



INTERIM REPORT

Interim Financials – Q3 14/15



CEO Message

Dear Stakeholder,

Your Group recorded a revenue of Rs 13 billion and a net profit of Rs. 408 million for the third quarter of the financial year 2014/15. The performance in the quarter has driven the Consolidated Net Profit of the group towards Rs. 760 MN for the Nine months ended 31st December 2014.

In terms of the core business operations of the organization, your group recorded an underlying profit growth of 24.5% (YOY) during the 3rd Quarter excluding the Extraordinary Income related to the restructure activities of the organization.

Considerable efforts on business growth and focus on operational efficiencies are amongst the key drivers of the performance during the quarter.

Freight & Logistics Sector

Our core sector Freight and Logistics saw an improvement during the quarter which has driven the sector to record a year to date revenue of Rs. 28 billion and a profit of 716.7MN. The performance during the quarter resulted in a growth of 51% of Profit After Tax compared to the 3rd quarter of last financial year.

From a Geographical perspective, The Indian sub continent performed well during the quarter. Sri Lankan and Indian entities achieved a profit growth which was a direct result of the business growth achieved particularly on the US Trade Lane. However our Bangladesh entity continued to be affected by the challenges faced in the local apparel sector of the country.

Indonesian trade continues to maintain the momentum gained in the previous two quarters fueled by increased volume from Europe and the US.

Our logistics segment which was a recent Investment made by the group is currently at very early stages of the operation and the efficiencies and related benefits are yet to be felt by the business. The group has taken several preemptive strategic initiatives aimed at further driving efficiencies in to the operation and drive sustainable profits for this segment.

Your Group will continue to focus more on optimizing performance at the freight and logistics sector improving efficiency which would result in sustainable growth in the future.

Travel & Leisure Sector

The Travel and Leisure sector continued to show positive signs during the quarter and have ended the Nine Months recording a year to date revenue of Rs 2 billion and achieving a 105% growth in Net Profit (YOY).

Our core ticketing & outbound travel operations continues to perform well maintaining its market leadership position, whilst the in-bound operations has been able to gradually turn around its performance during the year following the restructure of its business operations and processes.

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

The International Trading & Manufacturing sector recorded a year to date revenue of Rs.7 billion whilst posting a net profit increase of 3% (YOY)

Our perishable exports business maintained its healthy growth from the previous quarter with a turnaround profit growth in the Fresh and Desiccated coconut exports.

In spite of heavy industry competition, our specialty food range recorded a growth of 9 percent in comparison to the corresponding period last year.

The continued restructuring of the sector resulted with the divestment of tea, healthcare and food catering businesses during November 2014. Given the high risk exposure and the volatile nature of returns in the divested businesses, we expect these strategic changes to boost sector performance.

The concentration of your group during the last quarter of the financial year is to further consolidate the performance of the group and continue with efforts aimed towards driving business growth and further enhancing operational efficiencies. These efforts will be augmented by our continued emphasis on our various restructure projects, working capital optimization & cost rationalization activities.

Hanif Yusoof
Group CEO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Un Audited 31.12.2014 Rs	31.03.2014 Restated Rs
ASSETS		
Non-current Assets		
Property, Plant and Equipment	3,425,762,468	3,666,387,194
Intangible Assets	465,109,455	468,128,945
Investment in Associate	353,650,643	157,320,923
Other Financial Assets	277,210,119	521,744,718
Deferred Tax Assets	41,666,767	45,879,011
	<u>4,563,399,452</u>	<u>4,859,460,791</u>
Current Assets		
Inventories	253,594,961	766,833,231
Trade and Other Receivables	11,142,368,427	11,731,884,841
Prepayments	1,415,814,899	1,262,833,347
Other Financial Assets	1,171,227,499	733,546,867
Income Tax Recoverable	16,952,138	38,351,849
Cash and Cash Equivalents	1,194,140,983	2,473,838,926
	<u>15,194,098,907</u>	<u>17,007,289,061</u>
Total Assets	<u>19,757,498,359</u>	<u>21,866,749,852</u>
EQUITY AND LIABILITIES		
Stated Capital		
Reserves	4,097,985,000	4,097,985,000
Retained Earnings	(18,493,897)	36,331,767
Equity Attributable to Equity Holders of Parent	6,371,490,508	5,702,140,799
Non-controlling Interest	<u>10,450,981,611</u>	<u>9,836,457,566</u>
Total Equity	955,488,637	928,940,756
	<u>11,406,470,248</u>	<u>10,765,398,322</u>
Non-current liabilities		
Financing and Lease (Ijara) Payables	701,325,639	1,177,647,991
Deferred Income Tax liabilities	40,245,419	51,742,363
Retirement Benefit Obligation	257,785,645	266,499,361
	<u>999,356,703</u>	<u>1,495,889,715</u>
Current liabilities		
Financing and Lease (Ijara) Payables	753,746,595	1,522,960,467
Trade and Other Payables	6,319,562,339	7,769,009,462
Income Tax liabilities	278,362,474	313,491,886
	<u>7,351,671,408</u>	<u>9,605,461,815</u>
Total Equity and liabilities	<u>19,757,498,359</u>	<u>21,866,749,852</u>
Net asset per share	5.35	5.03

