

**VALLIBEL ONE PLC**  
**INTERIM FINANCIAL STATEMENTS**

**Vallibel | ONE**

**FOR THE SIX MONTHS PERIOD ENDED 30TH SEPTEMBER 2016**

**VALLIBEL ONE PLC**  
STATEMENT OF FINANCIAL POSITION

As at	Company		Group	
	30.09.2016 Rs.'000	31.03.2016 Rs.'000	30.09.2016 Rs.'000	31.03.2016 Rs.'000
<b>ASSETS</b>				
Cash and Bank	47,383	41,298	6,081,494	8,578,411
Financial Assets - Fair Value Through Profit or Loss	163,952	236,350	249,100	169,892
Short Term Investments	1,444,807	2,021,783	1,444,807	1,375,604
Loans and Receivable	375,000	375,000	29,839,639	26,824,169
Lease Rentals receivables and Stock out on hire	-	-	49,816,381	45,102,039
Financial Assets - Available for Sales	7,858,113	640,082	7,944,262	722,993
Other Financial Assets	-	-	3,929,722	4,360,565
Trade and Other Receivables	81,766	87,260	5,864,864	5,389,839
Other Non Financial Assets	239	1,205	2,110,537	1,687,060
Investments in Subsidiaries	16,637,679	16,501,651	-	-
Investment in Associate	405,891	7,392,901	562,236	9,700,149
Amounts Due From Related Parties	1,161,232	251,709	-	-
Deferred Tax Assets	-	-	429,228	469,734
Income Tax Recoverable	5,998	6,412	64,262	73,012
Inventories	-	-	9,524,970	8,670,794
Intangible Assets	-	-	13,089,601	13,130,583
Property, Plant and Equipment	39,423	43,625	26,365,302	24,370,102
Investment Property	-	-	238,369	238,714
Leasehold rights over Mining Lands	-	-	16,080	8,081
Assets Classified as Held for Sale	-	-	308,404	-
<b>Total Assets</b>	<b>28,221,484</b>	<b>27,599,276</b>	<b>157,879,256</b>	<b>150,871,742</b>
<b>LIABILITIES</b>				
Due to Banks	-	-	19,287,286	17,039,812
Due to Customers	-	-	53,081,542	52,733,622
Interest Bearing Loans and Borrowings	-	-	19,215,070	14,984,760
Trade and Other Payables	1,500	1,500	4,784,043	5,364,778
Other Non Financial Liabilities	-	-	2,720,230	1,967,061
Dividend Payable	8,558	6,784	86,842	170,126
Employee Benefit Liabilities	3,417	3,417	1,234,583	1,192,535
Income Tax Liabilities	3,347	9,407	1,080,013	1,392,212
Deferred Tax Liabilities	3,007	3,007	1,226,009	1,222,008
Capital Grants	-	-	134,652	134,299
Liabilities Directly Associated with the Assets Classified as Held for Sale	-	-	225,923	-
<b>Total Liabilities</b>	<b>19,829</b>	<b>24,115</b>	<b>103,076,192</b>	<b>96,201,213</b>
<b>Shareholders' Funds</b>				
<b>Equity Attributable to Equity Holders of the Parent</b>				
Stated Capital	27,163,984	27,163,984	27,163,984	27,163,984
Reserves	1,037,672	411,178	10,255,289	10,927,178
	28,201,655	27,575,162	37,419,273	38,091,162
<b>Non Controlling Interest</b>	-	-	17,383,791	16,579,367
<b>Total Equity</b>	<b>28,201,655</b>	<b>27,575,162</b>	<b>54,803,063</b>	<b>54,670,528</b>
<b>Total Equity and Liabilities</b>	<b>28,221,484</b>	<b>27,599,276</b>	<b>157,879,256</b>	<b>150,871,742</b>

