A Carson Cumberbatch Company

Equity Two PLC

ANNUAL REPORT 2012/2013

Contents

Chairman's Statement

Dear Shareholders,

It is with great pleasure that I welcome you to the 23rd Annual General Meeting of the Company and present to you the audited financial statements and Annual Report of the Company for the year ended 31st March 2013.

In 2012, the global economy contracted further, pushed down by instability in the Euro zone, sluggish economic conditions in several commanding economies and below par performance of emerging economies to record a meager growth rate of 3.2% for the year as per International Monetary Fund (IMF) estimates. Amidst vagaries of the global economy and numerous domestic challenges, Sri Lanka continued to demonstrate resilience, recording a GDP growth of 6.4% for the financial year under review, after the consistent 8% growth registered in the preceding two financial years of 2010 and 2011.

With the cessation of the almost three decade-old civil war, the government is well positioned to deploy its full capacity of resources to achieve superior economic growth. The country's ability to attract FDIs and boost investor confidence will play a substantial role in sustaining economic growth in years to come. While enhancing positive investor perception by reducing business set-up time and improving coordination between various government organizations, encouraging private-public partnerships will also need to be given equal importance in this journey. Moreover, the private sector too will have a significant contribution to make to the country's economic growth.

The main access to the property, in Janadhipathi Mawatha, is still subject to security restrictions and closed for vehicular and pedestrian traffic, which is impeding the potential marketability and value enhancement of the property. Even though we receive many inquiries and interest from prospective tenants, main stumbling block continues to be access restrictions from Janadhipathi Mawatha entrance, deprives significantly its' rent-ability and ability to charge market rates. However, with the opening of the access road via Chatham Street and the developments in the vicinity, together with the largely eased security restrictions across the city of Colombo, we anticipate an increase in demand in the future for office premises in the area. The Company has already taken measures to harness the increasing demand and to absorb the maximum potential benefit in the event of a possible opening of Janadhipathi Mawatha by means of expanding its rentable office space capacity.

Accordingly, during the year, the Company contracted to refurbish and renovate the building situated at assessment no. 55, Janadhipathi Mawatha; which the Company acquired in 2005 and has since been abandoned due to significant damages caused to the building from the terrorist attack on the Central Bank in 1996. Based on preliminary estimates, the project would cost approximately Rs. 175Mn and will be mainly financed through bank borrowings. The project is scheduled for completion in June 2013 and is expected to add nearly 40,000 square feet of rentable office space to the existing capacity, thereby resulting in a total rentable office space of around 82,000 square feet.

After many years of contraction, the real estate sector is showing signs of recovery with the announcement of new projects, of which, some have already commenced ground breaking. However, mismatch between real estate prices and household income non-availability of affordable (low priced) long term mortgage loans together with lack of tax incentives for housing and real estate investments, are some of the key concerns that require attention to ensure a robust and sustainable real estate market in the country.

Chairman's Statement

On a more positive note, the landscape of the city of Colombo is continuing to be transformed into one of the most scenic cities in the region with the rapid infrastructure development and beautification taking place. With the government's planned economic and rapid infrastructure development activities along with investor friendly economic regime and policy should drive up real estate prices in Sri Lanka and especially in the island's capital city in time to come. Further, projected increase in per capita income together with concentration of population in the Western Province will drive demand for real estate in the city of Colombo in the long term.

With the developments witnessed in the vicinity and a possible removal of existing access restrictions to the property, we remain optimistic of sourcing new tenants to the two properties owned and managed by the Company. The strategic location of the property in the heart of the prime financial and business hub in Colombo too will give the Company an edge in its efforts to bring the property back to its full occupancy levels. Therefore, we will continue to remain optimistic about the property's potential to generate returns to our shareholders whilst requesting authorities to open at least one side of Janadhipathi Mawatha for vehicular and pedestrian traffic.

During the year ended 31st March 2013, the Company registered a turnover of Rs.15.9 Mn against Rs. 16.5 Mn for the corresponding period, recording a drop of 3.7%, due to the low occupancy levels prevalent since the end of 2011. However, negotiated rent reviews of existing tenants with the renewal of rent agreements enabled the Company to avoid the adverse impact of drop in occupancy to a greater extent. The Company registered a profit after tax amounting to Rs. 44.9 Mn against a profit of Rs. 45.7 Mn recorded for the year ended 31st March 2012. A detailed review of the Company's financial performance is given in the "Business Review" of the annual report.

In conclusion, I would like to thank the shareholders for their confidence in the Company. I thank all our tenants, business associates, financiers, regulatory authorities and stakeholders who worked with us during the year and extended their support and co-operation to run our business. I extend my sincere appreciation to the members of the Audit Committee, Remuneration Committee and Nomination Committee for their guidance and my colleagues on the Board for their valuable inputs. Last but not least, I would also like to thank the members of the staff who have worked tirelessly throughout the year.

(Sgd).
D.C.R. Gunawardena
Chairman
Colombo
16th May 2013

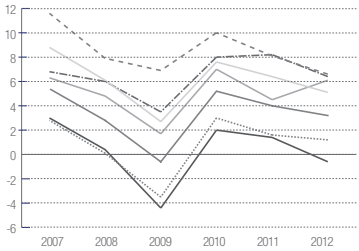
Business Review

Economy

2012 proved to be yet another dismal year for the global economy, which contracted further during the period to record an unimpressive growth rate of 3.2% in comparison to the 3.9% in 2011. Debt woes continued to haunt the Euro zone, heightening the risk of instability in the region, whilst several leading economies were also confronted with significant levels of uncertainty, resulting in an overall slowdown in global economic activity in the year 2012.

As a result, many economies around the world were saddled with the dilemma of low export demand and low global investor confidence, spreading doom and gloom sentiments, even in emerging markets. In the light of this situation, Sri Lanka recorded a 6.4% GDP growth for the year 2012. Although nothing like the 8% growth witnessed during 2010 and 2011, the resilience demonstrated by our economy in a negative backdrop is admirable.

GDP Growth Rates

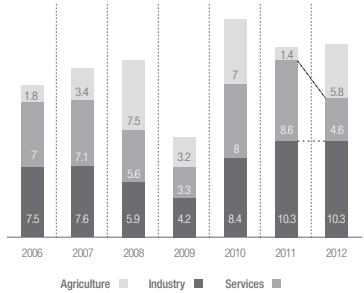


World — Advanced Economies — Euro Area —
Emerging Market and Developing Economies ····· Developing Asia —
ASEAN-5 ····· Sri Lanka —·-

Source: Central Bank Annual Report-2012 and IMF World Economic Outlook Data

Having said that, Sri Lanka too was affected by the contraction in the global economy, which was a contributory factor towards the deceleration in domestic growth. Service sector output grew only by 4.6% during the year in comparison to the 8.6% recorded in 2011. This was largely due to drop in external sector performance, driven by a decline in exports.

Percentage Change in Sector Output



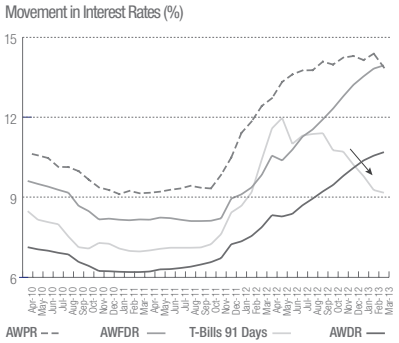
Source: Central Bank Annual Report - 2012

Despite a decline in export volumes driven by weak global demand, Sri Lanka managed to curtail its trade deficit by 3.1% in 2012, on the back of a reduction in import expenditure in USD terms. The drop in trade deficit coupled with increased remittances during the year enabled the country to record a BOP surplus of over USD 150 million. Inflation remained in single digits for yet another consistent year, in spite of increasing to 7.6% from the 6.7% recorded last year.

Interest Rates

A high interest rate regime was prevalent during most part of the year, caused by the restrictive monetary policy view adopted by the Central Bank in early 2012 to curb excess liquidity in circulation and prevent the economy from overheating. During the latter part of the financial year, the Central Bank reduced its' policy rates, however interest rate reduction is yet to fully reflect in the lending rates thus producing limited benefits to borrowers.

Business Review



Source: Central Bank

Our Business

During the year the Company contracted to refurbish and renovate the building situated at assessment no. 55, Janadhipathi Mawatha, adjoining the existing building, which the Company acquired in 2005 and has since been abandoned due to significant damages caused to the building due to the terrorist attack targeting the Central Bank in 1996. With the opening of access road via Chatham Street and the developments in the vicinity, together with the largely relaxed security restrictions across the city of Colombo, we anticipate increase in demand in the future for rentable office premises in the area. The decision to refurbish and renovate the building was also propelled by the possibility of realizing greater access to the building in the event of re-opening of the Janadhipathi Mawatha entrance to the property which is still closed for vehicular and pedestrian traffic, and is currently impeding the company's ability to source tenants and charge market rates.

The project is expected to reach completion in June 2013 at a cost of nearly Rs. 175 Mn. Once completed, total rentable space under the purview of Equity Two PLC will double to approximately 82,000 square feet. Thus, with the increase in total rentable area and the potential rise in occupancy levels, we are optimistic about the prospects of our business in time to come with the hope of opening front access to the property via Janadhipathi Mawatha.

Financial Review

During the year, group adopted new financial reporting standards issued by the Institute of Chartered Accountants of Sri Lanka applicable for financial periods beginning on or after 1 January 2012. Accordingly, impact of adopting these standards is given in note 32 to the financial statement.

The value of the Company's investment property increased during the year due to the capital addition and fair value gain adjusted based on the professional valuation as at 31st March 2013. Accordingly, the investment property of the Company recorded at Rs. 725.6 Mn as at the year end.
The Company's turnover fell by 3.7% from the previous year, to record Rs. 15.9 Mn for the year under review. The adverse shift in turnover is mainly attributable towards the fall in occupancy levels, from 78% in financial year 2011/12 to 43% in financial year 2012/13 which was primarily led by vacation of a tenant company belonging to the Carson's group, in order to fulfill their growing space requirements. However, the effects of this were mitigated to a large extent from rental revisions of the existing tenants with the improved accessibility to the property.

Finance income of the Company decreased by 62% as the excess funds of the Company were used to finance the ongoing refurbishment activities. Income tax expenses increased significantly by 531% during the year due to withdrawal of the 10% concessionary tax rate which prevailed in financial year 2011/12 which was replaced with the 28% tax rate. However, deferred tax recorded a reversal amounting to Rs. 1.2 Mn mainly due to the decrease in fair value of building based on the professional valuation.

Accordingly, total profit reported for the year was Rs. 44.9 Mn, slightly below Rs. 45.8 Mn recorded in the financial year 2011/12. The dip in profit is mainly as a result of drop in turnover and finance income. However, Company's profit before adjusting fair value gains and deferred tax reversal was only Rs. 2.8 Mn for the year under review.

Net asset value per share improved to Rs. 19.21 this year, which is a considerable increase in comparison to the Rs. 17.76 reported in the preceding financial year. Appreciation in value of property owned by the Company was the driving factor behind this.

Challenges

The proposed amendment to the law introducing a prohibition of sale of lands in Sri Lanka to foreign nationals and on imposing a tax on lease value will have a negative impact on our rental business. The proposed tax on lease values will discourage long term lease agreements with foreign tenants and will have an impact on the Company with regard to its ability to demand higher rentals, especially in the context where substantial informal markets exist in converting houses into office premises via informal rent agreements. With the proposed tax, it could be expected that the total tax on lease rental for foreign nationals will increase to approximately 30% or more (inclusive of Value Added Tax (VAT), Nation Building Tax (NBT) and Stamp Duty).

Outlook

The real estate market in Sri Lanka is showing signs of recovery with expected economic growth. Thus, we are enthusiastic about the immense prospects this brings to our business, as real estate development and economic growth share a high positive correlation. However, while applauding the determination and commitment displayed by the government to uplift standards of our country via sectorial development, a much longer term strategy needs to be deployed in this regard, emphasizing on value addition, synergy and focus in order to compete with our regional peers. In comparison to most of the countries that enjoy a thriving property market, Sri Lanka requires to act decisively to nurture a sustainable recovery of the property market. Growth in the real estate sector undoubtedly will contribute to the growth of the other sectors of the economy. In conclusion, we're optimistic about growth in the medium to long term but less so on a short term horizon.

