

VALLIBEL ONE PLC
INTERIM FINANCIAL STATEMENTS

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FOR THE SIX MONTHS PERIOD ENDED 30TH SEPTEMBER 2019

VALLIBEL ONE PLC
STATEMENT OF INCOME

For the period ended 30th September

| | Company | | | | | Group | | | | |
|--|-----------------|-----------------|--------------------|--------------------|---------------|------------------|------------------|--------------------|--------------------|---------------|
| | 2019 Quarter | 2018 Quarter | 2019 Cumulative | 2018 Cumulative | Variance % | 2019 Quarter | 2018 Quarter | 2019 Cumulative | 2018 Cumulative | Variance % |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | |
| Revenue | | | | | | | | | | |
| Revenue from contract with customers | - | - | - | - | - | 9,301,411 | 8,663,445 | 17,574,706 | 16,135,496 | 9 |
| Interest income | - | - | - | - | - | 8,019,278 | 7,215,682 | 15,745,062 | 14,084,092 | 12 |
| Total revenue | - | - | - | - | - | 17,320,688 | 15,879,127 | 33,319,768 | 30,219,588 | 10 |
| Cost of sales | - | - | - | - | - | (9,753,708) | (9,131,373) | (19,122,142) | (17,260,838) | (11) |
| Gross profit | - | - | - | - | - | 7,566,980 | 6,747,754 | 14,197,625 | 12,958,750 | 10 |
| Dividend income | 93,004 | - | 1,007,750 | 390,570 | 158 | 2,873 | 3,488 | 3,199 | 4,247 | (25) |
| Other operating income | 64,417 | 53,908 | 135,369 | 98,194 | 38 | 75,990 | 161,670 | 201,985 | 282,945 | (29) |
| Administrative expenses | (62,299) | (57,950) | (121,475) | (117,383) | (3) | (1,419,234) | (1,999,184) | (3,344,249) | (3,824,875) | 13 |
| Distribution expenses | - | - | - | - | - | (1,369,826) | (1,403,554) | (2,660,811) | (2,756,912) | 3 |
| Other operating expenses | - | (1,735) | - | (11,275) | 100 | (740,915) | (361,895) | (1,130,898) | (682,749) | (66) |
| Gold loan auction losses | - | - | - | - | - | (1) | 1,316 | (20) | 863 | 102 |
| Result from operating activities | 95,121 | (5,777) | 1,021,644 | 360,107 | 184 | 4,115,866 | 3,149,594 | 7,266,832 | 5,982,269 | 21 |
| Finance cost | (47,298) | (28,457) | (56,717) | (58,301) | 3 | (774,015) | (644,650) | (1,526,175) | (1,227,534) | (24) |
| Finance income | 1,153 | 14,969 | 2,594 | 35,567 | (93) | 20,596 | 38,743 | 50,012 | 90,950 | (45) |
| Net finance cost | (46,145) | (13,488) | (54,123) | (22,734) | (138) | (753,419) | (605,907) | (1,476,163) | (1,136,584) | (30) |
| Share of results of equity accounted investees | - | - | - | - | - | (6,413) | 1,928 | (11,791) | (1,109) | (963) |
| Profit before tax on financial services | 48,976 | (19,265) | 967,521 | 337,372 | 187 | 3,356,034 | 2,545,615 | 5,778,878 | 4,844,576 | 19 |
| Tax on financial services | - | - | - | - | - | (704,918) | (408,184) | (1,309,731) | (791,950) | (65) |
| Profit before tax | 48,976 | (19,265) | 967,521 | 337,372 | 187 | 2,651,116 | 2,137,430 | 4,469,147 | 4,052,626 | 10 |
| Income tax expense | 112 | (10,137) | (3,789) | (18,434) | 79 | (1,060,104) | (876,239) | (1,969,437) | (1,705,565) | (15) |
| Profit for the period from continuing operation | 49,088 | (29,402) | 963,732 | 318,938 | 202 | 1,591,012 | 1,261,192 | 2,499,709 | 2,347,061 | 7 |
| Discontinued Operation | | | | | | | | | | |
| Profit/(Loss)After tax for the period from discontinued operations | - | - | - | - | - | (408) | (3,526) | 667 | (7,119) | 109 |
| Net profit for the year | 49,088 | (29,402) | 963,732 | 318,938 | 202 | 1,590,604 | 1,257,665 | 2,500,377 | 2,339,942 | 7 |
| Attributable to : | | | | | | | | | | |
| Equity holders of the parent | 49,088 | (29,402) | 963,732 | 318,938 | 202 | 984,164 | 786,088 | 1,571,347 | 1,477,330 | 6 |
| Non - controlling interests | - | - | - | - | - | 606,440 | 471,577 | 929,029 | 862,612 | 8 |
| | 49,088 | (29,402) | 963,732 | 318,938 | 202 | 1,590,604 | 1,257,665 | 2,500,377 | 2,339,942 | 7 |
| Earnings Per Share (Rs.) | 0.05 | (0.03) | 0.89 | 0.29 | | 0.91 | 0.72 | 1.45 | 1.36 | |

