



Quarterly Financial Statements  
Nine Months Ended 30th September 2016

# INSPIRING GENERATIONS



**Consolidated Statement of Financial Position**

	COMPANY		GROUP	
	30/9/2016 Rs. '000	31/12/2015 (Audited) Rs. '000	30/9/2016 Rs. '000	31/12/2015 (Audited) Rs. '000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Investment Property	23,519,432	22,579,411	23,912,932	22,579,411
Property, Plant & Equipment	357,415	363,935	2,048,751	1,598,105
Intangible Assets	2,432	3,532	11,226	12,329
Investments in Subsidiaries	1,199,562	1,125,010	-	-
Inventories	-	-	2,584,716	2,362,174
Deferred Tax Assets	15,490	15,490	15,490	29,364
<b>Total Non-Current Assets</b>	<b>25,094,331</b>	<b>24,087,380</b>	<b>28,573,116</b>	<b>26,581,383</b>
<b><u>Current Assets</u></b>				
Inventories	14,493	15,616	117,034	271,599
Trade and Other Receivables	356,841	423,400	1,479,102	892,181
Tax Recoverable	-	-	16,856	-
Amounts due from Related Parties	718,006	9,844	32,655	996
Short Term Investments	2,936,147	2,861,711	2,936,147	2,861,711
Cash & Cash Equivalents	364,697	1,400,285	610,466	1,666,099
<b>Total Current Assets</b>	<b>4,390,184</b>	<b>4,710,856</b>	<b>5,192,261</b>	<b>5,692,587</b>
<b>Total Assets</b>	<b>29,484,515</b>	<b>28,798,236</b>	<b>33,765,377</b>	<b>32,273,970</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b><u>Equity Attributable to Equity Holders of the Parent</u></b>				
Stated Capital	11,162,752	11,162,752	11,162,752	11,162,752
Revaluation Reserve	284,082	284,082	295,916	291,182
Retained Earnings	16,858,094	15,992,500	18,017,648	17,151,061
	28,304,928	27,439,334	29,476,316	28,604,995
Non Controlling Interest	-	-	1,544,253	1,511,845
<b>Total Equity</b>	<b>28,304,928</b>	<b>27,439,334</b>	<b>31,020,569</b>	<b>30,116,840</b>
<b><u>Non-Current Liabilities</u></b>				
Interest Bearing Loans & Borrowings	8,294	45,797	8,294	45,797
Post Employment Benefit Liability	13,186	11,650	25,570	26,511
Deferred Tax Liabilities	-	-	72,063	22,708
<b>Total Non-Current Liabilities</b>	<b>21,480</b>	<b>57,447</b>	<b>105,927</b>	<b>95,016</b>
<b><u>Current Liabilities</u></b>				
Trade & Other Payables	130,334	329,331	319,110	782,166
Rental & Customer Deposits	962,335	875,469	2,035,144	1,198,255
Interest Bearing Loans & Borrowings	50,004	50,004	269,754	50,004
Amounts due to Related Parties	-	24,437	-	21,171
Income Tax Payable	2,103	15,501	1,541	3,805
Dividend Payable	13,331	6,713	13,331	6,713
<b>Total Current Liabilities</b>	<b>1,158,107</b>	<b>1,301,455</b>	<b>2,638,881</b>	<b>2,062,114</b>
<b>Total Liabilities</b>	<b>1,179,587</b>	<b>1,358,902</b>	<b>2,744,808</b>	<b>2,157,130</b>
<b>Total Equity &amp; Liabilities</b>	<b>29,484,515</b>	<b>28,798,236</b>	<b>33,765,377</b>	<b>32,273,970</b>

All figures are provisional and subject to audit, unless otherwise stated.

