



Colombo Dockyard PLC

"...An Odyssey of Excellence..."

Interim Financial Report

For the Six Months Period Ended 30 June 2022

This page kept blank Intentionally

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 June			Six months ended 30 June		
	2022	2021	Variance %	2022	2021	Variance %
	Rs,'000	Rs,'000		Rs,'000	Rs,'000	
Revenue	5,106,879	3,728,018	36.99%	10,678,031	7,006,371	52.40%
Cost of Sales	(4,746,529)	(3,107,256)	-52.76%	(9,540,963)	(5,936,877)	-60.71%
Gross Profit	360,350	620,762	-41.95%	1,137,068	1,069,494	6.32%
Other Income	1,890,504	146,045	1194.47%	2,079,402	182,327	1040.48%
Distribution Expenses	(21,624)	(3,611)	-498.84%	(33,264)	(7,661)	-334.20%
Administrative Expenses	(801,236)	(652,200)	-22.85%	(1,512,072)	(1,278,486)	-18.27%
Other Operating Expenses	(1,137,774)	691	-	(1,137,921)	(697)	-
Net Finance Income / (Expenses)	(79,537)	29,161	-372.75%	(177,657)	45,942	-486.70%
Profit / (Loss) before Tax	210,683	140,848	49.58%	355,556	10,919	3156.31%
Income Tax Expense	(17,937)	(25,306)	29.12%	(44,465)	(56,469)	21.26%
Profit / (Loss) for the period	192,746	115,542	66.82%	311,091	(45,550)	782.97%
Other Comprehensive Income						
Cash Flow Hedge - Effective portion of changes in fair value	-	-		-	-	
Fair Value Change of Available-for-sale Financial Assets	-	-		-	-	
Foreign Currency Translation Differences - Foreign Operations	176,338	5,211		169,594	17,386	
Other Comprehensive Income For The Period - Net of Taxes	176,338	5,211		169,594	17,386	
Total Comprehensive Income for The Period	369,084	120,753		480,685	(28,164)	
Profits Attributable to :						
Owners of The Company	187,636	110,380		302,296	(47,997)	
Non - Controlling Interest	5,111	5,162		8,796	2,447	
Profit for the period	192,746	115,542		311,091	(45,550)	
Total Comprehensive Income Attributable to :						
Owners of The Company	277,383	113,311		388,219	(38,857)	
Non - Controlling Interest	91,702	7,442		92,467	10,693	
Total Comprehensive Income for The Period	369,084	120,753		480,685	(28,164)	
Earnings per share (Rs)	2.61	1.54		4.21	(0.67)	

Note : Figures in brackets indicate deductions

The above figures are subject to audit

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June	2022	2021	As at 31.12.2021
	Rs, '000	Rs, '000	Rs, '000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	5,502,697	5,520,340	5,407,695
Intangible Assets	39,681	1,737	46,106
Right - of -Use assets	175,632	194,744	203,049
Investments Classified as Fair Value through OCI	17,463	17,964	17,463
Deffered Tax Assets	11,472	148,275	46,036
Other Financial Assets Including Derivatives	410,125	531,323	453,536
Total Non-Current Assets	6,157,070	6,414,383	6,173,885
Current Assets			
Inventories	6,130,519	1,126,889	2,262,469
Trade and Other Receivables	17,652,097	9,711,381	11,208,763
Other Financial Assets Including Derivatives	143,930	244,359	454,346
Investments classified as Fair value Through Profit or Loss	50,000	209,009	-
Cash and Cash Equivalents	12,095,342	6,622,434	7,089,797
Total Current Assets	36,071,888	17,914,072	21,015,375
Total Assets	42,228,958	24,328,455	27,189,260
EQUITY AND LIABILITIES			
Stated Capital	714,396	714,396	714,396
Exchange Equalisation Reserve	117,486	34,385	31,563
Fair Value through OCI Reserve	17,353	17,854	17,353
Cash flow Hedge Reserve	-	(123,490)	-
Retained Earnings	6,762,881	6,236,380	6,532,445
Equity Attributable to Equity Holders of the Parent	7,612,116	6,879,525	7,295,757
Non - Controlling Interest	195,813	95,089	103,346
Total Equity	7,807,929	6,974,614	7,399,103
Non-Current Liabilities			
Lease liability	146,387	179,124	158,391
Employee Benefits	1,006,627	1,041,856	955,584
Total Non-Current Liabilities	1,153,014	1,220,980	1,113,975
Current Liabilities			
Interest Bearing Borrowings	20,704,128	9,663,830	11,025,150
Trade and Other Payables	10,773,635	6,157,890	7,386,704
Other Financial Liabilities Including Derivatives	-	195,494	-
Lease liability	23,285	25,589	35,249
Income Tax Payable	2,111	79,068	35,587
Dividends Payable	45,041	10,990	9,869
Bank Overdrafts	1,719,815	-	183,623
Total current Liabilities	33,268,015	16,132,861	18,676,182
Total Equity and Liabilities	42,228,958	24,328,455	27,189,260
Net Assets per share (RS)	105.93	95.74	101.53

