

# **DIPPED PRODUCTS PLC**

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INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2014

# CORPORATE INFORMATION

## LEGAL FORM

A Public Limited Company  
Incorporated in Sri Lanka in 1976

## COMPANY NUMBER

PQ60

## DIRECTORS

A.M. Pandithage - Chairman  
Dr. K .I. M. Ranasoma - Managing Director  
R.K.Witanachchi - Deputy Managing Director  
F. Mohideen  
K.A.L.S. Fernando  
S.C.Ganegoda  
Dhammika Perera  
M. Bottino  
V.R.Gunasekara (Resigned w.e.f. 25.06.2014)  
S. Rajapakse  
Ms. D.S.N. Weerasooriya - Alternate Director to Dhammika Perera (Resigned w.e.f. 31.05.2014)  
N.A.R.R.S.Nanayakkara (Appointed w.e.f. 01.07.2014)  
S.P.Peiris (Appointed w.e.f. 18.07.2014)

## SUBSIDIARIES

### Hand Protection

Palma Limited  
Grossart (Private) Limited  
Venigros (Private) Limited  
Neoprex (Private) Limited  
Texnil (Private) Limited  
Feltex (Private) Limited  
Dipped Products (Thailand) Limited  
ICOGUANTI S.p.A  
Hanwella Rubber Products Limited  
D P L Premier Gloves Limited  
D P L Universal Gloves Limited

### Plantations

DPL Plantations (Private) Limited  
Kelani Valley Plantations PLC  
Kalupahana Power Company (Private) Limited  
Kelani Valley Instant Tea (Private) Limited  
Mabroc Teas (Private) Limited  
Hayleys Global Beverages (Private ) Limited  
Hayleys Plantation Services (Private) Limited  
Talawakelle Tea Estates PLC  
TTEL Hydro Power Company (Private) Limited  
TTEL Somerset Hydro Power (Private) Limited

## SECRETARIES

Hayleys Group Services (Private) Limited  
400, Deans Road, Colombo 10, Sri Lanka  
Telephone: 2627650-6 (7 Lines)  
Fax: 2627645  
E-mail: info.sec@hayleys.com

## STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the  
Colombo Stock Exchange of Sri Lanka

## REGISTERED OFFICE

400, Deans Road, Colombo 10, Sri Lanka  
Telephone: 2627000  
Fax: 2699018 & 2699299  
E-mail: postmast@dplgroup.com  
Website: www.dplgroup.com

## PRINCIPAL LINES OF BUSINESS

Manufacture and marketing of industrial, general purpose and  
medical rubber gloves, Management of tea and rubber plantations.

## DIPPED PRODUCTS PLC

## INCOME STATEMENTS

| Group                                       |   | Group  |  |                              | Group  |  |                              |
|---|---|--|--|------------------------------|--|--|------------------------------|
| Audited<br>year to<br>31.03.2014<br>Rs.'000 |   | Unaudited<br>06 months to<br>30.09.2014<br>Rs.'000 | Unaudited<br>06 months to<br>30.09.2013<br>Rs.'000 | Increase/<br>(Decrease)<br>% | Unaudited<br>03 months to<br>30.09.2014<br>Rs.'000 | Unaudited<br>03 months to<br>30.09.2013<br>Rs.'000 | Increase/<br>(Decrease)<br>% |
| 23,092,215                                  | <b>Turnover</b>   | <b>15,073,812</b>                                  | 11,910,358   | 27                           | <b>6,333,150</b>                                   | 5,581,355  | 13                           |
| (18,933,023)                                | Cost of sales   | <b>(12,724,440)</b>                                | (9,797,980)  | 30                           | <b>(5,280,353)</b>                                 | (4,707,092)  | 12                           |
| 4,159,192                                   | Gross profit  | <b>2,349,372</b>                                   | 2,112,378  | 11                           | <b>1,052,797</b>                                   | 874,263  | 20                           |
| 185,139                                     | Other income and gains  | <b>117,025</b>                                     | 36,963   | 217                          | <b>81,470</b>                                      | 22,426   | 263                          |
| (527,862)                                   | Distribution costs  | <b>(311,263)</b>                                   | (282,349)  | 10                           | <b>(160,116)</b>                                   | (155,603)  | 3                            |
| (2,102,995)                                 | Administrative expenses                                       | <b>(1,105,449)</b>                                 | (979,921)  | 13                           | <b>(475,128)</b>                                   | (495,693)  | (4)                          |
| (54,324)                                    | Other expenses  | <b>(9,617)</b>                                     | (7,545)  | 27                           | <b>(4,274)</b>                                     | (4,519)  | (5)                          |
| (299,787)                                   | Finance costs   | <b>(201,311)</b>                                   | (152,513)  | 32                           | <b>(84,591)</b>                                    | (84,107)   | 1                            |
| 159,883                                     | Finance income  | <b>19,196</b>                                      | 109,523  | (82)                         | <b>7,053</b>                                       | 39,317   | (82)                         |
| 1,519,246                                   | <b>Profit before tax</b>                                      | <b>857,953</b>                                     | 836,536  | 3                            | <b>417,211</b>                                     | 196,084  | 113                          |
| (362,189)                                   | Tax expense   | <b>(206,188)</b>                                   | (197,851)  | 4                            | <b>(70,727)</b>                                    | (87,740)   | (19)                         |
| <b>1,157,057</b>                            | <b>Profit for the period</b>                                  | <b>651,765</b>                                     | 638,685  | 2                            | <b>346,484</b>                                     | 108,344  | 220                          |
|   | <b>Attributable to :</b>                                      |  |  |                              |  |  |                              |
| 795,078                                     | Equity holders of the parent                                  | <b>526,052</b>                                     | 483,479  | 9                            | <b>295,394</b>                                     | 69,603   | 324                          |
| 361,979                                     | Non-controlling interest                                      | <b>125,713</b>                                     | 155,206  | (19)                         | <b>51,090</b>                                      | 38,741   | 32                           |
| <b>1,157,057</b>                            | <b>Profit for the period</b>                                  | <b>651,765</b>                                     | 638,685  | 2                            | <b>346,484</b>                                     | 108,344  | 220                          |
| 13.28                                       | Basic earnings per ordinary share<br>for the period (Rs.) *   | <b>8.79</b>  | 8.08   |                              | <b>4.93</b>  | 1.16   |                              |
| 13.28                                       | Diluted earnings per ordinary share<br>for the period (Rs.) * | <b>8.79</b>  | 8.08   |                              | <b>4.93</b>  | 1.16   |                              |
| 5.50  | Dividend per share (Rs)                                       | -  | -  |                              | -  | -  |                              |