	<u>30/9/2016</u>	<u>31/12/2015</u>
Net Asset Value Per Share (Rs)	33.20	32.22

**H. Z. Cassim**  
Deputy Chairman

**A. M.De S. Jayaratne**  
Director

## Company Income Statement

	COMPANY				
	Quarter Ended	Nine Months Ended	Quarter Ended	Nine Months Ended	Variance
	30/9/2016	30/9/2016	30/9/2015	30/9/2015	%
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	%
Rental Income	442,925	1,389,207	491,716	1,476,555	-6%
Other Services	9,521	31,021	8,221	32,469	-4%
<b>Total Revenue</b>	<b>452,445</b>	<b>1,420,228</b>	<b>499,937</b>	<b>1,509,024</b>	-6%
Direct Operating Expenses	(105,931)	(317,294)	(105,728)	(315,710)	-1%
<b>Gross Profit</b>	<b>346,514</b>	<b>1,102,934</b>	<b>394,210</b>	<b>1,193,315</b>	-8%
Fair Value Gain on Investment Property	313,340	940,021	293,635	880,904	7%
Administration Expenses	(39,304)	(115,778)	(32,728)	(101,110)	-15%
Exchange Gain / (Loss)	1,201	1,450	(1,719)	3,805	-62%
Finance Cost	(5,792)	(9,570)	843	6,324	251%
Finance Income	50,083	178,228	26,838	87,646	103%
Other Income	22,838	108,408	30,382	115,859	-6%
<b>Profit Before Tax</b>	<b>688,881</b>	<b>2,205,692</b>	<b>711,460</b>	<b>2,186,743</b>	1%
Income Tax Expense	(1,226)	(8,281)	(3,558)	(8,100)	-2%
<b>Profit After Tax</b>	<b>687,655</b>	<b>2,197,411</b>	<b>707,902</b>	<b>2,178,643</b>	1%

All figures are provisional and subject to audit, unless otherwise stated.

Colombo  
20th October 2016

**Consolidated Income Statement**

	<b>GROUP</b>				
	<b>Quarter Ended</b>	<b>Nine Months Ended</b>	<b>Quarter Ended</b>	<b>Nine Months Ended</b>	<b>Variance</b>
	<b>30/9/2016</b>	<b>30/9/2016</b>	<b>30/9/2015</b>	<b>30/9/2015</b>	<b>%</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>%</b>
Rental Income	445,164	1,395,408	491,716	1,476,555	-5%
Sale of Apartments	157,622	283,665	71,887	805,126	-65%
Other Services	40,682	149,593	47,057	123,758	21%
<b>Total Revenue</b>	<b>643,468</b>	<b>1,828,666</b>	<b>610,660</b>	<b>2,405,440</b>	-24%
Direct Operating Expenses	(112,305)	(352,492)	(110,303)	(328,843)	-7%
Cost of Sales of Apartments	(84,319)	(159,685)	(53,032)	(609,801)	74%
<b>Gross Profit</b>	<b>446,843</b>	<b>1,316,488</b>	<b>447,325</b>	<b>1,466,795</b>	-10%
Fair Value Gain on Investment Property	313,340	940,021	293,635	880,904	7%
Administration Expenses	(81,532)	(237,260)	(84,287)	(247,751)	4%
Exchange Gain / (Loss)	2,844	6,199	218	(2,229)	378%
Marketing & Promotional Expenses	(15,502)	(38,612)	(3,967)	(18,732)	-106%
Finance Cost	(5,815)	(9,659)	(98)	(1,673)	-477%
Finance Income	55,296	189,296	28,521	91,460	107%
Other income	31,834	76,057	32,801	67,992	12%
<b>Profit Before Tax</b>	<b>747,308</b>	<b>2,242,529</b>	<b>714,148</b>	<b>2,236,764</b>	0%
Income Tax Expense	(1,407)	(11,641)	(6,083)	(12,360)	6%
<b>Profit After Tax</b>	<b>745,901</b>	<b>2,230,888</b>	<b>708,065</b>	<b>2,224,404</b>	0%

All figures are provisional and subject to audit, unless otherwise stated.

