo 3										
Auditors	ERNST & YOUNG Chartered Accountants, No. 201, De Saram Place, Colombo 10.										
Bankers	Pan Asia Banking Corporation PLC Nations Trust Bank PLC Seylan Bank PLC National Development Bank PLC										
Contact Details	<p><u>Registered Office</u></p> <p>No. 10, 5th Floor, Gothami Road, Colombo 08.</p> <p>Telephone - '+94 11 5700700</p> <p>Fax - '+94 11 2680225</p> <p>Email :info@ambeongroup.com</p> <p>Website :ambeonholdings.com</p>										

Ambeon Holdings PLC
Interim Statement of Profit or Loss - Company
For the period ended 30 September 2018

Rs.000'	Rs.000'	Note	Quarter Ended 30 September		Six Months Ended 30 September	
			2018	2017	2018	2017
2018 (Audited)			Unaudited	Unaudited	Unaudited	Unaudited
713,264	Revenue		34,250	37,278	66,570	157,827
-	Cost of Sales		-	-	-	-
713,264	Gross Profit		34,250	37,278	66,570	157,827
140,481	Other Income		113,379	117	113,379	117
(658)	Selling & Distribution Expenses		-	(171)	-	(574)
(134,838)	Administrative Expenses		(14,816)	(26,980)	(75,956)	(72,711)
-	Loss on Management Buy Out	5	-	-	(102,650)	-
212,057	Fair Value Gain/(Loss) on Current Investments		(124,347)	(82,643)	(226,591)	263,637
(234,215)	Finance Cost		(80,208)	(48,916)	(150,796)	(95,925)
696,091	Profit/(Loss) for the period before tax		(71,743)	(121,315)	(376,044)	252,371
33,906	Income Tax Expense		-	-	-	(13,158)
729,997	Total Comprehensive Income for the period, net of tax		(71,743)	(121,315)	(376,044)	239,213
Earnings/(Loss) per share						
2.08	Basic		(0.20)	(0.35)	(1.05)	0.68
2.08	Diluted		(0.20)	(0.35)	(1.05)	0.68

Ambeon Holdings PLC
Interim Consolidated Statement of Comprehensive Income - Company
For the period ended 30 September 2018

Rs.000'	Rs.000'		Quarter Ended 30 September		Six Months Ended 30 September	
			2018	2017	2018	2017
2018 (Audited)			Unaudited	Unaudited	Unaudited	Unaudited
729,997	Profit/(Loss) for the year		(71,743)	(121,315)	(376,044)	239,213
157	Actuarial Gain/(Loss) on Defined Benefit Plans		-	-	-	-
(44)	Income tax effect on other comprehensive income		-	-	-	-
113	Other Comprehensive Income for the period, net of tax		-	-	-	-
730,110	Total Comprehensive Income for the period, net of tax		(71,743)	(121,315)	(376,044)	239,213

The notes on pages 10 to 14 are integral part of the financial statements.
Figures in brackets indicate deductions.

Ambeon Holdings PLC
Interim Statement of Financial Position - Company
As at 30 September 2018

Rs.000'	Rs.000'	Note	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)
2018 (Audited)				
ASSETS				
Non-Current Assets				
13,738	Property, Plant & Equipment		14,535	16,677
6,170	Intangible Assets		5,873	2,348
6,775,945	Investment in Subsidiaries	5	6,417,017	4,645,695
77,377	Deferred Tax Asset		77,377	30,934
<u>6,873,230</u>			<u>6,514,802</u>	<u>4,695,654</u>
Current Assets				
137,163	Trade & Other Receivables		440,569	64,952
14,860	Income Tax Receivable		14,601	8,368
1,254,747	Other Financial Investments		985,063	1,315,372
253,569	Cash & Short Term Deposits		1,827	669,992
<u>1,660,340</u>			<u>1,442,060</u>	<u>2,058,684</u>
8,533,569	Total Assets		7,956,862	6,754,338
EQUITY				
Equity attributable to owners of the parent				
7,871,564	Stated Capital	6	5,331,775	7,724,139
3,100	Other Capital Reserves		3,100	3,100
220	Other Component of Equity		220	220
(1,809,678)	Retained Earnings /(Losses)	6	(92,020)	(2,300,576)
<u>6,065,206</u>	Total Equity		<u>5,243,075</u>	<u>5,426,883</u>
LIABILITIES				
Non-Current Liabilities				
897	Other Financial Liabilities		897	873
3,736	Retirement Benefit Obligations		4,576	2,723
800,000	Interest Bearing Loans & Borrowings		1,464,907	1,200,000
<u>804,633</u>	Total Non-Current Liabilities		<u>1,470,380</u>	<u>1,203,596</u>
Current Liabilities				
113,072	Trade & Other Payables		57,223	16,026
1,550,659	Interest Bearing Loans & Borrowings		1,186,184	107,833
<u>1,663,731</u>	Total Current Liabilities		<u>1,243,407</u>	<u>123,859</u>
<u>2,468,364</u>	Total Liabilities		<u>2,713,787</u>	<u>1,327,455</u>
8,533,569	Total Equity and Liabilities		7,956,862	6,754,338
17.00	Net Asset Value Per Share		14.69	15.53