VALLIBEL ONE PLC
STATEMENT OF COMPREHENSIVE INCOME

| For the period ended 30th September | Company | | | | | Group | | | | |
|--|-----------------|-----------------|--------------------|--------------------|---------------|-----------------|-----------------|--------------------|--------------------|---------------|
| | 2019 Quarter | 2018 Quarter | 2019 Cumulative | 2018 Cumulative | Variance % | 2019 Quarter | 2018 Quarter | 2019 Cumulative | 2018 Cumulative | Variance % |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | |
| Profit for the period | 49,088 | (29,402) | 963,732 | 318,938 | 202 | 1,590,604 | 1,257,665 | 2,500,377 | 2,339,942 | 7 |
| Other comprehensive income | | | | | | | | | | |
| Other comprehensive income to be reclassified to income statement in subsequent periods | | | | | | | | | | |
| Net gain/(loss) on available-for-sale financial assets | 787,139 | (2,526,524) | (647,813) | (2,027,815) | 68 | - | (2,530,365) | - | (2,042,051) | 100 |
| Exchange difference on translation of foreign operations | - | - | - | - | - | 6,676 | (2,562) | 8,136 | (12,422) | 165 |
| Other comprehensive income not to be reclassified to income statement in subsequent periods | | | | | | | | | | |
| Net gain/(loss) on equity instruments measured at fair value through OCI | - | - | - | - | - | 773,741 | - | (657,670) | - | 0 |
| Actuarial gain/(loss) on retirement benefit obligation – Net of tax | - | - | - | - | - | (2,493) | (8,314) | (4,987) | (16,627) | 70 |
| Other comprehensive income for the period, net of tax | 787,139 | (2,526,524) | (647,813) | (2,027,815) | 68 | 777,924 | (2,541,241) | (654,521) | (2,071,100) | 68 |
| Total comprehensive income for the period, net of tax | 836,226 | (2,555,926) | 315,919 | (1,708,877) | 118 | 2,368,528 | (1,283,576) | 1,845,854 | 268,842 | 587 |
| Total comprehensive income attributable to: | | | | | | | | | | |
| Equity holders of the parent | 836,226 | (2,555,926) | 315,919 | (1,708,877) | 118 | 1,765,594 | (1,749,591) | 919,790 | (577,422) | 259 |
| Non-controlling interests | - | - | - | - | - | 602,935 | 466,015 | 926,065 | 846,264 | 9 |
| | 836,226 | (2,555,926) | 315,919 | (1,708,877) | 118 | 2,368,528 | (1,283,576) | 1,845,854 | 268,842 | 587 |

VALLIBEL ONE PLC
STATEMENT OF CHANGES IN EQUITY- COMPANY

| For the quarter ended 30th September | Stated Capital Rs.'000 | Fair value Reserve Rs.'000 | Retained Earnings Rs.'000 | Total Rs.'000 |
|--|---------------------------|----------------------------------|---------------------------------|-------------------|
| Balance as at 01st April 2018 | 27,163,984 | 2,115,335 | 2,070,430 | 31,349,748 |
| Profit for the period | - | - | 318,938 | 318,938 |
| Other comprehensive income | - | (2,027,815) | - | (2,027,815) |
| Balance as at 30th September 2018 | <u>27,163,984</u> | <u>87,520</u> | <u>2,389,368</u> | <u>29,640,871</u> |
| Balance as at 01st April 2019 | 27,163,984 | (1,938,131) | 2,545,887 | 27,771,740 |
| Profit for the period | - | - | 963,732 | 963,732 |
| Other comprehensive income | - | (647,813) | - | (647,813) |
| Balance as at 30th September 2019 | <u>27,163,984</u> | <u>(2,585,944)</u> | <u>3,509,619</u> | <u>28,087,659</u> |