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

.....
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,

.....
Hanif Yusoof
Director

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Sanjay Kulatunga
Director

29 January 2015

CONSOLIDATED INCOME STATEMENT

	Quarter ended 31st December		Nine months ended 31st December		Change %
	Un-Audited 2014 Rs	Un-Audited 2013 Restated Rs	Un-Audited 2014 Rs	Un-Audited 2013 Restated Rs	
Revenue	13,373,132,031	13,044,645,596	38,677,681,716	41,107,248,323	(5.91)
Cost of sales	(11,188,324,714)	(10,943,086,689)	(32,381,971,378)	(34,641,066,838)	(6.52)
Gross profit	2,184,807,317	2,101,558,907	6,295,710,338	6,466,181,485	(2.64)
Other income and gains	180,752,959	601,678,587	414,636,423	912,761,331	(54.57)
Administrative expenses	(1,640,680,228)	(1,690,496,964)	(5,067,910,380)	(4,930,360,497)	2.79
Selling and distribution cost	(202,440,982)	(180,791,042)	(578,715,999)	(556,006,039)	4.08
Finance cost	(24,656,118)	(50,264,784)	(107,999,139)	(141,067,262)	(23.44)
Finance income	-	-	-	-	-
Share of results from equity accounted investees	(4,103,726)	3,832,206	4,908,068	31,777,260	(84.55)
Profit before tax	493,679,222	785,516,910	960,629,311	1,783,286,279	(46.13)
Income tax expense	(85,712,564)	(88,797,034)	(200,621,970)	(315,397,071)	(36.39)
Profit for the period	407,966,658	696,719,876	760,007,341	1,467,889,208	(48.22)
Attributable to:					
Equity holders of the parent	362,229,897	679,501,928	669,349,710	1,344,860,757	(50.23)
Non- Controlling Interest	45,736,762	17,217,948	90,657,630	123,028,451	(26.31)
Basic earnings per share	0.19	0.35	0.34	0.69	
Dividend per share				0.12	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Nine months ended 30 December	
	Un-Audited 2014 Rs	Un-Audited 2013 Restated Rs	Un-Audited 2014 Rs	Un-Audited 2013 Restated Rs
Profit for the year	407,966,658	696,719,876	760,007,341	1,467,889,208
Other comprehensive income				
Net Exchange differences on translation of foreign operations	(18,268,388)	(12,270,996)	(78,554,534)	(56,820,175)
Net (loss)/gain on available-for-sale financial assets	(2,636,542)	-	23,728,870	
Other comprehensive income for the year, net of tax	(20,904,930)	(12,270,996)	(54,825,664)	(56,820,175)
Total comprehensive income for the year, net of tax	<u>387,061,729</u>	<u>684,448,880</u>	<u>705,181,676</u>	<u>1,411,069,033</u>
Attributable to:				
Owners of the Parent	341,324,967	667,230,932	614,524,046	1,288,040,582
Non-controlling Interest	45,736,762	17,217,948	90,657,630	123,028,451
	<u>387,061,729</u>	<u>684,448,880</u>	<u>705,181,676</u>	<u>1,411,069,033</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 31st December	Un-Audited 2014 Rs	Un-Audited 2013 Restated Rs
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before Income Tax Expenses	960,629,311	1,783,286,279
Adjustments for,		
Depreciation	302,409,436	234,105,206
Income from Investments	(7,315,313)	(11,932,620)
Profit on Sale of Property, Plant and Equipment	(8,989,849)	(15,491,205)
Profit on Sale of Subsidiaries	(116,562,143)	(601,009,816)
Change in the value of investments	(9,028,101)	5,000,000
Finance Cost	107,999,139	141,067,262
Profit share of investment in associates	(4,908,068)	(31,777,260)
Provision for Bad and Doubtful Debtors	56,758,121	30,586,210
Provision for Defined Benefit Plans	44,671,391	33,049,673
Operating Profit / (Loss) before Working Capital Changes	1,325,663,925	1,566,883,728
(Increase)/Decrease in Inventories	46,552,631	508,341,868
(Increase)/Decrease in Trade and Other Receivables	(940,430,358)	1,639,883,461
(Increase)/Decrease in Prepayments	(192,673,783)	52,675,499
Increase/(Decrease) in Other Payables	(894,712,192)	134,459,772
Increase/ (Decrease) in Trade and Other Payables	346,535,336	(4,152,493,982)
Net change in working capital due to Group structure change	(26,504,865)	29,322,520
Cash Generated from Operations	(335,569,306)	(220,927,134)
Finance Cost paid	(107,999,139)	(141,067,262)
Income Tax Paid	(221,636,371)	(315,397,071)
Defined Benefit Plan Costs paid	(18,720,807)	(9,223,682)
Net Cash From / (Used in) Operating Activities	(683,925,624)	(686,615,148)
Cash Flows From / (Used in) Investing Activities		
Investment Income Received	5,081,158	11,932,620
Net Acquisition of Property, Plant and Equipment	(306,352,835)	(444,653,355)
Net other current Investments	(428,652,531)	301,018,684
Net other non current investments	(16,748,591)	(340,986,171)
Dividend Income from Associates	5,078,347	6,209,291
Net Acquisition of Subsidiaries		(4,007,191)
Proceeds from Sale of Subsidiaries	740,000,000	1,072,768,667
Net Cash Flows Used in Investing Activities	(1,594,452)	602,282,545
Cash Flows From / (Used in) Financing Activities		
Net Proceeds From Financing and Lease (Ijara)	(789,683,171)	1,040,432,050
Dividends Paid to Minority Share holders	(470,001)	(35,957,090)
Dividends Paid to Parent Company Share Holders		(234,589,800)
Net Cash Flows From / (Used in) Financing Activities	(790,153,172)	769,885,160
Effect of Exchange Rate Changes	(78,554,534)	(56,820,175)
Net Increase / (Decrease) in Cash and Cash Equivalents	(1,554,227,783)	628,732,382
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	181,895,087	2,170,782,068

