

EQUITY TWO PLC

A Carson Cumberbatch Company

Condensed Interim Financial Statements
For the nine months ended 31st December 2023

Equity Two PLC

Statement of Profit or Loss and Other Comprehensive Income

(All figures are in Sri Lankan Rupees Thousands)

	Three months ended 31st December			Nine months ended 31st December		
	2023	2022	Change %	2023	2022	Change %
Revenue	43,856	37,151	18	127,802	106,245	20
Direct costs	(14,957)	(15,410)	(3)	(47,692)	(38,904)	23
	28,899	21,741	33	80,110	67,341	19
Other income	225	218	3	709	540	31
Administrative and other operating expenses	(4,464)	(5,553)	(20)	(12,083)	(11,492)	5
Operating profit	24,660	16,406	50	68,736	56,389	22
Finance income	13,345	8,831	51	40,584	18,717	117
Finance costs	(604)	(2,152)	(72)	(3,903)	(4,289)	(9)
Net finance income	12,741	6,679	91	36,681	14,428	154
Profit before taxation	37,401	23,085	62	105,417	70,817	49
Income tax expense	(11,614)	(6,693)	74	(33,999)	(17,269)	97
Deferred taxation	(253)	(74,770)	(100)	(761)	(76,512)	(99)
Profit for the period	25,534	(58,378)	144	70,657	(22,964)	408
Other comprehensive income						
Items that will never be reclassified into profit and loss						
Actuarial gain / (loss) from valuation of employee benefits	-	-	-	-	-	-
Related tax	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	25,534	(58,378)	144	70,657	(22,964)	408
Earnings per share (Rs.)	0.82	(1.88)		2.28	(0.74)	
Dividend per share (Rs.)	0.50	-		0.50	-	

Change % represents the percentage change in the current period's results compared to the corresponding period of the previous year.

Figures in brackets indicate deductions.

Equity Two PLC

Statement of Financial Position

(All figures are in Sri Lankan Rupees Thousands)

As at	31.12.2023	31.03.2023 (Audited)
ASSETS		
Non-current assets		
Investment properties	1,723,980	1,720,595
Investment in fixed deposits	207,423	177,987
Total non-current assets	1,931,403	1,898,582
Current assets		
Trade and other receivables	18,232	22,822
Investment in fixed deposits	46,748	68,944
Fair value through profit or loss financial assets	6,199	-
Cash and cash equivalents	55,958	12,180
Total current assets	127,137	103,946
Total assets	2,058,540	2,002,528
EQUITY AND LIABILITIES		
Equity		
Stated capital	444,092	444,092
Capital reserves	750	750
Revenue reserves	1,121,733	1,066,576
Total equity	1,566,575	1,511,418
Non-current liabilities		
Refundable rental deposits	58,223	58,966
Deferred tax liability	414,005	413,244
Employee benefits	1,507	1,286
Total non-current liabilities	473,735	473,496
Current liabilities		
Trade and other payables	10,252	8,878
Deferred revenue	2,959	4,030
Current tax liabilities	5,019	4,706
Total current liabilities	18,230	17,614
Total liabilities	491,965	491,110
Total equity and liabilities	2,058,540	2,002,528
Net assets per share (Rs.)	50.53	48.76

The Statement of Financial Position as at 31st December 2023 and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the period then ended as disclosed in pages 1 to 4 have been drawn up from unaudited financial statements.

I certify that these financial statements are in compliance with the requirements of Companies Act, No. 7 of 2007.

(Sgd).

L.C.D. Prasanga

Finance Manager

Carsons Management Services (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed on behalf of the managers,

Approved and signed on behalf of the board,

(Sgd).

V.R. Wijesinghe

Director

Carsons Management Services (Private) Limited

Colombo

12th February 2024

(Sgd).

A.P. Weeratunge

Director

(Sgd).

