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BUKIT DARAH PLC

Condensed Interim Financial Statements
For the Period ended 30th June 2017

GROUP REVIEW

Bukit Darah PLC - Review of performance for the three months ended 30th June 2017

GROUP

For the three months concluded 30th June 2017, Bukit Darah PLC, on a group level, registered a profit from continuing operations of Rs. 900.9 Mn on a revenue of Rs. 16.4 Bn. YoY expansion in the group topline accounted to 26%, while the bottom line of the group notably recovered from a net loss of Rs. 1.1 Bn witnessed in the comparable period. Improved market conditions observed in the Oil Palm Plantations and Portfolio and Asset Management predominantly favoured the above positive performance.

Consolidated profit from discontinued operations stood at Rs. 822.1 Mn for the three months under review as opposed to a net loss of Rs. 1.18 Bn being recognized in the comparative three months. Furthermore, for the three months ended of the financial year 17/18, the net debt of the group largely remained unchanged at Rs. 56.3 Bn while the net finance expenses of the group observed a marginal increase of 4% from LKR 975 Mn to reach LKR 1 Bn.

The segment-wise performance of the group is elaborated in detail below.

OIL PALM PLANTATIONS SEGMENT

Recovery in crop from two previous years of drought weather conditions

The quarter under review saw a recovery in both the CPO production within the segment's plantations and in CPO prices, from low crop and price levels witnessed previously.

During the quarter, we saw palms coming back to its potential. The lagged effects of the drought weather conditions in 2015 are expected to affect the crop production during the second quarter of the financial year. However, given the current weather patterns the impact of previous weather conditions on crop production has not been serious as previously expected.

Improved weather conditions have had a significant impact resulting in crop being 41% higher during the three months under review, whilst the average realized CPO price being 23% higher than the average sales price realized in the corresponding period of the previous financial year.

Stable CPO prices

CPO prices continued to be relatively stable and traded at a price range of RM 2,600-2,900, though currently trading at the lower end of the range. The CPO inventory levels were kept in check in Malaysia due to lower than expected output levels during the period under consideration.

The CPO prices are expected to trade at around current levels, though increasing palm oil inventory and expected increases in planting of Soy could exert downward pressure on the prices. The Malaysian currency is also expected to trade at the prevailing levels providing support for current CPO prices.

The operational focus within this segment is on stabilizing the operations in order to continuously improve productivity and efficiency both within the plantations and at the mills.

GROUP REVIEW | CONTD.

Financial performance

Accordingly, the Oil Palm Plantations segment contributed revenues of Rs. 6.2 Bn to the group during the three months ended 30th June 2017, which is an increase of 87% YoY. Operating profits of the segment observed a significant increase of 940% to reach Rs. 1.3 Bn from the comparable period's Rs. 124.7 Mn.

This segment recorded a profit after tax of Rs. 417.9 Mn from continuing operations after incorporating a gain on exchange valuation as a result of the appreciation of the IDR from continued operations during the quarter under review.

OILS AND FATS SEGMENT

Malaysian specialty fats operations

In contrast, Lauric oils (palm kernel oil and coconut oil) witnessed record prices with prices moving up more than 130% between April 2015 and January 2017. The prices of Palm Kernel (PK) which is the main feedstock for our specialty Oils & Fats segment too moved in this direction.

The increased input prices impacted the capacity utilization during the previous financial year. However, with the lauric prices stabilizing, currently, the segment is in a position to gradually increase the capacity utilization within both its midstream and downstream operations. Planned annual maintenance was carried out during the month of May, thereby reducing the average capacity utilization for the quarter.

However, the capacity utilization has since increased during the second quarter of the current financial year and sales of key high margin products are also expected to increase with the on-set of peak season for specialty fats.

Financial performance

Accordingly, the Oils & Fats segment contributed an operating profit of Rs 77.9 Mn to the group on a revenue of Rs. 4.26 Bn for the period under review. The segment registered a loss after taxation from continuing operations of Rs. 40.8 Mn as compared to a net loss of Rs. 24.46 Mn recorded during the same period in the previous financial year.

Change in leadership

Mr. Chandana Tissera announced his retirement from the position of CEO of Goodhope group effective 31st October 2017, the position he held from 1st April 2005. Mr. Tissera is one of the key personnel instrumental in building the Goodhope group and over the years his leadership had been integral to the Goodhope group.

Mr. Hari Selvanathan, current Executive Deputy Chairman of Goodhope Asia Holdings Limited, will take over the position of CEO from 1st November 2017.

BEVERAGE SEGMENT

Stagnant industry conditions

During the three months under review, Beverage sector revenues to the group marginally declined by 2.4% YoY, to reach LKR 5.8 Bn from LKR 5.96 Bn. This is a result of a drop in volume driven by a 75% price increase over a 14 month period, which in turn was driven by a combination of higher taxes on account of excise, VAT and a beer can tax. With beer prices becoming increasingly unaffordable, consumption has shifted to cheaper – albeit more harmful alternatives such as hard alcohol, toddy and illicit brews. Government revenue from the beer sector has declined by approximately Rs. 1 Bn a month. In the meanwhile, the increased volumes in toddy

and illicit alcohol is of no benefit to Government or the consumer. The toddy sector is notorious for tax evasion whilst the illicit alcohol producer pays no taxes at all. From a consumer perspective, both products are extremely harmful since they are produced under questionable conditions using dubious raw materials.

The lower volumes have closely followed two significant investments, first to expand capacity and secondly, on account of an acquisition, both of which were funded via borrowings. Management has implemented a series of cost restructuring measures as an immediate response to these challenges.

Financial performance

During the three months under review, the beverage segment received part payments against the business interruption insurance claims, worth Rs. 608.7 Mn. The segment's operating profits for the quarter under consideration stood at Rs. 804 Mn as opposed to an operating loss of Rs. 318.4 Mn observed in the previous corresponding period. The profit after tax of the Beverage segment reached Rs. 282.8 Mn in comparison to a net loss of Rs. 729.2 Mn recorded in the comparable period.

PORTFOLIO AND ASSET MANAGEMENT SEGMENT

Operating and financial performance

Revenue contribution from Portfolio and Asset Management sector of the group marginally declined by 3% to Rs. 183.3 Mn from Rs.188.4 Mn observed in the previous corresponding period. During the three months under review, the total portfolio of the segment appreciated from Rs. 18.39 Bn to Rs. 19.63 Bn. Owing to the

segment's value investing strategy, the three year return for the portfolio stood at 6.82% CAGR thereby outperforming the ASPI by 4.93% CAGR. The All Share Price Index derived a return of 11.3% for the three months ended 30th June amid increased foreign inflows, demonstrating improved market conditions. The Unit Trust business as of June 30th stood at Rs. 6 Bn, notably up from Rs 4 Bn observed as of 31st March 2017. Nevertheless, the private equity business continued to demonstrate challenging conditions during the quarter under review.

The segment, however is currently evaluating several investment opportunities in the venture capital space as well as revitalizing its marketing strategy with the objective of increasing the client base and deriving enhanced returns.

For the quarter under review, the Portfolio and Asset Management segment recorded an operating profit of Rs. 256.6 Mn and a profit after tax of Rs. 253.9 Mn, depicting YoY increases of 120% and 122% respectively.

LEISURE SEGMENT

Operating and financial performance

Leisure sector contributed LKR 140.9 Mn worth of revenue to the group, which demonstrates a 20.5% YoY increase. Pegasus Reef hotel operated with its full room capacity of 140 rooms during the three months under review whereas during the comparative three months period in 2016, room refurbishment was commenced. Consequently, room nights for the quarter under consideration increased by 48% over the corresponding quarter due mainly to the impact from the refurbishment, which also strengthened the F&B revenue streams of the hotel for the period.

