

EQUITY ONE PLC

INTERIM REPORT FOR THE THREE MONTHS ENDED 30TH JUNE 2016

EQUITY ONE PLC

Review of performance for the Three months ended 30th June 2016

At company level, Equity One PLC recorded a Revenue of Rs. 28.6 Mn for the quarter ended 30th June 2016, posting a growth of 11.6% year-on-year, mainly stemming from improved occupancy. Average Occupancy of the two buildings of Equity One PLC stood at 98% for the period under review compared to 95% in the corresponding three months.

At Rs. 9.6 Mn, direct cost for the quarter witnessed an increase of 26.0% year-on-year, largely attributable towards higher Repair & Maintenance expenses incurred in maintaining the properties.

Further, as a result of reduced Dividend income from subsidiary companies and lesser interest income from amounts lent to related companies with the settlement of borrowings, the company's Net Finance income declined by 36.1% year-on-year, to stand at Rs. 9.8 Mn for the period under review.

The company concluded the quarter with a Net Profit of Rs. 21.8 Mn, depicting a decrease of 12.5% against Rs. 25.0 Mn recorded in the corresponding three months of the previous financial year.

From a consolidated perspective, Group Revenue improved by 5.1% year-on-year to Rs. 60.6 Mn for the period ended 30th June 2016, primarily led by rent revisions from healthy occupancy levels maintained. Occupancy at Group level stood at 91% for the period under review. The same for the corresponding three months of previous year was 93%.

Similar to the trend witnessed at company level, consolidated direct costs increased by 26.9% during the three months ended 30th June 2016 against previous year, also driven by higher Repair & Maintenance expenses pertaining to maintaining of the facilities. However, at Group level, Administrative & other operating expenses witnessed a decline year-on-year of 11.3%. This is because Administrative and other operating expenses in the first quarter of the preceding financial year was inclusive of one-off expenses incurred for the property audit (professional fees) of Equity Two PLC and commission charges pertaining to acquisition of new tenants.

However, as a result of lower deferred tax stemming from reduced capital allowances, Group Net Earnings for the three months concluded depicted an increase of 4.9% over the two comparable quarters, to reach Rs. 25.0 Mn for the quarter ended 30th June 2016.

Status of De-Listing

The de-listing application submitted by the Company to the Securities and Exchange Commission of Sri Lanka (SEC), subsequent to obtaining the required shareholder approval, received the SEC approval on the 15th of July 2016 to De-List the Company from the official list of the Colombo Stock Exchange. As such, the company has already commenced the necessary proceedings.

Carsons Management Services (Private) Limited Managers

08th August 2016
Colombo

EQUITY ONE PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

(All figures are in Sri Lankan Rupees Thousands)

	Three months ended			31.03.2016 (Audited)
	2016	2015	Change %	
Revenue	60,620	57,679	5	233,510
Direct cost	(18,801)	(14,821)	27	(73,958)
	41,819	42,858	(2)	159,552
Other income	189	941	(80)	4,258
Net gains arising from changes in fair value of investment properties	-	-	-	537,498
	42,008	43,799	(4)	701,308
Administrative and other operating expenses	(4,686)	(5,282)	(11)	(19,060)
Results from operating activities	37,322	38,517	(3)	682,248
Finance income	147	338	(57)	1,261
Finance costs	(1,240)	(1,040)	19	(4,138)
Net finance costs	(1,093)	(702)	56	(2,877)
Profit before taxation	36,229	37,815	(4)	679,371
Income tax expenses	(8,574)	(8,515)	1	(21,897)
Deferred taxation	(2,664)	(5,486)	(51)	(27,146)
Profit for the period	24,991	23,814	5	630,328
Profit attributable to:				
Equity holders of the parent	23,736	22,353	6	610,893
Non controlling interest	1,255	1,461	(14)	19,435
	24,991	23,814	5	630,328
Other comprehensive income				
Actuarial loss from valuation of employee benefits	-	-	-	(28)
Other comprehensive expense for the period	-	-	-	(28)
Total comprehensive income for the period	24,991	23,814	5	630,300
Total comprehensive income attributable to:				
Equity holders of the parent	23,736	22,353	6	610,870
Non controlling interest	1,255	1,461	(14)	19,430
	24,991	23,814	5	630,300
Earnings per share (Rs.)	0.59	0.55		15.15
Dividend per share (Rs.)	-	-		0.15

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

Figures in brackets indicate deductions.

