

# Equity Two PLC

A Carson Cumberbatch Company  
Interim report for the six months ended 30th September 2021

**EQUITY TWO PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(All figures are in Sri Lankan Rupees Thousands)

	Three months ended 30th September			Six months ended 30th September		
	2021	2020	Change %	2021	2020	Change %
<b>Revenue</b>	<b>33,278</b>	31,038	7	<b>66,555</b>	60,509	10
Direct cost	(11,123)	(8,178)	36	(19,686)	(17,146)	15
	<b>22,155</b>	22,860	(3)	<b>46,869</b>	43,363	8
Other income	135	158	(15)	270	203	33
Administrative and other operating expenses	(1,771)	(1,874)	(5)	(3,632)	(3,518)	3
<b>Results from operating activities</b>	<b>20,519</b>	21,144	(3)	<b>43,507</b>	40,048	9
Finance income	2,008	3,168	(37)	3,664	6,321	(42)
Finance costs	(1,012)	(1,432)	(29)	(1,988)	(3,472)	(43)
<b>Net finance income</b>	<b>996</b>	1,736	(43)	<b>1,676</b>	2,849	(41)
<b>Profit before taxation</b>	<b>21,515</b>	22,880	(6)	<b>45,183</b>	42,897	5
Income tax expense	(4,441)	(4,387)	1	(9,427)	(7,933)	19
Deferred taxation	(898)	(985)	(9)	(1,701)	(1,971)	(14)
<b>Profit for the period</b>	<b>16,176</b>	17,508	(8)	<b>34,055</b>	32,993	3
<b>Other comprehensive income / (expense)</b>						
<b>Items that will never be reclassified into profit and loss</b>						
Actuarial gain / (loss) from valuation of employee benefits	-	-	-	-	-	-
Related tax on employee benefits	-	-	-	-	-	-
<b>Total other comprehensive income / (expense) for the period</b>	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>16,176</b>	17,508	(8)	<b>34,055</b>	32,993	3
<b>Earnings per share (Rs.)</b>	0.52	0.56		1.10	1.06	
<b>Dividend per share (Rs.)</b>	-	-		-	-	

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

*Figures in brackets indicate deductions.*

**EQUITY TWO PLC**  
**STATEMENT OF FINANCIAL POSITION**  
(All figures are in Sri Lankan Rupees Thousands)

As at	30.09.2021	31.03.2021 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	1,522,710	1,520,255
<b>Total non-current assets</b>	<b>1,522,710</b>	<b>1,520,255</b>
<b>Current assets</b>		
Trade and other receivables	26,097	29,375
Fair value through profit or loss financial assets	12,129	4,469
Investment in fixed deposits	111,597	155,009
Securities purchased under resale agreements	46,943	-
Cash and cash equivalents	10,461	6,739
<b>Total current assets</b>	<b>207,227</b>	<b>195,592</b>
<b>Total assets</b>	<b>1,729,937</b>	<b>1,715,847</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	444,092	444,092
Capital reserves	750	750
Revenue reserves	947,577	913,522
<b>Total equity</b>	<b>1,392,419</b>	<b>1,358,364</b>
<b>Non-current liabilities</b>		
Refundable rental deposits	44,175	42,013
Deferred tax liability	279,029	277,328
Employee benefits	2,157	2,099
<b>Total non-current liabilities</b>	<b>325,361</b>	<b>321,440</b>
<b>Current liabilities</b>		
Trade and other payables	3,253	22,296
Deferred revenue	6,692	8,656
Current tax liabilities	2,212	5,091
<b>Total current liabilities</b>	<b>12,157</b>	<b>36,043</b>
<b>Total liabilities</b>	<b>337,518</b>	<b>357,483</b>
<b>Total equity and liabilities</b>	<b>1,729,937</b>	<b>1,715,847</b>
Net assets per share (Rs.)	44.92	43.82

The Statement of Financial Position as at 30th September 2021 and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the period then ended as disclosed in pages 01 to 04 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**

Director – Finance

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. Weeratunge**

Director

Carsons Management Services (Private) Limited

(Sgd).

**D.C.R. Gunawardena**

Chairman

(Sgd).