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Available for sale Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
	Rs	Rs	Rs	Rs	Rs	Rs	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	-	-	-	669,349,710	669,349,710	90,657,630	760,007,341
Other comprehensive income	-	23,728,870	(78,554,534)	(54,825,664)	(54,825,664)	-	(54,825,664)
Total comprehensive income	-	23,728,870	(78,554,534)	669,349,710	614,524,046	90,657,630	705,181,676
Disposal of subsidiaries	-	-	-	-	-	(63,639,748)	(63,639,748)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	(470,001)	(470,001)
As at 31 Dec 2014	4,097,985,000	(12,346,510)	(6,147,387)	6,371,490,508	10,450,981,611	955,488,637	11,406,470,248
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	-	-	-	1,344,860,757	1,344,860,757	123,028,451	1,467,889,208
Other comprehensive income	-	-	(56,820,175)	(56,820,175)	(56,820,175)	-	(56,820,175)
Total comprehensive income	-	-	(56,820,175)	1,344,860,757	1,288,040,582	123,028,451	1,411,069,033
Interim Dividend paid for 2013-14	-	-	-	(234,589,800)	(234,589,800)	-	(234,589,800)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	(35,957,090)	(35,957,090)
Disposal of subsidiaries	-	-	-	14,333,197	14,333,197	(314,425,744)	(300,092,547)
Changes in holdings during the year	-	-	-	1,659,566	1,659,566	(1,659,566)	-
As at 31st Dec 2013	4,097,985,000	(24,926,370)	41,400,757	6,036,419,087	10,150,878,475	926,550,020	11,077,428,495

