

INTERIM FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED 31ST MARCH 2022

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

PLR Posts a Recording Profit of LKR 1.68 Billion for year ending 31st March 2022

Prime Lands Residencies PLC (PLR) has made a profit before tax of LKR 1,848 Million for the year ended FY 2021/22 while maintaining a profit after tax of LKR 1,682 million for FY 2021/22.

Commenting on the results, Co-chairman Mr. Brahmanage Premalal "It is a recording performance for us at the year ending 31 March 2022 to achieve a profit before tax of LKR 1.7 Billion despite many challenges we faced during past 12 months. As you are well aware, the year under review was quite turbulent due to the continuation of the Covid-19 pandemic, which has resulted multiple lockdowns. However, as the Interim Financial Statements show, Prime Lands Residencies PLC (PLR) were able to conquer these challenges to secure record results to our valuable shareholders.

Interim Financial Results

Prime Lands Residencies posted a revenue of LKR 9.5 billion for the FY 2021/22 as disclosed. I am pleased to reveal that we have been able to add more value of LKR 1.8 Billion to secure a growth of 23% YoY.

Over delivering our promises to the shareholders, we have achieved a remarkable growth of 70% YoY in profit after tax to record LKR 1.7 Billion for the FY 2021/22. These millstones reflects the resilience of the company in the face of the many challenges including the economic crisis faced by the country. This demonstrate from the over delivery of Earning Per Share from LKR 1.32 to LKR 1.86 in FY 2021/22 vs FY 2020/21.

We are facing once in a generation economic crisis during 4Q FY 2022. This has severely affected the construction industry at both macro and micro levels. Despite all challenges, PLR has shown a revenue growth of 20% (QoQ) while maintaining a profit after tax of 17% (QoQ)" stated Mr Premalal.

Real-Estate Sector Performance under the prevailing Market Conditions

The Real estate arm (Lands) of the PLR is the latest strategic business vertical to the business to fuel the growth of PLR sustainable business. This segment has contributed successfully to the PLR growth trajectory by adding a revenue of LKR 864 Million at the 4Q of FY 2021/22.

This strategic move has positively contributed to keep the business momentum even during the challenges of severe currency devaluation, hyper-inflation and political instability.

Board of directors of PLR has taken stringent measures to ensure that PLR continues its upward growth performance and maintains a healthy profit curve to PLR's shareholders as the company move forward.

Financial Stability & Brand Equity

PLR is managed with the highest level of corporate governance and consistently maintains a very strong financial position. This reaffirmed by the latest rating upgrade assigned to the Prime Lands Residencies PLC by the Independent Rating Agency ICRA LANKA LIMITED (Subsidiary of Moody's Investors Service) from [SL] A- (stable) to [SL] A (stable) in April 2022. All our stakeholders consider this rating as one of the greatest achievements even under the prevailing circumstances.

As a top corporate citizen, Prime Lands Residencies PLC were also ranked the most valuable real estate brand in Sri Lanka in 2021 by Brand Finance – in LMD's brands annual guide to Sri Lanka's most valuable brands. While Brand Finance has ranked us in Best of the Best category in our debut, this echoes the brand equity we maintain as the real estate leader in the country.

Future Outlook for the Company

The Grand Ward Place, a LKR 30 Billion project is ready to complete and handover towards the end of 2022 and this is by far the greatest project delivered by Prime Lands Residencies. Delivering the promises Prime Lands Residencies in Rajagiriya (Bella), Uswetakeiyyawa (Beach Front I), Kassapa Road (Desire & Jawa 25) are now completed and ready to occupy while the condominium projects in Gampaha (The Palace) and Uswetakeiyyawa (Beach Front II) is under progressive constructions.

The newest addition to the Prime Lands Residencies will be the beachfront apartment at Dehiwala and Life style apartment in Malabe. Extending the lands portfolio Prime Group has lands projects across the island to offer in near future to its aspiring customers and to name a few are Nuwara Eliya, Gampaha, Maharagama, Tangalle, Pannipitiya, Narammala, Aluthgama, Negombo among many others.

