

REACHING NEW HEIGHTS



REACHING NEW HEIGHTS

Sri Lanka's skyline reflects ambition and progress. Among its landmarks, two iconic structures rise above the rest- the World Trade Center, Colombo and the Havelock City - integrated mixed use development.

As the first high-rise twin-tower complex in the country, the iconic World Trade Center has redefined the city's business landscape, setting new standards for commercial excellence and connectivity.

Havelock City, on the other hand, exemplifies the harmonious fusion of urban living, unparalleled shopping, food & beverage and entertainment with world class distinctive office spaces.

Commencement of operations at the Havelock City Mall along with improving occupancy levels at the Mireka Tower and World Trade Center, Colombo provides a strong asset base with recurring income streams to position the Company for future growth.

Under these circumstances, the Company will now explore other potential property development opportunities primarily for trading purposes, to sustain future growth, reach new heights and enhance Shareholder value.

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ABOUT US

Overseas Realty (Ceylon) PLC

Overseas Realty (Ceylon) PLC is a leading property development and investment holding company in Sri Lanka, engaged in providing property leasing, property trading and integrated property services guided by a mission to redefine urban living and commercial excellence.

Established in 1980 and listed in the Colombo Stock Exchange, the Company has established itself as a premier player in the real estate industry.

The company's properties in Colombo include the World Trade Center - an iconic commercial property, and Havelock City, a mixed-use development which encompasses eight luxury residential towers, the

Havelock City Mall, and the 50-Storey Mireka Tower, seamlessly blending residential, retail, and commercial spaces.

Our fully owned subsidiary, Realty Management Services (Pvt) Ltd, manages over 10 million sq. ft of prime commercial, retail and residential properties, solidifying our position as Sri Lanka's largest integrated facility management service provider, enhancing the value of our real estate portfolio.

Carefully planned to incorporate green spaces our real estate development projects are designed to reduce the ecological footprint and uphold sustainable development principles.

As a flagship company approved by the Board of Investment of Sri Lanka, we are driven by the long-term vision to create enduring value for our stakeholders. Overseas Realty (Ceylon) PLC remains steadfast in its mission to pioneer landmark developments and contribute to Sri Lanka's economic and social progress.

Overseas Realty (Ceylon) PLC stands at the forefront of Sri Lanka's real estate sector, shaping Colombo City's urban landscape with a persistent commitment to sustainability, quality and innovation, as we set new benchmarks in real estate property development and management.



Vision

Our passion is to be the most successful and innovative real estate solutions provider in the region.



Mission

To be a truly Sri Lankan, self-contained, diversified, real estate solutions provider, driven by a highly motivated professional team to exceed the expectations of customers and shareholders.



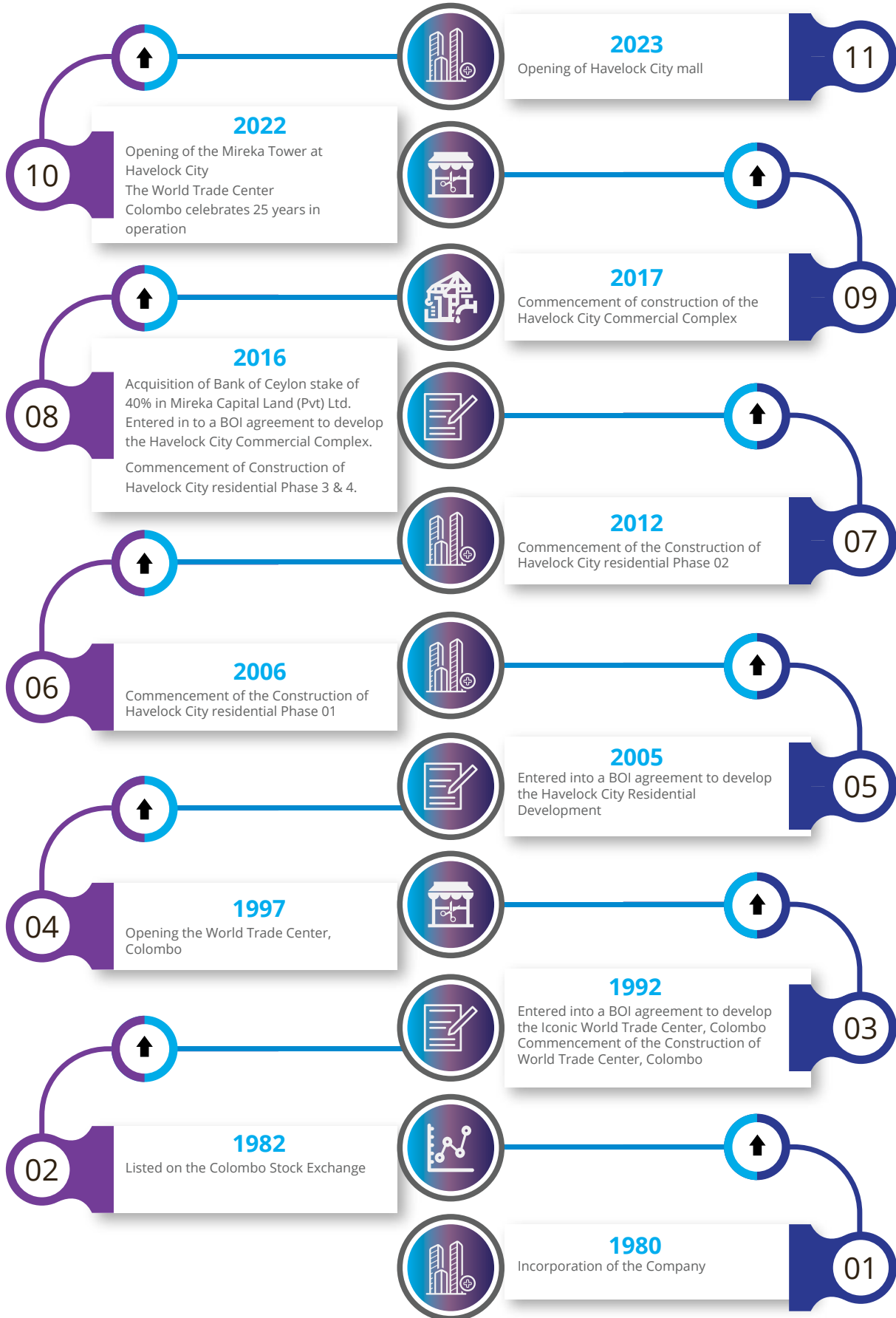
Values

- Believe in Our People
- Make a Difference Together
- Honesty and Integrity
- Passionate about Our Customers
- Embrace Quality as Way of Life
- Hold ourselves Accountable

GROUP STRUCTURE



OUR JOURNEY THROUGH HISTORY



ABOUT THIS REPORT

Welcome to our Annual Report for the financial year ending 31st December 2024. We are pleased to present our first Integrated Report in accordance with the International Integrated Reporting Council (IIRC).



Board Responsibility Statement

The Board of Directors acknowledges its responsibility of ensuring the integrity and reliability of this Integrated Annual Report for the financial year 31 December 2024. With unwavering commitment, the Board has taken every measure to ensure that the contents of this report reflect the highest standards of accuracy, transparency, and completeness.

This report addresses all material topics relevant to our stakeholders. Furthermore, the Board affirms that this report provides a balanced and equitable portrayal of the Company's performance throughout the financial year, prepared in accordance with the international <IR> Framework.

Scope and Boundary

This report covering the period from 1st January 2024 to 31st December 2024 represents our performance and operational conduct throughout the fiscal year, with a detailed overview of both the financial and non-financial performance of the company.

A detailed account of our financial performance supplemented by comprehensive Audited Financial Statements are provided, giving an overview of the strategies and initiatives undertaken by us. We ensure that all relevant information is comprehensively and transparently disclosed with steadfast adherence to our governance framework, as outlined in the Corporate Governance Report detailed on page 52.

Determining Materiality

The principle of Materiality has been applied as the basis for determining the content of this report. What we consider Material Topics are critical issues that hold the potential to significantly impact the Company's ability to create value in the short, medium and long term. Page 22 of this report outlines the Material Topics relevant to the Company.

Guiding Principles

Within this report, we provide an insightful overview of the Company's strategic trajectory. We outline our strategic objectives and initiatives, offering insight into how we have progressed throughout the year under review.

Furthermore, we address the challenges and risks associated with our strategic endeavors, and by transparently examining these factors we provide our stakeholders with a comprehensive understanding of the dynamics shaping our path forward.

Stakeholder Engagement - offer insights into our diverse stakeholders and our strategies for engaging with them.

Conciseness - Concisely presented information, with adequate presentation of activities, performance and outcomes, apart from governance.

ABOUT THIS REPORT

Reliability and Completeness - The information in the Annual Report is ensured through thorough checks by external and internal auditors, as well as evaluations by the Board, Committees, and key staff members.



Companies Act No. 07 of 2007
Sri Lanka Accounting Standards - issued by Institute of Chartered Accountants of Sri Lanka

Consistency and Comparability - The content and structure of this year's report mirror last year's, featuring key financial figures, percentages, and ratios for the current year, with some enhancements for improved quality.



Listing Rules of the Colombo Stock Exchange (CSE) Sri Lanka
Code of Best Practice on Corporate Governance (2017) issued by Chartered Accountants of Sri Lanka.


Guiding Framework

In preparing our Annual Report, we closely adhered to key guiding frameworks, ensuring compliance with regulations and alignment with mandatory standards and best practices. This approach was integral to maintaining transparency, accuracy, and accountability in our reporting.




International Integrated Reporting Council (IIRC's) Integrated Reporting Framework <IR> using the Six Capital Reporting format
'A Preparer's Guide to Integrated Corporate Reporting' issued by the Institute of Chartered Accountants of Sri Lanka (CAS Sri Lanka)
Global Reporting Initiative (GRI) Standards - "Core" option

Available Forms




Print Available On request



Online Available in PDF format at <https://orcl.lk>

Feedback and queries

We are committed to consistently enhancing the readability and relevance of our reporting and we welcome your suggestions and comments on our Annual Report.



Any queries or questions regarding this report should be addressed to:

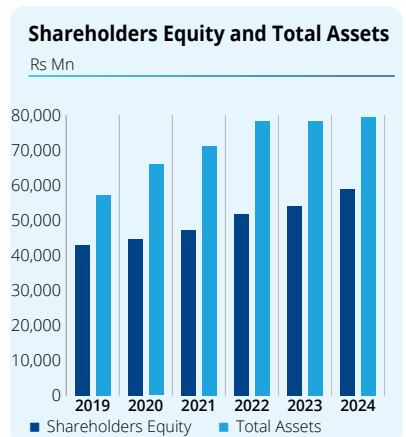
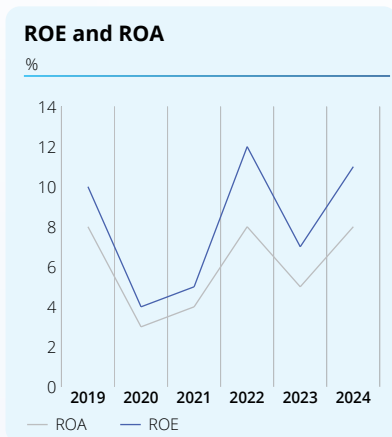
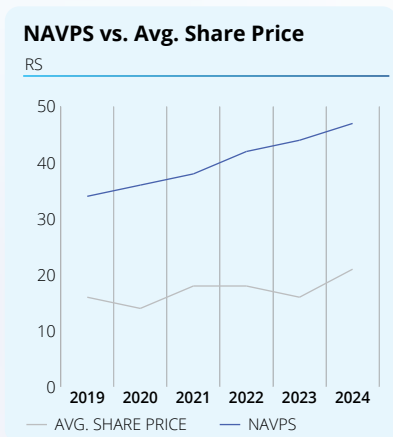
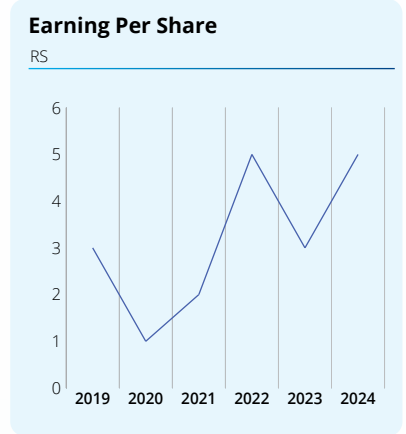
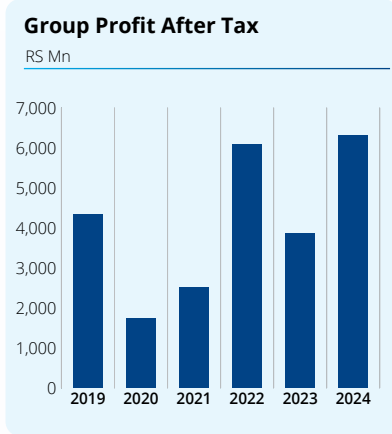
Company Secretary
#18-01, East Tower World Trade Center Echelon Square Colombo 01, Sri Lanka.

Tel: +94 11 234 6333 /+94 11 244 9303

KEY FINANCIAL HIGHLIGHTS

For the year ended 31st December	2024 Rs Mn	2023 Rs Mn
INCOME STATEMENT		
Revenue	8,024	5,076
Gross Profit	5,441	3,319
Fair Value Gain (FVG)	1,822	499
Profit Before Tax (PBT)	6,616	4,311
Profit After Tax (PAT)	6,210	3,853
STATEMENT OF FINANCIAL POSITION		
Total Assets	79,346	78,234
Total Liabilities	20,528	24,115
Loans and Borrowings	15,162	18,872
SHAREHOLDERS' EQUITY		
Stated Capital	18,443	18,443
Reserves	40,375	35,676
FINANCIAL RATIOS		
Gross Profit Margin	68%	65%
PAT (Including FVG) Margin	77%	76%
Earnings Per Share (Including FVG) - Rs.	5.00	3.10
Return on Equity	11%	7%
Return on Assets	8%	5%
Debt Equity Ratio	26%	36%
Net Assets Per Share - Rs.	47.32	43.54
Dividend Payout Ratio	25%	40%
PE Ratio - Times	5	5

KEY FINANCIAL HIGHLIGHTS





LEADERSHIP

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CHAIRMAN'S MESSAGE



“Commencement of full operations at the Havelock City Mall along with improving occupancy levels at the Mireka Tower and World Trade Center, Colombo provides a strong asset base with recurring income streams to position the Company for future growth”

On behalf of the Board of Directors it is my pleasure to warmly welcome you to the 43rd Annual General Meeting of Overseas Realty (Ceylon) PLC. I am pleased to present the Annual Report and Audited Financial Statements of the Company for the year ended 31st December 2024.

The Group recorded a Revenue of Rs. 8,024 million and a Group Profit Before Tax of Rs. 6,616 million for the year ended 31 December 2024.

Economic Outlook

The Sri Lankan economy which stabilized in 2024 is expected to witness a modest economic recovery in 2025 with a projected GDP growth of 3.5%.

Moreover, inflation which reduced to minus 1.7% by end 2024 is expected to turn positive from mid-2025.

The Sri Lankan rupee which strengthened by 9.7 % in 2024 is expected to depreciate in 2025 with a surge in import demand and the commencement of external debt

servicing. At the same time interest rates that gradually reduced in 2024 are forecasted to inch upwards by end 2025.

While the recent economic performance has been encouraging, macroeconomic stability remains fragile and is dependent on the consistent implementation of key fiscal, financial and monetary policy reforms.

The performance of the Group within this challenging external environment has been satisfactory.

Financial Performance

Overseas Realty (Ceylon) PLC recorded a Group Revenue of Rs 8,024 million which was 58% higher than prior year due mainly to higher revenue from Apartment Sales and higher rental income. The Group recorded a Profit Before Tax of Rs 6,616 million supported by an exchange gain of Rs 1,733 million on foreign currency loans and a fair value gain of Rs 1,882 million from investment properties.

The Company Revenue of Rs 2,692 million at the World Trade Center, Colombo, was 12% higher than the corresponding period of last year, due mainly to higher rental rates and occupancy levels.

The Revenue of Rs 1,794 million recorded from Residential Sales of Havelock City was 54% higher than the corresponding period in 2023.

The Mireka Tower and Mall at Havelock City, which were in full commercial operations during 2024 recorded a Revenue of Rs 2,826 million for the year which was 188% higher than 2023.

World Trade Center, Colombo

Uniquely located in the heart of the Central Business District, the twin towers of the World Trade Center comprise 39 floors housing 601,166 sqft of prime “A” Grade office space. Since its inception, the World Trade Center, Colombo has remained Colombo’s most coveted commercial landmark, as well as the most sought-after business address hosting the

largest business-to-business network under one roof.

Despite the prevailing business climate Rental Revenue increased by 12% with higher rental rates and improved year-end occupancy of 85% (78% end 2023).

Havelock City

Havelock City – the premier integrated mixed-use real estate development in Sri Lanka comprises both Residential and Commercial components.

Commercial Component

Havelock City Commercial development comprises a 50-storey Office Tower named Mireka Tower offering 588,208 sq. ft. of Grade “A” premium office space and an international standard shopping mall of 194,360 sq. ft. providing a range of fashion, food and beverage and entertainment experiences.

The Mireka Tower has seen a gradual increase in occupancy levels during the year reaching 42% by end 2024 (30% end 2023).

The Havelock City Mall which experienced a full year of commercial operations with all key anchor tenants opening by August 2024, reached a leased occupancy level of 94% by end 2024 (58% end 2023).

Residential Component

Havelock City Residential development comprising eight residential towers with 1,087 units was built in four Phases.

Despite an improvement in economic conditions, along with lower interest rates, market demand remained sluggish with low sales off-take. The

unsold stock was 46 units as at end 2024.

Future Outlook

The Government’s concerted efforts in prudently managing both monetary and fiscal policy has resulted in a gradual recovery in economic activity and consumer confidence. We believe continued commitment to reforms and digitalization will steer the economy towards moderate growth by end 2025.

Commencement of full operations at the Havelock City Mall along with improving occupancy levels at the Mireka Tower and World Trade Center, Colombo provides a strong asset base with recurring income streams to position the Company for future growth.

Under these circumstances, the Company will now explore other potential property development opportunities, primarily for trading purposes, to sustain future growth and enhance Shareholder value.

Dividend Payments

The Board of Directors of your Company recommend a first and final dividend of Rs 1.35 per Share amounting to Rs 1,678 Mn (2023 – Rs 1,554 Mn).

Directorate

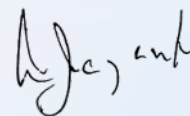
I am pleased to announce the appointment of Mr. Yohan Perera and Mr. Indrajith Wickramasinghe, to the Board of Directors of the Company and wish to extend a warm welcome to them.

In compliance with the Colombo Stock Exchange new listing rules Mr.

Yap Boh Pin Non-Executive Director and Mr. Tissa Bandaranayake Independent Director both who have distinguishably served on the Board of Directors for 25 years and 13 years respectively retired in 2024. I acknowledge the valuable contribution made by them during their tenure.

Acknowledgment

In conclusion, on behalf of the Board of Directors of the Company, I wish to take this opportunity to convey my appreciation to all our Stakeholders for their continuous understanding, confidence, and support. I also acknowledge the commitment and contribution of the entire Management and Staff. Finally, I extend my thanks to my fellow Directors for their guidance and expert advice offered during the year.



A.M. De S. Jayaratne
Chairman

20th March 2025

PROFILES OF THE BOARD OF DIRECTORS

Mr. Ajit Mahendra De Silva Jayaratne

Mr. Ajit M. De S. Jayaratne was re-appointed to the Board of ORC PLC in 2005 as an independent non-executive Director. Mr. Jayaratne was the former Chairman of the Audit Committee of the Company.

Mr. Jayaratne graduated from the University of Southampton, U.K. with a BSc degree in Economics. Thereafter he qualified as a Fellow of the Institute of Chartered Accountants of U.K. Returning to Sri Lanka, he became a member of the Institute of Chartered Accountants of Sri Lanka.

He served at Forbes & Walker Limited for most of his working life, culminating in being appointed as the Chairman of the company, a position he held for several years. During his period of service at Forbes & Walker, he was appointed to the Boards of several public and private companies. He also served as the Chairman of the Colombo Stock Exchange, Chairman of the Finance Commission and Chairman of the Ceylon Chamber of Commerce. Upon retiring from the private sector, he was appointed as Sri Lanka's High Commissioner to Singapore. He continues to serve on the Boards of several public companies.

Dr. (Mrs) Mildred Tao Ong

Dr. (Mrs) Mildred Tao Ong was appointed to the Board as a non-executive Director in 1991. She received her MBBS from University College London in 1972 and MRCP (UK) in Pediatrics in 1975. She however gave up medical practice to join the Shing Kwan Group in 1977 where she has been actively involved in all aspects of the Group's property portfolio encompassing the residential, commercial and retail sectors through its controlling interest in Singapore Land Limited (until 1990), P T Jakarta Land (until 2005) and ORC PLC. Dr. (Mrs) Ong participated in the Advanced Management Program in Harvard Business School in 1983.

Dr. (Mrs) Ong currently oversees the Shing Kwan Group's real estate investments in Singapore and abroad.

Mr. En Ping Ong

Mr. En Ping Ong was appointed to the Board of Directors of the Company on 18th January 2010. Mr. Ong graduated from Harvard University in 2001 with a BA (Hons) in Applied Mathematics and later attended the Graduate School of Business at Stanford University for his MBA. Mr. Ong has a background in investment banking and in 2012, co-founded Barghest Building Performance, a leading Energy Efficiency solutions company based in Singapore.

Mr. Leslie Ralph de Lanerolle

Mr. L. Ralph de Lanerolle joined the Board of Directors of ORC PLC on 3rd June 2010. Mr. de Lanerolle has over 50 years of work experience in both in the public and private sectors, where he has held senior management positions.

A Chartered Engineer, Mr. de Lanerolle holds a Bachelor's degree in Civil Engineering (First Class Honours) from the University of Ceylon and a Master's degree from the University of Waterloo, Ontario, Canada. He is a member of the Association of Professional Bankers of Sri Lanka, a Fellow of the Economic Development Institute of the World Bank, Washington and a Honorary Life Member of the Institute of Engineers Sri Lanka.

Mr. de Lanerolle has worked primarily in the field of Project Finance and Management, undertaking assignments in diverse sectors of the economy, especially in the financial services, real estate and property, tourism, hotel and transportation sectors. In an individual capacity, he has served as Consultant to several private companies, providing project related advisory services from pre-investment to implementation.

Dr. Ranees Jayamaha

B.A. (Hons) (University of Ceylon, Peradeniya, Sri Lanka), MSc (University of Stirling, U.K.), PhD (University of Bradford, U.K.), DUniv (University of Stirling, U.K.).

Dr. Ranees Jayamaha was appointed to the Board of Directors of the Company as an Independent Non-Executive Director on 15th March 2013.

Dr. Jayamaha currently holds Director Posts at the Regional Centre for Strategic Studies and the Transnational Lanka (Pvt) Limited. She served as an appointed member of the Monetary Board of the Central Bank of Sri Lanka (CBSL) during July 2020-Sep 2023 and was also the Chairperson of Hatton National Bank Plc., HNB Assurance PLC and Sithma Development (Pvt) Ltd. Dr. Jayamaha had been the Deputy Governor in charge of Financial System Stability of CBSL from 2004 up to her retirement in 2009. She has over 50 years of extensive experience in the field of economics, banking, finance, regulation and administration, having held a number of positions in the CBSL and outside.

On release from the CBSL, she has served as Secretary – Presidential Commission on Finance & Banking, Advisor- Financial Sector Reform Committee, Ministry of Finance and Special Advisor (Economic), Commonwealth Secretariat, London, UK.

Dr. Jayamaha has been a member of the Securities & Exchange Commission of Sri Lanka, the Insurance Board of Sri Lanka, the Chairperson of Credit Information Bureau of Sri Lanka and the National Payments Council. Internationally, Dr. Jayamaha has been a Member of the Working Group on General Payment System Development of the Bank for International Settlements, Member of the Global Payments Forum, Member of the Advisory Panel of the G-8 Remittance Working Group and Member of the Expert Panel of the Safeguard Assessment Policy Review 2010 of the IMF. She had been providing advisory services to a number of International financial Institutions and Central Banks in Commonwealth countries.

Mr. Pravir Dhanoush Samarasinghe

Mr. Pravir D. Samarasinghe is the Director /Chief Executive Officer of Overseas Realty (Ceylon) PLC, the premier real estate investment development and management company listed in the Colombo Stock Exchange.

Mr. Samarasinghe has 38 years of professional and commercial experience, including 23 years in senior leadership roles. He has broad property, industrial, service, retail, plantation and export sector experience. He serves on the Board of Directors of several Public Listed Corporates and chairs Board Sub Committees and is familiar with all aspects of corporate governance.

Mr. Samarasinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants UK and holds a Master's Degree in Business Administration.

Mr. Samarasinghe was the Past Chairman of the Sri Lanka Institute of Directors, Employers' Federation of Ceylon, Industrial Association of Sri Lanka, Condominium Developers Association of Sri Lanka, and EFC Affiliated Group of Companies. He was the Past President of the Chartered Institute of Management Accountants Sri Lanka Division and former Council Member CIMA (UK). He served as a Board Member of the Ceylon Chamber of Commerce and Sri Lanka Accounting and Auditing Standard Monitoring Board.

Mr. Samarasinghe has been exposed to a number of executive development programs including those conducted by the National University of Singapore, Harvard University (Harvard International Program) and the Australian Institute of Directors.

