



INTERIM FINANCIAL STATEMENTS
For the Three Months ended March 31, 2017

COMMERCIAL DEVELOPMENT COMPANY PLC

STATEMENT OF COMPREHENSIVE INCOME

02

For the Three Months ended March 31,	2016	2015	Change %
	Rs.'000	Rs.'000	
Revenue	86,336	78,414	10.10
Cost of Sales	(44,668)	(39,079)	14.30
Gross Profit	41,668	39,335	5.93
Other Income	2,254	38	5,831.58
	43,922	39,373	11.55
Administrative Expenses	(6,080)	(5,665)	7.33
Operating Profit	37,842	33,708	12.26
Net Finance Income	3,888	2,260	72.04
Share of Profit of Equity Accounted Investee, Net of Tax	1,606	1,533	4.76
Profit before Tax	43,336	37,501	15.56
Income Tax Expense	(11,856)	(10,248)	15.69
Profit for the period attributable to Owners of the Company	31,480	27,253	15.51
Other Comprehensive Income			
Net change in Fair Value of Available-for-sale Financial Assets	(700)	(1,155)	(39.39)
Related Tax	196	323	(39.32)
Other Comprehensive Income for the period, Net of Tax	(504)	(832)	(39.42)
Total Comprehensive Income for the period, Net of Tax	30,976	26,421	17.24
Earnings per Share (Rs.)	2.62	2.27	15.51

The above figures are provisional and subject to audit unless indicated as audited.

Explanatory Notes

- 1 There were no changes in the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2016.
- 2 These Interim Financial Statements are presented in accordance with Sri Lanka Accounting Standard - LKAS - 34 on Interim Financial Reporting and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 3 During the quarter, there were no material changes in the composition of assets and liabilities.
- 4 Related Party Transactions.
 - (a) Mr.J.Durairatnam, Managing Director of the Company is also the Managing Director/Chief Executive Officer of Commercial Bank of Ceylon PLC, the major tenant and the parent company of the Company. Mr.U.I.S.Tillakawardana, Director of the Company functions as the Deputy General Manager - Human Resource Management of Commercial Bank of Ceylon PLC. During the quarter ended March 31, 2017, the Company received Rs.- 84,756,215/- as rental, income from outsourcing services, vehicle hiring charges and other utility services from Commercial Bank of Ceylon PLC (Rs.77,257,795/- for the quarter ended March 31, 2016).
 - (b) Mr.U.I.S.Tillakawardana, a Director of the Company is also a Director of Commercial Insurance Brokers (Pvt) Ltd, the associate of the Company which acts as one of the insurance adviser to the Company. During the quarter the Company paid Rs.151,475/- as Insurance premium to Insurance Companies through Commercial Insurance Brokers (Pvt) Ltd (Rs.154,547/- for the quarter ended March 31, 2016).
- 5 All known expenses have been provided for in these Interim Financial Statements.
- 6 There were no material events that took place since March 31, 2017, that require disclosure in these Interim Financial Statements.
- 7 There were no contingent assets, contingent liabilities or capital commitments outstanding as at the Reporting date.

STATEMENT OF FINANCIAL POSITION

03

	As at March 31, 2017	As at December 31, 2016 (Audited)	Change
	Rs.'000	Rs.'000	%
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	91,985	100,054	(8.06)
Investment Property	2,005,826	2,005,826	-
Investment Property - Work in Progress	7,315	-	100.00
Equity Accounted Investee	42,498	42,693	(0.46)
Deposits Receivable	8,896	8,896	0.00
	<u>2,156,520</u>	<u>2,157,469</u>	(0.04)
Current Assets			
Inventories	98	86	13.95
Trade and Other Receivables	18,556	14,975	23.91
Short Term Investments	162,308	159,289	1.90
Cash and Cash Equivalents	25,750	32,858	(21.63)
	<u>206,712</u>	<u>207,208</u>	(0.24)
Total Assets	<u>2,363,232</u>	<u>2,364,677</u>	(0.06)
EQUITY AND LIABILITIES			
Equity			
Stated Capital	120,000	120,000	-
Other Reserves	1,580,291	1,580,795	(0.03)
Retained Earnings	276,552	275,072	0.54
Total Equity	<u>1,976,843</u>	<u>1,975,867</u>	0.05
Non-Current Liabilities			
Deposits Payables	24,403	29,063	(16.03)
Employee Benefits	16,633	16,633	-
Deferred Taxation	297,338	297,536	(0.07)
	<u>338,374</u>	<u>343,232</u>	(1.42)
Current Liabilities			
Trade and Other Payables	16,349	18,387	(11.08)
Deferred Revenue	8,780	6,351	38.25
Current Tax Liabilities	22,886	20,840	9.82
	<u>48,015</u>	<u>45,578</u>	5.35
Total Equity and Liabilities	<u>2,363,232</u>	<u>2,364,677</u>	(0.06)
Net Assets Value Per Ordinary Share (Rs.)	<u>164.74</u>	<u>164.66</u>	0.05

The above figures are provisional and subject to audit unless indicated as audited.