I certify that the Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd.
Isuru Fernando
Finance Manager

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board by;

Sgd.
A G Weerasinghe
Chairman

Sgd.
Ruwan Sugathadasa
Director

13 November 2018
Colombo

The notes on pages 10 to 14 are integral part of the financial statements.
Figures in brackets indicate deductions.

Ambeon Holdings PLC
Interim Statement of Changes in Equity - Company
For the period ended 30 September 2018

Rs.000	Note	Stated capital	Retained earnings	Other reserves	Total equity
Balance as at 31 March 2017 - (Unaudited)		7,724,139	(2,539,789)	3,320	5,187,670
Net profit/(Loss) for the Period		-	239,213	-	239,213
Other Comprehensive Income		-	-	-	-
Total comprehensive income/(loss) for the period		-	239,213	-	239,213
Balance as at 30 September 2017 (Unaudited)		<u>7,724,139</u>	<u>(2,300,576)</u>	<u>3,320</u>	<u>5,426,883</u>
Balance as at 31 March 2018 (Audited)		7,871,564	(1,809,678)	3,320	6,065,206
Net profit/(Loss) for the Period		-	(376,044)	-	(376,044)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		-	(376,044)	-	(376,044)
Capital Reduction	6	(2,539,789)	2,539,789	-	-
Dividends paid (LKR 1.25 per share)		-	(446,087)	-	(446,087)
Balance as at 30 September 2018 (Unaudited)		<u>5,331,775</u>	<u>(92,020)</u>	<u>3,320</u>	<u>5,243,075</u>

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Figures in brackets indicate deductions.

Ambeon Holdings PLC
Interim Cash Flow Statement - Company
For the period ended 30 September 2018

31 March 2018 (Audited)	Rs.000'	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)
	Cash flow from operating activities		
696,091	Profit/(loss) before tax	(376,044)	252,371
	Adjustments:		
4,642	Depreciation of Property Plant and Equipment	2,265	1,541
(212,057)	Provision for(Gain)/ fall in Value of current assets	226,591	(263,637)
240	Amortiation of Intangible Assets	297	-
1,884	Provision for Defined Benefit Plans	840	714
242	Impairment of trade receivable	-	-
(100)	Debtors provision write back	-	-
(34,846)	(Profit)/Loss from Disposal of Current Investment	(1,256)	(34,305)
24	Interest on other Financial Liabilities	-	-
(68)	Accrued interest on loans and receivables	-	-
(35,264)	Gain on share Redemption	-	-
(95,240)	Gain on Share Repurchase	-	-
-	Script dividend	-	(4,678)
234,215	Finance Cost	150,796	95,925
-	Loss on Management Buy out	102,650	-
-	Loss on capital reduction	1,371	-
	Disposal gain of investment in subsidiary	(113,379)	-
559,762		(5,869)	47,931
	Working capital adjustments		
(70,133)	(Increase)/decrease in trade & other receivables	12,114	(45,795)
103,479	Increase/(decrease) in trade & other payables	(55,847)	6,434
593,108	Cash Generated /(used in) Operations	(49,602)	8,570
(234,215)	Interest Paid	(150,796)	(95,925)
(10,842)	Income tax paid	259	(4,929)
(1,561)	Defined Benefit Plan Costs paid net of transfers	-	(1,561)
346,489	Total net cash (used in)/from operating activities	(200,139)	(93,845)
	Cash flow from investing activities		
(1,109)	Acquisition of Property, Plant & Equipment	(3,062)	(855)
(4,725)	Acquisition of Intangible assets	-	(755)
566,930	Proceeds from Sale of Other Financial Assets	61,749	557,343
(1,852,321)	Acquisition of Subsidiaries	-	-
(48,047)	Loan granted to Subsidiaries	-	-
100	Loan settled by Subsidiaries	-	-
(4,678)	Investment in Current Investments	-	-
-	Proceed From Management Buy Out and Capital Reduction	257,000	-
-	Investment in Current Investments	(17,400)	-
(1,343,850)	Total net cash (used in)/from investing activities	298,287	555,733
	Cash Flow from Financing Activities		
1,702,916	Net Proceeds from Interest Bearing Borrowings	144,303	800,000
	Dividend Paid	(446,087)	-
	Net proceeds from intercompany Loans	(204,234)	-
1,702,916	Net Cash Flows (Used in)/from Financing Activities	(506,018)	800,000
705,555	Net (decrease)/increase in cash and cash equivalents	(407,870)	1,261,888
(699,729)	Cash and cash equivalents as at 1 April	5,825	(699,729)
5,825	Cash and cash equivalents as at 30 September	(402,045)	562,159
	Cash and cash equivalents as at 30 September		
705,555	Favorable Cash and bank balances	1,827	669,992
(699,729)	Unfavorable cash and Bank balances	(403,872)	(107,833)
5,825		(402,045)	562,159