GROUP REVIEW | CONTD.

Meanwhile, the Giritale hotel noted a 7% YoY increase in its room revenue during the quarter under review, while the average occupancy improved to 49% from 46% observed during the corresponding three months. Yet the overall revenues of the hotel declined during the quarter, due to weakened MICE performance.

The Leisure segment profit after tax for the quarter under review stood at Rs. 12.1 Mn, up from Rs. 1 Mn registered in the previous corresponding period.

REAL-ESTATE SEGMENT

Operating and financial performance

Three months ended 30th June 2017 observed the rental income of the Real Estate Sector rising by 14% over the corresponding period to reach Rs. 63 Mn, predominantly due to securing of new tenants during the months of August and September 2016 the effects of which spilled over to the current period. The segment, while securing 100% occupancy, registered a profit after tax of Rs. Rs. 32.7 Mn for the three months ended June 2017, demonstrating a YoY increase of 31%.

Carsons Management Services (Private) Limited

11th August 2017.

Colombo

COMPANY STATEMENT OF INCOME

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| For the three months ended 30th June | 2017 | 2016 | Change % |
|--------------------------------------|---------|---------|----------|
| Revenue | 1,001 | 909 | 10 |
| Direct operating expenses | - | - | - |
| | 1,001 | 909 | 10 |
| Administrative expenses | (5,978) | (6,389) | (6) |
| Loss before income tax expenses | (4,977) | (5,480) | (9) |
| Income tax expenses | | | |
| Current taxation | (307) | - | - |
| Loss for the period | (5,284) | (5,480) | (4) |
| Earnings per ordinary share (Rs.) | (0.05) | (0.05) | - |
| Dividend per ordinary share (Rs.) | - | - | - |

Change % column represents the percentage change in current period's results compared to comparative period of previous year.

The above figures are subject to audit.

The notes on pages 16 to 28 form an integral part of these financial statements

11th August 2017

COMPANY STATEMENT OF FINANCIAL POSITION

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| | As at 30th June 2017 | As at 31.03.2017 |
|---|----------------------------|---------------------|
| Assets | | |
| Non Current Assets | | |
| Investments in subsidiaries | 7,139,062 | 7,139,062 |
| Total non - current assets | 7,139,062 | 7,139,062 |
| Current Assets | | |
| Other non financial receivables | 1,195 | 645 |
| Cash and cash equivalents | 49,995 | 55,428 |
| Total current assets | 51,190 | 56,073 |
| Total assets | 7,190,252 | 7,195,135 |
| Equity and Liabilities | | |
| Equity | | |
| Stated capital | 412,635 | 412,635 |
| Capital Reserve | 40,000 | 40,000 |
| Revenue reserves | 6,660,831 | 6,666,151 |
| Total equity | 7,113,466 | 7,118,786 |
| Current Liabilities | | |
| Other financial payables | 76,495 | 76,169 |
| Current tax liabilities | 291 | 180 |
| Total current liabilities | 76,786 | 76,349 |
| Total liabilities | 76,786 | 76,349 |
| Total Equity and Liabilities | 7,190,252 | 7,195,135 |
| Net assets per ordinary share (Rs) | 69.34 | 69.39 |

I certify that these financial statements are in compliance with the requirements of Companies Act No. 07 of 2007.

Sgd.

A.P. Weeratunge

Director - Finance

Carsons Management Services (Pvt) Ltd.

The Board of Directors is responsible for the preparation and presentation of these financial statements.

These financial statements were approved by the Board on 11th August 2017.

Sgd.

D.C.R. Gunawardena

Director

Sgd.

M. Selvanathan

Director

The above figures are subject to audit.

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COMPANY STATEMENT OF CHANGES IN EQUITY

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| | Stated Capital | Capital Reserve | Revenue Reserve | Total Equity |
|--|-------------------|--------------------|--------------------|-----------------|
| Balance as at 31st March 2017 | 412,635 | 40,000 | 6,666,151 | 7,118,786 |
| Loss for the period | - | - | (5,284) | (5,284) |
| Total Comprehensive Income for the period | - | - | (5,284) | (5,284) |
| Transactions with owners of the company | | | | |
| Dividend paid | | | | |
| - Participating Cumulative Preference Shares | - | - | (36) | (36) |
| Balance as at 30th June 2017 (Unaudited) | 412,635 | 40,000 | 6,660,831 | 7,113,466 |
| Balance as at 31st March 2016 (Audited) | 412,635 | 40,000 | 6,667,506 | 7,120,141 |
| Loss for the period | - | - | (5,480) | (5,480) |
| Total Comprehensive Income for the period | - | - | (5,480) | (5,480) |
| Transactions with owners of the company | | | | |
| Dividend paid | | | | |
| - Participating Cumulative Preference Shares | - | - | (36) | (36) |
| Balance as at 30th June 2016 (Unaudited) | 412,635 | 40,000 | 6,661,990 | 7,114,625 |

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COMPANY STATEMENT OF CASH FLOW

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| For the three months ended 30th June | 2017 | 2016 |
|---|---------|---------|
| Cash Flows from Operating Activities | | |
| Loss before income tax expenses | (4,977) | (5,480) |
| Operating profit before working capital changes | | |
| Increase in trade and other receivables | (550) | 1,116 |
| Increase/(decrease) in trade and other payables | 290 | 3,138 |
| | (5,237) | (1,226) |
| Net cash movement in investment | - | - |
| Cash generated from operations | (5,237) | (1,226) |
| Income tax paid | (196) | (100) |
| Net cash used in operating activities | (5,433) | (1,326) |
| Cash Flows from Financing Activities | | |
| Dividend paid by the Company | - | - |
| Net cash used in financing activities | - | - |
| Net increase/(decrease) in cash & cash equivalents | (5,433) | (1,326) |
| Cash & cash equivalents at the beginning of the year | 55,428 | 49,174 |
| Cash & cash equivalents at the end of the period | 49,995 | 47,848 |
| Statement of Cash & Cash Equivalents | | |
| Cash and cash equivalents | 49,995 | 47,848 |
| | 49,995 | 47,848 |

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CONSOLIDATED STATEMENT OF INCOME

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| For the three months ended 30th June | Note | 2017 | 2016 Re-stated | Change % |
|---|------|--------------|-------------------|-------------|
| Revenue | | 16,425,474 | 12,997,318 | 26 |
| Direct operating expenses | | (12,171,768) | (9,891,030) | 23 |
| Progressive insurance receipts on business interruption | | 608,696 | 50,000 | 1,117 |
| Gross profit | | 4,862,402 | 3,156,288 | 54 |
| Changes in fair value of financial assets held for trading | | 216,157 | (12,448) | (1,836) |
| Other income | | 138,273 | 35,377 | 291 |
| Distribution expenses | | (956,686) | (935,813) | 2 |
| Administrative expenses | | (1,806,214) | (1,860,132) | (3) |
| Other operating expenses | | (56,281) | (41,994) | 34 |
| Impairment of business assets | | (72,530) | (11,718) | 519 |
| Foreign exchange gain | | 149,500 | 379,183 | (61) |
| Profit from operations | | 2,474,621 | 708,743 | 249 |
| Inventory and fixed assets quantified and written-off to date due to flood related damages | 6 | - | (714,670) | (100) |
| | | 2,474,621 | (5,927) | (41,852) |
| Net finance cost | | (1,015,309) | (975,148) | 4 |
| Share of net results of Joint venture | | 6,436 | 855 | 653 |
| Profit / (Loss) before income tax expenses | | 1,465,748 | (980,220) | (250) |
| Income tax expense | | | | |
| Current taxation | | (552,862) | (121,978) | 353 |
| Deferred taxation | | (11,980) | (5,970) | 101 |
| | | (564,842) | (127,948) | 341 |
| Profit/(Loss) from continuing operations | | 900,906 | (1,108,168) | (181) |
| Discontinued operations | | | | |
| Profit from discontinued operations, net of tax | 5 | (78,779) | (74,449) | 6 |
| Profit / (Loss) for the period | | 822,127 | (1,182,617) | (170) |
| Profit / (Loss) Attributable to: | | | | |
| Owners of the Company | | 234,942 | (516,161) | (146) |
| Non controlling interest | | 587,185 | (666,456) | (188) |
| | | 822,127 | (1,182,617) | (170) |
| Earnings per ordinary share (Rs.) | | 2.30 | (5.06) | (145) |
| Earnings per ordinary share - Continuing operations (Rs.) | | 2.74 | (4.60) | (159) |
| Dividend per ordinary share (Rs.) | | - | - | - |

