



B P P L Holdings PLC

Unaudited Interim Condensed Consolidated Financial Statements
for the First Quarter ended
30th June 2018

BPPL Holdings Financial Results for the Period Ending 30th June 2018

BPPL Holdings announced today its unaudited financial results for the three month period April to June 2018.

Consolidated revenue for the period was Rs.581 million, up 5% over the corresponding period in the previous year.

Gross profit for the period was Rs.212 million, an increase of 4% over the same period the previous year. Gross margins were 37%, similar to margins seen in the previous year. These margins, however, had improved significantly compared to the 31% recorded in the January to March 2018 (previous) quarter following the regularising of timber supply and increased use of less expensive recycled plastics for producing brush backs and filaments.

Gross margins began to fall from the second quarter of the last financial year following unprecedented floods which disrupted timber supply and subsequently impacted timber prices. Overtime and labour costs were also higher during this period due to temporary worker hiring in order to process customer orders as and when timber was received. Financial results were further affected by escalating petroleum prices which impacted plastic raw material costs later in the year.

Group profit-before-tax had also improved by 7% to Rs.93 million for the period, compared to Rs.86 million in April to June 2017 following the relocation of North American sales management to Sri Lanka and parking of expansion plans into Malaysia.

Exchange losses, however, were higher for the period caused by faster depreciation of the Sri Lankan Rupee vs. the US Dollar. The Group borrowed in US Dollars for both its yarn and brush filament expansion projects. As a result, its overall Dollar exposure exceeded cover provided by its Dollar denominated receivables. Interest expenses were also slightly higher due to these borrowings compared to the April to June 2017 period.

However, a higher effective tax rate of 14% compared to 9% in the April to June 2017 period limited Profit-After-Tax attributable to the company's shareholders to Rs.80 million or Rs.0.26 per share compared with Rs.79 recorded during the corresponding period the previous year.

One must note that the first quarter of a financial year is traditionally a slow period for the Group due to factory closures for the April new year holidays.

I'm also pleased to report that our yarn extrusion plant is now commissioned with production likely to commence in the September-December quarter of 2018. "User-acceptance-testing" of our third brush filament extrusion plant is also completed with commissioning again likely during the same September - December quarter of 2018.

Total investments in both these plants amounted to close to Rs1 billion and is funded through bank borrowings. However, our debt/equity position as at June '18 remains a fairly conservative 52%. We also see tremendous potential for growth from both these plants in the subsequent quarters which will help to diversify the Group's dependency otherwise on a single brushware related business line.

B P P L Holdings PLC

CEO'S REVIEW

About BPPL

Founded in 1984, BPPL Holdings manufactures a range of high quality, durable brushware and cleaning products for both professional and household applications. Leveraging on its sustainable manufacturing and vertically integrated processes, coupled with commitment to consistent quality, on-time delivery, reasonable pricing and flexibility allows it to supply to major distributors and retailers of cleaning tools worldwide.

The group has in recent years diversified its business lines to include synthetic filament extrusion for other brush manufacturers and polyester yarn production for fabric mills. These new lines cater to customers both in Sri Lanka and overseas and are expected to be dominant contributors to group financials over the medium term.