**Net Asset Per Share (Rs.)** **25.96** **25.38** **34.44** **35.06**

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

Sgd.  
Chief Financial Officer

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.  
Director  
15-Nov-16

Sgd.  
Director

**VALLIBEL ONE PLC**  
STATEMENT OF INCOME

For the Period ended 30th September	Company					Group				
	2016 Quarter Rs.'000	2015 Quarter Rs.'000	2016 Cumulative Rs.'000	2015 Cumulative Rs.'000	Variance %	2016 Quarter Rs.'000	2015 Quarter Rs.'000	2016 Cumulative Rs.'000	2015 Cumulative Rs.'000	Variance %
Revenue	-	-	-	-	-	12,585,321	11,441,934	24,145,139	21,875,671	10
Cost of Sales	-	-	-	-	-	(6,847,027)	(6,427,919)	(13,382,571)	(12,394,221)	(8)
<b>Gross Profit</b>	-	-	-	-	-	5,738,294	5,014,015	10,762,569	9,481,450	14
Dividend income	1,447	605	870,177	559,646	55	6,959	1,193	21,601	21,418	1
Other operating income	-	-	2,857	-	100	67,662	25,012	117,197	122,641	4
Administrative Expenses	(38,763)	(31,157)	(70,788)	(54,994)	(29)	(1,195,837)	(1,169,921)	(2,365,465)	(2,193,099)	(8)
Distribution Expenses	-	-	-	-	-	(1,025,118)	(878,001)	(1,984,290)	(1,687,672)	(18)
Other Operating Expenses	-	-	-	-	(100)	(508,505)	(571,023)	(917,510)	(1,142,833)	20
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates. Note 12	(828,882)	-	(828,882)	-	(100)	(3,297,524)	-	(3,297,524)	-	(100)
Gain / (loss) on Gold auction	-	-	-	-	-	272	(9,213)	(1,850)	(18,340)	90
<b>Results from Operating activities</b>	<b>(866,198)</b>	<b>(30,551)</b>	<b>(26,637)</b>	<b>504,652</b>	<b>(105)</b>	<b>(213,797)</b>	<b>2,412,061</b>	<b>2,334,727</b>	<b>4,583,566</b>	<b>(49)</b>
Finance Cost	-	(11,388)	-	(11,388)	100	(409,530)	(320,170)	(769,452)	(604,355)	(27)
Finance Income	71,472	46,676	167,500	100,962	66	126,060	75,246	254,687	121,091	110
<b>Net Finance cost</b>	<b>71,472</b>	<b>35,287</b>	<b>167,500</b>	<b>89,574</b>	<b>87</b>	<b>(283,469)</b>	<b>(244,924)</b>	<b>(514,764)</b>	<b>(483,263)</b>	<b>(7)</b>
Share of results of equity accounted investees	-	-	-	-	-	177,922	408,738	657,156	746,371	(12)
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	-	-	-	-	-	(648,594)	-	(648,594)	-	(100)
<b>Profit/(Loss) Before Value Added Tax</b>	<b>(794,725)</b>	<b>4,736</b>	<b>140,864</b>	<b>594,226</b>	<b>(76)</b>	<b>(967,938)</b>	<b>2,575,875</b>	<b>1,828,525</b>	<b>4,846,673</b>	<b>(62)</b>
Value Added Tax on Financial Services	-	-	-	-	-	(206,408)	(132,899)	(433,712)	(249,182)	(74)
<b>Profit/(Loss) Before Tax</b>	<b>(794,725)</b>	<b>4,736</b>	<b>140,864</b>	<b>594,226</b>	<b>(76)</b>	<b>(1,174,346)</b>	<b>2,442,975</b>	<b>1,394,813</b>	<b>4,597,490</b>	<b>(70)</b>
Income Tax Expense	(13,031)	(15,096)	(30,994)	(28,269)	(10)	(906,320)	(882,140)	(1,809,659)	(1,542,758)	(17)
<b>Profit/(Loss) for the Period from Continuing Operation</b>	<b>(807,756)</b>	<b>(10,360)</b>	<b>109,869</b>	<b>565,956</b>	<b>(81)</b>	<b>(2,080,666)</b>	<b>1,560,835</b>	<b>(414,846)</b>	<b>3,054,733</b>	<b>(114)</b>
<b>Discontinued Operation</b>										
(Loss) after tax for the period from Discontinued Operations	-	-	-	-	-	(36,311)	-	(36,311)	-	(100)
<b>Net Profit/(Loss) for the period</b>	<b>(807,756)</b>	<b>(10,360)</b>	<b>109,869</b>	<b>565,956</b>	<b>(81)</b>	<b>(2,116,977)</b>	<b>1,560,835</b>	<b>(451,157)</b>	<b>3,054,733</b>	<b>(115)</b>
<b>Attributable to :</b>										
Equity holders of the Parent	(807,756)	(10,360)	109,869	565,956	(81)	(3,001,939)	835,792	(1,903,013)	1,726,693	(210)
Non - Controlling Interests	-	-	-	-	-	884,961	725,043	1,451,856	1,328,040	9
	<b>(807,756)</b>	<b>(10,360)</b>	<b>109,869</b>	<b>565,956</b>	<b>(81)</b>	<b>(2,116,977)</b>	<b>1,560,835</b>	<b>(451,157)</b>	<b>3,054,733</b>	<b>(115)</b>

Earnings Per Share (Rs.) (0.74) (0.01) 0.10 0.52 (2.76) 0.77 (1.75) 1.59

As more fully explained in note 12 to accounts, the group earned a net profit of Rs 3,053 Mn for the period. This was adjusted to give effect to the change in dealing with the investment in Sampath Bank PLC as "equity accounted investee". It resulted in net loss of Rs 451 Mn for the six months period.