Mr. Ben Nien Benny Tao

Mr. Ben N.B. Tao received his BFA from Tisch School of the Arts, New York University in 1982. He was an Engineer and Producer at Sierra Alegre Inc, a Music Production Company in Los Angeles from 1995 to 2000. In 2000, he founded Chalice Recording Studio, a premier music recording studio in Los Angeles, which he still owns. He has been a Director of the Shing Kwan Group of Companies since late 1970s.

In 2017, Mr. Tao returned to Asia. During 2018 he became a Director of the Central Hotel, Nanjing and the Jinling Hotel Corporation and the Chairman of Nanjing Peeli Real Estate Management Corporation. All 3 Companies have operations in the City of Nanjing, China. He became Sole Director of Peeli Ltd in 2019. The Peeli Companies are the Personal Commercial Legacies of late Mr. S.P. Tao.

Mr. Tao also represents the donor at the Jiangsu Tao Shing Pee Education Foundation, an Education Foundation set up by Mr. and Mrs. S.P. Tao with a donation of over RMB 1 Billion to sponsor University Education for students from rural and underprivileged backgrounds throughout China. Annually the Foundation serves 4,500 students studying in 22 Universities in Jiangsu Province.

Mr. Brian Tao

Mr. Brian Tao graduated from Harvard University in 2022 with a BA (Hons) in Economics. He has experience in private equity real estate investment, and now works on primary market equity investment at Loyal Valley Capital, a Shanghai based asset management firm. He has been a director at Shing Kwan Investment (Singapore) Pte Ltd since 2018, and at Peeli Ltd since 2023.

Dr. Arittha Rahula Wikramanayake

Dr. Arittha R. Wikramanayake is an Attorney at Law and the Precedent Partner of Heritage Partners. He is a veteran Corporate and M&A lawyer and heads the Firm's corporate and acquisitions practice.

Dr. Wikramanayake received his professional education at the Sri Lanka Law College and was admitted to the Bar in 1981. He has received LL.M degrees from the Vrije Universiteit (Brussels, Belgium), the University of Georgia (Athens, USA) as well as a Master's in Law and Diplomacy (MALD) from the Fletcher School of Law and Diplomacy, Tufts University (USA). In 2013 he was awarded a Doctorate from the University of Colombo, Sri Lanka.

Dr. Wikramanayake has held several senior positions on the public and private sector in Sri Lanka. After commencing his career as a State Counsel at the Attorney General's Department in 1980 he moved on the Securities and Exchange Commission of Sri Lanka as its Director General. He left the public service to found Nithya Partners, which became one of the leading corporate law firms in Sri Lanka. In 2020, Dr. Wikramanayake retired from Nithya Partners to establish his present law firm Heritage Partners. He has been consistently ranked as a leading individual in the fields of Corporate and M&A by Chambers & Partners and the Legal 500 Asia Pacific.

Dr. Wikramanayake has served in various key regulatory and policy formulating bodies in the country including the Sri Lanka Accounting and Monitoring Standards Board, the Public Enterprises Reform Commission and Committees for the formulation of Codes of Corporate Governance. He also served as the Chairman of the Company Law Advisory Commission, a Member of the Advisory Commission on Intellectual Property Law, the National Trade Negotiation Committee and the State Owned Enterprises Reform Unit of the Ministry of Finance.

PROFILES OF THE BOARD OF DIRECTORS

Mr. Carl Noel Shamil Mendis

Mr. C.N. Shamil Mendis is the Chairman/ Managing Director of Spear Global Holdings (Pvt) Ltd which is engaged in the export of coir substrates, value added coir/coconut fiber products, food ingredients and spices. These products are exported to over 33 countries worldwide.

Prior to which, Mr. Mendis was the Deputy Chairman and Group Director of the Delmege Forsyth Group from 1982 – 2011 and was responsible for the growth of diverse businesses ranging from Imports, Exports, Shipping, Airlines and Logistics to Insurance.

Mr. Mendis was a Past President of the Sri Lanka Singapore Business Council from 2006 – 2017 and was actively involved in the promotion and facilitation of International trade and investment. He was also a Past President of the Sri Lanka China Business Council, and a Past Vice President of both the Sri Lanka Japan Business Council and the Sri Lanka Italy Business Council. He is also a Vice President of Sri Lanka Korea Business Council, all of which are affiliated to the Ceylon Chamber of Commerce. He has also served as a Council Member of the National Chamber of Commerce of Sri Lanka and a member of the Board of the Export Development Board of Sri Lanka.

Mr. Mendis is a Member of the Chartered Institute of Marketing UK.

Mr. P. Yohan S. Perera

Mr. Yohan Perera is a Chartered Accountant by profession and retired from the position of Managing Partner of KPMG Sri Lanka and Maldives on 31 March 2023. He counts over 40 years of experience in audits of conglomerates and listed companies with diversified business interests. He served as a Partner at KPMG Sri Lanka and Maldives for 33 years. During this period, He also served the Firm as the Head of HR, Risk Management Partner and Chief Operating Officer before he was appointed as the Managing Partner of the Firm. He served on the KPMG Middle East & South Asia Board during his tenure as Managing Partner of the Firm.

Mr. Perera is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and a Fellow Member of the Chartered Institute of Management Accountants (FCMA) - UK.

Mr. Perera served as the President of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) during the years 2006 and 2007 and was a former Chairman of the Sri Lanka Auditing Standards Committee. He also served as a Board Member of the Confederation of Asian and Pacific Accountants (CAPA); one of four regional organizations (ROs) recognized by the International Federation of Accountants (IFAC).

He has also served as a Member of the Securities & Exchange Commission of Sri Lanka, Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka, Member of the Governing Council of the Post Graduate Institute of Management of the University of Sri Jayewardenepura.

Mr. Perera also serves as an Independent Non-Executive Director of Hayleys PLC, Haycarb PLC, Dipped Products PLC, E. B. Creasy & Co. PLC and Commercial Bank of Ceylon PLC.


Mr. Indrajit Asela Wickramasinghe

Mr. Indrajit A. Wickramasinghe was the former Director/Chief Executive Officer of Union Bank for over nine years up to his retirement on 15th August 2024. He counts over 35 years of management experience having worked in both the financial services and FMCG sectors in local and multinational companies. He holds a MBA from the University of Sri Jayewardenepura, and is a Fellow of the Chartered Institute of Marketing UK and a Member of the Association of the Professional Bankers. He has been exposed to Executive Education Programmes at the National University of Singapore, the Said Business School of the University of Oxford UK and INCEAD (France). He is a member of the Oxford Business Alumni, University of Oxford UK.

Prior to his appointment as Director/CEO of Union Bank he served as the Chief Operating Officer of NDB Bank where he was responsible for all business areas including Retail Banking, Corporate Banking, SME Banking and Project Finance. Prior to joining the financial services sector, he was with the leading MNC Reckitt and Colman Ceylon where he held numerous senior management positions.

Mr. Wickramasinghe has also served on a number of boards as an Executive Director and Non-Executive Director. He was the Chairman of the Financial Ombudsman Sri Lanka (Guarantee) and a Director of the Credit Information Bureau of Sri Lanka.

He currently also serves on the boards of NDB Securities (Pvt) Ltd and Fintrex Finance Ltd.



MANAGEMENT DISCUSSION AND ANALYSIS

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VALUE CREATION

Inputs



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital

Value transformation

Vision

Our passion is to be the most successful and innovative real estate solutions provider in the region.

Property investment, development and management

Corporate Governance

Risk Management



Operating context

Outcomes

Financial capital

Financial returns to investors and shareholders.



Manufactured capital

Enhanced occupancy rates of rentable spaces and amenities



Social and relationship capital

Tenant satisfaction, enduring business partnerships and engagement with the community.



Human capital

An empowered and driven team.



Intellectual Capital

Enhanced service quality and optimised systems.



Natural capital

Sustainable business operations.



Impact

Investors



Investors



Investors



Customers



Employees



Employees



Customers



Community



Environment



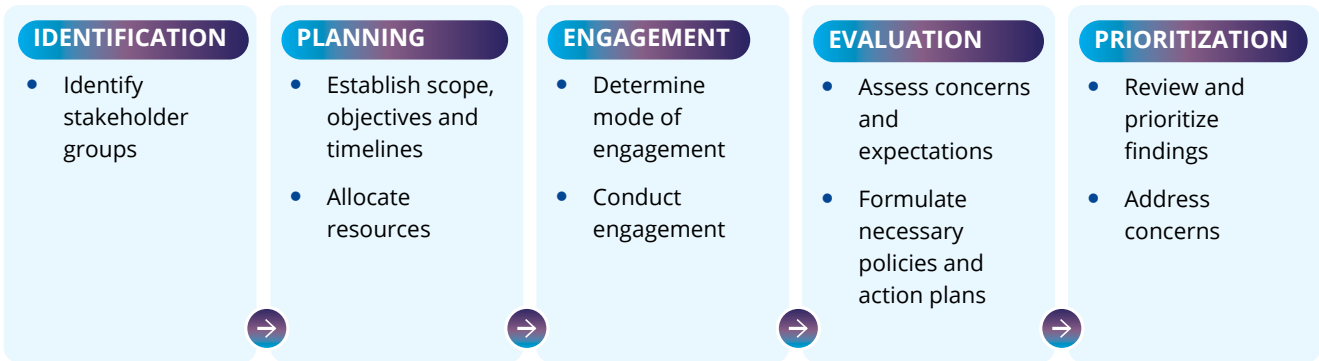
RESPONDING TO OUR STAKEHOLDERS

Stakeholder feedback is used to identify the expectations of the stakeholders and reveal gaps in the value delivered to them. Engaging with stakeholders is a responsibility shared across the organisation with multiple channels for obtaining feedback, which is a key input to the Company's strategic planning process.




Stakeholder engagement process




Stakeholder engagement is the process used by the organisation to ensure effective engagement of relevant stakeholders for the purpose of achieving its objectives. Our main aim is to ensure our engagement methodologies have the capacity to identify stakeholder priorities in terms of interests, concerns and aspirations, and to ensure that we pinpoint issues that impact our core business as well as our broader sustainability ambitions. Under the stakeholder management framework of the company, stakeholders are identified, analysed and engaged, and the effectiveness of engagement is measured on a regular basis through feedback.

The Company's stakeholder engagement process is as follows.



The table below provides a summary of how we engage with our key stakeholders, identify their concerns and how we respond to them.

	 Customers	 Suppliers	 Employees
Stakeholder	Our customers are the tenants of the World Trade Centre, Havelock City Apartments /Mall and the Mireka Tower. Their decision to obtain our services is what determines the viability and growth prospects of our business operations.	We engage with responsible and reliable suppliers and service providers who are environmentally and socially compliant to ensure continuity of our operations.	Our team comprises of 551 motivated individuals, and we are committed to inspiring our employees to contribute towards our value creation process.
Methods of engagement	<ul style="list-style-type: none"> Regular meetings Customer surveys 	<ul style="list-style-type: none"> Supplier evaluation Regular dialogue and interactions 	<ul style="list-style-type: none"> Open door policy Individual performance reviews Meetings and emails Engagement activities Satisfaction survey

	 Customers	 Suppliers	 Employees
Key concerns and expectations	<ul style="list-style-type: none"> • Services within the property • Competitive pricing • Prompt attention to maintenance needs 	<ul style="list-style-type: none"> • Sustainable and profitable relationships • Social and environmental compliance • Constructive feedback • Favourable terms and conditions 	<ul style="list-style-type: none"> • Remuneration • Opportunities for skill and career progression • Job security • Equal opportunities
Our response	<ul style="list-style-type: none"> • Offering state-of-the-art services and upgrading the services provided • Offering quality amenities • Sound ESG practices 	<ul style="list-style-type: none"> • Develop long term partnerships based on mutual trust and understanding • Engage with like-minded partners who support our sustainable business agenda • Ensure timely payments and required support 	<ul style="list-style-type: none"> • On the job training • Imparting company values • Platforms for employee feedback • Performance-driven reward systems • Health and safety initiatives • Open door policy

	 Investors	 Regulator	 Community
Stakeholder	Investors are the providers of equity capital for our business and thus have a share of ownership in the company.	We engage with government agencies to maintain compliance with regulatory requirements.	We establish good relationships with the communities around us and aim to support their wellbeing through various initiatives.
Methods of engagement	<ul style="list-style-type: none"> • Corporate website • Investor forums and discussions 	<ul style="list-style-type: none"> • Meetings and consultations • Periodic returns • Written communication 	<ul style="list-style-type: none"> • CSR initiatives • Press releases and publications • Relevant engagements when required
Key concerns and expectations	<ul style="list-style-type: none"> • Sustainable growth and returns • Good governance and transparency • Risk management • Timely communications • Business continuity 	<ul style="list-style-type: none"> • Good governance and compliance • Sustainable business practices • Ethical business 	<ul style="list-style-type: none"> • Needs and requirements of society • Employment opportunities • CSR activities • Ethical business conduct • Environmental management
Our response	<ul style="list-style-type: none"> • Continuous enhancement of returns in terms of profitability generated • Improved productivity and cost efficiencies 	<ul style="list-style-type: none"> • Adhere to all provided compliance requirements • Provision of timely and accurate information/reports 	<ul style="list-style-type: none"> • Preventive and corrective measures to minimise negative externalities • Strive to reach the best solution with local communities to improve their lifestyles.

RESPONDING TO OUR STAKEHOLDERS

Value added to stakeholders

The table below demonstrates how the Company's strategy is designed to generate positive outcomes for the company, through its holistic efforts to create stakeholder value.

Stakeholder	Value for the stakeholder	Value for the company	Indicator	Outcome		Trend
				2024	2023	
Customers/ Tenants	<ul style="list-style-type: none"> Spaces that offer a wide range of services that meet customers' diverse needs A recognised and trusted provider of property services for residential, office space, shop space. 	<ul style="list-style-type: none"> More satisfied customers Enhanced reputation Increased customer loyalty Higher revenue from existing and new customers 	Occupancy Level			
			World Trade Center	85%	78%	9%
			Havelock City Mall	94%	58%	62%
			Mireka Tower	42%	30%	40%
			No. of complaints solved			
			World Trade Center	2,829	3,220	-12%
			Havelock City Mall	30	12	150%
			Mireka Tower	878	272	223%
			Growth in revenue from customers (%)	61%	-66%	192%
			Supplier	<ul style="list-style-type: none"> Fair, ethical and transparent engagement when dealing with the company 	<ul style="list-style-type: none"> Strong relationships and opportunities for mutual growth Ease of transacting and fair business practices 	No. of suppliers
Employees	<ul style="list-style-type: none"> A supportive work environment where all employees can achieve their full potential Performance-based culture that recognises and rewards employees Opportunities for career development An open culture 	<ul style="list-style-type: none"> Highly motivated and engaged workforce as a key competitive advantage A diverse and experienced workforce equipped to meet current and future needs of the company 	Payments to employees (Rs.'000)	801,712	601,009	33%
			Investment in training (Rs.'000)	12,537	4,117	205%
			Total training hours	5,969	3,737	60%
			No. of promotions	20	38	-47%

Stakeholder	Value for the stakeholder	Value for the company	Indicator	Outcome		Trend
				2024	2023	
Investors	<ul style="list-style-type: none"> Sustainable returns on investment 	<ul style="list-style-type: none"> Strong capital base to future growth 	Return on equity	11%	7%	54%
			Earnings per share	5.00	3.10	61%
	<ul style="list-style-type: none"> Increased earnings potential 	<ul style="list-style-type: none"> Greater trust in the company 	Profit after tax (Rs.'000)	6,210,454	3,853,113	61%
			Dividend per share	1.25	1.25	0%
Regulator	<ul style="list-style-type: none"> Contribution towards the country's revenue 	<ul style="list-style-type: none"> Sound corporate values, high ethical standards, market integrity and good conduct practices Sustainable operations 	Taxes paid (Rs. '000)	356,558	692,885	-49%
			Community	<ul style="list-style-type: none"> Created employment opportunities 	<ul style="list-style-type: none"> Social and environmental compliance embedded into operational processes 	New employment opportunities
			Reduction in carbon footprint			165.73

DETERMINING MATERIALITY

Value Creation

At Overseas Realty (Ceylon) PLC, we are committed to delivering long-term stakeholder value by integrating economic, environmental, and social considerations into our efforts to promote sustainable urban development and enhance societal well-being. Our integrated approach to reporting is based on the Six Capitals framework, emphasizing the interconnected nature of our operations and their impact on value creation.

Materiality

We understand that our ability to create and sustain value is shaped by the dynamic operating environment, emerging risks, and evolving

stakeholder priorities. Identifying and addressing material matters that influence our strategic direction and operational performance is critical to our success. This report provides a comprehensive view of the material factors that have impacted, or are likely to impact, our value creation journey.

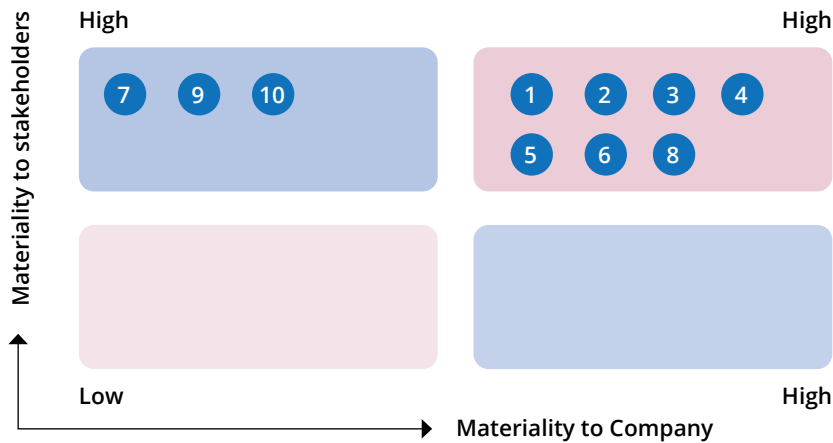
Materiality Determination Process

To determine material matters, the Company adopts a structured process aligned with the GRI Sustainability Reporting Guidelines and integrated reporting principles. This approach ensures transparency, accountability, and relevance in addressing stakeholder concerns and strategic imperatives. The process includes:

By systematically evaluating material matters, the Company ensures that its strategies remain relevant and responsive to the needs of its stakeholders and the broader operating environment. This disciplined approach underpins our commitment to sustainable value creation and informed decision-making.

Materiality Matrix

The materiality matrix depicted below maps the key material topics based on their relative importance to our stakeholders and to the business.



Material topic	Topic boundary	Why is it material	Capital	Key performance indicators
Profitability Consistent revenue growth and cost management	Internal	Delivering value to shareholders and investors	Financial capital Page 27	Profit Before Tax Profit After Tax Return on Investment
Financial stability Strike balance between equity, debt and investor funding	Internal	Strengthens brand equity and resilience	Financial Capital Page 27	Price Earnings Ratio Return on Equity Return on Assets Current Ratios Dividend Per Share

Material topic	Topic boundary	Why is it material	Capital	Key performance indicators
Inventory of properties Supports business growth and revenue streams	Internal / external	Supports growth and revenue streams	Manufactured Capital Page 30 Financial capital Page 27	Growth in asset base to create sustainable revenue streams
Brand image Establishes the Company as a premier property developer	Internal / external	Brand positioning Compliance with regulatory requirements	Intellectual Capital Page 48	Industry recognition for the brand Compliance track record
Excellence in quality Creates customer satisfaction	Internal / external	Tacit knowledge of employees Standards and Certifications Memberships and Affiliations	Intellectual Capital Page 48 Natural Capital Page 44	Net Promoter Score Customer feedback
Customer experience Enhances trust and secures business stability	Internal / external	Product Responsibility Transparency of Marketing Information Confidentiality and Customer Data Privacy Customer Support	Social and Relationship Capital Page 32	Net promoter score Customer trust and satisfaction levels
Managing supplier relationships Maintain quality of services	Internal	Maintain supply chain effectively to ensure project timelines	Social and Relationship Capital Page 32	Strength of supplier relationships
Managing talent and human resources Ensures that key talent is retained and developed	Internal	Maintaining a positive employee experience by attracting, developing, rewarding and retaining talent	Human Capital Page 38	Staff turnover levels Employee engagement levels
Compliance and good governance Ensure long term sustainability and financial stability	Internal	Maintaining good governance and stewardship	Intellectual Capital Page 48 Financial Capital Page 27	Financial Sustainability
Managing environmental impacts Responsible environmental stewardship	Internal/ external	Minimises potential supply chain disruptions that could affect project timelines	Natural Capital Page 44	Maintaining building quality and compliance with standards

SEGMENTAL REVIEW OF OPERATIONS

Property Leasing



The World Trade Center, Colombo to date has remained Sri Lanka's most iconic commercial landmark as well as the most sought-after business address in the Country, housing the largest business to business network under one roof.

Despite the prevailing economic climate, the leased occupancy of the WTC, Colombo increased by 7% to 85% by December 2024, whilst the average rental rates increased to Rs. 484 per sqft. Consequently, the Company recorded a Revenue of Rs 2,692 Mn which was 12% higher than the corresponding period of last year.

The Mireka Tower and Havelock City Mall which commenced commercial operations in January 2023 and October 2023 respectively achieved a leased occupancy of 42% and 94% by December 2024. Consequently, a Revenue of Rs. 2,826 Mn was recorded for the year ended 31st December 2024.

The Property Leasing Segment recorded a Revenue of Rs 5,602 Mn (Rs. 3,463 Mn in year 2023) and a Gross Profit of Rs. 4,053 Mn for the year ended 2024 (Rs. 2,370 Mn in year 2023).

Property Trading



Havelock City Residential Development which was built in four phases comprising 1,087 luxury apartments was completed in 2021.

Apartment sales were low due to depressed economic conditions, political uncertainty, higher prices, and secondary market competition. Although the reduction in interest rates has generated higher inquiries, sales closures remained low.

Consequently, the Property Trading Segment recorded a Revenue and Gross Profit of Rs 1,794 Mn and Rs 1,152 Mn respectively, which was 54% and 48% higher than the corresponding period of last year.

Havelock City currently has an unsold stock of 46 move-in ready apartments for sale.

The gradual recovery of the economy along with political stability, is expected to improve market demand and sales off-take during 2025.

SEGMENTAL REVIEW OF OPERATIONS

Property Services



Facility Management Division

The Facility Management vertical of Realty Management Services (RMS) provides property management, investment management, energy management and other advisory services for residential and commercial properties.

Improving market conditions and prudent management resulted in the Division recording a Revenue of Rs. 430 Mn which was 39% higher than the corresponding period of last year.

Real Estate Agency Division

The Real Estate Agency is involved in renting and selling properties.

Although market conditions were depressed, increased secondary market transactions resulted in a Revenue of Rs 35 Mn for year 2024 (Rs. 35 Mn in year 2023).

Trading Division

Overseas Realty Trading (Pvt) Ltd is the trading arm of the Group holding exclusive distributorships for a range of products catering to the projects market in the industrial, commercial, retail, hospitality, and residential sectors.

Construction industry challenges, import restrictions and project implementation delays significantly affected the business during 2024.

Consequently, the Division recorded a Revenue of Rs 164 Mn for year 2024 which was a 57% increase from the corresponding period of last year. The Division recorded a Gross Profit of Rs. 62 Mn in year 2024 (Rs. 32 Mn in year 2023).

To take advantage of the expected recovery in the economy in general and the construction industry in particular, the Division expanded its range of products to lighting & controls and, LV systems and is expected to improve performance in 2025.

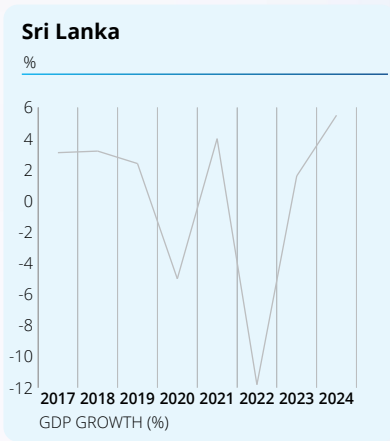
FINANCIAL CAPITAL



Financial Capital consists of monetary resources which have been deployed to generate value. Driven by stable rental income from commercial properties and robust sales from residential developments, the Company maintains a resilient revenue stream. Prudent asset enhancements and strategic capital allocation enables the Company to optimise operating efficiencies and expenses while enhancing asset value. By leveraging a well-diversified portfolio and strong balance sheet with financial fundamentals, the Company continues to deliver consistent profitability, ensuring long-term value creation for investors and stakeholders.

The Economy

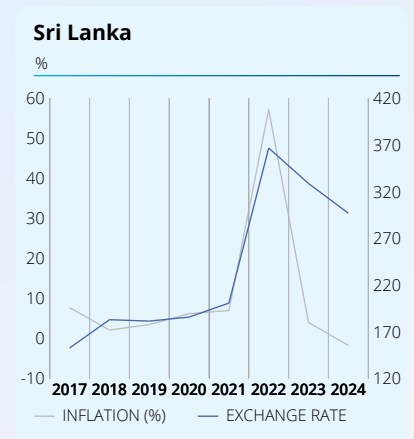
Sri Lanka's economy advanced by 5.5% year-on-year in the third quarter of 2024. Inflation in Sri Lanka has decreased significantly in 2024, reaching minus 1.7% in December. The decline in inflation is attributed to lower prices for both food and non-food products. Inflation is expected to stabilize around the targeted level of 5% over the medium term, supported by appropriate policy measures and well-anchored inflation expectations, according to the Central Bank.



In December 2024, the Average Weighted Prime Lending Rate (AWPLR) decreased to 10% compared to 12.9% in the previous year and Average Weighted Fixed Deposit Rate (AWFDR)

decreased to 9.27% compared to 14.88% in the previous year.

The Sri Lankan rupee appreciated by 9.7% during the year 2024.



FINANCIAL CAPITAL

As the economy continues to stabilize, the Group recorded a worthy performance for the year under review.

