Business Beyond Borders

EXPOLANKA HOLDINGS PLC

INTERIM REPORT

Interim Financials – Q2 14/15

CEO Message

Dear Stakeholder,

Your Group recorded a revenue of Rs 12,917 million and a net profit of Rs. 158 million for the second quarter of the financial year 2014/15.
The recorded Net Profit attributable to Equity holders of the Group was Rs. 134 million in comparison to the Rs. 342 million recorded during the corresponding period last year. Market pressure and the heavy strategic investments in key areas of our core business Freight & Logistics contributed to the drop in growth. We are positive that the investments in warehousing, logistics, inland transport operations and fresh talent will pave the way to take the Group to the next level.
In view of the ongoing strategic integration of freight and logistics services as well as the planned restructure of several businesses in the International Trading and Manufacturing sector, a positive shift is expected.

Freight & Logistics Sector

Our core sector Freight and Logistics posted a year to date revenue of Rs. 18,103 million, recording a drop in net profit of 40 percent due to start-up losses in the logistics sector.

The North American trade lane recorded a volume contraction mainly driven by harsh weather conditions experienced in the region. Excess demand for carrier space across markets caused a yield contraction contributing to the overall drop. The increase in the terminal handling charges affected the margins of Sea Freight in Sri Lanka.

Despite the volume growth, the Indian market has recorded a drop in yields due to market pressure. However, we have succeeded in containing excessive cost in India. Cost increase in Air Freight due to heavy demand caused a yield contraction in the Sri Lankan market.

Nevertheless, the growth in trade volume across Europe and the growth in the Intra-Asia region bodes well for the future prospects of the sector. Indonesia performed exceptionally well while the performance in China revealed a healthy growth.

Your Group will focus more on optimizing freight business and improving efficiency to aim for sustainable growth in future. We have adopted a solution to integrate freight and logistics services to meet the supply chain demands with a more strategic focus on customer needs. We are positive that the changes will contribute to sustainable growth and profitability in the future.

Travel & Leisure Sector

Travel and Leisure sector recorded a year to date revenue of Rs 1,244 million with an increase of 9 percent in comparison to the corresponding period of last year. The net profit of the sector grew by 10 percent.

Our core business continues to perform positively, maintaining its position as one of Sri Lanka's leading travel companies, whilst our Destination Management segment has been able to consolidate its position following a focused and planned restructure in its operations.

Our continued efforts will be directed towards growth and consolidation of our position as a leading operator in both in-bound and outbound markets in the region.

International Trading & Manufacturing Sector

International Trading & Manufacturing sector recorded a year to date revenue of Rs. 5,526 million whilst posting a net profit drop of 29 percent.

The Tea subsector was negatively affected by the continued unrest in the Middle East which is the largest market for business and this has considerably impacted the sector financials. The company is currently adopting a low risk strategy given the current context in these markets.

This sector is currently under review for restructuring as well as possible divestments of underperforming businesses.

In the current business year, we will concentrate on business integration and long term stability. These will be supported by the measures that have already been taken in the past months such as the Group restructure, more stringent cost management and process optimization in working capital.