Note :The above figures are subject to audit

These Financial Statements have been prepared in compliance with the Companies Act No. 7 of 2007

(Sgd.) P D Gihan Ravinatha
General Manager (Finance)/CFO

(Sgd.) H Tanaka
Chairman

(Sgd.) D V Abeysinghe
Managing Director / CEO

August 15, 2022 Colombo

STATEMENT OF CHANGES IN EQUITY - GROUP

For the six months ended 30th June	Stated Capital	Retained earnings	Fair Value Through OCI Reserves	Exchange fluctuation Reserve	Cash Flow Hedge Reserve	Total	Non Controlling Interest	Total Equity
	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000
As at 1 January 2022	714,396	6,532,445	17,353	31,563	-	7,295,757	103,346	7,399,103
Net Profit / (Loss) for the Period	-	302,296	-	-	-	302,296	8,796	311,091
Other Comprehensive Income	-	-	-	85,923	-	85,923	83,671	169,594
Dividends Paid	-	(71,860)	-	-	-	(71,860)	-	(71,860)
As at 30 June 2022	714,396	6,762,881	17,353	117,486	-	7,612,116	195,813	7,807,929
As at 1 January 2021	714,396	6,284,377	17,854	25,245	(123,490)	6,918,382	84,396	7,002,778
Net Profit / (Loss) for the Period	-	(47,997)	-	-	-	(47,997)	2,447	(45,550)
Other Comprehensive Income	-	-	-	9,140	-	9,140	8,246	17,386
Dividends Paid	-	-	-	-	-	-	-	-
As at 30 June 2021	714,396	6,236,380	17,854	34,385	(123,490)	6,879,525	95,089	6,974,614

