



Level 15, Seylan Towers, No: 90, Galle Road, Colombo 03.

***Interim Financial Statements
Quarter Ended 30th June 2020***

SEYLAN DEVELOPMENTS PLC

STATEMENT OF FINANCIAL POSITION

	JUNE 30, 2020 (Un Audited)	DEC 31, 2019 (Audited)	Growth %
	Rs '000	Rs '000	
Assets			
Non Current Assets			
Property, plant & equipment	3,095	3,456	(10.43)
Investment property	5,428,524	5,415,962	0.23
Other investments	203,104	191,779	-
Total Non Current Assets	5,634,723	5,611,197	0.42
Current Assets			
Inventories	4,138	4,166	(0.68)
Trade and other receivables	49,267	36,392	35.38
Other investments	5,745	6,735	(14.69)
Income tax receivable	52,573	52,521	0.10
Cash and cash equivalents	182,640	64,008	185.34
Total Current Assets	294,363	163,822	79.69
Total Assets	5,929,086	5,775,019	2.67
Equity and Liabilities			
Equity			
Stated capital	1,644,392	1,644,392	-
Reserves	498,333	486,097	2.52
Retained earnings	2,800,862	2,863,203	(2.18)
	4,943,587	4,993,692	(1.00)
Non Current Liabilities			
Deferred tax liability	643,031	609,480	5.50
	643,031	609,480	5.50
Current Liabilities			
Bank overdrafts	-	-	100.00
Other liabilities	342,468	171,847	99.29
	342,468	171,847	99.29
Total Equity and Liabilities	5,929,086	5,775,019	2.67
Net Asset per Share	33.41	33.75	(1.00)

* The Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007 .

* The above figures are subject to audit and has been prepared in compliance with the Rule 7.4 of the CSE Listing Rules and Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.

Sgd.
Kapila Ariyaratne
Chairman

Sgd.
Somadasa Paliyawadana
Deputy Chairman

Sgd.
Nirmala Arangalage (Mrs)
Head of Finance

27th July 2020

SEYLAN DEVELOPMENTS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	FOR THE QUARTER ENDED			FOR THE SIX MONTHS ENDED		
	JUNE 30, 2020	JUNE 30, 2019	Growth	JUNE 30, 2020	JUNE 30, 2019	Growth
	(Un Audited) Rs '000	(Un Audited) Rs '000	%	(Un Audited) Rs '000	(Un Audited) Rs '000	%
Rental Income	81,454	73,098	11.43	161,665	145,497	11.11
Other Income	807	1,806	(55.29)	2,158	2,588	(16.63)
	82,261	74,904	9.82	163,823	148,085	10.63
Operating Expenses	(21,058)	(20,309)	3.69	(45,334)	(42,081)	7.73
	61,203	54,595	12.10	118,489	106,004	11.78
Net Finance income	9,977	5,453	82.98	14,123	13,466	4.88
Profit Before Taxation	71,180	60,048	18.54	132,612	119,470	11.00
Taxation	(14,948)	(17,104)	(12.61)	(32,192)	(34,123)	(5.66)
Profit After Taxation	56,232	42,944	30.95	100,420	85,347	17.66
Other comprehensive income						
Net change in fair value of available for sale financial assets.	11,237	10,358	8.49	12,236	14,340	(14.67)
Other comprehensive income for the period, net of income tax	11,237	10,358	8.49	12,236	14,340	(14.67)
Total comprehensive income for the period	67,469	53,302	26.58	112,656	99,687	13.01
Earnings / (Loss) Per Share	<u>Rs</u> 0.38	<u>Rs</u> 0.29	30.95	<u>Rs</u> 0.68	<u>Rs</u> 0.58	17.66