Hanif Yusoof
Group CEO

30 October 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Un-Audited 30.09.2014	31.03.2014 Restated
ASSETS		
Non-current Assets		
Property, Plant and Equipment	3,675,322,788	3,666,387,194
Intangible Assets	466,092,924	468,128,945
Investment in Associate	360,310,025	157,320,923
Other Financial Assets	347,401,861	521,744,718
Deferred Tax Assets	43,400,612	45,879,011
	4,892,528,210	4,859,460,791
Current Assets		
Inventories	895,441,736	766,833,231
Trade and Other Receivables	11,639,688,211	11,731,884,841
Prepayments	1,301,326,078	1,262,833,347
Other Financial Assets	602,269,473	733,546,867
Income Tax Recoverable	34,588,315	38,351,849
Cash and Cash Equivalents	2,034,379,681	2,473,838,926
	16,507,693,494	17,007,289,061
Total Assets	21,400,221,704	21,866,749,852
	-	
EQUITY AND LIABILITIES		
Stated Capital	4,097,985,000	4,097,985,000
Reserves	2,411,033	36,331,767
Retained Earnings	6,009,260,610	5,702,140,799
Equity Attributable to Equity Holders of Parent	10,109,656,643	9,836,457,566
Non-controlling Interest	973,391,623	928,940,756
Total Equity	11,083,048,266	10,765,398,322
Non-current liabilities		
Financing and Lease (Ijara) Payables	1,141,466,053	1,177,647,991
Deferred Income Tax liabilities	46,600,324	51,742,363
Retirement Benefit Obligation	283,714,366	266,499,361
	1,471,780,743	1,495,889,715
Current liabilities		
Financing and Lease (Ijara) Payables	1,535,277,621	1,522,960,467
Trade and Other Payables	7,063,148,371	7,769,009,462
Income Tax liabilities	246,966,703	313,491,886
	8,845,392,695	9,605,461,815
Total Equity and liabilities	21,400,221,704	21,866,749,852
Net asset per share	5.17	5.03

These financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

[SIGNED]

Mushtaq Ahamed
Director - Group Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by,

[SIGNED]

Hanif Yusoof
Director

[SIGNED]

Sanjay Kulatunga
Director

30 October 2014

CONSOLIDATED INCOME STATEMENT

	Quarter ended 30 September			Six months ended 30 September		
	Un-Audited 2014	Un-Audited 2013 Restated	Change %	Un-Audited 2014	Un-Audited 2013 Restated	Change %
Revenue	12,917,026,741	14,565,524,510	(11.32)	25,304,549,685	28,062,602,726	(9.83)
Cost of sales	(10,889,169,594)	(12,246,881,699)	(11.09)	(21,193,646,664)	(23,697,980,149)	(10.57)
Gross profit	2,027,857,147	2,318,642,812	(12.54)	4,110,903,021	4,364,622,578	(5.81)
Other income and gains	138,523,782	93,404,459	48.31	233,883,464	311,082,744	(24.82)
Administrative expenses	(1,622,720,681)	(1,583,380,959)	2.48	(3,427,230,152)	(3,239,863,533)	5.78
Selling and distribution cost	(262,037,780)	(260,114,968)	0.74	(376,275,017)	(375,214,997)	0.28
Finance cost	(44,508,204)	(41,363,434)	7.60	(83,343,022)	(90,802,478)	(8.22)
Finance income	-	-				
Share of results from equity accounted investees	(2,594,924)	13,596,962	(119.08)	9,011,794	27,945,054	(67.75)
Profit before tax	234,519,340	540,784,872	(56.63)	466,950,089	997,769,368	(53.20)
Income tax expense	(76,747,808)	(138,810,198)	(44.71)	(114,909,407)	(226,600,036)	(49.29)
Profit for the period	157,771,531	401,974,674	(60.75)	352,040,682	771,169,332	(54.35)
Attributable to:						
Equity holders of the parent	134,035,202	342,290,774	(60.84)	307,119,813	665,358,829	(53.84)
Non- Controlling Interest	23,736,329	59,683,900	(60.23)	44,920,869	105,810,503	(57.55)
	157,771,531	401,974,674		352,040,682	771,169,332	
Basic earnings per share	0.07	0.18		0.16	0.34	
Dividend per share					0.12	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 September		Six months ended 30 September	
	Un-Audited 2014 Rs.	Un-Audited 2013 Restated Rs.	Un-Audited 2014 Rs.	Un-Audited 2013 Restated Rs.
Profit for the year	157,771,531	401,974,674	352,040,682	771,169,332
	-	-		
Other comprehensive income				
Net Exchange differences on translation of foreign operations	(50,750,419)	654,974	(60,286,146)	(44,549,179)
Net (loss)/gain on available-for-sale financial assets	5,273,082	-	26,365,412	
Other comprehensive income for the year, net of tax	(45,477,337)	654,974	(33,920,735)	(44,549,179)
Total comprehensive income for the year, net of tax	112,294,195	402,629,648	318,119,947	726,620,153
Attributable to:				
Owners of the Parent	88,557,865	342,945,748	273,199,079	620,809,650
Non-controlling Interest	23,736,329	59,683,900	44,920,869	105,810,503
	112,294,195	402,629,648	318,119,947	726,620,153