**K.C.N. Fernando**

Director

Colombo

10th November 2021

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

	Stated capital	Capital reserves	Revenue reserves	Total equity
<b>Balance as at 01st April 2021 (Audited)</b>	<b>444,092</b>	<b>750</b>	<b>913,522</b>	<b>1,358,364</b>
Profit for the period	-	-	34,055	34,055
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>34,055</b>	<b>34,055</b>
<b>Balance as at 30th September 2021 (Unaudited)</b>	<b>444,092</b>	<b>750</b>	<b>947,577</b>	<b>1,392,419</b>
Balance as at 01st April 2020 (Audited)	444,092	750	844,134	1,288,976
Profit for the period	-	-	32,993	32,993
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>32,993</b>	<b>32,993</b>
Dividends 2019/20			(26,350)	(26,350)
<b>Balance as at 30th September 2020 (Unaudited)</b>	<b>444,092</b>	<b>750</b>	<b>850,777</b>	<b>1,295,619</b>

*Figures in brackets indicate deductions.*

**EQUITY TWO PLC**  
**STATEMENT OF CASH FLOWS**

(All figures are in Sri Lankan Rupees Thousands)

Six months ended 30th September	2021	2020
<b>Cash flows from operating activities</b>		
Profit before taxation	45,183	42,897
<b>Adjustments for:</b>		
Finance costs	1,988	3,472
Finance income	(3,504)	(6,321)
Net change in fair value through profit or loss financial assets	(160)	-
Provision for employee benefits	58	58
Amortization of deferred revenue	(1,974)	(1,833)
<b>Operating profit before working capital changes</b>	<b>41,591</b>	<b>38,273</b>
(Increase) / decrease in trade and other receivables	3,278	(7,437)
Increase / (decrease) in trade and other payables	(18,942)	(18,665)
<b>Operating profit after working capital changes</b>	<b>25,927</b>	<b>12,171</b>
Rental deposits received	184	6,212
Income tax paid	(12,306)	(3,946)
<b>Net cash generated from / (used in) operating activities</b>	<b>13,805</b>	<b>14,437</b>
<b>Cash flows from investing activities</b>		
Additions to investment properties	(2,455)	(150)
Disposal of / (investment in) fair value through profit or loss financial assets	(7,500)	21,721
Withdrawal of / (investment in) fixed deposits	43,084	(85,550)
Withdrawal of / (investment in) securities purchased under resale agreements	(46,400)	-
Interest received	3,289	6,321
<b>Net cash generated from / (used in) investing activities</b>	<b>(9,982)</b>	<b>(57,658)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(101)	(26,004)
Loans obtained/ (settled)	-	(25,000)
Interest paid	-	(1,658)
<b>Net cash generated from / (used in) financing activities</b>	<b>(101)</b>	<b>(52,662)</b>
Net increase / (decrease) in cash and cash equivalents	3,722	(95,883)
Cash and cash equivalents at the beginning of the period	6,739	102,048
<b>Cash and cash equivalents at the end of the period</b>	<b>10,461</b>	<b>6,165</b>

*Figures in brackets indicate deductions.*

**EQUITY TWO PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

(All figures are in Sri Lankan Rupees Thousands)

**1. Basis of preparation of Interim Financial Statements**

The Interim Financial Statements of the Company has been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2021 and are in compliance with Sri Lanka Accounting Standard LKAS 34 – "Interim Financial Reporting". The provisions of the Companies Act, No. 7 of 2007 have been considered in preparing these Interim Financial Statements.

**2. Events after the reporting period**

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

**3. Contingent liabilities and capital commitments**

There were no material contingent liabilities and capital commitments.

**4. Liabilities for expenditure**

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 September 2021 was Rs. 444,092,098/- consists of 31,000,000 fully paid Ordinary Shares.

**7. Impact due to COVID – 19**

Considering the nature of the business the Company is in – long term letting of commercial space – the immediate impact of the ongoing pandemic on the business of the Company is limited. In terms of medium term impact, since the demand for the Company's business is highly dependent on the market conditions of other industries and businesses and considering the subdued economic activities projected, the Company expects sourcing of new tenants for the existing vacant space of the Company to take longer than under normal circumstances and would be much more challenging.