\*Computed based on 59,861,512 ordinary shares on issue as at September 30, 2014.

The notes to the financial statements on pages from 9 to 10 form an integral part of the financial statements.

The figures in brackets indicate deductions

## DIPPED PRODUCTS PLC

## INCOME STATEMENTS

| <u>Company</u>                              |   | <u>Company</u>   |  |                              | <u>Company</u>   |  |                              |
|---|---|--|--|------------------------------|--|--|------------------------------|
| Audited<br>year to<br>31.03.2014<br>Rs.'000 |   | <b>Unaudited<br/>06 months to<br/>30.09.2014<br/>Rs.'000</b> | Unaudited<br>06 months to<br>30.09.2013<br>Rs.'000 | Increase/<br>(Decrease)<br>% | <b>Unaudited<br/>03 months to<br/>30.09.2014<br/>Rs.'000</b> | Unaudited<br>03 months to<br>30.09.2013<br>Rs.'000 | Increase/<br>(Decrease)<br>% |
| 2,434,997                                   | <b>Turnover</b>   | <b>1,433,296</b>   | 1,067,543  | 34                           | <b>732,565</b>   | 572,933  | 28                           |
| (2,010,521)                                 | Cost of sales   | <b>(1,099,636)</b>   | (837,589)  | 31                           | <b>(547,488)</b>   | (446,597)  | 23                           |
| 424,476                                     | Gross profit  | <b>333,660</b>   | 229,954  | 45                           | <b>185,077</b>   | 126,336  | 46                           |
| 493,570                                     | Other income and gains  | <b>6,973</b>   | 5,586  | 25                           | <b>4,156</b>   | 2,793  | 49                           |
| (18,275)                                    | Distribution costs  | <b>(11,295)</b>  | (27,076)   | (58)                         | <b>(8,201)</b>   | (18,772)   | (56)                         |
| (393,325)                                   | Administrative expenses   | <b>(191,159)</b>   | (183,354)  | 4                            | <b>(93,469)</b>  | (96,206)   | (3)                          |
| (15,077)                                    | Other expenses  | <b>(8,675)</b>   | (6,358)  | 36                           | <b>(3,914)</b>   | (3,745)  | 5                            |
| (100,000)                                   | Impairment loss on investment and other<br>amounts due (net) (Note 4) | <b>(5,000)</b>   | -  | -                            | <b>(5,000)</b>   | -  | -                            |
| (21,680)                                    | Finance costs   | <b>(32,744)</b>  | (6,570)  | 398                          | <b>(24,040)</b>  | (3,138)  | 666                          |
| 24,624                                      | Finance income  | <b>4,059</b>   | 9,391  | (57)                         | <b>2,035</b>   | 2,064  | (1)                          |
| 394,313                                     | <b>Profit before tax</b>  | <b>95,819</b>  | 21,573   | 344                          | <b>56,644</b>  | 9,332  | 507                          |
| (2,403)                                     | Tax expense   | <b>(13,844)</b>  | (4,354)  | 218                          | <b>(7,325)</b>   | (2,244)  | 226                          |
| 391,910                                     | <b>Profit for the period</b>  | <b>81,975</b>  | 17,219   | 376                          | <b>49,319</b>  | 7,088  | 596                          |
| 6.55  | Basic earnings per ordinary share<br>for the period (Rs.) *           | <b>1.37</b>  | 0.29   |                              | <b>0.82</b>  | 0.12   |                              |
| 6.55  | Diluted earnings per ordinary share<br>for the period (Rs.) *         | <b>1.37</b>  | 0.29   |                              | <b>0.82</b>  | 0.12   |                              |
| 5.50  | Dividend per share (Rs)   | -  | -  |                              | -  | -  |                              |

\*Computed based on 59,861,512 ordinary shares on issue as at September 30, 2014.  
The notes to the financial statements on pages from 9 to 10 form an integral part of the financial statements.