EQUITY ONE PLC**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY**

(All figures are in Sri Lankan Rupees Thousands)

	Three months ended			31.03.2016 (Audited)
	30th June			
	2016	2015	Change %	
Revenue	28,624	25,645	12	106,481
Direct cost	(9,603)	(7,622)	26	(39,123)
	19,021	18,023	6	67,358
Other income	-	788	-	3,713
Net gains arising from changes in fair value of investment properties	-	-	-	327,102
	19,021	18,811	1	398,173
Administrative and other operating expenses	(2,358)	(2,779)	(15)	(10,570)
Results from operating activities	16,663	16,032	4	387,603
Finance income	10,335	15,694	(34)	18,010
Finance costs	(520)	(322)	61	(1,336)
Net finance income	9,815	15,372	(36)	16,674
Profit before taxation	26,478	31,404	(16)	404,277
Income tax expenses	(4,307)	(4,988)	(14)	(13,860)
Deferred taxation	(323)	(1,461)	(78)	(3,761)
Profit for the period	21,848	24,955	(12)	386,656
Other comprehensive income				
Actuarial gain from valuation of employee benefits	-	-	-	13
Other comprehensive income for the period	-	-	-	13
Total comprehensive income for the period	21,848	24,955	(12)	386,669
Earnings per share (Rs.)	0.54	0.62		9.59
Dividend per share (Rs.)	-	-		0.15

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

Figures in brackets indicate deductions.

EQUITY ONE PLC
STATEMENT OF FINANCIAL POSITION

(All figures are in Sri Lankan Rupees Thousands)

As at 30th June	Group			Company		
	2016	2015	31.03.2016 (Audited)	2016	2015	31.03.2016 (Audited)
ASSETS						
Non-current assets						
Investment properties	3,211,500	2,656,095	3,211,500	1,706,004	1,363,914	1,706,004
Property, plant and equipment	6,925	9,489	7,458	6,925	9,489	7,458
Investment in subsidiaries	-	-	-	552,048	552,048	552,048
Total non-current assets	3,218,425	2,665,584	3,218,958	2,264,977	1,925,451	2,265,510
Current assets						
Trade and other receivables	34,153	30,623	29,001	27,751	47,208	24,870
Cash and cash equivalents	20,661	21,517	10,539	12,954	7,927	3,181
Total current assets	54,814	52,140	39,540	40,705	55,135	28,051
Total assets	3,273,239	2,717,724	3,258,498	2,305,682	1,980,586	2,293,561
EQUITY AND LIABILITIES						
Equity						
Stated capital	1,085,584	1,085,584	1,085,584	1,085,584	1,085,584	1,085,584
Capital reserves	13,236	13,236	13,236	13,236	13,236	13,236
Revenue reserves	1,676,183	1,063,921	1,652,447	1,012,633	629,071	990,785
Total equity attributable to equity holders of the parent	2,775,003	2,162,741	2,751,267	2,111,453	1,727,891	2,089,605
Non controlling interest	111,772	93,171	111,141	-	-	-
Total equity	2,886,775	2,255,912	2,862,408	2,111,453	1,727,891	2,089,605
Non-current liabilities						
Refundable rental deposits	63,381	62,206	63,662	24,740	21,557	26,609
Deferred tax liability	182,151	157,827	179,487	56,920	54,297	56,597
Employee benefits	4,330	5,311	4,267	2,007	3,347	1,974
Total non-current liabilities	249,862	225,344	247,416	83,667	79,201	85,180
Current liabilities						
Trade and other payables	116,364	205,736	131,784	103,868	156,720	113,961
Deferred revenue	10,076	10,634	11,242	2,450	1,985	2,873
Current tax liabilities	10,162	20,098	5,648	4,244	14,789	1,942
Total current liabilities	136,602	236,468	148,674	110,562	173,494	118,776
Total liabilities	386,464	461,812	396,090	194,229	252,695	203,956
Total equity and liabilities	3,273,239	2,717,724	3,258,498	2,305,682	1,980,586	2,293,561
Net assets per share (Rs.)	68.82	53.64	68.23	52.37	42.85	51.82