	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Attributable to:</b>				
<b>Equity Holders of the Parent</b>	722,353	2,198,480	710,340	2,187,220
<b>Non-controlling Interest</b>	23,549	32,408	(2,275)	37,184
	<b>745,901</b>	<b>2,230,888</b>	<b>708,065</b>	<b>2,224,404</b>

**Accounting Ratios As At**

	<b>30/9/2016</b>		<b>30/9/2015</b>	
	<b>Quarter</b>	<b>Nine Months</b>	<b>Quarter</b>	<b>Nine Months</b>
Dividends Per Share (Rs)		1.50		1.50
Interest Cover (Times)		135.85		811.44
Debt/Equity Ratio (Times)		0.01		0.01
Quick Asset Ratio (Times)		1.92		1.92
Earnings Per Share with Fair Value Gain (Rs)	0.81	2.48	0.82	2.51
Earnings Per Share without Fair Value Gain (Rs)	0.46	1.42	0.48	1.50

The Company or its subsidiaries do not have listed debt

	<b>(Rs)</b>	<b>(Rs)</b>
<b>Performance at the CSE during the Quarter Ended</b>	<b>30/9/2016</b>	<b>30/9/2015</b>
Last Traded Price	20.70	23.50
High	24.40	25.70
Low	20.00	23.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b><u>COMPANY</u></b>		<b><u>GROUP</u></b>	
	<b><u>Nine Months</u></b>	<b><u>Nine Months</u></b>	<b><u>Nine Months</u></b>	<b><u>Nine Months</u></b>
	<b><u>Ended</u></b>	<b><u>Ended</u></b>	<b><u>Ended</u></b>	<b><u>Ended</u></b>
	<b><u>30/9/2016</u></b>	<b><u>30/9/2015</u></b>	<b><u>30/9/2016</u></b>	<b><u>30/9/2015</u></b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Profit For the Period	2,197,411	2,178,643	2,230,888	2,224,404
Total Comprehensive Income for the Period, Net of Tax	<u>2,197,411</u>	<u>2,178,643</u>	<u>2,230,888</u>	<u>2,224,404</u>

## STATEMENT OF CHANGES IN EQUITY

## COMPANY

	<u>Stated Capital</u>	<u>Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Rs. '000</u>	<u>Rs. '000</u>	<u>Rs. '000</u>	<u>Rs. '000</u>
<b>Balance as at 1/1/2015</b>	<b>10,186,085</b>	<b>264,523</b>	<b>14,441,645</b>	<b>24,892,253</b>
Profit for the Period	-	-	2,178,643	<b>2,178,643</b>
Issue of Ordinary Shares	976,667	-	-	<b>976,667</b>
Transaction Cost related to Share Issue	-	-	(5,574)	<b>(5,574)</b>
Super Gain Tax Paid	-	-	(43,660)	<b>(43,660)</b>
Dividends on Ordinary Shares for Year Ended 31/12/2014	-	-	(1,265,227)	<b>(1,265,227)</b>
<b>Balance as at 30/9/2015</b>	<b>11,162,752</b>	<b>264,523</b>	<b>15,305,828</b>	<b>26,733,102</b>
Other Comprehensive Income for the Period	-	19,559	(513)	<b>19,046</b>
Profit for the Period	-	-	688,169	<b>688,169</b>
Transaction Cost related to Share Issue	-	-	(983)	<b>(983)</b>
<b>Balance as at 31/12/2015</b>	<b>11,162,752</b>	<b>284,082</b>	<b>15,992,501</b>	<b>27,439,334</b>
Profit for the Period	-	-	2,197,411	<b>2,197,411</b>
Dividends on Ordinary Shares for Year Ended 31/12/2015	-	-	(1,331,817)	<b>(1,331,817)</b>
<b>Balance as at 30/9/2016</b>	<b>11,162,752</b>	<b>284,082</b>	<b>16,858,095</b>	<b>28,304,928</b>