VALLIBEL ONE PLC
STATEMENT OF CHANGES IN EQUITY- GROUP

For the period ended 30th June 2019

| | Stated Capital | Treasury Shares | Statutory Reserve | Other Component of Equity | | | Revenue Reserve | | Shareholder's Fund | Non Controlling Interest | Total Equity |
|--|-------------------|--------------------|----------------------|---------------------------|--|------------------------|--------------------|----------------------|-----------------------|-----------------------------|-----------------|
| | | | | Fair Value Reserve | Foreign Currency Translation Reserve | Revaluation Reserve | General Reserve | Retained Earnings | | | |
| | | | | | | | | | | | |
| Balance as at 01st April 2018 | 27,163,984 | (44,112) | 3,067,091 | 2,134,671 | 7,073 | 3,851,714 | 578,449 | 11,132,043 | 47,890,914 | 20,571,539 | 68,462,453 |
| Profit for the period | - | - | - | - | - | - | - | 1,477,330 | 1,477,330 | 862,612 | 2,339,942 |
| Other comprehensive income | | | | | | | | | | | |
| Exchange difference on translation of foreign operations | - | - | - | - | (8,368) | - | - | - | (8,368) | (4,054) | (12,422) |
| Net gain/(loss) on available for sale financial assets | - | - | - | (2,037,078) | - | - | - | - | (2,037,078) | (4,973) | (2,042,051) |
| Actuarial Gain or loss (net of taxes) | - | - | - | - | - | - | - | (9,307) | (9,307) | (7,320) | (16,627) |
| Total other comprehensive income | - | - | - | (2,037,078) | (8,368) | - | - | (9,307) | (2,054,753) | (16,347) | (2,071,100) |
| Transfers | - | - | 478,047 | - | - | - | - | (478,047) | - | - | - |
| Write back of unclaimed dividends | - | - | - | - | - | - | - | 32,088 | 32,088 | (34,943) | (2,855) |
| Dividend paid | - | - | - | - | - | - | - | - | - | (284,561) | (284,561) |
| Balance as at 30th September 2018 | 27,163,984 | (44,112) | 3,545,138 | 97,593 | (1,295) | 3,851,714 | 578,449 | 12,154,107 | 47,345,578 | 21,098,301 | 68,443,879 |
| Balance as at 01st April 2019 | 27,163,984 | (44,112) | 4,078,023 | (1,937,658) | 20,468 | 4,488,588 | 578,449 | 13,991,027 | 48,338,769 | 23,154,639 | 71,493,407 |
| Profit for the period | - | - | - | - | - | - | - | 1,571,347 | 1,571,347 | 929,029 | 2,500,377 |
| Other comprehensive income | | | | | | | | | | | |
| Exchange difference on translation of foreign operations | - | - | - | - | 5,587 | - | - | - | 5,587 | 2,549 | 8,136 |
| Net Gain/(Loss) on equity instruments measured at FVOCI | - | - | - | (654,353) | - | - | - | - | (654,353) | (3,318) | (657,670) |
| Actuarial Gain or loss (net of taxes) | - | - | - | - | - | - | - | (2,791) | (2,791) | (2,196) | (4,987) |
| Total other comprehensive income | - | - | - | (654,353) | 5,587 | - | - | (2,791) | (651,557) | (2,965) | (654,522) |
| Transfers | - | - | 501,436 | - | - | - | - | (501,436) | - | - | - |
| Dividend paid | - | - | - | - | - | - | - | - | - | (590,381) | (590,381) |
| Balance as at 30th September 2019 | 27,163,984 | (44,112) | 4,579,459 | (2,592,011) | 26,055 | 4,488,588 | 578,449 | 15,058,147 | 49,258,559 | 23,490,322 | 72,748,881 |

