

# ADAM INVESTMENTS LIMITED

*(Company Registration Number - PV 78150 PB)*



## QUARTERLY FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30<sup>TH</sup> JUNE 2014

ADAM INVESTMENTS LIMITED

NO:264,GRANDPASS ROAD,

COLOMBO 14.

STATEMENT OF FINANCIAL POSITION

FOR QUARTER ENDED 30th JUNE 2014

In LKR	Company		Group	
	Un Audited Period Ended 30th June 2014	Audited Year Ended 31-Dec-2013	Un Audited Period Ended 30th June 2014	Audited Year Ended 31-Dec-2013
<b>ASSETS</b>				
Property, plant and equipment	-	-	-	-
Investment in Subsidiaries	40	20	-	-
Investment in Equity accounted Associates	202,507,500	202,507,500	217,997,858	212,436,056
Good will on Acquisition	-	-	3,267,708	3,267,708
<b>NON CURRENT ASSETS</b>	<b>202,507,540</b>	<b>202,507,520</b>	<b>221,265,566</b>	<b>215,703,763</b>
Inventories	-	-	8,051,834	591,855
Available For Sale Financial Assets	700,576,364	396,142,961	700,576,364	396,142,961
Trade & Other Receivable	-	-	743,000	230,000
Amount Due from Related Companies	397,892,688	57,285,310	399,041,340	56,994,050
Other Receivables	-	1,000,000	-	1,000,000
Cash & cash equivalents	170,868,265	718,326	171,304,005	752,646
<b>CURRENT ASSETS</b>	<b>1,269,337,316</b>	<b>455,146,598</b>	<b>1,279,716,542</b>	<b>455,711,513</b>
<b>TOTAL ASSETS</b>	<b>1,471,844,857</b>	<b>657,654,118</b>	<b>1,500,982,109</b>	<b>671,415,276</b>
<b>EQUITY</b>				
Stated capital	714,508,200	316,660,200	714,508,200	316,660,200
Reserve	248,287,272	(19,213,606)	248,287,272	(19,213,606)
Net profit / (loss) for the Year	90,836,048	123,958,005	110,325,647	137,174,161
<b>TOTAL EQUITY</b>	<b>1,053,631,521</b>	<b>421,404,599</b>	<b>1,073,121,120</b>	<b>434,620,754</b>
<b>LIABILITIES</b>				
<b>NON CURRENT LIABILITIES</b>				
Long Term Loan	260,000,000	120,000,000	260,000,000	120,000,000
<b>CURRENT LIABILITIES</b>				
Trade & other payable	127,123,901	81,198,436	127,123,901	81,198,436
Amount Due to Related Companies	31,084,797	30,566,057	40,732,450	31,111,060
Bank Overdraft	4,639	4,485,026	4,639	4,485,026
<b>TOTAL LIABILITIES</b>	<b>418,213,337</b>	<b>236,249,519</b>	<b>427,860,990</b>	<b>236,794,522</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,471,844,857</b>	<b>657,654,118</b>	<b>1,500,982,109</b>	<b>671,415,276</b>

We certify that these financial statements have been prepared in compliance with the requirements of the company act No. 07 of 2007.

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

Dr.Lawrence Mervyn Fritsgerald Adams  
Director

Malayandi Jeyapragash  
Director

APPROVED BY THE BOARD ON 8-Aug-14

ADAM INVESTMENTS LIMITED

NO:264,GRANDPASS ROAD,

COLOMBO 14.