The notes on pages 10 to 14 are integral part of the financial statements.
Figures in brackets indicate deductions.

Ambeon Holdings PLC
Interim Consolidated Statement of Profit or Loss - Group
For the period ended 30 September 2018

31 March 2018 (Audited)		Quarter Ended 30 September		Six Months Ended 30 September	
		2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Continuing Operations					
12,272,998	Revenue	4,740,556	2,759,511	8,016,617	5,121,066
(10,075,333)	Cost of Sales	(3,776,052)	(2,312,458)	(6,284,337)	(4,325,595)
2,197,664	Gross Profit	964,504	447,053	1,732,280	795,471
289,742	Other Income	54,293	28,575	75,028	64,356
(443,263)	Selling & Distribution Expenses	(169,274)	(85,853)	(315,074)	(196,086)
(1,570,523)	Administrative Expenses	(695,105)	(276,638)	(1,298,954)	(549,954)
473,620	Operating Profit/(Loss)	154,418	113,136	193,280	113,787
(296,525)	Net Finance Cost	(157,791)	(90,198)	(258,459)	(186,363)
211,322	Change in Fair Value Of Assets Held For Trading	(124,847)	(82,643)	(227,391)	263,637
185,734	Change in fair value of Investment Property	-	-	-	-
(2,411)	Share of Loss From Associate	(2,812)	-	(2,814)	-
571,741	Profit/(Loss) for the period from continuing operations before tax	(131,032)	(59,705)	(295,384)	191,060
99,208	Income Tax Expense	(43,851)	(13,855)	(90,848)	(34,449)
670,948	Profit/(Loss) for the period from continuing operations	(174,883)	(73,560)	(386,232)	156,611
Discontinued operations					
9,870	Profit/(Loss) after tax for the period from discontinued operations	-	(1,149)	(681)	(1,754)
680,818	Profit/(Loss) for the year	(174,883)	(74,709)	(386,913)	154,857
540,941	Owners of the parent	(186,480)	(74,496)	(441,489)	155,345
139,878	Non-controlling interests	11,597	(213)	54,576	(488)
680,818		(174,883)	(74,709)	(386,913)	154,857
Earnings/(Loss) per share					
1.54	Basic	(0.52)	(0.21)	(1.24)	0.44
1.54	Diluted	(0.52)	(0.21)	(1.24)	0.44

Ambeon Holdings PLC
Interim Consolidated Statement of Comprehensive Income - Group
For the period ended 30 September 2018

31 March 2018 (Audited)	Rs.000'	Quarter Ended 30 September		Six Months Ended 30 September	
		2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
680,818	Profit/(Loss) for the year	(174,883)	(74,709)	(386,913)	154,857
(41)	Currency translation of Foreign operations	-	-	-	-
949,194	Revaluation gain/Loss of land and building	112,185	-	112,185	-
(466,282)	Tax on revaluation gain	(31,412)	-	(31,412)	-
(32,956)	Actuarial Gain/(Loss) on Defined Benefit Plans	-	-	-	-
8,680	Tax on Actuarial Gain/(Loss) on Defined Benefit Plans	-	-	-	-
458,595	Other Comprehensive Income	80,773	-	80,773	-
1,139,414	Total comprehensive income/(loss) for the period	(94,110)	(74,709)	(306,140)	154,857
Attributable to;					
935,666	Owners of the parent	(105,788)	(74,496)	(360,797)	155,345
203,748	Non-controlling interests	11,678	(213)	54,656	(488)
1,139,414		(94,110)	(74,709)	(306,140)	154,857

The notes on pages 10 to 14 are integral part of the financial statements.
Figures in brackets indicate deductions.