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th September	Un-Audited 2014	Un-Audited 2013 Restated
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before Income Tax Expenses	466,950,089	997,769,368
Adjustments for,		
Depreciation	205,477,464	166,355,691
Income from Investments	(4,954,743)	(8,275,167)
Profit on Sale of Property, Plant and Equipment	(7,682,137)	(7,749,386)
Profit on Sale of Subsidiaries		(50,443,029)
Change in the value of investments	(36,112,402)	
Finance Cost	83,343,022	90,802,478
Profit share of investment in associates	(9,011,794)	(27,945,054)
Provision for Bad and Doubtful Debtors	28,015,893	39,183,322
Provision for Defined Benefit Plans	30,660,294	36,305,284
Operating Profit / (Loss) before Working Capital Changes	756,685,685	1,236,003,507
(Increase)/Decrease in Inventories	(128,608,505)	(90,805,028)
(Increase)/Decrease in Trade and Other Receivables	100,723,321	(335,721,098)
(Increase)/Decrease in Prepayments	(38,492,731)	226,377,302
Increase/(Decrease) in Other Payables	(146,169,085)	443,910,634
Increase/ (Decrease) in Trade and Other Payables	(559,692,007)	(1,237,171,124)
Net change in working capital due to Group structure change		(15,241,674)
Cash Generated from Operations	(15,553,322)	227,352,520
Finance Cost paid	(83,343,022)	(90,802,478)
Income Tax Paid	(180,334,695)	(226,600,036)
Defined Benefit Plan Costs paid	(13,445,289)	(4,619,939)
Net Cash From / (Used in) Operating Activities	(292,676,328)	(94,669,933)
Cash Flows From / (Used in) Investing Activities		
Investment Income Received	4,911,696	8,275,167
Acquisition of Property, Plant and Equipment	(241,194,438)	(427,315,665)
Net other current Investments	167,389,796	52,958,281
Net other non current investments	4,208,269	5,624,571
Dividend Income from Associates	2,522,692	3,672,057
Net Acquisition of Subsidiaries		(4,007,191)
Proceeds from Sale of Subsidiaries		60,000,000
Net Cash Flows Used in Investing Activities	(62,161,985)	(300,792,781)
Cash Flows From / (Used in) Financing Activities		
Net Proceeds From Financing and Lease (Ijara)	11,029,025	501,847,877
Dividends Paid to Minority Share holders	(470,001)	(35,757,090)
Dividends Paid to Parent Company Share Holders		(234,589,800)
Net Cash Flows From / (Used in) Financing Activities	10,559,023	231,500,987
Effect of Exchange Rate Changes	(60,286,146)	(44,549,179)
Net Increase / (Decrease) in Cash and Cash Equivalents	(404,565,436)	(208,510,907)
Cash and Cash Equivalents at the beginning of the year	1,736,122,870	1,542,049,686
Cash and Cash Equivalents at the end of the year	1,331,557,434	1,333,538,779