**VALLIBEL ONE PLC**  
STATEMENT OF COMPREHENSIVE INCOME

For the Period ended 30th September	2016 Quarter Rs.'000	2015 Quarter Rs.'000	2016 Cumulative Rs.'000	2015 Cumulative Rs.'000	Variance %	2016 Quarter Rs.'000	2015 Quarter Rs.'000	2016 Cumulative Rs.'000	2015 Cumulative Rs.'000	Variance %
<b>Net Profit/(Loss) for the Period</b>	(807,756)	(10,360)	109,869	565,956	(81)	(2,116,977)	1,560,835	(451,157)	3,054,733	(115)
<b>Other comprehensive income</b>										
<b>To be Reclassified to Profit or Loss in Subsequent Period</b>										
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	7,980	35,161	23,432	17,148	37
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	-	-	-	-	-	648,594	-	648,594	-	100
Net Gain/(Loss) on Available for sale Financial Assets	979,771	(38,850)	1,059,904	57,184	1,754	979,671	(46,564)	1,063,141	94,424	1026
Exchange difference on translation of foreign operations	-	-	-	-	-	3,849	(1,683)	1,400	(1,194)	217
<b>Not to be Reclassified to Profit or Loss in Subsequent Period</b>										
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	(162,901)	-	(162,901)	-	(100)
Actuarial Loss on Defined Benefit Plans	-	-	-	-	-	-	(5,364)	-	(10,728)	100
<b>Other Comprehensive Income for the period, net of tax</b>	979,771	(38,850)	1,059,904	57,184	1754	1,477,193	(18,449)	1,573,666	99,649	1479
<b>Total Comprehensive Income for the period, net of tax</b>	<b>172,015</b>	<b>(49,210)</b>	<b>1,169,773</b>	<b>623,140</b>	<b>88</b>	<b>(639,784)</b>	<b>1,542,386</b>	<b>1,122,508</b>	<b>3,154,382</b>	<b>(64)</b>
<b>Total Comprehensive income attributable to :</b>										
Equity holders of the Parent	172,015	(49,210)	1,169,773	623,140	88	(1,526,595)	825,493	(331,189)	1,822,998	(118)
Non - Controlling Interests	-	-	-	-	-	886,811	716,893	1,453,697	1,331,384	9
	<b>172,015</b>	<b>(49,210)</b>	<b>1,169,773</b>	<b>623,140</b>	<b>88</b>	<b>(639,784)</b>	<b>1,542,386</b>	<b>1,122,508</b>	<b>3,154,382</b>	<b>(64)</b>

**VALLIBEL ONE PLC**  
STATEMENT OF CHANGES IN EQUITY- COMPANY

For the Period ended 30th September	Stated Capital Rs.'000	Available for Sale Reserve Rs.'000	Retained Earnings/ (Losses) Rs.'000	Total Rs.'000
<b>Balance as at 01st April 2015</b>	27,163,984	(157,097)	706,445	27,713,332
Supergain Tax 2013/2014	-	-	(65,043)	(65,043)
Profit for the period	-	-	565,956	565,956
Other Comprehensive Income	-	57,184	-	57,184
Dividend Paid	-	-	(543,280)	(543,280)
<b>Balance as at 30th September 2015</b>	<u>27,163,984</u>	<u>(99,914)</u>	<u>664,079</u>	<u>27,728,149</u>
<b>Balance as at 01st April 2016</b>	27,163,984	(351,118)	762,296	27,575,162
Profit for the period	-	-	109,869	109,869
Other Comprehensive Income	-	1,059,904	-	1,059,904
Dividend Paid	-	-	(543,280)	(543,280)
<b>Balance as at 30th September 2016</b>	<u>27,163,984</u>	<u>708,786</u>	<u>328,886</u>	<u>28,201,655</u>

**VALLIBEL ONE PLC**  
STATEMENT OF CHANGES IN EQUITY- GROUP

For the Period ended 30th September Rs.'000

	Stated Capital	Treasury Shares	Capital		Other Component of Equity			Revenue Reserve		Hedge Reserve	Actuarial Gain/ (Loss) Reserve	Shareholder's Fund	Non Controlling Interest	Total Equity
			Reserve	Fund	Available for Sale Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	General Reserve	Retained Earnings					
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.					
<b>Balance as at 01st April 2015</b>	27,163,984	(44,112)	908,853	(777,036)	(1,351)	752,873	50,179	6,738,821	(55,378)	(126)	34,736,706	13,231,085	47,967,791	
Super gain Tax 2013/2014	-	-	-	-	-	-	-	(534,677)	-	-	(534,677)	(275,624)	(810,301)	
Profit for the period	-	-	-	-	-	-	-	1,726,693	-	-	1,726,693	1,328,040	3,054,733	
<b>Other Comprehensive Income</b>														
Share of other comprehensive income of equity accounted investees	-	-	-	14,155	2,993	-	-	-	-	-	17,148	-	17,148	
Exchange difference on translation of foreign operations	-	-	-	-	(609)	-	-	-	-	-	(609)	(585)	(1,194)	
Net Gain/(Loss) on Available for sale Financial Assets	-	-	-	81,129	-	-	-	-	-	-	81,129	13,295	94,424	
Actuarial Gain/(Loss) on Retirement benefit obligations	-	-	-	-	-	-	-	-	(1,362)	-	(1,362)	(9,366)	(10,728)	
<b>Total other Comprehensive Income</b>	-	-	-	95,284	2,384	-	-	-	(1,362)	-	96,305	3,344	99,649	
Transfers	-	-	201,268	-	-	-	-	(201,268)	-	-	-	-	-	
Write Back of Unclaimed Dividends	-	-	-	-	-	-	(12)	-	-	-	(12)	-	(12)	
Dividend Paid	-	-	-	-	-	-	-	(542,819)	-	-	(542,819)	(381,722)	(924,541)	
<b>Balance as at 30th September 2015</b>	27,163,984	(44,112)	1,110,121	(681,752)	1,033	752,873	50,166	7,186,749	(56,740)	(126)	35,482,196	13,905,123	49,387,318	
<b>Balance as at 01st April 2016</b>	27,163,984	(44,112)	1,433,306	(996,972)	6,057	1,143,873	578,449	8,839,685	(32,984)	(126)	38,091,162	16,579,367	54,670,528	
Profit/(Loss) for the Period	-	-	-	-	-	-	-	(1,903,013)	-	-	(1,903,013)	1,451,856	(451,157)	
Realisation of revaluation reserve - Transfer in	-	-	-	-	-	-	-	202,635	-	-	202,635	-	202,635	
Realisation of actuarial loss - Transfer in	-	-	-	-	-	-	-	(39,734)	-	-	(39,734)	-	(39,734)	
<b>Other Comprehensive Income</b>														
Share of other comprehensive income of equity accounted investees	-	-	-	23,693	(261)	-	-	-	-	-	23,432	-	23,432	
Reclassification of the Gain/Loss Recognised in OCI by the investment in associate to Retained Earnings	-	-	-	654,012	(5,544)	-	-	-	-	126	648,594	-	648,594	
Realisation of revaluation reserve - Transfer out	-	-	-	-	-	(202,635)	-	-	-	-	(202,635)	-	(202,635)	
Realisation of actuarial loss - Transfer out	-	-	-	-	-	-	-	-	39,734	-	39,734	-	39,734	
Exchange difference on translation of foreign operations	-	-	-	-	714	-	-	-	-	-	714	686	1,400	
Net Gain/(Loss) on Available for sale Financial Assets	-	-	-	1,061,986	-	-	-	-	-	-	1,061,986	1,156	1,063,141	
<b>Total other Comprehensive Income</b>	-	-	-	1,739,691	(5,091)	(202,635)	-	-	39,734	126	1,571,825	1,841	1,573,666	
Transfers	-	-	239,172	-	-	-	-	(239,172)	-	-	-	-	-	
Effect on changes in holding	-	-	-	-	-	-	-	35,400	-	-	35,400	(178,959)	(143,559)	
Written back on unclaimed Dividend	-	-	-	-	-	-	3,817	-	-	-	3,817	-	3,817	
Dividend Paid	-	-	-	-	-	-	-	(542,819)	-	-	(542,819)	(470,314)	(1,013,133)	
<b>Balance as at 30th September 2016</b>	27,163,984	(44,112)	1,672,478	742,720	966	941,238	582,267	6,352,982	6,750	-	37,419,273	17,383,791	54,803,063	