Change % column represents the percentage change in current period's results compared to comparative period of previous year. The above figures are subject to audit.

Figures in brackets indicate deductions.

The notes on pages 16 to 28 form an integral part of these financial statements

11th August 2017

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| For the three months ended 30th June | 2017 | 2016 | Change % |
|--|------------------|------------------|--------------|
| Profit / (Loss) for the period | 822,127 | (1,182,617) | (170) |
| Other Comprehensive Income/ (expenses) Item that may be reclassified subsequently to profit or loss | | | |
| Unrealized gain / (Loss) on available-for-sale financial assets | 1,088,430 | 173,119 | 529 |
| Transfer of realised Loss on available-for-sale financial assets | (8,493) | (16,695) | (49) |
| Exchange differences on translation of foreign operations | 274,064 | 247,768 | 11 |
| Other comprehensive income / (expenses) for the period, net of tax | 1,354,001 | 404,192 | 235 |
| Total Comprehensive Income/(expenses) for the period, net of tax | 2,176,128 | (778,425) | (380) |
| Attributable to: | | | |
| Owners of the Company | 662,191 | (354,967) | (287) |
| Non controlling interest | 1,513,937 | (423,458) | (458) |
| | 2,176,128 | (778,425) | (380) |

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11th August 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| | As at 30th June 2017 | As at 31.03.2017 Re-stated |
|---|----------------------------|----------------------------------|
| Assets | | |
| Non Current Assets | | |
| Property, plant & equipment | 54,094,565 | 53,777,058 |
| Bearer Plants | 28,022,628 | 27,517,143 |
| Prepaid lease payment for land | 4,920,971 | 4,927,618 |
| Investment properties | 2,805,104 | 2,805,017 |
| Intangible assets | 4,897,219 | 4,922,984 |
| Investments in joint venture | 38,157 | 36,928 |
| Available-for-sale financial assets | 9,940,602 | 8,568,144 |
| Deferred tax assets | 3,208,423 | 3,116,709 |
| Other financial receivables | 156,589 | 152,396 |
| Other non financial receivables | 6,619,747 | 6,288,883 |
| Total non current assets | 114,704,005 | 112,112,880 |
| Current Assets | | |
| Inventories | 5,919,823 | 5,951,823 |
| Trade receivables | 2,972,037 | 3,829,381 |
| Other financial receivables | 751,085 | 1,064,549 |
| Other non financial receivables | 6,538,918 | 5,540,075 |
| Current tax recoverable | 101,409 | 58,491 |
| Financial assets held for trading | 3,318,848 | 3,163,050 |
| Derivative financial instruments | 126,687 | 14,237 |
| Biological Assets | 719,121 | 712,845 |
| Cash and cash equivalents | 14,334,672 | 15,438,003 |
| | 34,782,600 | 35,772,454 |
| Assets held for sale | 657,048 | 647,447 |
| Total current assets | 35,439,648 | 36,419,901 |
| Total Assets | 150,143,653 | 148,532,781 |
| Equity and Liabilities | | |
| Equity | | |
| Stated capital | 412,635 | 412,635 |
| Capital Reserve | 2,695,839 | 2,695,839 |
| Revenue reserves | 18,384,175 | 17,426,236 |
| Equity attributable to owners of the company | 21,492,649 | 20,534,710 |
| Non - controlling interest | 32,190,723 | 30,975,002 |
| Total Equity | 53,683,372 | 51,509,712 |
| Investment through subsidiaries | (10,688) | (10,688) |
| | 53,672,684 | 51,499,024 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION | CONTD.

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| | As at 30th June 2017 | As at 31.03.2017 Re-stated |
|--|----------------------------|----------------------------------|
| Liabilities | | |
| Non Current Liabilities | | |
| Loans and borrowings | 45,313,835 | 32,723,320 |
| Debenture | 2,000,000 | 2,998,800 |
| Other financial payables | 77,864 | 77,607 |
| Other non financial liabilities | 1,188,433 | 1,144,164 |
| Deferred tax liabilities | 5,917,351 | 5,808,832 |
| Total Non current liabilities | 54,497,483 | 42,752,723 |
| Current Liabilities | | |
| Trade payables | 2,735,877 | 2,730,405 |
| Other financial payables | 15,164,418 | 15,521,429 |
| Current tax liabilities | 777,517 | 381,070 |
| Loans and borrowings | 22,223,662 | 34,710,198 |
| Debenture | 1,072,012 | 937,932 |
| Total current liabilities | 41,973,486 | 54,281,034 |
| Total Liabilities | 96,470,969 | 97,033,757 |
| Total Equity and Liabilities | 150,143,653 | 148,532,781 |
| Net assets per ordinary share (Rs.) | 210.31 | 200.92 |

I certify that these financial statements are in compliance with the requirements of Companies Act No. 07 of 2007.

Sgd.

A.P. Weeratunge

Director - Finance

Carsons Management Services (Pvt) Ltd.

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 11th August 2017.

Sgd.

D.C.R. Gunawardena

Director

Sgd.

M. Selvanathan

Director

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| | Stated Capital | Capital Reserves | Revenue Reserves | Attributable to owners of the company | Non -controlling interest | Total Equity |
|--|-------------------|---------------------|---------------------|--|---------------------------------|-------------------|
| Balance as at 31st March 2017 | 412,635 | 2,695,839 | 17,426,236 | 20,534,710 | 30,975,002 | 51,509,712 |
| Profit for the period | - | - | 234,942 | 234,942 | 587,185 | 822,127 |
| Other comprehensive Income for the period | - | - | 427,249 | 427,249 | 926,752 | 1,354,001 |
| Total comprehensive income for the period | - | - | 662,191 | 662,191 | 1,513,937 | 2,176,128 |
| Transaction with owners of the Company, recognised directly in equity | | | | | | |
| Dividend paid - Participating Cumulative Preference Shares | - | - | (36) | (36) | - | (36) |
| Dividend Paid to Non Controlling Shareholders | - | - | - | - | (2,412) | (2,412) |
| Movement due to changes in equity | - | - | 295,784 | 295,784 | (295,804) | (20) |
| Total Transactions with owners of the Company | - | - | 295,748 | 295,748 | (298,216) | (2,468) |
| Balance as at 30th June 2017 (Unaudited) | 412,635 | 2,695,839 | 18,384,175 | 21,492,649 | 32,190,723 | 53,683,372 |
| Balance as at 31st March 2016 | 412,635 | 2,424,392 | 18,239,697 | 21,076,724 | 30,967,727 | 52,044,451 |
| Loss for the period | - | - | (516,161) | (516,161) | (666,456) | (1,182,617) |
| Other comprehensive income for the period | - | - | 161,193 | 161,193 | 242,998 | 404,192 |
| Total comprehensive expenses for the period | - | - | (354,967) | (354,967) | (423,458) | (778,425) |
| Transaction with owners of the Company, recognised directly in equity | | | | | | |
| Movement due to changes in equity | - | - | (3,366) | (3,366) | 3,208 | (158) |
| Dividend paid - Participating Cumulative Preference Shares | - | - | (36) | (36) | - | (36) |
| Ordinary Dividend paid to Non controlling shareholders | - | - | - | - | (2,216) | (2,216) |
| Total Transactions with owners of the Company | - | - | (3,402) | (3,402) | 992 | (2,410) |
| Balance as at 30th June 2016 (Unaudited) | 412,635 | 2,424,392 | 17,881,329 | 20,718,356 | 30,545,261 | 51,263,617 |

The above figures are subject to audit.

