



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

***Interim Financial Statements
Quarter Ended 31st March 2020***

SEYLAN DEVELOPMENTS PLC

STATEMENT OF FINANCIAL POSITION

	MAR 31, 2020 (Un Audited)	DEC 31, 2019 (Audited)	Growth %
	Rs '000	Rs '000	
Assets			
Non Current Assets			
Property, plant & equipment	3,276	3,456	(5.21)
Investment property	5,419,087	5,415,962	0.06
Other investments	188,841	191,779	(1.53)
Total Non Current Assets	5,611,204	5,611,197	0.00
Current Assets			
Inventories	4,439	4,166	6.56
Trade and other receivables	43,808	36,392	20.38
Other investments	3,566	6,735	(47.05)
Income tax receivable	54,775	52,521	4.29
Cash and cash equivalents	122,823	64,008	91.89
Total Current Assets	229,411	163,822	40.04
Total Assets	5,840,615	5,775,019	1.14
Equity and Liabilities			
Equity			
Stated capital	1,644,392	1,644,392	-
Reserves	487,096	486,097	0.21
Retained earnings	2,907,391	2,863,203	1.54
	5,038,879	4,993,692	0.90
Non Current Liabilities			
Deferred tax liability	626,835	609,480	2.85
	626,835	609,480	2.85
Current Liabilities			
Other liabilities	174,901	171,847	1.78
	174,901	171,847	1.78
Total Equity and Liabilities	5,840,615	5,775,019	1.14
Net Asset per Share	34.05	33.75	

* 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 Paliawadana
Deputy Chairman

Sgd.
Nirmala Arangalage (Mrs)
Head of Finance

13th May 2020

SEYLAN DEVELOPMENTS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	FOR THE QUARTER ENDED		
	MAR 31, 2020 (Un Audited) Rs '000	MAR 31, 2019 (Un Audited) Rs '000	Growth %
Rental Income	80,211	72,399	10.79
Other Income	1,351	782	72.72
	81,562	73,181	11.45
Operating Expenses	(24,276)	(21,772)	11.50
Operating Profit	57,286	51,409	11.43
Net Finance income	4,146	8,013	(48.26)
Profit / (Loss) Before Taxation	61,432	59,422	3.38
Taxation	(17,244)	(17,019)	1.32
Profit After Taxation	44,188	42,403	4.21
Other comprehensive income			
Net losses on investment in debt instruments measured at fair value through other comprehensive income	999	3,982	(74.93)
Other comprehensive income for the period, net of income tax	999	3,982	(74.93)
Total comprehensive income for the period	45,187	46,385	(2.58)
Earnings / (Loss) Per Share	<u>Rs</u> 0.30	<u>Rs</u> 0.29	

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs '000	Capital Reserve Rs '000	Revaluation Reserve Rs '000	FVOCI 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	-	-	-	-	42,403	42,403
Other Comprehensive Income						
Net losses on investment in debt instruments measured at fair value through other comprehensive income	-	-	-	3,982	-	3,982
	-	-	-	3,982	-	3,982
Total Comprehensive Income for the period	-	-	-	3,982	42,403	46,385
Transactions recorded directly in equity						
Dividend Declared	-	-	-	-	(147,965)	(147,965)
Balance as at 31.03.2019	1,644,392	525,494	1,639	(54,080)	2,715,525	4,832,970
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	-	-	-	-	44,188	44,188
Other Comprehensive Income						
Net losses on investment in debt instruments measured at fair value through other comprehensive income	-	-	-	999	-	999
	-	-	-	999	-	999
Total Comprehensive Income for the period	-	-	-	999	44,188	45,187
Balance as at 31.03.2020	1,644,392	525,494	1,627	(40,025)	2,907,391	5,038,879