VALLIBEL ONE PLC
CASH FLOW STATEMENT

| For the period ended | Company | | Group | |
|---|--------------------|------------------|--------------------|--------------------|
| | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net Profit/ (Loss) before taxation | 967,521 | 337,372 | 4,469,147 | 4,052,626 |
| Profit/ (Loss) Before tax from discontinued operations | - | - | 666 | (7,118) |
| ADJUSTMENTS FOR | | | | |
| Profit/(loss) on sale of property, plant and equipment | - | - | 53,736 | (6,431) |
| Depreciation | 7,830 | 4,998 | 1,183,064 | 1,033,849 |
| Provision/(reversal) for change in market value of the investments FVTPL assets | (14,744) | 11,275 | (490) | 42,847 |
| Change in fair value of biological assets | - | - | (3,439) | (4,766) |
| Impairment of loans | - | - | 447,829 | 594,109 |
| Amortisation | - | - | 45,216 | 43,652 |
| Withholding Tax Attributed to Fixed Deposits | - | - | (7,068) | (11,076) |
| Net Unrealised Gains/(Losses) Arising from Translating the Financial Statements of Foreign Operations | - | - | 8,136 | - |
| Capital grant amortisation | - | - | (3,400) | (4,168) |
| Lease hold right amortisation | - | - | 20 | (863) |
| Share of results of equity accounted investees | - | - | 11,791 | 1,109 |
| Gain/(loss) on foreign exchange | - | - | (39,328) | 56,297 |
| Provision for impairment of financial assets | - | - | - | - |
| Provision for employee benefit liabilities | 1,016 | 788 | 132,967 | 120,571 |
| Provision for inventory | - | - | 39,687 | 45,025 |
| Dividend income | - | - | (3,199) | (4,247) |
| Finance cost | 56,717 | 58,301 | 1,526,175 | 1,227,534 |
| Finance income | (2,594) | (35,567) | (50,012) | (90,950) |
| Operating profit before working capital changes | 1,015,746 | 377,167 | 7,811,497 | 7,087,999 |
| (Increase)/decrease in loans and advances | - | - | (5,365,744) | (2,079,159) |
| (Increase)/decrease in trade and other debtors, deposits and prepayments | - | - | 231,899 | 304,696 |
| (Increase)/decrease in other financial assets | - | - | (272,510) | (2,839,059) |
| (Increase)/decrease in lease rental receivable | - | - | 2,815,395 | (2,499,137) |
| (Increase)/decrease in other non-financial assets | 315 | 368,943 | 189,865 | (325,468) |
| (Increase)/decrease in right to use asset | - | - | (1,100,797) | - |
| Increase/(decrease) in due to banks | - | - | 3,645,241 | (4,866,096) |
| Increase/(decrease) in due to customers | - | - | 3,862,029 | 5,024,388 |
| Increase/(decrease) in trade and other payables | 760 | (1,981) | (839,084) | (1,454,668) |
| (Increase)/decrease in other non-financial liabilities | 180,871 | 3,942 | (246,043) | 937,874 |
| (Increase)/decrease in inventories | - | - | (1,358,243) | (2,226,058) |
| Increase/(decrease) in asset held for sale | - | - | 1,726 | 30,052 |
| Increase/(decrease) in Lease Liability on rent | - | - | 1,125,690 | - |
| (Increase)/decrease in amounts due from related companies | (17,156) | (506,501) | - | - |
| Cash generated from operations | 1,180,536 | 241,570 | 10,500,924 | (2,904,636) |
| Retirement benefits liabilities paid | - | - | (74,189) | (45,922) |
| Finance cost paid | (56,717) | (59,505) | (1,526,175) | (1,199,254) |
| Interest received | 2,594 | 68,243 | 50,012 | 62,053 |
| Taxes paid | (9,895) | (27,905) | (2,429,539) | (1,486,999) |
| Net Cash from operating activities | 1,116,518 | 222,403 | 6,521,032 | (5,574,759) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment | (7,093) | (13,122) | (1,835,868) | (3,727,813) |
| Proceeds from sale of property, plant and equipment | - | - | 12,409 | 9,227 |
| Acquisition of Consumable Biological Assets | - | - | (2,449) | (36,907) |
| Increase the stake of subsidiaries | - | (180,000) | - | - |
| Purchase of intangible assets | - | - | (35,716) | (3,373) |
| Net change available for sale financial assets | (1,810,038) | - | (1,809,446) | - |
| Net change FVTPL assets | - | - | - | (1,267) |
| Proceeds from leasehold right on mining | - | - | 32,008 | 13,413 |
| Acquisition of non-controlling interest | - | - | - | (2,855) |
| Dividend received | - | - | 27,564 | 4,247 |
| Net Cash used in investing activities | (1,817,131) | (193,122) | (3,611,497) | (3,745,328) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Net change in interest-bearing loans and borrowings | 1,000,000 | - | 1,783,547 | 8,269,231 |
| Capital grant received | - | - | 2,085 | 2,374 |
| Dividend paid | - | - | (727,948) | (284,561) |
| Net cash from/ (used in) financing activities | 1,000,000 | - | 1,057,683 | 7,987,044 |
| Net increase / (decrease) in cash & cash equivalents | 299,387 | 29,281 | 3,967,219 | (1,333,042) |
| Cash and cash equivalents at the beginning of the period | (284,754) | (53,405) | (741,560) | 3,243,894 |
| Cash and cash equivalents at the end of the period | 14,633 | (24,124) | 3,225,659 | 1,910,852 |

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 2019 is 1,086,559,353 (31st March 2019- 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 2019
- 5 The consolidated financial statements of the company for the period ended 30th September 2019 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

The Fortress Resorts PLC

6 Basis of Preparation

The consolidated and separate financial statements have been prepared in accordance with sri lanka accounting standards comprising SLFRS and LKAS as issued by the Institute of Chartered Accountants of Sri Lanka. Further these interim financial statements have been prepared in compliance with the requirements of LKAS 34 on 'Interim Financial Reporting'.

7 Significant Accounting Policies

The changes to accounting policies which have been disclosed in the company's annual report 2018/19, have been applied consistently to all periods presented in these Interim Financial Statements.