Ambeon Holdings PLC
Interim Consolidated Statement of Financial Position - Group
As at 30 September 2018

31 March 2018 (Audited)	Rs.000'	Notes	30 September 2018 (Unaudited)	30 September 2017 (Unaudited)
ASSETS				
Non-Current Assets				
5,211,165	Property, Plant & Equipment		4,295,965	4,532,093
1,130,588	Investment Property	9	2,217,248	583,981
1,281,496	Intangible Assets		1,277,869	490,338
25,234	Other Non- Current Financial Assets		434,254	-
114,846	Investment in Associate		112,032	-
256,090	Deferred Tax assets		256,090	68,974
<u>8,019,418</u>			<u>8,593,458</u>	<u>5,675,386</u>
Current Assets				
3,758,052	Inventories		3,860,075	2,986,550
4,101,429	Trade & Other Receivables		4,086,817	1,761,943
16,477	Income Tax Receivable		16,636	10,300
1,784,571	Other Financial Investments		1,565,269	1,572,646
2,120,695	Cash & Bank		1,076,250	1,311,347
<u>11,781,223</u>			<u>10,605,047</u>	<u>7,642,786</u>
-	Assets Classified as held for sale		-	945,748
19,800,642	Total Assets		19,198,505	14,263,920
EQUITY				
Equity attributable to owners of the parent				
7,871,564	Stated Capital		5,331,775	7,724,139
3,100	Other Reserves	6	3,100	3,100
927,299	Other Components of Equity		1,007,991	512,519
(963,749)	Retained Earnings /(Losses)	6	502,433	(1,213,674)
7,838,213			6,845,299	7,026,083
1,055,156	Non-controlling interests		1,539,131	987,932
8,893,369	Total Equity		8,384,430	8,014,016
LIABILITIES				
Non-Current Liabilities				
897	Other Financial Liabilities		897	873
1,562,022	Interest Bearing Loans & Borrowings		1,460,359	2,047,108
562,632	Deferred Tax Liabilities		601,125	239,397
405,041	Retirement benefit obligations		425,855	262,513
-	Deferred Income		-	212
<u>2,530,592</u>	Total Non-Current Liabilities		<u>2,488,236</u>	<u>2,550,103</u>
Current Liabilities				
3,213,293	Trade & Other Payables		3,154,791	2,150,072
173,736	Income Tax Payables		240,942	6,600
748,150	Deferred Income		857,317	-
4,241,502	Interest Bearing Loans & Borrowings		4,072,789	1,539,397
<u>8,376,681</u>	Total current liabilities		<u>8,325,839</u>	<u>3,696,069</u>
-	Liabilities directly associated with the Assets Classified as Held for Sale		-	3,732
<u>10,907,273</u>	Total Liabilities		<u>10,814,075</u>	<u>6,249,905</u>
19,800,642	Total equity and liabilities		19,198,505	14,263,920
21.96	Net Asset Value Per Share		19.18	20.11

I certify that the Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd.
Isuru Fernando
Finance Manager

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board by;

Sgd.
A G Weerasinghe
Chairman

Sgd.
Ruwan Sugathadasa
Director

13 November 2018
Colombo

The notes on pages 10 to 14 are integral part of the financial statements.
Figures in brackets indicate deductions.

Ambeon Holdings PLC
Interim Consolidated Statement of Changes in Equity - Group
For the period ended 30 September 2018

Rs.000'	Note	Stated capital	Revaluation reserve	Retained earnings	Foreign currency translation reserve	Other reserves	General Reserve	Total	Non controlling interest	Total equity
As at 31 March 2017 - (Unaudited)		7,724,139	512,774	(1,369,019)	(475)	3,100	220	6,870,739	988,420	7,859,159
Net profit/(loss) for the period		-	-	155,345	-	-	-	155,345	(488)	154,857
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	155,345	-	-	-	155,345	(488)	154,857
As at 30 September 2017 (Unaudited)		7,724,139	512,774	(1,213,674)	(475)	3,100	220	7,026,083	987,932	8,014,016
As at 31 March 2018 (Audited)		7,871,564	927,586	(963,749)	(507)	3,100	220	7,838,213	1,055,156	8,893,369
Net profit/(loss) for the period		-	-	(441,489)	-	-	-	(441,489)	54,576	(386,913)
Other comprehensive income		-	80,692	-	-	-	-	80,692	81	80,773
Total comprehensive income/(loss) for the period		-	80,692	(441,489)	-	-	-	(360,797)	54,657	(306,140)
Holding Change		-	-	(186,031)	-	-	-	(186,031)	429,318	243,287
Capital Reduction	6	(2,539,789)	-	2,539,789	-	-	-	-	-	-
Dividend Paid		-	-	(446,087)	-	-	-	(446,087)	-	(446,087)
As at 30 September 2018 (Unaudited)		5,331,775	1,008,278	502,433	(507)	3,100	220	6,845,299	1,539,131	8,384,430

The notes on pages 10 to 14 are integral part of the financial statements.
Figures in brackets indicate deductions.

