



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

***Interim Financial Statements  
For the year ended 31<sup>st</sup> December 2018***

## SEYLAN DEVELOPMENTS PLC

## STATEMENT OF FINANCIAL POSITION

	DEC 31, 2018 (Un Audited) Rs '000	DEC 31, 2017 (Audited) Rs '000	Growth %
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, plant & equipment	3,263	4,139	(21.15)
Investment property	5,312,210	4,282,356	24.05
Other investments	143,885	-	-
<b>Total Non Current Assets</b>	<b>5,459,358</b>	<b>4,286,495</b>	27.36
<b>Current Assets</b>			
Inventories	5,441	3,697	47.18
Trade and other receivables	44,684	57,403	(22.16)
Other investments	5,151	159,441	(96.77)
Income tax receivable	23,931	-	100.00
Cash and cash equivalents	108,075	974,903	(88.91)
<b>Total Current Assets</b>	<b>187,282</b>	<b>1,195,444</b>	(84.33)
<b>Total Assets</b>	<b>5,646,640</b>	<b>5,481,939</b>	3.00
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated capital	1,644,392	1,644,392	-
Reserves	469,070	523,384	(10.38)
Retained earnings	2,821,087	2,653,793	6.30
	<b>4,934,549</b>	<b>4,821,569</b>	2.34
<b>Non Current Liabilities</b>			
Deferred tax liability	546,365	475,668	14.86
	<b>546,365</b>	<b>475,668</b>	14.86
<b>Current Liabilities</b>			
Trade and other liabilities	165,726	160,831	3.04
Income tax payable	-	23,871	(100.00)
	<b>165,726</b>	<b>184,702</b>	(10.27)
<b>Total Equity and Liabilities</b>	<b>5,646,640</b>	<b>5,481,939</b>	3.00
<b>Net Asset per Share</b>	<b>33.35</b>	<b>32.59</b>	2.34

\* 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 Palihawadana**  
Deputy Chairman

Sgd.  
**Ponniah Saravanapavan**  
Director

Sgd.  
**Nirmala Arangalage ( Mrs )**  
Head of Finance

14th February 2019

**SEYLAN DEVELOPMENTS PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	FOR THE QUARTER ENDED			FOR THE YEAR ENDED		
	DEC 31, 2018	DEC 31, 2017	Growth	DEC 31, 2018	DEC 31, 2017	Growth
	(Un Audited) Rs '000	(Audited) Rs '000	%	(Un Audited) Rs '000	(Audited) Rs '000	%
Rental Income	77,685	54,013	43.83	279,792	211,618	32.22
Other Income	4,040	2,553	58.25	11,695	52,723	(77.82)
	81,725	56,566	44.48	291,487	264,341	10.27
Operating Expenses	(19,191)	(21,727)	(11.67)	(81,290)	(85,990)	(5.47)
	62,535	34,839	79.49	210,198	178,351	17.86
Change in fair value of investment properties	73,633	5,362	1,273.14	73,633	5,362	1,273.14
Operating Profit	136,168	40,201	238.72	283,831	183,713	54.50
Net Finance income	5,379	28,843	(81.35)	42,052	82,088	(48.77)
Profit Before Taxation	141,546	69,044	105.01	325,883	265,801	22.60
Taxation	(18,344)	13,661	(234.28)	(70,847)	(24,539)	188.71
Profit After Taxation	123,202	82,705	48.97	255,036	241,262	5.71
<b>Other comprehensive income</b>						
Net change in fair value of financial assets at FVOCI	(11,597)	3,642	(418.44)	(8,539)	10,086	(184.66)
Defined benefit plan actuarial gains (losses)	(482)	(870)	(44.65)	(482)	(870)	(44.65)
Deferred tax liability on reversal of revaluation	89	-	-	89	-	-
Net change in fair value of available for sale financial assets reclassified to profit or loss	-	(1)	(100.00)	-	(1)	(100.00)
<b>Other comprehensive income for the period, net of income tax</b>	(11,990)	2,771	(532.72)	(8,932)	9,215	(196.93)
<b>Total comprehensive income for the period</b>	111,212	85,476	30.11	246,104	250,477	(1.75)
<b>Earnings / (Loss) Per Share</b>	<b>Rs</b> 0.83	<b>Rs</b> 0.56	48.97	<b>Rs</b> 1.72	<b>Rs</b> 1.63	5.71

## STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs '000	Capital Reserve Rs '000	Revaluation Reserve Rs '000	Fair value reserve / Available for Sale Reserve Rs '000	Retained Earnings Rs '000	Total Rs '000
<b>Balance as at 01.01.2017</b>	1,644,392	525,494	1,867	(14,061)	2,524,375	4,682,067
<b>Total Comprehensive Income for the period</b>						
Profit or Loss	-	-	-	-	241,262	241,262
<b>Other Comprehensive Income</b>						
Net change in fair value of available-for-sale financial assets	-	-	-	10,085.81	-	10,086
Defined benefit plan actuarial losses	-	-	-	-	(870)	(870)
Net change in fair value of available for sale financial assets reclassified to profit or loss	-	-	-	(1)	-	(1)
<b>Total Comprehensive Income for the period</b>	-	-	-	10,085	240,392	250,477
<b>Transactions recorded directly in equity</b>						
Dividend Declared	-	-	-	-	(110,974)	(110,974)
<b>Balance as at 31.12.2017</b>	<b>1,644,392</b>	<b>525,494</b>	<b>1,867</b>	<b>(3,976)</b>	<b>2,653,793</b>	<b>4,821,569</b>
<b>Balance as at 01.01.2018</b>	1,644,392	525,494	1,867	(3,976)	2,653,793	4,821,569
Adjustment on initial application of SLFRS 9	-	-	-	(47,591)	47,591	-
<b>Adjusted balance as at 01.01.2018</b>	1,644,392	525,494	1,867	(51,567)	2,701,384	4,821,569
<b>Total Comprehensive Income for the period</b>						
Profit or Loss	-	-	-	-	255,036	255,036
<b>Other Comprehensive Income</b>						
Net change in fair value of financial assets at FVOCI	-	-	-	(8,539)	-	(8,539)
Defined benefit plan actuarial losses	-	-	-	-	(482)	(482)
Expected loss impairment	-	-	-	44	-	44
Reversal of revaluation of property plant & equipment disposed / written off	-	-	(317)	-	317	-
Deferred tax liability on reversal of revaluation	-	-	89	-	-	89
Net change in fair value of financial assets at FVOCI reclassified from profit or loss	-	-	-	2,000	(2,000)	-
<b>Total Comprehensive Income for the period</b>	-	-	(228)	(6,495)	252,871	246,148
<b>Transactions recorded directly in equity</b>						
Dividend Declared	-	-	-	-	(133,168)	(133,168)
<b>Balance as at 31.12.2018</b>	<b>1,644,392</b>	<b>525,494</b>	<b>1,639</b>	<b>(58,062)</b>	<b>2,821,087</b>	<b>4,934,549</b>

**SEYLAN DEVELOPMENTS PLC**  
**CASH FLOW STATEMENT**

For the period	01.01.18 - 31.12.18 (Un Audited) Rs. 000	01.01.17 - 31.12.17 (Audited) Rs. 000
<b>Cash flows from operating activities</b>		
Receipt from other operating activities	291,481	218,177
Cash payments to employees, suppliers and tax authorities	(80,983)	(85,657)
Interest payments	(3,377)	(682)
<b>Operating profit before changes in operating assets</b>	207,121	131,838
<b>(Increase)/Decrease in operating assets :</b>		
Stock & receivables	(13,192)	(7,563)
<b>Increase/(Decrease) in operating liabilities :</b>		
Deposits & trade payables	6,117	5,748
<b>Cash generated from operations</b>	200,046	130,023
Income tax paid	(25,154)	(11,665)
<b>Net cash from operating activities</b>	174,892	118,358
<b>Cash flows from investing activities</b>		
Interest received	46,053	84,166
Purchase of non-dealing securities	(173,862)	(22,951)
Disposal of non-dealing securities	175,529	179,159
Purchase of property , plant and equipment	(235)	(589)
Proceeds from disposal of property, plant and equipment	200	94
Additions to investment properties	(956,220)	(36,037)
Proceeds from disposal of investment properties	-	748,164
<b>Net cash from Investing Activities</b>	(908,536)	952,006
<b>Cash Flows from Financing Activities</b>		
Dividends paid	(133,168)	(110,974)
<b>Net Cash from Financing Activities</b>	(133,168)	(110,974)
<b>Total net increase in cash and cash equivalents during the period</b>	(866,812)	959,390
Cash and Cash equivalents at beginning of period	974,903	15,513
<b>Cash and Cash Equivalents at end of period</b>	108,091	974,903
<b>Reconciliation of Cash and Cash Equivalents</b>		
Cash and Short Term Funds	108,091	974,903
Bank Overdraft	-	-
Expected loss impairment as per SLFRS 9	(16)	-
	108,075	974,903