## GROUP

	<u>Stated Capital</u>	<u>Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>Minority Interest</u>	<u>Total</u>
	<u>Rs. '000</u>	<u>Rs. '000</u>	<u>Rs. '000</u>	<u>Rs. '000</u>	<u>Rs. '000</u>
<b>Balance as at 1/1/2015</b>	<b>10,186,085</b>	<b>264,523</b>	<b>15,477,909</b>	<b>1,507,482</b>	<b>27,436,000</b>
Profit for the Period	-	-	2,187,220	37,184	2,224,404
Issue of Ordinary Shares	976,667	-	-	-	976,667
Transaction Cost related to Share Issue	-	-	(5,574)	-	(5,574)
Super Gain Tax Paid	-	-	(43,660)	-	(43,660)
Dividends on Ordinary Shares for Year Ended 31/12/2014	-	-	(1,265,227)	-	(1,265,227)
Subsidiary Dividends Paid for Non controlling interest for Y/E 31/12/2014	-	-	-	(37,500)	(37,500)
<b>Balance as at 30/9/2015</b>	<b>11,162,752</b>	<b>264,523</b>	<b>16,350,669</b>	<b>1,507,166</b>	<b>29,285,110</b>
Super Gain Tax Paid	-	-	(3,420)	(1,933)	(5,353)
Other Comprehensive Income for the Period	-	26,659	1,316	3,641	31,616
Profit for the Period	-	-	803,479	2,971	806,450
Transaction Cost related to Share Issue	-	-	(983)	-	(983)
<b>Balance as at 31/12/2015</b>	<b>11,162,752</b>	<b>291,182</b>	<b>17,151,061</b>	<b>1,511,845</b>	<b>30,116,840</b>
Other Comprehensive Income for the Period	-	4,734	(75)	-	4,659
Profit for the Period	-	-	2,198,480	32,408	2,230,888
Dividends on Ordinary Shares for Year Ended 31/12/2015	-	-	(1,331,817)	-	(1,331,817)
<b>Balance as at 30/9/2016</b>	<b>11,162,752</b>	<b>295,916</b>	<b>18,017,648</b>	<b>1,544,253</b>	<b>31,020,569</b>



**CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED**

	COMPANY		GROUP	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from Operating Activities</b>				
Profit before Tax	2,205,692	2,186,743	2,242,529	2,236,764
<b>Adjustments for -</b>				
Depreciation Charge for the Period	9,411	7,660	14,037	11,283
Amortization of Intangible Assets	1,103	1,103	1,103	1,103
Post Employment Benefit Expense	2,155	1,778	2,155	1,778
Finance Cost	9,570	(6,324)	9,659	1,673
Finance Income	(178,228)	(87,646)	(189,296)	(91,460)
(Profit)/Loss on sale of Property, Plant and Equipment	(3,871)	(5,953)	(3,871)	(5,953)
Fair Value (Gain)/Loss on Investment Property	(940,021)	(880,904)	(940,021)	(880,904)
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>1,105,811</b>	<b>1,216,457</b>	<b>1,136,294</b>	<b>1,274,285</b>
(Increase)/ Decrease in Amounts due from Related Parties	(708,162)	12,058	(31,659)	4,610
(Increase) / Decrease in Trade and Other Receivables	66,559	(11,215)	(586,967)	468,115
Increase / (Decrease) in Rental and Customer Deposits	86,866	115,522	825,028	431,875
(Increase) / Decrease in Inventories	1,123	2,135	(67,977)	110,522
Increase / (Decrease) in Trade and Other Payables	(198,997)	(176,173)	(479,236)	(243,260)
Increase/ (Decrease) in Amounts due to Related Parties	(24,437)	65,615	(21,171)	69,433
<b>Cash Generated From/ (Used in) Operations</b>	<b>328,764</b>	<b>1,224,400</b>	<b>774,312</b>	<b>2,115,579</b>
Income Tax Paid	(15,062)	(767)	(10,822)	(18,866)
Finance Cost Paid	(9,570)	6,324	(9,659)	(1,673)
Defined Benefit Plan Costs Paid	(620)	-	(3,097)	-
<b>Net Cash Generated From/(Used in) Operating Activities</b>	<b>303,512</b>	<b>1,229,956</b>	<b>750,734</b>	<b>2,095,040</b>
<b>Cash Flows from Investing Activities :</b>				
Proceeds from Sale of Property, Plant and Equipment	3,871	5,953	3,871	5,953
Acquisition of Property, Plant and Equipment	(2,891)	(15,057)	(6,993)	(32,883)
Acquisition of investing property	-	-	-	-
Acquisition of Short Term Investments	(652,158)	(309,609)	(652,158)	(309,609)
Proceeds from Issuance of Ordinary Shares	-	976,666	-	976,666
Upliftment of Short Term Investments	700,000	-	700,000	-
Investment in Subsidiary	(74,552)	-	(731,039)	-
Finance Income	55,949	36,726	67,017	40,540
<b>Net Cash From/(Used) in Investing Activities</b>	<b>30,220</b>	<b>694,679</b>	<b>(619,301)</b>	<b>680,666</b>
<b>Cash Flows from Financing Activities :</b>				
Repayment of Interest Bearing Loans and Borrowings	(37,503)	(37,499)	(330,416)	(957,999)
Loan Obtained	-	-	512,663	-
Direct Expenses Related to Rights Issue	-	(5,574)	-	(5,574)
Dividends Paid	(1,331,817)	(1,265,227)	(1,369,317)	(1,302,727)
<b>Net Cash Flow from Financing Activities</b>	<b>(1,369,320)</b>	<b>(1,308,300)</b>	<b>(1,187,070)</b>	<b>(2,266,300)</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents	(1,035,588)	616,335	(1,055,633)	509,407
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>1,400,285</b>	<b>792,836</b>	<b>1,666,099</b>	<b>1,170,006</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>364,697</b>	<b>1,409,171</b>	<b>610,466</b>	<b>1,679,413</b>