Carsons Management Services (Private) Limited
Managers

16th May 2013

Annual Report of the Board of Directors on the Affairs of the Company

The details set out herein provide the pertinent information required by the Companies Act, No. 07 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Board of Directors on the 16th May 2013.

1. GENERAL

The Directors have pleasure in presenting to the shareholders their report together with the audited financial statements for the year ended 31st March 2013 of Equity Two PLC (the "Company"), a public limited liability company incorporated in Sri Lanka in 1990.

2. THE PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the Company is letting of office space for commercial purposes.

There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

3. REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement and Business Review on pages 1 to 5 provide an overall assessment of the business performance of the Company and its future developments.

These reports together with the audited financial statements reflect the state of affairs of the Company.

4. FINANCIAL STATEMENTS

The financial statements which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and notes to the financial statements of the Company for the year ended 31st March 2013 are set out on pages 26 to 65 These financial statements do comply with the requirements of the Section 151 of the Companies Act, No 7 of 2007.

4.1. Revenue

The Company generated a revenue of Rs. 15.9 mn. (2012 – Rs.16.5 mn). A detailed analysis of the revenue for the period is given in note 11 to the financial statements.

4.2. Financial results and appropriations

An abridgement of the financial performance of the Company is presented in the table below.

For the year ended 31st March (In Rupees thousands)	2013	2012
Profit for the year	44,973	45,773
Retained earnings brought forward from previous year	7,012	7,713
Retained earnings before appropriations	51,985	53,486
Transfer to fair value adjustment reserve	(40,972)	(40,253)
Dividend paid	-	(6,200)
Deemed distribution	-	(21)
Retained earnings carried forward	11,013	7,012

4.3. Significant accounting policies

The accounting policies adopted in the preparation of these financial statements are given on pages 30 to 41.

For all periods up to and including the year ended 31st March 2012, the Company prepared its financial statements in accordance with Sri Lanka Accounting Standards which were in effect up to that date. Following the convergence of Sri Lanka Accounting Standards with the International Financial Reporting Standards (IFRSs), all existing / new Sri Lanka Accounting Standards were prefixed as SLFRS and LKAS (referred to as "SLFRS" in these financial statements) to represent Sri Lanka Accounting Standards corresponding to international Financial Reporting Standards and Sri Lanka Accounting Standards corresponding to International Accounting Standards (IASs), respectively. Accordingly, the Company adopted these new Sri Lanka Accounting Standards (which are commonly known as SLFRSs) applicable for financial periods commencing from 1st April 2012. These are Company's first financial statements prepared in accordance with LKAS/SLFRS and SLFRS 1 – First time adoption of Sri Lanka Accounting Standards has been applied.

The explanation how the transition to LKAS/ SLFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 32.

4.4. Investment properties

The Company has recognised the carrying value of investment property in the Statement of Financial Position at 'fair value' in accordance with Sri Lanka Accounting Standard (LKAS 40) - 'Investment Property'.

A professional valuation was performed as at 31st March 2013 by Mr. K. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company, Incorporated valuers, based on which a net fair value gain on investment properties were recognized in the financial statements to the value of Rs. 41.0mn. (2012 – Rs.40.3mn) in the financial statements of the Company during the year.

As at the period end, the carrying value of the investment properties of the Company stood at Rs. 725.6mn (2012 – Rs. 570.7mn).

Details of Investment properties are given in note 17 to the financial statements.

4.5. Capital expenditure

The details of capital expenditure of the Company are as follows:

For the year ended 31st March (In Rupees thousands)	2013	2012
Investment properties	112,012	3,560

4.6. Reserves

As at 31st March 2013, the total reserves of the Company stood at Rs. 151.3mn (2012 - Rs 106.3mn).

The movements are set out in the Statement of Changes in Equity and note 21 to the financial statements.

Annual Report of the Board of Directors on the Affairs of the Company

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Statement of Directors' Responsibilities for the Financial Statements is given on page 19 of this Annual Report.

6. INDEPENDENT AUDITOR'S REPORT

The Independent Auditor's Report on the financial statements is given on page 25 of the Annual Report.

7. INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act, No.07 of 2007. All Directors have made declarations as provided for in Section 192(2) of the Companies Act aforesaid.

The relevant details as required by the Companies Act, No. 7 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act.

7.1. Remuneration of Directors

Directors' remuneration for the financial year ended 31st March 2013 is given in note 13 to the financial statements on page 42.

7.2. Directors' Interests in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in note 30 to these financial statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in ordinary shares of the Company.

Directors	No of shares as at	
	31st March 2013	1st April 2012
Mr. D.C.R. Gunawardena (Chairman)	-	-
Mr. K.C.N. Fernando	3,600	3,600
Mr. A.P. Weeratunge	-	-
Mr. E. H. Wijenaike	-	-
Mr. P. D. D. Fernando	-	-

8. DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the inner back cover of the Annual Report.

8.1. Directors to retire by rotation

In terms of Articles 72, 73 and 74 of the Articles of Association of the Company, Mr. P.D.D. Fernando retires by rotation and being eligible offers himself for re-election.

9. CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

9.1. Board of Directors

The following Directors held office as at the reporting date their brief profiles are given on page 16 of the Annual Report.

Directors	Executive	Non-Executive	Independent
Mr. D.C.R. Gunawardena (Chairman)	-	✓	-
Mr. K.C.N. Fernando	✓	-	-
Mr. A.P. Weeratunge	✓	-	-
Mr. E.H. Wijenaike*	-	✓	✓
Mr. P.D.D. Fernando**	-	✓	✓

Each of the Non-Executive Directors of the Company has submitted a signed declaration on Independence/ Non-Independence as per Rule 7.10.2.b of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at the Board Meeting held on 16th May 2013, in order to enable the Board of Directors to determine the Independence / Non-Independence of the Non-Executive Directors.

* The Board has determined that Mr. E.H. Wijenaike is an Independent Director in spite of being a Director of Equity One PLC, in which majority of other Directors of the Board are also Directors, since he is not directly involved in the management of either company.

** The Board has also determined that Mr. P.D.D. Fernando is an Independent Director in spite of being a Director of Equity One PLC, in which majority of other Directors of the Board are also Directors, since he is not directly involved in the management of either company.

9.2. Remuneration Committee

As per the Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CARS), the ultimate parent company, functions as the Remuneration Committee of the Company and comprises of the following members;

Remuneration Committee Members	Executive/Non Executive/Independent
Mr. I. Paulraj (Chairman)	Non-Executive/ Independent Director of CARS
Mr. M. Moonesinghe	Non-Executive/ Independent Director of CARS
Mr. D.C.R. Gunawardena	Non-Executive Director of CARS

The Committee has formulated a remuneration policy based on market and industry factors and individual performance for all Group companies.

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under note 13 on page 42 of this Annual Report.

Executive Directors are not compensated for their role on the Board.

Annual Report of the Board of Directors on the Affairs of the Company

9.3. Audit Committee

As per the Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange, the Audit Committee of Carson Cumberbatch PLC (CARS), the ultimate parent Company, functions as the Audit Committee of the Company and comprises of the following members:

Audit Committee Members	Executive/Non Executive/Independent
Mr. V. P. Malalasekera (Chairman)	Non-Executive/ Independent Director of CARS
Mr. D. C. R. Gunawardena	Non-Executive Director of CARS
Mr. F. Mohideen	Non-Executive/ Independent Director of CARS

The Audit Committee Report is given on pages 17 to 18 of this Annual Report.

9.4. Directors Meeting Attendance

Three (03) Board Meetings were convened during the financial year and the attendance of the Directors were as follows:

Directors	Meetings attended (out of 3)
Mr. D.C.R. Gunawardena (Chairman)	3
Mr. K.C.N. Fernando	3
Mr. A.P. Weeratunge	3
Mr. E.H. Wijenaike	3
Mr. P.D.D. Fernando	3

10. NOMINATION COMMITTEE

The Nomination Committee of Equity One PLC (EQIT), the parent company, functions as the Nomination Committee of the Company and comprises of the following members:

Nomination Committee Members	Executive/Non Executive/Independent
Mr. S. Nagendra (Chairman)	Non-Executive / Independent Director of EQIT
Mr. D.C.R. Gunawardena	Non-Executive Director of EQIT
Mr. P.D.D. Fernando	Non-Executive / Independent Director of EQIT

The primary objective of the Nomination Committee is to recommend the appointments of new Directors to the Board and the Nomination of Members to represent the Company in Group Companies / Investee Companies.

11. INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a company-wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the element of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallization of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon. Effective maintenance of internal controls

and risk identification and mitigation is handed down to the respective members of senior management within the guidelines of benchmark policies, procedures and authority limits clearly laid down.

Group Internal Audit, whose scope of scrutiny is entirely driven by grading of the risk involved, will be monitoring and providing feedback to the management and respective Audit Committees. Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the Directors abreast of the health of the Company's resource base and governance requirements.

This allows the Board to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. More detailed description of the risk management strategies of the Company is given on pages 20-23 to this Annual Report.

12. INDEPENDENT AUDITORS

The Company's auditors during the year under review were Messrs. KPMG, Chartered Accountants.

A sum of Rs. 125,000/- (2012 - Rs. 109,000/-) was paid to them by the Company as audit fees for the year ended 31st March 2013. In addition to the above, the auditors were paid Rs. 83,000/- (2012 – Rs. 46,000/-) as professional fees for non-audit services.

The retiring auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Independent Auditors of the Company and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the auditors, its effectiveness and their relationship with the Company, including the level of audit and non-audit fees paid to the auditors.

12.1. Auditors' relationship or any interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the auditors do not have any interest with the Company that would impair their independence.

13. SIGNIFICANT EVENTS DURING THE YEAR

13.1. Proposed Capacity Expansion of Equity Two PLC

During the year, the Company contracted to refurbish and renovate the building situated at assessment No. 55, Janadhipathi Mawatha (adjoining to the existing building); which the Company acquired in 2005 and has since been abandoned due to significant damages caused to the building from the terrorist attack targeting the Central Bank in 1996. Based on preliminary estimates, the project would cost approximately Rs. 175mn and will be mainly financed through bank borrowings. Expected completion has been cited as June 2013. The project is expected to add nearly 40,000 square feet of rentable office space to the existing capacity, thereby resulting in a total rentable office space of around 82,000 square feet for the Company.

As of the reporting date, an amount of Rs. 98.9 mn has been incurred on the said project and is included in Capital work-in progress.

Annual Report of the Board of Directors on the Affairs of the Company

14. RELATED PARTY TRANSACTIONS EXCEEDING 10% OF THE EQUITY OR 5% OF THE TOTAL ASSETS OF THE COMPANY

The following notes explains the related party transactions taken place during the year, the value of which exceeds 10% of the equity or 5% of the total assets of the Company, as required by Section 7.6.xvi of the Listing Rules of the Colombo Stock Exchange.

Equity One PLC	
The date of the transaction	8th February 2013
The name of the relevant Related Party	Equity One PLC
The relationship between the Entity and the Related Party	Parent company
The amount of the transaction and terms of the transaction	A series of short-term advances totaling to Rs. 30,389,178/- as at the above date provided to the Company (the transactions, each of which individually do not exceed the threshold requiring immediate disclosure as per the listing rules), repayable on demand, at an interest rate of AWPLR +1%
The rationale for entering into the transaction	These transactions constituted short-term advances as a bridging financing arrangement, until the approved bank borrowing facility with Commercial Bank of Ceylon PLC is executed.
Carson Cumberbatch PLC	
The date of the transaction	14th March 2013
The name of the relevant Related Party	Carson Cumberbatch PLC
The relationship between the Entity and the Related Party	Ultimate parent company
The amount of the transaction and terms of the transaction	A series of short-term advances totaling to Rs. 31,353,486/- as at the above date provided to the Company (the transactions, each of which individually do not exceed the threshold requiring immediate disclosure as per the listing rules), repayable on demand, at an interest rate of AWPLR +1%
The rationale for entering into the transaction	These transactions constituted short-term advances as a bridging financing arrangement, until the approved bank borrowing facility with Commercial Bank of Ceylon PLC is executed.