The notes on pages 16 to 28 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOW

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

| For the Three months ended 30th June | 2017 | 2016 |
|---|-------------|-------------|
| Cash Flows from Operating Activities | | |
| Profit / (Loss) before income tax expenses from continuing operations | 1,465,748 | (980,220) |
| Loss before income tax expenses from discontinued operations | (78,779) | (51,357) |
| | 1,386,969 | (1,031,577) |
| Adjustments for: | | |
| Foreign exchange gains | (149,500) | (336,001) |
| Unwinding of discount on compensation receivable | (4,193) | (3,760) |
| Mark to market value adjustments - Unrealized | (216,157) | 12,448 |
| Impairment of business assets | 72,530 | 11,718 |
| Share of net result of Joint venture | (6,436) | (855) |
| Depreciation on property, plant & equipment | 801,334 | 877,234 |
| Depreciation on Bearer Plants | 262,639 | 284,231 |
| Amortization of intangible assets/prepaid lease payment | 58,669 | 60,124 |
| Net Inventory provisions | 926 | 27,682 |
| Provision for retiring gratuity | 73,105 | 84,722 |
| Unrealized gain on asset held for sale | - | 120,392 |
| Deposits liability write back | - | - |
| Amortization of deferred revenue | (1,585) | (1,271) |
| Finance expenses | 1,080,145 | 1,000,331 |
| Profit on disposal of property, plant & equipment | (1,997) | (11,366) |
| Profit on disposal non current investments | - | - |
| | 1,969,480 | 2,125,628 |
| Operating profit before working capital changes | 3,356,449 | 1,094,051 |
| (Increase)/decrease in inventories | 32,000 | 2,598,688 |
| (Increase)/decrease in trade and other receivables | 171,967 | 290,222 |
| Increase/(decrease) in trade and other payables | (351,571) | (102,727) |
| | 3,208,845 | 3,880,234 |
| Net cash movement in investment | (297,884) | (532,241) |
| Cash generated from operations | 2,910,961 | 3,347,993 |
| Interest paid | (1,080,145) | (1,611,626) |
| Income tax paid | (329,253) | (524,884) |
| Gratuity paid | (37,808) | (46,965) |
| Net cash generated from operating activities | 1,463,755 | 1,164,518 |

| For the Three months ended 30th June | 2017 | 2016 |
|---|--------------------|---------------------|
| Cash Flows from Investing Activities | | |
| Payments for property, plant & equipment/Investment property | (566,076) | (578,837) |
| Payments for bearer Plants | (459,543) | (401,884) |
| Payments for Intangible assets/prepaid lease payments | (1,525) | (2,912) |
| Payments for acquisition of additional interest in subsidiaries | (2,935) | - |
| Movement in non current VAT and other receivables | 74,404 | 7,035 |
| Movement in Plasma investment | - | (168,034) |
| Proceeds from disposal of long - term investments in Subsidiaries | - | - |
| Proceeds from disposal of property, plant & equipment | 15,253 | 39,205 |
| Proceeds from sale of assets held for sale | - | - |
| Deposits received | 3,965 | 569 |
| Net cash used in investing activities | (936,457) | (1,104,858) |
| Cash Flows from Financing Activities | | |
| Net change in borrowings /debenture | 1,395,223 | (517,687) |
| Payment of finance lease creditors | (21,505) | (41,062) |
| Dividend paid to non -controlling shareholders by subsidiaries | - | (2,214) |
| Net cash generated from/(used in) financing activities | 1,373,718 | (560,963) |
| Net decrease in cash & cash equivalents | 1,901,016 | (501,303) |
| Cash & cash equivalents at the beginning of the year | (7,756,323) | (10,552,251) |
| Cash & cash equivalents at the end of the period | (5,855,307) | (11,053,554) |
| Statement of Cash & Cash Equivalents | | |
| Cash and cash equivalents | 14,334,672 | 5,608,172 |
| | 14,334,672 | 5,608,172 |
| Short term borrowings | (20,189,979) | (16,661,726) |
| | (5,855,307) | (11,053,554) |

The above figures are subject to audit.

The notes on pages 16 to 28 form an integral part of these financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION - GROUP

(a) Segment results as follows

For the period ended 30th June

(Amounts expressed in Sri Lankan Rs.'000)

| Business Segment | Investment Holdings | | Portfolio & Asset Management | | Oil Palm Plantations | | Oils and fats | |
|---|---------------------|----------|------------------------------|----------|----------------------|---------------------|---------------|-----------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 (Re-stated) | 2017 | 2016 |
| Total revenue | 13,681 | 13,625 | 209,950 | 207,826 | 7,541,729 | 3,611,848 | 4,257,106 | 3,569,564 |
| Intra segment revenue | - | - | (26,644) | (19,431) | (1,352,568) | (12,733) | (65,429) | (212,635) |
| Segment revenue | 13,681 | 13,625 | 183,306 | 188,395 | 6,189,161 | 3,599,115 | 4,191,677 | 3,356,929 |
| Inter segment revenue | (12,485) | (12,583) | - | - | (4,179) | (284,714) | (163,704) | (856) |
| Revenue | 1,196 | 1,042 | 183,306 | 188,395 | 6,184,982 | 3,314,401 | 4,027,973 | 3,356,073 |
| Segment results | (8,306) | (17,742) | 331,997 | 120,671 | 1,330,464 | (165,316) | (76,163) | (21,003) |
| Flood relevant expenses | - | - | - | - | - | - | - | - |
| Impairment of business assets | - | - | (72,530) | (11,718) | - | - | - | - |
| Foreign Exchange gain/(losses) | - | 1 | (2,833) | 7,963 | (34,393) | 289,996 | 154,050 | 86,799 |
| Profit/(loss) from operations | (8,306) | (17,741) | 256,634 | 116,916 | 1,296,071 | 124,680 | 77,887 | 65,796 |
| Net finance cost | (43,630) | (28,435) | 268 | 118 | (466,873) | (618,736) | (135,298) | (91,379) |
| Share of net results of Joint venture | - | - | 6,436 | 855 | - | - | - | - |
| Profit/(loss) before taxation | (51,936) | (46,176) | 263,338 | 117,889 | 829,198 | (494,056) | (57,411) | (25,583) |
| Income tax expenses | | | | | | | | |
| Current taxation | (1,396) | (1,090) | (9,398) | (3,259) | (475,493) | (101,222) | (1,759) | (1,185) |
| Deferred taxation | - | - | - | - | 64,223 | 154,325 | 18,395 | 2,311 |
| | (1,396) | (1,090) | (9,398) | (3,259) | (411,270) | 53,103 | 16,636 | 1,126 |
| Profit/(loss) from continuing operations | (53,332) | (47,266) | 253,940 | 114,630 | 417,928 | (440,953) | (40,775) | (24,457) |
| Discontinued operations | | | | | | | | |
| Net impact from discontinued operations, net of tax | - | - | - | - | - | 70,171 | (78,779) | (144,620) |
| Profit for the period | (53,332) | (47,266) | 253,940 | 114,630 | 417,928 | (370,782) | (119,554) | (169,077) |
| Attributable to: | | | | | | | | |
| Owners of the Company | (27,099) | (24,567) | 57,481 | 30,980 | 201,909 | (231,409) | (74,414) | (104,303) |
| Non controlling interest | (26,233) | (22,699) | 196,459 | 83,650 | 216,019 | (139,373) | (45,140) | (64,774) |
| | (53,332) | (47,266) | 253,940 | 114,630 | 417,928 | (370,782) | (119,554) | (169,077) |