*The figures in brackets indicate deductions*

**DIPPED PRODUCTS PLC**  
**OTHER COMPREHENSIVE INCOME**

| <b>Group</b><br>Audited<br>year to<br>31.03.2014<br>Rs.'000 |   | <b>Group</b>   |  |                              | <b>Group</b>   |  |                              |
|---|---|--|--|------------------------------|--|--|------------------------------|
|   |   | <b>Unaudited</b><br><b>06 months to</b><br><b>30.09.2014</b><br><b>Rs.'000</b> | Unaudited<br>06 months to<br>30.09.2013<br>Rs.'000 | Increase/<br>(Decrease)<br>% | <b>Unaudited</b><br><b>03 months to</b><br><b>30.09.2014</b><br><b>Rs.'000</b> | Unaudited<br>03 months to<br>30.09.2013<br>Rs.'000 | Increase/<br>(Decrease)<br>% |
| 1,157,057   | <b>Profit for the period</b>                                  | <b>651,765</b>   | 638,685  | 2                            | <b>346,484</b>   | 108,344  | 220                          |
| 17,064  | Net exchange differences on translation of foreign operations | <b>(5,760)</b>   | 16,100   | (136)                        | <b>(14,830)</b>  | (1,026)  | 1,345                        |
| (5,304)   | Net gain/(loss) on available for sale financial assets        | <b>(7)</b>   | (3)  | 133                          | <b>(1)</b>   | (4)  | (75)                         |
| 65,655  | Actuarial gain/(loss) on defined benefit plans                | <b>(2,631)</b>   | -  | -                            | -  | -  | -                            |
| (10,812)  | Income tax effect   | <b>574</b>   | -  | -                            | -  | -  | -                            |
| 66,603  | <b>Other comprehensive income for the period, net of tax</b>  | <b>(7,824)</b>   | 16,097   | (149)                        | <b>(14,831)</b>  | (1,030)  | 1,340                        |
| 815,446   | <b>Attributable to :</b><br>Equity holders of the parent      | <b>524,788</b>   | 494,640  | 6                            | <b>285,061</b>   | 52,388   | 444                          |
| 408,214   | Non-controlling interest                                      | <b>119,153</b>   | 160,142  | (26)                         | <b>46,592</b>  | 54,926   | (15)                         |
| 1,223,660   | <b>Total comprehensive income for the period, net of tax</b>  | <b>643,941</b>   | 654,782  | (2)                          | <b>331,653</b>   | 107,314  | 209                          |

The notes to the financial statements on pages from 9 to 10 form an integral part of the financial statements.

*The figures in brackets indicate deductions*

**DIPPED PRODUCTS PLC**  
**OTHER COMPREHENSIVE INCOME**

| <u>Company</u><br>Audited<br>year to<br>31.03.2014<br>Rs.'000 |  | <u>Company</u>   |   |                              | <u>Company</u>   |   |                              |
|---|--|--|---|------------------------------|--|---|------------------------------|
|   |  | <u>Unaudited</u><br><b>06 months to</b><br><b>30.09.2014</b><br><b>Rs.'000</b> | <u>Unaudited</u><br>06 months to<br>30.09.2013<br>Rs.'000 | Increase/<br>(Decrease)<br>% | <u>Unaudited</u><br><b>03 months to</b><br><b>30.09.2014</b><br><b>Rs.'000</b> | <u>Unaudited</u><br>03 months to<br>30.09.2013<br>Rs.'000 | Increase/<br>(Decrease)<br>% |
| 1,157,057   | <b>Profit for the period</b>                                 | <b>81,975</b>  | 17,219  | 376                          | <b>49,319</b>  | 7,088   | 596                          |
| (5,011)   | Actuarial loss on defined benefit plans                      | -  | -   | -                            | -  | -   | -                            |
| 601   | Income tax effect  | -  | -   | -                            | -  | -   | -                            |
| (4,410)   | <b>Other comprehensive income for the period, net of tax</b> | -  | -   | -                            | -  | -   | -                            |
| 1,152,647   | <b>Total comprehensive income for the period, net of tax</b> | <b>81,975</b>  | 17,219  | 376                          | <b>49,319</b>  | 7,088   | 596                          |

The notes to the financial statements on pages from 9 to 10 form an integral part of the financial statements.