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June	2022 Rs,'000	2021 Rs,'000
Cash Flow from Operating Activities		
Net Profit Before Tax	355,556	10,919
Adjustment for ;		
Depreciation of Property, Plant & Equipment	246,341	221,698
Amortisation of Intangible Assets	8,297	1,618
Provision for Retirement Benefit Obligations	61,880	82,173
Provision / (reversal) for Bad and Doubtful Debts	(12,926)	12,542
Provision / (reversal) for Obsolete Stocks	(1,506)	-
(Profit) / Loss on Disposal of Property, Plant and Equipment	(422)	(6,269)
Foreign Exchange (Gain) / Loss (Unrealised)	(710,621)	-
Interest Income	(110,764)	(161,458)
Interest Expense	471,943	145,932
Operating Profit Before Working Capital Changes	307,778	307,155
(Increase) / Decrease in Inventories	(3,866,544)	17,305
(Increase) / Decrease in Trade and Other Receivables	(5,587,079)	(4,136,608)
(Increase) / Decrease in Other Financial Assets	353,827	33,819
Increase / (Decrease) in Trade and Other Payables	3,374,927	3,107,730
Increase / (Decrease) Other Financial Liabilities	(11,964)	(11,896)
Cash Generated from / (used in) Operating Activities	(5,429,055)	(682,495)
Interest Paid	(471,943)	(145,932)
Gratuity Paid	(10,837)	(80,927)
Income tax / ESC paid	-	(10,938)
Net Cash Generated from / (used in) Operating Activities	(5,911,835)	(920,292)
Cash Flow from Investing Activities		
Purchase of Property Plant and Equipment	(342,793)	(339,606)
Proceeds From Disposal of Property Plant and Equipment	-	9,787
Interest Received	131,691	137,104
Net Investment In Short Term Investments	(50,000)	-
Net Cash Generated from / (used in) Investing Activities	(261,102)	(192,715)
Cash Flow from Financing Activities		
Loans Obtained / (Paid) During The Period (Including exchange impact)	9,678,978	3,222,014
Dividend Paid	(36,688)	-
Net Cash Generated from / (used in) Financing Activities	9,642,290	3,222,014
Net Increase / (Decrease) in Cash and Cash Equivalents	3,469,353	2,109,007
Cash and Cash Equivalent at the Beginning of the period	6,906,174	4,513,427
Cash and Cash Equivalent at the end of the period	10,375,527	6,622,434
Analysis of Cash and Cash Equivalents		
Cash in Hand and Bank / Short Term Investments	12,095,342	6,622,434
Bank Overdrafts	(1,719,815)	-
	10,375,527	6,622,434

Note : Figures in brackets indicate deductions
The above figures are subject to audit

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Quarter ended 30 June			Six months ended 30 June		
	2022	2021	Variance %	2022	2021	Variance %
	Rs,'000	Rs,'000		Rs,'000	Rs,'000	
Revenue	4,603,685	3,275,202	40.56%	8,663,759	6,188,028	40.01%
Cost of Sales	(4,328,720)	(2,774,660)	-56.01%	(7,759,402)	(5,361,595)	-44.72%
Gross Profit	274,965	500,542	-45.07%	904,357	826,433	9.43%
Other Income	1,885,566	144,790	1202.28%	2,073,815	179,172	1057.44%
Distribution Expenses	(18,886)	(1,123)	-1581.75%	(26,941)	(2,421)	-1012.80%
Administrative Expenses	(710,234)	(556,117)	-27.71%	(1,317,114)	(1,097,716)	-19.99%
Other Operating Expenses	(1,137,774)	691	-	(1,137,921)	(697)	-
Net Finance Income / (Expenses)	(83,592)	19,422	-530.40%	(183,090)	24,199	-856.60%
Profit / (Loss) before Tax	210,045	108,205	94.12%	313,106	(71,030)	540.81%
Income Tax (Expense) / Reversal	(17,981)	(20,000)	10.10%	(35,967)	(38,000)	5.35%
Profit / (Loss) for the period	192,064	88,205	117.75%	277,139	(109,030)	354.19%
Other Comprehensive Income						
Cash Flow Hedge - Effective portion of changes in fair value	-	-		-	-	
Other Comprehensive Income For the Period - Net of Taxes	-	-		-	-	
Total Comprehensive Income for The Period	192,064	88,205		277,139	(109,030)	
Earnings per share (Rs)	2.67	1.23		3.86	(1.52)	