| Beverage | | Real Estate | | Leisure | | Management Services | | Group | |
|-----------|-----------|-------------|----------|---------|---------|---------------------|----------|-------------|-------------|
| 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| 5,838,176 | 5,978,608 | 68,190 | 60,619 | 140,872 | 116,930 | 95,258 | 89,103 | 18,164,962 | 13,648,123 |
| (14,470) | (13,921) | - | - | - | - | - | - | (1,459,111) | (258,720) |
| 5,823,706 | 5,964,687 | 68,190 | 60,619 | 140,872 | 116,930 | 95,258 | 89,103 | 16,705,851 | 13,389,403 |
| - | - | (5,167) | (5,168) | - | - | (94,842) | (88,764) | (280,377) | (392,085) |
| 5,823,706 | 5,964,687 | 63,023 | 55,451 | 140,872 | 116,930 | 416 | 339 | 16,425,474 | 12,997,318 |
| 162,647 | 351,881 | 48,128 | 37,353 | 4,664 | (7,569) | (4,476) | (6,998) | 1,788,955 | 291,278 |
| 608,696 | (664,670) | - | - | - | - | - | - | 608,696 | (664,670) |
| - | - | - | - | - | - | - | - | (72,530) | (11,718) |
| 32,630 | (5,602) | - | - | 46 | 26 | - | - | 149,500 | 379,183 |
| 803,973 | (318,391) | 48,128 | 37,353 | 4,710 | (7,543) | (4,476) | (6,998) | 2,474,621 | (5,927) |
| (373,392) | (243,930) | (1,813) | (1,123) | 5,496 | 8,358 | (67) | (21) | (1,015,309) | (975,148) |
| - | - | - | - | - | - | - | - | 6,436 | 855 |
| 430,581 | (562,321) | 46,315 | 36,230 | 10,206 | 815 | (4,543) | (7,019) | 1,465,748 | (980,220) |
| (52,010) | (6,460) | (11,584) | (8,505) | (1,222) | (257) | - | - | (552,862) | (121,978) |
| (95,788) | (160,445) | (1,979) | (2,664) | 3,169 | 503 | - | - | (11,980) | (5,970) |
| (147,798) | (166,905) | (13,563) | (11,169) | 1,947 | 246 | - | - | (564,842) | (127,948) |
| 282,783 | (729,226) | 32,752 | 25,061 | 12,153 | 1,061 | (4,543) | (7,019) | 900,906 | (1,108,168) |
| - | - | - | - | - | - | - | - | (78,779) | (74,449) |
| 282,783 | (729,226) | 32,752 | 25,061 | 12,153 | 1,061 | (4,543) | (7,019) | 822,127 | (1,182,617) |
| 60,504 | (195,392) | 13,877 | 10,469 | 4,758 | 1,267 | (2,074) | (3,207) | 234,942 | (516,161) |
| 222,279 | (533,834) | 18,875 | 14,592 | 7,395 | (206) | (2,469) | (3,812) | 587,185 | (666,456) |
| 282,783 | (729,226) | 32,752 | 25,061 | 12,153 | 1,061 | (4,543) | (7,019) | 822,127 | (1,182,617) |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | CONTD.

Condensed Interim Financial Statements

OPERATING SEGMENT INFORMATION - GROUP

(b) Segment Assets/ Liabilities are follows

(Amounts expressed in Sri Lankan Rs.'000)

| Business Segment As at | Investment Holdings | | Portfolio & Asset Management | | Oil Palm Plantations | | Oils and fats | |
|--|---------------------|----------------|---------------------------------|-------------------|----------------------|--------------------------|-------------------|-------------------|
| | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 (Restated) | 30.06.2017 | 31.03.2017 |
| SEGMENT ASSETS | | | | | | | | |
| Non - Current Assets | | | | | | | | |
| Fixed assets** | - | - | 5,219 | 6,011 | 59,109,096 | 58,344,308 | 7,351,093 | 7,104,886 |
| Intangible assets | - | - | 84,791 | 84,791 | 622,053 | 625,106 | 1,608,450 | 1,616,199 |
| Available-for-sale financial assets/Joint venture | 62,044 | 62,044 | 9,916,715 | 8,543,028 | - | - | - | - |
| Deferred tax assets | - | - | - | - | 3,190,336 | 3,098,622 | - | - |
| Other financial receivables | - | - | - | - | - | - | - | - |
| Other non financial receivables | - | - | - | - | 6,619,747 | 6,288,882 | - | - |
| Total non - current assets | 62,044 | 62,044 | 10,006,725 | 8,633,830 | 69,541,232 | 68,356,918 | 8,959,543 | 8,721,085 |
| Current Assets | | | | | | | | |
| Inventories | - | - | - | - | 2,567,960 | 2,115,860 | 1,832,907 | 1,982,551 |
| Trade debtors and other financial assets | - | 89 | 21,120 | 184,850 | 594,193 | 778,979 | 1,731,523 | 2,045,685 |
| Other non financial receivables | 10,845 | 11,490 | 78,634 | 56,333 | 2,409,830 | 1,815,136 | 3,297,561 | 3,234,669 |
| financial assets held for trading | 34,886 | 26,154 | 3,278,619 | 3,136,896 | - | - | - | - |
| Cash and cash equivalents | 51,545 | 57,140 | 1,282,985 | 1,463,374 | 5,022,066 | 5,931,430 | 233,177 | 222,009 |
| Total current assets | 97,276 | 94,873 | 4,661,358 | 4,841,453 | 10,594,049 | 10,641,405 | 7,095,168 | 7,484,914 |
| Assets held for sale | - | - | - | - | - | - | 657,048 | 647,447 |
| | 97,276 | 94,873 | 4,661,358 | 4,841,453 | 10,594,049 | 10,641,405 | 7,752,216 | 8,132,361 |
| Total segmental assets | 159,320 | 156,917 | 14,668,083 | 13,475,283 | 80,135,281 | 78,998,323 | 16,711,759 | 16,853,446 |

