



**INTERIM FINANCIAL STATEMENTS**

**For the nine months ended September 30, 2023**

**COMMERCIAL DEVELOPMENT COMPANY PLC**

## STATEMENT OF COMPREHENSIVE INCOME

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|  | For the Nine Months Ended |                       |         | For the Quarter Ended |                       |          |
|--|---------------------------|-----------------------|---------|-----------------------|-----------------------|----------|
|  | September 30,<br>2023     | September 30,<br>2022 | Change  | September 30,<br>2023 | September 30,<br>2022 | Change   |
|  | Rs. 000                   | Rs. 000               | %       | Rs. 000               | Rs. 000               | %        |
| Revenue  | 509,685                   | 466,147               | 9.3     | 176,507               | 163,859               | 7.7      |
| Cost of Sales  | (296,676)                 | (237,896)             | 24.7    | (92,375)              | (79,742)              | 15.8     |
| <b>Gross Profit</b>  | <b>213,009</b>            | <b>228,251</b>        | (6.7)   | <b>84,132</b>         | <b>84,117</b>         | 0.0      |
| Other Income   | 11,938                    | 2,001                 | 496.6   | 7,536                 | 64                    | 11,675.0 |
|  | <b>224,947</b>            | <b>230,252</b>        | (2.3)   | <b>91,668</b>         | <b>84,181</b>         | 8.9      |
| Administrative Expenses  | (32,178)                  | (27,347)              | 17.7    | (9,197)               | (8,128)               | 13.2     |
| Operating Profit   | 192,769                   | 202,905               | (5.0)   | 82,471                | 76,053                | 8.4      |
| Net Finance Income   | 91,235                    | 39,682                | 129.9   | 32,502                | 19,199                | 69.3     |
| <b>Profit before Tax</b>   | <b>284,004</b>            | <b>242,587</b>        | 17.1    | <b>114,973</b>        | <b>95,252</b>         | 20.7     |
| Income Expense   | (86,054)                  | (58,498)              | 47.1    | (34,683)              | (22,849)              | 51.8     |
| <b>Profit for the period attributable to Owners of the Company</b>     | <b>197,950</b>            | <b>184,089</b>        | 7.5     | <b>80,290</b>         | <b>72,403</b>         | 10.9     |
| <b>Other Comprehensive Income, Net of Tax</b>                          |                           |                       |         |                       |                       |          |
| Net change in fair value of Debt investments at FVOCI                  | -                         | (1,728)               | (100.0) | -                     | 684                   | (100.0)  |
| Related Tax  | -                         | 415                   | (100.0) | -                     | (164)                 | (100.0)  |
| <b>Other Comprehensive Income/(Expense) for the period, Net of Tax</b> | <b>-</b>                  | <b>(1,313)</b>        | (100.0) | <b>-</b>              | <b>520</b>            | (100.0)  |
| <b>Total Comprehensive Income for the period, Net of Tax</b>           | <b>197,950</b>            | <b>182,776</b>        | 8.3     | <b>80,290</b>         | <b>72,923</b>         | 10.1     |
| Earnings per Share (Rs.)   | 16.50                     | 15.34                 | 7.5     | 6.69                  | 6.03                  | 10.9     |