Revenue

During the year under review, Group revenue stood at Rs 8,024 Mn (2023 - Rs. 5,076 Mn). The main sources of income derived from Overseas Realty (Ceylon) PLC; through leasing of office space at the World Trade Center (WTC) Colombo, Havelock City (Pvt) Ltd.; through leasing of office space at the Mireka Tower and retail space of Shopping Mall at Havelock City (HC), Mireka Homes (Pvt) Ltd. (MHL); and Mireka Capital Lands (Pvt) Ltd.,(MCL); through sale of condominium units at Havelock City (HC), Realty Management Services (Pvt) Ltd., (RMS); through Property Management and Real Estate Agency services and Overseas Realty Trading (Pvt) Ltd., (ORTL); through Trading of imported lighting solutions.

The revenue from leasing spaces at WTC increased by 12% to Rs 2,692 Mn (2022 - 2,400 Mn), due mainly to the increased occupancy.

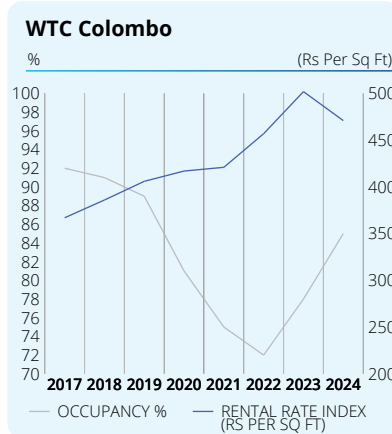
The Mireka Tower and Shopping Mall at Havelock City, which commenced operations in January 2023 and October 2023 respectively, generated a revenue of Rs 2,826 Mn during the year.

Revenue from the sale of condominium units at Havelock City amounted to Rs. 1,794 Mn (2023 - Rs. 1,163 Mn), an increase of 54% over the previous year.

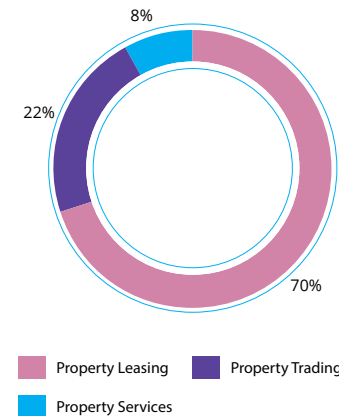
RMS contributed Rs 465 Mn (2023 - Rs 345 Mn) to the group revenue which included Rs 430 Mn (2023 - Rs 311 Mn) from Property Services and Rs 35 Mn (2023 - Rs 34 Mn) from Agency Services.

ORTL contributed Rs.164 Mn (2023 Rs. 105 Mn) to the group revenue from

Trading of imported lighting solutions, LV Systems and Bath ware and Tiles during the current financial period.



Group Revenue Composition



Operating Expenses

The Company's operating expenses for the year of Rs. 754 Mn (2023 - Rs. 612 Mn), included the Members Contribution to the Condominium Corporation and Property Rates.

Group operating expenses including administration and marketing expenses were Rs 4,040 Mn (2023 - Rs 2,914 Mn), which was an increase of 39%, due mainly to the growth in operations of Havelock City Shopping Mall and Office Tower.

Gross Profit

The Group Gross Profit of Rs. 5,441 Mn (2023 - Rs. 3,319 Mn) was 64% higher than prior year. Gross Profit

from property leasing at WTC Colombo was Rs. 1,998 Mn (2023 - 1,848 Mn), an increase of 8% over the previous year due mainly to an increase in occupancy. Service Charges. Through the property leasing of Mireka Tower and shopping mall at Havelock City, earned a Gross Profit of Rs. 2,055 Mn during the year under review. Gross Profit from the sales of apartments at Havelock City was Rs.1,256 Mn (2023 - Rs. 827 Mn), which was an increase of 52% over the previous year, due mainly to higher revenue recognition from Phase 3 & Phase 4 Apartment Sales at Havelock City.

Fair Value Gain

The Company accounted for a fair value gain of Rs. 1,028 Mn from the Investment Property of World Trade Center. The land in Dodanduwa was also considered as an Investment Property and was accounted for a fair value gain of Rs. 6 Mn. Further, a fair value gain of Rs. 157 Mn was recorded from 2 floors of Overseas Realty Investments (Pvt) Ltd. The fair value of HCL Investment Property as at 31st December 2024 was Rs. 40,638 Mn based on the valuation surveyor's valuation compared to the total development cost and fair value adjustment made previously of Rs. 40,007 Mn resulting fair value gain of Rs. 631 Mn was accounted for the year ended 31st December 2024. Accordingly, the total fair value gain for the Company and Group were Rs. 1,034 Mn and Rs. 1,822 Mn respectively.

Operating profit

The company's operating profit (excluding fair value gain) of Rs. 1,627 Mn (2023 - Rs. 1,503 Mn) was 8% higher than last year due mainly to increase in occupancy. Consequently, the operating profit margin of 60% (excluding fair value gain) was 3% lower than last year. Havelock City (Pvt) Ltd recorded an operating profit

(excluding fair value gain) of Rs. 1,360 Mn during the year.

Finance Income and Finance Expenses

The Group recorded a Finance income of Rs. 376 Mn (2023 - Rs.934 Mn) during the year, which was a decrease of 60% over the previous year due mainly to the lower cash surplus and lower interest rates.

The Group a finance cost of Rs. 1,399 Mn (2023 - Rs. 1,790 Mn) during the year, which mainly comprised interest expenses incurred on the Havelock City project borrowings.

Exchange Gain/Loss

The Company recorded an exchange Loss of Rs. 84 Mn from USD denominated Fixed Deposit and Trade Debtors. The Group recorded a net Exchange gain of Rs. 1,733 Mn from USD loans obtained for Mireka Homes (Pvt) Ltd and Havelock City (Pvt) Ltd and Other Assets held in USD currency.

Profit Before Tax (PBT)

The Group Profit Before Tax (Excluding Fair Value Gain) for the year of Rs. 4,794 Mn (2023- Rs. 3,813 Mn) was 26% higher than last year due mainly to the net Exchange Gain. The Company and Havelock City (Pvt) Ltd earned a Profit Before Tax (Excluding Fair Value Gain) of Rs. 1,740 Mn and Rs.1,925 Mn respectively.

Taxation

The income tax expense of the Group and the Company for the year were Rs. 405 Mn (2023 - Rs. 458 Mn) and Rs. 145 Mn (2023 - 183 Mn) respectively. The Group Income tax expense for the year was 11% lower than the previous year due mainly to the decrease in finance income.

Cash and Borrowings

The Group's cash and short-term investment as at 31st December 2024 were Rs. 4,188 Mn (2023 - Rs. 4,319 Mn) which was a decrease by 3% over the previous year.

The Group's total borrowing was Rs. 15,162 Mn (2023 - Rs. 18,872 Mn), which mainly includes loans obtained to finance the Havelock City Commercial Project undertaken by Havelock City (Pvt) Ltd.

Net Assets

The Group Net Asset value per share as at 31st December 2024 stood at Rs 47.32 (2023 - Rs 43.54).

Earnings per Share

The Group earnings per share for the year 2024 was Rs. 5.00 per ordinary share (2023 - Rs. 3.10).

Price Earnings Ratio

The Price Earnings ratio of the Group as at 31st December 2024 was 5 times (2023 - 5 times).

Return on Equity (ROE)

The Group Return on Equity (ROE) was 11% for the year 2024 (2023 - 7%).

Assets

The group total asset base increased from Rs. 78,234 Mn to Rs. 79,346 Mn in 2024. The increase mainly derived from the Group total fair value gain of Rs 1,822 Mn.

Liability

Total Liabilities as at 31st December 2024 decreased to Rs. 20,528 Mn compared to Rs. 24,114 Mn in the previous year, due mainly to the loans settlements during the year by Mireka Homes (Pvt) Ltd and Havelock City (Pvt) Ltd.

Total Equity

Total Equity of the Group Increased by Rs. 4,699 Mn to Rs. 58,919 Mn (2023 - Rs. 54,119 Mn) mainly due to the profit after tax of Rs. 6,210 Mn.

Accounting Policies

The Financial Statements contained in this report are prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS) the requirements of the Colombo Stock Exchange and the Companies Act No 07 of 2007.

Future plans

- Increase occupancy levels in investment properties
- Dispose the apartment stock at Havelock City.
- Reduce USD denominated Borrowings.
- Explore other potential Property Development opportunities.

MANUFACTURED CAPITAL



Manufactured Capital encompasses the physical and digital assets which includes buildings, properties and digital infrastructure. As one of the premier real estate developers in the Country and the owner of iconic landmarks, the Company is committed to enhance asset value, sustainability and long-term growth.

Strategic Priorities

Continuous enhancement and maintenance of physical structures to preserve landmark status and increase longevity.

Upholding high standards of design and construction to maintain the aesthetic and functional appeal.

Safeguard properties against potential threats from natural disasters, security concerns or regulatory changes.

Implementing smart technologies and sustainable building practices to improve operational efficiency and reduce environmental impact.

Value Delivered

- The state-of-the-art, intelligent building management system effectively maintains and enhances building performance, including efficient central air conditioning, for a comfortable indoor environment.
- Connect smoothly with end-to-end, fibre optic enabled high speed voice, data and telecommunication infrastructure.
- 100% backup generator power is provided as well as a redundant CEB grid supply for enhanced reliability.
- 24x7 surveillance via CCTV, access control systems and intelligent fire alarms with automatic sprinklers are on hand for safety. Public address and firefighting systems are also provided for high standards of health, safety and security for occupants and visitors.
- Make use of ample parking with contactless number plate recognition and payment kiosks with slot management car park system.

Physical infrastructure

The Company owns two of the largest and most iconic landmarks in the real estate sector of Sri Lanka; the World Trade Center (WTC), Colombo and the Havelock City integrated mixed used

development comprising Residential, Mall and Mireka Tower. The WTC is considered one of the tallest Grade A office building in Sri Lanka with world class amenities located in the heart of Colombo's business district. Havelock

City is one of the premier integrated mixed-use developments currently altering the skyline of Sri Lanka, with an iconic shopping mall, Office Tower and a fully functional Clubhouse the largest of its kind in Sri Lanka with over 7 acres of garden space.

Mireka Tower and the Havelock City Mall is the latest addition to the Company's portfolio of properties. Mireka Tower is a striking 50 storey office complex with 588,208 sqft Grade A premium office space and an international standard shopping mall with 194,360 sqft strategically located at the doorstep of Havelock City.

All of these iconic landmarks embrace innovative architectural and interior design concepts to enhance the attractiveness of landmark properties. We have continuously push boundaries by incorporating innovative designs, such as dynamic lighting systems and open, flexible floor plans in our office spaces.

During the year the Group invested in upgrading the facilities of the World Trade Center, Havelock City Mall and Mireka Tower as follows:

	2022	2023	2024
World Trade Center	450,257	734,400	283,719
Havelock City Mall & Mireka Tower	37,436,707	44,515,596	50,399,135

The above investments were made to upgrade furniture, fitting and equipment.

Land and Property

The Company's inventory of buildings / land is a critical resource which enables the Company to create value. At present, our land inventory comprises 3 properties, located in strategic locations throughout the country.

Nature of property	Location	Extent
World Trade Center Office complex	Echelon Square, Colombo 01	2A
Havelock City Clubhouse	No 324, Havelock Road, Colombo 06	3R 22P
Havelock City Commercial	No 324, Havelock Road, Colombo 06	4R 3R 32P
Dodanduwa Land	No 414/1, Dodanduwa Road, Galle	2A 0R 39P
Havelock City - Phase IV	No 324, Havelock Road, Colombo 06	3R 27P

Investment in Digital Infrastructure

Our investment in technology drives digitalisation across our manufactured capital. By strategically allocating resources to technological advancements, we are transforming traditional processes and automating processes to create greater convenience.

Investments in digital infrastructure

During the year the following IT infrastructure investments were made:

Description	2022	2023	2024
World Trade Center	617,501	848,500	2,646,010
Havelock City Mall & Mireka Tower	32,189,077	19,708,180	18,551,350

Above investments were made for the acquisition of computer, electronic equipment, development of software and introduce applications.

Future plans

We remain committed to enhancing our manufactured capital in alignment with our strategic objectives, ensuring long-term value creation. Our key priorities include:

- Advancing landmark developments with planned investment in asset enhancement and regular maintenance.
- Upgrading amenities and facilities - continuously enhancing the offerings within our key properties to elevate the living, working and shopping experiences.
- Investing in smart infrastructure - adopting advanced digital tools and innovative technology to drive operational efficiency, sustainability and long-term growth.

Through these initiatives, we reinforce our position as the leader in Sri Lanka's real estate landscape, delivering exceptional value to stakeholders.



SOCIAL AND RELATIONSHIP CAPITAL



Social and Relationship Capital plays a vital role in fostering strong relationships with stakeholders and creating shared values. We are committed to enriching the lives of our customers, tenants, shoppers, employees, and communities by building strong relationships based on trust, mutual benefit, and inclusivity. Through our landmark properties, Havelock City Mall, Mireka Tower, the World Trade Center (WTC) Colombo and Havelock City Residencies we continuously strive to enhance lifestyles, support local communities, and create inclusive spaces that cater to diverse needs. The Company's strategic focus on stakeholder engagement allows us to address a wide range of needs, creating a dynamic environment where tenants, shoppers and residents can grow together.

Strategic Priorities

- Stakeholder engagement
- Community well-being
- Sustainable business practices



Value Delivered

- **90%+** occupancy at Havelock City Mall.
- **80%+** occupancy at World Trade Center, Colombo.
- **40%+** occupancy at Mireka Tower.
- Community support for children and seniors.
- Digital tools enhancing customer loyalty and experiences.
- Sri Lanka's first water play area and IMAX cinema.
- Support for local artisans and small and medium entrepreneurs.

World Trade Center

As Sri Lanka's leading commercial address, the WTC Colombo integrates business with lifestyle, offering a sophisticated and innovative space for professionals and clients.

World-Class Facilities with technology Integration:

Home to prominent multinational corporations, the WTC Colombo boasts premium office spaces equipped with advanced technology and sustainable design principles to ensure seamless tenant and visitor experiences.

Community Initiatives:

Festive celebrations foster a sense of community among tenants and visitors.

Customer-Centric Facilities:

- ◆ 24/7 help line addresses concerns of tenants with immediate rectification to ensure tenant satisfaction.
- ◆ CRM supports tenants with promotions of their respective products and services to foster a collaborative environment.

Mireka Tower

Mireka Towers is a 50-storey office tower consisting of 588,208 sq. ft. of accessibility and functionality. The building features an energy-efficient corporate environment equipped with modern luxuries and world-class amenities.

World-Class Facilities:

- ◆ The building is equipped with state-of-the-art amenities providing tenants a seamless work environment.

Customer-Centric Facilities:

- ◆ Comprehensive services, such as concierge facilities and secure access systems, cater to tenant needs, ensuring a smooth and efficient operational environment.
- ◆ 24/7 help line addresses concerns of tenants with immediate rectification to ensure tenant satisfaction.
- ◆ CRM supports tenants with promotions of their respective products and services to foster a collaborative environment.

Community Initiatives:

- ◆ Partners with Havelock City Mall for community – centric initiatives.
- ◆ Regular networking events, corporate wellness programs, and festive celebrations foster a sense of community among tenants and visitors.

Technology Integration:

- ◆ Equipped with advanced Building Management Systems (BMS) and contactless entry points with turnstiles.
- ◆ Seamless parking experience with smart technology that allows for real-time parking availability updates and easy access.



SOCIAL AND RELATIONSHIP CAPITAL

Enhancing Customer Experience

Havelock City Mall

Customer satisfaction remains a foundation of the Company’s operations. We are committed to delivering exceptional experiences for every visitor to Havelock City Mall.

Touchpoints:

Through dedicated touchpoints like concierge services, a user-friendly interactive website, and vibrant social media channels, we maintain continuous engagement with our patrons. This allows us to collect valuable feedback, ensuring we enhance their experiences and address their evolving needs.



<https://havelockcitymall.lk/>

Family-Focused Events:

Havelock City Mall is a hub of family-friendly activities, offering memorable experiences for visitors of all ages. From the enchanting “Live Jams” performances that showcase the talents of local budding artists to exciting kids’ carnivals, we create an atmosphere where families can bond and have fun together.

Throughout the year, we have hosted a variety of engaging events, and the details of these events are highlighted at the end of this section.

Unique Offerings:

We take pride in offering Sri Lanka’s first-ever indoor water play area for children, an international-standard six screen multiplex with an IMAX cinema, and a diverse selection of dining options. These offerings cater to a wide range of preferences, making Havelock City Mall a must-visit destination for all.



Technological Advancements:

The HCM Smiles loyalty app allows loyalty members to earn points on real-time and redeem their points to pay for parking, and retailer gift vouchers.

A digital store directory system assists customers in navigating the mall with ease, while integrated car parking systems streamline the parking process for added convenience.

To further enhance visitor comfort, the mall features an automated, building management system-controlled air conditioning system that optimizes temperature levels throughout the premises.



Supporting Local and Global Brands

The Company's approach to retail emphasizes a balance between supporting local and international brands. The mall houses a mix of popular global names such as Nike, Adidas, Polo, Aldo etc. alongside beloved local household names.

By maintaining an over 90% occupancy rate, Havelock City Mall provides a thriving platform for tenants, reinforcing its reputation as a leading retail destination in Colombo.

LAYARDS
WHARF
BY FOOD STUDIO



COOL PLANET
LIFE IN STYLE

Abans

SCOPE
C I N E M A S

O D E L

Community Engagement

Havelock City Mall serves as a suburban family-centric hub, catering to the immediate neighborhood and uplifting lifestyles by providing a one-stop destination for shopping, dining, and entertainment. By organizing regular activities such as creative workshops, educational exhibitions, loyalty prize giveaways, tree lighting ceremonies, and seasonal markets, the mall fosters an atmosphere where families can spend quality time together. Specific programs like "Santa's Home for Christmas" highlight our dedication to fostering a sense of community and joy during festive seasons.

Santa Cares

Additionally, the Company is deeply committed to supporting underprivileged groups. This season's initiative, themed "Santa Cares," has focused on hosting senior citizens and children's groups, providing them opportunities to sell their crafts and memorabilia within the mall premises. These programs not only provide income for these groups but also integrate them into the vibrant community the Company cultivates.

Love in Action: Hearts of Hope

In line with our commitment to social causes, we recently hosted the "Love in Action: Hearts of Hope" charity event in collaboration with SOS Children's Villages Sri Lanka. This three-day event, held from December 14th to 16th, brought together individuals and families to support children who have lost parental care. Activities included filling a giant blue heart with love and support, emphasizing the importance of giving back to the community and spreading hope.

Breast Cancer Awareness

In October, Havelock City Mall partnered with the National Cancer Control Unit of the Ministry of Health for the Breast Cancer Awareness Walk, marking the beginning of Pink October. Over 1,000 participants, including notable figures from the health and education sectors, marched to raise awareness about breast cancer, emphasizing early detection and treatment.

Other Events conducted during 2024:

HCM Elite Auto Show:

The first ever motor show at a Shopping Mall in the country.



Water Play:

Sri Lanka's first-ever indoor water play area for children.



SOCIAL AND RELATIONSHIP CAPITAL

LEGO Kids' Workshop:

A creative space for children to build and explore.



My Happy Station:

A fun-filled zone featuring interactive games and exciting challenges for all ages



World Environment Day:

Plant Sales



CarniWOW 2024:

A vibrant celebration filled with games, rides, and fun activities.



Top Thai Brands 2024:

A cultural showcase celebrating Thai heritage and crafts



NSBM Edu Fair:

A platform to explore educational opportunities



Autobots Rollout Event:

An exciting interactive experience for fans of all ages.



NIBM Runway on the Row: Fashion Show

A glamorous event highlighting the talents of budding designers



Egg - citing Easter Adventure :

A delightful Easter-themed event making it a memorable day for kids and families.



Valentine's Celebration:

Valentine's Celebration Market.



Open Mic Session – Mall Jams:

A lively stage for budding artists to showcase their musical talents.



Thai Pongal:

A festive celebration honoring tradition.



Kids Avurudu Funfair:

A festive celebration of the Sinhala and Tamil New Year.



Christmas Market:

A festive marketplace with holiday-themed items, food stalls, and cheerful decorations.



Future plans

Looking ahead, the Company is committed to:

- Havelock City Mall Introducing new and innovative concepts to elevate the shopping and entertainment experience.
- Expanding food and beverage options to cater to evolving consumer preferences.
- Hosting diverse events to attract and engage various customer segments.
- Continuously integrating innovative technology to enhance operational efficiency and customer satisfaction.

Through these efforts, the Company aims to strengthen its position as a trusted partner to its stakeholders and a pillar of community engagement, delivering lasting value for years to come.



HUMAN CAPITAL



Our Human Capital section highlights the essential role of our people in achieving our vision and mission. Guided by values of empowerment, teamwork, integrity, and a customer-centric approach, we cultivate a workplace that fosters collaboration, innovation, and excellence. Through strategic initiatives and a commitment to continuous development, we aim to create a supportive environment where our employees thrive and contribute to sustainable growth.

Strategic Priorities

- Gender Diversity
- Employee Retention
- Leadership & Learning Development
- Workforce Balance & Well-Being
- Inclusivity in Recruitment

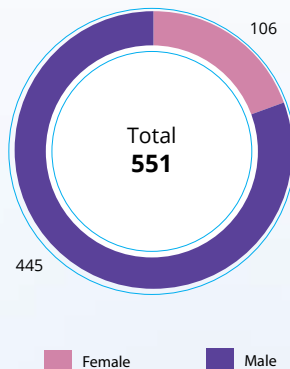
Value Delivered

- Delivered over 700 training opportunities, totalling more than 5,000 training hours.
- Increased female representation in new hires to 24%
- Recruited from a diverse range of age groups, with new hires spanning from 18 years to 50+.

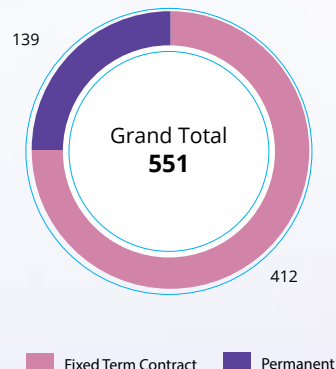
Workforce Composition

Our workforce in 2024 demonstrated diversity across gender, roles, and employment categories. We remain steadfast in our efforts to achieve gender parity and balanced representation across all levels. While male employees represent a larger proportion of managerial and senior leadership roles, we are actively working to promote inclusivity and create pathways for greater female representation.

Gender (Total Employees)



Contract Type Total



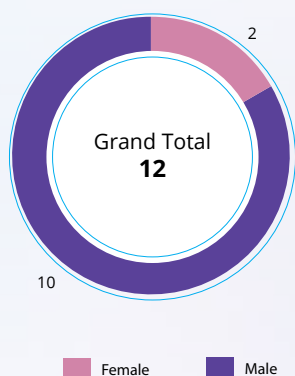
Female

Male

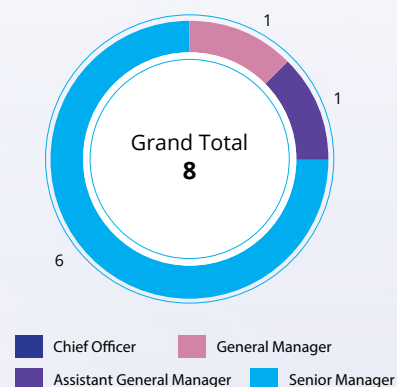
Fixed Term Contract

Permanent

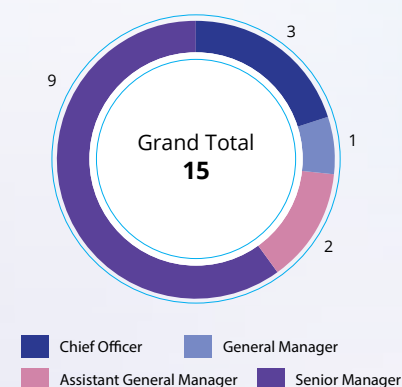
Board of Directors



Senior Management - Female



Senior Management - Male



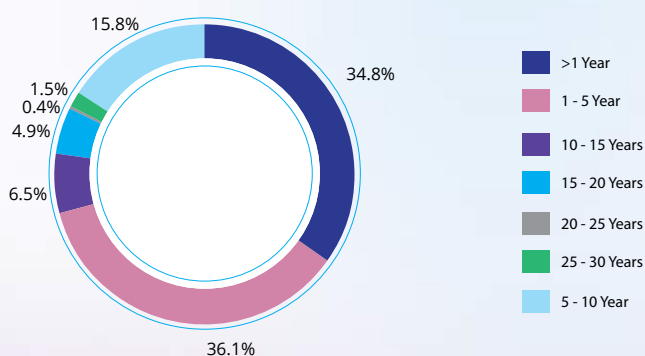
The table below presents the total number of employees categorized by gender and job designation, highlighting workforce distribution across various roles within the organization.

Category	Female	Male	Grand Total
Director	2	10	12
Chief Officer	-	3	3
General Manager	1	1	2
Assistant General Manager	1	2	3
Senior Manager	6	9	15
Manager	6	18	24
Assistant Manager	5	32	37
Senior Executive	15	27	42
Executive	34	42	76
Junior Executive	12	14	26
Non Executive	24	287	311
Grand Total	106	445	551

Service Analysis of Employees

Our workforce showcases a balanced mix of tenure, reflecting a blend of seasoned experience and fresh perspectives. A significant proportion of employees have been with the organization for 1 to 5 years, highlighting our success in attracting and retaining talent during this critical period. Additionally, a substantial number of employees have over 10 years of service, demonstrating their commitment and the strong sense of loyalty fostered within the Company.