*The figures in brackets indicate deductions*

**DIPPED PRODUCTS PLC**  
**Statements of Financial Position**

| <u>Group</u>                              |   | <u>Company</u>  |            | <u>Group</u>                                |   | <u>Company</u>                              |   |
|---|---|---|------------|---|---|---|---|
| Audited<br>as at<br>31.03.2014<br>Rs.'000 | Audited<br>as at<br>31.03.2014<br>Rs.'000 |   |            | Unaudited<br>as at<br>30.09.2013<br>Rs.'000 | Unaudited<br>as at<br>30.09.2013<br>Rs.'000 | Unaudited<br>as at<br>30.09.2014<br>Rs.'000 | Unaudited<br>as at<br>30.09.2013<br>Rs.'000 |
| <b>ASSETS</b>                             |   |   |            |   |   |   |   |
| <b>Non-Current Assets</b>                 |   |   |            |   |   |   |   |
| Tangible assets                           |   |   |            |   |   |   |   |
| 10,414,861                                | 414,754                                   | Property, plant and equipment                                     | 11,377,153 | 10,193,016                                  | 596,543                                     | 511,055                                     |   |
| 219,404                                   | 64,012                                    | Formers (moulds)  | 212,711    | 184,601                                     | 43,869                                      | 61,302                                      |   |
| 397,515                                   | 305,969                                   | Investment Property   | 394,495    | 219,228                                     | 302,949                                     | 219,228                                     |   |
| 266,508                                   | -   | Biological assets   | 268,142    | 235,131                                     | -   | -   |   |
| 177,991                                   | -   | Intangible assets   | 176,487    | 177,542                                     | -   | -   |   |
| -   | 2,627,684                                 | Investment in subsidiaries  | -          | -   | 2,597,684                                   | 2,352,684                                   |   |
| 17  | -   | Other non-current financial assets                                | 10         | 19  | -   | -   |   |
| 17,025                                    | 16,667                                    | Deferred tax assets   | 14,721     | 19,434                                      | 14,363                                      | 19,147                                      |   |
| 11,493,321                                | 3,429,086                                 |   | 12,443,719 | 11,028,971                                  | 3,555,408                                   | 3,163,416                                   |   |
| <b>Current Assets</b>                     |   |   |            |   |   |   |   |
| 3,618,367                                 | 542,331                                   | Inventories   | 3,176,716  | 3,367,513                                   | 367,828                                     | 542,163                                     |   |
| 4,223,498                                 | 758,067                                   | Trade and other receivables                                       | 4,648,579  | 4,074,310                                   | 999,332                                     | 437,859                                     |   |
| 334,094                                   | 75,774                                    | Advance and prepayments   | 379,597    | 313,579                                     | 158,356                                     | 136,794                                     |   |
| -   | 376,110                                   | Amounts due from related parties                                  | -          | -   | 1,223,806                                   | 555,330                                     |   |
| 375,745                                   | 22,674                                    | Cash and short term deposits                                      | 282,162    | 736,963                                     | 77,026                                      | 90,592                                      |   |
| 8,551,704                                 | 1,774,957                                 |   | 8,487,054  | 8,492,365                                   | 2,826,348                                   | 1,762,738                                   |   |
| 20,045,025                                | 5,204,043                                 | <b>Total assets</b>   | 20,930,773 | 19,521,336                                  | 6,381,756                                   | 4,926,154                                   |   |
| <b>EQUITY AND LIABILITIES</b>             |   |   |            |   |   |   |   |
| <b>Equity</b>                             |   |   |            |   |   |   |   |
| 598,615                                   | 598,615                                   | Stated capital (Issued and fully paid 59,861,512 ordinary shares) | 598,615    | 598,615                                     | 598,615                                     | 598,615                                     |   |
| 457,251                                   | 179,085                                   | Capital reserves  | 428,288    | 457,251                                     | 179,085                                     | 179,085                                     |   |
| 11  | -   | Available-for-sale reserve  | 6          | 12  | -   | -   |   |
| 6,271,286                                 | 2,350,086                                 | Revenue reserves  | 6,646,804  | 6,103,899                                   | 2,252,477                                   | 2,129,458                                   |   |
| 7,327,163                                 | 3,127,786                                 | <b>Equity attributable to equity holders of the parent</b>        | 7,673,713  | 7,159,777                                   | 3,030,177                                   | 2,907,158                                   |   |
| 2,322,191                                 | -   | Non-controlling interest  | 2,337,097  | 2,151,190                                   | -   | -   |   |
| 9,649,354                                 | 3,127,786                                 | <b>Total equity</b>   | 10,010,810 | 9,310,967                                   | 3,030,177                                   | 2,907,158                                   |   |
| <b>Non-Current Liabilities</b>            |   |   |            |   |   |   |   |
| 1,451,593                                 | -   | Interest-bearing loans and borrowings                             | 1,231,049  | 1,509,807                                   | -   | -   |   |
| 667,163                                   | -   | Deferred income   | 657,816    | 684,673                                     | -   | -   |   |
| 2,344,592                                 | 297,076                                   | Defined benefit obligations                                       | 2,500,316  | 2,425,479                                   | 306,254                                     | 303,673                                     |   |
| 59,576                                    | -   | Agents' indemnity fund  | 58,889     | 56,111                                      | -   | -   |   |
| 458,093                                   | -   | Deferred tax liabilities  | 469,644    | 403,271                                     | -   | -   |   |
| 4,981,017                                 | 297,076                                   |   | 4,917,714  | 5,079,341                                   | 306,254                                     | 303,673                                     |   |
| <b>Current liabilities</b>                |   |   |            |   |   |   |   |
| 2,892,314                                 | 514,794                                   | Trade and other payables  | 2,940,483  | 2,653,942                                   | 375,469                                     | 326,402                                     |   |
| 16,655                                    | 16,655                                    | Unclaimed dividends / dividends payable                           | 6,297      | 5,537                                       | 6,297                                       | 5,537                                       |   |
| 2,104,466                                 | 475,117                                   | Short-term loans and bank overdrafts                              | 2,642,415  | 2,086,451                                   | 587,903                                     | 264,793                                     |   |
| 360,893                                   | -   | Interest-bearing loans and borrowings                             | 349,792    | 336,060                                     | -   | -   |   |
| -   | 772,615                                   | Amounts due to related parties                                    | -          | -   | 2,075,656                                   | 1,118,591                                   |   |
| 40,326                                    | -   | Income tax payable  | 63,262     | 49,038                                      | -   | -   |   |
| 5,414,654                                 | 1,779,181                                 |   | 6,002,249  | 5,131,028                                   | 3,045,325                                   | 1,715,323                                   |   |
| 10,395,671                                | 2,076,257                                 | <b>Total liabilities</b>  | 10,395,671 | 9,310,967                                   | 3,030,177                                   | 2,907,158                                   |   |
| 20,045,025                                | 5,204,043                                 | <b>Total equity and liabilities</b>                               | 20,930,773 | 19,521,336                                  | 6,381,756                                   | 4,926,154                                   |   |

The notes to the financial statements on pages from 9 to 10 form an integral part of the financial statements.

The Financial Position as at September 30, 2014, and Income Statements, Statement of Changes in Equity and Statements of Cash Flow for the six months then ended are drawn up from the unaudited financial statements of the Company and its subsidiaries and provide the information required by the Colombo Stock Exchange.

