PROVISIONAL FINANCIAL STATEMENTS

QUARTER ENDED | 31 DECEMBER 2017

KELSEY DEVELOPMENTS PLC

STATEMENT OF COMPREHENSIVE INCOME

For the period	Group			
	3 Months ended October ~ December		9 Months ended April ~ December	
	2017 Unaudited	2016 Unaudited	2017 Unaudited	2016 Unaudited
Revenue	1,000	143,198	596,520	731,179
Cost of sales	(296)	(120,311)	(490,651)	(591,616)
Gross profit	**704**	**22,887**	**105,869**	**139,563**
Other income	1,857	4,381	2,727	5,906
Less:				
Administrative expenses	(27,512)	(41,940)	(90,523)	(109,365)
Selling and distribution expenses	(1,444)	(22,773)	(8,583)	(27,100)
Other expenses	(280)	(4,923)	(553)	(31,004)
Profit / (Loss) from operations	**(26,675)**	**(42,368)**	**8,937**	**(22,000)**
Net finance income / (expense)	(44,154)	187	(130,921)	2,146
Profit / (Loss) before taxation	**(70,829)**	**(42,181)**	**(121,984)**	**(19,854)**
Income tax expenses	(45)	(4,028)	(612)	(9,062)
Profit / (Loss) for the period	**(70,874)**	**(46,209)**	**(122,596)**	**(28,915)**
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income/(expense) for the period	**(70,874)**	**(46,209)**	**(122,596)**	**(28,915)**
Profit attributable to Group	**(70,874)**	**(45,701)**	**(119,710)**	**(28,196)**
Profit Attributable to Non Controlling Interest	-	(508)	(2,886)	(720)
Basic earnings / (Loss) per share (Rs.)	**(4.07)**	**(2.62)**	**(6.87)**	**(1.62)**

Figures in brackets indicate deductions.
Note: All values are in Rupees '000s unless otherwise stated.

STATEMENT OF COMPREHENSIVE INCOME

For the period	Company			
	3 Months ended October ~ December		9 Months ended April ~ December	
	2017 Unaudited	2016 Unaudited	2017 Unaudited	2016 Unaudited
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**
Other Income	-	-	943	4,098
Less:				
Administrative expenses	(559)	(158)	(1,222)	(476)
Selling and distribution expenses	-	-	-	-
Other expenses	-	-	-	(1,770)
Profit / (Loss) from operations	**(559)**	**(158)**	**(279)**	**1,852**
Net finance income / (expense)	(195)	(3,037)	(195)	(3,037)
Profit / (Loss) before taxation	**(754)**	**(3,195)**	**(474)**	**(1,185)**
Income tax expenses	-	352	-	-
Profit / (Loss) for the period	**(754)**	**(2,843)**	**(474)**	**(1,185)**
Other comprehensive income/(expense) for the period	**-**	**-**	**-**	**-**
Total comprehensive income/ (expense) for the period	**(754)**	**(2,843)**	**(474)**	**(1,185)**
Earnings / (Loss) per share (Rs.)	**(0.04)**	**(0.16)**	**(0.03)**	**(0.07)**

Figures in brackets indicate deductions.
Note: All values are in Rupees '000s unless otherwise stated.