COMPANY STATEMENT OF FINANCIAL POSITION

As at	Unaudited 31.12.2014 Rs	Audited 31.03.2014 Rs
ASSETS		
Non-current assets		
Property, plant and equipment	48,487,852	67,575,742
Investments in subsidiaries	3,882,688,265	3,983,370,778
Investment in associate	43,990,000	43,990,000
Other investments	249,141,345	208,683,145
	4,224,307,462	4,303,619,665
Current assets		
Trade and other receivables	1,187,958,660	730,630,813
Prepayments	11,886,595	24,856,104
Other Financial assets	1,561,981,079	1,077,718,440
Cash and cash equivalents	115,732,761	285,828,961
	2,877,559,095	2,119,034,318
Total Assets	7,101,866,556	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	(12,346,510)	(36,075,380)
Retained earnings/ (losses)	2,356,157,615	1,882,219,329
Total equity	6,441,796,106	5,944,128,949
Non-current liabilities		
Financing and lease (ijara) payables	588,440,259	392,255,482
Retirement benefit obligation	12,789,550	12,589,155
	601,229,809	404,844,637
Current liabilities		
Financing and lease (ijara) payables	4,827,059	4,180,564
Trade and other payables	54,013,583	69,499,833
Income Tax Liabilities	-	-
	58,840,641	73,680,397
Total equity and liabilities	7,101,866,556	6,422,653,983
Net asset per share	3.30	3.04

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

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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,

.....
Hanif Yusoof
Director

.....
Sanjay Kulatunga
Director

COMPANY INCOME STATEMENT

	Quarter ended 31 December			Nine months ended 31 December		
	(Unaudited) 2014 Rs	(Unaudited) 2013 Rs	Change %	(Unaudited) 2014 Rs	(Unaudited) 2013 Rs	Change %
Revenue	31,911,843	29,799,573	7.09	96,337,763	90,039,786	6.99
Other income and gains	563,506,900	1,023,632,645	(44.95)	677,133,636	1,134,465,816	(40.31)
Administrative expenses	(87,720,780)	(92,176,809)	(4.83)	(290,327,214)	(258,633,365)	12.25
Selling and distribution costs	(1,193,593)	(1,426,758)	(16.34)	(7,493,952)	(6,486,228)	15.54
Finance cost	(518,531)	(722,865)	(28.27)	(1,711,948)	(2,325,881)	(26.40)
Profit before tax	505,985,839	959,105,786	(47.24)	473,938,286	957,060,127	(50.48)
Income tax expense	-	-		-	-	
Profit for the period	505,985,839	959,105,786	(47.24)	473,938,286	957,060,127	(50.48)
Dividend per share					0.12	

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31 December		Nine months ended 31 December	
	(Un audited) 2014 Rs	(Un audited) 2013 Rs	(Un audited) 2014 Rs	(Un audited) 2013 Rs
Profit for the period	<u>505,985,839</u>	<u>959,105,786</u>	<u>473,938,286</u>	<u>957,060,127</u>
Other comprehensive income				
Net Exchange differences on translation of foreign operations				
Net (loss)/gain on available-for-sale financial assets	(2,636,542)	-	23,728,870	-
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	(2,636,542)	-	23,728,870	-
Total comprehensive income for the year, net of tax	<u>503,349,298</u>	<u>959,105,786</u>	<u>497,667,156</u>	<u>957,060,127</u>