The Statement of Financial Position as at 30th June 2016 and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flow for the period then ended as disclosed in pages 2 to 7 have been drawn up from unaudited financial statements.

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

(Sgd.)

V.R. Wijesinghe

Financial Controller

Carsons Management Services (Private) Limited

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

Approved and signed on behalf of the managers,

Approved and signed on behalf of the board,

(Sgd.)

A.P. Weeraratne

Director

Carsons Management Services (Private) Limited

(Sgd.)

D.C.R. Gunawardena

Chairman

(Sgd.)

K.C.N. Fernando

Director

08th August 2016

Colombo

EQUITY ONE PLC
STATEMENT OF CHANGES IN EQUITY
(All figures are in Sri Lankan Rupees Thousands)

Group	Stated capital	Capital reserves	Revenue reserves	Total equity attributable to equity holders of the parent	Non controlling interest	Total equity
Balance as at 1st April 2015	1,085,584	13,236	1,063,312	2,162,132	92,348	2,254,480
Super Gain Tax for the year of Assessment 2013/14 *	-	-	(15,696)	(15,696)	(14)	(15,710)
Adjusted balance as at 1st April 2015	1,085,584	13,236	1,047,616	2,146,436	92,334	2,238,770
Profit for the year	-	-	610,893	610,893	19,435	630,328
Other comprehensive expense for the year	-	-	(23)	(23)	(5)	(28)
Total comprehensive income for the year	-	-	610,870	610,870	19,430	630,300
Forfeited dividends	-	-	9	9	1	10
Dividends 2014/15	-	-	(6,048)	(6,048)	(624)	(6,672)
Balance as at 31st March 2016	1,085,584	13,236	1,652,447	2,751,267	111,141	2,862,408
Balance as at 31st March 2016	1,085,584	13,236	1,652,447	2,751,267	111,141	2,862,408
Profit for the period	-	-	23,736	23,736	1,255	24,991
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	23,736	23,736	1,255	24,991
Dividends 2015/16	-	-	-	-	(624)	(624)
Balance as at 30th June 2016 (Unaudited)	1,085,584	13,236	1,676,183	2,775,003	111,772	2,886,775
Balance as at 1st April 2015	1,085,584	13,236	1,063,312	2,162,132	92,348	2,254,480
Super Gain Tax for the year of Assessment 2013/14 *	-	-	(15,696)	(15,696)	(14)	(15,710)
Adjusted balance as at 1st April 2015	1,085,584	13,236	1,047,616	2,146,436	92,334	2,238,770
Profit for the period	-	-	22,353	22,353	1,461	23,814
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	22,353	22,353	1,461	23,814
Dividends 2014/15	-	-	(6,048)	(6,048)	(624)	(6,672)
Balance as at 30th June 2015 (Unaudited)	1,085,584	13,236	1,063,921	2,162,741	93,171	2,255,912
Company			Stated capital	Capital reserves	Revenue reserves	Total equity
Balance as at 1st April 2015			1,085,584	13,236	624,061	1,722,881
Super Gain Tax for the year of Assessment 2013/14 *			-	-	(13,897)	(13,897)
Adjusted balance as at 1st April 2015			1,085,584	13,236	610,164	1,708,984
Profit for the year			-	-	386,656	386,656
Other comprehensive income for the period			-	-	13	13
Total comprehensive income for the year			-	-	386,669	386,669
Dividends 2014/15			-	-	(6,048)	(6,048)
Balance as at 31st March 2016			1,085,584	13,236	990,785	2,089,605
Balance as at 31st March 2016			1,085,584	13,236	990,785	2,089,605
Profit for the period			-	-	21,848	21,848
Other comprehensive income for the period			-	-	-	-
Total comprehensive income for the period			-	-	21,848	21,848
Dividends 2015/16			-	-	-	-
Balance as at 30th June 2016 (Unaudited)			1,085,584	13,236	1,012,633	2,111,453
Balance as at 1st April 2015			1,085,584	13,236	624,061	1,722,881
Super Gain Tax for the year of Assessment 2013/14 *			-	-	(13,897)	(13,897)
Adjusted balance as at 1st April 2015			1,085,584	13,236	610,164	1,708,984
Profit for the period			-	-	24,955	24,955
Other comprehensive income for the period			-	-	-	-
Total comprehensive income for the period			-	-	24,955	24,955
Dividends 2014/15			-	-	(6,048)	(6,048)
Balance as at 30th June 2015 (Unaudited)			1,085,584	13,236	629,071	1,727,891