STATEMENT OF FINANCIAL POSITION

As at	Group			Company		
	31-Dec-17 Unaudited	31-Dec-16 Unaudited	31-Mar-17 Audited	31-Dec-17 Unaudited	31-Dec-16 Unaudited	31-Mar-17 Audited
ASSETS						
Non-current assets						
Goodwill on Acquisition	8,694	26,470	26,470	-	-	-
Property, plant & equipment	134,822	105,884	102,951	-	-	-
Investments in subsidiaries	-	-	-	316,452	201,688	301,452
Deferred Tax Asset	-	3,223	-	-	-	-
	143,516	135,577	129,421	316,452	201,688	301,452
Current assets						
Inventories	1,576,562	1,835,519	1,765,271	31,536	31,413	31,534
Trade and other receivables	22,028	34,741	17,320	58	19	116
Amounts due from related parties	1,812	-	3,999	42,058	149,073	10,328
Income tax recoverable	15,769	13,214	7,712	221	125	-
Cash and cash equivalents	19,520	2,396	7,674	1,778	224	3,125
	1,635,691	1,885,871	1,801,976	75,651	180,854	45,104
TOTAL ASSETS	**1,779,207**	**2,021,448**	**1,931,397**	**392,103**	**382,542**	**346,556**
EQUITY & LIABILITIES						
Capital and reserves						
Stated capital	232,390	232,390	232,390	232,390	232,390	232,390
Capital reserve	15,000	15,000	15,000	-	-	-
Other reserve	7,500	7,500	7,500	7,500	7,500	7,500
Retained earnings	(167,154)	(69,862)	(35,878)	9,303	(21,627)	27,206
Equity attributable to the equity holders of the parent	**87,737**	**185,028**	**219,012**	**249,193**	**218,263**	**267,097**
Non Controlling Interest	-	20,346	17,856	-	-	-
Total equity	**87,737**	**205,374**	**236,868**	**249,193**	**218,263**	**267,097**
Non-current liabilities						
Interest bearing loans & borrowings	472,929	391,607	375,965	-	-	-
Deferred Tax Liability	858	-	858	-	-	-
Defined benefit obligations	8,242	7,350	7,253	6,899	5,994	5,026
	482,029	398,957	384,077	6,899	5,994	5,026
Current liabilities						
Trade and other payables	179,153	696,609	451,511	5,437	15,270	15,646
Unclaimed Dividend	351	351	351	351	351	351
Amounts due to related parties	634,190	567,475	495,957	130,021	142,664	54,599
Income tax payable	3,356	10,006	6,582	202	-	3,837
Interest bearing loans and borrowings	392,393	142,675	247,712	-	-	-
Bank Overdraft	-	-	108,339	-	-	-
	1,209,442	1,417,116	1,310,453	136,011	158,285	74,433
TOTAL EQUITY AND LIABILITIES	**1,779,207**	**2,021,448**	**1,931,397**	**392,103**	**382,542**	**346,556**

All values are in rupees '000s unless otherwise stated.
Note : The above figures are subject to audit

These Financial Statements are in compliance with the requirements of the Companies Act.No.07 of 2007.

(Sgd.)
Prashan Muthugala
Senior Manager - Finance

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

(Sgd.)
A. D. E. I. Perera
Chairman

(Sgd.)
Dinesh Schaffter
Managing Director

09 February 2018

STATEMENT OF CHANGES IN EQUITY

Group
For the period ended 31 December 2017

	Attributable to equity holders of parent						
	Stated Capital	**Capital Reserve**	**Other Reserves**	**Retained Earnings Reserves**	**Total**	**Non-Controlling Interest**	**Total Equity**
Balance as at 1 April 2016 (Audited)	232,390	15,000	7,500	(41,212)	213,679	-	213,679
Total comprehensive income for the period							
Loss for the period	-	-	-	(28,196)	(28,196)	(721)	(28,916)
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(28,196)	(28,196)	(721)	(28,916)
Transactions with equity holders							
Withholding tax relating to intercompany dividend	-	-	-	(455)	(455)	-	(455)
Total transactions with equity holders	-	-	-	(455)	(455)	-	(455)
Change in ownership interests							
Acqusition of subsidiary with NCI	-	-	-	-	-	21,067	21,067
Total Change in ownership interests	-	-	-	-	-	21,067	21,067
Balance as at 31 December 2016	**232,390**	**15,000**	**7,500**	**(69,862)**	**185,028**	**20,346**	**205,374**
Balance as at 1 April 2017 (Audited)	232,390	15,000	7,500	(35,878)	219,012	17,856	236,868
Total comprehensive income for the period							
Loss for the period	-	-	-	(119,710)	(119,710)	(2,886)	(122,596)
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(119,710)	(119,710)	(2,886)	(122,596)
Transactions with equity holders							
Dividend paid	-	-	-	(17,429)	(17,429)	-	(17,429)
Total transactions with equity holders	**-**	**-**	**-**	**(17,429)**	**(17,429)**	**-**	**(17,429)**
Change in ownership interests							
Change in ownership interest without a change in control	-	-	-	5,863	5,863	(14,969)	(9,106)
Total Change in ownership interests	**-**	**-**	**-**	**5,863**	**5,863**	**(14,969)**	**(9,106)**
Balance as at 31 December 2017	**232,390**	**15,000**	**7,500**	**(167,154)**	**87,737**	**-**	**87,737**