The details of amounts due to / from related parties are disclosed in note 30.3.1, 30.3.2 and 30.3.3 to the financial statements.

15. HUMAN RESOURCES

The Company continued to invest in human capital development and implement effective human resource practices and policies to develop and build an efficient and effective workforce aligned around business priorities and to ensure that its employees are developing the skills and knowledge required for the future success of the Company.

The number of persons employed by the Company as at 31st March 2013 were 4 (2012 - 4).

16. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company endeavors at all times to ensure equitable treatment to all shareholders.

17. ENVIRONMENTAL PROTECTION

The Company is sensitive to the needs of the environment and makes every endeavour to comply with the relevant environmental laws, regulations and best practices applicable in the country. After making adequate inquiries from the management, the Directors are satisfied that the Company operates in a manner that minimizes the detrimental effects on the environment and provides services that have a beneficial effect on the customers and the communities within which the Company operate.

18. DIVIDENDS

The Directors do not recommend a dividend for the financial year ended 31st March 2013 (2012 - Nil).

19. SOLVENCY TEST

Since there is no distribution proposed for the financial year ended 31st March 2013, the measurement of the Solvency Test requirement under Section 56 (2) of the Companies Act No. 7 of 2007, did not arise.

20. STATED CAPITAL

The Stated Capital of the Company as at 31st March 2013 was Rs. 444.1mn consisting of 31,000,000 ordinary shares. There was no change in the stated capital of the Company during the year.

21. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief were satisfied that all statutory payments have been paid up to date or have been provided for in the financial statements.

22. GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared based on the going concern concept.

23. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements, other than those disclosed in note 31 to the financial statements, if any.

24. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The contingent liabilities and commitments made on account of capital expenditure as at 31st March 2013 are given in note 27 to the financial statements.

Annual Report of the Board of Directors on the Affairs of the Company

25. CORPORATE DONATIONS

There were no donations granted during the year.

26. TWENTY MAJOR SHAREHOLDERS

The parent company, Equity One PLC holds 88.81% of the total ordinary shares in issue of the Company.

27. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 66 and 68 to 69 of this Annual Report.

As at 31st March	2013		2012	
Name of Shareholders	No. of shares	%	No. of shares	%
Equity One PLC	27,532,525	88.81	27,532,525	88.81
Bank of Ceylon A/C - Ceybank Unit Trust	1,567,454	5.06	1,510,580	4.87
Mr. K.C. Vignarajah	89,096	0.29	76,900	0.25
Mr. S.N.C.W.M.B.C. Kandegedara	75,000	0.24	75,400	0.24
Mrs. S.C.R. Thambimuttu	69,700	0.22	69,700	0.22
Mr. H.W.M. Woodward	61,100	0.20	61,100	0.20
Seylan Bank PLC / Mr.S.N.C.W.M.B.C. Kandegedara	59,600	0.19	59,600	0.19
Mr. L.L. Hettiarachchi	55,373	0.18	52,992	0.17
Tranz Dominion, L.L.C.	50,000	0.16	50,000	0.16
Mr. K.R.G. Wijesundara	42,589	0.14	50,000	0.16
Mr. I. Paulraj	41,000	0.13	41,000	0.13
Waldock Mackenzie Ltd/Hl-Line Trading (Pvt) Ltd	28,337	0.09	-	-
Mr. H.G.N.U.C. Wijayaweera	26,650	0.09	23,500	0.08
Miss C.M. Wickramasekera	25,300	0.08	25,300	0.08
Mr. U.G. Bulumulle	25,000	0.08	25,000	0.08
Mr. A.A. Noordeen	23,900	0.08	23,900	0.08
Mr. C.N. Pakianathan	23,600	0.08	15,100	0.05
Mr. P. Somadasa	22,775	0.07	26,900	0.09
Merchant Bank of Sri Lanka Limited / Union Investments Limited	20,200	0.07	20,200	0.07
Mr. J.B. Hirdaramani	16,000	0.05	16,000	0.05

28. ANNUAL REPORT

The Board of Directors on the 16th May 2013 approved the Financial Statements together with the Reviews which form part of the Annual Report. The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka, Accounting and Auditing Standard Monitoring Board and the Registrar of Companies within the given time frames.

29. ANNUAL GENERAL MEETING

23rd Annual General Meeting of the Company will be held on Wednesday, 19th day of June 2013 at 2.30 p.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 7.

The Notice of the Annual General Meeting is on page 70 of this Annual Report.

Signed on behalf of the Board,

(Sgd).
D.C.R. Gunawardena
Chairman

(Sgd).
K.C.N. Fernando
Director

(Sgd).
K.D. De Silva (Mrs).
Director
Carsons Management Services (Private) Limited
Secretaries

Colombo.
16th May 2013

Profiles of the Directors

Chandima Gunawardena

Chandima Gunawardena serves as a Non-Independent Non-Executive Director of Carson Cumberbatch PLC and in most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non-Executive status in the group in 2011, he serves as an advisor to the Group's Strategic Planning and Management Forums in Sri Lanka and serves on Board Committees including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the group. Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990. He has served in the Management Committee of The Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years. He is a Fellow of the Chartered Institute of Management Accountants, UK.

Nalake Fernando

Nalake Fernando is a Director of the Property Management Companies of the Carson Cumberbatch Group. He is also a Director of Carsons Management Services (Private) Limited and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. Was the Country representative for Sri Lanka with Dalekeller & Associates Ltd., Designers and Skidmore Ownings & Merrill Architects. Counts over 39 years of work experience. Was a Director of SKC Management Services Ltd. Holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

Ajith Weeratunge

Ajith Weeratunge is a Director of Carson Cumberbatch Group's Management Company, Carsons Management Services (Private) Limited and holds the position of Head of Finance. He is also a Director of Equity One PLC, as well as the Group's Investment Holding Sector - Ceylon Investment PLC and Rubber Investment Trust Limited. Accounts for more than 32 years of finance related experience in the mercantile sector and has held positions in Lanka Walltile Ltd., Union Apparels (Pvt) Ltd., John Keells Holdings PLC, Phoenix Industries (Pvt) Ltd and Ceylon Beverage Holdings PLC. He is a Fellow member of the Chartered Institute of Management Accountants of UK.

Eranjith Wijenaike

Eranjith Wijenaike is a Director of Equity One PLC and Managing Director of Central Finance Company PLC. He is also a Director of several other listed companies both within and outside the Central Finance Group with over 29 years of management experience. Holds a Bachelor's Degree in Commerce and a Postgraduate Diploma in Finance and Management. Member of the Chartered Institute of Management, UK.

Donald Fernando

Donald Fernando is a Director of Equity One PLC and the Managing Director of Conimex (Private) Limited – Civil Engineers and Director of Fernando Rajapakse Associates (Private) Limited – Consulting Engineers and Project Managers and Director of Saramanda Lanka (Guarantee) Limited. In 1965, earned a B.Sc (Eng.) Degree in Civil Engineering from the University of Ceylon. Civil Engineer with the Sri Lanka Ports Authority till 1969. From 1969 to 1982 worked as Civil Engineer in London. Member of the Institution of Civil Engineers, London in 1969. He is also a Member of the Institution of Engineers, Sri Lanka and a Member of the Society of Structural Engineers, Sri Lanka.

Audit Committee Report

As provided by the Colombo Stock Exchange Listing Rules, the Audit Committee of Carson Cumberbatch PLC (CCPLC)-the ultimate Parent Company is the Audit Committee of the Company.

The purpose of the Audit Committee of CCPLC is as follows :

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

The members of the Audit Committee are as follows:

Audit Committee Members	Executive/Non-Executive/Independent
Mr.Vijaya Malalasekera (Chairman)	Non-Executive, Independent (CCPLC)
Mr.Chandima Gunawardena	Non-Executive (CCPLC)
Mr. Faiz Mohideen	Non-Executive, Independent (CCPLC)

Mr.Vijaya Malalasekera is a Non-Executive, Independent Director of CCPLC and a former Director of Ceylon Tobacco Company PLC.

Mr.Chandima Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr.Faiz Mohideen, a Non-Executive, Independent Director of CCPLC, was the former Deputy Secretary to the Treasury and a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

The audit aspects of Equity Two PLC are conducted within the Agenda of CCPLC-Audit Committee.

CCPLC-Audit Committee held 04 Meetings during the financial year to discuss matters relating to the Company and the attendance of the Members of the Audit Committee was as follows :

Meetings attended (out of four)	
Mr.Vijaya Malalasekera (Chairman)	04
Mr.Chandima Gunawardena	04
Mr.Faiz Mohideen	04

The Financial Controller-Carsons Management Services (Private) Limited-Managers, internal auditors and senior management staff members also attended the Audit Committee Meetings by invitation.

The Committee met the external auditors twice during the year, i.e. to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Audit Committee also met the external auditors, Messrs.KPMG and discussed the draft Financial Report and Accounts, without the management being present.

In accordance with the audit plan formulated and approved by the Audit Committee for the financial year 2012/2013, the Group Internal Audit (GIA) carried out a detailed audit of key processes of Property Sector companies.

The findings and contents of the Group Internal Audit reports have been discussed with the management and subsequently the audit reports were circulated to the Audit Committee and to the management. The objectives of the GIA work was to have an

Audit Committee Report

independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective/preventive action where necessary.

The interim financial statements of Equity Two PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings.

For all periods up to and including the year ended 31st March 2012, the Company prepared its financial statements in accordance with the Sri Lanka Accounting Standards, which were in effect up to that date. Following the convergence of the Sri Lanka Accounting Standards with the International Financial Reporting Standards (IFRSs), all existing/new Sri Lanka Accounting Standards were prefixed as SLFRS and LKAS (referred to as "SLFRS" in these financial statements) and with effect from the financial periods beginning on or after 1st January 2012, it was mandatory for the Company to comply with the requirements of the said new / revised Sri Lanka Accounting Standards (LKAS/SLFRS). The adoption of the new/revised accounting framework required amendments to the basis of recognition, measurement and disclosure of transactions and balances in the financial statements of the Company, which are duly addressed in the financial statements for the year ended 31st March 2013. The transition and the resultant impact arising from the adoption of the new/revised accounting standards on the financial statements of the Company were audited by Messrs. KPMG, Chartered Accountants, the Auditors, during the year end audit.

The draft financial statements of Equity Two PLC for the year ended 31st March 2013 were reviewed at a Meeting of the Audit Committee, together with the External Auditors, Messrs. KPMG, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required, by the Managers, Carsons Management Services (Private) Limited that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

The Audit Committee has determined that Messrs. KPMG, Chartered Accountants, Auditors were independent on the basis that they did not carry out any management related functions of the Company.

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2014, subject to the approval of the shareholders of Equity Two PLC at the Annual General Meeting.

(Sgd).
V.P. Malalasekera
Chairman – Audit Committee
Carson Cumberbatch PLC

16th May 2013

Statement of Directors' Responsibilities

The responsibilities of the Directors, in relation to the financial statements are detailed in the following paragraphs, while the responsibilities of the auditors are set out in the Independent Auditors' Report.

According to the Companies Act, No. 7 of 2007 and Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, Directors are required to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the performance for the said period.

The financial statements comprise of inter alia:

- a Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of the financial year:
- a Statement of Comprehensive Income of the Company, which presents a true and fair view of the profit and loss and other comprehensive income of the Company for the financial year.

In preparing these financial statements, the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently, while material departures, if any, have been disclosed and explained;
- all applicable Accounting Standards have been complied with; and
- reasonable and prudent judgments and estimates have been made.
- provides the information required by and otherwise comply with the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company, and for ensuring that the financial statements have been prepared and presented in accordance with Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, and meet with the requirements of the Companies Act, No. 7 of 2007.