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Available for sale Reserve Rs.	Foreign Currency Translation Reserve Rs.	Retained Earnings Rs.	Total Rs.	Non-controlling Interest Rs.	Total Equity Rs.
As at 1 April 2014	4,097,985,000	(36,075,380)	72,407,147	5,702,140,798	9,836,457,565	928,940,756	10,765,398,321
Profit for the year	-			307,119,813	307,119,813	44,920,869	352,040,682
Other comprehensive income	-	26,365,412	(60,286,146)		(33,920,735)		(33,920,735)
Total comprehensive income	-	26,365,412	(60,286,146)	307,119,813	273,199,079	44,920,869	318,119,947
Subsidiary dividend to non-controlling interest					-	(470,001)	(470,001)
As at 30 Sep 2014	4,097,985,000	(9,709,968)	12,121,001	6,009,260,610	10,109,656,643	973,391,623	11,083,048,266
As at 1 April 2013	4,097,985,000	(24,926,370)	98,220,932	4,910,155,367	9,081,434,930	1,155,563,970	10,236,998,900
Profit for the year				665,358,829	665,358,829	105,810,503	771,169,332
Other comprehensive income		-	(44,549,179)		(44,549,179)		(44,549,179)
Total comprehensive income	-	-	(44,549,179)	665,358,829	620,809,650	105,810,503	726,620,153
Interim Dividend paid for 2013-14				(234,589,800)	(234,589,800)		(234,589,800)
Subsidiary dividend to non-controlling interest					-	(35,757,090)	(35,757,090)
Changes in holdings during the year				(1,660,290)	(1,660,290)	(8,031,604)	(9,691,894)
As at 30th Sep 2013	4,097,985,000	(24,926,370)	53,671,753	5,339,264,106	9,465,994,490	1,217,585,779	10,683,580,269

COMPANY STATEMENT OF FINANCIAL POSITION

As at	Unaudited 30.09.2014	Unaudited 31.03.2014
ASSETS		
Non-current assets		
Property, plant and equipment	52,940,416	67,575,742
Intangible assets	-	0
Investments in subsidiaries	4,045,287,028	3,983,370,778
Investment in associate	43,990,000	43,990,000
Other investments	230,685,558	208,683,145
	4,372,903,002	4,303,619,665
Current assets		
Trade and other receivables	742,579,132	730,630,813
Prepayments	21,148,133	24,856,104
Other Financial assets	977,797,944	1,077,718,440
Other investments	-	-
Cash and cash equivalents	218,320,468	285,828,961
	1,959,845,677	2,119,034,318
Total Assets	6,332,748,679	6,422,653,983
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent		
Stated capital	4,097,985,000	4,097,985,000
Reserves	(9,709,968)	(36,075,380)
Retained earnings/ (losses)	1,850,171,776	1,882,219,329
Total equity	5,938,446,808	5,944,128,949
Non-current liabilities		
Financing and lease (ijara) payables	329,198,121	392,255,482
Retirement benefit obligation	11,773,960	12,589,155
	340,972,082	404,844,637
Current liabilities		
Financing and lease (ijara) payables	4,503,718	4,180,564
Trade and other payables	48,826,072	69,499,833
Income Tax Liabilities		-
	53,329,789	73,680,397
Total equity and liabilities	6,332,748,679	6,422,653,983
Net asset per share	3.04	3.04

These financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

[SIGNED]
.....
Mushtaq Ahamed
Director - Group Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the Board by,

[SIGNED]
.....
Hanif Yusoof
Director

[SIGNED]
.....
Sanjay Kulatunga
Director

30 October 2014

COMPANY INCOME STATEMENT

	Quarter ended 30 September			Six months ended 30 September		
	(Unaudited) 2014	(Unaudited) 2013	Change %	(Unaudited) 2014	(Unaudited) 2013	Change %
Revenue	32,128,403	30,120,119	6.67	64,425,920	60,240,213	6.95
Other income and gains	51,213,562	67,518,353	(24.15)	113,626,736	110,833,170	2.52
Administrative expenses	(93,508,983)	(79,171,577)	18.11	(202,606,433)	(166,456,556)	21.72
Selling and distribution costs	(4,440,819)	(1,275,876)	248.06	(6,300,358)	(5,059,470)	24.53
Finance cost	(571,089)	(775,889)	(26.40)	(1,193,417)	(1,603,016)	(25.55)
Profit before tax	(15,178,926)	16,415,130	(192.47)	(32,047,553)	(2,045,659)	1,466.61
Income tax expense	-	-		-	-	
Profit for the period	(15,178,926)	16,415,130	(192.47)	(32,047,553)	(2,045,659)	1,466.61
Dividend per share					0.12	