Notes

1 Segment Results

1.1 Nine Months Ended 30th September 2016

	Property Leasing	Property Trading	Property Services	Inter/Intra Segment Eliminations	Consolidated
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	1,395,808	283,665	153,438	(4,245)	1,828,666
Direct Operating Expenses	(317,294)	-	(35,599)	400	(352,492)
Cost of Sales	-	(159,685)	-	-	(159,685)
<b>Gross Profit / (Loss)</b>	<b>1,078,514</b>	<b>123,979.24</b>	<b>117,840</b>	<b>(3,845)</b>	<b>1,316,488</b>
Fair Value Gain on Investment Property	940,021	-	-	-	940,021
Administration Expenses	(115,880)	(43,093)	(78,738)	450	(237,260)
Exchange Gain / (Loss)	1,450	5,197	(448)	-	6,199
Marketing & Promotional Expenses	-	(38,612)	-	-	(38,612)
Finance Cost	(9,570)	(88)	-	-	(9,659)
Finance Income	178,534	9,753	1,009	-	189,296
Other Income	108,422	23,885	-	(56,250)	76,057
<b>Profit Before Tax</b>	<b>2,181,490</b>	<b>81,021</b>	<b>39,663</b>	<b>(59,645)</b>	<b>2,242,529</b>

1.2 Nine Months Ended 30th September 2015

	Property Leasing	Property Trading	Property Services	Inter/Intra Segment Eliminations	Consolidated
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	1,476,555	805,126	124,208	(450)	2,405,440
Direct Operating Expenses	(315,710)	-	(13,134)	-	(328,843)
Cost of Sales	-	(609,801)	-	-	(609,801)
<b>Gross Profit / (Loss)</b>	<b>1,160,846</b>	<b>195,325</b>	<b>111,074</b>	<b>(450)</b>	<b>1,466,795</b>
Fair Value Gain on Investment Property	880,904	-	-	-	880,904
Administration Expenses	(101,110)	(80,995)	(66,096)	450	(247,751)
Exchange Gain / (Loss)	3,805	(6,103)	69	-	(2,229)
Marketing & Promotional Expenses	-	(18,732)	-	-	(18,732)
Finance Cost	6,324	(7,998)	-	-	(1,673)
Finance Income	87,646	3,580	233	-	91,460
Other Income	115,859	8,383	-	(56,250)	67,992
<b>Profit Before Tax</b>	<b>2,154,274</b>	<b>93,460</b>	<b>45,280</b>	<b>(56,250)</b>	<b>2,236,764</b>

1.3 Segment Assets & Liabilities

	Property Leasing	Property Trading	Property Services	Inter/Intra Segment Eliminations	Consolidated
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>As At 30th September 2016</b>					
Total Assets	29,485,815	5,240,903	50,037	(1,011,377)	33,765,377
Total Liabilities	1,943,999	1,473,940	22,142	(695,273)	2,744,808
<b>As At 30th September 2015</b>					
Total Assets	27,192,348	4,569,839	32,705	(330,868)	31,464,024
Total Liabilities	1,357,090	801,843	21,052	(1,118)	2,178,866