Ambeon Holdings PLC
Interim Consolidated Cash Flow Statement - Group
For the period ended 30 September 2018

31 March 2018	Rs.000'	30 September 2018	30 September 2017
(Audited)		(Unaudited)	(Unaudited)
Cash flow from operating activities			
571,741	Profit/(Loss) before tax from continuing operations	(295,384)	191,060
13,145	Profit/(Loss) before tax from discontinued operations	(681)	(1,398)
584,885	Profit/(Loss) before tax	(296,065)	189,662
Adjustments:			
333,514	Depreciation Of Property Plant & Equipment	200,967	170,950
1,280	(Profit)/Loss on disposal of Property, plant & equipment	(4,707)	(3,356)
(47,224)	(Profit)/Loss on disposal of Assets Held for Sale	-	-
(107,385)	Finance Income	-	-
(388)	Deferred income	-	(176)
403,910	Finance Cost	338,906	186,363
62,013	Provision for gratuity	58,895	31,407
(211,322)	Fair Value (Gain)/Loss On Current Investments	227,391	(263,637)
(185,734)	Fair Value Gain on Investment property	-	-
24	Interest on other Financial liabilities	-	-
23,486	Impairment on Trade Receivables	-	-
12,314	Amortization of Intangible Assets	4,414	-
81,134	Allowance for obsolete and slow moving inventories	-	-
(34,305)	(Profit)/Loss from Disposal of Current Investment	(1,256)	(34,305)
2,411	Share of Loss from Associates	2,814	-
-	Script Dividend	-	(4,678)
(41)	Exchange Gain/Loss	-	-
918,574		531,359	272,230
Working capital adjustments			
(693,688)	(Increase)/decrease in trade & other receivables	(233,327)	(278,947)
(980,720)	(Increase)/decrease in inventories	(102,024)	(578,736)
347,118	Increase/(decrease) in trade & other payables	(58,501)	576,556
241,732	Increase/(decrease) in Deferred income	109,167	-
(35,678)	Gratuity Paid	(38,080)	(18,131)
(128,565)	Income tax paid	(16,720)	(44,382)
(403,910)	Interest paid	(338,906)	(186,363)
(735,137)	Total net cash (used in)/from operating activities	(147,031)	(257,773)
Cash flow from investing activities			
(190,330)	Purchase of Property, plant & equipment	(259,612)	(64,656)
(9,948)	Purchase of intangible assets	(788)	(3,763)
561,902	Proceeds from sale of investment	61,749	577,447
1,000,000	Proceed from Disposal of Assets held for Sale	-	-
15,758	Proceeds from disposal of Property, Plant & equipment	4,971	7,452
(494,925)	Investment in Other current Financial assets	(229,662)	(14,346)
(211)	Investment In Other Financial Assets	-	-
(4,835)	Investment in Investment Property	(894)	(3,880)
(7,706)	Net Investment in Asset Held For Sale	-	(678)
107,385	Interest Income on Investment	-	-
(803,489)	Acquisition of Subsidiaries	-	-
173,599	Total net cash (used in)/from investing activities	(424,236)	497,577
Cash flow from financing activities			
9,245,698	Proceeds from long-term liabilities, net of payments	(343,536)	1,016,002
-	Acquisition by Non Controlling Interest	132,000	-
-	Proceeds from share disposal	111,286	-
(7,354,656)	Repayment of interest bearing loans & borrowings	-	-
30,784	Effect of exchange rate change in loans & borrowings	-	-
(3,400)	Repayment of finance lease	-	-
-	Dividend paid	(446,087)	-
(12,249)	Dividend paid to non controlling interest	-	-
1,906,177	Total net cash (used in)/from financing activities	(546,337)	1,016,002
1,344,639	Net increase/(decrease) in Cash and cash equivalents	(1,117,605)	1,255,807
25,152	Cash and cash equivalents as at 1 April	1,369,791	25,152
1,369,791	Cash and cash equivalents as at 30 September	252,186	1,280,960
Cash and cash equivalents as at 30 September			
1,344,639	Favorable Cash and bank balances	1,076,250	1,311,347
	Other Financial Investment - Short Term Deposit	-	230,500
25,152	Unfavorable cash and Bank balances	(824,064)	(260,888)
1,369,791		252,186	1,280,960

The notes on pages 10 to 14 are integral part of the financial statements.
Figures in brackets indicate deductions.

Ambeon Holdings PLC
For the period ended 30 September 2018

Notes to the Interim Consolidated Financial Statements

1. Basis of preparation

The Interim Consolidated Financial Statements for the period ended 30 September 2018 have been prepared in accordance with LKAS 34 - Interim Financial Reporting. The Interim Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Annual Financial Statements as at 31 March 2018.