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 September		Six months ended 30 September	
	(Un audited) 2014	(Un audited) 2013	(Un audited) 2014	(Un audited) 2013
Profit for the period	(15,178,926)	16,415,130	(32,047,553)	(2,045,659)
Other comprehensive income				
Net Exchange differences on translation of foreign operations				
Net (loss)/gain on available-for-sale financial assets	5,273,082	-	26,365,412	-
Actuarial gains and (losses) on defined benefit plans				
Income tax effect	-	-	-	-
	-	-	-	-
Revaluation of land and buildings	-	-	-	-
Income tax effect	-	-	-	-
	-	-	-	-
Other comprehensive income for the year, net of tax	5,273,082	-	26,365,412	-
Total comprehensive income for the year, net of tax	(9,905,844)	16,415,130	(5,682,142)	(2,045,659)

The accounting policies and notes on pages 6 through 37 form an integral part of the financial statements.

COMPANY STATEMENT OF CASH FLOW

For the six months ended 30th September	Unaudited 2014	Unaudited 2013
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before income tax expenses	(32,047,553)	(2,045,659)
Adjustments for,		
Depreciation	11,844,511	13,741,636
Income from investments	(24,584,617)	(7,887,114)
Profit on sale of Property, Plant & Equipment	(5,764,548)	
Profit on sale of Subsidiaries		(9,000,000)
Profit on sale of Investments	(3,054,100)	
Change in the value of investments	(36,112,402)	-
Finance cost	1,193,417	1,603,016
Provision for defined benefit plans	2,031,180	1,681,320
Operating profit / (loss) before working capital changes	(86,494,112)	(1,906,801)
(Increase)/Decrease in trade and other receivables	19,716,674	238,031,446
(Increase)/Decrease in Prepayments	(11,948,319)	10,934,583
Increase/(Decrease) in trade and other payables	(20,673,761)	31,096,353
Cash generated from / (used in) operations	(99,399,519)	278,155,580
Finance cost paid	(1,193,417)	(1,603,016)
Defined benefit plan costs paid	(2,846,375)	(968,846)
Net cash from / (used in) operating activities	(103,439,310)	275,583,718
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Investment income received	8,575,914	2,841,760
Acquisition of property, plant and equipment	(3,397,224)	(20,829,840)
Proceeds from Sale of Property, Plant and Equipment	11,952,586	
Net other non current investments	7,417,100	
Net Other current Investment		47,505,000
Net Acquisition of Subsidiaries	(61,916,250)	
Net proceeds from sale of Subsidiaries		9,000,000
Net proceeds from treasury investments	136,032,899	
Net cash flows from / (used in) investing activities	98,665,026	38,516,920
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Dividend Paid		(234,589,800)
Net proceeds from financing and lease (ijara)	(2,010,104)	17,840,124
Net cash flows from / (used in) financing activities	(2,010,104)	(216,749,676)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,784,389)	97,350,962
CASH AND CASH EQUIVALENTS AT THE BEGINNING	(95,538,656)	(346,622,505)
CASH AND CASH EQUIVALENTS AT THE END	(102,323,045)	(249,271,543)

COMPANY STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital Rs.	Available for sale Reserve Rs.	Retained Earnings Rs.	Total Rs.
As at 1 April 2014	4,097,985,000	(36,075,380)	1,882,219,329	5,944,128,950
Profit for the period	-	-	(32,047,553)	(32,047,553)
Other comprehensive income	-	26,365,412	-	26,365,412
Total comprehensive income	-	26,365,412	(32,047,553)	(5,682,142)
Interim Dividends paid for 2014	-	-	-	-
As at 30 September 2014	4,097,985,000	(9,709,968)	1,850,171,776	5,938,446,808
As at 1 April 2013	4,097,985,000	(20,256,133)	1,543,916,936	5,621,645,803
Profit for the period	-	-	(2,045,659)	(2,045,659)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(2,045,659)	(2,045,659)
Interim Dividend paid for 2013	-	-	(234,589,800)	(234,589,800)
As at 30 September 2013	4,097,985,000	(20,256,133)	1,307,281,477	5,385,010,344