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

8 Related Party Transactions

| For the period ended 30th September | 2019 | 2018 |
|---|----------------|----------------|
| | Rs.'000 | Rs.'000 |
| Subsidiaries | | |
| Technical Fee - Income Recognized | 90,013 | 72,523 |
| Fund Transfers | - | 478,134 |
| Net Investment Through Equity Shares | - | 180,000 |
| Dividend Income | 987,773 | 370,593 |
| Associates | | |
| Dividend Income | 19,977 | 19,977 |
| Key management personnel (KMP) | | |
| Directors Remuneration | 5,596 | 5,596 |
| Companies controlled / jointly controlled / significantly influenced by KMP and their close family members | | |
| Investment in Fixed Deposits | 758,302 | 1,718,667 |
| Withdrawal of Fixed Deposits | 758,302 | 2,087,610 |
| Interest Income | 2,565 | 34,498 |
| Technical Fee - Income Recognized | 30,612 | - |
| Purchase of Goods & Services | 23 | 320 |
| Reimbursement of Operating Expenses Incurred on behalf of Company | 67 | 1,020 |

VALLIBEL ONE PLC
NOTES TO THE FINANCIAL STATEMENTS

9 Discontinued Operations

Delmege Coir (Private) Limited

During the year 2017/18, the Board of Directors of Delmege Limited took a decision to cease the operations of Delmege Coir (Private) Limited and to dispose of the assets thereof. Further, the company is available for immediate sale in its current condition and the actions to complete the sale were initiated. Delmege Forsyth & Co. (Exports) Ltd owns 60% and ESNA Exports (Pvt) Ltd owns 40% of Delmege Coir (Private) Limited and both shareholders are incorporated in Sri Lanka. It was engaged in the business of manufacturing and export of Coir. The results of Delmege Coir (Private) Limited for the year is presented below:

Ever Paint and Chemical Industries (Private) Limited ("EPCI")

During the year 2016/17, the Board of Directors of Royal Ceramics Lanka PLC took a decision to cease the operations of Ever Paint and Chemical Industries (Private) Limited ("EPCI") 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.

9.1 The results of Delmege Coir (Private) Limited and EPCI for the Period :

| | Delmege Coir (Private) Limited | | Ever Paint and Chemical Industries (Private) Limited ("EPCI") | |
|--|---------------------------------------|-------------------------|--|-------------------------|
| | 2019 Rs.'000 | 2018 Rs.'000 | 2019 Rs.'000 | 2018 Rs.'000 |
| Revenue | - | - | - | 3,562 |
| Cost of Sales | - | - | - | (5,127) |
| Gross Profit | - | - | - | (1,565) |
| Finance Income | 628 | - | - | - |
| Other Income and Gains | - | - | 1,074 | (14) |
| Selling and Distribution Costs | - | 105 | (700) | (1,055) |
| Administrative Expenses | - | (402) | (336) | (538) |
| Other Operating Expenses | - | (378) | - | - |
| Finance Cost | - | (1,022) | - | - |
| Profit / Loss for the Period from discontinued operations | 628 | (1,697) | 38 | (3,172) |
| Profit from discontinued operations (Group) for the Period ended 30th September 2019 | | | | 666 |

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

| | Delmege Coir (Private) Limited | | Ever Paint and Chemical Industries (Private) Limited | |
|---|---------------------------------------|-------------------------------|---|-------------------------------|
| | 30.09.2019 Rs.'000 | 30.09.2018 Rs.'000 | 30.09.2019 Rs.'000 | 30.09.2018 Rs.'000 |
| Assets | | | | |
| Property, Plant and Equipment | 786 | 26,666 | 36,722 | 44,773 |
| Inventories | 5,536 | 10,001 | - | 13,769 |
| Trade and Other Receivables | 2,266 | 2,266 | 14,771 | 6,898 |
| Cash and Cash Equivalents | 523 | 675 | 1,089 | 849 |
| Assets Held for Sale | 9,111 | 39,608 | 52,582 | 66,289 |
| Current Liabilities | | | | |
| Trade and Other Payables | (10,469) | (6,511) | (8,124) | (8,100) |
| Interest Bearing Loans & Borrowings | - | (5) | - | - |
| Retirement Benefit Liability | - | - | - | - |
| Liabilities Directly Associated with the Assets Held for Sale | (10,469) | (6,516) | (8,124) | (8,100) |
| Net Assets Directly Associated with Disposal Group | (1,358) | 33,092 | 44,458 | 58,189 |