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

**Explanatory Notes**

- Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka. 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, 2022.
- These Interim Financial Statements are presented in accordance with the requirements of the 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.
- During the quarter, there were no material changes in the composition of assets and liabilities.
- Related Party Transactions
  - Mr.S.C.U.Manatunge, Managing Director of the Company is also the Managing Director of Commercial Bank of Ceylon PLC, the sole tenant and the parent of the Company. Mr.U.I.S.Tillakawardana, Director of the Company functions as the Deputy General Manager - Human Resources Management of the Commercial Bank of Ceylon PLC. During the quarter ended September 30, 2023, the Company received Rs.174,974,288/- as rental, income from outsourcing services, vehicle hiring charges and other utility services from Commercial Bank of Ceylon PLC (Rs.162,368,665/- during the quarter ended September 30, 2022).  
The Company also has invested Rs.144,979,452/- (inclusive of interest) in Fixed Deposits at market interest rates at Commercial Bank of Ceylon PLC.
  - As at the reporting date, the Company has invested Rs.672,432,055/- in Fixed Deposits (inclusive of interest) at market interest rates at CBC Finance Limited, which is a fully owned subsidiary of the Parent.
- All known expenses have been provided for in these Interim Financial Statements.
- There were no material events that took place since September 30, 2023, that require disclosure in these Interim Financial Statements.
- There were no contingent assets, contingent liabilities or capital commitments outstanding as at the Reporting date except that a case was filed against the Company by a former employee at the Labour Tribunal, Negombo. The Labour Tribunal ordered that the said employee be compensated with Rs. 2,034,000/- . The Company has appealed against this order to the High Court.

No provision is made in these Interim Financial Statements in respect of the above claim as the lawyers are of the opinion that the outcome of the appeal to the High Court is more likely to be favorable to the Company and the likelihood of the payment is remote.

## STATEMENT OF FINANCIAL POSITION

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|   | As at<br>September 30,<br>2023 | As at<br>December 31,<br>2022<br>(Audited) | Change<br>% |
|---|--------------------------------|--|-------------|
|   | Rs.'000                        | Rs.'000                                    |             |
| <b>ASSETS</b>                             |                                |  |             |
| <b>Non-Current Assets</b>                 |                                |  |             |
| Property, Plant & Equipment               | 97,365                         | 131,768                                    | (26.11)     |
| Intangible Assets                         | 1,820                          | 2,132                                      | (14.63)     |
| Investment Property                       | 3,031,216                      | 3,031,216                                  | -           |
| Deposits Receivable                       | 11,153                         | 10,980                                     | 1.58        |
|   | <u>3,141,554</u>               | <u>3,176,096</u>                           | (1.09)      |
| <b>Current Assets</b>                     |                                |  |             |
| Trade and Other Receivables               | 134,942                        | 53,042                                     | 154.41      |
| Financial Investments                     | 817,412                        | 671,482                                    | 21.73       |
| Cash and Cash Equivalents                 | 115,354                        | 154,462                                    | (25.32)     |
|   | <u>1,067,708</u>               | <u>878,986</u>                             | 21.47       |
| <b>Total Assets</b>                       | <u><u>4,209,262</u></u>        | <u><u>4,055,082</u></u>                    | 3.80        |
| <b>EQUITY AND LIABILITIES</b>             |                                |  |             |
| <b>Equity</b>                             |                                |  |             |
| Stated Capital                            | 120,000                        | 120,000                                    | -           |
| Other Reserves                            | 2,406,680                      | 2,406,680                                  | 0.00        |
| Retained Earnings                         | 1,040,694                      | 890,744                                    | 16.83       |
| <b>Total Equity</b>                       | <u><u>3,567,374</u></u>        | <u><u>3,417,424</u></u>                    | 4.39        |
| <b>Non-Current Liabilities</b>            |                                |  |             |
| Deposits Payables                         | 60,234                         | 56,760                                     | 6.12        |
| Employee Benefits                         | 66,638                         | 61,078                                     | 9.10        |
| Lease Creditors                           | 55,587                         | 69,138                                     | (19.60)     |
| Deferred Tax                              | 343,199                        | 346,815                                    | (1.04)      |
|   | <u>525,658</u>                 | <u>533,791</u>                             | (1.52)      |
| <b>Current Liabilities</b>                |                                |  |             |
| Trade and Other Payables                  | 44,812                         | 26,894                                     | 66.62       |
| Lease Creditors                           | 17,675                         | 15,963                                     | 10.72       |
| Deferred Revenue                          | 5,751                          | 8,515                                      | (32.46)     |
| Current Tax                               | 47,992                         | 52,495                                     | (8.58)      |
|   | <u>116,230</u>                 | <u>103,867</u>                             | 11.90       |
| <b>Total Equity and Liabilities</b>       | <u><u>4,209,262</u></u>        | <u><u>4,055,082</u></u>                    | 3.80        |
| Net Assets Value Per Ordinary Share (Rs.) | <u><u>297.28</u></u>           | <u><u>284.79</u></u>                       | 4.39        |

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 and amendments thereto.