K.C.N. Fernando

Director

Equity Two PLC

Statement of Changes in Equity

(All figures are in Sri Lankan Rupees Thousands)

	Stated capital	Capital reserves	Revenue reserves	Total equity
Balance as at 01st April 2023	444,092	750	1,066,576	1,511,418
Profit for the period	-	-	70,657	70,657
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	70,657	70,657
First interim dividend 2023/24	-	-	(15,500)	(15,500)
Balance as at 31st December 2023	444,092	750	1,121,733	1,566,575

Balance as at 01st April 2022	444,092	750	998,516	1,443,358
Surcharge tax for the year of assessment 2020/21	-	-	(18,178)	(18,178)
Balance as at 01st April 2022 (Adjusted)	444,092	750	980,338	1,425,180
Profit for the period	-	-	(22,964)	(22,964)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(22,964)	(22,964)
Balance as at 31st December 2022	444,092	750	957,374	1,402,216

Figures in brackets indicate deductions.

Equity Two PLC

Statement of Cash Flows

(All figures are in Sri Lankan Rupees Thousands)

Nine months ended 31st December	2023	2022
Cash flows from operating activities		
Profit before taxation	105,417	70,817
Adjustments for:		
Finance costs	3,903	4,289
Finance income	(40,385)	(15,450)
Net change in fair value through profit or loss financial assets	(199)	(3,267)
Provision for employee benefits	221	86
Amortization of deferred revenue	(3,243)	(3,227)
Operating profit before working capital changes	65,714	53,248
(Increase) / decrease in trade and other receivables	4,590	(70)
Increase / (decrease) in trade and other payables	(11,934)	5,523
Operating profit after working capital changes	58,370	58,701
Rental deposits received	-	11,644
Rental deposits refunded	(2,066)	-
Income tax paid	(20,425)	(18,672)
Surcharge tax paid	-	(18,178)
Net cash generated from / (used in) operating activities	35,879	33,495
Cash flows from investing activities		
Additions to investment properties	(3,385)	(5,422)
Redemption of / (investment in) fair value through profit or loss financial assets	(6,000)	44,577
Withdrawal of / (investment in) fixed deposits	24,600	(124,301)
Interest received	8,545	8,577
Net cash generated from / (used in) investing activities	23,760	(76,569)
Cash flows from financing activities		
Dividend paid	(15,453)	(143)
Interest paid	(408)	-
Loans obtained / (settled)	-	50,000
Net cash generated from / (used in) financing activities	(15,861)	49,857
Net increase / (decrease) in cash and cash equivalents	43,778	6,783
Cash and cash equivalents at the beginning of the period	12,180	76,612
Cash and cash equivalents at the end of the period	55,958	83,395
Statement of cash and cash equivalents		
Cash at bank and in hand	9,866	79,721
Placements with banking and financial institutions	46,092	3,674
Cash and cash equivalents for the cash flow statement	55,958	83,395

Figures in brackets indicate deductions.

Equity Two PLC

Notes to the Interim Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

1. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements of the Company have been prepared using the same accounting policies and methods as the audited financial statements for the year ended 31st March 2023, and are in compliance with Sri Lanka Accounting Standard LKAS 34 - "Interim Financial Reporting". The provisions of the Companies Act, No. 7 of 2007 have been considered in preparing these Interim Financial Statements.

2. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosure in the financial statements.

3. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no material contingent liabilities and capital commitments.

4. LIABILITIES FOR EXPENDITURE

Management fees and other similar expenses for the period have been accounted for in full in the interim financial statements.

5. COMPARATIVE FIGURES

Previous period's figures and phrases have been re-arranged wherever necessary to conform to the current period's presentation.

6. STATED CAPITAL

The Stated Capital of the Company as at 31st December 2023 was Rs. 444,092,098/35 consists of 31,000,000 fully paid Ordinary Shares.

7. GOING CONCERN

Based on currently available information, the directors are satisfied that the Company will continue its operations in the foreseeable future.