VALLIBEL ONE PLC
NOTES TO THE FINANCIAL STATEMENTS

9 Discontinued Operations (Contd...)

9.3 The net cash flows incurred by Delmege Coir (Private) Limited and Ever Paint and Chemical Industries (Private) Limited are as follows:

| | Delmege Coir (Private) Limited | | Ever Paint and Chemical Industries (Private) Limited | |
|----------------------------------|---------------------------------------|-------------------|---|-------------------|
| | Period ended | | Period ended | |
| | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Operating | - | (771) | (1,989) | (5,203) |
| Investing | 628 | (745) | 1,074 | 471 |
| Financing | - | - | - | - |
| Net cash (outflow)/inflow | 628 | (1,516) | (915) | (4,732) |

Group

| | 30.09.2019 | 30.09.2018 |
|--|-------------------|-------------------|
| | Rs.'000 | Rs.'000 |
| Assets | | |
| Delmege Coir (Private) Limited | 9,111 | 39,608 |
| Ever Paint and Chemical Industries (Private) Limited | 52,582 | 66,289 |
| Delmege Interior Deco (Pvt) Ltd | - | 10,674 |
| | 61,692 | 116,571 |

Liabilities

| | | |
|--|-----------------|-----------------|
| Delmege Coir (Private) Limited | (10,469) | (6,516) |
| Ever Paint and Chemical Industries (Private) Limited | (8,124) | (8,276) |
| | (18,593) | (14,792) |

10 Greener Water Hotel Project

- One of the key milestones of the hotel project is being achieved with the completion of super structure of the main hotel building and the Mechanical, Electrical and Plumbing works together with Civil (Finishing works) are in progress in compliance to the revised project plan. Accordingly Facade Architectural works and construction of staff quarters are in progress.

- Utilization of IPO funds via Investing on Greener Water Hotel shares

| Detail | Objective | Amount raise as per Prospectus | Amount allocated from the Proceeds | % of Total Proceeds | Amount Utilized Rs. mn | % of Utilization againsts Allocation |
|-----------------------------------|---|---------------------------------------|---|----------------------------|-------------------------------|---|
| Initial Public Offer in June 2011 | To fund the Balance Capital Requirement of Greenerwater Ltd | 532.8 | 532.8 | 100% | 532.8 | 100% |

11 Events occurring After the Reporting Date

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

VALLIBEL ONE PLC

12 Operating Segment Information For the period ended 30th September

| | Lifestyle | | Finance | | Alluminium | | Plantation | | Leisure | |
|---|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenue | | | | | | | | | | |
| Sales to external customers | 11,122,430 | 10,543,047 | 15,745,062 | 14,084,092 | 1,509,609 | 1,381,158 | 851,907 | 927,382 | - | - |
| Intra group revenue | - | 539 | - | - | 47,552 | - | - | - | - | - |
| Total revenue | 11,122,430 | 10,543,586 | 15,745,062 | 14,084,092 | 1,557,160 | 1,381,158 | 851,907 | 927,382 | - | - |
| Results | | | | | | | | | | |
| Gross Profit | 4,322,274 | 4,162,417 | 8,853,824 | 7,802,696 | 250,501 | 269,143 | (179,055) | 12,993 | - | - |
| Dividend income | 943 | 786 | 6,645 | 7,669 | - | - | - | - | - | - |
| Other operating income | 84,100 | 158,888 | 64,376 | 76,278 | 4,514 | 4,227 | 6,840 | 9,509 | - | - |
| Administrative expenses | (678,183) | (715,025) | (2,157,637) | (2,482,238) | (41,730) | (106,386) | (74,799) | (60,094) | (22,225) | (19,596) |
| Distribution expenses | (2,130,841) | (2,181,795) | (279,200) | (260,879) | (112,739) | (119,890) | - | - | - | - |
| Other operating expenses | (20,817) | (32,564) | (1,084,355) | (616,186) | - | - | - | - | - | (101) |
| Finance cost | (942,483) | (675,974) | - | - | (169,498) | (130,473) | (62,786) | (55,877) | - | - |
| Finance income | 38,123 | 36,019 | - | - | - | - | - | - | 208 | 470 |
| Gold loan auction losses | - | - | (20) | 863 | - | - | - | - | - | - |
| Share of results of equity accounted investees | - | - | - | - | - | - | - | - | (11,791) | (1,109) |
| Profit before Tax on financial services | 673,117 | 752,752 | 5,403,633 | 4,528,203 | (68,951) | (83,379) | (309,801) | (93,469) | (33,809) | (20,336) |
| Tax on financial services | - | - | (1,309,731) | (791,950) | - | - | - | - | - | - |
| Profit / (Loss) before tax | 673,117 | 752,752 | 4,093,902 | 3,736,253 | (68,951) | (83,379) | (309,801) | (93,469) | (33,809) | (20,336) |
| Income tax expense | (220,779) | (320,081) | (1,567,122) | (1,340,097) | 13,790 | 17,487 | 16,839 | 5,229 | (38) | (86) |
| Profit/(Loss) after tax for the year from discontinued operations | - | - | - | - | - | - | - | - | - | - |
| Profit / (Loss) for the period | 452,338 | 432,671 | 2,526,780 | 2,396,156 | (55,161) | (65,892) | (292,962) | (88,240) | (33,846) | (20,422) |