**VALLIBEL ONE PLC**  
CASH FLOW STATEMENT

For the Period ended

**CASH FLOWS FROM OPERATING ACTIVITIES**

	Company		Group	
	30.09.2016 Rs.'000	30.09.2015 Rs.'000	30.09.2016 Rs.'000	30.09.2015 Rs.'000
Net Profit/ (Loss) before Taxation	140,864	594,226	1,394,813	4,597,490
Profit/ (Loss) Before Tax from Discontinued Operations	-	-	(36,311)	-
<b>ADJUSTMENTS FOR</b>				
Profit / Loss on sale of Property, Plant & equipment	(2,857)	-	(26,122)	(40,794)
Depreciation	5,478	3,985	837,064	725,402
Provision For Fall in Value of Investments	(56,806)	11,388	(99,380)	(33,159)
Amortization	-	-	18,685	38,202
Share of results of equity accounted investees	-	-	(657,156)	(746,371)
Net (Gain) / loss on foreign exchange	-	-	-	(1,194)
Provision for impairment of assets	-	-	20,419	361,340
Provision For Defined Benefit Plan Costs	-	165	110,300	65,842
Amortization of Capital Grants	-	-	(2,348)	(2,547)
FV Change of Biologale assets	-	-	-	259
Provision for Inventory	-	-	6,265	22,539
Reclassification loss on Associate to Available for sale Financial Assets	828,882	-	3,297,524	-
(Profit) / Loss from sale of Financial Assets Fair Value through Profit or Loss	-	-	-	112,357
Dividend Received	-	-	(18,814)	(21,418)
Finance Cost	-	-	769,452	604,355
Finance Income	(110,694)	(100,962)	(254,687)	(121,091)
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	804,868	508,802	5,359,702	5,561,210
(Increase)/Decrease in Loans and Advances	(3,142)	-	(3,338,882)	(989,922)
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments	-	25,086	(478,692)	(459,583)
(Increase)/Decrease in Other Financial Assets	-	-	430,842	226,620
(Increase)/Decrease in Lease Rental Receivable	-	-	(4,714,341)	(6,391,492)
(Increase)/Decrease in Other Non Financial Assets	-	-	(418,100)	92,473
Increase/(Decrease) in Due to Banks	-	-	3,730,974	1,501,165
Increase/(Decrease) in Due to Customers	-	-	347,920	1,640,610
Increase/(Decrease) in Trade & Other Payables	-	(1,275)	(585,937)	(1,306,994)
Increase/(Decrease) in Other Non Financial Liabilities	-	-	753,170	1,519,966
(Increase)/Decrease in Inventories	-	-	(860,441)	(266,683)
Increase/(Decrease) in Amounts Due to Related Companies	-	5,687	-	-
(Increase)/Decrease in Amounts Due from Related Companies	(909,523)	-	-	(350)
<b>Cash Generated from Operations</b>	(107,797)	538,299	226,214	1,127,021
Retirement Benefits Liabilities paid	-	-	(68,252)	(45,483)
Interest Received	120,296	92,718	254,687	121,091
Finance Cost Paid	-	-	(769,452)	(604,355)
Taxes Paid - Continuing Operations	(36,641)	(28,976)	(1,841,609)	(1,176,597)
<b>Net Cash from/(Used in) Operating Activities</b>	(24,142)	602,041	(2,198,412)	(578,323)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment	(1,520)	(2,330)	(2,793,877)	(760,308)
Acquisition of Intangible Assets	-	-	55,578	(9,190)
Proceeds from Sale of Property, Plant & Equipment	3,100	-	14,279	150,106
Net Proceeds of Fair Value through Profit and Loss Financial Assets	129,204	-	20,172	69,543
Acquisition of Subsidiary	-	-	(59,999)	-
Acquisition of non controlling interest	(136,028)	-	(143,559)	-
Net Proceeds (Purchase) of Available for sale Financial Assets	-	-	-	(1)
Net Proceed From Short Term Investment	576,976	(43,824)	(69,203)	(10,645)
Dividend Received	-	-	158,491	134,967
Proceeds from leasehold right on Mining	-	-	(8,000)	-
<b>Net Cash used in Investing Activities</b>	571,732	(46,154)	(2,826,117)	(425,528)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Interest Bearing Loans & Borrowings	-	-	9,848,588	8,387,897
Repayment of Interest Bearing Loans & Borrowings	-	-	(5,618,277)	(6,426,207)
Capital Grant Received	-	-	2,701	5,465
Dividend Write Back	-	-	-	(12)
Dividend Paid	(541,505)	(535,837)	(1,096,417)	(985,553)
<b>Net Cash from Financing Activities</b>	(541,505)	(535,837)	3,136,594	981,590
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	6,085	20,050	(1,887,935)	(22,261)
<b>Cash and Cash Equivalents at the beginning of the Period</b>	41,298	19,886	5,416,563	4,123,443
<b>Cash and Cash Equivalents at the end of the Period</b>	47,383	39,936	3,528,627	4,101,182