PRIME LANDS RESIDENCIES PLC

STATEMENT OF COMPREHENSIVE INCOME

INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2022

	For the three Months ended			For the Twelve Months ended		
	31.03.2022 Unaudited	31.03.2021 Unaudited	Variance %	31.03.2022 Unaudited	31.03.2021 Audited	Variance %
	Rs.	Rs.		Rs.	Rs.	
Revenue	3,165,403,537	2,192,598,937	44%	9,510,383,251	7,732,398,134	23%
Cost of sales	(2,638,318,045)	(1,665,344,161)	58%	(7,088,281,001)	(5,838,879,143)	21%
Gross profit	527,085,492	527,254,776	0%	2,422,102,250	1,893,518,991	28%
Other income	7,622,929	6,915,613	10%	152,905,442	26,091,431	486%
Gain on fair valuation of investment property	65,000,000	6,835,863	851%	65,000,000	6,835,863	851%
Distribution expenses	(114,433,608)	(10,839,977)	956%	(216,284,158)	(31,165,383)	594%
Administrative expenses	(120,158,723)	(76,224,514)	58%	(487,162,481)	(310,241,352)	57%
Operating profit	365,116,090	453,941,761	-20%	1,936,561,053	1,585,039,550	22%
Finance income	280,303,184	32,963,960	750%	308,310,595	104,741,231	194%
Finance expenses	(113,107,056)	(71,680,693)	58%	(396,950,044)	(412,363,514)	-4%
Profit before taxation	532,312,218	415,225,028	28%	1,847,921,605	1,277,417,267	45%
Tax expenses	(7,644,356)	(91,869,310)	-92%	(165,548,364)	(288,161,691)	-43%
Profit for the period	524,667,862	323,355,718	62%	1,682,373,241	989,255,576	70%
Other comprehensive income	-	-	-	-	-	-
Items that will not be re-classified to profit or loss						
Actuarial gain on retirement benefit obligation	2,442,969	1,288,798	90%	2,442,969	1,288,798	90%
Tax on other comprehensive income	(586,313)	(309,312)	90%	(586,313)	(309,312)	90%
Other comprehensive income for the period, net of tax	1,856,656	979,486	90%	1,856,656	979,486	90%
Total comprehensive income for the period	526,524,519	324,335,204	62%	1,684,229,897	990,235,062	70%
Earnings per share	0.58	0.43		1.86	1.32	

Figures in brackets indicate deductions.

PRIME LANDS RESIDENCIES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2022

	As at 31.03.2022 Unaudited	As at 31.03.2021 Audited
	Rs.	Rs.
ASSETS		
Non-current assets		
Property, plant and equipment	11,891,518	9,815,316
Right-of-use assets	46,292,348	79,151,955
Investment properties	725,000,000	660,000,000
Intangible assets	416,986	474,231
Financial assets at amortized cost	536,422,881	352,939,048
Total non-current assets	1,320,023,733	1,102,380,550
Current assets		
Inventory properties	15,152,244,109	11,086,722,148
Financial assets - Fair value through profit or loss	180,000	195,000
Advance paid for contractors	910,170,632	357,326,947
Advances, deposits and other receivables	48,771,664	76,492,373
Cash and cash equivalents	1,435,092,137	376,799,448
Total current assets	17,546,458,542	11,897,535,916
Total assets	18,866,482,275	12,999,916,466
EQUITY AND LIABILITIES		
Equity		
Stated capital	3,450,000,000	1,500,000,000
Retained earnings	3,242,182,546	1,932,952,648
Total equity	6,692,182,546	3,432,952,648
Non-current liabilities		
Retirement benefit obligations	16,705,881	15,463,841
Interest bearing borrowings	1,718,255,602	2,333,941,373
Lease liabilities	26,897,955	42,750,007
Deferred tax liabilities	24,795,746	20,745,384
Total non-current liabilities	1,786,655,184	2,412,900,605
Current liabilities		
Trade and other payables	1,175,783,486	1,128,951,405
Amount due to related party	8,109,906	4,995,981
Interest bearing borrowings - Current portion	1,677,916,667	1,859,837,994
Lease liabilities - Current portion	14,977,640	11,442,245
Customer advance collection	4,587,607,505	2,537,768,562
Income tax payable	117,298,979	461,009,243
Bank overdraft	2,805,950,362	1,150,057,784
Total current liabilities	10,387,644,546	7,154,063,214
Total liabilities	12,174,299,730	9,566,963,818
Total equity and liabilities	18,866,482,275	12,999,916,466
Net Assets Per Share (Rs.)	7.14	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