I certify that these Financial Statements have been prepared in accordance with the requirements of the Companies Act No.07 of 2007.

(Sgd.) W.H. Wijesekara
Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

(Sgd.) B.R.L. FERNANDO
CHAIRMAN

May 8, 2017

(Sgd.) J. DURAIRATNAM
MANAGING DIRECTOR

May 8, 2017

STATEMENT OF CHANGES IN EQUITY

04

	Stated Capital	Other Reserves		Retained Earnings	Total Equity
		Fair Value Adjustment Reserve	Available for Sale Reserve		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at January 1, 2016	120,000	1,364,152	(35)	223,722	1,707,839
Total Comprehensive Income for the Three Months ended March 31, 2016					
Profit for the Three Months ended March 31, 2016	-	-	-	27,253	27,253
Other Comprehensive Income for the Three Months ended March 31, 2016	-	-	(832)	-	(832)
	-	-	(832)	27,253	26,421
Write back of Unclaimed Dividends	-	-	-	661	661
Balance as at March 31, 2016	120,000	1,364,152	(867)	251,636	1,734,921
Total Comprehensive Income for the Nine Months ended December 31, 2016					
Profit for the Nine Months ended December 31, 2016	-	-	-	299,189	299,189
Other Comprehensive Income for the Nine Months ended December 31, 2016	-	-	922	835	1,757
	-	-	922	300,024	300,946
Transaction with equity holders, recognized directly in equity					
Final dividend for 2015	-	-	-	(36,000)	(36,000)
First Interim Dividend for 2016	-	-	-	(24,000)	(24,000)
Transfer of Fair Value Gains on Investment Property	-	216,588	-	(216,588)	-
Balance as at December 31, 2016 - Audited	120,000	1,580,740	55	275,072	1,975,867
Total Comprehensive Income for the Three Months ended March 31, 2017					
Profit for the Three Months ended March 31, 2017	-	-	-	31,480	31,480
Other Comprehensive Income for the Three Months ended March 31, 2017	-	-	(504)	-	(504)
	-	-	(504)	31,480	30,976
Transaction with equity holders, recognized directly in equity					
Second Interim Dividend for 2016	-	-	-	(30,000)	(30,000)
Balance as at March 31, 2017	120,000	1,580,740	(449)	276,552	1,976,843

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STATEMENT OF CASH FLOWS

05

For the Three Months Ended March 31,	2017	2016
	Rs.'000	Rs.'000
Cash Flows from Operating Activities		
Profit before Tax	43,336	37,501
Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows		
Depreciation	8,071	6,706
Share of Profit of Equity Accounted Investee, Net of Tax	(1,606)	(1,533)
Interest Income	(4,496)	(2,683)
Interest Expenses	600	416
Gain on Disposal of Motor Vehicles	(2,250)	-
	43,655	40,407
Working Capital Adjustments		
(Increase)/Decrease in Inventory	(12)	32
(Increase)/Decrease in Trade & Other Receivables	(3,581)	(9,809)
Increase/(Decrease) in Deposits Payables	(4,660)	423
Increase/(Decrease) in Deferred Revenue	2,429	4,432
Decrease in Trade and Other Payables	(2,638)	(1,758)
	35,193	33,727
Interest paid	(600)	(416)
Current Tax paid	(9,632)	(8,722)
Net Cash Flow Generated from Operating Activities	24,961	24,589
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	-	(225)
Expenses incurred o/a Air Conditioning System	(7,315)	-
Proceeds from Sale of Motor Vehicles	2,250	-
Interest Received	4,496	2,683
Dividend Received	1,620	1,620
Net (Increase)/Decrease in Short Term Investments	(3,720)	(2,063)
Net Cash Flow Generated from Investing Activities	(2,669)	2,015
Cash Flows from Financing Activities		
Dividend Paid	(29,400)	(3,503)
Net Cash Flow Used in Financing Activities	(29,400)	(3,503)
Net Increase in Cash and Cash Equivalents	(7,108)	23,101
Cash and Cash Equivalent at the Beginning of the period	32,858	22,846
Cash and Cash Equivalent at the End of the period	25,750	45,947
Analysis of Cash and Cash Equivalents		
Cash at Bank	25,730	45,924
Cash in Hand	20	23
	25,750	45,947