Company
For the period ended 31 December 2017

	Stated capital	**Other reserves**	**Retained earnings**	**Total**
Balance as at 1 April 2016 (Audited)	232,390	7,500	(20,442)	219,448
Total comprehensive income for the period				
Loss for the period	-	-	(1,185)	(1,185)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	(1,185)	(1,185)
Balance as at 31 December 2016	**232,390**	**7,500**	**(21,627)**	**218,263**
Balance as at 1 April 2017 (Audited)	232,390	7,500	27,206	267,097
Total comprehensive income for the period				
Loss for the period	-	-	(474)	(474)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	(474)	(474)
Transactions with equity holders				
Dividend Paid	-	-	(17,429)	(17,429)
Total transactions with equity holders	-	-	(17,429)	(17,429)
Balance as at 31 December 2017	**232,390**	**7,500**	**9,303**	**249,193**

The figures in brackets indicate deductions.
Note: All values are in Rupees '000s unless otherwise stated.

STATEMENT OF CASH FLOWS

For the period ended	Group		Company	
	31-Dec-17 Unaudited	31-Dec-16 Unaudited	31-Dec-17 Unaudited	31-Dec-16 Unaudited
Cash flows from operating activities				
Net profit / (loss) before income tax expenses	(121,984)	(19,854)	(474)	(1,185)
Adjustments for:				
Depreciation	7,542	5,007	-	-
Provision for retirement benefit obligations	1,100	1,826	-	-
Other income	(1,120)	632	-	-
Net Interest Expense	130,921	2,146	195	3,037
Operating profit before working capital changes	**16,459**	**(10,243)**	**(279)**	**1,852**
(Increase) / decrease in inventories	188,709	(347,389)	(2)	(31,413)
(Increase) / decrease in trade and other receivables	(4,708)	51,234	58	(19)
(Increase) / decrease in amounts due from related parties	2,188	-	(29,856)	(36,146)
Increase / (decrease) in amounts due to related parties	138,233	349,462	75,422	142,664
Increase / (decrease) in trade and other payables	(272,359)	(542,230)	(10,209)	15,946
Cash generated from /(Used in) operations	**68,522**	**(499,166)**	**35,134**	**92,884**
Gratuity Paid	(112)	(375)		-
Income tax paid	(14,947)	(16,908)	(3,857)	-
Net cash from / (used in) operating activities	**53,463**	**(516,449)**	**31,277**	**92,884**
Cash flows from / (used in) investing activities				
Acquisition of property, plant and equipment	(12,813)	(29,644)	-	-
Proceeds from sale of property plant and equipment	1,241	-	-	-
Acquisition of subsidiary net of Cash acquired	(15,000)	(102,039)	(15,000)	(90,006)
Net Interest Paid	(130,921)	(2,146)	(195)	(3,037)
Net cash from / (used in) investing activities	**(157,493)**	**(133,829)**	**(15,195)**	**(93,043)**
Cash flows from / (used in) financing activities				
Net proceeds from interest bearing loans and borrowings	241,645	533,514	-	-
Dividend Paid	(17,429)	(29)	(17,429)	(29)
Net cash flows from / (used in) financing activities	**224,216**	**533,485**	**(17,429)**	**(29)**
Net increase / (decrease) in cash and cash equivalents	120,186	(116,793)	(1,347)	(189)
Cash and cash equivalents at the beginning of the Period	(100,666)	119,188	3,125	412
Cash and cash equivalents at the end of the Period	**19,520**	**2,396**	**1,778**	**224**

