

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 31ST DECEMBER 2021

PRIME LANDS RESIDENCIES PLC, NO 75, D.S SENANAYAKE MAWATHA, COLOMBO 08, SRI LANKA.
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PRIME LANDS RESIDENCIES PLC
STATEMENT OF COMPREHENSIVE INCOME
INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31ST DECEMBER, 2021

	For the three Months ended			For the Nine Months ended		
	31.12.2021 Unaudited	31.12.2020 Unaudited	Variance %	31.12.2021 Unaudited	31.12.2020 Unaudited	Variance %
	Rs.	Rs.		Rs.	Rs.	
Revenue	2,635,457,629	2,102,081,960	25%	6,344,979,714	5,539,799,197	15%
Cost of sales	(1,849,861,377)	(1,594,332,143)	16%	(4,449,962,956)	(4,173,534,982)	7%
Gross profit	785,596,252	507,749,817	55%	1,895,016,758	1,366,264,215	39%
Other income	8,186,750	6,957,950	18%	145,282,513	19,175,818	658%
Distribution expenses	(70,453,556)	(7,662,426)	819%	(101,850,550)	(20,325,406)	401%
Administrative expenses	(119,721,755)	(90,420,399)	32%	(367,003,758)	(234,016,838)	57%
Operating profit	603,607,691	416,624,942	45%	1,571,444,963	1,131,097,789	39%
Finance income	7,788,835	26,703,476	-71%	28,007,411	71,777,271	-61%
Finance expenses	(97,739,178)	(82,318,889)	19%	(283,842,988)	(340,682,821)	-17%
Profit before taxation	513,657,348	361,009,529	42%	1,315,609,386	862,192,239	53%
Tax expenses	(63,754,078)	(75,634,857)	-16%	(157,904,008)	(196,292,381)	-20%
Profit for the period	449,903,270	285,374,672	58%	1,157,705,378	665,899,859	74%
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	449,903,270	285,374,672	58%	1,157,705,378	665,899,859	74%
Earnings per share	0.50	0.38		1.28	0.89	

Figures in brackets indicate deductions.

PRIME LANDS RESIDENCIES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2021

	As at 31.12.2021 Unaudited	As at 31.03.2021 Audited
	Rs.	Rs.
ASSETS		
Non-current assets		
Property, plant and equipment	8,974,998	9,815,316
Right-of-use assets	54,394,794	79,151,955
Investment properties	660,000,000	660,000,000
Intangible assets	431,101	474,231
Financial assets at amortized cost	349,536,169	352,939,048
Total non-current assets	1,073,337,061	1,102,380,550
Current assets		
Inventory properties - Apartments	12,607,849,611	11,086,722,148
Financial assets - Fair value through profit or loss	256,500	195,000
Advance paid for contractors	717,597,178	357,326,947
Advances, deposits and other receivables	49,931,615	76,492,373
Cash and cash equivalents	1,069,232,246	376,799,448
Total current assets	14,444,867,150	11,897,535,916
Total assets	15,518,204,211	12,999,916,466
EQUITY AND LIABILITIES		
Equity		
Stated capital	3,450,000,000	1,500,000,000
Retained earnings	2,715,658,027	1,932,952,648
Total equity	6,165,658,027	3,432,952,648
Non-current liabilities		
Retirement benefit obligations	17,854,632	15,463,841
Interest bearing borrowings	716,515,250	2,333,941,373
Lease liabilities	35,412,320	42,750,007
Deferred tax liabilities	22,290,880	20,745,384
Total non-current liabilities	792,073,082	2,412,900,605
Current liabilities		
Trade and other payables	1,191,086,082	1,128,951,405
Amount due to related party	-	4,995,981
Interest bearing borrowings - Current portion	2,362,733,214	1,859,837,994
Lease liabilities - Current portion	10,298,021	11,442,245
Customer advance collection	3,182,284,464	2,537,768,562
Income tax payable	215,812,286	461,009,242
Bank overdraft	1,598,259,037	1,150,057,784
Total current liabilities	8,560,473,103	7,154,063,213
Total liabilities	9,352,546,185	9,566,963,818
Total equity and liabilities	15,518,204,211	12,999,916,466
Net Assets Per Share (Rs.)	6.58	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
02 February 2022

STATEMENT OF CHANGES IN EQUITY

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31ST DECEMBER, 2021

	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 period	-	665,899,859	665,899,859
Balance as at 31st December, 2020	1,500,000,000	1,608,617,445	3,108,617,445
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 period	-	1,157,705,378	1,157,705,378
Interim Dividend	-	(375,000,000)	(375,000,000)
Balance as at 31st December, 2021	**3,450,000,000**	**2,715,658,027**	**6,165,658,027**