They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard to give proper consideration to the establishment and effective operation of appropriate systems of internal control with a view to prevent, detect and rectify fraud and other irregularities.

These financial statements have been prepared on a going concern basis since the Directors are of the view that the Company has adequate resources to continue in operation in the foreseeable future from the date of approving these financial statements. The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

The Directors confirm that to the best of their knowledge,

- all taxes, duties and levies payable to the statutory bodies,
- all contributions, levies and taxes payable on behalf of and in respect of the employees and
- all other known statutory dues as were due and payable

by the Company as at the reporting date have been paid, or where relevant provided for in these financial statements.

By Order of the Board,

(Sgd).
K. D. De Silva (Mrs).
Director
Carsons Management Services (Private) Limited
Secretaries

Colombo.
16th May 2013

Risk Management

Risk management has become an integral part of business and management. These practices provide reasonable assurance through the process of identification and management of events, situations or circumstances which, even if they occur, would not adversely impact the achievement of objectives of the business. In other words, risk management practices will ensure minimum impact from adverse events and will help to maximize the realization of opportunities whilst risks are managed until they are mitigated and re-assessed to be within company's risk appetite.

Enterprise Risk Management (ERM) provides a common process and terminology for all risk management activities. Its main goals focus on fostering risk awareness and promoting proactive management of threats and opportunities.

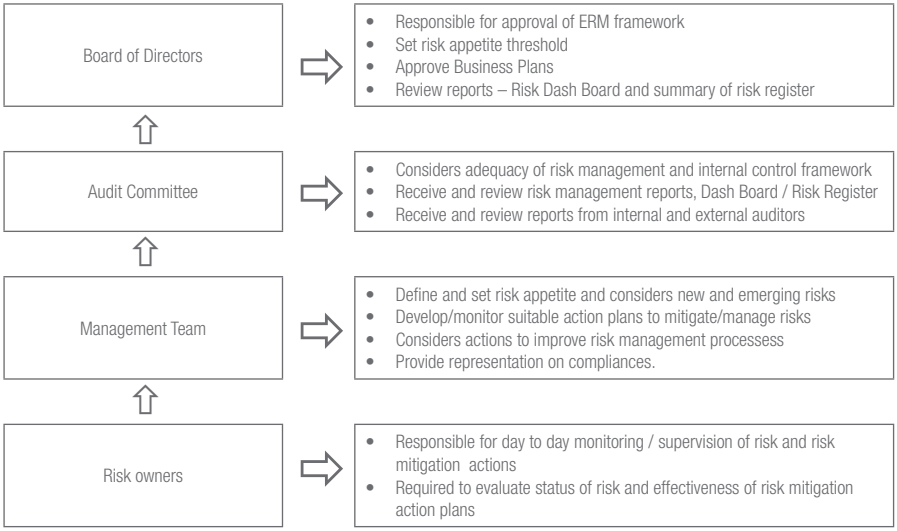
In implementing the business plan, the Company has embodied enterprise risk management to its business activities. This risk management process supports;

- Corporate Governance
- Quality of business planning
- Audit planning
- Project planning and implementation
- Building confidence of various stakeholder groups

Risk management re-validates that the relevant internal control systems are in place and provides assurance to the Management/Board of Directors that processes are robust and working effectively.

Risk Management Governance Structure includes a reporting framework within the organisation and to the Board of Directors, thereby allowing Directors to assume their supervisory function for better Corporate Governance.

We are of the view that Risk Management is one of the driving factors of sustainability of operations and have identified the following risk profiles. The principal risks thus identified are considered and reviewed at various stages within our business process continuously.



Risk	Impact	Risk rating	Risk response & strategies
Business Risks	Changes in the supply and demand ratio in the real estate market and other factors such as depressing property values, unexpected disputes with contractors and tenants, changes to the laws relating to property development, stamp duty, income tax and capital gains tax could affect the profitability and viability of the business. Further, property owned by company is situated within the high security zone in Colombo Fort. However, we have seen significant improvement in development activities in the surrounding area, relieved restrictions and enabled access.	Moderate	We are extremely cautious when selecting contractors and consultants for our projects. We ensure that they are well experienced, reputed and also evaluate their work in previous projects. By entering into comprehensive and clear agreements, we ensure that communication gaps and disputes are minimised to a greater extent. We also maintain close and meaningful relationships with relevant government and local authorities and institutes.
Liquidity Risk	Inability to raise funds or effect payments when required.	Moderate	The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company has access to short-term financing facilities extended from the parent company, Equity One PLC and the ultimate parent company, Carson Cumberbatch PLC.

Risk Management

Risk	Impact	Risk rating	Risk response & strategies
Credit Risk	The credit risk of the Company is mainly derived from the rent receivable from its tenants. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure.	Low	This risk is mitigated to a greater extent as a result of the rent deposits collected from external tenants, which can be used to recover any unpaid rents. The Company implements following controls also to mitigate this risk. - Continuous and regular evaluation of credit worthiness of tenants - Ongoing monitoring and follow up of receivable balances.
Foreign Exchange Risk	Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates.	Low	The Company has no direct impact from currency risks as income and expenses arising from its operations and assets and liabilities are denominated in Sri Lankan Rupees which is the functional currency of the Company.
Interest Rate Risk	Interest rate risk is the risk arising due to the volatility of the interest rates in the markets affecting the future cash flows.	Low	Financial strength of the ultimate parent company, Carson Cumberbatch PLC is used via group treasury in negotiating the rates. However, the Company does not carry any borrowings from external financial institutions as at the reporting date.
Systems and process risks	The risk of direct or indirect losses due to inadequate or failed internal processes and systems.	Low	- Maintain detail procedure manuals and provide training and guidelines for new recruits. - The internal audit function of the Group carryout regular review on internal control systems and processes and recommends process improvements if shortcomings are noted.

Risk	Impact	Risk rating	Risk response & strategies
Human Resource Risk	Attracting, developing and retaining talented employees are essential to deliver the Company's objectives. Failure to determine the appropriate mix of skills required to implement the Company strategies and failure to retain or develop the right number of appropriately qualified staff could affect the achievement of the Company's objectives.	Low	The following initiatives have been implemented by the company. - Ensure recruitments are carried out to hire employees with required qualification, knowledge and experience - Availability of detailed job descriptions and role profiles for each job. - Human resource policies are focused on encouraging continuous training and development and ensuring appropriate compensation as per market rates to retain and develop employees.
Legal & Regulatory Compliance	Failure to comply with regulatory and legal framework applicable to the Company.	Low	The management together with the Carsons group legal division proactively identifies and set up appropriate systems and processes for legal and regulatory compliance in respect of Company's operations. - Arrange training programs and circulate updates for key employees on new / revised laws & regulations on need basis. - Provide comments on draft laws to government and regulatory authorities. - Obtain comments and interpretations from external legal consultants on areas that require clarity. - Obtain compliance certificates from management on quarterly basis on compliance with relevant laws and regulations.

Risks arising from unforeseen events such as natural disasters are covered by obtaining appropriate and comprehensive insurance covers.

FINANCIAL CALENDAR

Financial year end	31st March 2013
23rd Annual General Meeting	19th June 2013

ANNOUNCEMENT OF RESULTS

Interim financial statements published in terms of the Listing Rules of the Colombo Stock Exchange

1st Quarter ended 30th June 2012	14th August 2012
2nd Quarter ended 30th September 2012	14th November 2012
3rd Quarter ended 31st December 2012	14th February 2013

Independent Auditor's Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

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Internet : www.lk.kpmg.com

TO THE SHAREHOLDERS OF EQUITY TWO PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Equity Two PLC ("the Company"), which comprise the statement of financial position as at March 31, 2013, the statements of comprehensive income, changes in equity and cash flow for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information set out on pages 26 to 65 of the annual report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion- Company

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2013 and the financial statements give a true and fair view of the financial position of the Company as at March 31, 2013, and of its financial performance and its cash flow for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS

Colombo,
16th May 2013.

Statement of Comprehensive Income

(All figures are in Sri Lankan Rupees Thousands)

For the year ended 31st March	Note	2013	2012
Revenue	11	15,876	16,489
Direct cost		(13,217)	(12,705)
		2,659	3,784
Other income	12	1,906	1,546
Net gains arising from changes in fair value of investment properties	17	40,972	40,253
		45,537	45,583
Administrative and other operating expenses		(2,905)	(3,687)
Results from operating activities	13	42,632	41,896
Finance income	14	1,909	5,006
Finance costs	14	(122)	(56)
Net finance income	14	1,787	4,950
Profit before taxation		44,419	46,846
Current taxation	15	(669)	(106)
Deferred taxation	15	1,223	(967)
Profit for the year		44,973	45,773
Other comprehensive income			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		44,973	45,773
Earnings per share (Rs.)	16	1.45	1.48
Dividend per share (Rs.)		-	-

The notes from pages 30 to 65 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Financial Position

(All figures are in Sri Lankan Rupees Thousands)

As at 31st March	Note	2013	2012	1st April 2011
ASSETS				
Non-current assets				
Investment properties	17	725,635	570,747	526,934
Total non-current assets		725,635	570,747	526,934
Current assets				
Trade and other receivables	18	4,898	30,067	31,582
Cash and cash equivalents	19	4,373	552	6,075
Total current assets		9,271	30,619	37,657
Total assets		734,906	601,366	564,591
EQUITY AND LIABILITIES				
Equity				
Stated capital	20	444,092	444,092	444,092
Capital reserves	21.1	750	750	750
Revenue reserves	21.2	150,553	105,580	66,028
Total equity		595,395	550,422	510,870
Non-current liabilities				
Refundable rental deposits	22	2,360	-	1,265
Deferred taxation	23	46,224	47,447	46,480
Employee benefits	24	1,469	1,257	1,284
Total non-current liabilities		50,053	48,704	49,029
Current liabilities				
Trade and other payables	25	88,717	2,125	3,721
Deferred revenue	26	401	-	52
Current tax liabilities		340	115	919
Total current liabilities		89,458	2,240	4,692
Total liabilities		139,511	50,944	53,721
Total equity and liabilities		734,906	601,366	564,591
Net assets per share (Rs.)		19.21	17.76	16.48

The notes from pages 30 to 65 form an integral part of these financial statements.

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

(Sgd).
V.R. Wijesinghe
Financial Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 16th May 2013.

Approved and signed on behalf of the Managers,

(Sgd).
A.P. Weeratunge
Director
Carsons Management Services (Private) Limited.

Approved and signed on behalf of the Board,

(Sgd).
D.C.R. Gunawardena
Chairman

(Sgd).
K.C.N. Fernando
Director

Colombo,
16th May 2013

Statement of Changes in Equity

(All figures are in Sri Lankan Rupees Thousands)

	Stated capital	Capital reserves	Revenue reserves		Total equity
		Machinery replacement reserve	Fair value adjustment reserve	Retained earnings	
Balance as at 1st April 2011	444,092	750	58,315	7,713	510,870
Total comprehensive income for the year	-	-	-	45,773	45,773
Transfers	-	-	40,253	(40,253)	-
Dividend paid	-	-	-	(6,200)	(6,200)
Deemed distribution	-	-	-	(21)	(21)
Balance as at 31st March 2012	444,092	750	98,568	7,012	550,422
Balance as at 1st April 2012	444,092	750	98,568	7,012	550,422
Total comprehensive income for the year	-	-	-	44,973	44,973
Transfers	-	-	40,972	(40,972)	-
Balance as at 31st March 2013	444,092	750	139,540	11,013	595,395

The notes from pages 30 to 65 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Cash Flow

(All figures are in Sri Lankan Rupees Thousands)

For the year ended 31st March	Note	2013	2012
Cash flows from operating activities			
Profit before taxation		44,419	46,846
Adjustments for:			
Finance costs	14	122	56
Finance income	14	(1,909)	(5,006)
Net gain arising from changes in fair value of investment properties	17	(40,972)	(40,253)
Write off of assets	17	37	-
Provision for employee benefits	24	212	(27)
Amortization of deferred revenue		(133)	(52)
Operating profit before working capital changes		1,776	1,564
(Increase) / decrease in trade and other receivables		(879)	(461)
Increase / (decrease) in trade and other payables		(393)	(1,596)
Operating profit after working capital changes		504	(493)
Rental deposits received	22	2,772	-
Rental deposits refunded	22	-	(1,321)
Gratuity paid	24	-	-
Income tax paid		(444)	(910)
Net cash generated from / (used in) operating activities		**2,832**	**(2,724)**
Cash flows from investing activities			
Additions to investment properties	17	(112,012)	(3,560)
Amounts settled on related party lending		26,833	4,564
Interest received		1,124	2,397
Net cash generated from / (used in) investing activities		(84,055)	3,401
Cash flows from financing activities			
Dividend paid		-	(6,200)
Amounts borrowed from related parties		85,044	-
Net cash generated from / (used in) financing activities		85,044	(6,200)
Net increase / (decrease) in cash and cash equivalents		3,821	(5,523)
Cash and cash equivalents at the beginning of the year		552	6,075
Cash and cash equivalents at the end of the year (note 19)		4,373	552

The notes from pages 30 to 65 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. Reporting entity

Equity Two PLC is a limited liability company which is incorporated and domiciled in Sri Lanka. The shares of the Company have a primary listing on the Colombo Stock Exchange.