**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 31st December 2018 is 22 (2017- 26).

**2 Accounting Policies**

The Company has initially applied SLFRS 9 and SLFRS 15 from 01 January 2018. Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards. However, with the adoption of SLFRS 9, the provision of investments at FVOCI amounts to Rs: 47.59mn were transferred to fair value reserve from retained earnings and opening balances were adjusted in the statement of changes in equity accordingly.

Except for the changes made in accounting policies as mentioned above, the Company has consistently applied accounting policies to all periods presented in these financial statements.

The interim Financial Statements are presented in accordance with LKAS 34, Interim Financial Reporting.

**3 Events After the Reporting Period**

Proposed Final Dividend

The Board of Directors of the company recommended that a final dividend of Rs: 1.00 per share, be paid by way of cash dividend for the financial year ended December 31, 2018 (Rs: 0.90 per share paid for the year ended December 31, 2017), subject to approval by the shareholders at the Annual General Meeting.

No circumstances have arisen since the Reporting date which would require adjustments to or disclosure in the Financial Statements other than above.

**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
	31.12.2018	31.12.2017	31.12.2018
Highest Price	11.90	15.30	14.90
Lowest Price	10.00	13.10	10.00
Last Traded Price	11.00	13.60	11.00

**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 case, 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.

**SEYLAN DEVELOPMENTS PLC**  
**Notes to the Financial Statements**

**7 Comparative Information**

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

**8 Major 20 Share Holder List - As at 31 December 2018**

	NAME OF SHAREHOLDER	NO OF SHARES 31.12.2018	%
1	Seylan Bank PLC	104,332,112	70.51
2	Mr Perera Kulappuarachchige Don Dammika	8,546,640	5.78
3	Mr. Udeshi Anant Hargovind	1,925,495	1.30
4	Mrs Udeshi (DESC) Majula Moraji	1,287,900	0.87
5	Mr. Abishek Sithampalam	845,674	0.57
6	Hatton National Bank PLC / Arunasalam Sithampalam	824,554	0.56
7	Mr. Gero Anthony Romesh	700,000	0.47
8	Asian Guild Financial Services (Pvt) Ltd	609,121	0.41
9	Zagra Investment Consultants (Pvt) Ltd	594,200	0.40
10	Mrs. Saraswathi Vasudevan	527,437	0.36
11	Mr. Tay Biak Chye	505,948	0.34
12	Acuity Partners (Pvt) Limited / Mr. Anthony Romesh Gero	500,000	0.34
13	Mr. Gautam Rahul	491,000	0.33
14	Mr. Patel Saifuddin Esmail	483,251	0.33
15	Sandwave Limited	470,000	0.32
16	Mr. Wimalaratna Anuradha Kolitha	400,000	0.27
17	Mr. Ragupathy Arunasalam	352,974	0.24
18	Bank of Ceylon A/C Ceybank Century Growth Fund	348,926	0.24
19	Mr. Van Oostenbrugge Alexander	321,400	0.22
20	Mr. Upasena Kankanamge Don Nirosha Thushan Kumara	311,000	0.21

**9 Names of existing Directors in Seylan Developments PLC**

	Name of Director	No. Of Shares 31.12.2018
1	Mr. K. Ariyaratne	25,000
2	Mr S Palihawadana	10,000
3	Mr. P Saravanapavan	-
4	Mr. R. Jayasekara	-
5	Mr. P. Hennayake	-
6	Mr. L.T. Kiringoda	-

- 10** Public Shareholdings % as at 31st December 2018 - 29.46 %  
 No of public shareholders as at 31st December 2018 - 6,096