The figures in brackets indicate deductions
Note : All values are in rupees '000s unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December	Company			
	2017	**2016**	**2017**	**2016**
	Rs.	Rs.	Rs.	Rs.
1. **Net assets per share**	5.03	10.62	14.30	12.52

2. **Market price per share**

As at 31 December	**2017**	**2016**
Highest market price recorded	55.90	55.70
Lowest market price recorded	36.00	34.50
Closing market price recorded	40.00	50.00

3. The above figures are provisional and subject to audit. The same accounting policies as in the annual report for the year ended 31 March 2017, have been followed in the preparation of the above Financial Statements.

4. The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.

5. These provisional Financial Statements are prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka.

6. There have been no significant changes in the nature of the Contingent Liabilities which were disclosed in the Audited Financial Statements for the year ended 31 March 2017.

7. The number of shares represented by stated capital as at 31 December 2017 are 17,429,274 shares (31 December 2016 -17,429,274).

INVESTOR INFORMATION

List of twenty major shareholders as at 31 December 2017

Names of shareholders	No of Shares	Holding %
01. Dunamis Capital Plc	13,925,990	79.90%
02. Janashakthi PLC Account No. 1	1,075,797	6.17%
03. Pan Asia Banking Corportion PLC/Mrs. M. Mathews	827,099	4.75%
04. Mr. Teruaki Ono	287,755	1.65%
05. Dr. Ramani Maryette Shanez Fernando	218,400	1.25%
06. Mr. Kangasu Chelvadurai Vignarajah	58,538	0.34%
07. Mr. Abeysiri Hemapala Munasinghe	58,325	0.33%
08. Mr. Athula Ranaweera Ranaweera Kaluarachchige	50,001	0.29%
09. Mr. Rex Joseph Srilal Jayamaha	50,000	0.29%
10. Mrs. Manikku Badathuruge Hashani Hansani Karunawardana Silva	40,916	0.23%
11. Pan Asia Banking Corporation PLC/Mr.Ravindra Erle	34,784	0.20%
12. Mr. Kazuo Kondo	33,273	0.19%
13. Dr. Srinath Daminda Rajamantri	25,492	0.15%
14. Mrs. Sarathathevy Vignarajah	18,225	0.10%
15. Mrs. Nanayakkara Hettige Mary Loretta Perera	16,875	0.10%
16. Mr. Dinal Jayawantha Galhindarachchi	16,700	0.10%
17. Mr. Shenal Joseph Malinda Jayamaha	16,000	0.09%
18. Mr. Warnakulasuriya Mahamandadige Luke Francis Sunil Fernando	16,000	0.09%
19. Mr. Ginige Cyril Walter De Silva (Deceased)	15,000	0.09%
20. Mr. Ruwanpura Mahinda Prema De Silva (Deceased)	14,998	0.09%
	16,800,168	96.40%

The percentage of shares held by the public, as defined under Colombo Stock Exchange regulations, was 20.10% and the number of shareholders is 1,035 as at 31 December 2017.

Shareholdings of the Board of Directors / Chief Executive Officer

Name	Designation	No of Shares As at 31 December 2017	Holdings %
Mr. A. D. E. I. Perera	Chairman	-	-
Mr. D. Schaffter	Managing Director	-	-
Mr. C. L. De Silva	Director	-	-
Mr. K.C. Ratnayake	Chief Executive Officer	-	-