The registered office and the principal place of business of the Company is located at No. 61, Janadhipathi Mawatha, Colombo 1.

The business activities of the Company is focused on the real estate sector providing office premises on rental. There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

The Company had 4 (2012 - 4) employees as at the reporting date.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Company comprise the statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows together with notes to the financial statements.

The financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act No. 7 of 2007.

For all periods up to and including the year ended 31st March 2012, the Company prepared their financial statements in accordance with Sri Lanka Accounting Standards which were in effect up to that date. Following the convergence of Sri Lanka Accounting Standards with the International Financial Reporting Standards (IFRSs), all existing/ new Sri Lanka Accounting Standards were prefixed as SLFRS and LKAS (referred to as "SLFRS" in these financial statements) to represent Sri Lanka Accounting Standards corresponding to International Financial Reporting Standards and Sri Lanka Accounting Standards corresponding to International Accounting Standards (IASs), respectively. Accordingly, the Company adopted these new Sri Lanka Accounting Standards (which are commonly known as SLFRSs) applicable for financial periods commencing from 1st April 2012.

These are the Company's first financial statements prepared in accordance with LKAS/SLFRS and SLFRS 1 - First time adoption of Sri Lanka Accounting Standard has been applied.

The explanation how the transition to LKAS/ SLFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 32

These financial statements were authorised for issue by the Board of Directors on 16th May 2013.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position:

- non-derivative financial instruments classified as 'Loans and receivables' and 'Other financial liabilities' measured at amortised cost
- investment properties are measured at fair value;
- defined benefit obligations are measured at its present value, based on an actuarial valuation as explained in note 24.

These financial statements have been prepared on the basis that the Company would continue as a going concern for the foreseeable future.

(c) **Functional and Presentation Currency**
Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operate ('the functional currency'). The financial statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

(d) **Use of estimates and judgements**
The preparation of the financial statements in conformity with LKAS/SLFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Determination of owner-occupied properties and investment properties
In determining whether a property qualifies as investment property the Company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets. Judgment is also applied in determining if ancillary services provided are significant, so that a property does not qualify as investment property.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Assessment of Impairment - Key assumptions used in discounted cash flow projections
The Company assesses at each reporting date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset.

Notes to the Financial Statements

- Deferred taxation - utilization of tax losses
  Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the level of future taxable profits together with future tax planning strategies.

- Defined benefit plans
  The assessment of the liability of defined benefit obligations involves a significant element of assumptions; including discount rates, future salary increases, mortality rates and future pension increases and due to the long-term nature of these plans, such estimates are subject to uncertainty.

- Current taxation
  Current tax liabilities are provided for in the financial statements applying the relevant tax statutes and regulations which the management believes reflect the actual liability. There can be instances where the stand taken by the Company on transactions is contested by revenue authorities. Any additional costs on account of these issues are accounted for as a tax expense at the point the liability is confirmed on the Company.

(e) **Materiality and aggregation**
Each material class of similar items is presented in aggregate in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements of the Company and in preparing the opening SLFRS Statement of Financial Position at 1st April 2011 for the purposes of the transition to SLFRSs, unless otherwise indicated.

(a) **Foreign currency**

(i) Foreign currency transactions
Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) **Financial instruments**

(i) **Non-derivative financial assets**

The Company initially recognises "loans and receivables" on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Company only holds financial assets, that are categorized in to the 'loans and receivables' classification.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, placements in government securities and placements in repurchase agreements with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(ii) **Non-derivative financial liabilities**

The Company initially recognises subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the 'other financial liabilities' category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Notes to the Financial Statements

Other financial liabilities comprise loans and borrowings, refundable rental deposits, trade and other payables and bank overdrafts.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

(iii) Stated capital

Ordinary shares

Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognised as an expense.

(c) **Investment property**

Investment property is property held either to earn rental income or capital appreciation or for both; but not for sale on the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the reporting date. Formal valuations are carried out every 3 years by qualified valuers. Gains or losses arising from changes in the fair values of investment properties are included in the profit of loss in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the Income Statement in the year of retirement or disposal.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement/ end of owner occupation, commencement of development with a view to sale, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the Income Statement.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(d) **Capital Work-in-Progress**

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of

an asset. Capital in progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

(e) Impairment

(i) Non-derivative financial assets

Financial assets classified as 'loans and receivables' are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets measured at amortised cost

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) on specific assets. Accordingly, all individually significant assets are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Notes to the Financial Statements

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company is liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983. Under the said Act, the liability to an employee arises only on completion of 5 years of continued service.

The liability recognised in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by Sri Lanka Accounting Standard (LKAS 19) - 'Employee Benefits'.

All Actuarial gains or losses are recognised immediately in profit or loss applying the faster recognition approach.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(g) **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(h) **Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(i) **Revenue**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes.

The following specific criteria are used for the purpose of recognition of revenue:

(i) Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(ii) Other Income - on accrual basis.

Net gains and losses of a revenue nature resulting from the disposal of property, plant and equipment have been accounted for in the Income Statement.

(j) **Expenditure Recognition**

(i) Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the investment properties in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for bad and doubtful debts and all known liabilities.

(ii) Finance income and finance costs

Finance income comprises interest income on funds invested.

Notes to the Financial Statements

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions and deferred considerations.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(k) Income Tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the non-declaration of dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for: temporary differences on the initial recognition of assets or liabilities in a transaction and that affects neither accounting nor taxable profit or loss;

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the resumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, based on the level of future taxable profit forecasts and tax planning strategies.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(l) Economic Service Charge (ESC)

As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, is payable on "Liable Turnover" and is deductible from the income tax payments. Any unclaimed ESC can be carried forward and settle against the income tax payable in the four subsequent years.

(m) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales taxes incurred in a purchase of assets services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amounts of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(n) Cash flow

Interest paid is classified as financing cash flows while interest received is classified as investing cash flows, for the purpose of presentation of Cash Flow Statement which has been prepared using the "Indirect Method".

4. Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

5. Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is charged.

Notes to the Financial Statements

6. Events after the reporting date

All material and important events which occur after the reporting date have been considered and disclosed in note 31.

7. Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

8. Presentation

Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

Where appropriate, the significant accounting policies are disclosed in the succeeding Notes.

Offsetting Income and Expenses

Income and expenses are not offset unless required or permitted by accounting standards.

Offsetting Assets and Liabilities

Assets and liabilities are offset and the net amount reported in the Statement of financial position only where there is:

- a current enforceable legal right to offset the asset and the liability; and
- an intention to settle the liability simultaneously

9. Directors' responsibility

The Board of Directors is responsible for the preparation and presentation of the financial statements. This is more fully described in the Statement of Directors Responsibilities.

10. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investment property

An external independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Company's investment property portfolio every three years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting

vacant accommodation, the allocation of maintenance responsibilities between the Company and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

(ii) **Trade and other receivables**

The fair values of trade and other receivables, excluding construction work in progress, are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each reporting date.

(iii) **Other non-derivative financial liabilities**

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

For finance leases the market rate of interest is determined with reference to similar lease agreements.

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

For the year ended 31st March		2013	2012
11.	**Revenue**		
	Property rental income	15,876	16,489
		15,876	16,489
12.	**Other income**		
	Profit on disposal of assets	1,183	-
	Sundry income	723	1,546
		1,906	1,546
13.	**Profit from operations**		
	Profit from operations is stated after charging all expenses including the following:		
	Auditors' remuneration - audit services	125	109
	Auditors' remuneration - other professional services	83	46
	Professional services cost (note 13.1)	37	67
	Management fees	612	612
	Write-off of assets	37	-
	Personnel costs (note 13.2)	5,812	4,949
13.1	**Professional Services**		
	Legal services	27	27
	Valuation services	10	40
		37	67
13.2	**Personnel costs**		
	Salaries, wages and other related expenses	5,289	4,690
	Defined benefit plan cost - Gratuity (note 24)	212	(27)
	Defined contribution plan cost - EPF and ETF	311	286
		5,812	4,949
	The above include:		
	Directors' emoluments	-	-
	Directors' fees	300	225
		300	225

For the year ended 31st March	2013	2012
14. Net finance income		
Finance income		
Interest income on short-term deposits	263	253
Interest income on other sources	17	34
Interest income on related party lending	1,629	4,719
	1,909	5,006
Finance cost		
Interest expense on related party borrowings	1,941	-
Unwinding of interest on refundable deposits	122	56
	2,063	56
Less: Capitalization of borrowing costs	(1,941)	-
	122	56
	1,787	4,950
15. Income tax expense / (reversal)		
15.1 Current taxation		
Current tax expense for the year (note 15.2)	669	437
Over / (under) provision for previous years	-	(331)
	669	106
Deferred taxation		
On origination and reversal of temporary differences (note 23)	(1,223)	967
	(1,223)	967
	(554)	1,073
15.2 Reconciliation between the accounting profit and the taxable profit		
Accounting profit for the year before taxation	44,419	46,846
Tax effect on;		
- Aggregate disallowable items	2,218	853
- Aggregate allowable claims	(1,979)	(2,099)
Notional adjustments arising on application of LKAS/SLFRS	(12)	(2,704)
Net gains arising from changes in fair value of investment properties	(40,972)	(40,253)
Interest income	(1,909)	(2,397)
Adjusted profit from operations for tax purpose	1,765	246
Interest income	1,909	2,397
Total Statutory Income	3,674	2,643
Utilization of tax losses (note 15.4 b)	(1,286)	(925)
Taxable income	2,388	1,718
Taxation thereon (note 15.4 a)	669	437
Income tax expense for the year	669	437

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

For the year ended 31st March	2013	2012
15.3 Analysis of tax losses		
Tax losses brought forward	12,497	12,922
Adjustment on finalization of tax liability	729	500
Utilization of tax losses during the year (note 15.4.b)	(1,286)	(925)
Tax losses carried forward	11,940	12,497

15.4

(a) In terms of the provisions of the Inland Revenue Act, No.10 of 2006 and amendments thereto, the Company is liable to income tax at a rate of 28% (2012 - 10%).

(b) Utilisation of tax losses are restricted to 35% of current year's Statutory Income. Any unabsorbed tax losses can be carried forward indefinitely.

(c) Deferred tax has been computed using a tax rate of 28% (note 23).

(d) Change in corporate tax rate
The taxable profit of the Company was liable to income tax at a reduced rate of 10% for the year assessment 2011/12, being an undertaking engaged in the provision of services of which the annual turnover is less than Rs. 300mn. The said concessionary tax rate was withdrawn effective from year of assessment 2012/13, waiving off such tax concessions in the context of Groups of companies

16. Earnings per share

The Company's earnings per share is calculated on the profit attributable to the shareholders of Equity Two PLC over the weighted average number of ordinary shares in issue during the year, as required by Sri Lanka Accounting Standard (LKAS 33) - "Earnings per share".