Where appropriate, certain financial statement line items have been reclassified to conform to the current period presentation.

2. Operating Results - Segment Information

	Period Ended 30 September															
	2018 Manufacturing Footwear	2017 Manufacturing Footwear	2018 Manufacturing Porcelain	2017 Manufacturing Porcelain	2018 Manufacturing Textile	2017 Manufacturing Textile	2018 Investment	2017 Investment	2018 Property	2017 Property	2018 IT and related Services	2017 IT and related Services	2018 Financial Services	2017 Financial Services	2018 Group Total	2017 Group Total
Rs.000' (Unaudited)																
Total Revenue	266,896	254,441	991,948	1,081,740	4,003,510	3,691,328	5,992	88,906	521	4,651	2,690,319	-	57,431	-	8,016,617	5,121,066
Revenue	266,896	254,441	991,948	1,081,740	4,003,510	3,691,328	5,992	88,906	521	4,651	2,690,319	-	57,431	-	8,016,617	5,121,066
Results																
Profit/(Loss) Before Net Finance Cost	(202,067)	(126,208)	61,776	54,496	79,362	181,052	(295,131)	279,334	(8,663)	(11,251)	311,340	-	16,458	-	(36,925)	377,423
Finance Costs	(36,773)	(18,134)	(17,811)	(20,107)	(78,420)	(52,985)	(91,415)	(95,929)	29,852	792	(63,577)	-	(315)	-	(258,459)	(186,363)
Profit/(Loss) Before Income Tax	(238,840)	(144,342)	43,965	34,389	943	128,067	(386,546)	183,405	21,188	(10,459)	247,763	-	16,143	-	(295,384)	191,060
Income Tax Expense	(235)	(4,984)	(7,579)	(1,549)	(6,037)	(14,757)	-	(13,158)	(6,495)	-	(63,465)	-	(7,039)	-	(90,848)	(34,448)
Profit/(Loss) After Tax	(239,075)	(149,326)	36,386	32,840	(5,094)	113,310	(386,546)	170,247	14,693	(10,459)	184,299	-	9,104	-	(386,232)	156,611
Profit/(Loss) From Discontinued Operation	(681)	(1,754)	-	-	-	-	-	-	-	-	-	-	-	-	(681)	(1,754)
Net Profit/ (Loss) for the Year	(239,755)	(151,080)	36,386	32,840	(5,094)	113,310	(386,546)	170,247	14,693	(10,459)	184,299	-	9,104	-	(386,913)	154,857
Equity Holders of the Parent															(441,489)	155,345
Non-controlling interests															54,576	(488)
															(386,913)	154,857

As at 30 September 2018																
Assets and Liabilities																
Non-Current Assets	1,671,041	1,194,477	1,779,893	1,670,395	2,170,385	1,993,738	1,024,242	194,593	955,808	622,178	407,537	-	584,552	-	8,593,458	5,675,381
Current Assets	822,411	1,088,277	1,711,550	1,422,962	4,029,540	2,989,547	1,164,051	1,062,899	420,722	1,079,106	2,316,218	-	140,556	-	10,605,047	7,642,791
Assets classified as held for sale	-	-	-	-	-	-	-	945,748	-	-	-	-	-	-	-	945,748
Total Assets*	2,493,452	2,282,754	3,491,443	3,093,357	6,199,925	4,983,285	2,188,293	2,203,240	1,376,531	1,701,284	2,723,755	-	725,108	-	19,198,505	14,263,920
Non-Current Liabilities	343,765	94,260	676,763	616,983	645,540	634,472	705,473	1,203,596	901	792	104,434	-	11,361	-	2,488,236	2,550,103
Current Liabilities	722,755	524,818	1,018,152	605,849	3,718,377	2,362,186	966,813	136,513	15,595	66,703	1,853,515	-	30,632	-	8,325,839	3,696,069
Liabilities classified as held for sale	-	-	-	-	-	-	-	3,732	-	-	-	-	-	-	-	3,732
Total Liabilities **	1,066,520	619,078	1,694,915	1,222,832	4,363,917	2,996,658	1,672,286	1,343,841	16,496	67,495	1,957,948	-	41,992	-	10,814,075	6,249,905

Financial Performance - Business Segments

* Segment assets do not include investment in subsidiaries, goodwill, investment in group preference shares and inter company current account balances.

**Segment liabilities do not include group preference shares and inter company current account balances, including loan balances.

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For the period ended 30 September 2018

Notes to the Interim Consolidated Financial Statements

3 Basis of preparation and New standards, interpretations and amendments adopted by the Group

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 2018 and comply with the Sri Lanka Accounting Standards (SLFRS/LKAS). They also provide the information required by the Colombo Stock Exchange and LKAS 34 - Interim Financial Reporting for the year ended 31 March 2018, except for the adoption of new standards effective as of 1 April 2018 as detailed below,

SLFRS 15

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under SLFRS.