(Sgd.)

**W.H. Wijesekara**

**Finance Manager**

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

(Sgd.)

**B.R.L. FERNANDO**  
**CHAIRMAN**

November 13, 2023

(Sgd.)

**S.C.U.MANATUNGE**  
**MANAGING DIRECTOR**

## STATEMENT OF CHANGES IN EQUITY

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|  | Stated<br>Capital | Other Reserves                                    |  | Retained<br>Earnings | Total<br>Equity  |
|--|-------------------|---|--|----------------------|------------------|
|  |                   | Fair Value<br>Reserve -<br>Investment<br>Property | Fair Value<br>Reserve -<br>Financial<br>Assets |                      |                  |
|  | Rs.'000           | Rs.'000   | Rs.'000  | Rs.'000              | Rs.'000          |
| Balance as at January 1, 2022  | 120,000           | 2,418,349   | (185)  | 789,199              | 3,327,363        |
| Adjustment for Surcharge Tax   | -                 | -   | -  | (50,556)             | (50,556)         |
| <b>Adjusted Balance as at January 01, 2022</b>                                 | <b>120,000</b>    | <b>2,418,349</b>                                  | <b>(185)</b>                                   | <b>738,643</b>       | <b>3,276,807</b> |
| <b>Total Comprehensive Income for the nine months ended September 30, 2022</b> |                   |   |  |                      |                  |
| Profit for the nine months ended September 30, 2022                            | -                 | -   | -  | 184,089              | 184,089          |
| Other Comprehensive Income for the nine months ended September 30, 2022        | -                 | -   | (1,313)  | -                    | (1,313)          |
|  | -                 | -   | (1,313)  | 184,089              | 182,776          |
| <b>Transaction with equity holders, recognized directly in equity</b>          |                   |   |  |                      |                  |
| Final Dividend for 2021  | -                 | -   | -  | (48,000)             | (48,000)         |
| <b>Balance as at September 30, 2022</b>  | <b>120,000</b>    | <b>2,418,349</b>                                  | <b>(1,498)</b>                                 | <b>874,732</b>       | <b>3,411,583</b> |
| <b>Total Comprehensive Income for the three months ended December 31, 2022</b> |                   |   |  |                      |                  |
| Profit for the three months ended December 31, 2022                            | -                 | -   | -  | 40,288               | 40,288           |
| Other Comprehensive Income for the three months ended December 31, 2022        | -                 | -   | 1,498  | (294)                | 1,204            |
|  | -                 | -   | 1,498  | 39,994               | 41,492           |
| <b>Transaction with equity holders, recognized directly in equity</b>          |                   |   |  |                      |                  |
| Interim Dividend for 2022  | -                 | -   | -  | (36,000)             | (36,000)         |
| Write back of Unclaimed Dividends  | -                 | -   | -  | 349                  | 349              |
| Transfer of Fair Value Losses on Investment Property                           | -                 | (11,669)  | -  | 11,669               | -                |
| <b>Balance as at December 31, 2022 - Audited</b>                               | <b>120,000</b>    | <b>2,406,680</b>                                  | <b>-</b>                                       | <b>890,744</b>       | <b>3,417,424</b> |
| <b>Total Comprehensive Income for the nine months ended September 30, 2023</b> |                   |   |  |                      |                  |
| Profit for the nine months ended September 30, 2023                            | -                 | -   | -  | 197,950              | 197,950          |
| Other Comprehensive Income for the nine months ended September 30, 2023        | -                 | -   | -  | -                    | -                |
|  | -                 | -   | -  | 197,950              | 197,950          |
| <b>Transaction with equity holders, recognized directly in equity</b>          |                   |   |  |                      |                  |
| Final Dividend for 2022  | -                 | -   | -  | (48,000)             | (48,000)         |
| <b>Balance as at September 30, 2023</b>  | <b>120,000</b>    | <b>2,406,680</b>                                  | <b>-</b>                                       | <b>1,040,694</b>     | <b>3,567,374</b> |