SEGMENT ANALYSIS OF REVENUE AND PROFIT

Freight & Logistics

Six Months ended 30th Sepember	Un-Audited 2014	Un-Audited 2013 Restated	Change %
Revenue	18,103,249,843	17,731,352,647	2
Earnings Before Interest and Tax	503,896,713	854,342,198	(41)
Profit before tax	467,187,245	818,873,989	(43)
Profit for the period	378,481,480	633,739,984	(40)

International Trading & Manufacturing

Six Months ended 30th Sepember	Un-Audited 2014	Un-Audited 2013 Restated	Change %
Revenue	5,525,762,469	8,348,779,053	(34)
Earnings Before Interest and Tax	108,344,151	142,028,939	(24)
Profit before tax	68,049,232	98,416,492	(31)
Profit for the period	61,270,508	86,003,312	(29)

Travel & Leisure

Six Months ended 30th Sepember	Un-Audited 2014	Un-Audited 2013 Restated	Change %
Revenue	1,243,554,535	1,146,109,300	9
Earnings Before Interest and Tax	80,079,762	77,056,013	4
Profit before tax	75,519,416	68,763,797	10
Profit for the period	68,031,834	61,684,587	10

Investments and Services

Six Months ended 30th Sepember	Un-Audited 2014	Un-Audited 2013 Restated	Change %
Revenue	431,982,838	836,361,726	(48)
Earnings Before Interest and Tax	(142,027,515)	15,144,696	(1,038)
Profit before tax	(143,805,805)	11,715,092	(1,328)
Profit for the period	(155,743,140)	(10,258,550)	1,418

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Expolanka Holdings PLC is a public limited Company incorporated and domiciled in Sri Lanka and ordinary shares of the Company are listed on the Colombo Stock Exchange. The interim financial statements of the Group and the Company for the three months ended 30 September 2014 were authorized for issue by the Board of Directors on 30 October 2014.

2. Basis for preparation

The condensed interim financial statements of Expolanka Holdings PLC are for the three months ended 30 September 2014. They have been prepared in accordance with LKAS 34, Interim Financial Reporting.

3. Changes to the accounting policies to these financial statements

The Accounting policies are in line with the policies published in the annual Financial Statements for the year ended 31 March 2014 other than mentioned in Note – 4.

4. Subsequent changes to the accounting policies

SLFRS 10 - Consolidated Financial Statements

SLFRS 10 establishes a single control model that applies to all entities including special purpose entities. SLFRS 10 replaces the parts of previously existing LKAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. SLFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in SLFRS 10, all three criteria must be met, they include:

(a) an investor has power over an investee;
(b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and
(c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

SLFRS 10 has had no impact on the consolidation of investments held by the Group.

SLFRS 11 - Joint Arrangements

SLFRS 11 replaces LKAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by venturers. SLFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under SLFRS 11 must be accounted for using the equity method. The application of this new standard impacts the financial position of the Group by replacing proportionate consolidation of the joint ventures with the equity method of accounting. SLFRS 11 is effective for annual periods beginning on or after 01 January 2014. The effect of SLFRS 11 is described in more detail in Note 4.1 which includes quantification of the effect on the financial statements.

SLFRS 12 - Disclosure of Interests in Other Entities

SLFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable to the interim condensed consolidated financial statements, unless significant events and transactions in the interim period require that they are disclosed. Accordingly, the Group has not made any such disclosures.

SLFRS 13 - Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS when fair value is required or permitted. The application of SLFRS 13 has not materially impacted the fair value measurements carried out by the Group.