SEYLAN DEVELOPMENTS PLC

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs '000	Capital Reserve Rs '000	Revaluation Reserve Rs '000	Fair Value Reserve Rs '000	Retained Earnings Rs '000	Total Rs '000
Balance as at 01.01.2019	1,644,392	525,494	1,639	(58,062)	2,821,087	4,934,550
Total Comprehensive Income for the period						
Profit or Loss	-	-	-	-	85,347	85,347
Other Comprehensive Income						
Net change in fair value of available-for-sale financial assets	-	-	-	14,340	-	14,340
	-	-	-	14,340	-	14,340
Total Comprehensive Income for the period	-	-	-	14,340	85,347	99,687
Transactions recorded directly in equity						
Dividend Declared	-	-	-	-	(147,965)	(147,965)
Balance as at 30.06.2019	1,644,392	525,494	1,639	(43,722)	2,758,469	4,886,272
Balance as at 01.01.2020	1,644,392	525,494	1,627	(41,024)	2,863,203	4,993,692
Total Comprehensive Income for the period						
Profit or Loss	-	-	-	-	100,420	100,420
Other Comprehensive Income						
Net change in fair value of available-for-sale financial assets	-	-	-	12,236	-	12,236
	-	-	-	12,236	-	12,236
Total Comprehensive Income for the period	-	-	-	12,236	100,420	112,656
Transactions recorded directly in equity						
Dividend Declared	-	-	-	-	(162,761)	(162,761)
Balance as at 30.06.2020	1,644,392	525,494	1,627	(28,788)	2,800,862	4,943,587

SEYLAN DEVELOPMENTS PLC
CASH FLOW STATEMENT

For the period	01.01.20 - 30.06.20 (Un Audited) Rs. 000	01.01.19 - 30.06.19 (Un Audited) Rs. 000
Cash Flows from Operating Activities		
Receipt from other Operating Activities	163,822	147,208
Cash payments to Employees, Suppliers and Tax Authorities	(45,016)	(41,824)
Interest Payments	(19)	(1,242)
Operating profit before changes in operating assets	118,787	104,142
(Increase)/Decrease in operating assets :		
Stock & Receivables	(12,899)	(9,622)
Increase/(Decrease) in operating liabilities :		
Deposits & Trade payables	7,861	2,304
Cash Generated from Operations	113,749	96,824
Income Tax paid	-	(737)
Net cash from Operating Activities	113,749	96,087
Cash Flows from Investing Activities		
Interest Received	15,174	15,374
Purchase of non-dealing Securities	(12,187)	(40,911)
Disposal of non-dealing Securities	14,458	11,090
Purchase of Property , Plant and Equipment	-	(63)
Additions to Investment Properties	(12,562)	(46,115)
Net cash from Investing Activities	4,883	(60,625)
Cash Flows from Financing Activities		
Dividends paid	-	(147,965)
Net Cash from Financing Activities	-	(147,965)
Total net increase in cash and cash equivalents during the period	118,632	(112,503)
Cash and Cash equivalents at beginning of period	64,008	108,091
Cash and Cash Equivalents at end of period	182,640	(4,412)
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	182,640	14,042
Bank Overdraft	-	(18,455)
	182,640	(4,412)

SEYLAN DEVELOPMENTS PLC
Notes to the Financial Statements

1 General

Seylan Developments PLC (the “Company”) is a “Public Quoted Company” and a Limited Liability Company Incorporated, reregistered under Companies Act No. 07 of 2007 (PQ 151) and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

- The Company’s registered office is situated at Level 15, Seylan Towers, No. 90, Galle Road, Colombo 03.
- The Company is in the business of development of property, administration & maintenance.
- The Company is a subsidiary of Seylan Bank PLC.
- The staff strength of the Company as at 30th June 2020 is 21 (2019- 22).

2 Accounting Policies

There are no changes to the accounting policies & method of computation since the publication of the last Annual Report. The interim Financial Statements are presented in accordance with LKAS 34, Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended December 31, 2019 which have been prepared in accordance with LKAS / SLFRS.

3 Events After the Reporting Period

There have been no material events after the reporting period that would require adjustments / disclosures in the Financial Statements.

4 Stated Capital

147,964,860 Ordinary Shares	1,553,631,030
Share Premium	90,760,620
	<u>1,644,391,650</u>

5 Share price movement

	Quarter Ended		Year Ended
	30.06.2020	30.06.2019	31.12.2019
Highest Price	11.50	10.40	12.40
Lowest Price	8.00	9.00	9.00
Last Traded Price	10.40	9.60	11.50
Market Capitalization	1,538,834,544	1,420,462,656	1,701,595,890

6 Contingent Assets and Contingent Liabilities

There are no Contingent Liabilities as at the reporting date other than what is disclosed below;

(a) Income Tax for the year of assessment 2012/13 (Rs: 9,269,763/-, Assessment no: ITA 15301100123 V1) determined by the Commissioner General of Inland Revenue have been referred to the Tax Appeals Commission.

Based on the available information and current status of above cases, the Board of Directors are of the opinion that the outcome of any actions will be favorable to Company and will not have any material impact on the Financial Statements.