.....
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

Colombo
20-May-22

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

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

STATEMENT OF CHANGES IN EQUITY

INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2022

	Stated capital	Retained earnings	Total
	Rs.	Rs.	Rs.
Balance as at 01st April, 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
Balance as at 01st April, 2021	1,500,000,000	1,932,952,648	3,432,952,648
Issue of Share Capital	1,950,000,000	-	1,950,000,000
Profit for the year	-	1,682,373,241	1,682,373,241
Other comprehensive income for the year, net of tax	-	1,856,656	1,856,656
Interim Dividend	-	(375,000,000)	(375,000,000)
Balance as at 31st March, 2022	3,450,000,000	3,242,182,546	6,692,182,546

Figures in brackets indicate deductions.

	31.03.2022 Unaudited	31.03.2021 Audited
	Rs.	Rs.
Cash flows from operating activities		
Profit before taxation	1,847,921,605	1,277,417,267
Adjustment for		
Depreciation	37,363,173	37,424,321
Amortization	57,244	34,015
Provision on retirement benefit obligation	4,142,481	4,101,457
Interest expenses	119,056,945	103,975,413
Lease interest	9,519,323	10,644,856
Loan interest	261,311,125	295,981,235
Interest on debentures	(26,355,453)	(18,236,546)
Fair value (gain)/ loss on share investment	15,000	(15,000)
Exchange (gain)/loss on investment in debenture	(157,128,380)	(64,507,604)
Fair value gain on investment property	(65,000,000)	(6,835,863)
	182,981,458	362,566,284
Operating cash flows before change in working capital	2,030,903,063	1,639,983,551
Changes in working capital		
(Increase)/decrease in inventory properties	(4,065,521,961)	(2,580,886,573)
decrease/(Increase)in contractor advances	(552,843,685)	3,450,142,491
(Increase)/decrease in advances, deposits and other receivables	27,720,709	(15,049,519)
Increase/(decrease) in trade and other payables	46,579,139	631,626,898
(Decrease)/increase in amounts due to related parties	3,113,925	(970,025)
(Decrease)/increase in amounts due to directors	-	(391,000,000)
(decrease)/Increase in customer advance collection	2,049,838,943	(1,377,602,536)
Cash generated from operations	(460,209,867)	1,356,244,287
Income tax paid	(505,794,577)	(110,862,296)
Income tax refund	-	163,963,992
Interest paid	(119,056,945)	(103,975,413)
Gratuity paid	(457,472)	(535,200)
Net cash generated from/(used in) operating activities	(1,085,518,861)	1,304,835,370
Cash flows from investing activities		
Acquisition of intangible assets	-	(342,219)
Acquisition of investment property	-	(164,137)
Acquisition of property, plant and equipment	(6,579,768)	(14,461,711)
Net cash used in investing activities	(6,579,768)	(14,968,067)
Cash flows from financing activities		
Lease installments paid	(21,835,980)	(20,106,664)
Dividends paid	(374,747,058)	
IPO Proceed	1,950,000,000	-
Proceeds from lease creditor	-	6,000,000
Proceeds from interest bearing borrowings	1,482,211,000	2,504,093,000
Repayment of interest bearing borrowings	(2,279,818,098)	(1,493,357,370)
Loan interest paid	(261,311,125)	(295,981,235)
Net cash used in financing activities	494,498,740	700,647,731
Net increase/(decrease) in cash and cash equivalents	(597,599,889)	1,990,515,034
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 year	(1,370,858,225)	(773,258,336)

1 The interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34, Interim Financial Reporting. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2021, including the changes to accounting policies as a result of convergence to revised Sri Lanka Accounting Standards (SLFRSs/LKASs). Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

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 twelve months ended 31st March 2022 were authorised for issue by the Board of Directors on 20th May 2022.