Note : Figures in brackets indicate deductions

The above figures are subject to audit

STATEMENT OF FINANCIAL POSITION - COMPANY

As at 30th June	2022 Rs,'000	2021 Rs,'000	As at 31.12.2021 Rs,'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4,781,676	4,849,474	4,667,762
Investment Property	2,865	2,865	2,865
Intangible Assets	37,644	127	44,698
Right - of -Use asset	175,632	194,744	195,815
Investments In Subsidiaries	9,477	7,881	9,477
Investments Classified as Fair Value through OCI	17,463	17,964	17,463
Deferred Tax Assets	941	137,810	36,908
Other Financial Assets Including Derivatives	401,107	523,266	443,822
Total Non-Current Assets	5,426,805	5,734,131	5,418,810
Current Assets			
Inventories	5,647,719	851,939	1,693,550
Trade and Other Receivables	15,504,419	8,619,023	9,545,355
Other Financial Assets Including Derivatives	140,930	165,242	349,175
Amounts Due from Related Parties	296,524	80,400	247,089
Cash and Cash Equivalents	11,903,885	6,436,215	6,827,084
Total Current Assets	33,493,477	16,152,819	18,662,253
Total Assets	38,920,282	21,886,950	24,081,063
EQUITY AND LIABILITIES			
Stated Capital	714,396	714,396	714,396
Fair Value through OCI Reserve	17,353	17,854	17,353
Cash flow Hedge Reserve	-	(123,490)	-
Retained Earnings	4,984,046	4,502,601	4,778,767
Total Equity	5,715,795	5,111,361	5,510,516
Non-Current Liabilities			
Lease Liability	146,389	179,124	156,812
Employee Benefits	977,073	1,015,402	927,910
Total Non-Current Liabilities	1,123,462	1,194,526	1,084,722
Current Liabilities			
Interest Bearing Borrowings	20,704,128	9,663,830	11,025,150
Trade and Other Payables	8,720,570	5,317,525	5,859,689
Other Financial Liabilities Including Derivatives	1,596	195,494	1,596
Amounts due to Related Parties	866,590	367,635	381,151
Lease Liability	23,285	25,589	29,454
Dividends Payable	45,041	10,990	9,869
Bank Overdrafts	1,719,815	-	178,916
Total current Liabilities	32,081,025	15,581,063	17,485,825
Total Equity and Liabilities	38,920,282	21,886,950	24,081,063
Net Assets per share (RS)	79.54	71.13	76.69

Note :The above figures are subject to audit

These Financial Statements have been prepared in compliance with the Companies Act No. 7 of 2007

(Sgd.) P D Gihan Ravinatha
General Manager (Finance)/CFO

(Sgd.) H Tanaka
Chairman

(Sgd.) D V Abeyesinghe
Managing Director / CEO

August 15, 2022 Colombo

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the six months ended 30th June	Stated Capital Rs,'000	Retained earnings Rs,'000	Fair Value Through OCI Reserves Rs,'000	Cash Flow Hedge Reserve Rs,'000	Total Rs,'000
As at 1 January 2022	714,396	4,778,767	17,353	-	5,510,516
Net Profit / (Loss) for the Period	-	277,139	-	-	277,139
Other Comprehensive Income	-	-	-	-	-
Dividends Paid	-	(71,860)	-	-	(71,860)
As at 30 June 2022	714,396	4,984,046	17,353	-	5,715,795
As at 1 January 2021	714,396	4,611,631	17,854	(123,490)	5,220,391
Net Profit / (Loss) for the Period	-	(109,030)	-	-	(109,030)
Other Comprehensive Income	-	-	-	-	-
Dividends Paid	-	-	-	-	-
As at 30 June 2021	714,396	4,502,601	17,854	(123,490)	5,111,361