Service of Employees

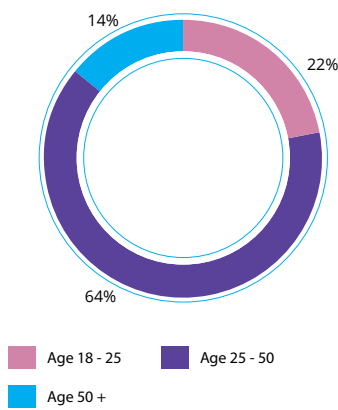


HUMAN CAPITAL

Recruitment and Retention

In 2024, we onboarded a diverse range of talent across various roles, reinforcing our focus on building a well-rounded team. Recruitment spanned categories from non-executive to senior leadership roles, with new hires representing a mix of age groups and skill sets. While the turnover rate highlights areas for improvement, it also provides opportunities to refine retention strategies and strengthen engagement initiatives.

Recruitment by Age



Category	Female	Male	Grand Total
Chief Officer	-	1	1
General Manager	-	1	1
Senior Manager	1	1	2
Manager	1	3	4
Assistant Manager	1	10	11
Senior Executive	1	1	2
Executive	12	8	20
Junior Executive	4	4	8
Non Executive	9	62	71
Grand Total	29	91	120

Attrition

During the reporting period, employee attrition was observed across various age groups and employment categories. The majority of attrition occurred in the 25-50 age group, emphasizing the need for retention strategies targeting mid-career employees. Turnover rates were slightly higher among females compared to males, aligning with a trend of gender-related retention challenges. Moreover, Executive roles experienced a higher turnover rate compared to non-executive roles, signaling the importance of addressing the unique needs of employees in leadership positions. These insights underscore the need for tailored retention strategies to effectively address key demographics and employment categories.

ATTRITION RATE	FEMALE	MALE	TOTAL
AGE 18 -25	7	10	17
AGE 25 - 50	27	87	114
AGE 50 +	-	43	43
TOTAL	34	140	174

TURNOVER RATE

MALE	36%
FEMALE	38%
TOTAL	36%
NON-EXECUTIVE	37%
EXECUTIVE	36%

Remuneration and Recognition

We firmly believe that recognizing and rewarding employee contributions is vital to fostering a motivated and high-performing workforce. Our remuneration and recognition framework are designed to align individual and team achievements with the company’s mission, vision, and values.

Performance-Based Rewards	Team Achievements	Non-Monetary Recognition	Long Service Awards
We ensure that annual performance appraisals are directly linked to monetary benefits such as bonuses, salary increments, and promotions.	Milestones and team accomplishments are celebrated through organized events, fostering strong bonds and collaboration across departments.	Employees are publicly acknowledged for their exceptional efforts during company meetings and are presented with certificates of appreciation as a token of gratitude.	We honor the loyalty and commitment of employees who have served the organization over an extended period, highlighting their invaluable role in our journey of success.

Outline of the Performance Measurement Process

Goal Setting: Goals are set at the beginning of the year, aligned with departmental and organizational objectives.

Feedback and Monitoring: Regular one-on-one meetings provide real-time performance insights.

Mid-Year Review: Assesses progress and identifies areas for development.

Year-End Review: Evaluates achievements against goals and competencies.

Recognition and Development: High performers are recognized, and under performers receive tailored development plans.

Gender Parity

As part of our broader commitment to diversity and inclusion, we actively promote gender parity across all levels of the organization. We believe that achieving gender balance not only fosters innovation and enhances decision-making but also strengthens our ability to effectively serve a diverse customer base.

Our approach includes:

- **Embracing Gender Diversity:** Creating a workplace that values and respects all genders, ensuring every voice is heard and valued.
- **Promoting Equal Opportunities:** Implementing unbiased recruitment, promotion, and development practices to ensure merit-based progression.
- **Fostering Inclusion:** Building a culture where employees of all genders feel empowered, supported, and equal in opportunities

Parental Leaves

The company supports work-life balance through comprehensive parental leave policies, ensuring employees are supported during significant life events.

In 2024 three female employees availed maternity leave.

Employee Engagement Activities

Employee engagement remains a key priority, with initiatives ranging from team-building activities to wellness programs. The company is dedicated

to fostering a dynamic and supportive work environment through various initiatives:

- **Employee Capabilities Building**
Leadership and management development programs focus on enhancing technical expertise, leadership, and innovation. Corporate values training ensures that core values are seamlessly integrated into daily operations.
- **Employee Engagement and Well-being Initiatives**

Regular team-building activities, annual departmental outings, sports days, and get-togethers are organized to boost team morale, collaboration, and overall well-being.

- **Health, Safety, and Work-Life Balance**

Comprehensive health and safety protocols provide medical and insurance coverage for employees and their families. Staff welfare initiatives include annual events like Pirith chanting, sports day, and get-togethers to promote work-life balance.

HUMAN CAPITAL



Learning and Development

Our commitment to continuous professional growth is reflected in the extensive training opportunities provided in 2024. Over 30 programs were conducted, covering technical skills, leadership development, and functional expertise. Key initiatives included:

- **Leadership and Management Development Program:** Empowering future leaders across all departments.
- **Personal and Professional Development Training:** Instilling company culture and values.
- **Technical Training Programs:** Covering areas such as air conditioning design, vertical transportation systems, and advanced negotiation skills.

Training Type	No. Of Participants	No. Of Trainings Per Type	Investment (Rs.)
Leadership Development	53	12	5,127,025
Corporate Value Development	256	14	3,566,225
Technical Development	234	85	1,880,047
Soft Skill Development	14	19	240,150
Out Bount Training	51	2	1,724,000
Total	608	132	12,537,447

Employment Category	Male (Hours)	Female (Hours)	Total (Hours)
Executive	2,693	1,179	3,872
Non-Executive	1,891	206	2,097

Labor Practices

The Company is committed to upholding strong labor practices that ensure a fair, ethical, and inclusive work environment. We believe in fostering a workplace where employees are respected, valued, and provided with opportunities for growth and development. Key labor practices include:

- Fair compensation and benefits
- Health and safety-focused environment
- Employee engagement and well-being initiatives
- Transparent grievance handling
- Commitment to diversity and inclusion

Grievance Mechanism

Our grievance mechanism provides a structured process for employees to address dissatisfaction or injustices in the workplace. It ensures a fair and respectful environment where employees at all levels can voice concerns and receive prompt resolutions, maintaining a positive and inclusive work atmosphere.

Resignation, Termination, and Transfers

Our approach to resignation, termination, and transfer ensures a smooth transition for both employees and the organization. These processes are handled with fairness, transparency, and respect for employee dignity.

For turnover details, refer to the attrition section.

Compliance with Law and Anti-Corruption

Our commitment to compliance with laws and anti-corruption is integral to maintaining trust, integrity, and ethical business practices. We adhere strictly to legal and regulatory requirements across all operations, fostering a transparent and ethical environment. Our anti-corruption policies ensure that all interactions, transactions, and business decisions are free from unethical practices, upholding our values of integrity and accountability.

Diversity and Inclusion

Our commitment to diversity and inclusion is deeply embedded in our corporate values and reflects our dedication to creating an inclusive workplace. We celebrate and embrace differences in gender, age, religion, race, perspectives, and experiences, ensuring that every voice is heard and valued. By promoting equal opportunities, fostering collaboration, and empowering all employees, we cultivate a culture of belonging and mutual respect. Our focus is on creating an inclusive environment where diversity drives innovation and enhances our ability to serve a broad range of customers effectively.

Future plans

Looking ahead, our future outlook focuses on key areas to drive sustained success and innovation:

- Succession Planning:** Establishing a robust framework to ensure leadership continuity and prepare a pipeline of capable leaders aligned with our mission and vision.
- Employee Retention:** Crafting personalized career growth plans to engage and retain top talent, fostering long-term contributions to the organization.
- Strengthening Company Culture:** Continuously embedding core values into daily operations through training and initiatives, promoting an unified and inclusive workplace environment.
- Leadership Development** The company aims to foster leadership skills within its team through leadership workshops, empowering employees to take on strategic roles and drive organisational growth. Through continuous learning and development, the team will be able to develop skills needed to navigate challenges and inspire innovation across all levels.



The Company places significant emphasis and dedication to environmental sustainability and responsible resource management. The World Trade Center (WTC) Colombo and Havelock City exemplify our commitment to minimizing environmental impacts while delivering superior service quality. By integrating advanced energy management systems and promoting sustainable waste management practices, it sets benchmarks in environmental responsibility within Sri Lanka’s commercial real estate sector.

Strategic Priorities

- Energy Efficiency
- Sustainable Operations
- Obtaining Green Building Standards



Value Delivered

- Upgraded lighting and HVAC systems.
- Recycled 500kg+ plastic via “Zero Plastic” initiative.
- Improved waste segregation and recycling.
- Achieved ISO 50001:2018 certification - a first among Sri Lankan commercial buildings.
- WTC Colombo has achieved Gold certification from the Green Building Council of Sri Lanka
- Mireka Tower and Havelock City Mall has achieved LEED Gold certification awarded by Green Building Council, USA



Energy and Waste Management Overview

Efficient management of energy and waste remains at the core of the Company’s environmental strategy. By implementing innovative practices and state-of-the-art technology, the Company ensures its operations are both environmentally responsible and aligned with global standards

Energy Management

Efficient energy management is key to the Company’s commitment to reducing its environmental footprint. By implementing innovative strategies and leveraging advanced technologies, it strives to optimize energy use across its operations, ensuring sustainability and cost-efficiency.

WTC Colombo

The Company places significant emphasis on energy efficiency at WTC Colombo, achieving ISO 50001:2018 certification—the global standard for energy management. While the Company has direct control over energy usage within common areas, it actively encourages tenants to adopt energy-efficient practices by offering incentives and guidance on improving their own energy consumption.



WTC Colombo has achieved **Gold certification** from the Green Building Council of Sri Lanka

Notable initiatives include:

- **Upgrading HVAC systems** to meet Singapore Green Mark Standards, ensuring high efficiency and optimal indoor air quality.
- **Replacing all common area lighting** with energy-efficient LED bulbs, significantly reducing electricity consumption.
- **Installing variable frequency drives for cooling towers** to optimize performance.
- **Implementing operational controls** on air handling units to balance energy use and indoor air quality.

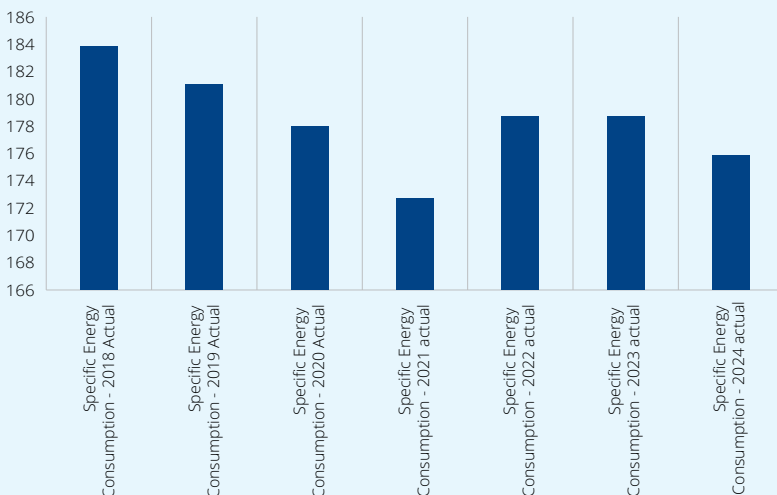
Future plans

Upgrading the Building Management System (BMS) which would enable real-time monitoring and control of air conditioning, lighting, life support and other systems to enhance efficiency levels.

The Company calculates energy consumption monthly, measuring it per square meter per year. This helps track changes in efficiency relative to occupancy levels and seasonal variations. The energy efficiency index is updated monthly and compared annually to assess performance and identify further optimization opportunities.

Energy Performance Indicator

KWH/square meter/year



To further engage tenants, the Company has introduced a program encouraging them to switch to energy-efficient LED bulbs. While the Company doesn't control tenants' consumption, it offers an incentive: tenants save on electricity costs, and the Company covers lifetime maintenance, including free replacement of fused bulbs. This creates a win-win, reducing tenants' energy use while improving the building's overall efficiency and supporting the Company's sustainability goals.

NATURAL CAPITAL

Havelock City

Energy Management at Havelock City

Energy management at Havelock City has been designed with a focus on efficiency, sustainability, and innovation, earning the prestigious LEED (Leadership in Energy & Environmental design) Gold certification from the Green Building Council USA.

Key Notable Initiatives Include:

- **Building Management System (BMS):** Monitors and controls energy usage across the complex, ensuring peak efficiency.
- **Centralized Sub-Metering System:** Tracks energy consumption with 400+ sub-meters, enabling real-time monitoring and issue detection.
- **High-Efficiency Chilled Water System:** Cutting energy use by 32% compared to conventional buildings.
- **LED Lighting & Advanced Façade Glass:** Enhances natural daylight while reducing heat ingress and energy demand.
- **Enhanced Indoor Air Quality:** Features high-performance filters and CO₂ sensors to maintain optimal air quality.
- **Water-Saving Fixtures:** Reduces water consumption by 50% compared to conventional buildings.
- **Rainwater Harvesting System:** Collects rainwater for use in landscaping and other non-potable applications.
- **Condenser Water Recovery System:** Recycles water from air conditioning systems to operate cooling towers, further optimizing resource use.



The **Zero Plastic** initiative, launched in collaboration with Clean tech (Pvt) Ltd, facilitated the collection and recycling of significant amounts of plastic waste, helping to reduce contributions to landfills and promoting circular economy practices.

Plastic - 1,339 Kg (More than 13,000 bottles), Cardboard - 12,242 Kg, Total more than 20,000 Kg of waste material recycled in 2024

Waste Management

A robust waste management framework ensures compliance with local regulations while promoting recycling and sustainability.

Key measures include:

- Implementing color-coded waste collection and segregation processes.
- Partnering with recyclers to convert plastic waste into value-added products such as brushes and bags.
- Ensuring solid waste is sent to an approved waste-to-energy plant, while wet waste is directed to a piggery.



Sustainable Practices followed at ORCL

Carbon Footprint Monitoring

The Company's real-time energy counting dashboard tracks energy consumption and calculates carbon footprint by measuring CO₂ equivalent emissions. This enables real-time monitoring of emissions and savings, supporting continuous improvement in sustainability efforts.

Pest Control and Environmental Safety

The Company ensures the building is pest-free while prioritizing environmental safety. Monthly pest control treatments are conducted throughout the building using standard chemical treatments.

Additionally, the Company is committed to sustainability by utilizing biodegradable hand wash in washrooms across the building, reducing the environmental impact of cleaning products.

Sustainability Awareness Programs

The Company conducts tenant awareness programs promoting environmentally friendly practices, including pest control, natural capital conservation, and other sustainability initiatives aligned with green building goals.



Mireka Tower and Havelock City Mall has achieved LEED Gold certification awarded by Green Building Council, USA

E-Waste Management:

Havelock City partners with specialized recycling centers to safely collect and process electronic waste, ensuring compliance with environmental standards.

Rainwater Harvesting and Condensate Recycling

Rainwater is harvested and used for landscaping, while water collected from air conditioning condensers is recycled to operate cooling towers, reducing overall water and energy consumption.

Future plans

Looking ahead, the Company aims to:

- Explore the feasibility of renewable energy solutions with roof top solar power installations.
- Increase tenant engagement in sustainability initiatives, including energy and waste reduction programs.
- Continuously improve energy efficiency in major systems, such as lifts, escalators, and water pumps.
- Set annual targets for reducing energy consumption and carbon footprint, contributing to long-term environmental goals.



INTELLECTUAL CAPITAL



Intellectual capital consists of brand equity, expertise and digital innovation. Grounded in deep industry knowledge and process excellence, the Company integrates state-of-the-art technology, sustainable design and global best practices to create future-ready spaces. This ensures long-term value creation by setting new benchmarks in modern real estate and business environments.

Strategic Priorities

Digital Transformation
Data Security
Process Optimization
Customer Engagement
Sustainability



Value Delivered

- Delivered innovative technology solutions to improve business capabilities.
- Improved transparency with real-time data access and monitoring.
- Enhanced customer experience with personalized services and digital platforms.

Strong Brand Positioning

As a premier developer shaping Sri Lanka's urban landscape, the Company has established some of Colombo's most iconic landmarks—The World Trade Center Colombo, Havelock City and Mireka Tower. These developments are synonymous with prestige, innovation and value, reinforcing Colombo's position as a thriving business and lifestyle hub.



To date, WTC is one of the tallest Grade A office buildings in Sri Lanka which has marked its presence among the local and international community through its iconic location, superior facilities ahead of its time. This international brand is one of the 322 World Trade Centers located in 91 countries worldwide which makes the brand unique and unparalleled.



Havelock City, one of the largest integrated mixed-use developments in Colombo, seamlessly blends luxury residences, a vibrant retail and entertainment mall, and premium commercial spaces, redefining urban living.



Mireka Tower, the business hub of Havelock City, elevates Colombo's corporate appeal with state-of-the-art office facilities.



In addition to our four main brands, we also house a local brand named, Realty Management Service (RMS). RMS offers Facilities Management Services to over 28 selected large scale commercial and Residential projects in Sri Lanka

At Overseas Realty, our commitment goes beyond property development; we create dynamic, self-sustaining environments that enhance the city's infrastructure and lifestyle. With green spaces, recreational areas and cutting-edge design, our projects drive Colombo's real estate evolution, attracting investors, businesses and high-end consumers alike.

Tacit Knowledge

Tacit knowledge represents the experience-based expertise, gained through years of hands-on involvement which enables employees to navigate market trends, regulatory frameworks and investor expectations with deep intuition to enhance the Company's competitive edge. The team comprises a sizeable percentage of employees who possess more than 10 years of experience which has enabled them to gain practical knowledge in large-scale project execution, quality control and property management. Additionally, long-standing employees contribute to decision-making by understanding

the Company's strategic vision and risk management approach. These experience-driven insights continue to shape the Company's future success in the evolving real estate landscape.

Process Improvements

The process improvements section highlights the efforts to enhance operational efficiency through the adoption of advanced systems and automation.

ERP System (SAP Business One)

The main ERP system used across the organization allows for seamless operations in various business functions. Each company within the group has its own dedicated instance in ERP, ensuring that processes remain streamlined, secure, and efficient at the company level.

CRM System (Zoho CRM)

For Mireka Homes, the Zoho CRM is a key system used to manage leads and improve sales workflows. It automates lead management, ensuring that inquiries from visitors are efficiently divided among the sales team without manual intervention.

Tenant Revenue Management System (TRMS)

At Havelock City Mall, this system is vital in monitoring tenant transactions and analyzing revenue through a revenue-sharing model. This system integrates with tenants' point-of-sale systems via APIs, allowing for real-time data transmission and analysis.

Technological/IT Upgrades

The technological/IT Upgrades section underscores the Company's commitment to maintaining a state-of-the-art IT infrastructure.

Advanced Firewall and Remote Connectivity

The Company employs secure remote access to ERP systems via an SSL VPN connection through the firewall, ensuring safe and controlled data access. The fiber network across Havelock City Mall and Mireka Tower facilities supports this infrastructure, guaranteeing consistent and fast data flow between different locations.

Microsoft 365 and Security Protocols

Intellectual capital is protected using Microsoft 365 products. Microsoft Defender secures email, cloud storage, and internal devices, ensuring comprehensive security across the organization's digital assets.



INTELLECTUAL CAPITAL

Data-Driven Decision-Making

The data-driven decision-making section highlights the Company's ability to harness real-time data insights for strategic and operational advancements.

Real-Time Data Analysis

The real-time analysis of tenant transactions through TRMS and sales leads through Zoho CRM plays a pivotal role in decision-making. Additionally, the loyalty app and a people tracking camera system enhances our ability to monitor and analyze data effectively. These advanced systems allow management to make data-driven decisions swiftly, ensuring optimal revenue generation and improving operational efficiency.

Empowering Knowledge and Driving Innovation

The Company places a strong emphasis on cultivating intellectual capital through knowledge management and continuous innovation. Regular employee training on IT systems, such as ERP, CRM, and TRMS, ensures the workforce is equipped to leverage the latest features and capabilities, driving productivity and system efficiency.

Simultaneously, the company's commitment to innovation is evident in the development of new applications, such as loyalty management systems, which enhance customer engagement and elevate the user experience.

Future plans

Future developments include:

- Transitioning to a cloud-based ERP system within the next two years for improved scalability and flexibility.
- Implementing policies, system and processes to complying with the Personal Data Protection Act (PDPA) to align with global data security standards.
- Enhancing cybersecurity policies to strengthen organizational IT defenses.
- Exploring ISO 27001 certification to advance information security management.



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CORPORATE GOVERNANCE

Corporate Governance

Corporate Governance at Overseas Realty (Ceylon) PLC comprehends promoting corporate impartiality, transparency, accountability and responsibility in directing and controlling the company in the best interest of the stakeholders. All structures, principles and policies are focused on ensuring that the company is governed in a manner that safeguards the best interest of all stakeholders and this report aims to provide the details of how this is done in practice.



Company’s Brief and Commitment towards Corporate Governance

We firmly believe that good Corporate Governance is not only the fundamental in ensuring that the Company is well managed in the interest of all its stakeholders but is also essential to attain long term sustainable growth. Corporate Governance is of utmost importance in driving the company towards its high standards of managing the company in an ethical, efficient and effective manner whilst fostering an entrepreneurial culture.

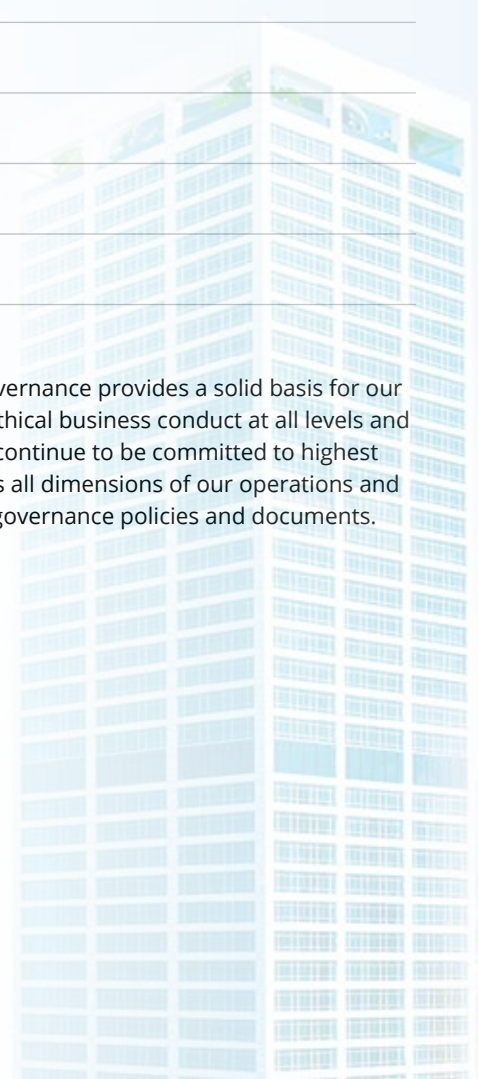
Compliance with Corporate Governance Framework

Overseas Realty (Ceylon) PLC’s practices are consistent with the requirements given in the Code of Best Practice on Corporate Governance issued jointly by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka (SEC) as well as Rule Number 9 of Listing Rules issued on Corporate Governance by the Colombo Stock Exchange (CSE). The principles set out in these codes have been adopted by us to shape our corporate governance stance.

Regulatory frameworks	Voluntary standards, codes and frameworks	Internal mechanisms
Companies Act No.7 of 2007	Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants 2023	Articles of Association
Sri Lanka Accounting and Auditing Standards Act No.15 of 1995	Non-Financial Reporting Guideline of CA Sri Lanka	Board and Sub-Committee Charters
Continued Listing Requirements of the Colombo Stock Exchange	Integrated Reporting Framework	Policy framework
Inland Revenue Act No. 24 of 2017 and amendments thereto		
Customs Ordinance No. 17 of 1869		
Foreign Exchange Act No. 12 of 2017		
Industrial Disputes Act No. 43 of 1950		
The Shop and Office Employees Act No. 15 of 1954		

Statement of Compliance

We aim to ensure that good corporate governance provides a solid basis for our business, in promoting transparent and ethical business conduct at all levels and add value for our stakeholders. Thus, we continue to be committed to highest standards of corporate governance across all dimensions of our operations and these standards are encapsulated in our governance policies and documents.



Our status of compliance with each section of the Code of Best Practices on Corporate Governance issued jointly by CA Sri Lanka and Securities and Exchange Commission of Sri Lanka (SEC) appears on pages 70 to 82. We have also included a table which summarizes the status of compliance with Rule No 9 of the Listing Rules of the CSE, on pages 58 to 69.

The Board of Directors also wishes to confirm that, to the best of their knowledge and belief, the Company has complied with all requirements under the Companies Act No 07 of 2007 and satisfied all its statutory payment obligations to the Government and other statutory/ regulatory bodies.

Governance Structure

The Governance Structure of Overseas Realty (Ceylon) PLC allows effective and efficient decision making while interconnecting elements in governance. It is enabled by having the right balance of authority and power throughout the organization. It comprises process and structures which affect the way an organization is directed, managed, and monitored and its activities are reported.

Our Internal Governance Structure



CORPORATE GOVERNANCE

Shareholders participate in supervision and control of the Company and exercise their right to speak and vote at Annual General Meetings. Shareholders’ right to influence the company Centre on certain fundamental corporate decision making, such as the election/ removal of Board members, suggesting amendments to the Company’s Articles of Associations, approving of major transactions, approval or election of Auditors distribution of profits and other basic issues as specified in the companies Act.