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## STATEMENT OF CASH FLOWS

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| For the nine months ended September 30,                               | 2023            | 2022            |
|---|-----------------|-----------------|
|   | Rs.'000         | Rs.'000         |
| <b>Cash Flows from Operating Activities</b>                           |                 |                 |
| Profit before Tax   | 284,004         | 242,587         |
| Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows |                 |                 |
| Depreciation/Amortization   | 34,592          | 30,210          |
| Profit on disposal of Property, Plant and Equipment                   | (11,830)        | (1,933)         |
| Interest Income   | (105,918)       | (47,422)        |
| Provision for Employee Benefits                                       | 6,885           | 6,557           |
| Interest Expenses   | 14,422          | 7,403           |
|   | 222,155         | 237,402         |
| Changes in;   |                 |                 |
| Trade & Other Receivables   | (82,072)        | (5,918)         |
| Deposits Payables   | 3,474           | 2,125           |
| Deferred Revenue  | (2,764)         | (3,096)         |
| Trade and Other Payables  | 18,175          | 18,507          |
|   | 158,968         | 249,020         |
| Interest Paid   | (14,422)        | (7,403)         |
| Employee Benefits paid  | (1,325)         | (497)           |
| Surcharge Tax Paid  | -               | (50,556)        |
| Current Tax paid  | (94,173)        | (63,318)        |
|   | (49,048)        | (127,246)       |
| <b>Net Cash Flow Generated from Operating Activities</b>              | <b>49,048</b>   | <b>127,246</b>  |
| <b>Cash Flows from Investing Activities</b>                           |                 |                 |
| Purchase of Property, Plant and Equipment                             | (36)            | (31,324)        |
| Proceeds from Sale of Property, Plant and Equipment                   | 11,988          | 28,203          |
| Interest Received   | 105,918         | 47,422          |
| Net Change in Financial Investments                                   | (145,930)       | (77,004)        |
|   | (28,060)        | (32,703)        |
| <b>Net Cash Flow (Used in)/Generated from Investing Activities</b>    | <b>(28,060)</b> | <b>(32,703)</b> |
| <b>Cash Flows from Financing Activities</b>                           |                 |                 |
| Settlement of Lease Liabilities                                       | (11,839)        | (8,070)         |
| Dividend Paid   | (48,257)        | (47,822)        |
|   | (60,096)        | (55,892)        |
| <b>Net Cash Flow Used in Financing Activities</b>                     | <b>(60,096)</b> | <b>(55,892)</b> |
| Net Increase in Cash and Cash Equivalents                             | (39,108)        | 38,651          |
| Cash and Cash Equivalent at the beginning of the Period               | 154,462         | 105,524         |
| <b>Cash and Cash Equivalent at the end of the Period</b>              | <b>115,354</b>  | <b>144,175</b>  |
| <b>Analysis of Cash and Cash Equivalents</b>                          |                 |                 |
| Cash at Bank  | 115,330         | 144,148         |
| Cash in Hand  | 24              | 27              |
|   | <b>115,354</b>  | <b>144,175</b>  |