COMPANY CASH FLOW STATEMENT

For the six months ended 30th June	2022 Rs,'000	2021 Rs,'000
Cash Flow from Operating Activities		
Net Profit Before Tax	313,106	(71,030)
Adjustment for ;		
Depreciation of Property, Plant & Equipment	205,132	188,758
Amortisation of Intangible Assets	8,063	8
Provision for Retirement Benefit Obligations	60,000	81,000
Provision / (reversal) for Obsolete Stocks	(1,506)	-
(Profit) / Loss on Disposal of Property, Plant and Equipment	-	(3,484)
Foreign Exchange (Gain) / Loss(Unrealised)	(710,621)	-
Interest Income	(95,055)	(136,961)
Interest Expense	469,887	145,919
Operating Profit Before Working Capital Changes	249,006	204,210
(Increase) / Decrease in Inventories	(3,952,663)	25,978
(Increase) / Decrease in Trade and Other Receivables	(5,249,184)	(4,096,700)
(Increase) / Decrease in Amounts Due From Related Parties	(49,435)	7,880
(Increase) / Decrease in Other Financial Assets	250,960	51,122
Increase / (Decrease) in Trade and Other Payables	2,850,458	2,940,450
Increase / (Decrease) in Amounts Due to Related Parties	485,439	260,548
Increase / (Decrease) Other Financial Liabilities	(6,169)	(13,328)
Cash Generated from / (used in) Operating Activities	(5,421,588)	(619,840)
Interest Paid	(469,887)	(145,919)
Gratuity Paid	(10,837)	(80,927)
Net Cash Generated from / (used in) Operating Activities	(5,902,312)	(846,686)
Cash Flow from Investing Activities		
Purchase of Property Plant and Equipment	(320,055)	(238,688)
Proceeds From Disposal of Property Plant and Equipment	-	6,905
Interest Received	115,979	112,610
Net Cash Generated from / (used in) Investing Activities	(204,076)	(119,173)
Cash Flow from Financing Activities		
Loans Obtained / (Paid) During The Period (Including exchange impact)	9,678,978	3,222,014
Dividends Paid	(36,688)	-
Net Cash Generated from / (used in) Financing Activities	9,642,290	3,222,014
Net Increase / (Decrease) in Cash and Cash Equivalents	3,535,902	2,256,155
Cash and Cash Equivalent at the Beginning of the period	6,648,168	4,180,060
Cash and Cash Equivalent at the end of the period	10,184,070	6,436,215
Analysis of Cash and Cash Equivalents		
Cash in Hand and Bank / Short Term Investments	11,903,885	6,436,215
Bank Overdrafts	(1,719,815)	-
	10,184,070	6,436,215

Note : All values in Rupees '000s, unless otherwise stated

Figures in brackets indicate deductions

The above figures are subject to audit

NOTES TO THE FINANCIAL STATEMENTS

01. Corporate Information

Colombo Dockyard PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed in Colombo Stock Exchange.

Company Subsidiaries are :

Dockyard General Engineering Services (Pvt) Ltd - Sri Lanka

Dockyard Total Solutions (Pvt) Ltd - Sri Lanka

Ceylon Shipping Agency (Pte) Ltd - Singapore

The interim financial statements of the Group and the Company for the six months period ended 30 June 2022 were authorized for issue by the board of directors on August 15, 2022

02. Basis Of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Sri Lanka Accounting Standards - *LKAS 34 Interim Financial reporting*.

Certain comparative figures have been re-classified to conform with the current year's presentation

03. Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual Financial Statements for the year ended December 31, 2021

04. Post balance sheet events

As per the announcement made by Company to the Colombo Stock Exchange on 29th July 2022, Colombo Dockyard PLC (CDPLC) and Edda Wind AS (Edda Wind), Norway have entered into agreement to mutually cancel the two shipbuilding contracts for the construction and delivery of two Commissioning Support Operation Vessels (CSOVs).

This decision had to be arrived solely due to the prevailing unstable economic and financial situation of the country. Due to the poor credit rating of SD "Selective Default" and significant scarcity of foreign currency liquidity in the country, it was impossible to issue required guarantees continuously and to receive the milestone payments from the buyer. Within such context, continuing with these two projects could have resulted in significant risks and uncertainties.

However, CDPLC also endured their maximum efforts to find feasible solutions by involving the top level government authorities, both local and international banks and financial institutions and relevant diplomatic missions. Despite greater efforts, it was understood that any feasible solution would not be forthcoming in near future. Considering the facts that the projects are still at their infant stage while foreseeing the greater risks for CDPLC in pursuing the projects, CDPLC's Board has decided that a mutual cancellation was the most prudent option at this point.

Company's best estimate for the possible cost of cancellation has been provided in the interim financial statements for the six month period ended 30th June 2022, as per the SLFRSs / LKASs.

There have been no events subsequent to the Balance Sheet date, which require disclosures in Financial Statements, other than the above.