** Fixed assets include, Property Plant & Equipments, Bearer Plants, Leasehold land rights & Investment properties.

| Beverage | | Real Estate | | Leisure | | Management Services | | Group | |
|------------|------------|-------------|------------|------------|------------|---------------------|------------|-------------|-------------|
| 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 |
| | | | | | | | | | (Restated) |
| 18,091,167 | 18,267,006 | 3,230,421 | 3,230,682 | 1,997,943 | 2,010,067 | 58,329 | 63,876 | 89,843,268 | 89,026,836 |
| 2,567,717 | 2,582,613 | 12,799 | 12,799 | - | - | 1,409 | 1,476 | 4,897,219 | 4,922,984 |
| - | - | - | - | - | - | - | - | 9,978,759 | 8,605,072 |
| 6,341 | 6,341 | - | - | - | - | 11,746 | 11,746 | 3,208,423 | 3,116,709 |
| - | - | - | - | 156,589 | 152,396 | - | - | 156,589 | 152,396 |
| - | - | - | - | - | - | - | - | 6,619,747 | 6,288,883 |
| 20,665,225 | 20,855,960 | 3,243,220 | 3,243,481 | 2,154,532 | 2,162,463 | 71,484 | 77,098 | 114,704,005 | 112,112,880 |
| 2,216,970 | 2,544,179 | - | - | 21,049 | 22,007 | 58 | 71 | 6,638,944 | 6,664,668 |
| 1,429,469 | 1,799,420 | 23,270 | 23,354 | 45,967 | 75,537 | 4,267 | 253 | 3,849,809 | 4,908,167 |
| 692,032 | 363,502 | 100,000 | 74,110 | 15,882 | 11,769 | 35,543 | 31,557 | 6,640,327 | 5,598,566 |
| - | - | - | - | 5,343 | - | - | - | 3,318,848 | 3,163,050 |
| 7,633,745 | 7,645,227 | 31,424 | 46,909 | 51,881 | 42,102 | 27,849 | 29,812 | 14,334,672 | 15,438,003 |
| 11,972,216 | 12,352,328 | 154,694 | 144,373 | 140,122 | 151,415 | 67,717 | 61,693 | 34,782,600 | 35,772,454 |
| - | - | - | - | - | - | - | - | 657,048 | 647,447 |
| 11,972,216 | 12,352,328 | 154,694 | 144,373 | 140,122 | 151,415 | 67,717 | 61,693 | 35,439,648 | 36,419,901 |
| 32,637,441 | 33,208,288 | 3,397,914 | 3,387,854 | 2,294,654 | 2,313,878 | 139,201 | 138,791 | 150,143,653 | 148,532,781 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | CONTD.

Condensed Interim Financial Statements

OPERATING SEGMENT INFORMATION - GROUP

(b) Segment Assets/ Liabilities are follows

(Amounts expressed in Sri Lankan Rs.'000)

| Business Segment As at | Investment Holdings | | Portfolio & Asset Management | | Oil Palm Plantations | | Oils and fats | |
|--|---------------------|------------|---------------------------------|------------|----------------------|--------------------------|---------------|------------|
| | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 (Restated) | 30.06.2017 | 31.03.2017 |
| SEGMENT LIABILITIES | | | | | | | | |
| Non - Current Liabilities | | | | | | | | |
| Loans and borrowings | - | - | - | - | 37,112,889 | 24,314,043 | 3,347,386 | 3,209,662 |
| Other financial payables | - | - | - | - | - | - | - | - |
| Other non financial liabilities | - | - | 10,764 | 10,479 | 1,026,064 | 988,550 | - | - |
| Deferred tax liabilities | - | - | - | - | 3,032,895 | 3,006,429 | 150,008 | 162,554 |
| Total non - current liabilities | - | - | 10,764 | 10,479 | 41,171,848 | 28,309,022 | 3,497,394 | 3,372,216 |
| Current Liabilities | | | | | | | | |
| Trade and other financial liabilities | 218,335 | 220,447 | 135,910 | 281,910 | 10,137,750 | 10,162,657 | 4,645,907 | 4,760,224 |
| Loans and borrowings | 1,461,900 | 1,418,175 | 12,121 | 12,723 | 2,772,782 | 15,167,636 | 7,685,959 | 7,714,346 |
| Total current liabilities | 1,680,235 | 1,638,622 | 148,031 | 294,633 | 12,910,532 | 25,330,293 | 12,331,866 | 12,474,570 |
| Total segmental liabilities | 1,680,235 | 1,638,622 | 158,795 | 305,112 | 54,082,380 | 53,639,315 | 15,829,260 | 15,846,786 |

| Beverage | | Real Estate | | Leisure | | Management Services | | Group | |
|------------|------------|-------------|------------|------------|------------|---------------------|------------|------------|------------|
| 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 | 30.06.2017 | 31.03.2017 |
| | | | | | | | | | (Restated) |
| 6,847,010 | 8,191,865 | - | - | 6,550 | 6,550 | - | - | 47,313,835 | 35,722,120 |
| - | - | 77,864 | 77,607 | - | - | - | - | 77,864 | 77,607 |
| 82,186 | 78,440 | 3,574 | 3,505 | 16,334 | 16,021 | 49,511 | 47,169 | 1,188,433 | 1,144,164 |
| 2,475,650 | 2,379,861 | 194,989 | 193,010 | 63,809 | 66,978 | - | - | 5,917,351 | 5,808,832 |
| 9,404,846 | 10,650,166 | 276,427 | 274,122 | 86,693 | 89,549 | 49,511 | 47,169 | 54,497,483 | 42,752,723 |
| 3,207,552 | 2,837,619 | 134,279 | 165,506 | 123,361 | 136,300 | 74,718 | 68,240 | 18,677,812 | 18,632,904 |
| 11,353,547 | 11,331,783 | 6,300 | - | - | 55 | 3,065 | 3,412 | 23,295,674 | 35,648,130 |
| 14,561,099 | 14,169,402 | 140,579 | 165,506 | 123,361 | 136,355 | 77,783 | 71,652 | 41,973,486 | 54,281,034 |
| 23,965,945 | 24,819,568 | 417,006 | 439,628 | 210,054 | 225,904 | 127,294 | 118,821 | 96,470,969 | 97,033,757 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | CONTD.

(Amounts expressed in Sri Lankan Rs.'000)

1. REPORTING ENTITY

Bukit Darah PLC is a limited liability company which is incorporated in Sri Lanka. The ordinary shares of the Company have a primary listing on the Colombo Stock Exchange.

The Group is a diversified conglomerate and one of the foremost business establishments in Sri Lanka backed by a heritage of well over 100 years. Today it is positioned as a company whose outlook is regional, focused on a future which is technology-oriented, results driven and world class.

The businesses range from oil palm plantations in Malaysia (Since disposed) and Indonesia, palm oil refining in Malaysia and India to breweries, investment holdings, portfolio & assets management, real estate and leisure in Sri Lanka. The Group has offices in Malaysia, Singapore, Indonesia and India, in addition to Sri Lanka.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial period under review.

2. BASIS OF PREPARATION OF INTERIM CONDENSED FINANCIAL STATEMENTS

These Interim Financial Statement of the Company and the Group have been prepared based on the Sri Lanka Accounting Standards LKAS 34 -Interim Financial reporting. The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 March 2017.

3. SEGMENTAL INFORMATION

For management purposes the Group's primary format segment reporting is Industry segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group engages in, rather than the geographical location of these operations.

This is reflected by the Group's organizational structure. Industry segment activities of the Group have been broadly classified into eight segments: Investment Holdings, Portfolio and Asset Management, Oil Palm Plantations, Beverage, Real-Estate, Leisure, Oils & fats and Management Services according to the nature of product sold or service rendered. The principal product and services of each segments are follows.

| | |
|----------------------|--|
| Investment Holdings | - Holding of Strategic Investment |
| Portfolio Management | - Investment and management of listed, private equity, fixed income and unit trust investments |
| Oil Palm Plantations | - Production and sale of palm oil, palm kernel and fresh fruit bunches (FFB) to the local and international market |
| Beverage | - Production and sale of Beer, Import & distribution of alcoholic beverages |
| Real Estate | - Letting office and warehouse premises on rent for commercial purposes |
| Leisure | - Hoteliering |

- Oils & Fats - Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate and confectionery, ice creams and creamer industries and cooking oil products to end consumers
- Management Services - Providing support services to the Group Companies.