One of the main objectives of the Board of Directors of the Company is to represent, formulate and realize the interests and expectations of its shareholders.

Communications with Shareholders

All our stakeholders are encouraged to have continued dialog with the management and the Board.

The Company facilitates institutional investors, Brokers and Financial Analysts to collect required information and maintain constant dialogue in order to decide their perceived value of the Company. However, the Board and the management strictly adhere to statutory and ethical guidelines regarding their responsibility of maintaining confidentiality of price sensitive information.

Annual General Meetings

An AGM is held each year as required by the provisions of companies Act. The Shareholders are allowed to directly communicate with the Board of Directors, it is regarded as the most effective mode of communication with all Shareholders. The 42nd Annual General Meeting of the Company was held on the 24th April 2024 at the Havelock City Clubhouse, having given them fifteen working days’ notice in

advance of the meeting as required by the Companies Act.

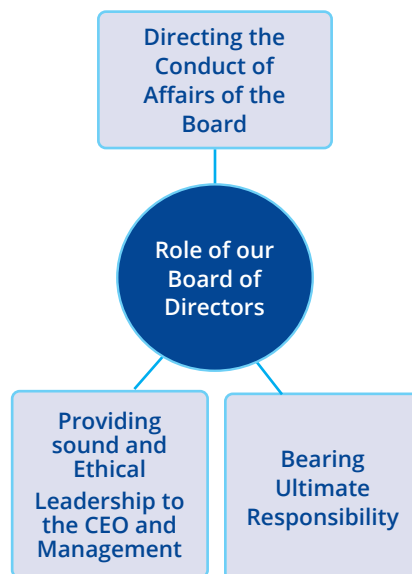
Annual Report

The Company’s Annual Report is the main document that is used to disclose corporate information to the Shareholders. The Company discloses financial and non-financial information. Further quarterly financial statements, dividend declarations and other required information is published in the CSE website for the reference of all shareholders statements.

Board of Directors

The Company’s commitment to uphold highest standards of corporate governance is driven by the Board of Directors which is led by the Chairman, assumes overall responsibility for the governance of the company. Each Director identifies himself/herself with a duty to act in good faith and in the best interest of the Company. The Board is responsible for the Shareholders for creating and delivering sustainable shareholder value through management of business activities.

Role of Board of Directors



The fundamental role of the Board is to provide entrepreneurial and coherent leadership within a framework of prudent and efficient controls, which enables risks to be assessed and managed. The Board has the final decision-making authority and directs the management team to uphold highest level of integrity, function in compliance within the applicable rules and regulations and delegate the necessary authority to fulfill their job responsibilities. Each Director has unrestricted access to information and the services of Senior Management and the Company Secretary. Prior notices are given to the Directors regarding Board Meetings. The Board papers are circulated well in advance so that all Directors could actively deliberate and contribute to the Board proceedings.

Board Composition

The Board portrays a balance between Executive and Non-executive Directors, each of whom bring a strong and in-depth mix of knowledge, business skills and experience to the Board’s deliberation. By the end of the year there were twelve directors on the Board. Out of them eleven directors are non-executive and four of them are considered independent. The Board is collectively responsible for the long-term success of the Company and is accountable to shareholders for financial and operational performance.

Please refer pages 12 to 14 for profile of the members of the Board of Directors.

Board’s Interaction with the Management

The Board is regularly updated by the Management on the performance and prospects of the Group, by providing detailed reports at Board Meetings. Directors also have direct access to Management to obtain any information to take timely decisions.

Attendance of the Board Meeting

The number of meetings of the Board and individual attendance by the members are as follows:

Name	Directorship Status	Meeting Attended/ Eligible to Attend
Mr. A. M. De S. Jayaratne	Chairman and Non-Executive Director	4/4
Mrs. Mildred Tao Ong	Non-Executive Director	3/4
Mr. Yap Boh Pin*	Non-Executive Director	0/3
Mrs. R.L. Nanayakkara*	Independent Non-Executive Director	1/1
Mr. En Ping Ong	Non-Executive Director	4/4
Mr. L.R. De Lanerolle	Non-Executive Director	4/4
Mr. T.K. Bandaranayake*	Independent Non-Executive Director	4/4
Dr. Raneer Jayamaha	Non-Executive Director	4/4
Mr. P. D. Samarasinghe	Executive Director	4/4
Mr. Ben Nien Tao	Non-Executive Director	4/4
Mr. Brian Tao	Non-Executive Director	4/4
Dr. A.R. Wikramanayake	Independent Non-Executive Director	4/4
Mr. C.N.S. Mendis**	Independent Non-Executive Director	3/3
Mr. P.Y.S. Perera**	Independent Non-Executive Director	1/1
Mr. I. A. Wickramasinghe**	Independent Non-Executive Director	0/0

***Note** - Mrs. R.L. Nanayakkara retired from the Board on 21.02.2024.
Mr. Yap Boh Pin retired from the Board on 24.07.2024.
Mr. T.K. Bandaranayake retired from the Board on 23.10.2024.

****Note** - Mr. C.N.S. Mendis was appointed to the Board as an Independent Non-Executive Director on 21.02.2024.
Mr. P. Y. S. Perera was appointed to the Board as an Independent Non-Executive Director on 24.07.2024.
Mr. I.A. Wickramasinghe was appointed to the Board as an Independent Non-Executive Director on 23.10.2024.

Board Meetings

Meetings of the Board and its Committees are held in an atmosphere of robust, direct and constructive debate among the Board and Committee members. These meetings are held at least quarterly to discuss key areas of operations, including strategy and governance.

Board Committees

The board has delegated certain of its functions to Board Committees established in line with the corporate governance framework of the Company. This enables the Board to allocate adequate time to all matters within its sphere.

Board committees comprised Non- Executive Directors and experienced Chairmen. In determining the composition of the Committees, the Board takes into account applicable regulations, skills and experience of its members.

The Committee Chairmen report to the Board on the activities of the respective committee at Board meetings and are accountable for the effective functioning of the committees.

Board Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related party Transactions review Committee function as Board Sub Committees with Directors who possess requisite qualifications and experience.

CORPORATE GOVERNANCE

	Nominations and Governance Committee	Remuneration Committee	Audit Committee	Related Party Transactions Review Committee
Composition	Please refer page 86 and 87 in the Nominations and Governance Committee Report.	Please refer page 90 in the Remuneration Committee Report.	Please refer page 88 and 89 in the Audit Committee Report.	Please refer page 91 and 92 in the Related Party Transactions Review Committee Report.

Internal Audit

Our internal audit function is responsible for providing an independent risk-based oversight to the Audit committee over financial, operational, IT functions and regulatory compliances. Independent firm of Chartered Accountants carries out the Group internal audit function with the supervision and guidance of Group Audit Committee.

Re-election

According to the provisions of the Articles of Association of the Company, The Board possesses the power to appoint any person, at any time, as a director, either to fill a casual vacancy or as an additional member of the Board. Any director so appointed shall hold office until the next Annual General Meeting where he/she is then eligible for re-election.

The re-election of a director safeguards the rights of the shareholders by providing a regular reassessment of the composition of the board. The names of the Directors submitted for re-election are provided to the shareholders along with notice of the Annual General Meeting, enabling them to make informed decisions on such appointments.

Directors' Remuneration

Please refer pages 75 to 77 under Section B for information relation to the remuneration procedure and page 150 for the details on Directors' remuneration.

Role of the Chief Executive officer (CEO)

The CEO is the top executive of the Company and is responsible for the management of day-to-day functions/ operations with the support of the Management. The CEO is accountable to the Board to recommend the Group's strategy and its subsequent implementation, to ensure that appropriate internal controls are in place to manage and assess risks and that they are fully complied with, and he represents the management at meetings of the Board.

Adoption on Corporate Governance Policies

In accordance with Section 9 of the Colombo Stock Exchange requirements, Overseas Realty (Ceylon) PLC maintains robust policies across various corporate governance and operational domains, ensuring transparency and accountability. We disclose the existence and implementation details of the following policies:

(a) Policy on the Matters Relating to the Board of Directors:

Defines roles, responsibilities, and composition of the Board to ensure effective oversight and strategic direction.

(b) Policy on Board Committees:

Establishes clear mandates, membership criteria, and operational guidelines for Board committees to enhance governance effectiveness.

(c) Policy on Corporate Governance, Nominations, and Re-election:

Outlines criteria and procedures for Board nominations, evaluations, and succession planning, promoting diversity and competence.

(d) Policy on Remuneration:

Governs remuneration frameworks for Directors and executives, aligning incentives with long-term shareholder value and company performance.

(e) Policy on Internal Code of Business Conduct and Ethics:

Sets standards for ethical behavior, integrity, and compliance for all employees and Directors.

(f) Policy on Risk Management and Internal Controls:

Establishes a structured approach to identify, assess, and manage risks, ensuring robust internal controls and mitigation strategies.

(g) Policy on Relations with Shareholders and Investors:

Promotes open communication, transparency, and equitable treatment of shareholders, fostering trust and long-term relationships.

(h) Policy on Environmental, Social, and Governance (ESG) Sustainability:

Integrates sustainability principles into business practices, addressing environmental impact, social responsibility, and governance practices.

(i) Policy on Control and Management of Company Assets and Shareholder Investments:

Safeguards company assets and shareholder investments through effective management and oversight practices.

(j) Policy on Corporate Disclosures:

Ensures timely and accurate disclosure of material information to stakeholders in compliance with regulatory requirements.

(k) Policy on Whistle blowing:

Provides channels for confidential reporting of unethical behavior or violations, safeguarding whistle blowers from retaliation.

(l) Policy on Anti-Bribery and Corruption:

Establishes zero-tolerance for bribery and corruption, outlining preventive measures and reporting mechanisms.

The Company remains committed to upholding these policies to foster a culture of integrity, accountability, and sustainable growth, thereby enhancing shareholders' value and stakeholders' trust.

For detailed policy statements, please visit our corporate website www.orcl.lk.

CORPORATE GOVERNANCE








The disclosures below demonstrate the Company's adherence to Corporate Governance Rules as set out under Section 9 of the Listing Rules of the Colombo Stock Exchange.

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.2.1	<p>Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website;</p> <p>(a) Policy on the matters relating to the Board of Directors</p> <p>(b) Policy on Board Committees</p> <p>(c) Policy on Corporate Governance, Nominations and Re-election</p> <p>(d) Policy on Remuneration</p> <p>(e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities</p> <p>(f) Policy on Risk management and Internal controls</p> <p>(g) Policy on Relations with Shareholders and Investors</p> <p>(h) Policy on Environmental, Social and Governance Sustainability</p> <p>(i) Policy on Control and Management of Company Assets and Shareholder Investments</p> <p>(j) Policy on Corporate Disclosures</p> <p>(k) Policy on Whistle blowing</p> <p>(l) Policy on Anti-Bribery and Corruption</p>	✓	The Company established the listed policies and disclosed the fact of existence of such policies on the website.
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	✗	The management will be alerted to identify such matters and disclose them when necessary.
9.2.3	<p>Listed entities must disclose in their Annual Report:</p> <p>(i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website.</p> <p>(ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.</p>	✓	The list of policies referred to in section 9.2 included in the Annual Report.
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.		The Company Secretary assigned to provide policies to shareholders upon a written request being made for any such policy.

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include;		
(a)	Nominations and Governance Committee	✓	Please refer page 86 of this Report
(b)	Remuneration Committee	✓	Please refer page 90 of this Report
(c)	Audit Committee	✓	Please refer page 88 of this Report
(d)	Related Party Transactions Review Committee	✓	Please refer page 91 of this Report
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.	✓	Please refer to sections 9.11, 9.12, 9.13 & 9.14 below.
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	✓	The Chairman of the Company Mr. A. M. De S. Jayaratne has not chaired any Committees currently.
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC.	✓	The secretaries of the company maintain the records of the said information along with the meeting minutes of the shareholders.
(a)	The number of shares in respect of which proxy appointments have been validly made;		
(b)	The number of votes in favor of the resolution		
(c)	The number of votes against the resolution; and		
(d)	The number of shares in respect of which the vote was directed to be abstained		
9.4.2	Communication and relations with shareholders and investors:	✓	The management has taken steps to establish the company policy on effective communication and relations with Shareholders and disclosed the existence of the same in the Annual Report and the website.
(a)	Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.		
(b)	Listed Entities shall disclose the contact person for such communication.		
(c)	The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity.		Please refer page 56 and 57 of this report.
(d)	Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	✓	

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.5.1	Listed entities must establish and maintain a formal policy for their Board of Directors, which includes:	✓	The entity established a formal policy for the Board of Directors which shall address the criterias stipulated in section 9.5.1
(a)	Recognize the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.		
(b)	Where a Listed Entity decides to combine the role of the Chairperson and CEO.	✗	The positions of the Chairperson's and Chief Executive Officer's are separated.
(i)	set out the rational for combining such positions; and,		
(ii)	require the Board Charter of the Listed Entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest.		
(iii)	set out the measures implemented to safeguard the interests of the SID.		
(c)	Require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors.	✓	Please refer Directors 'profile from page 12 to 14.
(d)	Stipulate the maximum number of Directors with the rationale for the same.	✓	
(e)	Specify the frequency of Board meetings, having regard to the requirements under the Listing Rules.		
(f)	Provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance by the Listed Entity with obligations arising under such Rules.	✓	
(g)	Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board Meetings and to avoid being deemed to vacate such position.		
(h)	Provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements.		
(i)	Specify the maximum number of directorships in Listed Entities that may be held by Directors.		
(j)	Recognize the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum.		

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.		The entity confirms the compliance of section 9.5.1 in the Annual Report for the year ended 31st December 2024.
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.		The Chairperson of the Entity is a Non-Executive Director. The functions of Chairperson and CEO are clearly separated to ensure balance of power and authority.
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of these Rules).		
9.6.3	The Requirement for a SID		The functions of chairperson and CEO are clearly separated.
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilize the 'Fit and Proper Assessment Criteria'.		The company conducted a Fit and Proper Assessment for all directors, as stipulated in section 9.7.3.
9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.		Nominations and Governance Committee conducts the Fit and Proper Assessment of the directors at least once a year for existing directors and keeps records of the same.
9.7.3	Fit and Proper Assessment Criteria		The Company has taken steps to establish Fit and Proper Assessment Criteria.
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.		All the directors of the company and CEO provided a declaration confirming that they have continuously satisfied with the Fit and Proper Assessment Criteria.


CORPORATE GOVERNANCE

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.7.5	<p>Disclosures in the Annual Report of Listed Entities</p> <p>In their Annual Report, listed entities must include the following:</p> <p>(a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.</p> <p>(b) Any non-compliance/s by a director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such noncompliance/s.</p>	✓	<p>Relevant disclosures made on the annual report of the company.</p> <p>Please refer pages 86 to 87 of this report for Nominations and Governance Committee report.</p>
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	✓	The total number of directors was twelve (12) as at 31st December 2024.
9.8.2	<p>Minimum Number of Independent Directors:</p> <p>(a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.</p> <p>(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.</p>	✓	The total number of Independent directors was four (4) as at 31st December 2024.
9.8.3	Criteria for determining independence	✓	The entity ensured that all the criteria required in determining independence are satisfied by the independent directors of the Company.
9.8.4	For the purposes of Rule 9.8.3; - Definitions	✓	
9.8.5	<p>The Board of Directors of Listed Entities shall require:</p> <p>(a) Require each Independent Director to annually submit a signed and dated declaration of their "independence" or "non independence" using the specified criteria and format in Appendix 9A.</p> <p>(b) Annually assess the "independence" or "non-independence" of each Independent Director based on their declaration and other available information, listing the names of "independent" Directors in the Annual Report.</p> <p>(c) If the Board finds that the independence of an Independent Director is compromised according to the criteria in Rule 9.8.3, it should immediately issue a Market Announcement regarding this determination.</p>	<p>✓</p> <p>✓</p> <p>✗</p>	<p>All the independent directors submitted the signed declaration of their independence to the board. Required disclosures are mentioned in the annual report.</p> <p>Please refer page 69 of this report.</p> <p>The entity will take necessary actions to issue a Market Announcement, if the Board finds that the independence of an Independent Director is compromised.</p>

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.8.5 (Contd.)	<p>If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity:</p> <p>(a) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.</p> <p>(b) If an Alternate Director is appointed for a Non-Executive Director such an alternate should not be an executive of the Listed Entity.</p> <p>(c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such an appointment is made.</p> <p>(d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:</p> <p>i) The exceptional circumstances leading to such appointment.</p> <p>ii) The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non executive or Independent Director;</p> <p>iii) The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and,</p> <p>iv) A Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.</p> <p>(e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.</p>	✘	Currently there are no alternative directors appointed.

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.		The Company's maximum number of directors is 12.
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; <ul style="list-style-type: none"> i) a brief resume of such Director; ii) his/her capacity of directorship; and iii) Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. 		At the time of appointment of a new director to the board, the relevant market announcements are made in accordance with section 9.10.2 also such appointments are reviewed by the Nominations and Governance Committee.
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.		Relevant disclosures will be made if any changes in the composition of the board or any changes in the capacity of directorship arise.
9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report: <ul style="list-style-type: none"> (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; 		Please refer pages 12 to 14 of this report for the profiles of the Board of Directors.








Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.10.4 (Contd.)	<p>(f) number of Board meetings of the Listed Entity attended during the year;</p> <p>(g) names of Board Committees in which the Director serves as Chairperson or a member;</p> <p>(h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and,</p> <p>(i) The terms of reference and powers of the SID (where applicable).</p>		<p>Please refer to the page 55 for the number of Board meetings attended by the Board of Directors during the year.</p> <p>Please refer to the pages below for the details of attendance of Committee Meetings.</p> <p>i) Pages 88 to 89 of this report for Audit Committee report.</p> <p>ii) Pages 91 to 92 of this report for Related Party Transactions Review Committee report.</p> <p>iii) Pages 86 to 87 of this report for Nominations and Governance Committee report.</p> <p>iv) Page 90 of this report for Remuneration Committee report.</p>
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.		<p>The company made necessary arrangements to establish a "Nominations and Governance" Committee.</p> <p>Please refer pages 86 to 87 of this report.</p>
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.		
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.		

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.11.4	<p>Composition</p> <p>1) The members of the Nominations and Governance Committee shall;</p> <p>(a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.</p> <p>(b) It should not comprise of Executive Directors of the Listed Entity.</p> <p>2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.</p> <p>3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.</p>	✓	<p>As per section 9.11.4 the committee comprised of five (05) Directors, out of which two (02) members are Independent Directors of the Entity.</p> <p>Chairperson of the Nominations and Governance Committee is an Independent Non-Executive Director.</p> <p>Please refer from pages 86 to 87 this report.</p>
9.11.5	Functions of the Nominations and Governance Committee	✓	Please refer to pages 86 to 87 of this report.
9.11.6	Disclosures in Annual Report	✓	
9.12.1	For the purposes of Rule 9.12, the term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received.	✓	The Remuneration Committee established and maintained a formal and transparent procedure for developing policy on remuneration of Executive Directors and Non-Executive Directors as stipulated in section 9.12.
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.		
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.		
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.		
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings.	✓	
9.12.6	<p>Composition</p> <p>1) The members of the Remuneration Committee shall;</p> <p>(a) comprise a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.</p> <p>(b) not comprise of Executive Directors of the Listed Entity.</p>	✓	The Remuneration Committee consists of five members, all of whom are Non-Executive Directors, out of whom a majority are independent.







Complied with ✓

Not Applicable ✗

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.12.6 (Contd.)	2 In a situation where both the parent company and the subsidiary are 'Listed Entities', the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary.		Not Applicable as only the parent entity is listed.
	3 An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.		The company appointed an independent director as the chairperson of the committee. Please refer to pages from page 90 of this report.
9.12.7	Functions 1 The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.		Please refer to the Remuneration Committee Report from in page 90 of this report.
	2 The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.		Remuneration Committee refers salary surveys conducted by external parties.
9.12.8	Disclosure in Annual Report The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company); (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors.		Please refer to the Remuneration Committee Report from in page 90 of this report.
9.13	Audit Committee		
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.		The entity assigned the audit committee the task of performing the audit and risk functions as set out in Section 9.13.4
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.		Please refer to the Audit Committee Report from pages 88 to 89 of this report.

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.13.3	Composition	✓	Audit Committee consists of three Non-Executive Directors two of whom are Independent.
	1 The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Entity.	✓	
	2 The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	✓	
	3 The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.	✓	Please refer to the Audit Committee Report from pages 88 to 89 of this report.
	4 If both, the Parent Company and the subsidiary are 'Listed Entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary.	✗	Not Applicable as only the holding company is listed.
	5 An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	✓	Please refer to the Audit Committee Report from pages 88 to 89 of this report.
	6 Unless otherwise determined by the Audit Committee, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	✓	The Group Chief Executive Officer and Group Financial Controller attends the meetings by invitation.
	7 The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	✓	Two of the Audit Committee members including the Chairperson are Chartered Accountants with a vast knowledge on Financial reporting and compliance.
9.13.4	Functions of the Audit Committee	✓	Please refer to the Audit Committee Report from pages 88 to 89 of this report.
9.13.5	Disclosures in Annual Report	✓	Please refer to the Audit Committee Report from pages 88 to 89 of this report.

Rule No.	Corporate Governance Rule	Compliance Status	Company's Commitment
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules.		Please refer to the Related Party Transactions Review Committee Report from pages 91 to 92 of this report.
9.14.2	Composition		
	1 The Related Party Transactions Review Committee (RPT) shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.		Related Party Transactions Review Committee consists of four Non-Executive Directors two of whom are Independent.
	2 If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.		Not Applicable as only the parent entity is listed.
9.14.3	Functions of the Related Party Transactions Review Committee		The RPT committee function as specified in this section.
9.14.4	General Requirements		Please refer to the Related Party Transactions Review Committee Report from pages 91 to 92 of this report.
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee		The committee will comply with section 9.14.5 when reviewing the RPT.
9.14.6	Shareholder Approval		The committee will comply with section 9.14.6 when reviewing the RPT.
9.14.7	Disclosures		The committee will make relevant disclosures as per section 9.14.7
9.14.8	Disclosures in the Annual Report		Please refer to the Note 26 in from pages 149 to 150 of this report.

***Note.**

Mr. A. M. De S. Jayaratne was appointed as a Non-Executive Director on 19.10.2005, continues to be a Non-Executive Director of the Company amidst his tenor in office exceeding ten years. Dr. Raneey Jayamaha was appointed as a Non-Executive Director to the Board on 15.03.2013, continues to be a Non-Executive Director of the Company amidst her tenor in office exceeding ten years.

Mr. P.D. Samarasinghe was appointed to the Board as an Executive Director on 24.04.2014.









Mrs. Mildred Tao Ong, Mr. En Ping Ong, Mr. Ben Tao Nien and Mr. Brian Tao represent the parent Company Shing Kwan Group which hold more than 50% of shares of the Company.

Mr. L.R. De Lanerolle who was appointed to the Board on 03.06.2010 is also an Executive Director of Mireka Capital Land (Private) Limited, which is a subsidiary of the Company.

The Board is of the collective opinion that the majority of Non-Executive Directors are Independent of the management of the company and free from any business or other relationship that could materially interfere in the exercise of their free and fair judgment.









CORPORATE GOVERNANCE

Code of Best Practice of Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka.

Section Number		Compliance Status	Company's Commitment
1	The Company		
A	Directors		
A.1	The Board		The Company is headed by an effective Board. The role of the Board and its members, Board functions, Board procedures and governance activities are discussed in detail from pages 94 to 98.
A.1.1	Regular Board Meetings		Board meets once every quarter, mainly to review the Company's performance and to determine whether its strategies and business practices are in line with the expectation of the Board. Individual attendance is given on page 55.
A.1.2	Board Responsibilities		The Board assumes the primary responsibility for the overall success of the company. The Board is involved in formulating the overall strategy and measuring, that it is implemented by the CEO. The MD/CEO, together with the management team develops corporate strategies, annual budgets and action plans to implement corporate strategies on annual basis. The corporate plan and annual budget are approved by the Board every year and achievement of the objectives set in the plan is monitored closely by the Board.
	Ensure that the MD/CEO and the management team possess the necessary skills, experience and knowledge for effective implementation of the strategy.		The Board actively works to ensure that the CEO and the management team continue to have the right balance of skills, experience and knowledge necessary to discharge their responsibilities in accordance with the highest standards of governance.
	Adapt effective CEO and senior management succession strategy.		Succession plans are in place for the CEO and for other key managerial positions and are monitored continuously.
	Ensure that effective systems are in place to secure integrity of information, internal controls, business continuity and risk management.		Effective systems and procedures are in place to ensure the integrity of information, internal controls and information security. Such systems are continuously monitored by the management, internal and external auditors and at times by independent experts.
	Ensure that the company's activities are conducted in compliance with laws, regulations and ethical standards.		The Board has adopted a compliance policy to give direction to the management with regard to compliance activities. The company has also issued a group policy that employees should comply with.
	Ensure that all stakeholder interests are considered in corporate decisions.		The board ensures that the interest of all stakeholders is considered and safeguarded in making corporate decision.