NOTES TO THE FINANCIAL STATEMENTS Cont.,

06. Share Information

06.1 MARKET PRICES RECORDED DURING THE QUARTER ENDED 30 JUNE

	2022 RS.	2021 Rs.
Highest Market Price Per Share	78.00	84.00
Lowest Market Price Per Share	60.00	67.00
Closing Market Price Per Share	66.80	74.00

06.2 DIRECTORS SHAREHOLDING AS AT 30 JUNE 2022

NO	NAME OF DIRECTOR	NO. OF SHARES
1	Mr. H Tanaka	Nil
2	Mr. C Sarath W De Costa	Nil
3	Mr. D V Abeysinghe	733
4	Mr. T Nakabe	Nil
5	Mr. A Horibe	Nil
6	Mr. G A D L H Ganlath	578
7	Mr. H A R K Wickramathilake	1,103
8	Mr. V G L A Jayawardane	Nil
9	Mrs W L S W Jayasundera	Nil

06.3 TOTAL NUMBER OF SHARES

As at 30.06.2021	71,858,924
As at 30.06.2022	71,858,924

06.4 NUMBER OF PUBLIC SHARE HOLDERS AS AT 30.06.2022 4,925

06.5 PUBLIC SHAREHOLDING PRECENTAGE AS AT 30.06.2022 48.94%

06.6 TWENTY (20) MAJOR SHAREHOLDERS AS AT 30.06.2022

NO	NAME	NO. OF SHARES	%
1	Onomichi Dockyard Company Limited	36,648,051	51.000
2	Employees Provident Fund	11,744,009	16.343
3	Sri Lanka Insurance Corporation Ltd-General Fund	3,592,998	5.000
4	Sri Lanka Insurance Corporation Ltd-Life Fund	3,536,548	4.922
5	Sri Lanka Ports Authority	2,186,191	3.042
6	Employees Trust Fund Board	1,736,660	2.417
7	Bank of Ceylon No.1 Account	897,625	1.249
8	National Savings Bank	774,494	1.078
9	Seylan Bank PLC/B.D.J.C Suchendra	660,387	0.919
10	Bank of Ceylon No.2 A/C (BOC PTF)	302,900	0.422
11	Harnam Holdings SDN BHD	265,123	0.369
12	Star Packageing (pvt) Ltd	245,000	0.341
13	Mr M.A Jafferjee	223,464	0.311
14	Lanka Milk Foods (CWE) Limited	219,948	0.306
15	J.B Cocoshell (Pvt) Ltd	208,478	0.290
16	Hatton National Bank PLC/A.P.L Fernando	177,000	0.246
17	E.W Balasuriya & Co. (Pvt) Ltd	165,123	0.230
18	Mr S M B Obeysekera and Mrs C N Obeysekera	146,479	0.204
19	Sri Lanka Export Development Board	145,698	0.203
20	Confifi Management Services (Private) Ltd	131,250	0.183

NOTES TO THE FINANCIAL STATEMENTS Cont.,

07. Segment Information

07.1 Segment Revenue

For the six months ended 30th June	2022		2021	
	Group	Company	Group	Company
Shipbuilding	2,866,196	2,866,196	2,360,228	2,360,228
Ship Repairing	5,630,781	5,630,781	3,741,602	3,741,602
Heavy Engineering	1,939,649	166,782	723,177	86,198
Material and Other Sales	241,405	-	181,364	-
Total	10,678,031	8,663,759	7,006,371	6,188,028

07.2 Segment Results

For the six months ended 30th June	2022		2021	
	Group	Company	Group	Company
Shipbuilding	(444,384)	(444,384)	23,629	23,629
Ship Repairing	1,292,696	1,292,696	784,310	784,310
Heavy Engineering	194,446	56,045	195,847	18,494
Material and Other Sales	94,310	-	65,708	-
Total	1,137,068	904,357	1,069,494	826,433

* Segment results have been stated up to the Gross Profit Level