PRIME RESIDENCIES

COMMITTED TO CREATING A BETTER PLACE ON EARTH

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30TH SEPTEMBER 2021

PRIME LANDS RESIDENCIES PLC, NO 75, D.S SENANAYAKE MAWATHA, COLOMBO 08, SRI LANKA.
Tel: +94 11 2699822|Fax: +94 11 4209691|Email: info@primeresidencies.lk|Web: www.primeresidencies.lk

PRIME LANDS RESIDENCIES PLC

STATEMENT OF COMPREHENSIVE INCOME

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30TH SEPTEMBER, 2021

	For the three Months ended			For the Six Months ended		
	30.09.2021 Unaudited	**30.09.2020 Unaudited**	**Variance %**	**30.09.2021 Unaudited**	**30.09.2020 Unaudited**	**Variance %**
	Rs.	**Rs.**		**Rs.**	**Rs.**	
Revenue	2,410,824,016	2,397,371,698	**1%**	3,709,522,085	3,437,717,237	**8%**
Cost of sales	(1,715,287,762)	(1,763,265,268)	**-3%**	(2,600,101,579)	(2,579,202,839)	**1%**
Gross profit	695,536,254	634,106,430	**10%**	1,109,420,506	858,514,398	**29%**
Other income	83,787,883	7,922,393	**958%**	137,095,763	12,217,868	**1022%**
Distribution expenses	(17,262,100)	(7,154,938)	**141%**	(31,396,994)	(12,662,980)	**148%**
Administrative expenses	(109,438,790)	(73,212,777)	**49%**	(247,282,003)	(143,596,439)	**72%**
Operating profit	652,623,247	561,661,108	**16%**	967,837,272	714,472,847	**35%**
Finance income	14,946,262	23,892,440	**-37%**	20,218,576	45,073,795	**-55%**
Finance expenses	(94,545,345)	(130,122,630)	**-27%**	(186,103,810)	(258,363,932)	**-28%**
Profit before taxation	573,024,164	455,430,918	**26%**	801,952,038	501,182,710	**60%**
Tax expenses	(66,678,585)	(109,490,141)	**-39%**	(94,149,930)	(120,657,524)	**-22%**
Profit for the period	506,345,579	345,940,778	**46%**	707,802,108	380,525,186	**86%**
Other comprehensive income						
Total comprehensive income for the period	506,345,579	345,940,778	**46%**	707,802,108	380,525,186	**86%**
Earnings per share	0.56	0.46		0.78	0.51	

Figures in brackets indicate deductions.

PRIME LANDS RESIDENCIES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2021

	As at 30.09.2021 Unaudited	As at 31.03.2021 Audited
	Rs.	Rs.
ASSETS		
Non-current assets		
Property, plant and equipment	7,572,661	9,815,316
Right-of-use assets	62,677,189	79,151,955
Investment properties	660,000,000	660,000,000
Intangible assets	445,530	474,231
Financial assets at amortized cost	351,805,655	352,939,048
Total non-current assets	1,082,501,035	1,102,380,550
Current assets		
Inventory properties - Apartments	11,807,933,047	11,086,722,148
Financial assets - Fair value through profit or loss	241,500	195,000
Advance paid for contractors	786,411,591	357,326,947
Advances, deposits and other receivables	85,065,593	76,492,373
Cash and cash equivalents	1,033,481,936	376,799,448
Total current assets	13,713,133,667	11,897,535,916
Total assets	14,795,634,702	12,999,916,466
EQUITY AND LIABILITIES		
Equity		
Stated capital	3,450,000,000	1,500,000,000
Retained earnings	2,265,754,757	1,932,952,648
Total equity	5,715,754,757	3,432,952,648
Non-current liabilities		
Retirement benefit obligations	16,829,268	15,463,841
Interest bearing borrowings	1,647,989,410	2,333,941,373
Lease liabilities	38,357,854	42,750,007
Deferred tax liabilities	19,697,513	20,745,384
Total non-current liabilities	1,722,874,045	2,412,900,605
Current liabilities		
Bank overdraft	1,648,756,230	1,150,057,784
Trade and other payables	1,141,021,007	1,128,951,405
Amount due to related party	6,645,019	4,995,981
Interest bearing borrowings - Current portion	1,785,164,795	1,859,837,994
Lease liabilities - Current portion	10,298,021	11,442,245
Customer advance collection	2,552,708,521	2,537,768,562
Income tax payable	212,412,309	461,009,242
Total current liabilities	5,708,249,671	6,004,005,429
Total liabilities	7,431,123,716	8,416,906,034
Total equity and liabilities	13,146,878,473	11,849,858,682
Net Assets Per Share (Rs.)	6.10	4.58

Figures in brackets indicate deductions.