Compliant 










Not Applicable 

Section Number		Compliance Status	Company's Commitment
A.1.2 Board Responsibilities (Contd.)	Recognized sustainable business development in corporate strategy, decisions and activities.		The Board recognizes the necessity of sustainable business development in the corporate strategy, decisions and activities. Please refer natural capital on pages 44 to 47.
	Ensure that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.		The company's accounting policies are fully in line with Sri Lanka Financial Reporting Standards (SLFRS/LKAS) which was adopted from the financial year 2013. Further the accounting policies are reviewed annually to be in line with the changing business requirements and best practices in the industry. Please refer independent auditor's report given on page 102.
	Fulfill other Board functions that are vital, given the scale, nature and complexity of the business concerned.		The Board takes all its decisions paying due attention to the interest of all stakeholders. The Board also intervenes when necessary, in any other function that is vital given the scale, nature and the complexity of the company's business.
A.1.3 Compliance with Laws and Access to Independent Professional Advice	Act in accordance with the laws of the country and seek professional advice whenever required.		The board act in accordance with the laws in the country. The Board has permitted all Directors to seek independent professional advice.
A.1.4 Access to Advice and the Services of a Company Secretary	Advice and Services of the Company Secretary.		The company secretary, who is an attorney-at-law by profession, is accessible by any Director for the services of the company. The company secretary advises the board and ensures that matters concerning the Companies Act, board procedures and other applicable rules and regulations are followed. She also serves as the secretary to the audit committee and the Related Party Transactions Review Committee.
	The company should obtain appropriate insurance cover as recommended by the nominations committee for board, directors, and key management personnel.		Insurance cover obtained for directors and key management personnel as recommended by the board.
A.1.5 Independent Judgment of Directors	Bring Independent judgment on various business issues and standards of business conduct.		All directors exercise independent judgment on decisions made by the board on issues of strategy, performance, resource allocation and the conduct of business.
A.1.6 Dedication of adequate time and effort to matters of the Board and the Company	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.		To ensure that the duties and responsibilities owned to the Company are satisfactorily discharged, the Directors attend quarterly Board meetings and discuss the matters. As far as possible the company endeavors to circulate the board papers amongst its members at least one week prior to each Board meeting in order to enable the Directors to analyse and call for additional information and clarifications.
			The number of meetings attended by each Director is given on page 55.

Compliant Not Applicable 

CORPORATE GOVERNANCE

Section Number		Compliance Status	Company's Commitment
A 1.7	One third of the directors can call for a resolution to be presented to the board where they feel it is in best interest to the company to do so.		
A 1.8 Training and continuous Development of Directors	Every Director should receive appropriate training when first appointed to the Board and subsequently as necessary.		All Directors in the Company are highly qualified and well experienced personalities. The Directors are also kept abreast of applicable legislation and regulations, changes to rules, latest trends, standards and codes as well as relevant regulatory changes and development.
A.2 Chairman and Chief Executive Officer	Chairman and CEO are two different positions and need to be divided responsibilities.		The functions of the Chairman and CEO are clearly separated to ensure balance of power and authority.
A.2.1	Disclosure required if the positions of the Chairman and the CEO are combined.		The positions of the Chairman and CEO are separated.
A.3 Chairman's Role	The Chairman's role in preserving good Corporate Governance.		The Chairman is responsible for leading the Board and ensuring that it operates under the highest standards of governance.
A.4 Financial Acumen	Availability of sufficient financial acumen and knowledge to offer guidance on matters of finance.		The following members of the Board are knowledgeable and experienced individuals who can provide guidance on matters of finance. All Directors possess qualifications and/or experience in accounting and finance. Mr. A.M. De S. Jayaratne and Mr. P.Y.S. Perera are qualified Chartered Accountants. Please refer profiles of Directors on on pages 12 to 14.
A.5 Board Balance	The Board should have a balance of executive and non- Executive Directors.		At the end of the year, the Board comprised twelve Directors and eleven of the board directors are non-executive, thereby promoting critical review and control. Please refer pages 12 to 14 of the Profile of Directors.
A.5.1	Presence of non- Executive Directors.		Eleven of the twelve Board members are non-Executive including the chairman, which is in excess of one third of the total number of Directors.
A.5.2	Independent Directors.		Four Non-Executive Directors are independent, which is more than one third of the Non-Executive Directors.












Section Number		Compliance Status	Company's Commitment
A.5.3	Criteria to evaluate "Independence" of Non-Executive Directors.		All four independent non-executive directors meet the criteria for independence as per the code of best practices, corporate governance (code) and listing rules and free of business or other relationships that could moderately influence the exercise of their unfettered and independence judgment.
A.5.4	Annual Declaration of Non-Executive Directors.		All Non-Executive directors have submitted the declaration of independence or non-independence as per the code.
A.5.5	Annual determination of 'Independence' of Non-Executive Directors by the Board.		The Note on page 69 of this annual report has determined the independence or non-independence of each director.
A.5.6	Appointment of an Alternate Directors by a Non-executive/independent Directors.		Currently there are no alternative directors appointed.
A.5.7	Appointment of Senior Independent Director.		Since the role of the Chairman and the CEO of the Company are separated, this requirement does not arise.
A.5.8	Availability of the senior independent director for confidential discussions with other directors.		
A.5.9	Responsibility of Chairman to hold meetings only with Non-executive Directors.		The Chief Executive officer functions as the apex executive in charge of the day-to-day management of the Company. The chairman hold meetings with non-executive Directors whenever necessary.
A.5.10	Recording of concerns which cannot be unanimously resolved in Board minutes.		All decisions of the Board were taken unanimously and there are no concerns raised by the directors during the year which needed to be recorded in the board minutes. However, if such concerns do arise the company's policy is to record them accordingly.
A.6 Supply of Information	The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.		Financial and non-financial information are analyzed and presented to the board to make accurate decisions.
A.6.1	Managements responsibility to provide the Board with appropriate and timely information.		The management ensures that a set of timely accurate relevant and comprehensive information is provided to the Directors before the Board Meeting every quarter, with adequate time for them to review the same and prepare for discussions. All significant financial and non-financial information for the period is included in this analysis.

Compliant Not Applicable 




CORPORATE GOVERNANCE








Section Number		Compliance Status	Company's Commitment
A.6.2	Preparation of minutes, agenda and Board papers prior to the Board meetings.	✓	The Company Secretary ensures that the agenda and Board papers to be tabled at Board meetings are prepared and circulated at least one week prior to the Board Meeting together with the minutes of the previous meeting.
A.7 Appointments to the Board; Nominations Committee	There should be a formal and transparent procedure for the appointment of new Directors to the Board.	✓	All new appointments of the Board are made following a formal and transparent procedure.
A.7.1	Composition of the Nominations Committee	✓	Please refer to the page 86 of the Annual Report.
A.7.2	Annual assessment of the board composition against pre-defined criteria of skill and knowledge requirements.	✓	Please refer to the page 86 of the Annual Report for Nominations and Governance Committee Report.
A.7.3	Succession plan for the Chief Executive Officer and for Key Management Personnel and determine the training and development for those identified for succession.	✓	The Board ensures the establishment of a succession plan for Chief Executive Officer and for Key Management Personnel and proper training and development for those identified for succession.
A.7.4	Disclosure of details of new directors to shareholders.	✓	All appointments of new directors are informed to the shareholders with sufficient details via immediate notification to the CSE.
A.7.5	The chairman and members of the nominations committee should be identified in the annual report.	✓	Please refer to the page 86 of the Annual Report.
A.7.6	Terms and reference for nominations committees	✓	Please refer to the page 86 of the Annual Report.
A.8 Re Election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.	✓	Please refer page 168 of the annual report for details of re-election of Directors.
A.8.1	Appointment and re-election of non-Executive Directors.	✓	Please refer page 168 of the Annual Report.
A.8.2	Election of Directors by the shareholders.	✓	Please refer page 168 of the Annual Report.
A.8.3	In the event of a resignation of a director prior to completion of his appointed term, the director should provide a written communication to the board of his reasons for resignations.	✓	Mr. Yap Boh Pin, Mrs. R.L. Nanayakkara and Mr. T.K. Bandaranayake retired from the Board of Directors on 24.07.2024, 21.02.2024 and 23.10.2024 respectively.

Compliant Not Applicable 












Section Number		Compliance Status	Company's Commitment
A.9 Appraisal of Board Performance	Board should periodically appraise their own performance.		The Board recognizes that it is necessary to periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.
A.10 Disclosure of Information of Directors	Shareholders should be kept advised of relevant details in respect of Directors.		
A.10.1	Disclosures on Directors in the annual report.		<p>Required information with respect to Directors are disclosed in this annual report, where relevant. Names, qualifications and profiles, including expertise in relevant functional areas of all Board Members are provided on pages 12 to 14.</p> <p>Details of Directors interest in contracts are given on pages 96 to 97.</p> <p>Details of related party transactions are provided on pages 149 to 150.</p> <p>Details on Directors attendance and other sub committees are provided on page 55.</p>
A.11 Appraisal of CEO	The Board should require, at least annually, to assess the performance of the CEO.		Annually the Remuneration Committee and the Board assess the CEO's performance.
A.11.1	Setting annual target for MD/ CEO.		Based on long term strategy annual objectives are fixed by the Board.
A.11.2	Evaluation of the performance of the CEO.		Evaluations of achievement the set targets are reviewed annually by the Board.
B			
B.1 Directors Remuneration	Companies should establish a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.		
B.2 Level and Makeup of Remuneration	The Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully.		
B.2.1	Presence of a Remuneration Committee.		<p>A Remuneration Committee has been appointed and functions within agreed terms of reference.</p> <p>Please refer page 90 for the Remuneration Committee Report.</p>
B.2.2	Composition of Remuneration Committee.		Please refer page 90 for details of the composition of Remuneration Committee.
B.2.3	Ability to consult the Chairman and/ or CEO and to seek professional advice by the committee.		The committee consults the Chairman and the CEO, where necessary, has access to the professional advice within and outside the company.
B.2.4	Determination of remuneration of Non-Executive Directors.		Non-Executive Directors who are nominees of the parent company are paid a nominal fee for their attendance at the Board and subcommittee meetings.
Compliant 	Not Applicable 		










CORPORATE GOVERNANCE

Section Number		Compliance Status	Company's Commitment
B.2.5	Remuneration packages of Executive Directors.		The Remuneration Committee and the Board ensure that the Executive Director is provided with an appropriate remuneration package.
B.2.6	Comparison of remuneration with other Companies.		The Remuneration Committee compares the remuneration levels of the company with such packages of comparable companies in the industry and is sensitive to changes in the remuneration levels.
B.2.7	The remuneration committee should be sensitive to remuneration and employment conditions elsewhere in the company or group of which it is a part, especially when determining annual salary increase.		Remuneration committee is ensuring their sensitivity to the conditions of the remuneration and employment when conducting reviews in the annual salary increases.
B.2.8	Designing performance – based remuneration of Executive Directors.		Objectives for the Executive Directors on the Board are set at the beginning of the year to align their interests with those of the company. Accordingly, their remuneration including the performance bonus is decided based upon the degree of achievement of such pre-set targets.
B.2.9	Executive share options should not be offered at a discount, save as permitted by the listing rules of the Stock Exchange. Shares granted under share option schemes should not be exercisable in less than three years and the remuneration committee should consider requiring directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise.		No any share options were offered to the directors by the company.
B.2.10	In designing schemes of performance-related remuneration, remuneration committee should follow the provisions that would enable the company to recover sums paid or withhold a portion of such performance related remuneration and specify the circumstances in which a company may not entitled to do so.		










Section Number		Compliance Status	Company's Commitment
B.2.11	The remuneration committee should consider what compensation commitments their chief executive's and executive directors' contracts of services, if any, entail in the event of early termination.		Commitments and Termination of the Executive Director (CEO) is governed by his contract of service/ employment.
B.2.12	Where the initial contract does not explicitly provide for compensation commitments, remuneration committee should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances.		
B.2.13	Remuneration of Non-Executive Directors.		Non-Executive Directors are paid only on their attendance at meetings.
B.2.14			
B.2.15	The chairman and members of the remuneration committee should be listed in the annual report each year.		Please refer page 90 for the Remuneration Committee Report.
B.2.16	The terms and reference for remuneration committee.		Please refer page 90 for the Remuneration Committee Report.
B.3 Disclosure of Remuneration	The Company's Annual Report should contain a statement of Remuneration policy and details of Remuneration of the Board as whole.		
B.3.1	Disclosure of Remuneration.		The aggregate remuneration paid to the CEO and non-Executive Directors is disclosed on page 150 of this report. The Remuneration Committee's Report which highlights the remuneration policy at the Company is give on page 90.
B.3.2			
C. Relations with Share Holders			
C.1 Constructive use of the Annual General Meeting (AGM) and Conduct of General Meeting	Boards should use the AGM to communicate with shareholders and should encourage their participation.		Please refer page 168 for details of the Annual General Meeting.
C.1.1	Companies should arrange for the Notice of the AGM and related papers to be sent to shareholders as determined by statute, before the meeting.		The Annual Report together with notice of meeting and related documents and other resolutions if any is circulated to the shareholders at least 15 working days prior to the date of the AGM. The Annual Report 2023 was submitted to the CSE on 28th March 2024 and was posted to all shareholders by 28th March 2024. The AGM was held on 24th April 2024.

CORPORATE GOVERNANCE









Section Number		Compliance Status	Company's Commitment
C.1.2	Separate Resolution to be proposed for each item.		The Company proposes separate resolutions on each substantially separate issue. So, shareholders are given the opportunity to vote separately on each substantial issue.
C.1.3	Use of Proxy Votes.		The Company has a mechanism to count all proxy votes to indicate to the chairman the level of proxies lodged on each resolution and the number of votes for and against such resolution.
C.1.4	Availability of Chairmen of Board Committees at the AGM.		The Chairman of the Board ensures that the Chairmen of Board Sub-committees are present at AGM to answer any query by shareholders.
C.1.5	Summary of procedures Governing voting at the General Meeting.		The proxy form, which includes a summary of the procedures governing voting at the General Meetings, is circulated to all shareholders.
C.2	The Board should implement effective communication with shareholders.		The AGM and the Annual Report are the primary means of communication with shareholders. Additionally, the Company makes disclosures on material and price sensitive matters from time to time to the CSE for dissemination among the public.
C.2.1	Communication channel to reach shareholders.		All financial information is released to the shareholders through the Annual Report, Annual General Meeting, financial and other notices when required through the Colombo Stock Exchange and the Corporate website.
C.2.2	Company's Communication policy and methodology.		
C.2.3			
C.2.4	The Company should disclose the contact person for such communications.		The Company Secretary will be the main contact person with regard to any public disclosures. Further the Group Financial Controller can also be contacted with regard to any clarifications on financial information published.
C.2.5	Process to make directors aware of major issues and concerns of shareholders.		The company Secretary maintain record of all correspondence received from shareholders and direct the same to the appropriate channel. if there are any major issues/or concerns raised by shareholders they are referred to the Board.
C.2.6	Person to be contacted on shareholders matters.		The company Secretary to be contacted for shareholder matters. The Company Secretary's detail is given on inner back cover.
C.2.7	Formulation of a process for responding to shareholders and disclosure on them.		Upon receipt of instructions from the Board or other relevant channel, the company Secretary responds as directed.
C.3 Major and Material Transaction	Disclosure of all material transactions including related party transactions.		Major Transactions that required to disclose separately are disclosed in page 150.

Section Number		Compliance Status	Company's Commitment
D. Accountability and Audit			
D.1 Financial and Business Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.		
D.1.1	Board responsibility for statutory and regulatory reporting.		The Company presents its financial statements in line with Sri Lanka Financial Reporting Standards (SLFRS) and other applicable laws and regulations.
D.1.2	Declarations by Directors in the Directors' report.		The Directors have made all required declarations in the Annual Report of the Board of Directors on the affairs of the company which is given on pages 94 to 98.
D.1.3	Declarations by the Chief Executive Officer and the Group Financial Controller on the financial statements before the approval of the board of directors.		Chief Executive Officer and the Group Financial Controller make their declarations on the financial statements before the approval of the board of directors.
D.1.4	Declaration by the Board on going concern of the business.		The Board after conducting necessary reviews and enquires decided to apply the 'going concern' assumption in preparing the company's Financial Statements for the year 2024. The declaration of the company as a 'going concern' is given in the Directors Report on page 98.
D.1.5	Statements by Directors and Auditors on responsibility for financial reporting.		Page 100 Contains the statement setting out the responsibility of the Board for the preparation and presentation of Financial Statements.
D.1.6	Management Discussion Analysis.		The Management discussion and analysis are appearing in on pages 16 to 50.
D.1.7	Requirement to summon an Extraordinary General Meeting (EGM) to notify serious loss of capital.		
D.1.8	Adequate and accurate disclosure of related party transactions.		The company has a related party transactions policy in place. This policy provides detailed procedures on identification of related parties and related party transactions. A Related Party Transactions Review committee was established in 2016 and details of the committee are presented in the Related Party Transactions Review Committee report on page on pages 91 and 92. Related party transactions are disclosed on pages 149 and 150.
D.2 Risk Management and Internal Control	Risk Internal Controls.		The Board maintains a sound system of risk Management and internal controls to safeguard shareholders' investments and the Company assets.

CORPORATE GOVERNANCE

Section Number		Compliance Status	Company's Commitment
D.2.1	Directors to conduct an annual review of Risk Management and internal controls.		The Board has overall responsibility for the system of risk management and internal controls and has delegated some of these responsibilities to the Audit Committee.
D.2.1.1	Robust assessment of the principal risks facing the company.		Please refer risk management report on on pages 83 to 85.
D.2.1.2	The board should describe the risk management framework, processes, responsibilities and explain in the annual report how they are being managed or mitigated.		
D.2.1.3 to D.2.1.8	Establishment of a risk committee to oversee risk management, and its composition, duties, authority and the disclosure in the annual report.		The entity assigned the audit committee the task of performing the audit and risk functions.
D.2.2	Establishment of a risk management framework.		Please refer page 83 for the report on risk management.
D.2.2.1	The board should ensure that effective system of internal controls is establish in respect of financial, operational and compliance system, processes, and practices and are monitored regularly.		Please refer page 88 for the Audit committee report.
D.2.2.2	The need for an internal audit function.		The Company has appointed Messrs. Deloitte as the Internal Auditors of the Company. All reports by the Internal Auditors are tabled at the Audit Committee meetings.
D.2.2.3	Audit Committee to ensure carrying out the reviews of the process and effectiveness of risk management and Internal Control.		Audit committee review quarterly the effectiveness of risk management and internal control with Internal Auditors and the Management.
D.2.2.4	Responsibilities of directors in maintaining a sound system of internal control and the contents of the statement of internal control.		Please refer page 99 for the directors' statement on internal controls.
D.3	Audit Committee.		The Board has established formal and transparent arrangement for considering how they should select and apply accounting policies, financial reporting, risk management and internal control principles and maintain an appropriate relationship with the company auditors.

Compliant Not Applicable 

Section Number		Compliance Status	Company's Commitment
D.3.1	The Board Should establish an Audit Committee.		Please refer Audit committee Report on on pages 88 to 89.
D.3.2	Duties of the Audit Committee. Terms of reference of the Audit Committee.		The Audit Committee monitors and reviews the External Auditors independence, objectivity and the effectiveness of the audit process, taking into account the relevant professional and regulatory requirements. The Audit Committee operates with clearly defined terms of reference which are reviewed annually.
D.3.3	Disclosure of names of the members of the Audit Committee. The number of meetings held attendance of each director. The scope of work and how its roles and responsibilities were discharged.		Names of Directors comprising the Audit Committee are set out on page 88 of the Annual Report.
D.4 Risk Committee	The board should establish a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification, rating and management of risk.		Audit Committee reviews the effectiveness of risk management of the group. A Risk Register is maintained by the Company.
D.5 Related Party Transactions Review Committee	The Board Should establish a procedure to ensure that the Company does not engage in transactions with "related parties" in a manner that would grant such parties "more favorable treatment" than that accorded to third parties in the normal course of business.		The Board has appointed a committee to review Related Party Transactions and the committee has laid down procedures and policies to identify related party and track the transactions. The Committee meet every quarter to review the Related Party Transactions. Pages 91 to 92 includes the Related Party Transactions Review Committee Report
D. 6	Code of Business Conduct & Ethics.		Companies must adopt a Code of Business Conduct and Ethics for Directors and Members of the Senior Management team and must promptly disclose any waivers of the code by Directors or others.
D.7	Corporate Governance Disclosure.		Directors should disclose the extent to which the Company addresses to establish principles and practices of good corporate governance.
D.7.1	Disclosure of compliance with the Corporate Governance Code.		Pages 70 to 82 set out the manner and extent to which the company has complied with the principles and provisions of the Code of Best Practice on Corporate Governance issued jointly by the SEC and the CA Sri Lanka.



Compliant



Not Applicable



CORPORATE GOVERNANCE

Section Number	Compliance Status	Company's Commitment
2. Shareholders		
E. Institutional Investors		
E1.1	A listed company should conduct a regular and structured dialogue with shareholders.	
E.2 Evaluation on Governance Disclosures	Institutional investors should be encouraged to give due weight to the relevant governance arrangements.	
F. Other Investors		
F.1 Investing/ Divesting Decisions	Individual Shareholders are encouraged to seek independent advice on investing or divesting decisions.	
F.2 Shareholder Voting	All Shareholders are encouraged to participate at Annual General Meeting and cast their votes.	
3. Other matters		
G. Interest of Things and Cybersecurity	The Board review the IT environment through its audit committee	
H. Environment, Society and Governance (ESG)		
H.1.1 - H.1.5	Disclose the policies and procedures adopted to develop environment, society and Governance (ESG).	 Refer Natural Capital on pages 44 to 47.
I. Special Considerations for Listed Entities		
I.1	Establishment and maintenance of policies	 The board has taken necessary steps for the establishment of policies mentioned under principle I.1.1.
I.2	Policy on matters relating to the board of directors	

RISK MANAGEMENT REPORT

Enterprise Risk Management process

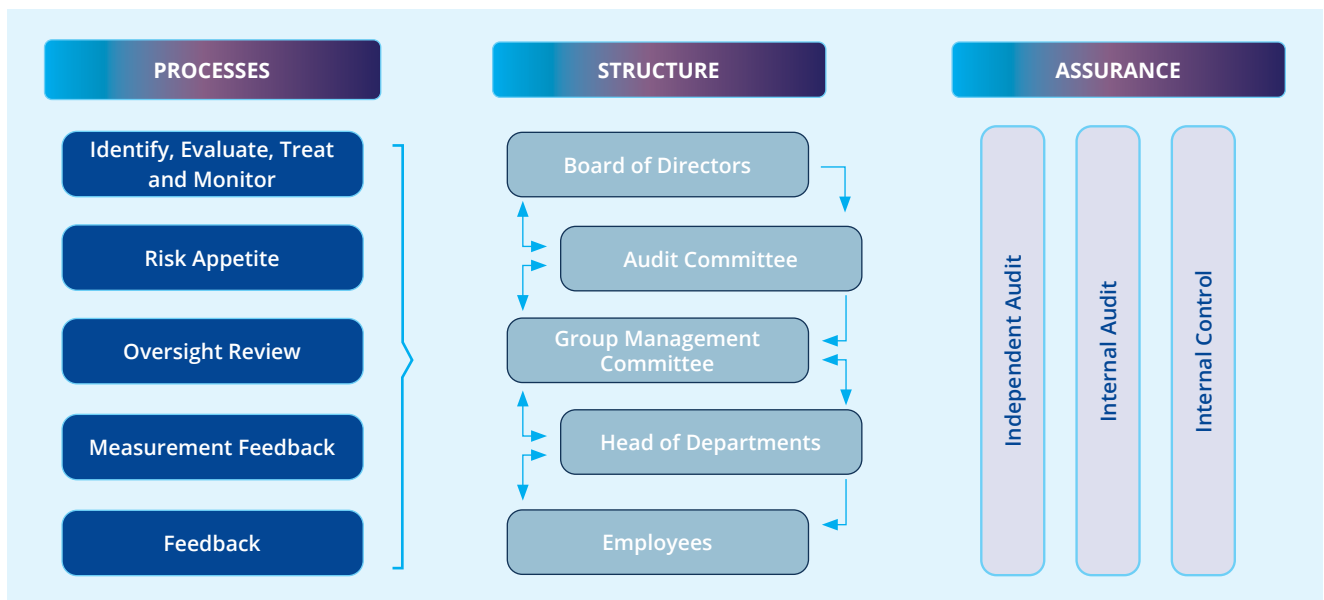
Overview

Risk arises in all our business activities. Risk, in our context, is the component, which has the potential to negatively affect business or an organization. Its' significance is measured in terms of the probability of occurrence.

Therefore, an integrated risk management framework has become a mandatory existence, which provides the guide line for managing risks.

Managing risk is a key aspect of the Board's stewardship obligations and a component of the 'performance' dimension of Enterprise Governance.

The risk management framework illustrates our approach to risk management, reflecting the risk management process, the structure in place to administer the process and sources of comfort with regard to its effectiveness.



Risk Management Framework

A risk cannot be viewed in isolation as it is interconnected, and one aspect might give rise to various other factors. The Overseas Realty Group has a structured risk management process to address different risk categories: Strategic, Operational, Compliance and Financial.

The Board is responsible for ensuring effective risk management and recognizes that the proper management of risk is a core leadership function that must be practiced throughout the Organization.

Internal Audit process coordinates the identification and documentation of control risk areas throughout the Group, enhancing the risk management system and monitoring its effectiveness at regular intervals. In addition, during the year-end, the External Auditor issues a Management Letter and informs the Group Management Committee, Audit Committee and the Board of Directors of the outcome of these evaluations. These outcomes are taken into account in the continuing enhancement of our risk management system. Further the Audit Committee constantly evaluates risk, its impact and measures taken to manage risk.

The principal aim of the Group's risk management governance structure and system of Internal Control is to manage business and operational risks, with a view to enhancing the value of shareholders' investments and safeguarding assets.

We have put in place a number of key policies, processes and independent controls to provide assurance to the Board on the integrity of our reporting and effectiveness of our systems of Internal Control and risk management.