STATEMENT OF COMPREHENSIVE INCOME

FOR QUARTER ENDED 30th JUNE 2014

In LKR	Company			Group		
	Un Audited Six months Ended 30th June 2014	Un Audited Quarter Ended 30th June 2014	Audited Year Ended 31-Dec-2013	Un Audited Six months Ended 30th June 2014	Un Audited Quarter Ended 30th June 2014	Audited Year Ended 31-Dec-2013
<b>CONTINUING OPERATION</b>						
Turn Over	-	-	-	4,488,000	2,207,000	4,332,300
Cost of sales	-	-	-	(3,401,359)	(1,633,277)	(3,830,448)
Direct Income	-	-	-	-	-	-
<b>GROSS PROFIT</b>	-	-	-	<b>1,086,641</b>	<b>573,723</b>	<b>501,852</b>
Other Income	205,680	115,680	40,903,629	205,680	115,680	40,903,629
Direct expenses	-	-	-	-	-	-
Administrative expenses	(4,302,911)	(3,932,358)	(1,086,598)	(4,676,786)	(4,144,483)	(1,567,858)
<b>RESULT FROM OPERATING ACTIVITIES</b>	<b>(4,097,230)</b>	<b>(3,816,677)</b>	<b>39,817,031</b>	<b>(3,384,464)</b>	<b>(3,455,080)</b>	<b>39,837,623</b>
Finance cost	(24,040,886)	(11,472,773)	(7,342,317)	(24,042,011)	(11,473,148)	(7,343,017)
<b>NET FINANCE COST</b>	<b>(24,040,886)</b>	<b>(11,472,773)</b>	<b>(7,342,317)</b>	<b>(24,042,011)</b>	<b>(11,473,148)</b>	<b>(7,343,017)</b>
Post tax Share of Equity accounted Associate's Profit	-	-	-	5,561,802	3,229,639.57	6,337,366
<b>PROFIT BEFORE TAX</b>	<b>(28,138,117)</b>	<b>(15,289,450)</b>	<b>32,474,714</b>	<b>(21,864,673)</b>	<b>(11,698,588)</b>	<b>38,831,973</b>
Tax expense	-	-	-	-	-	-
<b>PROFIT FROM CONTINUING OPERATION</b>	<b>(28,138,117)</b>	<b>(15,289,450)</b>	<b>32,474,714</b>	<b>(21,864,673)</b>	<b>(11,698,588)</b>	<b>38,831,973</b>
<b>DISCONTINUING OPERATION</b>						
	-	-	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>(28,138,117)</b>	<b>(15,289,450)</b>	<b>32,474,714</b>	<b>(21,864,673)</b>	<b>(11,698,588)</b>	<b>38,831,973</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
foreign currency translation differences(Exchange gain/ (loss))	-	-	-	-	-	-
Net changing fair value of available for sale financial assets	267,500,878	267,500,878	(19,213,606)	267,500,878	267,500,878	(19,213,606)
Defined benefit plan actuarial gains (losses)	-	-	-	-	-	-
Tax on other comprehensive income	-	-	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF TAX)</b>	<b>267,500,878</b>	<b>267,500,878</b>	<b>(19,213,606)</b>	<b>267,500,878</b>	<b>267,500,878</b>	<b>(19,213,606)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>239,362,762</b>	<b>252,211,428</b>	<b>13,261,108</b>	<b>245,636,205</b>	<b>255,802,290</b>	<b>19,618,366</b>
<b>EPS</b>	<b>(0.06)</b>	<b>(0.03)</b>	<b>0.10</b>	<b>(0.05)</b>	<b>(0.03)</b>	<b>0.12</b>

ADAM INVESTMENTS LIMITED

NO:264,GRANDPASS ROAD, COLOMBO 14.

STATEMENT OF CHANGES IN EQUITY

FOR QUARTER ENDED 30th JUNE 2014

Company	Stated capital	AFS Reserve	Retained profit/ (loss)	Total
In LKR				
Balance at 1st January 2014	316,660,200	(19,213,606)	123,958,005	421,404,599
Impacts of changers in accounting policies	-	-	-	-
Prior year adjustments - Retirement benefit under provision	-	-	-	-
<b>Restated Balance at 1st January 2014</b>	<b>316,660,200</b>	<b>(19,213,606)</b>	<b>123,958,005</b>	<b>421,404,599</b>
Profit	-	-	(28,138,117)	(28,138,117)
Revaluation of property plant & equipment	-	-	-	-
<b>IPO Expences</b>	-	-	(4,983,840)	-
Net changing fair value of available for sale financial assets	-	267,500,878	-	267,500,878
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>267,500,878</b>	<b>(33,121,957)</b>	<b>239,362,762</b>
Issue of shares	397,848,000	-	-	397,848,000
Dividends	-	-	-	-
<b>Total contribution by and distribution to the owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397,848,000</b>
<b>Restated Balance at 30th June 2014</b>	<b>714,508,200</b>	<b>248,287,272</b>	<b>90,836,048</b>	<b>1,058,615,361</b>