Certification
We certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

.....
Mr. Pathirage Anura W. Perera
General Manager Finance

PRIME LANDS RESIDENCIES PLC
No. 75,
D.S. Senanayake Mawatha,
Colombo 08.
PQ 00234680

.....
Mrs. Sandamini R. Perera
Co-Chairperson/Directress

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board.

.....
Mr. Brahmanage Premalal
Co-Chairman/Director

S. Bandara
.....
Mr. Sanjaya Bandara
Director

Colombo
05-Nov-21

STATEMENT OF CHANGES IN EQUITY

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30TH SEPTEMBER, 2021

	Stated capital	Retained earnings	Total
	Rs.	Rs.	Rs.
Balance as at 31st March, 2020	1,500,000,000	942,717,586	2,442,717,586
Profit for the year	-	989,255,576	989,255,576
Other comprehensive income for the year, net of tax	-	979,486	979,486
Balance as at 31st March, 2021	1,500,000,000	1,932,952,648	3,432,952,648
Issue of Share Capital - IPO	1,950,000,000	-	1,950,000,000
Profit for the period	-	707,802,108	707,802,108
Dividends- Ordinary Shares	-	(375,000,000)	(375,000,000)
Balance as at 30th September, 2021	3,450,000,000	2,265,754,757	5,715,754,757

Figures in brackets indicate deductions.

	30.09.2021 Unaudited	30.09.2020 Unaudited
	Rs.	Rs.
Cash flows from operating activities		
Profit before taxation	801,952,038	501,182,710
Adjustment for		
Depreciation	18,890,039	15,732,734
Amortization	28,701	14,299
Provision on retirement benefit obligation	2,050,728	1,025,364
Interest expenses	39,440,313	80,823,184
Lease interest	4,572,066	4,289,995
Loan interest	131,871,399	172,673,373
Interest on debentures	(8,637,029)	(8,372,887)
Exchange (gain)/loss on investment in debenture	9,770,422	-
	197,940,139	266,186,063
Operating cash flows before change in working capital	999,892,177	767,368,773
Changes in working capital		
(Increase)/decrease in inventory properties	(721,210,899)	(245,221,643)
decrease/(Increase)in contractor advances	(429,084,644)	462,535,623
(Increase)/decrease in advances, deposits and other receivables	(8,573,220)	(3,762,380)
Increase/(decrease) in trade and other payables	12,069,602	157,906,725
(Decrease)/increase in amounts due to related parties	1,649,038	1,564,000,000
(Decrease)/increase in amounts due to directors	-	(97,750,000)
(decrease)/Increase in customer advance collection	14,939,959	(144,400,634)
Cash generated from/(used in) operations	(130,317,987)	2,460,676,464
Income tax paid	(343,794,734)	(34,245,410)
Interest paid	(39,440,313)	(80,823,184)
Gratuity paid	(685,301)	(267,600)
Net cash generated from/(used in) operating activities	(514,238,335)	2,345,340,270
Cash flows from investing activities		
Acquisition of property, plant and equipment	(172,618)	(7,484,034)
Net cash generated from/(used in) investing activities	(172,618)	(7,484,034)
Cash flows from financing activities		
Lease instalments paid	(10,108,444)	(10,053,332)
Dividends paid	(375,000,000)	-
IPO Proceed	1,950,000,000	-
Proceeds from interest bearing borrowings	564,354,376	320,000,000
Repayment of interest bearing borrowings	(1,324,979,538)	(410,678,685)
Loan interest paid	(131,871,399)	(172,673,373)
Net cash generated/(used in financing activities	672,394,995	(273,405,390)
Net increase/(decrease) in cash and cash equivalents	157,984,042	2,064,450,846
Cash and cash equivalents at the beginning of the year	(773,258,336)	(2,763,773,370)
Cash and cash equivalents at the end of the period	(615,274,294)	(699,322,524)

Figures in brackets indicate deductions.