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS
INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31ST DECEMBER, 2021

	31.12.2021 Unaudited	31.12.2020 Unaudited
	Rs.	Rs.
Cash flows from operating activities		
Profit before taxation	1,315,609,386	862,192,239
Adjustment for		
Depreciation	28,246,098	26,547,700
Amortization	43,130	24,129
Provision on retirement benefit obligation	3,076,092	1,025,364
Interest expenses	67,367,830	90,318,876
Lease interest	6,647,799	7,290,487
Loan interest	192,744,147	241,485,587
Interest on debentures	(13,097,507)	(12,932,023)
Fair value (gain)/ loss on share investment	(61,500)	-
Exchange (gain)/loss on investment in debenture	16,500,386	-
	301,466,475	353,760,121
Operating cash flows before change in working capital	1,617,075,861	1,215,952,360
Changes in working capital		
(Increase)/decrease in inventory properties	(1,521,127,463)	(1,935,664,930)
decrease/(Increase)in contractor advances	(360,270,231)	2,587,606,868
(Increase)/decrease in advances, deposits and other receivables	26,560,758	(11,287,139)
Increase/(decrease) in trade and other payables	62,134,677	473,720,174
(Decrease)/increase in amounts due to related parties	(4,995,981)	1,324,348,000
(decrease)/Increase in customer advance collection	644,515,902	(1,033,201,902)
Cash generated from operations	463,893,523	2,621,473,431
Income tax paid	(401,555,468)	(83,146,722)
Interest paid	(67,367,830)	(77,981,560)
Gratuity paid	(685,301)	(401,400)
Net cash generated from/(used in) operating activities	(5,715,076)	2,582,916,743
Cash flows from investing activities		
Acquisition of intangible assets	-	(256,664)
Acquisition of investment property	-	(123,103)
Acquisition of property, plant and equipment	(2,648,618)	(10,846,358)
Net cash used in investing activities	(2,648,618)	(11,226,125)
Cash flows from financing activities		
Lease installments paid	(15,129,712)	(15,079,998)
Dividends paid	(375,000,000)	-
IPO Proceed	1,950,000,000	-
Proceeds from lease creditor	-	4,500,000
Proceeds from interest bearing borrowings	585,211,002	560,000,000
Repayment of interest bearing borrowings	(1,699,741,903)	(956,986,000)
Loan interest paid	(192,744,147)	(221,985,926)
Net cash used in financing activities	252,595,240	(629,551,924)
Net increase/(decrease) in cash and cash equivalents	244,231,546	1,942,138,693
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	(529,026,790)	(821,634,677)

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 nine months ended 31st December 2021 were authorised for issue by the Board of Directors on 02 February 2022.

4 Investor Information

4.1 Directors' Shareholding as at 31st December 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
Mr. N L S Joseph	100,000	0.01%

4.2 Twenty largest shareholders as at 31st December 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	Seylan Bank PLC/ARRC Capital (Pvt) Ltd	9,569,049	1.02%
4	Mr. H.P.D.W.N. Gunasekara	8,500,000	0.91%
5	Ceylinco General Insurance Limited	7,200,000	0.77%
6	Hatton National Bank PLC/Almas Organisation(Pvt) Ltd	7,035,998	0.75%
7	Maga Engineering Pvt Ltd	6,000,000	0.64%
8	Mr. N.A.S. Baahamanage	5,000,000	0.53%
9	Mr. H.K.C.P. Perera	5,000,000	0.53%
10	Mr. A.I. Ramachandra	5,000,000	0.53%
11	Mr. B.M.D.S. Thaaruna	5,000,000	0.53%
12	Deutsche Bank Ag As Trustee For JB Vantage Value Equity Fund	3,845,500	0.41%
13	Askold (Private) Limited	3,700,000	0.39%
14	Mr. M.A. Jafferjee	3,200,000	0.34%
15	Mr. A.N. Esufally	3,000,000	0.32%
16	Associated Electrical Corporation Ltd	2,964,406	0.32%
17	Jafferjee Brothers (Exports) Limited	2,884,600	0.31%
18	Mr. D.N.P. Rathnayake	1,947,643	0.21%
19	Katunayake Garments Limited.	1,923,000	0.21%
20	Mrs. A.M. Moonesinghe	1,568,000	0.17%
		849,688,238	90.63%
	Others	87,811,762	9.37%
		937,500,000	100.00%