The following grid summarizes the main risk areas focused by the Group, its ranking and mitigating strategies.

RISK MANAGEMENT REPORT

Risk Type	Rank	Factor	Strategies/ Action Plan
Strategic Risk	Low	Risks of not achieving strategic goals and objectives of the Company, and variations etc.	<p>Company operates with a clear Business Plan.</p> <p>Company also operates within an approved Annual Budget & variances are reviewed periodically by the Board of Directors.</p>
Fraud Risk	Low	Risks due to inadequate internal controls, processes and systems. Also due to employee abusing entrusted power for private gains leading to misappropriation of assets.	<p>The company applies an independent internal audit mechanism.</p> <p>Comprehensive policy manual covering all major departments, operations and processes are in place.</p>
Legal and Regulatory Framework	High	Risks relating to Anti Money Laundering / Countering Terrorism Finance.	Carrying out customer/tenant KYC's as directed by the Financial Intelligence Unit of the Central Bank and reporting any suspicious transactions.
Legal and Regulatory Framework	Medium	Risks due to changes to tax and other legal regulations including changes in Government policies.	<p>Constant dialogue and lobbying with Regulatory authorities.</p> <p>Monthly scanning of Government bills.</p> <p>The company has retained the services of Tax Consultants, Legal Consultants & a professional Company Secretary and a Compliance officer for the respective regulatory requirements.</p>
Competition	Medium	Risks arising from new Commercial and Residential Developments.	<p>Monitoring of existing and new supply of Commercial and Residential Developments.</p> <p>Regular competitor Analysis reports.</p>
Construction Costs	Medium	Risks from increase in construction material and other costs.	Fixed price SLRS/USD contracts are entered into with contractors.
Brand & Reputation	Low	Risks relating to product quality, timely delivery and service standards.	<p>Maintaining high product and service quality standards and quality assurance/control systems in project and facilities management.</p> <p>Regular reviews of customer comments and feedback.</p>
Fire	Low	Risks of a fire at the World Trade Center Colombo and Havelock City Commercial Complex.	Periodic review and maintenance of building fire systems, training of staff on fire protection procedures, conducting regular fire drills, obtaining services of a Professional fire consultant and having adequate insurance cover.
Building- Health and Safety	Low	Risk occurring from threats to personal, staff, tenants and general public at World Trade Center Colombo and Havelock City Commercial Complex.	<p>The company complies with all Industrial Safety Requirements.</p> <p>Preventive maintenance programs, potable water quality testing and air quality testing etc. are regularly carried out.</p> <p>Specialized equipment and life support systems maintained by qualified professionals.</p>

Risk Type	Rank	Factor	Strategies/ Action Plan
Technology Risk	Low	Risks occurring from failure to absorb Technological advancements.	<p>The company has its own engineering maintenance teams abreast with latest technology.</p> <p>Continuous updating & implementation of Energy Efficiency Projects.</p> <p>Participation at Overseas trainings on technical enhancement and changes.</p>
Foreign Currency	High	Risks from foreign currency borrowing for the Havelock City Project.	<p>Some apartment sales are contracted in USD. Estimated Currency fluctuation was factored into cost of development.</p> <p>Exchange rate movements are constantly monitored, and foreign currency borrowings minimized through Cash Flow Management.</p>
Interest Rate	Medium	Risks relating to Interest Income and Cost of Borrowing.	<p>Monitoring and management of cash flows daily.</p> <p>Negotiating favorable rates and terms on borrowings and deposits.</p> <p>Maintain an appropriate combination of fixed and floating rate borrowings.</p>
Credit Recovery	Low	Non-Recovery of Receivables.	<p>Regular review of Trade Receivables and follow-up. Contractual obligation which allows the Company to obtain adequate refundable deposits from lessees of leased property.</p> <p>Contractual obligation to repudiate an Apartment Unit whilst retaining 10% of purchase price.</p> <p>Contractual obligation to release assets only upon full payment is made for relevant property.</p>
Human Capital	Medium	Failure to achieve growth plans as a result of failure to attract and retain sufficient numbers of qualified and experienced employees and/ or inability to ensure their ongoing engagement and commitment.	<p>Senior management involvement in talent retention led by the Human Resources (HR) Department.</p> <p>Significant level of investment in training and development.</p> <p>Adoption of best practices in Human Resources Management.</p>

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Role and Responsibilities

The Committee establishes and maintains a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee. The Committee is also responsible for having written terms of reference clearly defining its scope, authority, duties and matters pertaining to quorum of meetings.

Composition of the Committee

The present Nominations and Governance Committee consists of five members out of whom two are Independent Non-Executive Directors. The Committee's composition fulfils the requirements of rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange. As at 31st December 2024, the Nominations and Governance Committee consists of the following members;

Dr. A. R. Wikramanayake*	Independent Non-Executive Director (Chairman)
Mr. A. M. De S. Jayaratne	Non-Executive Director
Mr. En Ping Ong*	Non-Executive Director
Dr. Ranee Jayamaha	Non-Executive Director
Mr. C.N.S. Mendis*	Independent Non-Executive Director

*Note - Dr. A. R. Wikramanayake, Mr. C.N.S. Mendis and Mr. En-Ping Ong were appointed to the Committee on 23.10.2024.

The brief profiles of the directors are given on on pages 12 to 14 of the Annual Report.

Meetings and Attendance

The Committee met on four (4) occasions during the financial year ended 31st December 2024 and the attendance record is given below.

Name	Meeting Attended/ Eligible to Attend
Dr. A. R. Wikramanayake*	0/0
Mr. A. M. De S. Jayaratne	4/4
Mrs. Mildred Tao Ong**	3/4
Mr. En Ping Ong*	0/0
Dr. Ranee Jayamaha	4/4
Mr. C.N.S. Mendis*	0/0

*Note - Dr. A. R. Wikramanayake, Mr. C.N.S. Mendis and Mr. En Ping Ong were appointed to the Committee on 23.10.2024.

**Note - Mrs. Mildred Tao Ong resigned from the Committee on 23.10.2024.

In addition to the Committee members, the meetings are attended by the Group Chief Executive Officer. The Company Secretary was also present at the meeting.

Nominations and Governance Policy

The Company's Nominations and Governance Policy aims to;

- Evaluate the appointment of Directors to the Board of Directors and its Committees, ensuring the required expertise and succession.
- Consider and recommend (or not recommend) the re-appointment/re-election of current Directors based on the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Company.
- Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience, and key attributes required for eligibility, taking into consideration the nature of the business of the Company and industry specific requirements.
- Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Company to ensure that their responsibilities are satisfactorily discharged.

- Develop succession plan for Board of Directors and Key Management Personnel of the Company.
- Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.
- Periodically review and update the corporate Governance Policies / Framework of the Company in line with the regulatory and legal developments relating to same, as a best practice.
- Receive reports from the Management on compliance with the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/ non-compliances and the rational for same.

Conclusion

The Committee is satisfied that the policies and procedures related to the Nominations and Governance of the Company are effectively implemented as required.



Dr. A. R. Wikramanayake
Chairman - Nominations and
Governance Committee

20th March 2025

AUDIT COMMITTEE REPORT

Role of the Audit Committee

The Audit Committee's main objective is to assist and represent the Board of Directors in discharging its responsibilities by overseeing the financial reporting process to ensure the integrity and transparency of the financial reporting of the Company, compliance with financial reporting requirements, information requirements of the Companies Act, No. 07 of 2007 and other related financial reporting regulations, oversee the internal and external audit process, review the effectiveness and adequacy of the internal control and risk management process, assessing the performance of the internal and external auditors, ensuring independence of the Company's Auditors and ensuring compliance with laws and regulations which effective financial reporting and business conduct.

In fulfilling this role, the Audit Committee is empowered to examine the financial records of the Company, internal auditor's reports, and other communications as necessary in order to ensure the Company adheres to accepted norms of ethical guidelines, rules and regulations.

The Audit Committee recommends the appointment of external auditors ensuring their independence and maintains a close professional relationship with them. The Committee also recommends the fees payable to them in the execution of these services.

Charter of the Committee

The Terms of Reference of the Committee is clearly defined in the Charter of the Audit Committee. The Charter was approved and adopted by the Board in February 2012 to formalize the Committee's responsibilities in exercising its oversight role in the areas of financial reporting, internal controls, risk management and regulatory/statutory compliance.

Composition

The Audit Committee appointed by the Board of Directors of Overseas Realty (Ceylon) PLC, comprises of three Non-Executive Directors and two of them being Independent Non-Executive Directors. As at 31st December 2024, the Board Audit Committee comprised of the following Directors:

Mr. P.Y.S. Perera*	Independent Non-Executive Director (Chairman)
Mr. A. M. De S. Jayaratne	Non-Executive Director
Mr. I. A. Wickramasinghe*	Independent Non-Executive Director

The Chairman of the Committee Mr. P.Y.S. Perera, an Independent Non-Executive Director, is a Fellow member of the Institute of Chartered Accountants of Sri Lanka.

The members have a well-balanced blend of experience in commercial, financial and audit, real estate and real estate development sectors and have displayed high standards of integrity and business acumen. These attributes and the wealth of experience and exposure they bring in, contribute to the effectiveness in which the Committee carries out its duties.

The profiles of the members which detail their background and professional experience are on pages 12 to 14 of this Report.

Meetings and Attendance

The Audit Committee has met five (05) times during the financial year ended 31st December 2024 and the attendance was as follows:

Name	Meeting Attended/ Eligible to Attend
Mr. P.Y.S. Perera*	2/2
Mr. A. M. De S. Jayaratne	5/5
Mr. Yap Boh Pin**	0/3
Mrs. R. L Nanayakkara**	1/1
Mr. T. K Bandaranayake**	4/4
Mr. I.A. Wickramasinghe*	1/1

* Note - Mr. P.Y.S. Perera was appointed to the Committee on 24.07.2024, and Mr. I.A. Wickramasinghe was appointed to the Committee on 23.10.2024.

**Note - Mrs. R. L. Nanayakkara retired from the Board on 21.02.2024, Mr. Yap Boh Pin retired from the Board on 24.07.2024 and Mr. T. K. Bandaranayake retired from the Board on 23.10.2024.

The Company Secretary functions as the Secretary to the Audit Committee. Meetings are attended by the Group Chief Executive Officer, Group Financial Controller, Internal Auditors and External Auditors by invitation. The proceedings of the Audit Committee are recorded with adequate details and regularly reported to the Board of Directors.

Financial Reporting

The Committee reviews the interim financial statements of the Company before Director's Approval and submission to Colombo Stock Exchange and year-end Financial Statements before certification by External Auditors in order to monitor integrity of the Financial Statements

of the Company, prepared for disclosure and significant financial reporting assumptions and judgments contained therein.

The Committee assesses the Company's compliance with financial reporting requirements, information requirements of the Companies Act No. 07 of 2007, and other relevant financial reporting related regulations and requirements.

Internal Controls, Risk Management Function and Going Concern

The Committee keeps under review the Company's internal controls and risk management systems ensuring the procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards. The Committee also assesses the Company's ability to continue as a going concern in the foreseeable future.

The Committee reviewed and approved the Directors' Statement on Internal Controls over financial reporting to be included in the Annual Report.

Internal Audit

The internal audit function is outsourced to Messrs. Deloitte for all companies in the Group as recommended by the Audit Committee. The observations of the internal auditors are tabled at the Audit Committee and the Committee invites representatives of Deloitte to discuss observations and recommendations made in their reports. Follow up and implementation of previous internal audit recommendations are also discussed and reviewed by the Committee with Deloitte representatives. The Committee appraises the Board on the status and adequacy of internal controls and the effectiveness there of.

The Committee is of the view that adequate controls, processes and procedures are in place to provide reasonable assurance to the Board, the Company's assets are safe guarded and adequate financial reporting systems are in place. The internal auditor's reports are made available to external auditors as well.

External Audit

The Company has appointed Messrs. Ernst & Young as its external auditor and the services provided by them are segregated between audit/assurance services and other advisory services such as tax consultancy. The Audit Committee reviews these audit and non-audit functions of the external Auditors before such services are assigned in order to ensure that the provisions of such services do not impair independence and that work is assigned in such a manner as to prevent any conflict of interest.

The Audit Committee has reviewed and discussed the key observations and recommendations on the Management Letter issued by Messrs. Ernst & Young in the presence of their representatives.

Messrs. Ernst & Young has also issued a declaration as required by the Companies Act No. 7 of 2007, that they do not have any relationship or interest in any of the companies in the Group, which may have a bearing on the independence of their role as auditors.

The Committee has recommended the re-appointment of Messrs. Ernst & Young as Auditors for the financial year ending 31st December 2025, at a fee to be determined by the Board of Directors, subject to the approval by the shareholders at the Annual General Meeting.

Property Valuation

An independent Chartered Valuation Surveyor Mr. P B Kalugalagedara has conducted the annual valuation of the Investment Property of the Group. The Committee has discussed and understood the valuation method and the assumptions used in the determination of the fair value of Investment Property.

Conclusion

The Committee is satisfied that the Company's internal controls and Risk management process are effectively implemented as designed, and that the Company's assets are adequately safeguarded. The Company's internal and external Auditors have been effective and independent throughout the year.

The Committee is also satisfied that the operational controls and the application of appropriate accounting policies provide reasonable assurance that the financial statements of the Company are true and fair.



Mr. P.Y.S. Perera
Chairman - Audit Committee

20th March 2025

REMUNERATION COMMITTEE REPORT

Role and Responsibilities

The Committee deliberates and recommends to the Board of Directors on the remuneration package, annual increments and bonuses paid to the Chief Executive Officer and other senior level staff. The Committee is also responsible for the determination of the compensation of the Executive Directors and fees paid to the Non-Executive Directors for participation at Board and sub-committee meetings.

Composition of the Committee

The present Remuneration Committee consists of five members out of whom three are Independent Non-Executive Directors. The Committee's composition fulfills the requirements of rule 9.12.6 of the Listing Rules of the Colombo Stock Exchange. The Remuneration Committee as at 31st December 2024 consists of the following members.

Mr. C.N.S. Mendis*	Independent Non-Executive Director (Chairman)
Mr. A. M.De S. Jayaratne	Non-Executive Director
Mr. En Ping Ong	Non-Executive Director
Dr. A.R. Wikramanayake*	Independent Non-Executive Director
Mr. I.A. Wickramasinghe*	Independent Non-Executive Director

* Note - Mr. C.N.S. Mendis, Dr. A.R. Wikramanayake and Mr. I.A. Wickramasinghe were appointed to the Committee on 23.10.2024.

The brief profiles of the directors are given on pages 12 to 14 of the Annual Report.

Meetings and Attendance

The Committee met on one (1) occasion during the financial year ended 31st December 2024 and the attendance record is given below.

Name	Meeting Attended/ Eligible to Attend
Mr. C.N.S. Mendis*	0/0
Mr. A. M.De S. Jayaratne	1/1
Mr. En Ping Ong	1/1
Mrs. R.L. Nanayakkara**	0/1
Mr. T.K. Bandaranayake**	1/1
Dr. A.R. Wikramanayake*	0/0
Mr. I.A. Wickramasinghe*	0/0

* Note - Mr. C.N.S. Mendis, Dr. A.R. Wikramanayake and Mr. I.A. Wickramasinghe were appointed to the Committee on 23.10.2024.

**Note - Mrs. R. L. Nanayakkara retired from the Board on 21.02.2024 and Mr. T.K. Bandaranayake retired from the Board on 23.10.2024.

In addition to the Committee members, the meetings are attended by the Group Chief Executive Officer.

Remuneration Policy

The Company's remuneration policy aims to attract and retain qualified and experienced team of high caliber managers and professionals and reward their performance.

Remuneration policy of the Company with regard to increment and bonus schemes is based on the performance management system and evaluation systems being practiced by the Company. Once the remuneration policy of the Company, as recommended by the Committee is approved by the Board, the Remuneration Committee will then approve and recommend to the Board, the finalised proposals for the granting of increments to the key senior level staff.

All Non-Executive Directors receive a fee for serving on the Board and on sub-committees. They do not receive any performance related incentive payments.

The Remuneration Committee take into account the performance of the Company and long-term shareholder returns, in all their deliberations.

The Directors' emoluments are disclosed in Note 26 on page 150.



Mr. C.N.S. Mendis
Chairman - Remuneration Committee

20th March 2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Introduction

The Related Party Transactions Review Committee was formed as a Board Sub Committee. The role of the Committee is to provide independent review, and oversight of all related party transactions on behalf of the Board in compliance with the provisions contained in the Listing Rules of Colombo Stock Exchange.

Composition of the Committee

The present Related Party Transactions Review Committee consists of four members out of whom two are Independent Non-Executive Directors. The composition of the Committee fulfilled the requirements of the Listing Rule No. 9.14.2 of the Colombo Stock Exchange throughout the financial year.

Members of the Related Party Transactions Review Committee as at 31st December 2024 are as follows:

Mr. I.A. Wickramasinghe*	Independent Non-Executive Director (Chairman)
Mr. A. M De S. Jayaratne	Non-Executive Director
Dr. Ranee Jayamaha*	Non-Executive Director
Mr. P.Y.S. Perera*	Independent Non-Executive Director

* Note - Mr. P.Y.S. Perera was appointed to the Committee on 24.07.2024, Mr. I.A. Wickramasinghe and Dr. Ranee Jayamaha were appointed to the Committee on 23.10.2024.

Meetings and Attendance

The Committee met on four (4) occasions during the financial year ended 31st December 2024 and the attendance record is given below.

Name	Meeting Attended/ Eligible to Attend
Mr. I.A. Wickramasinghe*	0/0
Mr. A. M De S. Jayaratne	4/4
Mr. Yap Boh Pin**	0/3
Mrs. R.L. Nanayakkara**	1/1
Mr. T. K. Bandaranayake**	4/4
Dr. Ranee Jayamaha*	1/1
Mr. P.Y.S. Perera*	1/1

* Note - Mr. P.Y.S. Perera was appointed to the Committee on 24.07.2024, Mr. I.A. Wickramasinghe and Dr. Ranee Jayamaha were appointed to the Committee on 23.10.2024.

**Note - Mrs. R.L. Nanayakkara retired from the Board on 21.02.2024, Mr. Yap Boh Pin retired from the Board on 24.07.2024 and Mr. T.K. Bandaranayake retired from the Board on 23.10.2024.

In addition to the Committee members, the meetings were attended by the Group Chief Executive Officer and Group Finance Controller on invitation. The Company Secretary was also present at the meeting.

Policies and Procedures

The members of the Board of Directors of the Company have been identified as Key Management Personnel. In accordance with the Related Party Transactions Policy, declarations are obtained from all Key Management Personnel of the Company for the purpose of identifying parties related to them. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the database of the Company.

Terms of Reference

The terms of reference of the Related Party Transactions Review Committee deals with its authority and duties and covers aspects relating to matters prescribed in the Listing Rules of the Colombo Stock Exchange.

Terms of reference of the Committee include the following:

- Review in advance all proposed Related Party Transactions of the Company except those explicitly exempted by the Code.
- Determine whether Related Party Transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the Company.
- Update the Board of Directors on the Related Party Transactions of the Company on a quarterly basis.
- Review all Related Party Transactions in line with the regulatory requirements.
- Adopt policies and procedures to review Related Party Transactions of the Company and oversee existing policies and procedures.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

- Make immediate market disclosure on any applicable Related Party Transactions as required under Section 9 of the Listing Requirements of the Colombo Stock Exchange.
- Make appropriate disclosures in the Annual Report on Related Party Transactions as per the regulatory guidelines in a timely and detailed manner.

Related Party Transactions during the Year

During the year, the Committee reviewed the related party transactions and their compliances in the Company and its Group Companies and communicated the same to the Board. Details of Related Party Transactions entered into by the Company and its Group Companies during the year are disclosed in Note 26 to the Financial Statements.

Declaration

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under section 9 of the Listing Rules of the Colombo Stock Exchange has been made in note 26 to the financial statements given in on pages 149 to 150 to this report.



Mr. I.A. Wickramasinghe
Chairman – Related Party
Transactions Review Committee

20th March 2025

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FINANCIAL CALENDER

Interim Financial Statements	Targeted date	Submitted date
1st Quarter ended 31st March	15th May 2024	24th April 2024
2nd Quarter ended 30th June	15th August 2024	24th July 2024
3rd Quarter ended 30th September	15th November 2024	23rd October 2024
4th Quarter ended 31st December	28th February 2025	26th February 2025
Annual Report and Financial Statements to Shareholders		
2023		28th March 2024
2024	20th March 2025	
Annual General Meeting		
42nd Annual General Meeting		24th April 2024
43rd Annual General Meeting	23rd April 2025	

ANNUAL REPORT OF THE BOARD OF DIRECTORS

General

The Board of Directors has pleasure in presenting their report on the affairs of the Company together with the audited Financial Statements of Overseas Realty (Ceylon) PLC and the audited Consolidated Financial Statements of the Group and the Auditor's Report on these Financial Statements for the Financial year ended 31st December 2024. The details set out herein provide the pertinent information required under Section 168 of the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules and the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and The Institute of Chartered Accountants of Sri Lanka.

Overseas Realty (Ceylon) PLC is a Public Listed Company with limited liability, incorporated in Sri Lanka on 28th October 1980 and re-registered under the Companies Act No. 07 of 2007. The Company was listed on the main board of the Colombo Stock Exchange of Sri Lanka on 1st January 1982 and subsequently transferred to Dirisavi Board from 9th August 2023.

Principal Activities

The principal activities of the Company during the year continued to be property leasing, property trading, and provision of property services. There were no significant changes in the nature of principal activities of the Company and its subsidiaries during the financial year under review.

Mireka Capital Land (Pvt) Ltd., is a subsidiary of the Company which has undertaken the development of the "Havelock City" Project and providing infrastructure facilities to the project. The development of

residential apartments is undertaken by Mireka Homes (Pvt) Ltd., a fully owned subsidiary of Mireka Capital Land (Pvt) Ltd. Havelock City (Pvt) Ltd., has undertaken the development of the Commercial component of the "Havelock City" project and the principal activity of the Company is property leasing. Realty Management Services (Pvt) Ltd, provides property services and Overseas Realty trading (Pvt) Ltd carries out trading of lighting solutions and building materials.

Review of Business and Future Developments

An overall assessment of financial and operational performance of the Company and its subsidiaries during the year and the future developments of the Group is contained in the Management Review of Operations (Pages 16 to 50) and Financial Capital (Pages 27 to 29) of this Annual Report. Segment wise contribution to Group revenue, results, assets and liabilities is disclosed in Notes to the Financial Statements on pages 111 to 155 of this Annual Report. These reports together reflect the state of affairs of the Company and its subsidiaries during the period under review.

Financial Statements

The Financial Statements of the Group and the Company which have been prepared in accordance with the Sri Lanka Accounting Standards laid down by The Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of Companies Act No. 07 of 2007, are appearing on pages 111 to 125 of this Annual Report.

Auditors' Report

The Auditors' Report on the Financial Statements of the Group and the Company is given on page 102.

Accounting Policies

The Board of Directors wishes to confirm that there were no changes to the Accounting Policies used by the Group and the Company during the year under review. Significant Accounting policies, together with the notes adopted in preparation of the Financial Statements of the Group and the Company are given on pages 111 to 125.

Group Turnover

The turnover of the Group during the year under review was Rs. 8,024,093,804/- (2023 - Rs. 5,076,475,899/-). A detailed analysis of the Group's turnover, profits and asset allocation relating to the different segments of the business is given in Note 4 to the Financial Statements on pages 127 to 128.

Financial Results and Dividend

The Group recorded a consolidated net profit after tax of Rs. 6,210,453,550/- (2023 - Rs. 3,853,112,805/-) for the year. The Consolidated Statement of Profit or Loss along with the Company's Income Statement for the year is given on pages 106 to 107.

The Directors recommended the payment of a first and final dividend of Rs 1.25 per share for the financial year ended 31st December 2023 which was approved by the shareholders at the Annual General Meeting of the Company held on 24th April 2024.

The dividend was paid out of profits after tax under BOI concessions granted to the Company.

Further, by a circular resolution of the Board of Directors dated on 20th March 2025, the Directors recommended the payment of a first and final dividend of Rs. 1.35

per ordinary share for the financial year ended 31st December 2024 to be approved by the Shareholders at the Annual General Meeting of the Company to be held on 23rd April 2025.

Directors have confirmed that the Company would satisfy the Solvency test requirement under Section 56 of the Companies Act No. 07 of 2007 and the Listing Rules of the CSE. As required by Section 56 (2), the Board of Directors have obtained a certificate from the Auditor on the Statement of Solvency in respect of each dividend payment conforming to the above statutory provision.

Property, Plant & Equipment

Capital expenditure during the year, on property plant & equipment by the Group and by the Company incurred amounted to Rs. 71,263,687/- (2023 - Rs. Rs. 61,423,955 /-) and Rs. 2,929,729/- (2023 - Rs. 1,582,900/-) respectively. The carrying value of the Property, Plant and Equipment of the Group and the Company as at the reporting date amounted to Rs. 1,499,786,396/- (2023 - Rs. 1,448,610,213/-) and Rs. 489,032,730/- (2023 - Rs. Rs. 465,406,774/-) respectively.

An analysis of the property, plant & equipment of the Group and the Company, additions and disposals made, together with the depreciation charge for the year, is set out in Note 6 to the Financial Statements on pages 133 to 135.

Market Value of the Buildings

All the buildings owned by the Group were subjected to a revaluation by an independent qualified valuer. The carrying value of the buildings of the Group is Rs. 1,247,239,253/- (2023 - Rs. 1,232,316,856/-). The details are provided in Note 6 to the Financial Statements.