Group	Stated capital	AFS Reserve	Retained profit/ (loss)	Total
In LKR				
Balance at 1st January 2014	316,660,200	(19,213,606)	137,174,161	434,620,755
Impacts of changers in accounting policies	-	-	-	-
Prior year adjustments - Retirement benefit under provision	-	-	-	-
<b>Restated Balance at 1st January 2014</b>	<b>316,660,200</b>	<b>(19,213,606)</b>	<b>137,174,161</b>	<b>434,620,755</b>
Profit	-	-	(21,864,673)	(21,864,673)
Revaluation of property plant & equipment	-	-	-	-
<b>IPO Expences</b>	-	-	(4,983,840)	-
Net changing fair value of available for sale financial assets	-	267,500,878	-	267,500,878
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>267,500,878</b>	<b>(26,848,513)</b>	<b>245,636,205</b>
Issue of shares	397,848,000	-	-	397,848,000
Dividends	-	-	-	-
<b>Total contribution by and distribution to the owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397,848,000</b>
<b>Restated Balance at 30th June 2014</b>	<b>714,508,200</b>	<b>248,287,272</b>	<b>110,325,647</b>	<b>1,078,104,960</b>

ADAM INVESTMENTS LIMITED

NO:264,GRANDPASS ROAD,

COLOMBO 14.

STATEMENT OF CASH FLOW

FOR QUARTER ENDED 30th JUNE 2014

In LKR	Company		Group	
	Un Audited 30-Jun-2014	Audited 31-Dec-2013	Un Audited 30-Jun-2014	Audited 31-Dec-2013
<b>Cash flow from operating activities</b>				
Profit/(loss) before tax	(28,138,117)	32,474,714	(21,864,673)	38,831,973
<b>Adjustments for</b>				
Profit on sale of shares	-	(42,327,534)		(42,327,915)
Post tax Share of Equity accounted Associate's Profit	-	-	(5,561,802)	(6,337,366)
	<b>(28,138,117)</b>	<b>(9,852,820)</b>	<b>(27,426,476)</b>	<b>(9,833,308)</b>
<b>Changes in</b>				
Inventories	-		(7,459,979)	(591,855)
Other Receivables	1,000,000		1,000,000	
Trade & other receivables		(750,000)	(513,000)	(980,000)
Amount Due from Related Companies	(340,607,398)	(48,340,770)	(342,047,290)	(48,049,510)
Amount Due to Related Companies	518,740	30,566,057	9,621,390	31,111,080
Trade & other payables	45,925,465	81,175,568	45,925,465	81,175,568
Director current account	-	96,456,675	-	96,456,675
<b>Cash generated from operations</b>	<b>(293,163,192)</b>	<b>159,107,530</b>	<b>(293,473,414)</b>	<b>159,121,958</b>
<b>Net cash from operating activities</b>	<b>(321,301,309)</b>	<b>149,254,710</b>	<b>(320,899,889)</b>	<b>149,288,650</b>
<b>Cash flow from investing activities</b>				
Sales proceed on sale of shares		82,871,065		82,871,445
Investment in associates		-	-	-
Reinvestment of the profit of the sale of share	-	(40,543,531)		(40,543,531)
Investment in short term investment	(36,932,524)	(315,355,278)	(36,932,524)	(315,355,278)
<b>Net cash used in investing activities</b>	<b>(36,932,524)</b>	<b>(273,027,744)</b>	<b>(36,932,524)</b>	<b>(273,027,364)</b>
<b>Cash flow from financing activities</b>				
IPO Expences	(4,983,840)		(4,983,840)	
Issue of shares	397,848,000	-	397,848,000	
Long term loan	140,000,000	120,000,000	140,000,000	120,000,000
<b>Net cash used in financing activities</b>	<b>532,864,160</b>	<b>120,000,000</b>	<b>532,864,160</b>	<b>120,000,000</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>174,630,327</b>	<b>(3,773,034)</b>	<b>175,031,747</b>	<b>(3,738,714)</b>
Cash and cash equivalent at 1st January 2014	(3,766,700)	6,334	(3,732,380)	6,334
<b>Cash and cash equivalent at 30th June 2014</b>	<b>170,863,628</b>	<b>(3,766,700)</b>	<b>171,299,367</b>	<b>(3,732,380)</b>
<b>Cash &amp; Cash Equivalents</b>				
Cash in hand	-	-	435,739.74	34,320.00
Union Bank	30,818,628	665,789	30,818,628	665,789
Sampath Bank	28,845	48,845	28,845	48,845
DFCC Bank	140,020,792	3,692	140,020,792	3,692
	<b>170,868,267</b>	<b>718,326</b>	<b>171,304,006</b>	<b>752,646</b>
<b>Bank Overdrafts</b>				
Pan Asia Bank	(4,639)	(4,485,026)	(4,639)	(4,485,026)
	<b>(4,639)</b>	<b>(4,485,026)</b>	<b>(4,639)</b>	<b>(4,485,026)</b>
<b>Net Cash &amp; Cash Equivalents</b>	<b>170,863,628</b>	<b>(3,766,700)</b>	<b>171,299,367</b>	<b>(3,732,380)</b>