SEYLAN DEVELOPMENTS PLC
CASH FLOW STATEMENT

For the period	01.01.20 - 31.03.20 (Un Audited) Rs. 000	01.01.19 - 31.03.19 (Un Audited) Rs. 000
Cash Flows from Operating Activities		
Receipt from other Operating Activities	81,562	72,596
Cash payments to Employees, Suppliers	(24,123)	(21,567)
Interest Payments	(1)	(10)
Operating profit before changes in operating assets	57,438	51,019
(Increase)/Decrease in operating assets :		
Stock & Receivables	(9,944)	(5,884)
Increase/(Decrease) in operating liabilities :		
Deposits & Trade payables	3,053	(1,712)
Cash Generated from Operations	50,547	43,423
Income tax paid	-	(367)
Net cash from Operating Activities	50,547	43,056
Cash Flows from Investing Activities		
Interest Received	7,344	8,614
Purchase of non-dealing Securities	(6,060)	(4,987)
Disposal of non-dealing Securities	10,108	10,090
Additions to Investment Properties	(3,124)	(27,930)
Net cash from Investing Activities	8,268	(14,213)
Net increase in cash and cash equivalents	58,815	28,843
Cash and Cash equivalents at beginning of period	64,008	108,091
Cash and Cash Equivalents at end of period	122,823	136,934
Reconciliation of Cash and Cash Equivalents		
Cash and Short Term Funds	122,823	136,934
	122,823	136,934

1 General

Seylan Developments PLC (the “Company”) is a “Public Quoted Company” and a Limited Liability Company Incorporated 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 March 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**Proposed Final Dividend**

The Board of Directors of the company recommended that a final dividend of Rs: 1.10 per share, be paid by way of cash dividend for the financial year ended December 31, 2019 (Rs: 1.00 per share paid for the year ended December 31, 2018), subject to approval by the shareholders at the Annual General Meeting. The Annual General Meeting which was initially scheduled to be held on 30th March 2020 was postponed due to prevailing Covid-19 pandemic situation.

The new date for the re-scheduled AGM will be subject to a further announcement along with the first and final dividend date.

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

73,982,430 Ordinary Shares @ Rs. 10/- each	739,824,300
73,982,430 Ordinary Shares @ Rs. 11/- each	813,806,730
Share Premium	90,760,620
	<u>1,644,391,650</u>

5 Share price movement

	Quarter Ended		Year Ended
	31.03.2020	31.03.2019	31.12.2019
Highest Price	12.00	12.40	12.40
Lowest Price	9.50	10.00	9.00
Last Traded Price	9.60	10.00	11.50
Market Capitalization	1,420,462,656	1,479,648,600	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) 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 31st March 2020 (2019 - 28%).

(ii) 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 appears 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 and refurbish certain apartments with a new look to meet the high competition in the industry during the year 2020. The Company may not be able to complete these projects as anticipated owing to the delay in procurement of both local and imported materials and the interruption of work due to the curfew. However, the delay would not have major impact to the Company's normal operations and we are confident that all these pending works can be recommenced upon returning to normalcy.

SEYLAN DEVELOPMENTS PLC**Notes to the Financial Statements****9 Major 20 Share Holder List - As at 31 March 2020**

	NAME OF SHAREHOLDER	NO OF SHARES 31.03.2020	%
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	1,373,050	0.93
4	Mr. Anthony Romesh Grero / Acuity Partners (Pvt) Limited - Mr. Anthony Romesh Grero	1,301,052	0.88
5	Mrs Udeshi (DESC) Majula Moraji	1,287,900	0.87
6	Mrs. Saraswathi Vasudevan	891,421	0.60
7	Mr. Abishek Sithampalam	845,674	0.57
8	Hatton National Bank PLC / Arunasalam Sithampalam	824,554	0.56
9	Asian Guild Financial Services (Pvt) Ltd	609,121	0.41
10	Zagra Investment Consultants (Pvt) Ltd	594,200	0.40
11	Mr. Gautam Rahul	586,500	0.40
12	Mr. Tay Biak Chye	505,948	0.34
13	People's Leasing & Finance PLC / Mr. D. M. P. Disanayake	483,315	0.33
14	Pobran Investments (Pvt) Ltd	397,741	0.27
15	Mr. Patel Saifuddin Esmail	369,601	0.25
16	Mr. Ragupathy Arunasalam	352,974	0.24
17	Bank of Ceylon A/C Ceybank Century Growth Fund	350,926	0.24
18	Mr. Van Oostenbrugge Alexander	321,400	0.22
19	Asha Financial Services Limited / Mr. C. N. Pakianathan	304,850	0.21
20	Mr. Tissera Amal Joseph	261,200	0.18

10 Names of existing Directors in Seylan Developments PLC

	NAME OF DIRECTOR	NO OF SHARES 31.03.2020
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 31st March 2020 29.46%
- No of public shareholders as at 31st March 2020 6,158
- Float adjusted market capitalization (Rs:) 418,468,298
- 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.