Note 9

**VALLIBEL ONE PLC**  
NOTES TO THE FINANCIAL STATEMENTS

- 1 Financial year of the company ends on 31st March.
- 2 The above figures are provisional & subject to audit.
- 3 Number of fully paid ordinary shares as at 30th September 2016 is 1,086,559,353 (31st March 2016- 1,086,559,353).
- 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 The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual report for the year ended 31st March 2016 and comply with the Sri lanka Accounting Standards (SLFRS/LKAS). These interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31st March 2016. They also provide the information required by the Colombo stock Exchange and LKAS 34.
- 6 Where necessary , Comparative figures have been re-stated to confirm with SLFRS/LKAS.
- 7 The Consolidated Financial Statements of the Company for the Period ended 30th September 2016 comprise of the Company , its Subsidiaries and Associates. The details of Subsidiaries and Associates are as follows:

**Subsidiary Companies**

Royal Ceramics Lanka PLC  
L B Finance PLC  
Greener Water Ltd  
Delmege Limited

**Associate Companies**

Sampath Bank PLC (Till 31st July)  
The Fortress Resorts PLC

**8 Related Party Transactions**

For the Period ended 30th September	<b>2016</b>	<b>2015</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Subsidiaries</b>		
Loans Return / (Given)	-	15,000
Loan Interest Received / (Paid)	-	621
FD Interest Received / (Paid)	17,943	21,888
Fund Transfers	909,523	8,963
Dividend received	709,867	430,896
Equity Investments	136,028	-
<b>Associates</b>		
Dividend received	139,677	113,549
<b>Key management personnel (KMP)</b>		
Directors Remuneration	6,667	3,600
<b>Companies controlled / jointly controlled / significantly Influenced by KMP and their close family members</b>		
Fixed Deposits - (Investment) / Withdrawals	576,976	(774,126)
FD Interest Received / (Paid)	91,729	42,428
Dividend Received	15,634	13,096
Repo	38,000	32,000

**VALLIBEL ONE PLC**  
NOTES TO THE FINANCIAL STATEMENTS

**9 Business Combinations**

On 1st August 2016, Royal Ceramic Lanka PLC has acquired 100% of the voting shares of Nilano Garments (Pvt) Ltd incorporated and domiciled in Sri Lanka currently engages in the business of manufacturing of value added tiles & retail and wholesale trading of ceramic tiles and allied products.

**Assets Acquired and Liabilities Assumed**

The fair value of the identifiable assets and liabilities of Nilano Garments (Pvt) Ltd as at the date of acquisition were;

	<b>Fair Value as at 01.08.2016 Rs.000's</b>
<b>Assets</b>	
Property, Plant & Equipment	26,544
Other Non Financial Assets	5,377
Cash and Cash Equivalents	1
	<b>31,922</b>
<b>Liabilities</b>	
Trade and Other Payables	5,202
	<b>5,202</b>
Total identifiable net assets acquired	26,720
Goodwill arising on acquisition	33,280
Purchase consideration paid	<b>60,000</b>
Cash and cash equivalents of subsidiary acquired	1
Net Cash Out flow on Acquisition of subsidiary	<b>59,999</b>

**10 Discontinued Operations**

On 9th August 2016, the Royal Ceramics Lanka PLC publicly announced the decision of its Board of Directors to cease the operations of Ever Paint and Chemical Industries (Private) Limited ("EPCI") with immediate effect and to dispose of the assets thereof. EPCI is a fully owned subsidiary of Royal Ceramics Lanka PLC and it was engaged in the business of manufacturing and marketing of paints and allied products. With EPCI being classified as discontinued operations, The results of EPCI for the period is presented below:

	<b>Period ended 30.09.2016 Rs.000's</b>	<b>Period ended 30.09.2015 Rs.000's</b>
Net Revenue	27,784	53,104
Cost of Sales	(25,385)	(47,157)
Gross Profit	2,398	5,947
Other Operating Income	113	1,178
Distribution Expenses	(19,010)	(19,853)
Administrative Expenses	(7,344)	(6,782)
Finance Expenses	(12,469)	(9,199)
<b>Loss for the period from discontinued operations</b>	<b>(36,311)</b>	<b>(28,709)</b>

The major classes of assets and liabilities of EPCI is classified as held for sale as at the end of the period:

	<b>30.09.2016 Rs.000's</b>	<b>30.09.2015 Rs.000's</b>
<b>Assets</b>		
Property, Plant & Equipment	120,675	-
Inventories	137,286	-
Trade and Other Receivables	31,123	-
Other Non Financial Assets	18,665	-
Cash and Cash Equivalents	655	-
Assets held for sale	308,404	-
<b>Liabilities</b>		
Trade and Other Payables	(17,467)	-
Interest Bearing Loans & Borrowings	(206,775)	-
Retirement Benefit Liability	(1,682)	-
Liabilities directly associated with the assets held for sale	(225,923)	-
<b>Net Assets directly associated with disposal group</b>	<b>82,481</b>	<b>-</b>

The net cash flows incurred by EPCI is as follows:

	<b>Period ended 30.09.2016 Rs.000's</b>	<b>Period ended 30.09.2015 Rs.000's</b>
Operating	29,354	29,709
Investing	(3,738)	(731)
Financing	(13,105)	(19,915)
<b>Net cash (outflow)/inflow</b>	<b>12,511</b>	<b>9,064</b>

## **VALLIBEL ONE PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **11 Greener Water Hotel Project**

As published in the interim financial statements for the period ended 30 September 2015 the adjusted time lines for the Hotel Project are:

- Completion of construction by February 2019
- Commencement of commercial operations by April 2019

Presently, super structure works in progress and tendering of mechanical, plumbing & electrical services are on-going.

#### **12 Change in Equity Accounted Investee : Sampath Bank PLC**

The Investment in Sampath Bank PLC of the group was accounted as equity accounted investee as per the provisions of LKAS 28 on the following grounds where it demonstrated significant influence over the investee.

- Vallibel One PLC is the single largest shareholder of Sampath Bank PLC owning 26,463,803 shares representing 14.95% of the issued shares of the Bank.
- Mr. Dhammika Perera who is the Chairman and Managing Director and the major shareholder of Vallibel One PLC, was the Chairman of Sampath Bank PLC.
- Mr. Dhammika Perera, also served as the Chairman of the Strategic Planning Committee of Sampath Bank PLC and a member of the Nominations Committee of the Bank.
- The second largest shareholder of Sampath Bank PLC holds less than 10% of the issued shares of the Bank.

However, with effect from 31 July 2016, Mr. Dhammika Perera relinquished as Chairman of Sampath Bank PLC since he completed his term of nine years as a Director. Consequently, the Board of directors of Vallibel One PLC decided that the existence of significant influence over Sampath Bank PLC by Vallibel One PLC was no longer applicable as per the provisions of LKAS 28. Hence, the Company discontinued the use of equity method of accounting and in terms of LKAS 39 decided to exercise the option to treat the investment as being available for sale. Accordingly the effect of mark to market value of Rs.828 Mn as at 31st July 2016 and share of profits of Rs.2,469 Mn which were recognized in previous years were reversed in this quarter's statement of income.

The total Loss of Vallibel One PLC after considering the reclassification to Available For Sale financial Assets is Rs. 451 Mn. However if the results of Sampath Bank PLC and the adjustments resulting from the reclassification is not considered, the Vallibel One PLC would have earned a total profit of Rs.3,053Mn.

#### **13** There have been no material events occurring after the balance sheet date that require adjustment or disclosure in the financial statement.