Dr. Anush Amarasinghe
Managing Director / Chief Executive Officer

BPPL HOLDINGS PLC
STATEMENT OF FINANCIAL POSITIONS

	Group		Company	
	30-Jun-18 Rs.	30-Jun-17 Rs.	30-Jun-18 Rs.	30-Jun-17 Rs.
Balance as at,				
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2,331,184,471	1,490,375,680	801,089,226	741,705,488
Lease hold land	8,677,358	8,909,515	-	-
Intangible Asset	17,634,650	13,947,513	2,682,054	907,601
Investment in Subsidiaries	-	-	367,626,688	367,626,688
Other Investments	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Non-Current Assets	2,357,496,479	1,513,232,708	1,171,397,968	1,110,239,777
Current Assets				
Inventories	625,145,434	502,620,607	139,183,718	103,315,193
Trade and Other Receivables	792,452,580	708,437,508	136,285,727	135,023,642
Income Tax Receivables	2,819,950	137,329	2,682,621	-
Deffered Tax	2,105,096	528,437	-	-
Cash and Bank Balances	58,008,281	63,936,739	7,966,964	37,450,412
Total Current Assets	1,480,531,341	1,275,660,620	286,119,030	275,789,247
Total Assets	3,838,027,820	2,788,893,328	1,457,516,998	1,386,029,024
EQUITY AND LIABILITIES				
Equity				
Stated Capital	100,371,584	100,371,584	100,371,584	100,371,584
Revaluation reserve	259,933,800	259,933,800	257,827,800	257,827,800
Retained Earnings	1,899,716,096	1,733,079,162	315,639,862	446,590,588
Total Equity	2,260,021,480	2,093,384,546	673,839,246	804,789,972
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	669,029,932	72,785,307	-	-
Deferred Tax Liabilities	121,119,096	44,989,149	83,906,139	16,609,186
Retirement Benefit Obligations	64,831,369	46,891,003	17,749,702	14,027,626
Total Non-Current Liabilities	854,980,397	164,665,459	101,655,841	30,636,812
Current Liabilities				
Trade and Other Payables	159,791,295	133,877,980	558,215,907	422,218,757
Income Tax Payable	9,744,709	27,408,176	-	4,517,083
Interest Bearing Loans and Borrowings	553,489,939	369,557,167	123,806,004	123,866,400
Total Current Liabilities	723,025,943	530,843,323	682,021,911	550,602,240
Total Liabilities	1,578,006,340	695,508,782	783,677,752	581,239,052
Total Equity and Liabilities	3,838,027,820	2,788,893,328	1,457,516,998	1,386,029,024

Note: The above figures are not audited.

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



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Senior Manager - 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:



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Director



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Director

The accounting policies and notes form an integral part of the financial statements.

July 25, 2018
Colombo.

BPPL HOLDINGS PLC
STATEMENT OF PROFIT OR LOSS

Note	Group		Company	
	Quarter ended 30 June		Quarter ended 30 June	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Revenue	580,751,994	551,976,643	149,453,959	152,442,795
Cost of Sales	(368,629,482)	(348,275,985)	(124,669,338)	(117,231,029)
Gross Profit	212,122,512	203,700,658	24,784,621	35,211,766
Other Operating Income	1,340,407	2,621,359	411,598	56,224,417
Distribution Costs	(40,327,750)	(56,665,741)	(7,008,013)	(6,745,024)
Administrative Expenses	(73,208,556)	(58,193,415)	(13,869,193)	(10,256,953)
Finance Cost	(7,239,320)	(5,134,867)	(1,010,747)	(1,134,765)
Finance Income	71,577	33,578	581	904
Profit Before Tax	92,758,870	86,361,572	3,308,847	73,300,345
Income Tax Expense	(12,903,325)	(7,851,394)	(1,004,975)	(2,569,602)
Profit for the Period	79,855,545	78,510,178	2,303,872	70,730,743
Earnings/ (Loss) per Ordinary Share (Rs.)	0.26	0.26	0.01	0.23

Note: The above figures are not audited.

The accounting policies and notes form an integral part of the financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME

Note	Group		Company	
	Quarter ended 30 June		Quarter ended 30 June	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Profit for the Period	79,855,545	78,510,178	2,303,872	70,730,743
Other Comprehensive Income				
Retirement benefit obligations actuarial gain/ (loss)	-	-	-	-
Deferred tax attributable to actuarial gain/ (loss)	-	-	-	-
Total Other Comprehensive Income/ (Loss) for the period	-	-	-	-
Total Comprehensive Income/ (Loss) for the period	79,855,545	78,510,178	2,303,872	70,730,743

Note: The above figures are not audited.

The accounting policies and notes form an integral part of the financial statements.