4.1 Share of Investments in Associates and a Joint Venture

Transition to SLFRS 11 - Interest in a joint venture

The Group has 50% interest in 05 GSA companies in Bangladesh. These jointly controlled entities were namely Wings Classic Tours & Travels Ltd, Freight Care Aviation Services Ltd, Airline Cargo Resources Ltd, Cross Freight Lines Ltd & Airline Service Limited. Prior to SLFRS 11 these companies were classified as a jointly controlled entities and the group's share of the assets, liabilities, revenue, income and expenses were proportionately consolidated in the consolidated financial statements. Upon adoption of SLFRS 11, the Group has consolidated its interests in these entities using the equity method as required and accordingly the comparatives have been restated. The effect of applying SLFRS 11 for the comparatives period is as follows:

NOTES TO THE FINANCIAL STATEMENTS

Impact on the income statement	For the six months ended 30 Sep 2014
Decrease in the reported revenue	(646,547,358)
Decrease in the cost of sales	595,786,570
Decrease in gross profit	(50,760,788)
Decrease in other income	(7,323,145)
Decrease in administration expense	25,602,656
Decrease in Selling and distribution expense	2,840,803
Decrease in earning before interest and tax	(29,640,474)
Decrease in finance cost	360,175
Increase in share of profits on joint venture	17,988,338
Decrease in profit before tax	(11,291,960)
Decrease in income tax expense	11,291,960
Net impact on profit after tax	0

Impact on the statement of financial position	As at 31st Mar 2014
Increase in net investment in joint venture (non-current)	61,957,113
Decrease in inventories and trade & other receivables (current)	(326,276,639)
Decrease in property, plant and equipment (non-current)	(32,712,766)
Decrease in trade and other payable (current)	297,032,292
Net impact on equity	0

There is no material impact on interim condensed consolidated statement of cash flow or the basic and diluted EPS.

5. Share Information

5.1 Public share holding

The percentage of shares held by the public as at 30 September 2014 was 32.70%.

Issued Share Capital as at 30th September 2014	1,954,915,000
Parent Company	1,005,349,680
Subsidiaries or Associate Companies of Parent	0
Subsidiaries or Associate Companies	0
Directors shareholding	310,213,363
Key Management Personnel	0
Spouses & Children under 18 of Directors	7,000
Chief Executive Officer's Shareholding(included in Directors shareholding)	0
CEO's Spouse & Children(included in Spouses & Children under 18 of Directors)	0
Public Holding	639,344,957
Public Holding as a % of Issued Share Capital	**32.70%**
Total No. of Shareholders representing the Public Holding as at 30 September 2014	**7,134**

5.2 Directors share holdings

The number of shares held by the Board of Director as at 30 September 2014 is as follows;

As at 30 Sep 2014	No of Shares
N. Kondo	Nil
Hanif Yusoof	147,021,464
Osman Kassim	163,191,899
Harsha Amarasekera	Nil
Sanjay Kulatunga	Nil
N. Kawasaki	Nil
Y. Matsubara	Nil
M. Matzusono	Nil
T. Shiho	Nil