COMPANY STATEMENT OF CASH FLOW

For the nine months ended 31 December	Unaudited 2014 Rs	Unaudited 2013 Rs
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before income tax expenses	473,938,286	957,060,127
Adjustments for,		
Depreciation	16,929,256	19,752,708
Income from investments	(37,622,088)	(4,230,403)
Profit on sale of Property, Plant & Equipment	(5,781,199)	
Profit on sale of Subsidiaries	(552,065,834)	(875,960,485)
Profit on sale of Investments	(3,054,100)	
Change in the value of investments	(9,028,101)	5,000,000
Finance cost	1,711,948	2,325,881
Provision for defined benefit plans	3,046,770	2,521,980
Operating profit / (loss) before working capital changes	(111,925,062)	106,469,809
(Increase)/Decrease in trade and other receivables	(454,495,515)	256,437,608
(Increase)/Decrease in Prepayments	12,969,509	12,486,881
Increase/(Decrease) in trade and other payables	(15,486,252)	2,593,119
Cash generated from / (used in) operations	(568,937,319)	377,987,417
Finance cost paid	(1,711,948)	(2,325,881)
Defined benefit plan costs paid	(2,846,375)	(968,846)
Net cash from / (used in) operating activities	(573,495,642)	374,692,691
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Investment income received	9,454,354	(2,155,280)
Acquisition of property, plant and equipment	(4,159,904)	(21,653,247)
Proceeds from Sale of Property, Plant and Equipment	12,099,736	-
Net other non current investments	(13,675,229)	
Net Other current Investment		(69,138,339)
Net proceeds from sale of Subsidiaries	740,000,000	1,011,726,744
Net Acquisition of Subsidiaries	(61,916,250)	
Net proceeds from treasury investments	(475,234,538)	
Net cash flows from / (used in) investing activities	206,568,170	918,779,878
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Dividend Paid		(234,589,800)
Net proceeds from financing and lease (ijara)	(671,984)	16,213,825
Net cash flows from / (used in) financing activities	(671,984)	(218,375,975)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(367,599,455)	1,075,096,593
CASH AND CASH EQUIVALENTS AT THE BEGINNING	(95,538,656)	(346,622,505)
CASH AND CASH EQUIVALENTS AT THE END	(463,138,111)	728,474,088

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 quarter	-	-	473,938,286	473,938,286
Other comprehensive income	-	23,728,870	-	23,728,870
Total comprehensive income	-	23,728,870	473,938,286	497,667,156
Interim Dividend paid for 2014	-	-	-	-
As at 31 December 2014	<u>4,097,985,000</u>	<u>(12,346,510)</u>	<u>2,356,157,615</u>	<u>6,441,796,106</u>
As at 1 April 2013	4,097,985,000	(20,256,133)	1,543,916,936	5,621,645,803
Profit for the quarter	-	-	957,060,127	957,060,127
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	957,060,127	957,060,127
Interim Dividend paid for 2013	-	-	(234,589,800)	(234,589,800)
As at 31 December 2013	<u>4,097,985,000</u>	<u>(20,256,133)</u>	<u>2,266,387,263</u>	<u>6,344,116,130</u>

SEGMENT ANALYSIS OF REVENUE AND PROFIT

Freight & Logistics			
		Un-Audited 2013	
Nine Months ended 31st December	Un-Audited 2014	Restated	Change %
Revenue	28,713,010,790	26,014,149,007	10
Earnings Before Interest and Tax	930,701,767	1,164,198,921	(20)
Profit before tax	880,841,040	1,113,338,605	(21)
Profit for the period	716,678,171	858,460,446	(17)

Travel & Leisure			
		Un-Audited 2013	
Nine Months ended 31st December	Un-Audited 2014	Restated	Change %
Revenue	2,045,434,227	1,784,326,312	15
Earnings Before Interest and Tax	125,316,309	77,168,084	62
Profit before tax	118,122,129	62,233,045	90
Profit for the period	107,731,217	52,377,551	106

International Trading & Manufacturing			
		Un-Audited 2013	
Nine Months ended 31st December	Un-Audited 2014	Restated	Change %
Revenue	7,372,673,773	12,107,009,595	(39)
Earnings Before Interest and Tax	137,160,226	167,526,339	(18)
Profit before tax	88,922,847	97,228,117	(9)
Profit for the period	81,749,012	79,354,403	3

Investments and Services			
		Un-Audited 2013	
Nine Months ended 31st December	Un-Audited 2014	Restated	Change %
Revenue	546,562,925	1,201,763,408	(55)
Earnings Before Interest and Tax	(124,549,851)	515,460,197	(124)
Profit before tax	(127,256,706)	510,486,511	(125)
Profit for the period	(146,151,060)	477,696,809	(131)

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 31 December 2014 were authorized for issue by the Board of Directors on 29 January 2015.

2. Basis for preparation

The condensed interim financial statements of Expolanka Holdings PLC are for the three months ended 31 December 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.

NOTES TO THE FINANCIAL STATEMENTS

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 - IShare of results from equity accounted investees 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 nine months ended 31 Dec 2014

Decrease in the reported revenue	(851,011,491)
Decrease in the cost of sales	787,306,239
Decrease in gross profit	(63,705,252)
Decrease in other income	(14,518,792)
Decrease in administration expense	36,226,225
Decrease in Selling and distribution expense	3,127,380
Decrease in earning before interest and tax	(38,870,440)
Decrease in finance cost	357,599
Increase in share of profits on joint venture	23,743,213
Decrease in profit before tax	(14,769,629)
Decrease in income tax expense	14,769,629
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.