As at 30th September

13 Segment Assets and Liabilities

| | | | | | | | | | | |
|--------------------------|------------|------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Assets | 50,680,995 | 42,851,547 | 144,234,000 | 130,273,734 | 4,139,252 | 4,163,963 | 3,317,711 | 3,669,815 | 6,495,195 | 5,275,804 |
| Total Liabilities | 31,536,300 | 24,836,456 | 123,795,305 | 113,117,207 | 2,979,560 | 2,901,420 | 2,634,270 | 2,393,804 | 1,540,618 | 1,009,669 |

14 Other Segment Information

Total cost incurred during the period to acquire

| | | | | | | | | | | |
|--|---------|-----------|---------|-----------|--------|---------|--------|--------|---------|---------|
| Property, Plant & Equipment | 687,634 | 1,452,619 | 604,299 | 1,277,112 | 13,871 | 171,555 | 5,995 | 4,261 | 500,279 | 593,128 |
| Depreciation & amortisation | 752,640 | 650,795 | 233,016 | 210,922 | 55,040 | 53,016 | 95,187 | 70,992 | 3,107 | 3,315 |
| Provision for retirement benefit Liability | 50,974 | 45,800 | 32,494 | 27,840 | 660 | 669 | 39,821 | 35,415 | 303 | 447 |

VALLIBEL ONE PLC

12 Operating Segment Information For the period ended 30th September

| | Consumer | | Investment | | Other | | Eliminations / Adjustments | | Group | |
|---|------------------|------------------|----------------|----------------|------------------|------------------|----------------------------|------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenue | | | | | | | | | | |
| Sales to external customers | 1,990,555 | 1,525,653 | - | - | 2,100,204 | 1,758,256 | (0.00) | - | 33,319,768 | 30,219,588 |
| Intra group revenue | - | 26,412 | - | - | 254,303 | 267,118 | (302,702) | (294,069) | - | - |
| Total revenue | 1,990,555 | 1,552,065 | - | - | 2,354,507 | 2,025,374 | (302,702) | (294,069) | 33,318,920 | 30,219,588 |
| Results | | | | | | | | | | |
| Gross Profit | 407,002 | 340,829 | - | - | 546,227 | 380,185 | (3,148) | (9,513) | 14,197,625 | 12,958,751 |
| Dividend income | - | - | 1,007,750 | 390,570 | - | - | (1,012,138) | (394,778) | 3,199 | 4,247 |
| Other operating income | 37,844 | 1,573 | 135,369 | 98,194 | 178,340 | 185,485 | (309,397) | (251,209) | 201,985 | 282,945 |
| Administrative expenses | (85,134) | (101,706) | (121,475) | (117,383) | (345,728) | (360,036) | 182,663 | 137,589 | (3,344,249) | (3,824,875) |
| Distribution expenses | (166,174) | (234,978) | - | - | (97,714) | (85,557) | 125,854 | 126,187 | (2,660,811) | (2,756,912) |
| Other operating expenses | - | - | - | (11,275) | (3,104) | - | (22,622) | (22,623) | (1,130,898) | (682,749) |
| Finance cost | (263,037) | (241,850) | (56,717) | (58,301) | (93,334) | (124,132) | 61,681 | 59,073 | (1,526,175) | (1,227,534) |
| Finance income | 21,993 | 24,984 | 2,594 | 35,567 | 45,178 | 54,967 | (58,084) | (61,057) | 50,012 | 90,950 |
| Gold loan auction losses | - | - | - | - | - | - | - | - | (20) | 863 |
| Share of results of equity accounted investees | - | - | - | - | - | - | - | - | (11,791) | (1,109) |
| Profit before Tax on financial services | (47,506) | (211,148) | 967,521 | 337,372 | 229,864 | 50,912 | (1,035,193) | (416,331) | 5,778,876 | 4,844,576 |
| Tax on financial services | - | - | - | - | - | - | - | - | (1,309,731) | (791,950) |
| Profit / (Loss) before tax | (47,506) | (211,148) | 967,521 | 337,372 | 229,864 | 50,912 | (1,035,193) | (416,331) | 4,469,145 | 4,052,626 |
| Income tax expense | - | (1,237) | (3,789) | (18,434) | (50,714) | (14,454) | (157,625) | (33,892) | (1,969,437) | (1,705,565) |
| Profit/(Loss) after tax for the year from discontinued operations | - | - | - | - | - | - | 667 | (7,118) | 667 | (7,118) |
| Profit / (Loss) for the period | (47,506) | (212,385) | 963,732 | 318,938 | 179,151 | 36,458 | (1,192,150) | (457,341) | 2,500,377 | 2,339,942 |