5.3 Twenty largest shareholders of the Company are as follows;

	Name of Shareholder	As at 30 Sep 14	%	As at 30 Jun 14	%
1	SG Holdings Global PTE.LTD	1,005,349,680	51.43%	1,005,349,680	51.43%
2	Sattar Kassim	165,723,376	8.48%	165,650,399	8.47%
3	Osman Kassim	163,191,899	8.35%	163,191,899	8.35%
4	Shafik Kassim	163,191,899	8.35%	163,191,899	8.35%
5	Farook Kassim	160,741,899	8.22%	160,741,899	8.22%
6	Hanif Yusoof	147,021,464	7.52%	147,021,464	7.52%
7	HSBC INTL NOM LTD-SSBT-WASATCH International Opportunities Fund	42,897,800	2.19%	50,027,740	2.56%
8	Janashakthi Insurance PLC (Share Holders)	10,038,263	0.51%	10,038,263	0.51%
9	Watapota Investments PLC	6,845,150	0.35%	6,845,150	0.35%
10	HSBC INTL NOM LTD-BBH-GRANDEUR PEAK Emerging Markets Opportunities Fund	3,986,802	0.20%	-	0.00%
11	Janashakthi Insurance PLC (Policy Holders)	3,780,100	0.19%	3,780,100	0.19%
12	Seylan Bank PLC/ARC Capital (Pvt) Ltd	3,663,233	0.19%	9,562,141	0.49%
13	Employees Trust Fund Board	3,486,700	0.18%	3,486,700	0.18%
14	HSBC INTL NOM LTD-BBH-GRANDEUR PEAK GLOBAL REACH Fund	1,989,027	0.10%	-	0.00%
15	AWIS Holdings (Private) Limited	1,887,457	0.10%	-	0.00%
16	Pusparaj Nadesapillai	1,455,900	0.07%	1,401,500	0.07%
17	Risvi Abdul Majeed Mohamedu	1,200,000	0.06%	1,200,000	0.06%
18	Salahudeen Muhammad Muslim	1,171,600	0.06%	1,171,600	0.06%
19	Weerasinghe Amarakoon Mudiyanselage	1,156,966	0.06%	180,000	0.01%
20	Shiraz Hussein	1,140,000	0.06%	1,140,000	0.06%

5.4. Stated capital

Stated capital is represented by the number of shares in issue as given below;

As at	30 Sep 2014	30 June 2014
Ordinary shares	1,954,915,000	1,954,915,000

5.5. Earnings per share

Earnings per share have been calculated for all periods based on the number of shares in issue as at the end of each period.

5.6. Market price per share

For the three months ended 30 September 2014	Rs
Highest	10.20
Lowest	9.10
Last Traded	9.80

6. Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies, capital and other commitments, which were disclosed in the Annual Report for the year ended 31 March 2014.

CORPORATE INFORMATION

Name of Company

Expolanka Holdings PLC

Legal Form

The Company is a Public Limited Liability Company. Incorporated in Sri Lanka on 05th March 2003 as a Private Limited Liability Company under the Companies Act No. 17 of 1982 and re-registered on 11th November 2008 as a Public Limited Liability Company under the Companies Act No 07 of 2007. Currently ordinary shares have been listed on the Colombo Stock Exchange

Company Registration Number

P B 744

Board of Directors

Nobuaki Kondo	– Chairman
Hanif Yusoof	– Chief Executive Officer
Osman Kassim	
Harsha Amarasekera	
Sanjay Kulatunga	
Naosuke Kawasaki	
Yoshifumi Matsubara	
Motonori Matzusono	
Toji Shiho	

Registered office of the Company

10, Milepost Avenue,
Colombo 03
Sri Lanka

Audit Committee

Sanjay Kulatunga	– Chairman
Harsha Amarasekera	

Remuneration Committee

Harsha Amarasekera	– Chairman
Sanjay Kulatunga	

CORPORATE INFORMATION

Contact Details

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E mail : investor@expolanka.com

CORPORATE INFORMATION

Bankers

Amana Bank
Bank of Ceylon
Commercial Bank
Deutsche Bank
Habib Bank
Hatton National Bank
Hong Kong and Shanghai Banking Corporation
Muslim Commercial Bank
National Development Bank
Nations Trust Bank
Pan Asia Bank Corporation
Peoples Bank
Sampath Bank
Standard Chartered Bank
DFCC Vardhana Bank
Lankaputhra Development Bank
Union Bank (Pakistan)
Seylan Bank

Company Secretaries

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Colombo 03
Sri Lanka

Telephone : +94 11 2573894, +94 11 2576871
Facsimile : +94 11 2573609

Company Auditors

Ernst and Young
Chartered Accountants
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P. O. Box 101
Colombo 10
Sri Lanka

Business Beyond Borders

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