## VALLIBEL ONE PLC

### 14 Operating Segment information For the Period ended 30th September Rs'000

	Investment 2016	2015	Tiles 2016	2015	Sanitary wear 2016	2015	Plantation 2016	2015	Bank & Finance 2016	2015
Revenue	-	-	7,409,399	7,418,059	923,066	626,587	837,806	870,711	8,921,529	7,380,529
Cost of Sales	-	-	(3,804,432)	(4,130,120)	(532,598)	(402,770)	(920,406)	(905,530)	(3,589,897)	(2,672,995)
<b>Gross Profit/ (Loss)</b>	-	-	3,604,967	3,287,939	390,468	223,817	(82,600)	(34,819)	5,331,632	4,707,535
Dividend income	15,634	15,117	3,180	2,396	-	-	-	-	2,786	3,858
Other income & gains	2,857	-	12,725	42,223	2,139	4,149	6,998	2,641	19,662	12,544
Administrative Expenses	(70,788)	(54,919)	(513,143)	(537,826)	(20,568)	(11,901)	(46,343)	(45,871)	(1,232,304)	(1,043,053)
Distribution Expenses	-	-	(1,241,510)	(1,250,220)	(160,352)	(25,497)	-	-	-	-
Other Operating Expenses	-	-	(69,087)	(12,587)	-	-	-	-	(848,423)	(1,015,247)
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates.	-	-	-	-	-	-	-	-	(3,297,524)	-
Finance Cost	-	(19,888)	(381,341)	(315,439)	(32,465)	(18,098)	(41,251)	(21,736)	-	-
Finance Income	153,792	78,453	73,071	24,326	98	16	64	-	-	-
Gain /(loss) on Gold auction	-	-	-	-	-	-	-	-	(1,850)	(18,340)
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	651,346	769,794
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	-	-	-	-	-	-	-	-	(648,594)	-
<b>Profit/(Loss) Before Value Added Tax</b>	101,494	18,763	1,488,862	1,240,813	179,320	172,487	(163,133)	(99,785)	(23,270)	3,417,092
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	(433,712)	(249,182)
<b>Profit / (Loss) Before Tax</b>	101,494	18,763	1,488,862	1,240,813	179,320	172,487	(163,133)	(99,785)	(456,982)	3,167,909
Income Tax Expense	(112,711)	(97,527)	(421,421)	(265,694)	(38,011)	(12,782)	7,779	6,317	(1,184,737)	(1,129,645)
Loss after tax for the period from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Profit / (Loss) for the period</b>	<b>(11,217)</b>	<b>(78,764)</b>	<b>1,067,441</b>	<b>975,119</b>	<b>141,309</b>	<b>159,705</b>	<b>(155,354)</b>	<b>(93,468)</b>	<b>(1,641,719)</b>	<b>2,038,264</b>

As at 30th September

### 15 Segment Assets and Liabilities

<b>Total Assets</b>	11,583,805	11,198,032	29,226,079	24,163,518	3,709,549	3,415,953	3,749,508	3,606,130	93,900,497	80,093,660
<b>Total Liabilities</b>	20,475	28,217	11,927,380	10,192,689	903,582	566,928	2,242,468	2,038,383	78,638,379	64,412,716

### 16 Other Segment Information

Total cost incurred during the period to acquire Property, Plant & Equipment	1,520	2,330	1,278,063	338,325	189,431	16,325	111,444	109,682	188,698	228,004
Depreciation	5,478	3,985	466,944	376,985	50,722	25,054	66,369	64,762	170,459	165,974
provision for retirement benefit Liability	-	165	38,814	7,939	1,254	1,117	38,523	26,416	19,082	18,029

## VALLIBEL ONE PLC

### 14 Operating Segment information For the Period ended 30th September Rs'000

	Leisure		Consumer		Life style		Heath care		Other		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue	-	-	1,139,648	1,285,519	1,001,906	824,615	1,140,630	1,110,804	2,771,155	2,358,847	24,145,139	21,875,671
Cost of Sales	-	-	(908,078)	(1,001,008)	(750,425)	(618,357)	(920,558)	(905,152)	(1,956,175)	(1,758,290)	(13,382,571)	(12,394,221)
<b>Gross Profit/ (Loss)</b>	-	-	231,570	284,510	251,481	206,258	220,072	205,652	814,979	600,557	10,762,569	9,481,450
Dividend income	-	-	-	-	-	47	-	-	-	-	21,601	21,418
Other income & gains	-	-	93	323	5,531	2,915	7,942	405	59,250	57,441	117,197	122,641
Administrative Expenses	(18,432)	(9,262)	(27,881)	(76,785)	(51,192)	(61,362)	(25,112)	(29,497)	(359,702)	(322,623)	(2,365,465)	(2,193,099)
Distribution Expenses	-	-	(149,456)	(143,331)	(100,178)	(73,049)	(113,254)	(85,783)	(219,540)	(109,792)	(1,984,290)	(1,687,672)
Other Operating Expenses	-	-	-	(115,000)	-	-	-	-	-	-	(917,510)	(1,142,833)
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates.	-	-	-	-	-	-	-	-	-	-	(3,297,524)	-
Finance Cost	(127)	(18)	(134,452)	(75,235)	(23,425)	(16,441)	(21,264)	(19,534)	(135,126)	(117,966)	(769,452)	(604,355)
Finance Income	921	71	1,899	4,163	3,516	2,242	127	-	21,200	11,821	254,687	121,091
Gain/(loss) on Gold auction	-	-	-	-	-	-	-	-	-	-	(1,850)	(18,340)
Share of results of equity accounted investees	5,811	(23,424)	-	-	-	-	-	-	-	-	657,156	746,371
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	-	-	-	-	-	-	-	-	-	-	(648,594)	-
<b>Profit/(Loss) Before Value Added Tax</b>	(11,827)	(32,633)	(78,227)	(121,356)	85,733	60,611	68,510	71,243	181,062	119,438	1,828,525	4,846,673
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	-	-	(433,712)	(249,182)
<b>Profit / (Loss) Before Tax</b>	(11,827)	(32,633)	(78,227)	(121,356)	85,733	60,611	68,510	71,243	181,062	119,438	1,394,813	4,597,490
Income Tax Expense	(1,831)	(1,963)	-	-	(18,146)	(7,058)	(10,845)	(6,053)	(29,736)	(28,353)	(1,809,659)	(1,542,758)
Loss after tax for the period from Discontinued Operations	-	-	-	-	-	-	-	-	(36,311)	-	(36,311)	-
<b>Profit / (Loss) for the period</b>	(13,658)	(34,597)	(78,227)	(121,356)	67,587	53,553	57,666	65,190	115,015	91,085	(451,157)	3,054,733