BPPL HOLDINGS PLC
STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital Rs.	Revaluation reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 31st March 2018	100,371,584	259,933,800	1,819,860,551	2,180,165,935
Profit for the Period	-	-	79,855,545	79,855,545
Other Comprehensive Income/ (Loss)	-	-	-	-
Tax on Other Comprehensive Income/ (Loss)	-	-	-	-
Total Comprehensive Income	-	-	79,855,545	79,855,545
Dividend Paid	-	-	-	-
Balance as at 30th June 2018	100,371,584	259,933,800	1,899,716,096	2,260,021,480
Company				
Balance as at 31st March 2018	100,371,584	257,827,800	313,335,990	671,535,374
Profit for the Period	-	-	2,303,872	2,303,872
Other Comprehensive Income/ (Loss)	-	-	-	-
Tax on Other Comprehensive Income/ (Loss)	-	-	-	-
Total Comprehensive Income	-	-	2,303,872	2,303,872
Dividend Paid	-	-	-	-
Balance as at 30th June 2018	100,371,584	257,827,800	315,639,862	673,839,246

Note: The above figures are not audited.
The accounting policies and notes form an integral part of the financial statements.

BPPL HOLDINGS PLC
STATEMENT OF CASHFLOW

For the period ended,	Group		Company	
	30-Jun-18 Rs.	30-Jun-17 Rs.	30-Jun-18 Rs.	30-Jun-17 Rs.
Cash Flow from Operating Activities				
Profit Before Tax	92,758,870	86,361,572	3,308,847	73,300,345
Adjustments for				
Depreciation	20,628,494	18,648,478	4,586,289	4,585,057
Provision for Retirement Benefit Obligations	3,690,000	2,809,494	975,000	780,000
Interest Income	(71,577)	(33,578)	(581)	(904)
Dividend Income	-	-	-	(55,223,976)
Finance Cost	7,239,320	5,134,867	1,010,747	1,134,765
Profit from disposal of Fixed Assets	-	-	-	-
Operating Profit/ (Loss) Before Working Capital Changes	124,245,107	112,920,833	9,880,302	24,575,287
(Increase)/Decrease in Inventories	(5,728,252)	41,547,493	(9,747,736)	5,923,936
(Increase)/Decrease in Trade and Other Receivables	(66,804,913)	(79,050,632)	(14,488,470)	(20,260,957)
Increase/(Decrease) in Trade and Other Payables	(36,646,888)	(5,893,505)	(36,871,118)	(32,952,331)
Cash Generated from Operations	15,065,054	69,524,189	(51,227,022)	(22,714,065)
Income Tax Paid	(5,152,848)	(5,984,356)	(956,593)	(2,114,513)
Retirement Benefit Obligations Costs paid	(409,546)	(2,091,306)	(126,913)	(350,000)
Interest Paid	(7,239,320)	(5,134,867)	(1,010,747)	(1,134,765)
Cash Flow from Operating Activities	2,263,340	56,313,660	(53,321,275)	(26,313,343)
Cash Flow from Investing Activities				
Acquisition of Property, Plant and Equipment	(91,642,975)	(91,064,821)	(4,222,324)	(48,554,239)
Investment in group comp	-	-	-	-
Proceeds from Disposal of PP&E	-	-	-	-
Proceeds from non operation operation	-	-	-	-
Interest Received	71,577	33,578	581	904
Dividend Received	-	-	-	55,223,976
Capital Work In Progress	-	-	-	-
Net Cash Flows used in Investing Activities	(91,571,398)	(91,031,243)	(4,221,743)	6,670,641
Cash Flow from Financing Activities				
Net of Interest Bearing Loans and Borrowings	131,757,457	65,102,724	66,499,703	74,284,926
Dividends Paid	-	-	-	-
Net Cash Flows from/(used in) Financing Activities	131,757,457	65,102,724	66,499,703	74,284,926
Net Increase/ (Decrease) in Cash and Cash Equivalents	42,449,399	30,385,141	8,956,685	54,642,224
Cash and Cash Equivalent at the beginning of the period	(774,156)	(10,549,467)	(8,504,026)	(17,191,812)
Cash and Cash Equivalent at the end of the period	41,675,243	19,835,674	452,659	37,450,412
Cash and Cash Equivalent Analysis				
Cash and Bank Balances	58,008,281	63,936,739	7,966,964	37,450,412
Bank Over Draft	(16,333,038)	(44,101,065)	(7,514,305)	-
Cash and Cash Equivalent at the end of the period	41,675,243	19,835,674	452,659	37,450,412

Note: The above figures are not audited.

The accounting policies and notes form an integral part of the financial statements.