It is certified that the interim financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

sgd.  
**N.A.R.R.S. Nanayakkara**  
 Director Finance  
 Signed on behalf of the Board

sgd.  
**A.M.Pandithage**  
 Chairman  
 October 29, 2014

sgd.  
**Dr. K.I.M. Ranasoma**  
 Managing Director

**DIPPED PRODUCTS PLC**  
**STATEMENTS OF CHANGES IN EQUITY**

**Group**  
For the period ended September 30, 2014

|  | -----Attributable to equity holders of the Company----- |                        |                            |                        |                            |                  |                |                   |                              |                  | Non-controlling Interest | Total Equity      |
|--|---|------------------------|----------------------------|------------------------|----------------------------|------------------|----------------|-------------------|------------------------------|------------------|--------------------------|-------------------|
|  | Stated Capital  | Capital Reserves       | Other Components of Equity | Revenue Reserves       | Total                      |                  |                |                   |                              |                  |                          |                   |
|  | Rs'000  | Rs'000                 | Rs'000                     | Rs'000                 | Rs'000                     | Rs'000           | Rs'000         | Rs'000            | Rs'000                       | Rs'000           |                          |                   |
|  |   | Reserve on scrip Issue | Revaluation Reserve        | Other capital reserves | Available-for-sale Reserve | General Reserve  | Timber Reserve | Retained Earnings | Exchange Fluctuation Reserve |                  |                          |                   |
| <b>Balance as at April 1, 2014</b>             | <b>598,615</b>  | <b>167,409</b>         | <b>259,108</b>             | <b>30,734</b>          | <b>11</b>                  | <b>1,169,700</b> | <b>64,404</b>  | <b>4,797,049</b>  | <b>240,133</b>               | <b>7,327,163</b> | <b>2,322,191</b>         | <b>9,649,354</b>  |
| Profit for the period                          | -   | -                      | -                          | -                      | -                          | -                | -              | 526,052           | -                            | 526,052          | 125,713                  | 651,765           |
| Other comprehensive income                     | -   | -                      | -                          | -                      | (5)                        | -                | -              | (1,464)           | 205                          | (1,264)          | (6,560)                  | (7,824)           |
| Dividends                                      | -   | -                      | -                          | -                      | -                          | -                | -              | (179,584)         | -                            | (179,584)        | (70,531)                 | (250,115)         |
| Acquisition of non-controlling interest        | -   | -                      | -                          | -                      | -                          | 21,250           | 283            | (20,187)          | -                            | 1,346            | (33,716)                 | (32,370)          |
| Transfers/adjustments                          | -   | -                      | (35,224)                   | 6,261                  | -                          | -                | 27,830         | 1,133             | -                            | -                | -                        | -                 |
| <b>Balance as at September 30, 2014</b>        | <b>598,615</b>  | <b>167,409</b>         | <b>223,884</b>             | <b>36,995</b>          | <b>6</b>                   | <b>1,190,950</b> | <b>92,517</b>  | <b>5,122,999</b>  | <b>240,338</b>               | <b>7,673,713</b> | <b>2,337,097</b>         | <b>10,010,810</b> |
| <b>For the period ended September 30, 2013</b> |   |                        |                            |                        |                            |                  |                |                   |                              |                  |                          |                   |
| Balance as at April 1, 2013                    | 598,615   | 167,409                | 259,108                    | 26,361                 | 14                         | 1,169,700        | 47,231         | 4,329,150         | 247,134                      | 6,844,722        | 2,068,640                | 8,913,362         |
| Profit for the period                          | -   | -                      | -                          | -                      | -                          | -                | -              | 483,479           | -                            | 483,479          | 155,206                  | 638,685           |
| Other comprehensive income                     | -   | -                      | -                          | -                      | (2)                        | -                | -              | -                 | 11,163                       | 11,161           | 4,936                    | 16,097            |
| Dividends                                      | -   | -                      | -                          | -                      | -                          | -                | -              | (179,585)         | -                            | (179,585)        | (77,592)                 | (257,177)         |
| Transfers/adjustments                          | -   | -                      | -                          | 4,373                  | -                          | -                | -              | (4,373)           | -                            | -                | -                        | -                 |
| <b>Balance as at September 30, 2013</b>        | <b>598,615</b>  | <b>167,409</b>         | <b>259,108</b>             | <b>30,734</b>          | <b>12</b>                  | <b>1,169,700</b> | <b>47,231</b>  | <b>4,628,671</b>  | <b>258,297</b>               | <b>7,159,777</b> | <b>2,151,190</b>         | <b>9,310,967</b>  |

**Company**

For the period ended September 30, 2014

|  | Stated Capital | Capital Reserves           | Revenue Reserves  | Total            |
|--|----------------|----------------------------|-------------------|------------------|
|  |                | Capital Redemption Reserve | Retained Earnings |                  |
|  | Rs'000         | Rs'000                     | Rs'000            | Rs'000           |
| <b>Balance as at April 1, 2014</b>             | <b>598,615</b> | <b>178,905</b>             | <b>180</b>        | <b>2,350,086</b> |
| Profit for the period                          | -              | -                          | 81,975            | 81,975           |
| Dividends                                      | -              | -                          | (179,584)         | (179,584)        |
| <b>Balance as at September 30, 2014</b>        | <b>598,615</b> | <b>178,905</b>             | <b>180</b>        | <b>2,252,477</b> |
| <b>For the period ended September 30, 2013</b> |                |                            |                   |                  |
| Balance as at April 1, 2013                    | 598,615        | 178,905                    | 180               | 2,291,824        |
| Profit for the period                          | -              | -                          | 17,219            | 17,219           |
| Dividends                                      | -              | -                          | (179,585)         | (179,585)        |
| <b>Balance as at September 30, 2013</b>        | <b>598,615</b> | <b>178,905</b>             | <b>180</b>        | <b>2,129,458</b> |

The notes to the financial statements on pages from 9 to 10 form an integral part of the financial statements.  
The figures in brackets indicate deductions.