#### 1.4 Other Segment Information

	<b>Property Leasing</b>	<b>Property Trading</b>	<b>Property Services</b>	<b>Consolidated</b>
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total cost incurred during the year to acquire Property Plant & Equipment	2,891	3,569	533	6,993
Depreciation - Charge for the Period	9,411	4,186	440	14,037
Amortization	1,103	-	-	1,103
Employee Benefit Costs	70,784	58,860	47,938	177,582

#### 2 Revenue

Sale of Apartments of Havelock City Residential is in progress. Such sales are accounted in the Financial Statements as the Construction of the building is being completed.

#### 3 Contingent Liabilities

The Company's Subsidiary Mireka Capital Land (Pvt) Ltd was assessed for Value Added Tax (VAT) for periods between January 2006 and January 2009 amounting to Rs 190 Mn plus penalties. The Company appealed against same and filed a Writ Application in the Court of Appeal to prevent recovery action being taken by Authorities. The Company appealed at the Tax Appeal Commission (TAC) on the same matter and the TAC Determination has been issued dismissing the said appeal of the Company. The Company appealed against the TAC Determination in the Court of Appeal. Although there can be no assurance, the Directors believe, based on the expert advice received and the information currently available, that the ultimate resolution of the said legal proceedings would be favourable to the Company and therefore would not have an adverse effect on the results of operations or financial position.

The Company's Subsidiary Mireka Homes (Pvt) Ltd (MHL) has been assessed for ESC amounting to Rs 2.9 Mn plus penalties and the Company has appealed against same. Further the Department of Inland Revenue has raised assessments disallowing Input VAT of Rs 324Mn and the Company has appealed against same. Although there can be no assurance, the Directors believe, based on the information currently available, that the ultimate resolution of appeal / legal proceedings would be favourable to the Company and therefore would not have an adverse effect on the results of operations or financial position.

#### 4 Events Occurring after the Balance Sheet date

There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.

#### 5 Liability to Management Fees

The Company has no liability to Management Fees or expenditure of a similar nature as at the Balance Sheet date.

#### 6 Capital Expenditure Commitments

- a) The Company has commitments amounting to Rs. 1,162,000/- as at the Balance Sheet date in respect of the planned ERP implementation.
- b) Mireka Homes (Pvt) Ltd has commitments amounting to Rs 5,331Mn in respect of the Havelock City Residential Development.

## 7 Investment Property

The Company owns 185 Condominium Units that are held to earn rentals. These units constitute the Investment Property of the Group.

Fair value of the Investment Property is ascertained by annual independent valuations carried out by Messrs. P.B. Kalugalagedera and Associates, Chartered Valuation Surveyor who has experience in valuing properties of akin location and category. Investment Property is appraised in accordance with Sri Lanka Financial Reporting Standards and 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC), by the independent valuer. In determining the fair value, the capitalization of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions including future rental income, anticipated maintenance costs, appropriate capitalisation rate and making reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within appropriate range of values.

The significant assumptions used are as follows;

	<b>By the Valuer</b>	<b>By the Directors</b>
	<b>2015</b>	<b>2016</b>
Estimated Market Rent per sq:ft	240-285	250-300
Rate of growth in future rentals	1 to 2 years 0% 3-10 years 5% p.a.	1 to 2 years 0% 3-10 years 5% p.a.
Anticipated Maintenance Cost	45% of rentals	45% of rentals
Capitalisation Rate	5.75% p.a.	5.75% p.a.

Based on the above assumptions for 2015, the Directors of the Company have estimated a Fair Value of Rs 23,832,772,275/= as at the Current Year Ending 31st December 2016 (31st December 2015 Rs. 22,579,410,997/=). Three Fourth of the resulting Fair Value Gain of Rs 1,253,361,278/= amounting to Rs 940,020,959/= has been accounted in the Financial Statements for the Nine Months Ended 30th September 2016. The comparative figure for the Nine Months Ended 30th September 2015 has been adjusted, by accounting Three Fourth of the Fair Value Gain for the Year Ended 31st December 2015 of Rs 1,174,538,190/= amounting to Rs 880,903,643/=.