4 Investor Information

4.1 Directors' Shareholding as at 31st March 2022

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
Mr. N L S Joseph	100,000	0.01%

4.2 Twenty largest shareholders as at 31st March 2022

	Name of the shareholder	No. of shares	(%)
1	Prime Lands (Pvt) Ltd	749,999,970	80.00%
2	Phantom Investments (Private) Limited	6,900,000	0.74%
3	Ceylinco General Insurance Limited	6,700,000	0.71%
4	Mr. H.P.D.W.N. Gunasekara	5,000,000	0.53%
5	Mr. H.K.C.P. Perera	5,000,000	0.53%
6	Deutsche Bank AG as Trustee For JB Vantage Value Equity Fund	3,845,500	0.41%
7	Askold (Private) Limited	3,500,000	0.37%
8	DFCC Bank PLC/Maskeliya Tea Exports (Pvt) Ltd	3,234,622	0.35%
9	Mr. A.I. Ramachandra	3,175,000	0.34%
10	Seylan Bank PLC/ARCC Capital (Pvt) Ltd	3,153,375	0.34%
11	Mr. A.N. Esufally	3,000,000	0.32%
12	Jafferjee Brothers (Exports) Limited	2,884,600	0.31%
13	Mr. N.A.S. Brahamanage	2,500,000	0.27%
14	Mr. B.M.D.S. Thaaruna	2,500,000	0.27%
15	Seylan Bank PLC/Jaliya Abeysiri Wijeratne	2,250,000	0.24%
16	Mr. D.N.P. Rathnayake	2,100,000	0.22%
17	Mr. M.A. Jafferjee	2,000,000	0.21%
18	Katunayake Garments Limited.	1,923,000	0.21%
19	Merchant Bank Of Sri Lanka & Finance PLC/T.M.P. Gunasekara	1,700,000	0.18%
20	Mrs. A.M. Moonesinghe	1,568,000	0.17%
		812,934,067	86.71%
	Others	124,565,933	13.29%
		937,500,000	100.00%

4.2 Public Shareholding as at 31st March 2022

Percentage of Public Holding (Minimum Requirement - 10%)	19.99%
Number of Shares held by Public Shareholders	187,400,000
Number of Public Shareholders (Minimum Requirement - 200 Shareholders)	5,619
Number of Public and Non-Public Shareholders	5,623
Market Capitalization as at 31st March 2022	6,468,750,000
Float Adjusted Market Capitalization as at 31st March 2022	1,293,060,000

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 31st March 2022

	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%
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%
Mr. N L S Joseph	100,000	0.01%
Key Management personnel and their close family members	Nil	n/a
Other related entities/ parties	Nil	n/a
Total non-public share holding	750,100,000	80.01%
Public Share Holding	187,400,000	19.99%
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 31st March 2022

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%	Fully Utilized
(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%	90,000,000	100%	
c.	The Grand (Ward Place)	1,188,640,500	on or before Q4 2021/22	1,188,640,500	61%	1,188,640,500	100%	
		1,950,000,000		1,950,000,000		1,950,000,000		

6.1 Stated Capital

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

	No of Shares as at	
	31-Mar-22	31-Mar-21
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 totalling 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 31st March 2022

6.3 Market value per share for the quarter ended	31-Mar-22	31-Mar-21
	Rs.	Rs.
Highest Price	14.40	-
Lowest Price	6.60	-
Last Traded	6.90	-

7 Events occurring after Balance Sheet date

There have been no material events occurring after the reporting period that require adjustments to or disclosure in the financial statements.

8 Comparative figures

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

9 RELATED PARTY DISCLOSURES

Transactions with Affiliated Companies

Items in Statement of Financial Position	Reported under	Quarter Ended 31st March 2022 Rs.
Assets		
Land Inventory Transfer from Prime Finance PLC	Inventory properties	923,640,950
Consultancy Fee for NJ Consultants	Inventory properties	1,133,302
Liability		
Loans obtain from Prime Finance PLC	Interest bearing borrowings	42,794,830
Lease obtain from Prime Finance PLC	Lease liabilities	26,027,484
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
Secretary fee to PELE Consulting (Pvt) Ltd	Administrative expenses	145,320
Interest Paid to the Prime Finance PLC	Finance expenses	3,584,150

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 and listed on the Colombo Stock Exchange 08 June 2021.
Company Registration Number (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 Mr. N L S Joseph - 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 Bank of Ceylon