1 The Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the Year Ended 31st March 2020. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard (LKAS 34) on Interim Financial Reporting and provide the information required by the Colombo Stock Exchange.

2 There were no significant changes in the nature of contingent liabilities as at the reporting date.

3 The interim financial statements of the Company for the six months ended 30th September 2021 were authorised for issue by the Board of Directors on 05 November 2021.

4 Investor Information

4.1 Directors' Shareholding as at 30th September 2021

The number of shares held by the Board of Directors are as follows;

Name of the director	No. of shares	(%)
Mr. B Premalal	15	0.00%
Ms. H K S R Perera	15	0.00%
Mr. N M Weerakkody	Nil	N/A
Mr. H M N U Kumara	Nil	N/A
Ms. S S A P Brahmanage	Nil	N/A
Mr. M Perera	Nil	N/A
Mr. D Kalapuge	Nil	N/A
Mr. S Bandara	Nil	N/A
Mr. D Sooriyaarachchi	Nil	N/A

4.2 Twenty largest shareholders as at 30th September 2021

	Name of the shareholder	No. of shares	(%)
1	Prime Lands (Pvt) Ltd	749,999,970	80.00%
2	Bhoomi Realty Holdings (Pvt) Ltd	16,350,072	1.74%
3	Mr. H.P.D.W.N. Gunasekara	9,500,000	1.01%
4	Ceylinco General Insurance Limited	7,200,000	0.77%
5	Associated Electrical Corporation Ltd	6,314,406	0.67%
6	Maga Engineering (Pvt) Ltd	6,000,000	0.64%
7	Mr. N.A.S. Brahamanage	5,000,000	0.53%
8	Mr. H.K.C.P. Perera	5,000,000	0.53%
9	Mr. A.I. Ramachandra	5,000,000	0.53%
10	Mr. B.M.D.S. Thaaruna	5,000,000	0.53%
11	Askold (Private) Limited	4,700,000	0.50%
12	Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	3,845,500	0.41%
13	Mr. A. De Zoysa	3,200,000	0.34%
14	Mr. M.A. Jafferjee	3,200,000	0.34%
15	Mr. A.N. Esufally	3,000,000	0.32%
16	Seylan Bank PLC/Senthilverl Holdings (Pvt) Ltd	2,947,762	0.31%
17	Seylan Bank PLC/Arrc Capital (Pvt) Ltd	2,902,715	0.31%
18	Jafferjee Brothers (Exports) Limited	2,884,600	0.31%
19	J.B. Cocoshell (Pvt) Ltd	2,120,633	0.23%
20	Katunayake Garments Limited	1,923,000	0.21%
		846,088,658	90.25%
	Others	91,411,342	9.75%
		937,500,000	100.00%

4.2 Public Shareholding as at 30th September 2021

Percentage of Public Holding (Minimum Requirement - 10%)	18.26%
Number of Shares held by Public Shareholders	171,149,928
Number of Public Shareholders (Minimum Requirement - 200 Shareholders)	3,926
Number of Public and Non-Public Shareholders	3,930
Market Capitalization as at 30th September 2021	9,187,500,000
Float Adjusted Market Capitalization as at 30th September 2021	1,677,269,294

The Company is Compliant with option 2 of the Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

4.2.1 Computation of Public Share Holding as at 30th September 2021

	No. of shares	(%)
Parent, subsidiary or associate entities or any subsidiary or associates of its Parent Entity		
Prime Lands (Pvt) Ltd	749,999,970	80.00%
Bhoomi Realty Holdings (Pvt) Ltd	16,350,072	1.74%
Directors of the entity, their spouses and children under 18 years of age		
Mr. B Premalal	15	0.00%
Ms. H K S R Perera	15	0.00%
Key Management personnel and their close family members	**Nil**	**N/A**
Other related entities/ parties	**Nil**	**N/A**
Total non-public share holding	**766,350,072**	**81.74%**
Public Share Holding	171,149,928	18.26%
Total Issued Share Capital	**937,500,000**	**100.00%**