#### As at 30th September

### 15 Segment Assets and Liabilities

<b>Total Assets</b>	1,440,145	435,540	2,006,695	2,301,906	1,189,932	1,049,433	2,140,830	1,951,160	8,932,216	8,040,604	157,879,256	136,255,937
<b>Total Liabilities</b>	34,589	188,943	2,926,160	2,938,087	695,385	616,894	1,606,418	1,467,778	4,081,357	3,607,682	103,076,192	86,058,317
<b>16 Other Segment Information</b>												
Total cost incurred during the period to acquire Property, Plant & Equipment	775,539	208	2,774	73	714	3,342	718	464	244,978	61,554	2,793,877	760,308
Depreciation	1,282	63	2,004	1,798	6,800	7,588	1,548	757	84,142	78,436	855,749	725,402
provision for retirement benefit Liability	292	220	1,151	1,221	2,254	2,053	825	655	8,105	8,027	110,300	65,842

**VALLIBEL ONE PLC**  
**SHARE INFORMATION**

**1 Market prices of the shares for Period ended 30th September**

	<u>2016</u> Rs.	<u>2015</u> Rs.
Highest	22.40	26.70
Lowest	19.00	22.50
Closing	22.00	22.60

**2 Directors Shareholding**

Name	No of shares as at 30th September 2016	No of shares as at 30th September 2015
Mr. Dhammika Perera	689,726,471	689,726,471
Mr. W D N H Perera	Nil	Nil
Mr. J A S S Adhihetty	100,000	100,000
Mr. S H Amarasekera -Shares held in the following manner Pan Asia Banking Corporation PLC / Mr. S H Amarasekera	1,000,000	1,000,000
Ms. K Fernando	800,000	800,000
Mr. R N Asirwatham	800	800

**3 Twenty Major Shareholders as at 30th September 2016.**

	No of Shares	(%)
1 Mr. Dhammika Perera	689,726,471	63.478
2 Employees Provident Fund	101,549,200	9.346
3 Vallibel Investments (Private) Limited	91,966,451	8.464
4 Vallibel Leisure (Private) Limited	91,929,063	8.461
5 Bank of Ceylon A/c Ceybank Unit Trust	9,644,255	0.888
6 Mercantile Investments and Finance PLC	5,176,000	0.476
7 National Savings Bank	3,143,693	0.289
8 Mellon Bank N. A. -UPS Group Trust	2,800,000	0.258
9 Bank of Ceylon No. 1 Account	2,427,704	0.223
10 Merrill J Fernando & Sons (Pvt) Limited	2,299,000	0.212
11 Mr. K D A Perera	2,079,039	0.191
12 Mr. H R S Wijeratne	2,069,000	0.190
13 Mr. A M Weerasinghe	2,000,000	0.184
14 Wickramaratnes (Pvt) Limited	1,865,000	0.172
15 Employees Trust Fund Board	1,722,140	0.158
16 Hatton National Bank PLC/Sanka Ramoorthy Nadaraj Kumar	1,687,553	0.155
17 Prof M.T.A Furkhan	1,672,000	0.154
18 Mr A Sithampalam	1,567,000	0.144
19 Bartleet Asset Management (Pvt) Ltd	1,314,000	0.121
20 People's Leasing & Finance PLC/ L.P.Hapangama	1,203,700	0.111
	1,017,841,269	93.676
Others	68,718,084	6.324
Total	<b>1,086,559,353</b>	<b>100.000</b>

**4 Public Shareholding**

The percentage of shares held by the public as at 30th September 2016 was 19.252% comprising of 12,107 Share holders.

**VALLIBEL ONE PLC**  
**CORPORATE INFORMATION**

**Name of Company**

Vallibel One PLC

**Legal Form**

A Public Quoted Company with limited liability  
Incorporated under the provisions of the Companies Act, No. 07 of 2007.

**Date of Incorporation**

09 th June 2010

**Company Registration Number**

PB 3831 PQ

**Nature of the Business**

Diversified holding company with strategic investments.

**Board of Directors**

Mr. Dhammika Perera – Chairman / Managing Director  
Mr. W D N H Perera - Deputy Chairman  
Mr. S H Amarasekera  
Mr. J A S S Adhihetty  
Ms. K Fernando  
Mr. R N Asirwatham

**Head Office and Registered Office**

29, West Tower, World Trade Center  
Echelon Square, Colombo 01  
Telephone: 011 2445577  
Fax: 011 2441444

**Subsidiary Companies**

Royal Ceramics Lanka PLC  
L B Finance PLC  
Greener Water Limited  
Delmege Limited

**Associate Companies**

Sampath Bank PLC  
The Fortress Resorts PLC

**Company Secretaries**

P W Corporate Secretarial (Pvt) Ltd  
No.3/17,Kynsey Road,  
Colombo 08.  
Telephone: 011 4640360  
Fax: 011 4740588  
E-mail:pwcs@pwcs.lk

**Auditors**

Ernst & Young  
Chartered Accountants  
No.201, De Saram Place  
Colombo 10.

**Bankers**

Hatton National Bank PLC  
Pan Asia Banking corporation PLC  
Sampath Bank PLC