Sales between segments are made at prices that approximate the market prices. Segment revenue, segment expenses and segment results include transactions between industry segments. These transactions and any unrealized profits and losses are eliminated on consolidation. Segmental expenses are expenses that are directly attributed to a relevant segment or a portion of expenses that can be allocated on a reasonable basis as determined by the Management.

5 EXCHANGE RATES

The results and net assets of the Group, as reported in Sri Lankan Rupees, are affected by movements in exchange rates between Sri Lankan Rupees and operational currencies of overseas subsidiaries. Bukit Darah PLC uses the average of exchange rates prevailing during the period to translate the results and cash flows of overseas Group subsidiaries and associates into Sri Lankan Rupees, and period end rates to translate the net assets of those undertakings. The currencies which most influence these translations, and the relevant exchange rates, are:

| | First Quarter ended 30.06.2017 Rs. | First Quarter ended 30.06.2016 Rs. | Year ended 31.03.2017 Rs. |
|--------------------------|---|---|------------------------------------|
| Average rates: | | | |
| Malaysian Ringgit | 35.17 | 35.59 | 34.90 |
| US Dollar | 152.52 | 146.03 | 147.61 |
| Indonesian Rupiah (Rp) | 0.01 | 0.0109 | 0.0111 |
| Indian Rupee | 2.36 | 2.16 | 2.20 |
| Period-end rates: | | | |
| Malaysian Ringgit | 35.75 | 36.13 | 34.28 |
| US Dollar | 153.30 | 146.55 | 151.99 |
| Indonesian Rupiah (Rp) | 0.01 | 0.0111 | 0.0114 |
| Indian Rupee | 2.37 | 2.15 | 2.34 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | CONTD.

(Amounts expressed in Sri Lankan Rs.'000)

5 DISCONTINUED OPERATION

Loss for the year from of discontinued operations

| For the period ended 30th June | 2017 Rs '000 | 2016 Rs '000 |
|--|-----------------|-----------------|
| Revenue | 2,697 | 1,607,547 |
| Direct operating expenses | (3,376) | (1,489,186) |
| | (679) | 118,361 |
| Other items of income | | |
| Other income | 1,013 | 5,590 |
| Other items of expenses | | |
| Distribution expenses | - | (22,252) |
| Administrative expenses | (14,277) | (84,748) |
| Foreign exchange gain/(losses) | - | (43,125) |
| Profit from operations | (13,943) | (26,174) |
| Net finance cost | (64,836) | (25,183) |
| Loss before Income tax expenses | (78,779) | (51,357) |
| Income tax expenses | | |
| Current taxation | - | (15,718) |
| Deferred taxation | - | (7,374) |
| | - | (23,092) |
| Loss from discontinuing operations, net of tax | (78,779) | (74,449) |

The major classes of assets of Oil and Fats segment (Indian Operation) Classified as held for sale as at 30th June 2017 are as follows

| As at | 30th June 2017 Rs '000 | 31st March 2017 Rs '000 |
|------------------------------|------------------------------|-------------------------------|
| ASSETS | | |
| Property, plant & equipments | 657,048 | 647,447 |
| | 657,048 | 647,447 |

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

6 FLOOD RELEVANT EXPENSES

Lion Brewery Ceylon PLC

The LBCPLC has estimated and written off its Property Plant & Inventory amounting to Rs. 525 million and Rs. 372 million respectively. The other operational costs related to flood recovery amounted to Rs. 143 million. Accordingly, the total loss recorded due to floods amounted to Rs. 1,041 million. Interim claims on insurance have been submitted for the damages caused to the company's inventory and for business interruption. Against these interim claims, an amount of Rs. 2,066 million has been received as on account payments as at 31st March 2017. Whilst Rs. 1,000 million of this has been received against Business Interruption, the balance amount of Rs. 1,066 million has been recorded against Property Plant & Inventory. In terms of the policy in place for insurance the maximum amount that could be received against business interruption & the damage caused to fixed assets & inventory is Rs. 4,000million.

Luxury Brands (Pvt) Ltd.

The company's inventory were damaged due to flooding and a claim was submitted for the damaged value. As of 31st March 2017, the claim amounting to Rs. 299 million has been fully settled.

An amount of Rs. 307 million had been recognized for the carrying value of damaged inventory including other operational expenses incurred for the flood recovery process.

7 DIVIDEND PER SHARE

| | Total Dividend 2017 Rs '000 | 2016 Rs '000 |
|----------------------|-----------------------------------|-----------------|
| On Preference shares | | |
| Annual Dividend | 36 | 36 |
| Total | 36 | 36 |

8 INTANGIBLE ASSETS

| | Goodwill | Customer Relationship | Trade Mark | Total as at 30th June 2017 | Total as at 31st March 2017 |
|---------------------------------|-----------|--------------------------|------------|----------------------------------|-----------------------------------|
| Cost | | | | | |
| Balance at beginning of period | 1,583,053 | 410,586 | 2,326,935 | 4,320,574 | 6,060,982 |
| Impairment | - | - | - | - | (1,740,408) |
| | 1,583,053 | 410,586 | 2,326,935 | 4,320,574 | 4,320,574 |
| Accumulated Amortisation | | | | | |
| Balance at beginning of period | - | 305,783 | - | 305,783 | 268,794 |
| Amortization | - | 9,247 | - | 9,247 | 36,989 |
| | - | 315,030 | - | 315,030 | 305,783 |
| | 1,583,053 | 95,556 | 2,326,935 | 4,005,544 | 4,014,791 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | CONTD.

(Amounts expressed in Sri Lankan Rs.'000)

9 RELATED PARTY TRANSACTIONS

| For the period ended 30th June | Group | | Company | |
|-----------------------------------|-------|------|---------|-------|
| | 2017 | 2016 | 2017 | 2016 |
| Transactions with related parties | | | | |
| Subsidiaries | | | | |
| Dividend income received | - | - | - | - |
| Support service fees | - | - | 3,000 | 3,000 |
| Secretarial fees paid | - | - | 100 | 100 |
| Computer charges paid | - | - | 60 | 60 |
| Joint Ventures | | | | |
| Secretarial fees received | 54 | 54 | - | - |

10 STATED CAPITAL

| As at 30th June | 2017 (Rs 000) | 2016 (Rs 000) |
|---|------------------|------------------|
| Issued and Fully Paid | | |
| 102,000,000 Ordinary shares | 371,880 | 371,880 |
| 1,839,568 8% Participating Cumulative Preference shares | 40,755 | 40,755 |
| | 412,635 | 412,635 |

11 LOANS AND BORROWINGS

| | 30th June' 2017 | | 31st March' 2017 | |
|---|-----------------|------------|------------------|------------|
| | Secured | Unsecured | Secured | Unsecured |
| (a) Long term bank borrowings | 41,005,130 | 6,298,292 | 37,419,570 | 6,754,489 |
| Short term bank borrowings | 9,869,790 | 10,320,189 | 12,927,534 | 10,266,792 |
| Finance lease payable | 44,096 | - | 65,133 | - |
| Debenture | - | 3,072,012 | - | 3,936,732 |
| | 50,919,016 | 19,690,493 | 50,412,237 | 20,958,013 |
| (b) Amount repayable after one year | 40,460,275 | 6,853,560 | 27,530,255 | 8,191,865 |
| Amount repayable in one year or less, or on demand | 10,458,741 | 12,836,933 | 22,881,982 | 12,766,148 |
| | 50,919,016 | 19,690,493 | 50,412,237 | 20,958,013 |

- (c) The bank term loans and short term working capital loans are secured by a pledge over property, plant and equipment, bearer plants, fixed deposits and other deposits with financial institutions, Inventories, trade receivables and corporate guarantees from the Oil Palm Plantation sector and Oil & Fats sectors.