## DIPPED PRODUCTS PLC CASH FLOW STATEMENTS

| <u>Group</u>  |                                       | <u>Company</u>                               |  | <u>Group</u>                                 |  | <u>Company</u>                               |  |
|---|---------------------------------------|--|--|--|--|--|--|
| Audited year to 31.03.2014<br>Rs.'000                               | Audited year to 31.03.2014<br>Rs.'000 | Unaudited 06 months to 30.09.2014<br>Rs.'000 | Unaudited 06 months to 30.09.2013<br>Rs.'000 | Unaudited 06 months to 30.09.2014<br>Rs.'000 | Unaudited 06 months to 30.09.2013<br>Rs.'000 | Unaudited 06 months to 30.09.2014<br>Rs.'000 | Unaudited 06 months to 30.09.2013<br>Rs.'000 |
| <b>Cash flows from operating activities</b>                         |                                       |  |  |  |  |  |  |
| 2,621,904   | 85,540                                | 1,712,104                                    | 1,443,673                                    | 349,913                                      | 347,557                                      |  |  |
| (269,570)   | (21,680)                              | (173,160)                                    | (134,523)                                    | (17,037)                                     | (6,570)                                      |  |  |
| (308,539)   | (36,710)                              | (134,526)                                    | (156,965)                                    | (927)  | (36,709)                                     |  |  |
| (310,872)   | (44,624)                              | (168,328)                                    | (158,846)                                    | (16,254)                                     | (14,455)                                     |  |  |
| (2,680)   | -                                     | (2,630)                                      | -  | -  | -  |  |  |
| 1,730,243   | (17,474)                              | 1,233,460                                    | 993,339                                      | 315,695                                      | 289,823                                      |  |  |
| <b>Cash flows from investing activities</b>                         |                                       |  |  |  |  |  |  |
| (1,214,696)   | (71,784)                              | (1,448,476)                                  | (400,162)                                    | (206,080)                                    | (53,715)                                     |  |  |
| (46,080)  | (15,190)                              | -  | (9,330)                                      | 17,834                                       | (8,041)                                      |  |  |
| (1,246)   | -                                     | -  | (525)  | -  | -  |  |  |
| 4,429   | -                                     | 17,860                                       | 3,442  | -  | -  |  |  |
| 34,871  | 2,744                                 | 73,857                                       | -  | -  | -  |  |  |
| (3,422)   | -                                     | (1,634)                                      | (110)  | -  | -  |  |  |
| -   | (300,000)                             | -  | -  | -  | -  |  |  |
| 69,839  | 14,432                                | 12,961                                       | 35,973                                       | 4,059  | 5,515  |  |  |
| -   | 481,147                               | -  | -  | -  | -  |  |  |
| (154,663)   | -                                     | (102,907)                                    | (77,592)                                     | -  | -  |  |  |
| (1,310,968)   | 111,349                               | (1,448,339)                                  | (448,304)                                    | (184,187)                                    | (56,241)                                     |  |  |
| <b>Cash flows from financing activities</b>                         |                                       |  |  |  |  |  |  |
| 89,884  | -                                     | 82,723                                       | -  | -  | -  |  |  |
| (313,142)   | -                                     | (303,562)                                    | (107,340)                                    | -  | -  |  |  |
| (2,623)   | -                                     | (5,872)                                      | (3,603)                                      | -  | -  |  |  |
| (318,095)   | (318,095)                             | (189,942)                                    | (179,560)                                    | (189,942)                                    | (179,560)                                    |  |  |
| (543,976)   | (318,095)                             | (416,653)                                    | (290,503)                                    | (189,942)                                    | (179,560)                                    |  |  |
| (124,701)   | (224,220)                             | (631,532)                                    | 254,532                                      | (58,434)                                     | 54,022                                       |  |  |
| (1,604,020)   | (228,223)                             | (1,728,721)                                  | (1,604,020)                                  | (452,443)                                    | (228,223)                                    |  |  |
| (1,728,721)   | (452,443)                             | (2,360,253)                                  | (1,349,488)                                  | (510,877)                                    | (174,201)                                    |  |  |
| <b>A</b>  |                                       |  |  |  |  |  |  |
| 1,519,246   | -                                     | 857,953                                      | 836,536                                      | 95,819                                       | 21,573                                       |  |  |
| <b>Cash generated from operations</b>                               |                                       |  |  |  |  |  |  |
| <b>Profit before tax</b>  |                                       |  |  |  |  |  |  |
| <b>Adjustments for:</b>   |                                       |  |  |  |  |  |  |
| 269,570   | 21,680                                | 173,160                                      | 134,523                                      | 17,037                                       | 6,570  |  |  |
| (28,065)  | -                                     | -  | -  | -  | -  |  |  |
| 675,644   | 44,223                                | 457,698                                      | 319,078                                      | 24,291                                       | 20,831                                       |  |  |
| 36,912  | -                                     | -  | -  | -  | -  |  |  |
| 5,336   | 5,336                                 | 3,020  | 2,668  | 3,020  | 2,668  |  |  |
| 17,323  | 7,112                                 | 6,693  | 15,376                                       | 2,309  | 2,673  |  |  |
| 1,866   | -                                     | 1,504  | 1,594  | -  | -  |  |  |
| 838   | -                                     | -  | 6,137  | -  | -  |  |  |
| (18,575)  | (1,175)                               | (35,851)                                     | -  | -  | -  |  |  |
| (36,321)  | -                                     | (27,207)                                     | (17,823)                                     | -  | -  |  |  |
| 3,332   | 485                                   | (3,351)                                      | 5,710  | (790)  | (305)  |  |  |
| 393,251   | 46,241                                | 322,164                                      | 259,341                                      | 25,432                                       | 27,680                                       |  |  |
| 5,339   | -                                     | 2,831  | 2,453  | -  | -  |  |  |
| -   | 100,000                               | -  | -  | 5,000  | -  |  |  |
| 132,230   | 3,411                                 | (58,188)                                     | 51,786                                       | 1,342  | (640)  |  |  |
| (69,839)  | (495,579)                             | (12,961)                                     | (35,973)                                     | (4,059)                                      | (5,515)                                      |  |  |
| 87,447  | -                                     | (21,360)                                     | 2,805  | -  | -  |  |  |
| 2,995,534   | (268,266)                             | 1,666,105                                    | 1,584,211                                    | 169,401                                      | 75,535                                       |  |  |
| (79,950)  | (565,308)                             | (456,506)                                    | 39,700                                       | (1,073,783)                                  | (353,564)                                    |  |  |
| 25,673  | (17,340)                              | (45,503)                                     | 46,188                                       | (82,582)                                     | (78,360)                                     |  |  |
| (483,413)   | (173,652)                             | 499,839                                      | (152,114)                                    | 173,161                                      | (169,433)                                    |  |  |
| 164,060   | 715,793                               | 48,169                                       | (74,312)                                     | 1,163,716                                    | 873,379                                      |  |  |
| (373,630)   | (40,507)                              | 45,999                                       | (140,538)                                    | 180,512                                      | 272,022                                      |  |  |
| 2,621,904   | (308,773)                             | 1,712,104                                    | 1,443,673                                    | 349,913                                      | 347,557                                      |  |  |
| <b>B</b>  |                                       |  |  |  |  |  |  |
| <b>Analysis of cash &amp; cash equivalents at end of the period</b> |                                       |  |  |  |  |  |  |
| 159,173   | 22,674                                | 269,009                                      | 518,229                                      | 77,026                                       | 25,150                                       |  |  |
| 216,572   | -                                     | 13,153                                       | 218,734                                      | 0  | 65,442                                       |  |  |
| (2,104,466)   | (475,117)                             | (2,642,415)                                  | (2,086,451)                                  | (587,903)                                    | (264,793)                                    |  |  |
| (1,728,721)   | (452,443)                             | (2,360,253)                                  | (1,349,488)                                  | (510,877)                                    | (174,201)                                    |  |  |