The following reflect the income and share data used in the Earnings per share computation:

	2013	2012
Amount used as the numerator		
Profit for the year	44,973	45,773
Amount used as the denominator		
Weighted average number of ordinary shares outstanding during the year (In thousands)	31,000	31,000
Earnings per share (Rs.)	1.45	1.48

17. Investment properties

17.1

	Land	Building	Other equip-ments	Capital work in-progress	Total as at 31st March 2013	Total as at 31st March 2012	Total as at 1st April 2011
Balance as at the beginning of the year	387,000	183,000	747	-	570,747	526,934	520,445
Additions during the year	-	1,171	708	110,133	112,012	3,560	6,421
Change in fair value of investment properties	43,300	(2,171)	(157)	-	40,972	40,253	72
Disposals / Written-off	-	-	(37)	-	(37)	-	(4)
Borrowing costs capitalized	-	-	-	1,941	1,941	-	-
Balance as at the end of the year	430,300	182,000	1,261	112,074	725,635	570,747	526,934

As at 31st March	2013	2012	1st April 2011
17.2 Analysis of Capital work-in-progress			
Investment properties - Freehold building	51,881	-	-
Investment properties - Other equipment	60,193	-	-
	112,074	-	-
17.3 Capitalization of borrowing costs in to investment properties			
Borrowing costs capitalized as part of the cost of investment properties are as follows.			
Building	1,941	-	-
Other equipments	-	-	-
	1,941	-	-

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

17.4 Valuation of investment properties

Investment properties of the Company are stated based on a valuation performed by Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company, Incorporated valuers, as at 31 March 2013 (for the financial years 2012 and 2011, Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka), an independent professional valuer) the details of which are as follows.

Property and location	Method of valuation	Extent (Acres)	Historical Cost	Fair value 31st March 2013	Fair value 31st March 2012	Fair value 1st April 2011
Equity Two PLC. Janadhipathi Mw., Colombo 1	Market approach	0.54	528,716	725,635	570,747	526,934
			528,716	725,635	570,747	526,934

17.5 Restrictions on title and investment properties pledged as security for liabilities

There were no restrictions on title of investment properties as at the reporting date.

No items of investment properties were pledged as security for liabilities as at the reporting date.

17.6 Contractual obligations to construct and develop investment properties - Proposed capacity expansion

During the year, the Company contracted to refurbish and renovate the building situated at assessment no. 55, Janadhipathi Mawatha (adjoining the existing building); which the Company has acquired in 2005 and has since been abandoned due to significant damages caused to the building from the terrorist attack targeting the Central bank in 1996.

Based on preliminary estimates, the project will cost approximately Rs. 175mn, out of which an amount of Rs. 98.9mn has so far been incurred and accounted for under capital work-in progress.

17.7 All the direct operating expenses of the Company are incurred on investment properties generating rental income.

As at 31st March	2013	2012	1st April 2011
18. Trade and other receivables			
Financial			
Trade receivables	-	-	1,034
Other receivables	3,992	1,507	1,559
Amounts due from related companies (note 30.3.2)	-	26,048	28,024
Loans given to company officers (note 18.1)	305	83	497
	4,297	27,638	31,114
Non-financial			
Prepaid expenses	575	2,051	468
Advance payments	26	378	-
	601	2,429	468
	4,898	30,067	31,582
18.1 Loans given to company officers			
Balance as at the beginning of the year	83	497	1,062
Loans granted during the year	401	44	35
Recovered during the year	(179)	(458)	(600)
Balance as at the end of the year	305	83	497
19. Cash and cash equivalents			
Cash at bank	4,373	552	2,330
Placements in government securities	-	-	3,745
	4,373	552	6,075
20. Stated capital			
Issued and fully paid			
Balance as at the beginning of the year (31,000,000 ordinary shares)	444,092	444,092	444,092
Balance as at the end of the year (31,000,000 ordinary shares)	444,092	444,092	444,092
21. Capital and revenue reserves			
21.1 Capital Reserves			
Machinery replacement reserve	750	750	750
	750	750	750

The movement of the above reserve is given in the Statement of Changes in Equity.
Machinery replacement reserve represent the amounts set aside by the Directors for future expansion and to meet any contingencies.

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

As at 31st March	2013	2012	1st April 2011
21.2 Revenue reserves			
Retained earnings	11,013	7,012	7,713
Fair value adjustment reserve (note 21.2.1)	139,540	98,568	58,315
	150,553	105,580	66,028

The movement of the above reserves are given in the Statement of Changes in Equity.

21.2.1 Fair value adjustment reserve

Any gains arising from fair value adjustment of investment properties will be transferred from retained earnings/accumulated loss to fair value adjustment reserve and any losses arising will be transferred to fair value adjustment reserve to the extent that loss does not exceed the balance held in the said reserve.

As at 31st March	2013	2012	1st April 2011
22. Refundable rental deposits			
Balance as at the beginning of the year	-	1,265	1,650
Receipts during the year	2,772	-	-
Amounts transferred to deferred revenue	(534)	-	-
Refunds made/recovered during the year	-	(1,321)	(474)
Unwinding of discount on refundable deposits	122	56	89
Balance as at the end of the year	2,360	-	1,265
23. Deferred taxation			
Balance as at the beginning of the year	47,447	46,480	69,149
On origination and reversal of temporary difference (note 23)	(1,223)	967	(22,669)
Balance as at the end of the year	46,224	47,447	46,480
23.1 Deferred tax charge / (reversal) for the year			
Investment properties	(1,319)	840	(24,841)
Retirement benefit obligation	(60)	8	42
Tax losses carried forward	156	119	2,130
Net deferred tax charged/(reversed) for the year	(1,223)	967	(22,669)

As at 31st March	2013	2012	1st April 2011
23.2 Deferred tax assets			
Tax effect on employee benefits	412	352	360
Tax effect on tax losses	3,343	3,499	3,618
Total deferred tax assets	3,755	3,851	3,978
23.3 Deferred tax liabilities			
Tax effect on investment properties	49,979	51,298	50,458
Total deferred tax liabilities	49,979	51,298	50,458
Net deferred tax liabilities	46,224	47,447	46,480

23.4 Corporate income tax rates used in assesing the deferred tax liability

As provided for in Sri Lanka Accounting Standard (LKAS 12) - "Income taxes", deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Accordingly deferred taxation has been computed using the current tax rate of 28%.

As at 31st March	2013	2012	1st April 2011
24. Employee benefits			
The movement in the liabilities recognised in the Statement of financial position is as follows:			
Balance as at the beginning of the year	1,257	1,284	1,149
Provision for the year (note 24.1)	212	(27)	797
Payments made during the year	-	-	(662)
Balance as at the end of the year	1,469	1,257	1,284
24.1 The amounts recognized in the Statement of comprehensive income are as follows;			
Current service cost	79	72	67
Interest costs	126	128	138
Actuarial (gains)/losses	7	(227)	592
Charge for the year	212	(27)	797

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

24.2 The gratuity liability as at 31st March 2013 amounting to Rs. 1,468,990/- (2012 - Rs. 1,256,921/-) is made based on an actuarial valuation carried out by Mr. M. Poopalanathan of Messrs. Actuarial and Management Consultants (Pvt) Ltd. As recommended by the Sri Lanka Accounting Standards (LKAS 19) - "Employee Benefits", the "Projected Unit Credit (PUC)" method has been used in this valuation.

The principal assumptions used are:

Rate of discount	10% p.a.
Rate of pay increase	12% p.a.
Retirement age	55 years
Mortality	A 67 /70 mortality table issued by Institute of Actuaries, London was used
Withdrawal rate	5% for age up to 49 and zero thereafter

The company is a going concern.

24.3 The above provision is not externally funded.

As at 31st March	2013	2012	1st April 2011
25. Trade and other payables			
Financial			
Trade paybles	596	132	435
Other payables	255	161	1,494
Amounts due to related companies (note 30.3.3)	86,985	-	-
	87,836	293	1,929
Non-financial			
Accrued expenses and provisions	881	1,832	1,792
	881	1,832	1,792
	88,717	2,125	3,721
26. Deferred revenue			
Deferred lease rent income	401	-	52
	401	-	52
27. Capital expenditure commitments			
Capital expenditure committed for at the end of the reporting period but not yet incurred is as follows:	74,616	-	-

The Company does not have any significant financial commitments as at the reporting date, other than those disclosed above.

27.1 Contingent liabilities

There were no material contingent liabilities as at the reporting date.

27.2 Litigation and claims

There were no material litigations and claims against the Company as at the reporting date.

28. Dividend

The Board of Directors do not recommend a dividend for the year ended 31st March 2013 (2012 - Nil).

29. Financial instruments

Financial risk management - Overview

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework. The Board of Directors has delegated this function to the Carsons Management Services (Private) Limited, the management company, which is responsible for developing and monitoring the Company's risk management policies and reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to set limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of Carson Cumberbatch PLC, the ultimate parent company, oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its supervision role by Group Internal Audit. Group Internal Audit undertakes both regular and ad - hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

29.1 Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and placements with banking institutions and in government securities.

29.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

As at 31st March	2013	2012	1st April 2011
Credit risk			
Trade and other receivables	4,297	27,638	31,114
Cash and cash equivalents	4,373	552	6,075
	8,670	28,190	37,189

29.1.2 Trade receivables

The Company's exposure to credit risk on 'Trade receivables' is influenced mainly by the individual characteristics of each customer, and primarily arising on the rent receivable from its tenants.

The Company has obtained refundable rental deposits from non-related tenant, covering the rental income for a period of an average of 3-6 months, which provides cover to the Company in the event of a default. Refundable rental deposits held by the Company as at end of the reporting period.

As at 31st March	2013	2012	1st April 2011
Refundable rental deposits			
Carrying value	2,360	-	1,265
Face value	2,772	-	1,321

The terms of the lease agreements provide that the tenants should pay rental in advance on a monthly basis, which provides further cover against a default.

The Company also follows a careful credit evaluation process for new tenants before entering into any rent agreements with them.

The aging of trade receivables at the end of the reporting period was as follows;

As at 31st March	2013	2012	1st April 2011
1-30 days	-	-	1,034
31-90 days	-	-	-
Above 90 days	-	-	-
	-	-	1,034

No allowance for impairment in respect of trade and other receivables has been made as at the year end (2012 - Nil).

29.1.3 Other receivables

A significant component of other receivables of the Company comprises of deposits placed with suppliers in securing their services, with whom the Company regularly transacts with and have dues outstanding against.

Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 4.37mn as at 31 March 2013 (2012: Rs. 0.55mn), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AAA(lka) to AA–(lka), based on Fitch Ratings.

Placements in Government securities primarily comprises of investment in treasury bills, extending to a period less than 3 months.

As at 31st March	2013	2012	1st April 2011
Cash at bank	4,373	552	2,330
Placements in government securities	-	-	3,745
	4,373	552	6,075

29.2 **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

The Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company have access to short-term financing facilities extended from the parent company, Equity One PLC and the ultimate parent company, Carson Cumberbatch PLC.

29.2.1 The following are the remaining contractual maturities of financial liabilities at the end of each reporting period.

31st March 2013	Carrying amount	Contractual cash flows			
		Total	3 months or less	4-12 months	More than 1 year
Non-derivative financial liabilities					
Refundable rental deposits	2,360	2,772	-	-	2,772
Trade payables	596	596	596	-	-
Other payables	255	255	255	-	-
Amounts due to related companies	86,985	86,985	86,985	-	-
	90,196	90,608	87,836	-	2,772

31st March 2012	Carrying amount	Contractual cash flows			
		Total	3 months or less	4-12 months	More than 1 year
Non-derivative financial liabilities					
Trade payables	132	132	-	-	-
Other payables	161	161	-	-	-
	293	293	-	-	-

1st April 2011	Carrying amount	Contractual cash flows			
		Total	3 months or less	4-12 months	More than 1 year
Non-derivative financial liabilities					
Refundable rental deposits	1,265	1,321	-	1,321	-
Trade payables	435	435	435	-	-
Other payables	1,494	1,494	1,494	-	-
	3,194	3,250	1,929	1,321	-

The gross inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating to non-derivative financial liabilities and which are usually not closed out before contractual maturity.