* As per the provisions of Part III of the Finance Act, No. 10 of 2015, although Equity One PLC, the Company, and its' subsidiaries did not become liable to pay Super Gain Tax as stand-alone entities, however the Company and Equity One PLC group paid Rs. 13.9mn and Rs. 15.7mn respectively as Super Gain Tax on the basis that the Companies are part of the Bukit Darah PLC group, of which the consolidated profit before tax exceeded the threshold as stipulated in the aforesaid Act. According to the Act, the Super Gain Tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1st April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards and hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24th November 2015.

Figures in brackets indicate deductions.

EQUITY ONE PLC
STATEMENT OF CASH FLOW

(All figures are in Sri Lankan Rupees Thousands)

For the Three months ended 30th June	2016	Group 2015	31.03.2016 (Audited)	2016	Company 2015	31.03.2016 (Audited)
Cash flows from operating activities						
Profit before taxation	36,229	37,815	679,371	26,478	31,404	404,277
Adjustments for:						
Finance costs	1,240	1,040	4,138	520	322	1,336
Interest income	(147)	(338)	(1,261)	(519)	(8,890)	(3,334)
Dividend income	-	-	-	(9,816)	(6,804)	(14,676)
Net gains arising from changes in fair value of investment properties	-	-	(537,498)	-	-	(327,102)
Profit on disposal of property, plant and equipment	-	(788)	(788)	-	(788)	(788)
Depreciation on property, plant and equipment	533	685	2,741	533	685	2,741
Amortization of deferred revenue	(1,271)	(480)	(3,665)	(528)	(314)	(1,334)
Provision for employee benefits	63	74	769	32	44	451
Operating profit before working capital changes	36,647	38,008	143,807	16,700	15,659	61,571
(Increase) / decrease in trade and other receivables	(5,152)	(8,790)	(7,168)	(2,881)	(2,290)	(3,979)
Increase / (decrease) in trade and other payables	(7,920)	(8,714)	(46,689)	(2,593)	(7,974)	(10,723)
Operating profit after working capital changes	23,575	20,504	89,950	11,226	5,395	46,869
Rental deposits received	868	7,433	19,140	-	-	10,924
Rental deposits refunded	(2,284)	-	(9,556)	(2,284)	-	(4,978)
Cash generated from operations	22,159	27,937	99,534	8,942	5,395	52,815
Income tax paid	(4,060)	(11,048)	(38,881)	(2,004)	(8,865)	(30,584)
Employee benefits paid	-	-	(1,767)	-	-	(1,767)
Net cash generated from / (used in) operating activities	18,099	16,889	58,886	6,938	(3,470)	20,464
Cash flows from investing activities						
Additions to investment properties	-	(4,798)	(22,705)	-	(4,798)	(19,787)
Purchase of property, plant and equipment	-	(9,465)	(9,489)	-	(9,465)	(9,489)
Net proceeds on sale of property, plant and equipment	-	788	788	-	788	788
Settlement from amount due from related companies	-	-	-	-	9,298	33,325
Interest received	147	338	1,261	519	8,890	3,334
Dividend received	-	-	-	9,816	6,804	14,676
Net cash generated from / (used in) investing activities	147	(13,137)	(30,145)	10,335	11,517	22,847
Cash flows from financing activities						
Amounts settled on amounts due to related companies	(7,500)	(4,500)	(40,500)	(7,500)	(4,500)	(44,512)
Dividend paid	(624)	(6,673)	(6,640)	-	(6,048)	(6,046)
Net cash (used in) / generated from financing activities	(8,124)	(11,173)	(47,140)	(7,500)	(10,548)	(50,558)
Net increase / (decrease) in cash and cash equivalents	10,122	(7,421)	(18,399)	9,773	(2,501)	(7,247)
Cash and cash equivalents at the beginning of the period	10,539	28,938	28,938	3,181	10,428	10,428
Cash and cash equivalents at the end of the period	20,661	21,517	10,539	12,954	7,927	3,181