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

- 12 There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.
- 13 The financial statements presented above have not been audited or reviewed by the Company auditors.
- 14 Net assets per share has been calculated for all periods, based on the number of Ordinary shares in issue as at 30th June 2017.

15 CONTINGENT LIABILITIES

There were no changes of material nature in the contingent liabilities since the last annual balance sheet date.

16 CAPITAL COMMITMENTS

There were no changes of material nature in the capital commitments since the last annual balance sheet date.

17 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No material events took place since March 31st, 2017 that require disclosure in these Financial Statements .

18 DIRECTORS SHAREHOLDING AS AT 30TH JUNE 2017

Directors holdings, as defined under Colombo Stock Exchange Rules, of ordinary share in the Company were as follows:

| | No. of Shares |
|---|---------------|
| Mr. H. Selvanathan | 153,112 |
| Mr. M. Selvanathan | 44,214 |
| Mr. I. Paulraj | 1,127 |
| Mr. D. C.R. Gunawardena | - |
| Mr. P. C. P. Tissera | - |
| Mr. L. R. de Lanerolle | 3,074 |
| Mr. S. K. Shah | - |
| Mr. M. Dayananda | - |
| Alternate Director | |
| Mr. K. Selvanathan (for M. Selvanathan) | - |
| | |
| 8% Participating Cumulative Preference shares | |
| Mr. H. Selvanathan | 345,130 |
| Mr. M. Selvanathan | 824,231 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | CONTD.

(Amounts expressed in Sri Lankan Rs.'000)

19 TWENTY MAJOR SHAREHOLDERS - ORDINARY SHARES

| Name of Shareholder | As at 30.06.2017 | |
|--|------------------|-------|
| | No. of Shares | % |
| Rubber Investment Trust Limited A/C No.03 | 20,438,250 | 20.04 |
| Portelet Limited | 9,409,500 | 9.23 |
| Skan Investments (Pvt) Limited. | 8,357,904 | 8.19 |
| Goodhope Holdings (Pvt) Limited. | 8,149,039 | 7.99 |
| Newgreens Limited | 7,905,000 | 7.75 |
| Interkrish Investment Company (Pvt) Limited. | 7,314,903 | 7.17 |
| Krish Investment Company (Pvt) Ltd. | 7,304,150 | 7.16 |
| Carson Cumberbatch PLC A/C No.2 | 6,270,781 | 6.15 |
| Natwest Nominees (Pvt) Limited. | 4,392,480 | 4.31 |
| Wardley Investments (Pvt) Limited | 4,312,856 | 4.23 |
| Gee Gees Properties (Pvt) Ltd | 3,734,220 | 3.66 |
| Employees Provident Fund | 2,857,872 | 2.80 |
| S Kanapathy Chetty (Private) Limited. | 2,139,922 | 2.10 |
| Ceylon Finance and Securities (Private) Ltd | 1,006,085 | 0.99 |
| Pershing LLC S/A Averbach Grauson & Co. | 912,687 | 0.89 |
| Thurston Investments Limited | 871,570 | 0.85 |
| Mr. E.A. Samaraweera | 612,000 | 0.60 |
| Mrs. H. Pope (Decd) | 612,000 | 0.60 |
| Mr. W. Tippetts | 520,200 | 0.51 |
| Mr. K.C. Vignarajah | 494,081 | 0.48 |

20 PUBLIC HOLDING

Ordinary shares of the Company held by the public as at 30th June 2017 were as follows;

Number of Public shareholders - 1,758

Percentage of public holding - 23.04%

21 INVESTOR INFORMATION

| As at | First quarter 30.06.2017 | First quarter 30.06.2016 | Year ended 31.03.2017 |
|--|-----------------------------|-----------------------------|--------------------------|
| Market Performance -Ordinary Shares | | | |
| Market value per share (Rs.) | 256 | 285 | 260 |
| Highest price per share (Rs.) | 280 | 395 | 395 |
| Lowest price per share (Rs.) | 250 | 285 | 241 |
| Share Trading | | | |
| Value of shares traded (Rs. Mn) | 20 | 62 | 83 |
| Number of shares traded | 72,279 | 198,710 | 277,389 |
| Number of trades | 277 | 533 | 1,528 |
| Other Information | | | |
| Market Capitalization (Rs. Mn) | 26,122 | 29,070 | 26,540 |
| Enterprise Value (Rs. Mn) | 114,588 | 128,138 | 113,448 |

CORPORATE INFORMATION

NAME OF THE COMPANY

Bukit Darah PLC

COMPANY REGISTRATION NO.

PQ 56

LEGAL FORM

A Public Quoted Company with limited liability.
Incorporated in Sri Lanka in 1916.

BOARD OF DIRECTORS

Mr. H. Selvanathan (Chairman)

Mr. M. Selvanathan

Mr. I. Paulraj

Mr. D. C. R. Gunawardena

Mr. P.C.P. Tissera

Mr. L. R. de Lanerolle

Mr. S.K. Shah

Mr. M. Dayananda

ALTERNATE DIRECTOR

Mr. K. Selvanathan (for M. Selvanathan)

AUDIT COMMITTEE

Mr. L. R. de Lanerolle (Chairman)

Non- Executive/Independent Director

Mr. M. Dayananda

Non- Executive/Independent Director

Mr. D. C.R. Gunawardena

Non- Executive Director

REMUNERATION COMMITTEE

Mr. M. Dayananda (Chairman)

Non- Executive/Independent Director

Mr. D. C.R. Gunawardena

Non- Executive Director

Mr. L. R. de Lanerolle

Non- Executive/Independent Director

NOMINATION COMMITTEE

Mr. I. Paulraj (Chairman)

Non- Executive Director

Mr. D. C.R. Gunawardena

Non- Executive Director

Mr. L. R. de Lanerolle

Non- Executive/Independent Director

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. L. R. de Lanerolle (Chairman)

Non- Executive/Independent Director

Mr. M. Dayananda

Non- Executive/Independent Director

Mr. D. C.R. Gunawardena

Non- Executive Director

Mr. H. Selvanathan

Executive Director

Mr. M. Selvanathan

Executive Director

BANKERS

Standard Chartered Bank

Bank of Ceylon

Citibank NA

Commercial Bank of Ceylon PLC

HSBC

Sampath Bank PLC

Hatton National Bank PLC

Nations Trust Bank PLC

Deutsche Bank A. G

Public Bank

Pan Asia Banking Corporation PLC

AUDITORS

Messrs KPMG

Chartered Accountants

No. 32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3

Sri Lanka

Tel: 94-11-5426426

Fax: 94-11-2445872

SECRETARIES

Carsons Management Services
(Private) Limited

No. 61, Janadhipathi Mawatha,
Colombo 1

Sri Lanka

Tel: 94-11-2039200

Fax: 94-11-2039300

REGISTERED OFFICE

No. 61, Janadhipathi Mawatha,
Colombo 1

Sri Lanka

Tel: 94-11-2039200

Fax: 94-11-2039300

EMAIL

carsons@carcumb.com

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www.carsoncumberbatch.com