29.2.2 Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains a portion of its assets in highly liquid form – demand deposits and placements in government securities in order to meet its contractual obligations during the normal course of its operations. As at the reporting date, the Company maintains 'cash and cash equivalents' amounting to Rs. 4.4 mn (2012 - Rs. 0.5 mn).

A significant portion of the Company's current liabilities comprise of the amounts due to the ultimate parent company, Carson Cumberbatch PLC and the parent company, Equity One PLC, obtained to support the Company's capital expenditure, on renovation of the adjoining building and takes the form of bridging financing arrangement, until a long term financing arrangement is secured. However, the Board of Directors is confident that such balances would not be demanded by the said companies which would otherwise result in a significant risk to the Company in terms of liquidity.

29.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

29.3.1 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company do not engage in transactions associated with foreign currencies in its ordinary course of operations, hence the related risk is avoided. However, the Company is exposed to currency risk, primarily arising from its capital expenditure related transactions.

Therefore, sensitivity analysis on the Company's currency risk exposure may not be representative of the risks for which the Company is exposed to throughout the period, given its incidential nature.

29.3.2 Interest rate risk

The Company's interest bearing financial assets / liabilities are factored on variable rates of interest, hence the Company's exposure to interest rate risk is material.

Profile

At the end of the reporting period the interest rate profile of the Company's interest-bearing financial instruments were as follows.

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

31st March	2013	2012	1st April 2011
Variable rate instruments			
Financial assets	4,373	552	6,075
Financial liabilities	86,985	-	-
	(82,612)	552	6,075

Cash flow sensitivity analysis for variable rate instruments

A change of 1% in interest rates at the end of the reporting period would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

	Profit / (loss)	
	Increase in 1%	Decrease in 1%
31 March 2013		
Variable rate instruments	(826)	826
31 March 2012		
Variable rate instruments	6	(6)
1st April 2011		
Variable rate instruments	61	(61)

Considering all the financial instrument that the Company holds carry variable rates of interest, impact to equity arising on a 1% change in interest rates can not be assessed.

29.4 Accounting classifications and fair values

The Company do not designate any of its financial assets / liabilities at fair value, hence a classification between fair value hierarchy do not apply.

29.5 Fair values vs. carrying amounts

31st March 2013	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Cash and cash equivalents	-	-	4,373	-	-	**4,373**	4,373
Trade and other receivables	-	-	4,297	-	-	**4,297**	4,297
	-	-	8,670	-	-	**8,670**	8,670
Refundable rental deposits	-	-	-	-	2,360	**2,360**	2,360
Trade and other payables	-	-	-	-	87,836	**87,836**	87,836
	-	-	-	-	90,196	**90,196**	90,196

31st March 2012	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Cash and cash equivalents	-	-	552	-	-	**552**	552
Trade and other receivables	-	-	27,638	-	-	**27,638**	27,638
	-	-	28,190	-	-	**28,190**	28,190
Trade and other payables	-	-	-	-	293	**293**	293
	-	-	-	-	293	**293**	293

1st April 2011	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Cash and cash equivalents	-	-	6,075	-	-	**6,075**	6,075
Trade and other receivables	-	-	31,114	-	-	**31,114**	31,114
	-	-	37,189	-	-	**37,189**	37,189
Refundable rental deposits	-	-	-	-	1,265	**1,265**	1,265
Trade and other payables	-	-	-	-	1,929	**1,929**	1,929
	-	-	-	-	3,194	**3,194**	3,194

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

30. Related party transactions

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures ", the details of which are reported below.

30.1 Parent and ultimate controlling entity

Equity One PLC is the immediate parent company of Equity Two PLC.

In the opinion of the Directors, Carson Cumberbatch PLC is the ultimate parent company of Equity Two PLC.

30.2 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS 24) - "Related party disclosures", Key Management personnel (KMP) are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including Executive and Non-Executive directors) and their immediate family members have been classified as Key Management Personnel of the Company.

	2013	2012
30.2.1 Key management personnel compensation		
Short-term employee benefits	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	-	-
	-	-

No transactions have taken place during the year, except as disclosed above, between the company and its KMP.

30.3 Other related party transactions

30.3.1 Transactions with other related parties / companies

Name and the nature of relationship	Name/s of the common Director/s	Nature of the transactions	Value of the transactions 2013	2012
Ultimate parent company				
Carson Cumberbatch PLC	D. C. R. Gunawardena	Short-term advances obtained	48,500	-
		Interest on short-term advances obtained	623	-

Name and the nature of relationship	Name/s of the common Director/s	Nature of the transactions	Value of the transactions 2013	2012
Parent company				
Equity One PLC	D. C. R. Gunawardena	Settlements made on		
	K. C. N. Fernando	advances provided	27,677	6,656
	A. P. Weeratunge	Interest on advances provided	844	2,110
	E. H. Wijenaike	Dividend paid	-	5,507
	P. D. D. Fernando	Short-term advances obtained	36,544	-
		Interest on short-term advances obtained	1,318	-
Fellow subsidiaries				
Carsons Management Services (Private) Limited	K. C. N. Fernando	Management fees paid	612	612
	A. P. Weeratunge	Secretarial fees paid	306	306
		Computer charges paid	184	184
		Rental income received	9,741	5,628
Carsons Airline Services (Private) Limited	D. C. R. Gunawardena	Rental income received	498	433
Guardian Fund Management Limited	A. P. Weeratunge	Rental income received	2,465	741
Agro Harapan Lestari (Private) Limited		Rental income received	68	7,183
AHL Business Solutions (Private) Limited		Rental income received	-	910

As at 31st March	2013	2012	1st April 2011
30.3.2 Amounts due from related companies			
Equity One PLC	-	26,048	28,006
Agro Harapan Lestari (Private) Limited	-	-	18
	-	26,048	28,024
30.3.3 Amounts due to related companies			
Carson Cumberbatch PLC	49,123	-	-
Equity One PLC	37,862	-	-
	86,985	-	-

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

31. Events after the reporting date

No transactions have arisen since the reporting date which require adjustment to or disclosure in these financial statements.

32. Transition to LKAS/SLFRS

32.1 Reconciliation - Statement of Comprehensive Income

	Note	Year ended March 31, 2012		
		As per SLAS	Effect of transition to LKAS / SLFRS	As per LKAS SLFRS
Revenue	32.3.1	16,437	52	**16,489**
Direct cost	32.3.2	(12,716)	11	**(12,705)**
		3,721	63	**3,784**
Other income	32.3.3	3,943	(2,397)	**1,546**
Net gains arising from changes in fair value of investment properties	32.3.2	40,352	(99)	**40,253**
		48,016	(2,433)	**45,583**
Administrative and other operating expenses	32.3.2	(3,775)	88	**(3,687)**
Results from operating activities		44,241	(2,345)	**41,896**
Finance income	32.3.3 / 32.3.4	-	5,006	**5,006**
Finance costs	32.3.1	-	(56)	**(56)**
Net finance costs		-	4,950	**4,950**
Profit before taxation		44,241	2,605	**46,846**
Income tax expenses		(106)	-	**(106)**
Deferred taxation		(967)	-	**(967)**
Profit for the year		43,168	2,605	**45,773**
Other Comprehensive income				
Total other comprehensive income for the year		-	-	-
Total comprehensive income for the year		43,168	2,605	**45,773**
Earnings per share (Rs.)		1.39	0.08	**1.48**

32.2 Reconciliation of equity

	Note	As at March 31,2012			As at April 1,2011		
		As per SLAS	Effect of transition to LKAS / SLFRS	As per SLFRS	As per LKAS	Effect of transition to LKAS / SLFRS	As per SLFRS
ASSETS							
Non-Current Assets							
Property, plant and equipment	32.3.2	747	(747)	**-**	734	(734)	**-**
Investment properties	32.3.2	570,000	747	**570,747**	526,200	734	**526,934**
Total non-current assets		570,747	-	**570,747**	526,934	-	**526,934**
Current Assets							
Trade and other receivables	32.3.4/ 32.3.5	4,019	26,048	**30,067**	3,558	28,024	**31,582**
Amounts due from related companies	32.3.5	26,833	(26,833)	**-**	31,397	(31,397)	**-**
Cash and cash equivalents		552	-	**552**	6,075	-	**6,075**
Total current assets		31,404	(785)	**30,619**	41,030	(3,373)	**37,657**
Total assets		602,151	(785)	**601,366**	567,964	(3,373)	**564,591**
EQUITY AND LIABILITIES							
Equity							
Stated capital		444,092	-	**444,092**	444,092	-	**444,092**
Capital reserves		750	-	**750**	750	-	**750**
Revenue reserves	32.3.6	106,365	(785)	**105,580**	69,397	(3,369)	**66,028**
Total equity		551,207	(785)	**550,422**	514,239	(3,369)	**510,870**
LIABILITIES							
Non-Current Liabilities							
Refundable rental deposits	32.3.1	-	-	**-**	1,321	(56)	**1,265**
Employee benefits		1,257	-	**1,257**	1,284	-	**1,284**
Deferred tax liability		47,447	-	**47,447**	46,480	-	**46,480**
Total non-current liabilities		48,704	-	**48,704**	49,085	(56)	**49,029**
Current Liabilities							
Trade and other payables		2,125	-	**2,125**	3,721	-	**3,721**
Deferred revenue	32.3.1	-	-	**-**	-	52	**52**
Current tax liabilities		115	-	**115**	919	-	**919**
Total current liabilities		2,240	-	**2,240**	4,640	52	**4,692**
Total liabilities		50,944	-	**50,944**	53,725	(4)	**53,721**
Total equity and liabilities		602,151	(785)	**601,366**	567,964	(3,373)	**564,591**

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

32.3 Notes to the reconciliations

32.3.1 Recognition of interest-free refundable rental deposits at amortised cost

Due to the application of LKAS 32 and 39, refundable rental deposits, which were previously recognized at cost, were remeasured and recognized at their amortized cost, with the resulting credit being amortized to the statement of comprehensive income on a straight-line basis, along with the rental income.

	Year ended 31st March 2012
Statement of comprehensive income	
Revenue	52
Finance expenses	(56)
Net effect on earnings	(4)

	As at 31st March 2012	As at 1st April 2011
Statement of financial position		
Deferred revenue	-	52
Refundable rental deposits	-	(56)
Net effect on equity	-	(4)

32.3.2 Reclassification of property, plant and equipment in to Investment properties

The Company previously classified it's land and building in to 'Investment properties' and all other items attached to the said land and buildings which were used in provisioning of services to its tenants in to different categories within 'Property, plant and equipment', such as machinery and equipment and furniture and fittings.

With the transition to LKAS/SLFRS, the Company re-classified all such items, which were used in provisioning services to its tenants and which were not used in the administration of the business, in to Investment properties.

The impact arising from the said change is summarized as follows:

	Year ended 31st March 2012
Statement of comprehensive income	
Direct costs	11
Administration and other operating expenses	88
Net gains arising from changes in fair value of investment properties	(99)
Net effect on earnings	-

	As at 31st March 2012	As at 1st April 2011
Statement of financial position		
Property, plant and equipment	(747)	(734)
Investment properties	747	734
Net effect on equity	-	-

32.3.3 Reclassification of financial income / financial expenses

The Company classified interest income in to financial income, which was previously classified in to "Other income".

The impact arising from the above is summarized as follows:

	Year ended 31st March 2012
Statement of comprehensive income	
Other income	(2,397)
Finance income	2,397
Net effect on earnings	-

32.3.4 Recognition of 'Loans and receivables - Financial assets' at amortized cost

Due to the application of LKAS 32 and 39, amounts due from related companies, which were previously recognized at cost, were remeasured and recognized at amortized cost, with the resulting credit being amortized to the income statement until such time the amounts due are settled.