Figures in brackets indicate deductions.

EQUITY ONE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

(All figures are in Sri Lankan Rupees Thousands)

1. Basis of preparation of Interim Financial Statements

The Interim Financial Statements of the Company and the Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2016 and are in compliance with Sri Lanka Accounting Standard LKAS 34 - "Interim Financial Reporting". The provisions of the Companies Act No. 7 of 2007 have been considered in preparing these Interim Financial Statements.

2. Events after the reporting period

On the 15th of July 2016 Equity One PLC received approval from the Securities and Exchange Commission (SEC) to De-List the Company from the Official List of the Colombo Stock Exchange. As such, the company has commenced the necessary proceedings.

After satisfying the Solvency Test in accordance with section 57 of the Companies Act, No. 7 of 2007, the Directors have recommended the payment of a first and final dividend of 15 cents per ordinary share for the year ended 31st March 2016 amounting to Rs 6,048,259.50 which was approved at the Annual General Meeting held on 28th July 2016. In accordance with Sri Lanka Accounting Standard (LKAS 10) - "Events after the reporting period" this proposed first and final dividend has not been recognised as a liability as at 30th June 2016.

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

3. Contingent liabilities and capital commitments

	Group		Company	
	2016	2015	2016	2015
(a) Capital commitments				
Capital expenditure contracted for at the end of the reporting period but not yet incurred	-	12,421	-	12,421

There were no other significant financial commitments for the Company and the Group other than those disclosed above as at the reporting date.

4. Liabilities for Expenditure

There were no liabilities for management fees or any similar expenditure not provided for in the interim financial statements.

5. Comparative Figures

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

6. Stated Capital

The Stated Capital of the Company as at 30th June 2016 was Rs. 1,085.6 mn consists of 40,321,730 fully paid Ordinary Shares.

7. Related party transactions

For the Three months ended 30th June	Group		Company	
	2016	2015	2016	2015
Transactions with the parent company				
Settlements on short-term advances obtained	7,500	4,500	7,500	4,500
Transactions with subsidiaries				
Short term advances obtained	-	-	-	3,000
Settlements on short-term advances obtained	-	-	2,500	9,512
Interest on short-term advances provided	-	-	441	952
Dividends received	-	-	9,816	14,676
Transactions with affiliate companies				
Receiving of services	2,569	901	1,174	486
Rent received	7,798	7,189	2,025	2,015

EQUITY ONE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

(All figures are in Sri Lankan Rupees Thousands)