The notes to the financial statements on pages from 9 to 10 form an integral part of the financial statements.  
The figures in brackets indicate deductions

# DIPPED PRODUCTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

1. These Interim Financial Statements which have not been audited, comply with the LKAS 34 - Interim Financial Reporting and also provide the information required by the Colombo Stock Exchange.
2. These Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.03.2014.
3. Financial year end of Kelani Valley Plantations PLC (KVPL) and Hayleys Plantation Services (Pvt) Ltd., (HPSL) changed to 31 March from 31 December. Accordingly financial statements of KVPL and HPSL for the period from 01.01.2014 to 30.09.2014 have been consolidated with Group financial statements.
4. Considering the deterioration of net assets value , the management has decided to make a further provision of Rs.50 Mn during the quarter against the investment in Texnil (Pvt) Ltd. Also impairment loss provision on investment and other amounts due from Palma Ltd of Rs.45 Mn was reversed during the quarter.
5. No other circumstances have arisen since the balance sheet date, which would require adjustments to or disclosure in the financial statements other than those disclosed.
6. There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31.03.2014.
7. Where necessary, comparative figures have been re-stated to conform with SLFRS/LKAS.

### 8. Industry Segment Turnover

| <u>Group</u><br>Audited<br>year to<br>31.03.2014 |                                  | <u>Group</u><br><b>Unaudited</b><br><b>06 months to</b><br><b>30.09.2014</b> | Unaudited<br>06 months to<br>30.09.2013 |
|--|----------------------------------|--|---|
| Rs'000   |                                  | Rs'000   | Rs'000                                  |
| 13,400,322                                       | Hand Protection                  | 7,207,237  | 6,903,475                               |
| 10,436,850                                       | Plantations                      | 8,118,448  | 5,413,168                               |
| 23,837,172                                       |                                  | 15,325,685   | 12,316,643                              |
| (744,957)  | Inter - segment sales / services | (251,873)  | (406,285)                               |
| <u>23,092,215</u>                                |                                  | <u>15,073,812</u>  | <u>11,910,358</u>                       |

\* Current year Plantations figures are for 9 months as per Note 3 above.

### 9. Industry Segment Results

| <u>Group</u><br>Audited<br>year to<br>31.03.2014 |                         | <u>Group</u><br><b>Unaudited</b><br><b>06 months to</b><br><b>30.09.2014</b> | Unaudited<br>06 months to<br>30.09.2013 |
|--|-------------------------|--|---|
| Rs. '000   |                         | Rs. '000   | Rs. '000                                |
| 905,575  | Hand Protection         | 766,660  | 494,555                                 |
| 891,075  | Plantations             | 273,408  | 384,971                                 |
| 1,796,650  |                         | 1,040,068  | 879,526                                 |
| (137,500)  | Inter - segment results | -  | -                                       |
| 1,659,150  | Segment results         | 1,040,068  | 879,526                                 |
| (299,787)  | Finance cost            | (201,311)  | (152,513)                               |
| 159,883  | Finance income          | 19,196   | 109,523                                 |
| <u>1,519,246</u>                                 | Profit before tax       | <u>857,953</u>   | <u>836,536</u>                          |

\* Current year Plantations figures are for 9 months as per Note 3 above.