5 Continuous Disclosure regarding status of utilisation of funds raised via IPO

IPO Proceeds Utilisation as at 30th September 2021

Objective Number	Objective as per Prospectus	Amount Allocated as per Prospectus in Rs.	Proposed Date of Utilisation as per Prospectus	Amount Allocated from Proceeds in Rs. (A)	% of Total Proceeds	Amounts Utilised in Rs. (B)	% of Utilisation Against Allocation (B/A)	Clarification if not fully utilised including where the funds are invested (eg: whether lent to related party/s etc)
(i)	Payment for the Acquisition of Land in Meegoda, Homagama	333,312,500	on or before Q2 2021/22	333,312,500	17%	333,312,500	100%	The funds are utilised based on the progress of the project and the unutilized portion has been placed in a Money Market Account/Fixed Deposit until required for use
(ii)	Settling the Revolving Import Loans taken for The Grand	188,047,000	on or before Q3 2021/22	188,047,000	10%	188,047,000	100%	
(iii)	To further strengthen the working capital of the Company			-				
a.	The Palace Gampaha	150,000,000	on or before Q2 2021/22	150,000,000	8%	150,000,000	100%	
b.	The Beach Front (Uswetakeiyawa II)	90,000,000	on or before Q4 2021/22	90,000,000	5%	31,242,243	35%	
c.	The Grand (Ward Place)	1,188,640,500	on or before Q4 2021/22	1,188,640,500	61%	838,850,739	71%	
		1,950,000,000		1,950,000,000	100%	1,541,452,482	79%	

6.1 Stated Capital

Stated Capital is represented by number of shares in issue as given below:

	No of Shares as at	
	30-Sep-21	**30-Sep-20**
Ordinary Shares	937,500,000	750,000,000

For the year ended 31st March 2021, the Company has subdivided its 150,000,000 fully paid Ordinary Shares, by splitting each One (01) Ordinary Share into Five (05) Shares totaling to 750,000,000 fully paid Ordinary Shares without any change to the Stated Capital of the Company.

The Company has issued One Hundred Million (100,000,000) New Ordinary Voting Shares with the Option to issue a further Eighty-Seven Million and Five Hundred Thousand (87,500,000) New Ordinary Voting Shares in the event of an Oversubscription of the Initial One Hundred Million (100,000,000) Ordinary Voting Shares to the general public by way of an Offer for Subscription in the Colombo Stock Exchange and the listing of up to Nine Hundred and Thirty Seven Million Five Hundred Thousand (937,500,000) Ordinary Voting Shares

6.2 Earning per share

Earning per share has been calculated, for all periods, based on the number of shares in issue as at 30 September 2021

6.3 Market value per share for the quarter ended	30-Sep-21	30-Sep-20
	Rs.	Rs.
Highest Price	10.60	-
Lowest Price	8.10	-
Last Traded	9.80	-

7 Events occurring after Balance Sheet date

There were no material events that have taken place subsequent to the balance sheet date, which require adjustments to or disclosure in the Financial Statements except as explained above.

8 Comparative figures

Comparative period's figures have been presented without any amendment.

9 RELATED PARTY DISCLOSURES

Transactions with Affiliated Companies

		Quarter Ended
		30th September 2021
Items in Statement of Financial Position	**Reported under**	**Rs.**
Liability		
Loans obtain from Prime Finance PLC	Interest bearing borrowings	49,164,894
Lease obtain from Prime Finance PLC	Lease liabilities	31,074,450
Items in Statement of Comprehensive Income		
Income		
Rent income from Prime Finance PLC	Other Income	3,000,000
Expenses		
Shared service fee to Prime Lands (Pvt) Ltd	Administrative expenses	7,500,000
Rent expenses to Prime Lands (Pvt) Ltd	Administrative expenses	1,500,000
Interest Paid to Prime Finance PLC	Finance expenses	4,132,318