**8. Related party transactions**

Six months ended 30th September	2021	2020
<b>Transactions with affiliate companies</b>		
Receiving of services	2,262	2,262
Rent received	15,304	11,510

**EQUITY TWO PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

(All figures are in Sri Lankan Rupees Thousands)

**9. Twenty major shareholders as at 30th September 2021**

Name of Shareholders	Number of Shares	%
1 Equity One Limited A/C No.1	27,532,525	88.81
2 Bank Of Ceylon A/C Ceybank Unit Trust	2,279,187	7.35
3 Mr. K.C. Vignarajah	100,912	0.33
4 Mrs. C.A.D.S. Woodward	61,100	0.20
5 Tranz Dominion, L.L.C.	55,480	0.18
6 Miss. V.K. Ramanayake	50,000	0.16
7 Mrs. C. L. Ramanayake	50,000	0.16
8 Mr. L.L. Hettiarachchi	33,191	0.11
9 Amana Bank PLC/Hi-Line Trading (Pvt) Ltd	25,337	0.08
10 Miss. C.M. Wickramasekera	25,300	0.08
11 Union Investments Private Ltd	25,200	0.08
12 Mr. A.A. Noordeen	23,496	0.08
13 Mr. I. Paulraj	22,288	0.07
14 People's Leasing & Finance PLC/Dr. H.S.D. Soysa & Mrs. G. Soysa	19,000	0.06
15 Mrs. S. Vignarajah	18,309	0.06
16 Seylan Bank PLC/ Mr. S.N.C.W.M.B.C. Kandegedara	16,200	0.05
17 Mr. J.B. Hirdaramani	16,000	0.05
18 Mrs. J. Aloysius	15,900	0.05
19 Dialog Finance PLC/ A.S.M. Shiyam	14,781	0.05
20 Mr. H.P. Bonifass	13,600	0.04

**10. Public holding**

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

**The Company's Public Holding as at 30th September 2021**

Market Capitalization of the Public Holding	Rs.166.91 Million
Number of public shareholders	1,999
Percentage of ordinary shares held by the public	11.17%

**11. Directors shareholding as at 30th September 2021**

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

**INVESTOR INFORMATION**

**12. Share valuation**

As at/ for the three months ended 30th September 2021	
Market value per share (Rs.)	48.20
Highest price per share for the period (Rs.)	73.00
Lowest price per share for the period (Rs.)	48.00
Market capitalisation	Rs.1,494.20 Million

## CORPORATE INFORMATION

<b>Name of the Company</b>	Equity Two PLC (A Carson Cumberbatch Company)
<b>Company Registration Number</b>	PQ 34
<b>Legal Form</b>	A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1990. Official listing of the Colombo Stock Exchange was obtained in November 1994.
<b>Parent and ultimate controlling entity</b>	Equity One Limited is the immediate Parent Company of Equity Two PLC. Carson Cumberbatch PLC is the Parent Company of Equity One Limited and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Equity One Limited.
<b>Directors</b>	Mr. D. C. R. Gunawardena (Chairman) Mr. K.C.N. Fernando Mr. A. P. Weeratunge Mr. E. H. Wijenaikē Mr. P. D. D. Fernando Mr. S. Marimuthu
<b>Place of Business</b>	No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel : +94 11 2039 200 Fax: +94 11 2039 300
<b>Bankers</b>	Standard Chartered Bank Commercial Bank of Ceylon PLC Hatton National Bank PLC Nations Trust Bank PLC
<b>Auditors</b>	Messrs. KPMG Chartered Accountants No.32A, Sir Mohamed Macan Marker Mawatha, Colombo 03, Sri Lanka. Tel: +94 11 5426 426 Fax:+94 11 2445 872
<b>Managers &amp; Secretaries</b>	Carsons Management Services (Private) Limited No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel : +94 11 2039 200 Fax: +94 11 2039 300
<b>Registered Office</b>	No. 61, Janadhipathi Mawatha, Colombo 01, Sri Lanka. Tel : +94 11 2039 200 Fax: +94 11 2039 300
<b>Corporate Website</b>	<a href="http://www.carsoncumberbatch.com">www.carsoncumberbatch.com</a>