1 CORPORATE INFORMATION

B P P L Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. The Company's parent undertaking is Infinity Capital (Private) Limited, which is incorporated in Sri Lanka. The Group is principally engaged in the provision of wooden handles, brooms, brushes, mops and synthetic fibre. The registered office of the Company and principal place of business is situated at Level 17, Access Towers, No. 278/4, Union Place, Colombo 02.

The Interim Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The subsidiaries of the Company are set out below,

Subsidiary	Controlling interest
Beira Brush (Private) Limited	100%
Eco Spindles (Private) Limited	100%
BPPL Enterprises (Private) Limited	100%

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Interim condensed Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 – Interim Financial Reporting. This Interim Financial Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2017 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards, (" SLFRSs/LKASs").

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following;

- Freehold Land and buildings are measured at cost at the time of acquisition and construction and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.
- Employee benefits are recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

2 BASIS OF PREPARATION (Cont...)

2.3 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees which is the Group's functional currency, unless otherwise indicated.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with the previous financial year.

4 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

4.1 Finance Commitments

There are no any material financial commitments.

4.2 Contingent Liabilities

There are no any material contingent liabilities.

5 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, no circumstances have arisen which required adjustment to or disclosure in the Financial Statements.

6 STATED CAPITAL

The Company's stated capital consists of 306,843,357 ordinary shares.

7 INVESTOR INFORMATION
7.1 Share Trading Information

	Quarter Ended		Year Ended	
	30-Jun-18	31-Mar-18	31-Mar-18	31-Mar-17
Share Information				
Highest Price (Rs.)	13.50	14.20	16.00	N/A
Lowest Price (Rs.)	11.60	13.00	12.00	N/A
Closing Price (Rs.)	12.50	13.20	13.20	N/A

7.2 Public Holding as at 30th June 2018

Ordinary shares of the Company held by the public as at 30th June 2018;

- Percentage of ordinary shares held by the public 10%
- Number of Public Shareholders 556.

There were no non-voting shares as at 30th June 2018.

The Company was listed with the Colombo Stock Exchange of Sri Lanka on 4th April 2017. Therefore, there were no share trading prior to 4th April 2017.

The Stock Exchange code for BPPL Holding PLC shares is “BPPL”.

7.3 Twenty Major Shareholders

No	Name of the Shareholder	No. of Shares as at 30 th June 2018	%
1	Infinity Capital (Pvt) Ltd	154,382,777	50.31%
2	LOLC Investments Ltd.	80,546,372	26.25%
3	Hirdaramani Investment Holdings Private Limited	41,229,208	13.44%
4	Seylan Bank PLC/ ARRC Capital (Pvt) Ltd	3,176,301	1.04%
5	J.B. Cocoshell (Pvt) Ltd	2,945,288	0.96%
6	Deutsche Bank AG Singapore Branch	2,600,000	0.85%
7	Mr. Samaranyake Nihal Parakrama De Alwis	1,000,000	0.33%
7	Miss. Page Marianne Mahilmalar	1,000,000	0.33%
9	People'S Leasing & Finance PLC/ K.L.Udayananda	802,690	0.26%
10	Jafferjee Brothers (Exports) Limited	772,800	0.25%
11	Mr. Fernando Merrill Joseph	750,000	0.24%
12	Mr. Esufally Murtaza Ali Abidhussen Hassanaly	733,400	0.24%
13	Mr. Hirdaramani Akshay Anil	732,100	0.24%
13	Mr. Hirdaramani Mahesh Lalchand	732,100	0.24%
15	Deutsche Bank AG-Comtrust Equity Fund	723,000	0.24%
16	Lanka Century Investments PLC	645,100	0.21%
17	Alpex Marine (Pvt) Ltd	640,000	0.21%
18	Gf Capital Global Limited	476,600	0.16%
19	Katunayake Garments Limited	419,200	0.14%
20	Mr. Hirdaramani Siddharth Janak	412,700	0.13%
		294,719,636	96.05%