08. Twenty major shareholders as at 30th June 2016 (Trading suspend on 02nd November 2015)

Name of Shareholders	Number of Shares	%
1 Carson Cumberbatch PLC A/C No.2	38,818,252	96.27
2 Estate of Late Mr. M. Sri Mahadeva	135,200	0.34
3 Mr. K.C. Vignarajah	125,618	0.31
4 Asha Financial Services Limited / Mr.C.N.Pakianathan	122,500	0.30
5 Mr. J.B. Hirdaramani	57,850	0.14
6 Mr. B.A. Mahipala	53,300	0.13
7 People's Leasing & Finance PLC / Hi Line Towers (Pvt) Limited	50,000	0.12
8 Mr. S. Sivasundaram	35,586	0.09
9 Mr. D.K.A.K. Weeratunga	26,800	0.07
10 MBSL Insurance Company Limited	26,664	0.07
11 Mrs. S. Vignarajah	25,199	0.06
12 Miss. J.A.R. Pakianathan	21,183	0.05
13 Merchant Bank of Sri Lanka PLC / C E Weerapperuma	20,814	0.05
14 Waldock Mackenzie Ltd / Mrs.K.D.C.Somalatha & Mr.K.Nandasiri	17,786	0.04
15 Mr. J.J. Vedasinghe	17,779	0.04
16 Calton Hill Ltd	17,329	0.04
17 Mr. D.A. Edussuriya	15,000	0.04
18 Mrs. M.M. Sellamuttu	15,000	0.04
19 Ceylinco Investcorp (Private) Limited	15,000	0.04
20 Mr. S.N.C.W.M.B.C. Kandedgedara	14,500	0.04

9. Public Holding

Ordinary Shares of the Company held by the public as at 30th June 2016 are as follows;

Number of public shareholders	725
Percentage of public holding	3.72%

10. Directors Shareholding as at 30th June 2016

	No. of Shares as at 30.06.16
Mr. D.C.R. Gunawardena (Chairman)	-
Mr. S. Nagendra	2,889
Mr. K.C.N. Fernando	-
Mr. E.H. Wijenaike	-
Mr A.P. Weeratunge	-
Mr. S. Mahendrarajah	-
Mr. P.D.D. Fernando	-

INVESTOR INFORMATION

11. Share Valuation

For the three months ended 30th June 2016

Market value per share (Rs.)	-
Highest price per share for the period (Rs.)	-
Lowest price per share for the period (Rs.)	-

There were no information on share valuation / transactions for the three months ended 30th June 2016 was not available with the trading suspension on 02nd November 2015 due to Company announcing its decision to de-list the shares of the Company from the Official List of the Colombo Stock Exchange (CSE).

CORPORATE INFORMATION

Name of the Company	Equity One PLC (A Carson Cumberbatch Company)
Company Registration Number	PQ 19
Legal Form	A Public Quoted Company with limited liability
Directors	D.C.R. Gunawardena (Chairman) S. Nagendra K.C.N. Fernando E.H. Wijenaikie A.P. Weeratunge S. Mahendrarajah P.D.D. Fernando
Bankers	Citibank N.A Standard Chartered Bank Deutsche Bank AG, Colombo Commercial Bank of Ceylon PLC
Auditors	Messrs. KPMG Chartered Accountants 32A, Sir Mohamed Macan Marker Mawatha Colombo 03 Sri Lanka Tel: +94 11 5426426 Fax: +94 11 2445872
Managers & Secretaries	Carsons Management Services (Private) Limited 61, Janadhipathi Mawatha Colombo 01 Sri Lanka Tel : +94 11 2039 200 Fax: +94 11 2039 300
Registered Office	61, Janadhipathi Mawatha Colombo 01 Sri Lanka Tel : +94 11 2039 200 Fax: +94 11 2039 300
Place of Business	65C, Dharmapala Mawatha Colombo 07 Sri Lanka Tel : +94 11 2039 200 Fax: +94 11 2039 300