## **ADAM INVESTMENTS LIMITED**

Notes to the interim financial statements

(In the notes all amounts are shown in Sri Lanka Rupees millions unless otherwise stated)

### **1. General Information**

Adam Investments Limited is a Public Limited Company domiciled in Sri Lanka. It is an investment holding company which holds shares of privately held companies operating in various industries such as manufacturing and exporting of garments for leading global fashion labels, Importing & supplying of Information Technology and total solution provider to computers and accessories , manufacturing of metal hardware items ,importing and installing of Air Conditioners and importing vehicles and vehicle spare parts. The registered office of business is 264, Grandpass Road, Colombo 14.

### **2. Basis of preparation**

The condensed interim financial statements of Adam Investments Limited are for the six months ended 30 June 2014. They have been prepared in accordance with LKAS 34, Interim Financial Reporting. These interim financial statements have been prepared in accordance with the SLFRS standards and IFRIC interpretations issued and effective as at the time of preparing these statements. The condensed interim financial statements do not include all of the information required for full annual financial statements and have not been audited.

### **3. Summary of significant accounting policies**

The accounting policies adopted are consistent with most recent Audited Financial Statements for the year ended 31<sup>st</sup> December 2013.

### **4. Events after the Reporting Period**

Adam Investments Limited made two mandatory offers for PCH Holdings PLC and for PC Pharma PLC.

Accordingly, on 21<sup>st</sup> July 2013 a mandatory offer has been made in terms of Rule 31 (1) (a) of the Takeovers & Mergers Code 1995, to purchase the remaining ordinary shares of PCH Holdings PLC not already owned by AINV at a price of LKR 2.00/- per share which is the highest price paid by AINV for the purchase of PCHH shares during the preceding twelve months prior to 02<sup>nd</sup> July 2014.

Accordingly, on 21<sup>st</sup> July 2013 a mandatory offer has been made in terms of Rule 31 (1) (a) of the Takeovers & Mergers Code 1995, to purchase the remaining ordinary shares of PC Pharma PLC not already owned by AINV at a price of LKR 1.70/- per share which is the highest price paid by AINV for the purchase of PCP shares during the preceding twelve months prior to 02<sup>nd</sup> July 2014.

## 5. Comparatives

Comparatives are provided for the statement of financial position at the date of the last published annual report (31 December 2013).