8 DIRECTOR'S SHAREHOLDINGS

Name of the Director	Role	No. of Shares
Mr. Sarath Amarasinghe	Chairman	-
Dr. Anush Amarasinghe	Managing Director/CEO	-
Mr. Vaithilingam Selvaraj	Director-Finance/ CFO	-
Mr. B D P D Perera	Director-Factory operations	-
Mr. Ranil Pathirana	NED	-
Mr. Manjula De Silva	INED	-
Mrs. Sharmini Ratwatte	INED	-
Mr. Savantha S De Saram	INED	-

Office Addresses

Head Office

Level 17,
Access Towers,
No. 278/4, Union Place,
Colombo 02

Wood, Brush and Mop Factory

No 88,
Ratnapura Road,
Ingiriya

Synthetic Filament Factory

Batuvita,
Mawgama,
Horana.

Recycling and Yarn Plant

Lot 7,
Horana Export Processing Zone,
Boralugoda,
Poruwadonda,
Horana.

Offshore Offices:

Canada

Beira Marketing Services (N.A) Inc,
1465,
Caulder Drive,
Oakville,
Ontario, L6J 5T1,
Canada

Indonesia

Jl. Agung Timur,
VIII Block 03/20-21,
Sunter Jaya,
Jakarta Utara,
Indonesia

CORPORATE INFORMATION

Company Name	B P P L Holdings PLC	
Date of Incorporation	26 th August 1991	
Legal Form	Incorporated in Sri Lanka on 26 th August 1991 as a public company under the Companies Act No. 17 of 1982 [N (PBS) 291)], re-registered under the Companies Act No. 07 of 2007 on 21 st January 2009 (PB 859), converted to a private limited liability on 20 th July 2012 (PB 859 PV), converted to a public company on 29 th July 2016 (PB 859 PV) and subsequently converted to Public Quoted Company (PB 859 PQ) on 29 th June 2017 . Authority of Incorporation: Registrar of Companies (ROC), Colombo.	
Company Registration Number	PB 859 PQ	
Registered Office and Current Place of Business	B P P L Holdings PLC, Level 17, Access Towers, No. 278/4, Union Place, Colombo 02. Tel : +94 11 2307168 Fax: +94 11 2307169	
Board of Directors	Mr. Sarath Dayantha Amarasinghe – Chairman Dr. Anush Amarasinghe – Managing Director / Chief Executive Officer Mr. Vaithilingam Selvaraj - Executive Director / Chief Financial Officer Mr. B. D. Prasad Devapriya Perera - Executive Director Mr. Ranil Pathirana – Non-Executive Director Mr. Manjula De Silva - Independent Non- Executive Director Mrs. Sharmini Ratwatte - Independent Non- Executive Director Mr. Savantha De Saram – Independent Non-Executive Director	
Company Secretary	Secretarius (Pvt) Ltd. 3rd Floor, 40, Galle Face Court, Colombo 03. Tel : +94 11 2333431 Fax: +94 11 2381907	
Company Registrar	S S P Corporate Services (Private) Limited, 101, Inner Flower Road, Colombo 03. Tel : +94 11 2573894 Fax : +94 11 2573609 Email : sspsec@slt.net.lk	
Auditors to the Company	Messrs. Ernst & Young (Chartered Accountants) 201, De Saram Place, Colombo 10. Tel : +94 11 2204444 Fax: +94 11 2697369	
Lawyers to the Company	AIM LAW Attorneys-at-Law and Notaries Public No. 514C, R A De Mel Mawatha Colombo 03. Tel: +94 11 2503426/ +94 712 228 044 Email: aimlaw@slt.net.lk	
Company Website	www.beiragroup.com	
Company E-Mail	info@beiragroup.com	
Bankers to the Company	<p><u>Bank of Ceylon</u> 04, Bank of Ceylon Mawatha, Colombo 01.</p> <p><u>National Development Bank</u> 42, DHPL Building, Nawam Mawatha, Colombo 02.</p> <p><u>Sampath Bank</u> 110, Sir James Pieris Mawatha, Colombo 00200</p>	<p><u>Hongkong and Shanghai Banking Corporation Limited</u> 24, Sir Baron Jayathilake Mawatha, Colombo 01.</p> <p><u>Hatton National Bank</u> HNB Towers, 479, T.B. Jayah Mawatha, Colombo 10.</p>