8 <b>Stated Capital</b>	<b>30/9/2016</b>	<b>30/9/2016</b>	<b>30/9/2015</b>
	<b>No. of Shares</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
Ordinary Shares	887,878,273	10,817,317	10,817,317
Capital Redemption Reserve Fund	-	149	149
Balance in Share Premium	-	345,286	345,286
<b>Total</b>	<b>887,878,273</b>	<b>11,162,752</b>	<b>11,162,752</b>

## 9 Dividend Paid

A First & Final Dividend of Rs 1.50 per share for the Financial Year Ended 31 December 2015 was paid on 4th May 2016

10 All figures are provisional and subject to audit, unless otherwise stated.

11 The Company has applied the accounting principles to the current quarter which are consistent with that of the last Annual Report for the Year Ended 31st December 2015.

## 12 Rights Issue of 355,151,309 New Ordinary Shares each issued at Rs. 20.50 per Share

The Board of Directors of the Company on 23<sup>rd</sup> September 2016, resolved to raise a sum of Rs 7,280,601,834/- by way of a Rights Issue of Three Hundred and Fifty Five Million One Hundred and Fifty One Thousand Three Hundred and Nine (355,151,309) new Ordinary Shares at a price of Rupees Twenty and Cents Fifty (Rs. 20.50) per Share in the proportion of Two (02) Ordinary Shares for every Five (05) existing Ordinary Shares in the Company, towards its investment in the proposed Mixed Development Project of Havelock City (Private) Limited (Project], subject to the Company's Shareholder approval for the Rights Issue and the Company's investment thereof as a Major Transaction.

# OVERSEAS REALTY (CEYLON) PLC

## List of 20 Major Shareholders

(Based on their Shareholdings)

NAME	As at 30th Sep 2016			As at 30th June 2016		
	Rank	SHAREHOLDING	PERCENTAGE (%)	Rank	SHAREHOLDING	PERCENTAGE (%)
SHING KWAN INVESTMENT COMPANY LIMITED	1	477,655,116	53.80	1	477,655,116	53.80
UNITY BUILDERS LIMITED	2	231,951,090	26.12	2	231,951,090	26.12
PERSHING LLC S/A AVERBACH GRAUSON & CO.	3	44,314,470	4.99	3	44,314,470	4.99
SHING KWAN INVESTMENT (SINGAPORE) PTE LTD	4	22,729,218	2.56	4	22,729,218	2.56
PEOPLES BANK	5	21,813,003	2.46	5	21,813,003	2.46
SHING KWAN (PTE.) LTD	6	16,200,000	1.82	6	16,200,000	1.82
CHIPPERFIELD INVESTMENTS LIMITED	7	8,075,052	0.91	7	8,075,052	0.91
SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	8	4,649,218	0.52	8	4,649,218	0.52
BANK OF CEYLON NO2 A/C	9	3,971,842	0.45	9	3,971,842	0.45
DEUTSCHE BANK AG AS TRUSTEE FOR JB.V.V.E FUND	10	3,099,550	0.35	10	3,099,550	0.35
ORIENTAL PEARL INTERNATIONAL INC	11	2,684,210	0.30	11	2,684,210	0.30
E.W. BALASURIYA & CO. (PVT) LTD	12	2,260,992	0.25	12	2,260,992	0.25
SEYLAN BANK PLC/SYMPHONY CAPITAL LTD	13	1,567,658	0.18	13	1,567,658	0.18
DR. SENTHILVERL THIRUGNANASAMBANDAR	14	1,535,694	0.17	-	-	-
MR. SUBASINGHE	15	1,154,039	0.13	14	1,154,039	0.13
MR. GAUTAM RAHUL	16	1,082,600	0.12	16	1,074,800	0.12
MR. WEERASINGHE	17	1,054,834	0.12	17	1,054,834	0.12
BANK OF CEYLON NO. 1 ACCOUNT	18	952,792	0.11	19	933,070	0.11
NATIONAL SAVINGS BANK	19	943,473	0.11	18	943,473	0.11
GOLD INVESTMENT LIMITED	20	929,157	0.1	20	929,157	0.1
TIMEX GARMENTS (PVT) LTD	-	-	-	15	1,099,181	0.12
<b>TOTAL</b>		<b>848,624,008</b>	<b>95.58</b>		<b>848,159,973</b>	<b>95.53</b>