8. RELATED PARTY TRANSACTIONS

Nine months ended 31st December	2023	2022
Transactions with affiliate companies		
Management and support services fees paid	5,687	5,531
Rent and parking fees received	26,817	23,000

Equity Two PLC

Notes to the Interim Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

9. TWENTY MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2023

Name of Shareholders	Number of Shares	%
1 Equity One Limited A/C No.1	27,549,456	88.87
2 Bank of Ceylon A/C Ceybank Unit Trust	2,198,192	7.09
3 Mr. K.C. Vignarajah	108,210	0.35
4 Tranz Dominion, L.L.C.	55,480	0.18
5 Mrs. C.A.D.S. Woodward	52,073	0.17
6 Miss. V.K. Ramanayake	50,000	0.16
7 Mrs. C.L. Ramanayake	50,000	0.16
8 Mr. L.L. Hettiarachchi	29,600	0.10
9 Mr. P. Somadasa	28,679	0.09
10 Amana Bank PLC/Hi-Line Trading (Pvt) Ltd	25,337	0.08
11 Miss. C.M. Wickramasekera	25,300	0.08
12 Union Investments Private Ltd	25,200	0.08
13 Mr. A.A. Noordeen	23,496	0.08
14 People's Leasing & Finance PLC/Dr. H.S.D. Soysa & Mrs. G. Soysa	19,000	0.06
15 Mrs. S. Vignarajah	18,309	0.06
16 Mr. S.N.C.W.M.B.C. Kandedgedara	16,200	0.05
17 Mr. J.B. Hirdaramani	16,000	0.05
18 Mrs. J. Aloysius	15,900	0.05
19 Dialog Finance PLC/A.S.M. Shiyam	14,781	0.05
20 Mr. H.P. Bonifass	14,000	0.05

10. PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (i) (b) of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization of less than Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 10%.

The Company's Public Holding as at 31st December 2023

Market Capitalization of the Public Holding	Rs.130.95 Million
Number of public shareholders	2,021
Percentage of ordinary shares held by the public	11.12%

11. DIRECTORS SHAREHOLDING AS AT 31ST DECEMBER 2023

	No. of Shares
Mr. E. H. Wijenaike (Chairman)	-
Mr. K.C.N. Fernando	3,600
Mr. A.P. Weeratunge	-
Mr. P.D.D. Fernando	-
Mr. S. Marimuthu	550

INVESTOR INFORMATION

12. SHARE VALUATION

As at/ for the three months ended 31st December 2023

Last traded price per share (Rs.)	38.00
Highest price per share for the period (Rs.)	40.90
Lowest price per share for the period (Rs.)	35.00
Market capitalisation	Rs.1,178.0 Million

Corporate Information

NAME OF THE COMPANY	Equity Two PLC (A Carson Cumberbatch Company)
COMPANY REGISTRATION NO.	PQ 34
LEGAL FORM	A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1990. Official listing of the Colombo Stock Exchange was obtained in November 1994.
PARENT AND ULTIMATE CONTROLLING ENTITY	Equity One Limited is the immediate Parent Company of Equity Two PLC. Carson Cumberbatch PLC is the Parent Company of Equity One Limited and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Equity One Limited.
DIRECTORS	Mr. E. H. Wijenaike (Chairman) Mr. K.C.N. Fernando Mr. A. P. Weeratunge Mr. P. D. D. Fernando Mr. S. Marimuthu
PLACE OF BUSINESS	No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel : +94 11 2039 200 Fax: +94 11 2039 300
BANKERS	Standard Chartered Bank Commercial Bank of Ceylon PLC Hatton National Bank PLC Nations Trust Bank PLC DFCC Bank PLC National Development Bank PLC Sampath Bank PLC SBI Sri Lanka
AUDITORS	Messrs. KPMG Chartered Accountants No.32A, Sir Mohamed Macan Marker Mawatha, Colombo 03, Sri Lanka. Tel: +94 11 5426 426 Fax:+94 11 2445 872
MANAGERS & SECRETARIES	Carsons Management Services (Private) Limited No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel : +94 11 2039 200 Fax: +94 11 2039 300
REGISTERED OFFICE	No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel : +94 11 2039 200 Fax: +94 11 2039 300
CORPORATE WEBSITE	www.carsoncumberbatch.com