SLFRS 09

SLFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, paragraph 7.2.16 of SLFRS 9 permits an entity not to apply the requirements of this Standard to interim periods prior to the date of initial application, if it is impracticable.

Based on the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied. Accordingly, as permitted by the above SoAT, the Company has prepared the Interim Financial Statements for the quarter ended 30th September 2018 based on LKAS 39.

4 Commitment and Contingencies

Name of the Company	Bank	Amount LKR MN	Outstanding Balance as at 30 September LKR MN
Royal Fernwood Porcelain Ltd	People's Bank	Rs. 65 Mn	28.5 Mn
Millennium Information Technologies (Pvt) Limited	Seylan Bank	Rs. 2BN	558 Mn

5 Transaction between parent and Non controlling interest

Millennium Information Technologies (Pvt) Limited (MIT) - Management buyout and capital reduction

As a part of MIT management buyout the company has disposed 20% holding to MIT management for the consideration of LKR 132Mn.

On 13 June 2018 MIT reduced its stated capital to LKR 415,849,344/- in accordance with the provisions of Section 59 of the Companies Act No. 07 of 2007. 296,307 shares held by Ambeon Holdings PLC be cancelled and that cash amounting to LKR. 125 Mn were returned to Ambeon Holdings PLC consequent to the Reduction of Stated Capital.

6 Reduction of Stated Capital and amendments to the Articles of Association.

On 17 May 2018, the Company reduced its Stated Capital to LKR 5,331,775,177/- in accordance with Section 59 of the Companies Act No 7 of 2007 without any change to the number of shares issued and made amendments to the Articles of Association Of the Company.

7 Transfer From The Main Board to The Diri Savi Board

Ordinary Voting Shares of Ambeon Holdings PLC transferred from the Main Board to the Diri Savi Board of the CSE, with effect from 29th June 2018.

8 Disposal of investment in Millenium Information Technology (pvt) Ltd to Eontec (pvt) Ltd

On 31 August 2018 the company disposed the investment in Millenium Information Technology (pvt) Ltd to Eontec (pvt) Ltd through a share swap arrangement

Subsequent to this transaction :-

Eon Tec (pvt) Ltd holds 77.23% of Millenium Information Technology (pvt) Ltd.

Ambeon Holdings PLC holds 78% of Eontec (pvt) Ltd .

Ambeon Holdings PLC direct holding of Millenium Information Technology (pvt) is 0.51%.

9 Transfer from Property Plant and Equipment to Investment Property - Ceylon Leather Prouducts Limited

During the quater the company transferred Land and Building located at Mattakkuliya from Property Plant and Equipment to Investment Property, at fair value amounting to LKR 1,085,766,025/-.

Notes to the Interim Consolidated Financial Statements

10 FAIR VALUE MEASUREMENT

GROUP

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value either directly or indirectly observable.

Level 3: Techniques which has inputs that have a significant effect on the recorded fair value that are unobservable.

The Group held the following assets and liabilities carried at fair value in the statement of financial position:

Assets Measured at Fair Value

	Level 1		Level 2		Level 3	
	30/09/2018	31/03/2018	30/09/2018	31/03/2018	30/09/2018	31/03/2018
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Investment Properties	-	-	-	-	2,217,248	1,130,588
Assets classified as Held for sale	-	-	22,452	22,452	-	-
Land	-	-	-	-	748,773	1,683,648
Buildings	-	-	-	-	835,290	873,996
Building on Leasehold Land	-	-	-	-	730,700	730,700
FVTPL - Financial Assets						
Financial assets held for trading:	986,963	1,257,388	-	-	-	-
	986,963	1,257,388	22,452	22,452	4,532,011	4,418,932

COMPANY	Level 1		Level 2		Level 3	
	30/09/2018	31/03/2018	30/09/2018	31/03/2018	30/09/2018	31/03/2018
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Assets Measured at Fair Value						
FVTPL - Financial Assets						
Financial assets held for trading:	985,063	1,254,688	-	-	-	-
	985,063	1,254,688	-	-	-	-

Financial Assets and Liabilities measured or disclosed at Fair Value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted equities are based on price quotations at the reporting date.

Long-term fixed-rate borrowings are evaluated based on interest rates.

Assumptions for assets categorised as Level 3 has been described under respective notes to the financial Statements as at 31 March 2018.

During the reporting period ended 30 September 2018 and 31 March 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Ambeon Holdings PLC
For the period ended 30 September 2018

Notes to the Interim Consolidated Financial Statements

11 Events after reporting date

No circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the Financial Statements.