4.2 Public Shareholding as at 31st December 2021

Percentage of Public Holding (Minimum Requirement - 10%)	18.25%
Number of Shares held by Public Shareholders	171,049,928
Number of Public Shareholders (Minimum Requirement - 200 Shareholders)	4,499
Number of Public and Non-Public Shareholders	4,504
Market Capitalization as at 31st December 2021	10,500,000,000
Float Adjusted Market Capitalization as at 31st December 2021	1,915,759,194

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 December 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%
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	**766,450,072**	**81.75%**
Public Share Holding	171,049,928	18.25%
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 December 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%	90,000,000	100%	
c.	The Grand (Ward Place)	1,188,640,500	on or before Q4 2021/22	1,188,640,500	61%	975,111,018	82%	
		1,950,000,000		1,950,000,000		1,736,470,518		

6.1 Stated Capital

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

	No of Shares as at	
	31-Dec-21	**31-Dec-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 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 31 December 2021

6.3 Market value per share for the quarter ended	31-Dec-21	31-Dec-20
	Rs.	Rs.
Highest Price	13.50	-
Lowest Price	9.10	-
Last Traded	11.20	-

7 Events occurring after Balance Sheet date

- Bhoomi Realty Holdings (Pvt) Ltd, an affiliate of the company, disposed the entire number of the company's shares of 16,350,072 (1.74%) on 03rd January 2022
- The Company has acquired the real-estate stocks held by Prime Finance PLC on 20 Jan 2022, including the staff directly employed by the Real Estate Division of Prime Finance PLC and, the purchased consideration of Real Estate Stock was Rs. 923,640,950/-.

8 Comparative figures

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

9 RELATED PARTY DISCLOSURES

Transactions with Affiliated Companies

		Quarter Ended 31st December 2021
Items in Statement of Financial Position	**Reported under**	**Rs.**
Liability		
Loans obtain from Prime Finance PLC	Interest bearing borrowings	46,388,556
Lease obtain from Prime Finance PLC	Lease liabilities	28,613,521
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 the Prime Finance PLC	Finance expenses	3,864,986

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 (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

PLR Post an impressive profit after tax for 9 months of 1.15 Billion

February 02nd, 2022: Prime Lands Residencies PLC (PLR) has made a profit after tax of LKR 1,158 million for the 9 month period ended FY 2021/22 while maintaining a profit after tax of LKR 450 million for Q3 of FY 2021/22."

Commenting on the results, Co-Chairman Mr. Brahmanage Premalal said, "It has been a remarkable achievement for us in the third quarter as this has been achieved during such a turbulence period. This portrait the trust and confidence placed on Prime Lands Residencies PLC by our customers who we are extremely grateful for. Moreover, this is also a significant achievement to us in terms of achieving our shareholder's expectations as we exceeded the forecast given to our investors at the IPO launched this year. These numbers signify that we will be ending the financial year with a remarkable achievement. Further Prime Lands Residencies PLC has lined up with upcoming projects in key locations such as next to Kurunegala highway entrance, Peliyagoda highway entrance, Seeduwa/ Katunayake highway entrance with lagoon veiw, Nuwera-eliya within city limits, Borella Chandraleka Mawatha are few projects to look forward to for year 2022.

Among the highlights reported by the Company for the third quarter of 2021/22 is a revenue generation of LKR 2.6 billion. The company's earnings per share (EPS) during the 9-month period was LKR 1.28. "Our brand equity is strong. As a real-estate developer, we have earned the highest trust. This is due to our completion and handing over of thirty-six (36) Apartment developments and building strong credentials along the way," Co-Chairperson Sandamini Perera added.

"The availability of relatively low-cost financing opportunities from banks and financial Institutions on prevailing low interest rates together with real estate, which has been a secured investment with high return on investment, has increased the demand for real estate. In fact, Prime Lands Residencies PLC became the only real estate developer in the country to have its issuer rating of [SL] A-(Stable) re-affirmed by ICRA Lanka Ltd, a group company of Moody's Investors Services," she added.

Prime Lands Residencies has made a profit before tax of LKR 514 million in Q3 of FY 2021/22 reporting a profit after tax of LKR 450 million. There is also a nine percent (9%) increase in revenue over Q2FY22."

The company while maintaining a Gross Profit Margin of 29.87% in 3Q of 2021/22, has also recorded a Return on Equity (ROE) of 18.78%, a Net Profit Margin of 18.25% and a Return on Assets (ROA) of 7.46% for the same period signifying a strong showing as it moves into 4Q. This demonstrates an increase of 58% In comparison to the previous year Q3 with a profit after tax of LKR 285million.