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

| <b>Name of the Shareholder</b>                                      | <b>No. of Shares</b> | <b>%</b> |
|---|----------------------|----------|
| 01 Commercial Bank of Ceylon PLC                                    | 10,800,000           | 90.00    |
| 02 Assetline Leasing Co.LTD/British American Technologies (Pvt) Ltd | 56,100               | 0.47     |
| 03 Hatton National Bank PLC/Kandaiah Kanapathipillai Shujeevan      | 53,754               | 0.45     |
| 04 PMF Finance PLC/K.Laveendrakumar                                 | 48,371               | 0.40     |
| 05 Binanthi Shamani Rasanayagam                                     | 44,570               | 0.37     |
| 06 Amirally Lukmanjee   | 44,168               | 0.37     |
| 07 Mesiyage Don Saddhamangala Goonatilleke                          | 41,817               | 0.35     |
| 08 People's Leasing and Finance PLC/K.Laveendrakumar                | 30,228               | 0.25     |
| 09 Gajath Chrysantha Goonetilleke                                   | 30,077               | 0.25     |
| 10 Surendra Wickramasinghe  | 27,200               | 0.23     |
| 11 Sithamparapillai Gowrisangar                                     | 27,000               | 0.23     |
| 12 Sampath Bank PLC/Abishek Sithampalam                             | 26,000               | 0.22     |
| 13 Zoebaly Gulamabass Carimjee                                      | 25,000               | 0.21     |
| 14 Dinesh Anthony Perera  | 24,050               | 0.20     |
| 15 Manel Senanayake   | 24,000               | 0.20     |
| 16 Wijewickrama Pathinayakage Asanka Dinunuwan Gunathilaka          | 22,000               | 0.18     |
| 17 Sithampalam Durga  | 21,500               | 0.18     |
| 18 Arunasalam Sithampalam   | 19,055               | 0.16     |
| 19 Dehiwalage Sunil Priyantha Perera                                | 18,213               | 0.15     |
| 20 Wickrama Buddhika Mendis Wijegunaratna                           | 17,410               | 0.15     |
|   | <hr/>                | <hr/>    |
|   | 11,400,513           | 95.02    |
| Other shareholders  | 599,487              | 4.98     |
| Total   | <hr/>                | <hr/>    |
|   | 12,000,000           | 100.00   |

Percentage of public holding in the Stated Capital of the Company as at September 30, 2023 was 10%. There were 980 shareholders representing the public holding percentage stated above.

The Float Adjusted Market Capitalisation of the Company as at September 30, 2023 was Rs.139,500,000/-.

The Company complies with the minimum public holding as a continuous listing requirement as per the Option 2 of the Listing Rule No. 7.13.1 (b) of the Colombo Stock Exchange.

None of the Directors held shares of the Company as at September 30, 2023.

**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**

No. 8 - 4/2, York Arcade Building,  
Leyden Bastian Road,  
Colombo 01, Sri Lanka.  
Telephone/Facsimile : 011 - 2447300  
Email : info@cdcplc.net  
Website : www.cdcplc.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.S.C.U.Manatunge - Managing Director  
Mr.A.L. Gooneratne  
Mr.A.T.P. Edirisinghe  
Mr.L.D.A. Jayasinghe  
Mr.U.I.S. Tillakawardana  
Dr.R.A.Attalage

**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  
No 371, R.A.De Mel Mawatha,  
Colombo 03,  
Sri Lanka.

**Audit Committee**

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

**Principal Banker**

Commercial Bank of Ceylon PLC

**Information on Shares**

|  | 2023<br>Rs. | 2022<br>Rs. |
|--|-------------|-------------|
| Market Value of a Share<br><i>As at September 30,</i>          | 116.25      | 114.25      |
| Highest price during the<br><i>quarter ended September 30,</i> | 129.00      | 119.75      |
| Lowest price during the<br><i>quarter ended September 30,</i>  | 108.00      | 83.00       |
| Number of Ordinary Shares<br>in issue                          | 12,000,000  | 12,000,000  |

**Financial Ratios**

| As at September 30,              | 2023   | 2022   |
|----------------------------------|--------|--------|
| Interest Cover ( times )         | 13.13  | 26.22  |
| Quick Assets Ratio ( times )     | 9.19   | 8.64   |
| Net Assets Value Per Share (Rs.) | 297.28 | 284.30 |