**Public Holding as a % of Issued Share Capital**

**15.65**

**15.65**

**Number of Public Shareholders**

**3,896**

**Directors shareholding**

Mr. Shing Pee Tao	0
Mr. Melvin Yap Boh Pin	0
Mrs. Mildred Tao Ong	0
Mr. Hussein Zubire Cassim	0
Mr. En Ping Ong	400,000
Mrs. Rohini Lettitia Nanayakkara	0
Mr. Ajith Mahendra De Silva Jayaratne	0
Mr. Leslie Ralph De Lanerolle	0
Mr. Tissa Kumara Bandaranayake	0
Dr. Raneer Jayamaha	0
Mr. Pravir Dhanoush Samarasinghe (Dir/GCEO)	0
	400,000

## **OVERSEAS REALTY (CEYLON) PLC**

### **Corporate Information**

#### **Legal Form**

A Quoted Public Company with limited liability, incorporated in Sri Lanka on 28<sup>th</sup> October 1980 under the Companies Ordinance (Cap.145) bearing Company Registration No.PBS 1084 and listed on the Colombo Stock Exchange. The Company was re-registered under Companies Act No. 7 of 2007 and bears the Company Registration No. PQ 39.

#### **Directors**

Shing Pee Tao, Chairman  
Hussein Zubire Cassim, Deputy Chairman  
Tissa Kumara Bandaranayake  
Ajit Mahendra De Silva Jayaratne  
Leslie Ralph de Lanerolle  
Rohini Lettitia Nanayakkara  
Mildred Tao Ong  
Melvin Yap Boh Pin  
En Ping Ong  
Ranee Jayamaha  
Pravir Dhanoush Samarasinghe  
  
Tao Ben Nien - (Alternate to Shing Pee Tao)  
Lee Kang Ho - (Alternate to Melvin Yap Boh Pin)

#### **Audit Committee**

Ajit Mahendra De Silva Jayaratne - Chairman  
Hussein Zubire Cassim  
Melvin Yap Boh Pin  
Rohini Lettitia Nanayakkara  
Tissa Kumara Bandaranayake

#### **Remuneration Committee**

Hussein Zubire Cassim - Chairman  
Rohini Lettitia Nanayakkara  
Ajit Mahendra De Silva Jayaratne  
En Ping Ong  
Tissa Kumara Bandaranayake

#### **Related Party Review Committee**

Hussein Zubire Cassim - Chairman  
Rohini Lettitia Nanayakkara  
Ajit Mahendra De Silva Jayaratne  
En Ping Ong  
Tissa Kumara Bandaranayake

#### **Company Secretary**

Minoka Fernando - Attorney - at - Law

#### **Auditors**

Messrs. Ernst & Young - Chartered Accountants

#### **Registrars**

S S P Corporate Services (Private) Limited

#### **Registered Office**

Overseas Realty (Ceylon) PLC  
Level 18 - East Tower  
World Trade Center  
Echelon Square  
Colombo 01  
Tel: 2346333

#### **Subsidiaries**

Realty Management Services (Pvt) Ltd  
Mireka Capital Land (Pvt) Ltd  
Mireka Homes (Pvt) Ltd  
Havelock City (Pvt) Ltd  
Mireka Residencies (Pvt) Ltd  
Mireka Property (Pvt) Ltd

Level 18 - East Tower  
World Trade Center  
Echelon Square  
Colombo 01  
Tel: 2346333

#### **Websites**

[www.orcl.lk](http://www.orcl.lk)  
[www.wtc.lk](http://www.wtc.lk)  
[www.havelockcity.lk](http://www.havelockcity.lk)