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TWENTY LARGEST SHAREHOLDERS AS AT MARCH 31, 2017**06**

Name of the Shareholder	No. of Shares	%
01 Commercial Bank of Ceylon PLC	11,228,491	93.57
02 British American Technologies (Pvt) Ltd	56,100	0.47
03 First Capital Markets Limited/K.Laveendrakumar	46,871	0.39
04 Binanthi Shamani Rasanayagam	36,000	0.30
05 Gajath Chrysantha Goonetilleke	28,713	0.24
06 Estate of late Surendra Wickremasinghe (Deceased)	27,200	0.23
07 Manel Senanayake	24,000	0.20
08 Assetline Leasing Company Ltd/K.Laveendrakumar	22,341	0.19
09 Sithamparapillai Gowrisangar	19,858	0.17
10 Amirally Lukmanjee	14,946	0.12
11 Puvendran Gajendra	13,900	0.12
12 Seylan Bank PLC/ Shermal Hemaka Jayasuriya	13,235	0.11
13 Iddagoda Liyanage Samantha Nandika Kumara	12,099	0.10
14 Mallory Evan Wijesinghe	12,000	0.10
15 William Ryan Herbert Perera	10,000	0.08
16 Sithampalam Abishek	10,000	0.08
17 Chandrasekara Alwishewa	10,000	0.08
18 Douglas Sudirikku Jayawickrama	10,000	0.08
19 Kaluarachchige Shanti Anula Fernando	10,000	0.08
20 Sankalpa Kiriwaththuduwa	7,202	0.06
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	11,612,956	96.77
Other shareholders	387,044	3.23
Total	<hr/>	<hr/>
	12,000,000	100.00

Percentage of public holding in the Stated Capital of the Company as at March 31, 2017 was 6.43%. There were 761 shareholders representing the public holding percentage stated above.

None of the Directors held shares of the Company as at March 31, 2017.

Name of the Company

Commercial Development Company PLC

Legal Form

A public limited liability company incorporated in Sri Lanka on March 14, 1980 under the Companies Ordinance No. 51 of 1938 and quoted in the Colombo Stock Exchange in March 1983. The Company was re-registered, under the Companies Act No. 07 of 2007 on January 17, 2008.

Registered Office

"Commercial House"
No. 21, Sir Razik Fareed Mawatha
Colombo 01, Sri Lanka.
Telephone/Facsimile : 011 - 2447300
Email : cdccompany@combank.net

Company Registration No.

PQ 114

Tax Payer Identification No. (TIN)

124010578

Accounting Year - end

December 31

Board of Directors

Mr.B.R.L. Fernando - Chairman
Mr.J. Durairatnam - Managing Director
Mr.A.L. Gooneratne
Mr.A.T.P. Edirisinghe
Mr.L.D.A. Jayasinghe
Mr.U.I.S. Tillakawardana

Company Secretary

Mr.L.W.P. Indrajith

Auditors

KPMG
Chartered Accountants
32A, Sir Mohamed Macan Markar Mawatha
Colombo 03, Sri Lanka.

Registrars

SSP Corporate Services (Private) Limited
101, Inner Flower Road,
Colombo 03, Sri Lanka.

Lawyers

Julius & Creasy
41, Janadhipathi Mawatha,
Colombo 01, Sri Lanka.

Audit Committee

Mr.B.R.L. Fernando - Chairman
Mr.A.L. Gooneratne
Mr.A.T.P. Edirisinghe
Mr.L.D.A. Jayasinghe

Principal Banker

Commercial Bank of Ceylon PLC

Information on Shares

	2017 Rs.	2016 Rs.
Market Value of a Share <i>As at March 31,</i>	67.10	86.00
Highest price during the <i>quarter ended March 31,</i>	84.00	94.90
Lowest price during the <i>quarter ended March 31,</i>	63.10	65.00
Number of Ordinary Shares in issue	12,000,000	12,000,000

Financial Ratios

As at March 31,	2017	2016
Interest Cover (times)	62.24	79.69
Quick Assets Ratio (times)	4.30	4.55