CORPORATE INFORMATION

Company	Prime Lands Residencies PLC
Registered Office	75, D S Senanayake Mawatha Colombo 08, Sri Lanka Tel: +94 11 2699822 Fax: +94 11 4209691
Date, Place and Authority of Incorporation	A Limited Liability Company Incorporated in Sri Lanka on May 16, 2005 under the Companies Act No. 17 of 1982 and re-registered on September 15, 2008 under the Companies Act No. 07 of 2007. The Company was converted to a Public Company on February 12, 2021.
Company Registration (as a Public Company)	**PQ00234680**
Company Secretary	**PELE Consulting (Private) Limited** Apart. No. 9/6, 10, Alfred House Gardens Colombo 03, Sri Lanka Tel: +94 77 7352370
Auditors of the Company	**Messrs. BDO Partners (Chartered Accountants)** 65/2, "Charter House", Sir Chittampalam A Gardiner Mawatha Colombo 02, Sri Lanka Tel: +94 11 2421878-79/70 / +94 11 2387002/03 Fax: +94 11 2336064
Board of Directors	**Mr. B Premalal** – Co-Chairman/Non-Independent Executive Director **Ms. H K S R Perera** – Co-Chairperson/Non-Independent Executive Director **Mr. N M Weerakkody** – Managing Director/ Non-Independent Executive Director **Mr. H M N U Kumara** – Director-Corporate Affairs/Non-Independent Executive Director **Ms. S S A P Brahmanage** - Non-Independent Executive Director **Mr. M Perera** - Non-Independent Non-Executive Director **Mr. D Kalapuge** - Non-Independent Non-Executive Director **Mr. S Bandara** - Independent Non-Executive Director **Mr. D Sooriyaarachchi** - Senior Independent Director/Independent Non-Executive Director
Credit Rating (Issuer Rating)	[SL] A- (Stable) From ICRA Lanka Ltd.
Lawyers of the Company	**Sharm Fernando Associates** 35/10, Wijayakumaratunga Mawatha Colombo 05, Sri Lanka Tel: +94 76 6993861
Bankers of the Company	DFCC Bank PLC Seylan Bank PLC Nations Trust Bank PLC People's Bank Commercial Bank PLC Sampath Bank PLC Hatton National Bank PLC National Development Bank PLC

Prime Lands Residencies PLC Revenue up by 86% and PAT by 151%

in Q2 performance for FY 2021/22

November 05th, 2021: Continuing its rapid growth trajectory amidst challenging economic conditions, Prime Lands Residencies PLC (PLR), a subsidiary of the country's foremost property development magnate Prime Group, posted a revenue of Rs. 2.4 billion for the second quarter of FY 2021/22, up by a highly commendable 86% from the first quarter of the year.

Profit Before Tax (PBT) for the period in review was a remarkable Rs. 573 million, a milestone achievement, while Profit After Tax (PAT) came in at Rs. 506 million, an increase of 151% in comparison to Rs. 201 million in the previous quarter.

"Prime Lands Residencies has yet again continued its strong growth momentum during the second quarter with a revenue of Rs. 2.4 Billion, delivering exceptionally on both financial and operational indicators, during a period of high social and economic turbulence. This reiterates the stability and resilience of our portfolio as well as the effectiveness of our business strategies to deliver enhanced shareholder value," stated Prime Group Chairman Premalal Brahmanage.

"With the continued availability of relatively low-cost financing opportunities from banks and financial institutions due to prevailing interest rates, the demand and appetite for residential real estate remain strong. With these factors at play, we believe Prime Lands Residencies is well-placed to continue to deliver high-quality long-term growth while asserting our dominant position as the most trusted real estate developer in the country," he continued to add.

Bringing a strong close to the first half of FY 2021/22, Prime Lands Residencies reported a total revenue of Rs. 3.7 billion. Profit Before Tax (PBT) stood at Rs. 802 million, while Profit After Tax (PAT) came in at an exceptional Rs. 708 million. Gross Profit Margin was maintained at 30% over the first half of the year, while Earnings Per Share (EPS) stood at Rs. 0.78.

This year, PLR etched its name in history yet again by becoming the first institution in the Sri Lankan real estate industry to be reaffirmed a prestigious issuer rating of "[SL]A- (Stable)" from ICRA Lanka, a group company of ICRA Ltd – a subsidiary of Moody's Investors Service. September 2021 also marked the Company's successful inaugural Annual General Meeting (AGM), held virtually, with the participation of key shareholders. The end of FY 2020/21 saw Prime Lands Residencies PLC making a dividend payment of Rs. 375 million at Rs. 40 Cents per ordinary share to its shareholders soon after the Company's successful IPO.

To further support the PLR's accelerating growth and dynamic vision to revolutionize the real estate landscape within the island, Prime Lands Residencies appointed Noel Joseph, who is a celebrated engineer, consultant and Managing Director of NJ Consultants, to its Board of Directors. Noel counts over 32 years of deep experience in steering major local and global development projects to success.