NOTES TO THE FINANCIAL STATEMENTS

5. Share Information

5.1 Public share holding

The percentage of shares held by the public as at 31 December 2014 was 32.70%.

Issued Share Capital as at 31 December 2014	1,954,915,000
Less/	
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	<u>639,344,957</u>
Public Holding as a % of Issued Share Capital	32.70%
Total No. of Shareholders representing the Public Holding as at 31 December 2014	6,979

5.2 Directors share holdings

The number of shares held by the Board of Director as at 31 December 2014 is as follows;

As at 31 Dec 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

NOTES TO THE FINANCIAL STATEMENTS

5.3 Twenty largest shareholders of the Company are as follows;

	Name of Shareholder	As at 31 Dec 14	%	As at 30 Sep 14	%
1	SG Holdings Global PTE.LTD	1,005,349,680	51.43%	1,005,349,680	51.43%
2	Sattar Kassim	165,817,506	8.48%	165,723,376	8.48%
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%	42,897,800	2.19%
8	Janashakthi General Insurance limited	10,038,263	0.51%	-	-
9	HSBC INTL NOM LTD-BBH-GRANDEUR PEAK Emerging Markets Opportunities Fund	8,266,517	0.42%	3,986,802	0.20%
10	Guardian Capital Partners PLC	6,845,150	0.35%	-	-
11	HSBC INTL NOM LTD-BBH-GRANDEUR PEAK GLOBAL REACH Fund	5,864,300	0.30%	1,989,027	0.10%
12	Janashakthi Insurance PLC (Policy Holders)	3,780,100	0.19%	3,780,100	0.19%
13	Employees Trust Fund Board	3,486,700	0.18%	3,486,700	0.18%
14	Peoples Bank	2,739,892	0.14%	614,408	0.03%
15	Bank of Ceylon No.1 Account	1,657,820	0.08%	832,820	0.04%
16	Pusparaj Nadesapillai	1,455,900	0.07%	1,455,900	0.07%
17	Weerasinghe Amarakoon Mudiyansele	1,156,966	0.06%	1,156,966	0.06%
18	Shiraz Hussein	1,140,000	0.06%	1,140,000	0.06%
19	Jinadasa Wetthinge	1,000,000	0.05%	1,000,000	0.05%
20	Lanka Orix Finance Company PLC	1,000,000	0.05%	1,000,000	0.05%

5.4 Stated capital

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

As at	31 Dec 2014	30 Sep 2014
Ordinary shares	1,954,915,000	1,954,915,000

NOTES TO THE FINANCIAL STATEMENTS

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 31 December 2014	Rs
Highest	10.30
Lowest	8.50
Last Traded	8.60

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.

7. Divestment of Entities

During the quarter under review, Expolanka Holdings PLC divested below mentioned companies to Aberdeen Holdings (Pvt) Ltd for a total consideration of Rs. 740 Million which recorded a gain of Rs. 116.5 Million. The Companies divested are as follows:

- Expolanka Teas (Pvt) Ltd
- Expolanka Plantations (Pvt) Ltd
- Neptune Holdings (Pvt) Ltd
- World Spices and Teas (Pvt) Ltd
- Castle Commercial (Pvt) Ltd
- Bio Extracts (Pvt) Ltd
- Expolanka Pharmaceuticals (Pvt) Ltd
- Saffron Foods (Pvt) Ltd

Further the company entered into a Sale and Purchase agreement to sell its land located at No 245/49 and 245/50 of Avissawella Road, Wellampitiya, to the Purchaser for a Purchase consideration of Rs. 421 million, where the completion will take place on or before 30 November 2016.

A Majority Shareholder and Director of Aberdeen Holdings (Pvt) Ltd is also a Director of Expolanka Holdings PLC viz Mr. Osman Kassim.

The entire Transaction was undertaken after undergoing a transparent and comparative bidding process which was managed and facilitated by a leading firm of Chartered Accountants and the process was overseen by the Independent Directors of the company.

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 Matzusonono	
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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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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P V 931
101, Inner Flower Road
Colombo 03
Sri Lanka

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

Company Auditors

Ernst and Young
Chartered Accountants
201, De Seram Place
P. O. Box 101
Colombo 10
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