## DIPPED PRODUCTS PLC

### INVESTOR INFORMATION

|  | 30.09.2014<br>Rs. | 30.09.2013<br>Rs. |
|--|-------------------|-------------------|
| <b>Market Value of Shares</b>  |                   |                   |
| The market value of an ordinary share of Dipped Products PLC was as follows. |                   |                   |
| Closing price on   | 126.50            | 92.00             |
| Highest price recorded for the six months ending                             | 130.00            | 134.00            |
| Lowest price recorded for the six months ending                              | 87.00             | 90.00             |
| Highest price recorded for the three months ending                           | 130.00            | 125.00            |
| Lowest price recorded for the three months ending                            | 104.00            | 90.00             |
| Market Capitalisation (Rs. M)  | 7,572             | 5,507             |
| <b>Ratios</b>  |                   |                   |
| Net assets per share at the year end*  | 128.19            | 119.61            |
| Price earnings ratio annualised (times)                                      | 7.2               | 5.7               |
| <b>Share Trading information from April 1, 2014 to September 30, 2014</b>    |                   |                   |
| Number of transactions   | 1,266             | 965               |
| Number of shares traded  | 1,515,227         | 950,236           |
| Value of shares traded (Rs.)   | 171,933,881.50    | 110,607,088.30    |

#### Dividend Payments

Final dividend 2013/14 Rs.3.00 per share paid on 07.07.2014

\*Computed based on 59,861,512 shares on issue as at September 30, 2014

#### First twenty shareholders as at September 30, 2014

|    | Shareholder   | No.of Shares as at<br>September 30, 2014 | %            |
|----|---|--|--------------|
| 1  | Hayleys PLC   | 25,210,938                               | 42.12        |
| 2  | Employees Provident Fund  | 7,820,256                                | 13.06        |
| 3  | Volanka (Pvt) Limited   | 4,873,640                                | 8.14         |
| 4  | Promar Overseas SA  | 4,080,516                                | 6.82         |
| 5  | Haycarb PLC   | 4,068,746                                | 6.80         |
| 6  | National Savings Bank   | 953,900                                  | 1.59         |
| 7  | Bank of Ceylon No.1 Account   | 721,737                                  | 1.21         |
| 8  | Ravi Industries Limited   | 567,000                                  | 0.95         |
| 9  | E. W. Balasuriya & Co. (Pvt) Ltd  | 500,673                                  | 0.84         |
| 10 | Seylan Bank PLC /Symphony Capital Ltd<br>Waldock Mackenzie Ltd/Symphony Capital Ltd | 489,125<br>6,000                         | 0.83         |
| 11 | Mr.H.A.Pieris   | 482,405                                  | 0.81         |
| 12 | Dr.D.Jayantha   | 415,000                                  | 0.69         |
| 13 | Mr. N. G. Wickremeratne   | 381,204                                  | 0.64         |
| 14 | Renuka Properties Limited   | 324,934                                  | 0.54         |
| 15 | Hallsville Trading Group Inc.   | 204,024                                  | 0.34         |
| 16 | HSBC International Nominees Ltd-SSBT Deutsche Bank AG Singapore A/C No.01           | 200,044                                  | 0.33         |
| 17 | Commercial Bank of Ceylon PLC A/C No. 04  | 200,000                                  | 0.33         |
| 18 | Mr.S.Krishnananthan   | 163,044                                  | 0.27         |
| 19 | Mount Lavinia Hotel (Pvt) Ltd   | 150,000                                  | 0.25         |
| 20 | Mr. D.F.G. Dalpethado & Mrs. H.A.K.D. Dalpethado                                    | 129,448                                  | 0.22         |
|    | <b>TOTAL</b>  | <b>51,942,634</b>                        | <b>86.77</b> |

The percentage of shares held by public as per Colombo Stock Exchange Rules as at September 30, 2014 was 41.86%.

Total number of shareholders representing the public holding as at September 30, 2014 was 2,197.

#### Directors' shareholding as at September 30, 2014

| Name of Director   | No.of Shares as at<br>September 30, 2014 |
|--|--|
| Mr.A.M.Pandithage  | -  |
| Dr.K.I.M.Ranasoma - Managing Director  | 300                                      |
| Mr. R.K.Witanachchi - Deputy Managing Director                                       | 2,112                                    |
| Mr.F.Mohideen  | -  |
| Mr.K.A.L.S.Fernando  | 56,264                                   |
| Mr.S.C.Ganegoda  | -  |
| Mr.Dhammika Perera*  | 1,000                                    |
| Mr.M.Bottino   | -  |
| Mr.V.R.Gunasekara (Resigned w.e.f. 25.06.2014)                                       | -  |
| Mr.S. Rajapakse  | -  |
| Ms. D.S.N.Weerasooriya - Alternate to Mr.Dhammika Perera (Resigned w.e.f.31.05.2014) | -  |
| Mr.N.A.R.R.S.Nanayakkara (Appointed w.e.f.01.07.2014)                                | 14,526                                   |
| Mr.S.P.Peiris (Appointed w.e.f.18.07.2014)   | -  |
| <b>TOTAL</b>   | <b>74,202</b>                            |

\*Mr.Dhammika Perera holds 48.38% directly and indirectly of the total issued shares of Hayleys PLC which holds 25,210,938 shares in Dipped Products PLC.

There were no non-voting shares as at September 30, 2014.