7 Comparative Information

Comparative figures have been re-stated / adjusted where necessary, to conform to the current period presentation.

8 Others

(i) Dividend Payment

The Company declared and approved first and final Dividend of Rs: 1.10 per share to Ordinary Shareholders who were registered as at 24th June 2020 as approved by the Shareholders at the Annual General Meeting held on 24th June 2020. Dividend payments were made by 3rd July 2020.

(ii) Income Tax and Net deferred tax liability

As the proposed income tax rate of 24% for companies is pending for formal approvals, it is not considered as substantially enacted as at the reporting date. Accordingly, the tax rate of 28% has been considered for income tax and deferred tax computation as at 30th June 2020 (2019 - 28%).

(iii) Impact of COVID-19 on Seylan Developments PLC

Approximately 80% of the Company's revenue is generated from renting office space in the East Tower to our parent Company, Seylan Bank PLC and therefore, the impact of COVID - 19 on the Company is expected to be minimal. The rent income from the parent Company, Seylan Bank PLC is fixed by an agreement. The rent is fixed for two years and is renewable. The last renewal was agreed on 01.01.2020 for a period of two years ending on 31st December 2021. The apartments have been rented to expatriates who are representing diplomatic missions and recognized organizations.

However, the Company's expectation of maintaining a satisfactory rate of occupancy of the Apartments may be difficult since possibility of renting out Apartments for new tenants appear to be very low with the disruptions to global travel and other restrictions enforced in some countries due to the COVID-19 pandemic.

Further, the Company planned commencing a construction project of expanding rentable floor areas in the Seylan East Tower to accommodate an auditorium for the use of Seylan Bank with a view of earning an additional rent income. The Management decided to temporary hold the project with the cost control measures adopted due to this pandemic situation. However, refurbishments of apartments continues to meet the high competition in the industry. The management is confident that, the COVID-19 pandemic would not have a major impact to the Company's normal operations.

SEYLAN DEVELOPMENTS PLC
Notes to the Financial Statements

9 Major 20 Share Holder List - As at 30 June 2020

	NAME OF SHAREHOLDER	NO OF SHARES 30.06.2020	%
1	Seylan Bank PLC	104,332,112	70.51
2	Mr Perera Kulappuarachchige Don Dammika	8,546,640	5.78
3	Mr. Anthony Romesh Gero / Acuity Partners (Pvt) Limited - Mr. Anthony Romesh Gero	1,717,892	1.16
4	Mrs Udeshi (DESC) Majula Moraji	1,287,900	0.87
5	Mr. Udeshi Anant Hargovind	967,137	0.65
6	Mr. Abishek Sithampalam	845,674	0.57
7	Hatton National Bank PLC / Arunasalam Sithampalam	824,554	0.56
8	Asian Guild Financial Services (Pvt) Ltd	609,121	0.41
9	Zagra Investment Consultants (Pvt) Ltd	594,200	0.40
10	Mr. Gautam Rahul	587,500	0.40
11	Mr. Tay Biak Chye	505,948	0.34
12	Mrs. Saraswathi Vasudevan	500,000	0.34
13	Pobran Investments (Pvt) Ltd	397,741	0.27
14	Mr. Patel Saifuddin Esmail	369,601	0.25
15	Mr. Ragupathy Arunasalam	352,974	0.24
16	Bank of Ceylon A/C Ceybank Century Growth Fund	350,926	0.24
17	Mr. Van Oostenbrugge Alexander	321,400	0.22
18	Mr. Loganathan Tharmalingam	313,633	0.21
19	Asha Financial Services Limited / Mr. C. N. Pakianathan	304,850	0.21
20	Mr. Tissera Amal Joseph	292,709	0.20

10 Names of existing Directors in Seylan Developments PLC

	NAME OF DIRECTOR	NO OF SHARES 30.06.2020
1	Mr. K. Ariyaratne	25,000
2	Mr. S. Palihawadana	10,000
3	Mr. R. Jayasekara	-
4	Mr. P. Hennayake	-
5	Mr. L. T. Kiringoda	-
6	Mr. W.S.D. De Silva	-

- 11** Public Shareholdings % as at 30th June 2020 29.46%
 No of public shareholders as at 30th June 2020 6,201
 Float adjusted market capitalization (Rs:) 453,340,657
 The Company complies with option 5 of the Listing Rules 7.13.1 (a) - less than Rs: 2.5 Bn Float adjusted market capitalization which requires 20% minimum Public Holdings.