Benefit to the parent company arising from the said transactions are initially recognized as a 'Deemed distribution'.

	Year ended 31st March 2012
Statement of comprehensive income	
Finance income	2,609
Net effect on earnings	2,609

	As at 31st March 2012	As at 1st April 2011
Statement of financial position		
Amounts due from related companies	(785)	(3,373)
Net effect on equity	(785)	(3,373)

Notes to the Financial Statements

(All figures are in Sri Lankan Rupees Thousands)

32.3.5 Reclassification of non-derivative financial assets / liabilities

Amounts due from related companies

'Amounts due from related companies' which were previously presented separately, were re-classified in to 'Trade and other receivables'.

The impact arising from the above is summarized as follows:

	As at 31st March 2012	As at 1st April 2011
Statement of financial position		
Amounts due from related companies	(26,833)	(31,397)
Trade and other receivables	26,833	31,397
Net effect on equity	-	-

32.3.6 Impact on earnings / equity (retained earnings)

The above changes increased/(decreased) the earnings for the periods as follows:

	Year ended 31st March 2012
Statement of comprehensive income	
Revenue - Recognition of interest-free refundable rental deposits at amortised cost	52
Finance expenses - Recognition of interest-free refundable rental deposits at amortised cost	(56)
Other income - Recognition of 'Loans and receivables - Financial assets' at amortized cost	2,609
Total effect on earnings for the year	2,605

The above changes increased/(decreased) the equity (retained earnings) for the periods as follows:

	As at 31st March 2012	As at 1st April 2011
Statement of financial position		
Deferred revenue - Recognition of interest-free refundable rental deposits at amortised cost	-	(52)
Refundable rental deposits - Recognition of interest-free refundable rental deposits at amortised cost	-	56
Amounts due from related companies - Recognition of 'Loans and receivables - Financial assets' at amortized cost	(785)	(3,373)
Total effect on equity (retained earnings)	(785)	(3,369)

32.3.7 Cash flow statement

No material impact to the Cash flow statements of the Company arises from the transition from SLAS to SLFRS/LKAS.

Five Year Summary

(All figures are in Sri Lankan Rupees Thousands)

	LKAS/SLFRS		SLAS		
	2013	2012	2011	2010	2009
Trading results					
Revenue	15,876	16,489	19,361	15,563	18,073
Profit / (loss) before taxation	44,419	46,846	9,130	8,639	(79,087)
Income tax expense / (reversal)	554	(1,073)	20,359	(4,019)	(4,093)
Profit / (loss) for the year	44,973	45,773	29,489	4,620	(83,180)
Equity					
Stated capital	444,092	444,092	444,092	444,092	444,092
Reserves	151,303	106,330	66,778	43,758	39,138
Shareholders' funds	595,395	550,422	510,870	487,850	483,230
Assets employed					
Investment properties	725,635	570,747	526,934	520,445	520,646
Non-current assets	725,635	570,747	526,934	520,445	520,646
Current assets	9,271	30,619	37,657	42,256	39,591
Current liabilities	(89,458)	(2,240)	(4,692)	(2,758)	(5,845)
Working capital	(80,187)	28,379	32,965	39,498	33,746
Assets employed	645,448	599,126	559,899	559,943	554,392
Non-current liabilities	(50,053)	(48,704)	(49,029)	(72,093)	(71,162)
Net assets	595,395	550,422	510,870	487,850	483,230
Ratios and statistics					
Dividend per share (Rs.)[1]	-	-	0.20	0.10	-
Dividend yield (%)	-	-	0.74	0.61	-
Dividend payout (%)	-	-	21.02	67.10	-
Return on shareholders' funds (%)	7.55	8.32	5.77	0.95	(17.21)
Earnings/(loss) per share (Rs.)	1.45	1.48	0.95	0.15	(2.68)
Earnings yield (%)	6.04	5.94	3.50	0.90	(28.24)
P/E ratio (times)	16.55	16.82	28.59	110.71	(3.54)
Market price per share (Rs.)[2]	24.00	24.90	27.20	16.50	9.50
Net assets per share (Rs.)	19.21	17.76	16.48	15.74	15.59
Current ratio (times)	0.10	13.67	8.03	15.32	6.77
Market capitalisation (Rs. '000)	744,000	771,900	843,200	511,500	294,500

1. Based on proposed dividend
2. As at 31st March.
3. Financial information for the period 2009 - 2011 were not adjusted to reflect the transition to new/ revised Sri Lanka Accounting Standards (LKAS/SLFRS).

Statement of Value Added

(All figures are in Sri Lankan Rupees Thousands)

For the year ended 31st March	2013		2012	
Revenue	15,876		16,489	
Other income	1,906		1,546	
Finance income	1,909		5,006	
	19,691		23,041	
Cost of material and services bought from outside	(10,310)		(11,443)	
Value added	9,381		11,598	
Distributed as follows:		%		%
To employees (including Directors)				
as remuneration	5,812	62	4,949	43
To government				
as taxation*	669	7	106	1
To providers of capital				
as dividend	-	-	6,200	53
Retained in the business				
as deferred taxation	-	0	967	8
as unwinding of discount	122	1	56	0
as retained profits/(losses) net of provisions and gains on fair value adjustment	2,778	30	(680)	-6
	9,381	100	11,598	100

The Statement of value added shows the quantum of wealth generated by the activities of the Company and its applications.

*Excluding Value Added Tax (VAT).

Information to Shareholders and Investors

1. Stock Exchange Listing

Equity Two PLC, is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka.

Stock Exchange code for Equity Two PLC shares is "ETWO".

2. Shareholders base

2.1 Number of shareholders

	As at 31st March	
	2013	2012
Number of shareholders	2,283	2,319

2.2 Distribution & Composition of Shareholders

The number of shares held by non-residents as at 31st March 2013 was 120,500 (2012 – 120,500) which amounts to 0.39% (2012 - 0.39%) of the total number of ordinary shares.

Distribution of shares	Residents			Non-Residents			Total		
	No. of share-holders	No. of shares	%	No. of share-holders	No. of shares	%	No. of share-holders	No. of shares	%
1-1,000	2,063	367,085	1.18	10	4,400	0.01	2,073	371,485	1.19
1,001-10,000	177	612,340	1.98	1	5,000	0.02	178	617,340	2.00
10,001-100,000	28	800,096	2.58	2	111,100	0.36	30	911,196	2.94
100,001-1,000,000	-	-	-	-	-	-	-	-	-
Above 1,000,000	2	29,099,979	93.87	-	-	-	2	29,099,979	93.87
Total	2,270	30,879,500	99.61	13	120,500	0.39	2,283	31,000,000	100.00

Categories of shareholders	2013		
	No. of share-holders	No. of shares	%
Individuals	2,235	1,653,849	5.33
Institutions	48	29,346,151	94.67
Total	2,283	31,000,000	100.00

3. Market performance - Ordinary shares

For the year	2013	2012
At 31st March (Rs.)	24.00	24.90
Highest (Rs.)	29.90	40.00
Lowest (Rs.)	14.00	20.00
Value of shares traded (Rs.)	6,409,704	81,336,913
No. of shares traded	261,984	2,367,656
Volume of transactions (Nos.)	550	1904

4. Market capitalisation

Market capitalisation of the Company which is the number of ordinary shares in issue multiplied by the market value of an ordinary share was Rs .744,000,000/- as at 31st March 2013
(2012 -Rs. 771,900,000/-)

5. Public holding

The percentage of ordinary shares held by public as at 31st March 2013 was 11.17%
(2012 - 11.17%).

6. Dividend

The Directors do not recommend a dividend for the financial year ended 31st March 2013

7. Value of property - Land and building

Location	Extent (in Acres)	Market value 2013 Rs. '000	Date of professional valuation
No. 61, Janadhipathi Mw, Colombo 1.	0.54	725,635	31st March 2013

8. Number of employees

The number of employees of the Company at the end of the year was 4 (2012 - 4).

Notice of Meeting

NOTICE IS HEREBY GIVEN that the **TWENTY THIRD** Annual General Meeting of **EQUITY TWO PLC** will be held on Wednesday the 19th day of June 2013 at 2.30 p.m. at the 8th Floor, No.65C, Dharmapala Mawatha, Colombo 7, for the following purposes :

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2013, together with the Independent Auditors' Report thereon.

2. To re-elect Mr. P.D.D. Fernando who retires by rotation in terms of Articles 72, 73 and 74 of the Articles of Association of the Company.

3. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No. 7 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

(Sgd).
K. D. De Silva (Mrs).
Director
Carsons Management Services (Private) Limited
Secretaries

Colombo,
16th May 2013

Notes

1. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.

2. The completed Form of Proxy must be deposited at the registered office, No.61,Janadhipathi Mawatha, Colombo 1, not later than 2.30 p.m. on 17th June 2013.

3. A person representing a corporation is required to carry a certified copy of the resolution authorising him/her to act as the representative of the corporation. A representative need not be a member.

4. The transfer books of the Company will remain open.

5. Security Check

We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.

Form of Proxy

*I/ We .....

of .....

being *a Member/Members of EQUITY TWO PLC hereby appoint .....

.....of .....

bearing NIC No./ Passport No..... or failing him/her

Don Chandima Rajakaruna Gunawardena	of Colombo, or failing him,
Kurukulasuriya Calisanctus Nalake Fernando	of Colombo, or failing him,
Ajith Prashantha Weeratunge	of Colombo, or failing him,
Eranjith Harendra Wijenaike	of Colombo, or failing him,
Panthiage Donald Dunstan Fernando	

as *my/our proxy to attend at the Annual General Meeting of the Company to be held on Wednesday, the 19th day of June 2013 at 2.30 p.m., at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 07 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
I.	To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2013, together with the Independent Auditors' Report thereon.	☐	☐
II.	To re-elect Mr. P.D.D. Fernando who retires by rotation in terms of Articles 72, 73 and 74 of the Articles of Association of the Company.	☐	☐
III.	To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.	☐	☐

Signed this ..... day of .....Two Thousand and Thirteen.

.....

Signature /s

Note:

a) * Please delete the inappropriate words.

b) A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.

c) A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.

d) Instructions are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.

2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.

3. In terms of Article 54 of the Articles of Association of the Company:

   1. Any shareholder entitled to attend and vote at a meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of him. A proxy so appointed shall have the same right as the shareholder to vote on a show of hands or on a poll and to speak at the meeting.

   2. An instrument appointing a proxy shall be in writing and:
      a) in the case of an individual shall be signed by the appointor or by his attorney; and
      b) in the case of a corporation shall be either under the common seal or signed by its attorney or by an authorized officer on behalf of the corporation

4. In terms of Article 50 of the Articles of Association of the Company :

   Where there are joint registered holders of any share any one (01) of such persons may vote and be reckoned in a quorum at any meeting either personally or by Proxy as if he were solely entitled thereto and if more than one (01) of such joint holders be so present at any meeting one (01) of such persons so present whose name stands first in the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

5. To be valid the completed form of proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 2.30 p.m. on 17th June 2013.

Please fill in the following details

Name : .....

Address : .....

Jointly with : .....

Share folio no. : .....

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 September 1994.

Parent Company
Equity One PLC

Directors
D.C.R. Gunawardena (Chairman)
K.C.N. Fernando
A.P Weeratunge
E.H. Wijenaike
P.D.D. Fernando

Place of Business
No. 61, Janadhipathi Mawatha,
Colombo 01,
Sri Lanka.

Bankers
Standard Chartered Bank
Bank of Ceylon
Deutsche Bank AG

Auditors
Messrs. KPMG
Chartered Accountants,
No 32A, Sir Mohamed Macan Marker Mawatha,
Colombo 03, Sri Lanka.

Managers & Secretaries
Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 01, Sri Lanka.
Telephone No: +94-11-2039200
Fax No: +94-11-2039300

Registered Office
No. 61, Janadhipathi Mawatha,
Colombo 01, Sri Lanka.
Telephone No: +94-11-2039200
Fax No: +94-11-2039300

Corporate Website
www.carsoncumberbatch.com

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