As at 30th September

13 Segment Assets and Liabilities

| | | | | | | | | | | |
|--------------------------|-----------|-----------|------------|------------|------------|-----------|--------------|--------------|-------------|-------------|
| Total Assets | 2,504,095 | 2,412,861 | 29,611,359 | 30,703,907 | 10,272,502 | 9,756,658 | (15,055,192) | (12,949,337) | 236,199,916 | 216,158,952 |
| Total Liabilities | 4,502,469 | 4,226,878 | 1,523,700 | 1,063,035 | 3,639,119 | 4,252,023 | (8,700,306) | (6,085,418) | 163,451,035 | 147,715,074 |

14 Other Segment Information

Total cost incurred during the period to acquire

| | | | | | | | | | | |
|--|-------|-------|-------|--------|--------|---------|--------|--------|-----------|-----------|
| Property, Plant & Equipment | 601 | 6,076 | 7,093 | 13,122 | 16,095 | 209,940 | - | - | 1,835,868 | 3,727,813 |
| Depreciation & amortisation | 4,171 | 3,327 | 7,830 | 4,998 | 54,668 | 57,514 | 22,622 | 22,622 | 1,228,280 | 1,077,501 |
| Provision for retirement benefit Liability | 997 | 1,647 | 1,016 | 788 | 6,703 | 7,965 | - | - | 132,967 | 120,571 |

VALLIBEL ONE PLC
SHARE INFORMATION

1 Market prices of the shares for quarter ended 30th September

| | <u>2019</u> Rs. | <u>2018</u> Rs. |
|---------|--------------------|--------------------|
| Highest | 17.60 | 21.50 |
| Lowest | 15.00 | 16.90 |
| Closing | 15.00 | 17.00 |

2 Directors Shareholding

| Name | No of shares as at 30th September 2019 | No of shares as at 30th September 2018 |
|--|--|--|
| Mr. Dhammika Perera | 689,726,471 | 689,726,471 |
| Mr. J A S S Adhietty | 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 The percentage of shares held by the public as at 30th September 2019 was 19.25% comprising of 10,972 Share holders.

⁴ The Float Adjusted Market Capitalization as at 30th September 2019 is Rs. 3,137,794,335/-

⁵ The Float adjusted market capitalization of the company falls under Option 1 of Rule 7.13.1(b) of the Listing Rules of the Colombo Stock Exchange and the company has complied with the minimum public holding requirement applicable under the said option.

6 Twenty Major Shareholders as at 30th September 2019.

| | 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 | 15,331,262 | 1.411 |
| 6 Mercantile Investments and Finance PLC | 5,150,250 | 0.474 |
| 7 National Savings Bank | 3,269,832 | 0.301 |
| 8 Mr. S.L.R.R. Premathilaka & Mis. A.R.N. Perera | 2,901,757 | 0.267 |
| 9 Mellon Bank N. A. -UPS Group Trust | 2,800,000 | 0.258 |
| 10 Hatton National Bank PLC/Sanka Ramoorthy Nadaraj Kumar | 2,663,607 | 0.245 |
| 11 Bank of Ceylon No. 1 Account | 2,427,704 | 0.223 |
| 12 Merrill J Fernando & Sons (Pvt) Limited | 2,299,000 | 0.212 |
| 13 Mr. K D A Perera | 2,079,039 | 0.191 |
| 14 Mr. H R S Wijeratne | 2,069,000 | 0.190 |
| 15 Mr. A M Weerasinghe | 2,000,000 | 0.184 |
| 16 Wickramaratnes (Pvt) Limited | 1,865,000 | 0.172 |
| 17 Employees Trust Fund Board | 1,722,140 | 0.158 |
| 18 Mr A Sithampalam | 1,567,000 | 0.144 |
| 19 Prof M.T.A Furkhan | 1,372,000 | 0.126 |
| 20 Bartleet Asset Management (Pvt) Ltd | 1,314,000 | 0.121 |
| | 1,026,002,776 | 94.427 |
| Others | 60,556,577 | 5.573 |
| Total | 1,086,559,353 | 100.000 |

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

Group Holding Company manages a portfolio of diversified business holdings

Board of Directors

Mr. Dhammika Perera – Chairman / Managing Director
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

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
Standard Chartered Bank Ltd
MCB Bank Limited