## 6. Contingent Liabilities

There have been no material changes to the contingent assets or contingent liabilities since the last annual reporting period.

## 7. Market Price Per Share

For the 6 months ended 30 June

	2013/2014 – 1 <sup>st</sup> Quarter		2014/2015 – 1 <sup>st</sup> Quarter	
	Date	Price (Rs)	Date	Price (Rs)
Highest	N/A	N/A	30-06-2014	6.00
Lowest	N/A	N/A	10-06-2014	3.30
Closing	N/A	N/A	30-06-2014	5.90

## 8. Issued Share Capital

The number of Shares issued and fully paid of the Company as at 30th June 2014 is 449,276,200 and value of the Share is Rs.714, 508,200.

## 9. Net assets per share

	Company		Group	
	30 <sup>th</sup> June 2014	31 <sup>st</sup> Dec 2013	30 <sup>th</sup> June 2014	31 <sup>st</sup> Dec 2013
Net assets per share	2.35	1.33	2.39	1.37

## DIRECTORS' AND CEO'S SHAREHOLDING AS AT 30<sup>TH</sup> JUNE 2014

	NO OF SHARES	%
Mr. Deshabandhu Dr.A.A.S.Gulamhusein	309,660,200	68.92%
Rev. Dr.L.M.F.Adams	1,000,000	0.22%
Mrs.D.M.Gulamhusein	Nil	-
Mr.T.A.Gulamhusein	Nil	-
Mr.I. Shabbir	4,000,000	0.89%
Mr.M.Jeyapragash	1,000,000	0.22%
Mr.L.W.W. Priyankara	1,000,000	0.22%
Shares held in the following manner		
Seylan Bank LTD/ Mr.G.Ramanan	8,333,400	1.86%
Mr. I.Zahir	Nil	-

**ADAM INVESTMENTS LIMITED**  
**20 MAJOR SHAREHOLDERS AS AT 30TH JUNE 2014**

		No of Shares	(%)
1	DR A A S GULAMHUSEIN	309,660,200	68.924
2	CEYPEST (PRIVATE) LIMITED	53,436,376	11.894
3	REDINGTON GLOBAL (PRIVATE) LIMITED	22,000,000	4.897
4	MRS L N BALDSING	17,637,324	3.926
5	COLOMBO METALS (PRIVATE) LIMITED	15,506,000	3.451
6	SEYLAN BANK LTD/GOVINDASAMY RAMANAN	8,333,400	1.855
7	MR G I SHABBIR	4,000,000	0.890
8	COMMERCIAL BANK OF CEYLON PLC/CEYLON & FOREIGN TRADES PLC	3,000,000	0.668
9	BANK OF CEYLON A/C CEYBANK UNIT TRUST	1,909,512	0.425
10	COMMERCIAL BANK OF CEYLON PLC/S A GULAMHUSEIN	1,880,000	0.418
11	SEYLAN BANK/SPICE OF LIFE (PVT) LTD	1,200,000	0.267
12	MR M JEYAPRAGASH	1,000,000	0.223
13	MR L M F ADAMS	1,000,000	0.223
14	MR L W W PRIYANKARA	1,000,000	0.223
15	MERCHANT BANK OF SRI LANKA PLC/J HEWA WANITHUNGA	398,302	0.089
16	MR M W C PUSHPHA KUMARA	300,000	0.067
17	MR D N HUNDLANI / MRS R M HUNDLANI AND MRS D D HUNDLANI	300,000	0.067
18	MR W T J R S FERNANDO	264,851	0.059
19	MRS V K M ARACHCHIGE	219,149	0.049
20	MR G RAJENDREN	204,800	0.046
		<b>443,249,914</b>	<b>98.659</b>
	OTHERS	<b>6,026,286</b>	<b>1.341</b>
	<b>TOTAL</b>	<b>449,276,200</b>	<b>100.00</b>

Public Holding percentage as at 30<sup>th</sup> June 2014 – 27.67%