12 Comparative Information

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

13 Share Information

a) Number of Shares

No of Ordinary Shares represented in Stated Capital	356,869,666
No of Preference Shares represented in Stated Capital	170,625

b) Market Price Per Ordinary Share

Year Ended	Quarter Ended	
	30 September 2018	30 September 2017
31 March 2018		
Rs.	Rs.	Rs.
12.90 High	11.80	14.50
10.80 Low	8.60	12.00
10.90 Close	11.10	12.60

14 Public Shareholding as at

	30 September 2018	30 September 2017
Number of Shareholders	5,400	4,394
No. of Shares	63,584,243	56,331,696
Percentage	17.82	16.12
Float Adjusted Market Capitalisation	705,895,337	-

The Company is compliant with the Minimum Public Holding requirement under option 2 of rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

15 Directors Shareholdings

	30 September 2018	30 September 2017
Name of Director	No. of Shares	No. of Shares
Mr. A G Weerasinghe	Nil	Nil
Mr. N M Prakash	450,000	200,000
Mr. R P Sugathadasa	Nil	Nil
Mr. E M M Boyagoda	Nil	Nil
Mr. P P Maddumage	Nil	Nil

Ambeon Holdings PLC
For the period ended 30 September 2018

Notes to the Interim Consolidated Financial Statements

16 Twenty Major Shareholders of the Company as at 30 September 2018 - Ordinary Shares

	Name of the Shareholder	No of Shares Held	%
1	Pan Asia Banking Corporation Plc/Ambeon Capital Plc	177,807,255	49.82
	Seylan Bank Plc/Ambeon Capital Plc (Collateral)	112,790,122	31.61
	Total	290,597,377	81.43
2	Ceylinco General Insurance Limited	9,443,196	2.65
3	Amana Bank Plc/Almas Organisation (Pvt) Ltd	6,051,521	1.70
4	Seylan Bank Plc/Carlines Holdings (Private) Limited	4,977,882	1.39
5	DOH Investment Lanka Pvt Ltd	2,153,046	0.60
6	Associated Electrical Corporation Ltd	1,955,000	0.55
7	Mr. N. Balasingam	1,906,500	0.53
8	Mr. K. V. Hewavitarne	1,382,401	0.39
9	People's Leasing & Finance PLC/L. P. Hapangama	955,836	0.27
10	Mr. B. U. Hettiarachchi	759,194	0.21
11	Sampath Bank PLC/ Dr. T. Senthilvel	675,000	0.19
12	Mr. C. R. Perera	610,504	0.17
13	Hatton National Bank Plc/Sanka Ramoorthy Nadaraj Kumar	608,015	0.17
14	Merchant Bank of Sri Lanka & Finance PLC 01	600,000	0.17
15	Mr. D. F. G. Dalpethado	574,387	0.16
16	Dr. S. Yaddehige	557,127	0.16
17	Assetline Leasing Co. Ltd/Don And Don Holdings Pvt Ltd	500,000	0.14
18	Mr. N. M. Prakash	450,000	0.13
19	Mr. D. P. M. De Silva Jayawardena	398,735	0.11
20	Bank Of Ceylon No. 1 Account	385,000	0.11
	Others	31,328,945	8.78
	Total	356,869,666	100.00

17 Twenty Major Shareholders of the Company as at 30 September 2018 - Preference Shares

	Name of the Shareholder	No. of Shares Held	%
1	Standard Finance Limited	18,616	10.91
2	Mr G C W De Silva	9,484	5.56
3	Mr M V Theagarajah	8,744	5.12
4	Life Insurance Corporation of India	8,146	4.77
5	K Theagarajah	8,000	4.69
6	Mrs B L Macrae	6,658	3.90
7	A L Clarke	6,658	3.90
8	Mr M V Theagarajah	6,447	3.78
9	Shalsri Investment Ltd	5,000	2.93
10	The Land & House Property Company Ltd	4,500	2.64
11	The Administratrix of the Estate of Pietro Fernando	4,000	2.34
12	Mr S Sivalingam Attorney for Mrs R Sivaraman Widow of Late	3,672	2.15
13	Muthunayagam Mahesweri Brito	3,500	2.05
14	B Selvanayagam	3,000	1.76
15	A M Felsinger	2,684	1.57
16	K N Woutersz	2,684	1.57
17	Mr S Navaratnam	2,682	1.57
18	M G Sabaratnam	2,500	1.47
19	Mr S A Scharenguivel	2,450	1.44
20	Mr P S Wijewardena	2,194	1.29
	Others	59,006	34.58
	Total	170,625	100.00