Fair Value of Investment Properties

The fair value of Investment properties owned by the Group as at 31st December 2024 is included in the Financial Statements at Rs. 69,565,766,248/- (2023 - Rs. 67,706,040,418/-) based on the independent valuations undertaken by a Chartered Valuation Surveyor in December 2024. The Directors are of the opinion that the value is not more than the current market value. The details are provided in Note 5 to the Financial Statements.

Investments

The details of investments held by the Company are disclosed in Note 8 and 21 on pages 136 and 146 of the Financial Statements.

Stated Capital

The total stated capital of the Company amounts to Rs. 18,443,353,347/- (2023 - Rs. 18,443,353,347/-) comprising No. of Shares 1,243,029,582 (2023 - 1,243,029,582), as given in Note 13 to the Financial Statements.

Reserves

Total Group Reserves as at 31st December 2024 was Rs. 40,375,383,455/- (2023 - Rs. 35,675,973,221/-). The movement of these reserves is shown in the Statement of Changes in Equity in the Financial Statements on page 109.

Share Information

Information relating to earnings, dividends, net assets, market value per share and share trading is given on pages 158 to 161 in the Supplementary Information section of this Report.

Substantial Shareholdings

Significant shareholder information along with substantial shareholder details such as Major Share Holdings, Public Holding and other share related information is presented in detail under the title 'Shareholder Information' on pages 162 to 163 of this Annual Report.

Board of Directors

Names of the Board of Directors together with their profiles including skills and experiences are set out on pages 12 to 14 of this Report.

The basis on which Directors are classified as Independent Non-Executive Directors is discussed in the Corporate Governance Report.

The proposed resolutions proposes that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Ajit Mahendra De Silva Jayaratne, who attained the age of 70 years on 30th April 2010, Mr. Leslie Ralph de Lanerolle, who attained the age of 70 years on 5th January 2013, Mrs. Mildred Tao Ong, who attained the age of 70 years on 28th February 2019, Dr. Raneey Jayamaha who attained the age of 70 years on 27th May 2019 and that they be re-elected as Directors of the Company.

Meetings

The Details of Board meetings and Board Subcommittee meetings which comprise Remuneration Committee, Audit Committee, Related Party Transactions Review Committee and Nominations and Governance Committee are presented in the Corporate Governance Report on page 52 and other committee Reports on pages 86 to 92.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Directors' Interest in Shares

The Directors' individual shareholdings along with the Chief Executive Officer's individual shareholding in the Company at the beginning and at the end of the year was as follows:

Name	Position	31st December 2023		31st December 2024	
		Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
Mr. A.M. De S. Jayaratne	Chairman and Non-Executive Director	Nil	Nil	Nil	Nil
Mrs. Mildred Tao Ong	Non-Executive Director	Nil	906,707,904*	Nil	910,962,114*
Mr. Yap Boh Pin	Non-Executive Director	Nil	906,707,904	N/A**	N/A**
Mrs. R.L. Nanayakkara	Independent Non-Executive Director	Nil	Nil	N/A**	N/A**
Mr. L. R. de Lanerolle	Non-Executive Director	Nil	Nil	Nil	Nil
Mr. T.K. Bandaranayake	Independent Non-Executive Director	Nil	Nil	N/A**	N/A**
Mr. En Ping Ong	Non-Executive Director	20,914,890	Nil	20,914,890	Nil
Dr. Raneey Jayamaha	Non-Executive Director	Nil	Nil	Nil	Nil
Mr. P. D. Samarasinghe	Executive Director / CEO	15,892,093	Nil	15,892,093	Nil
Mr. Ben Nien Tao	Non-Executive Director	Nil	1,063,543,897*	Nil	904,785,721*
Mr. Brian Tao	Non-Executive Director	Nil	Nil	Nil	Nil
Dr. A. R. Wikramanayake	Independent Non-Executive Director	Nil	Nil	Nil	Nil
Mr. C.N. S. Mendis	Independent Non-Executive Director	N/A***	N/A***	Nil	Nil
Mr. P.Y.S. Perera	Independent Non-Executive Director	N/A***	N/A***	Nil	Nil
Mr. I. A. Wickramasinghe	Independent Non-Executive Director	N/A***	N/A***	Nil	Nil

*Mrs. Mildred Tao Ong is declared as a Director/Shareholder of the Shing Kwan Group, a Director of Unity Builder Limited and Orthopaedic Clinic Pte Ltd. Mr. Ben Nien Tao, interest is declared as a Director / Shareholder of the said Shing Kwan Group, Unity Builder Ltd, Peeli Limited and Able Trend Ventures Limited.

**Mrs. R. L. Nanayakkara retired from the Board on 21.02.2024, Mr. Yap Boh Pin retired from the Board on 24.07.2024. Mr. T. K. Bandaranayake retired from the Board on 23.10.2024.

*** Mr. C.N.S. Mendis was appointed to the Board as an Independent Non-Executive Director on 21.02.2024. Mr. P.Y.S. Perera was appointed to the Board as an Independent Non-Executive Director on 24.07.2024. Mr. I.A. Wickramasinghe was appointed to the Board as an Independent Non-Executive Director on 23.10.2024.

Employee Share Option Scheme

At the Extraordinary General Meeting of the Company held on 24th May 2012 the establishment and implementation of an employee share option plan ("ESOP") to issue to the executive directors and executives employed by the Company and its subsidiaries, as may be decided by the Board was approved. ESOP which will entitle such employees and Executive Directors to subscribe

to and purchase shares offered by the Company totaling to 25,305,530 amounting to 3% of the issued shares in the Company ("the Options") at an exercise price being the market price of the shares of the Company at the time of granting of the Option or the volume weighted average price of the shares of the Company thirty (30) days prior to the grant of the Option whichever is higher, was approved at the EGM held on 24th May 2012.

The Option was not granted to any category of employees of the Company during the financial year under review.

Interest Register

The Company maintains an Interest Register as per the Companies Act No. 07 of 2007. The Directors of the Company have duly declared the information as provided for in section 192 (2) of the Companies Act No. 07

of 2007 and the declarations made were tabled for the information of the Directors and the entries in the Interest Register were made and/or updated accordingly. The Interest Register is kept at the registered office of the Company for inspection.

Directors' Interest in Transactions

The Directors of the Company have made general declarations of their interests in transactions of the Company as per Section 192(2) of the Companies Act No. 07 of 2007. The particulars of those transactions are set out on pages 149 to 150 under related party transactions of the Annual Report.

Directors' Remuneration

Directors' remuneration, in respect of the Group and the Company for the financial year ended 31st December 2024 is given in the Note 26 to the Financial Statements, on page 150.

Directorship held in Other Entities

Directors have made a general disclosure of their directorships and positions held in other entities and the Interest Register has been accordingly updated.

Related Party Transactions

The related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee and are in compliance with the Section 9 of the CSE Listing Rules.

The Directors have disclosed transactions, if any, that could be classified as Related Party Transactions in terms of LKAS 24 - 'Related Party Disclosures' and are given in Note 26 to the Financial Statements.

In addition, the company carries out transactions in the ordinary course of business on an arm's length basis with entities where a Director of the Company is a Director of such entities.

Director/Company	Relationship	Transaction	Rs.
Mr. P. Y. S. Perera	Non-Executive Director	Deposits held as at 31st December 2024	499,486,467
Commercial Bank of Ceylon PLC		Interest Income earned - 2024	43,598,983

Environmental Protection

The Directors confirm that to the best of their knowledge the Company and its subsidiaries have not engaged in any activity, which causes detriment to the environment.

Insurance and Indemnity

The Company has obtained an indemnity and insurance policy from Allianz Insurance Lanka Limited for its Directors and Officers amounting to Rs. 200 Mn for the period covering 1st January to 31st December 2025.

Internal Controls

The Board ensures that there is an effective and comprehensive process for identifying, evaluating and managing any significant risks faced by the Company and its subsidiaries, compliance controls and risk management to safeguard the assets. The Board places emphasis in assuring proper accounting records are maintained and the reliability of financial information. The Audit Committee of the Company receives the reports of the internal audit reviews, monitors the effectiveness of internal control systems of the Company and makes periodical recommendations to the Board.

The Risk Management report and the Directors' Statement on Internal Controls on pages 83 and 99 give further details.

Corporate Governance

The Board places emphasis in instituting and maintaining good governance practices and principles. Therefore, the management and operation of the Company and its subsidiaries are effectively directed and controlled within the Corporate Governance framework as set out in pages 52 to 82 in this Report.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of the Group and the Company to reflect a true and fair view of the state of affairs of the Group and the Company. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS/ LKAS), Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, Companies Act No. 07 of 2007, Inland Revenue Act No. 24 of 2017 and amendments thereto, and the Listing Rules of the Colombo Stock Exchange. The Statement of Directors' Responsibility for Financial Reporting is given on page 100 and forms an integral part of this report.

Compliance with Laws and Regulations

The Directors, to the best of their knowledge and belief, confirm that the Company and its subsidiaries has not engaged in any activities contravening the Laws and Regulations of the country.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments due to the government, other regulatory institutions and in relation to the employees have been made in full and on time.

Events after Reporting Date

There have not been any material events that have occurred subsequent to the date of the Statement of Financial Position that require adjustments to the Financial Statements, other than those disclosed in Note 30 to the Financial Statements.

Going Concern

The Board of Directors is satisfied that the Company and its subsidiaries have adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared on the going concern concept.

Auditors Remuneration and Reappointment

Messrs. Ernst & Young, Chartered Accountants served as the Company's Auditor during the year under review. The Auditors have confirmed that they do not have any relationship or interest in the Company or its subsidiaries other than those disclosed below.

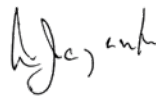
The Auditors, Messrs. Ernst & Young, Chartered Accountants were paid Rs. 6,250,000/- (2023 - Rs. 5,314,250/-) and Rs. 2,411,000/- (2022 - Rs. 2,128,000/-) as audit fees by the Group and the Company respectively. In addition, they were paid Rs. 3,161,088/- (2023 - Rs. 2,532,337/-) and Rs. 824,198/- (2022 - Rs. 804,297/-), by the Group and the Company, for permitted non-audit related services.

The Audit Committee reviews the appointment of the Auditors, their effectiveness, independence and relationship with the Company and its subsidiaries. In accordance with the Companies Act No. 07 of 2007, a resolution proposing the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors to the Company will be submitted at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held on 23rd April 2025 at 10 a.m. at the Havelock City Club House, No. 324, Havelock Road, Colombo 06. The Notice of the Annual General Meeting appears on page 168 of the Annual Report.

For and on behalf of the Board,



A. M. De S. Jayaratne
Director



P. Y. S. Perera
Director



Laknathi Perera
Company Secretary

20th March 2025

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

Requirement

The Section D.1.5 of the 'Code of Best Practice on Corporate Governance 2023' (The Code) issued jointly by the Securities and Exchange Commission and the Institute of Chartered Accountants of Sri Lanka recommends that the Board of Directors present a Statement on Internal Controls in the Annual Report.

Responsibility

The Board of Directors is responsible for maintaining a sound system of internal controls to safeguard Shareholders' Investments and the Company's Assets. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and the Company. This process includes enhancing the system of internal controls as and when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board.

The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and the preparation of Financial Statements for external purposes and is in accordance with relevant accounting principles and regulatory requirements.

The Board has implemented the following to obtain reasonable assurance that proper systems of internal controls are in place:

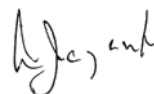
- The Board Committees and Management Committee are established to assist the Board in ensuring the effectiveness of Company's operations and that the operations are in accordance with the corporate strategies and annual budget.
- The Company's internal audit function has been outsourced to Messrs. Deloitte (Chartered Accountants). The Internal Auditors check for compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlight significant findings in respect of any non-compliance. Audits are carried out on all subsidiaries in accordance with the annual audit plan approved by the Audit Committee. Findings are submitted to the Audit Committee for review at their periodic meetings.
- The Audit Committee reviews internal control issues identified by the Internal Auditors and the Independent External Auditors and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit function with particular emphasis on the scope of audits and quality of internal audits. The minutes of the Audit Committee meetings are tabled at the Board meetings for the information of the Board on a quarterly basis.
- In assessing the internal control system on financial reporting, relevant senior officers of the company collate relevant procedures and controls that are connected with significant accounts and disclosures of the Financial Statement of the Company. These in turn are observed and checked by the Internal Auditors for suitability and effectiveness on an ongoing basis.
- The adoption of new Sri Lanka Accounting Standards comprising SLFRS and LKAS in 2012 and processes required to comply with the new requirements of recognition, measurement, presentation and disclosures were introduced and implemented. Continuous monitoring is in progress and steps are being taken for improvements where required.
- The comments made by External Auditors in connection with the internal control system during the financial year ended 31st December 2024 were taken into consideration and appropriate steps have been taken to rectify them.

Conclusion

Based on the above processes, the Board of Directors confirm that the financial reporting system of the Group and the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes, have been done in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), requirements of the Company's Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.



P.Y.S. Perera
Chairman, Audit Committee



A. M. De S. Jayaratne
Director

20th March 2025

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The responsibility of the Directors, in relation to the Financial Statements of the Group and the Company in accordance with the relevant provisions of the Companies Act No. 07 of 2007 and other statutes which are applicable in preparation of Financial Statements is set out in this statement.

The consolidated Financial Statements of the Company and its Subsidiaries comprise:

- Statement of Financial position as at 31st December 2024, which present a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year and
- Income Statements which present a true and fair view of the profit and loss of the Company and its subsidiaries for the financial year then ended.

Accordingly, the Directors confirm that the Financial Statements of the Company and its subsidiaries for the year ended 31st December 2024 incorporated in this report have been prepared in accordance with the Sections 150 (1), 151, 152 and 153 (1) & (2) of the Companies Act No. 07 of 2007, Sri Lanka Accounting Standards (SLFRS/LKAS), Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka (SEC) and The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and generally accepted accounting policies. The Directors consider that, in preparing the Financial Statements exhibited on pages 106 to 110 they have adopted appropriate accounting policies on a consistent basis, supported by reasonable and prudent judgments and estimates.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and its subsidiaries and to prevent and detect frauds and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal controls comprising internal checks, internal audit, financial and other controls required to carry on the Group's businesses in an orderly manner and to safeguard its assets and secure as far as practicable the accuracy and reliability of the records.

In compliance with Section 148 (1) of the Companies Act No. 07 of 2007, the Directors are also responsible for ensuring that proper accounting records which explain the transactions of the Company and its subsidiaries and assist in determining the financial position of the Group and the Company with reasonable accuracy at any time are maintained by the Company and its subsidiaries enabling the preparation of Financial Statements.

The Directors also ensured that the Group has adequate resources to continue in operation to justify applying the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Group and the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Group and the Company.

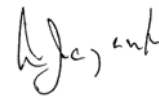
Messrs. Ernst & Young, Chartered Accountants, have carried out an audit in accordance with Sri Lanka Auditing Standards and their report is given on page 102 of the Annual Report.

The Directors are required to prepare the Financial Statements and to provide the Auditor with every

opportunity to take whatever steps and undertake whatever inspections they may consider appropriate to enable them to give their audit opinion. The Directors are of the view that they have discharged their responsibilities as set out in this Statement.

The Directors confirm to the best of their knowledge that all taxes, duties, levies and financial obligations of the Company and its subsidiaries have been either paid or adequately provided for in the Financial Statements, except as specified in Note 28 to the Financial Statements covering contingent liabilities.

For and on behalf of the Board,



A. M. De S. Jayaratne
Director



P.Y.S. Perera
Director

20th March 2025

GROUP CHIEF EXECUTIVE OFFICER'S AND GROUP FINANCIAL CONTROLLER'S RESPONSIBILITY STATEMENT

The Consolidated Financial Statements of Overseas Realty (Ceylon) PLC are prepared in compliance with Sri Lanka Financial Reporting Standards/SLFRS issued by the Institute of Chartered Accountants of Sri Lanka, Companies Act No 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, and the Listing Rules of the Colombo Stock Exchange. The Accounting Policies used in the preparation of the Consolidated Financial Statements are appropriate and are consistently applied by the Company (material departures, if any, have been disclosed and explained in the notes to the Consolidated Financial Statements). There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation.

The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with our External Auditors and the Audit Committee. The Board of Directors, the Audit Committee and the Group Financial Controller of the Company accept responsibility for the integrity and objectivity of these Consolidated Financial Statements. The estimates and judgments relating to the consolidated Financial

Statements were made on a prudent and reasonable basis, in order that the Consolidated Financial Statements reflect in a true and fair manner, the forms and substance of transactions and that the Company's state of affairs is reasonably presented. To ensure this, the Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. Our Subsidiaries' Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.


The Consolidated Financial Statements of the Company were audited by Messrs. Ernst & Young, Chartered Accountants and their report is given on page 102 of this Annual Report. The Audit Committee of the Company meets periodically with the internal audit team and the External Auditors to review their audit plans, assess the manner in which these Auditors are performing their responsibilities and

to discuss their reports on internal controls and financial reporting issues. To ensure complete independence, the External Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matters of substance.

The Audit Committee pre-approves the audit and non-audit services provided by our External Auditors Ernst & Young in order to ensure that the provision of such services does not impair the External Auditor's independence. We confirm that the Company has complied with all applicable laws and regulations and guidelines and that there are no material litigations that is pending against the Company other than those disclosed in the Financial Statements in this Annual Report.



Emil Ranasinghe
Group Financial Controller



P.D. Samarasinghe
Group Chief Executive Officer

20th March 2025

INDEPENDENT AUDITORS' REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF OVERSEAS
REALTY (CEYLON) PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Overseas Realty (Ceylon) PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, statements of changes in equity and statement cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2024 and of their financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards ("SLASs").

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards ("SLAuSs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka ("Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gemage ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (US-J-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shaktivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Key Audit Matter	How our audit addressed the key audit matter
Assessment of Fair Value of Completed Investment Property	
<p>As at 31 December 2024, Group's completed Investment Property LKR 69,566 Million which represent 88% of the Group's total assets.</p> <p>As described in Note 5 and 2.5.15 to the financial statements, the Group measures completed Investment Property at fair value, based on the annual valuation carried out by an external valuer.</p> <p>Fair value of the completed Investment Property is a key audit matter due to:</p> <ul style="list-style-type: none"> the materiality of the reported amount. use of significant assumptions in the determination of fair value of completed Investment Property, such as estimated market rent per square feet, rate of growth in future rentals, capitalization rate, and anticipated maintenance cost as disclosed in Note 5 and valuation technique such as discounted cash flow and open market value that are subject to significant estimation uncertainty. the prevailing economic conditions that have increased the level of judgement and the uncertainty in the assumptions used in determining the fair value. 	<p>Our audit procedures, included the following key procedures:</p> <ul style="list-style-type: none"> We assessed the competence, objectivity, and expertise of the external valuer engaged by management and obtained an understanding of the technique adopted in estimating the fair value of the completed Investment Property. We had discussions with the external valuer to obtain an understanding of the key unobservable inputs used. We involved our internal specialized resources to assess the appropriateness of the technique used; assessed the reasonableness of estimated market rent per square feet, rate of growth in future rentals used in the valuation by comparing the existing rentals of tenant's sample and referring to Group's contractual rights for future variations. In addition, corroborated the capitalization rate and anticipated maintenance cost by agreeing them with available industry data having taken into consideration relevant market factors. We also evaluated the adequacy of Group's disclosures on key assumptions to which the outcome of the valuation is most sensitive as stated in Note 5 to the financial statements.
Measurement of the Carrying Value of Completed Apartments for Sale	
<p>As at 31 December 2024, Group's Inventories included completed Apartments for Sale amounting to LKR 1,164 Million as disclosed in Note 10 to the financial statements. These completed Apartments are measured at the lower of cost and Net Realizable Value (NRV) as described in Note 2.5.9 and 2.4.2.2.</p> <p>Measurement of the carrying value of completed Apartments for Sale is a key audit matter due to:</p> <ul style="list-style-type: none"> the relative size of its carrying value of completed Apartments included in Inventories; and the use of significant judgment by Management in estimating the selling prices as such are impacted by market and economic conditions. Such judgments may have a material impact on the calculation of the NRV and therefore, in determining the carrying value of completed Apartments for Sale. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> We assessed the reasonableness of the management's estimated future demand and selling prices with available recent market data of comparable properties based on our knowledge of the Group's business. We obtained an understanding of prevailing market and economic conditions relevant to the property market. We assessed the management's estimated selling prices with our own estimate range that included applying stress factors for current market and economic conditions. We evaluated the adequacy of Group's disclosures including those relating to estimation uncertainty as stated in Note 10 to the financial statements.

INDEPENDENT AUDITORS' REPORT

Recognition of revenue from sale of apartments

The Group develops and sells completed residential properties and LKR 1,793 Million revenue was recognized during the year, as disclosed in Note 03 to the financial statements classified under the property trading operating segment.

The recognition of revenue from sale of apartments was considered to be a key audit matter due to:

- the use of significant judgement involved in timing of recognition based on the point of transfer of control, as disclosed in Note 2.4.1.1.
- the significance of the amount of revenue which represents 22% of the group's total revenue, and the connected incentives to the salespersons.

Our audit procedures included the following key procedures:

- We assessed the Group's determination of when control transfers through a detailed analysis of the contractual terms of sale against the criteria in the accounting standards, including ability of the customer to obtain substantially all remain benefits and protection against customers failure to pay.
- We compared the recognized revenue to the contractual terms and the timing of payments by the customers during the year and in the subsequent period up to report date.
- We reviewed the incentive scheme of the salesperson and tested the incentives paid for recognized sales during the year.
- We evaluated the adequacy of Group's disclosures as stated in Note 03 to the financial statements.

Other Information included in the 2024 Annual Report

Other information consists of the information included in Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with SLASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design

and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats of safeguard applied.

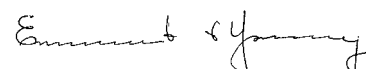
From the matters communicated with those charged with governance, we determine those matters that were of

most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2199.



20 March 2025
Colombo

STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	3	8,024,093,804	5,076,475,899	2,691,833,961	2,400,056,391
Direct Operating Expenses	3.2	(2,014,349,488)	(1,421,281,381)	(754,391,545)	(612,458,569)
Cost of Sales of Apartments	3.2	(568,462,666)	(336,419,226)	-	-
Gross Profit		5,441,281,650	3,318,775,292	1,937,442,416	1,787,597,822
Fair Value Gain/(Loss)on Investment Property	5.1	1,822,205,196	498,593,066	1,034,427,922	284,108,324
Administration Expenses		(1,147,322,875)	(937,170,572)	(310,585,683)	(284,304,939)
Marketing and Promotional Expenses		(309,461,582)	(219,611,629)	-	-
Operating Profit		5,806,702,389	2,660,586,157	2,661,284,655	1,787,401,207
Finance Cost	22.1	(1,399,252,311)	(1,790,454,128)	(88,107,648)	-
Finance Income	22.2	376,250,309	934,119,704	285,773,892	504,480,310
Other Income	22.3	99,040,122	77,620,244	-	-
Exchange Gain		1,733,157,445	2,429,361,262	(84,120,368)	(62,667,025)
Profit Before Tax	23	6,615,897,954	4,311,233,239	2,774,830,531	2,229,214,492
Income Tax	24.1	(405,444,404)	(458,120,434)	(145,126,444)	(183,101,879)
Profit after Tax for the Year		6,210,453,550	3,853,112,805	2,629,704,087	2,046,112,613
Attributable to:					
Equity Holders of the Parent		6,210,453,550	3,853,112,805		
Non-controlling Interest		-	-		
		6,210,453,550	3,853,112,805		
Earnings Per Share - Basic and Diluted (Rs.)	25	5.00	3.10	2.12	1.65
Dividend Per Share (Rs.)	20	1.25	1.25	1.25	1.25

The accounting policies and notes on pages 111 through 155 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Profit For the Year		6,210,453,550	3,853,112,805	2,629,704,087	2,046,112,613
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss:					
Revaluation of Buildings	14.1	47,140,102	34,354,230	36,262,053	3,818,490
Deferred Tax Effect		(2,356,948)	(4,656,731)	(725,241)	(76,370)
		44,783,154	29,697,499	35,536,812	3,742,120
Actuarial Gains on Defined Benefit Plans	16	(2,297,479)	963,217	(156,194)	(309,603)
Deferred Tax Effect		257,987	(176,898)	3,124	6,192
		(2,039,492)	786,319	(153,070)	(303,411)
		42,743,662	30,483,818	35,383,742	3,438,709
Other Comprehensive Income for the Year, Net of Tax		42,743,662	30,483,818	35,383,742	3,438,709
Total Comprehensive Income for the Year, Net of Tax		6,253,197,212	3,883,596,623	2,665,087,829	2,049,551,322
Attributable to:					
Equity Holders of the Parent		6,253,197,212	3,883,596,623		
Non-controlling Interest		-	-		
		6,253,197,212	3,883,596,623		

The accounting policies and notes on pages 111 through 155 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

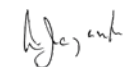
As at 31 December 2024		Group		Company	
ASSETS	Note	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Non-Current Assets					
Investment Property Completed	5.1	69,565,766,248	67,706,040,418	28,225,904,193	27,139,111,271
Property, Plant and Equipment	6	1,499,786,396	1,448,610,213	489,032,730	465,406,774
Intangible Assets	7	7,274,873	7,317,942	-	2,450,566
Investments in Subsidiaries	8	-	-	14,388,884,591	13,708,884,591
Inventories	10.2	89,480,683	89,480,683	-	-
Deferred Tax Assets	9	11,446,485	22,416,526	-	-
Other Assets	12	-	-	416,600,000	451,600,000
		71,173,754,685	69,273,865,782	43,520,421,514	41,767,453,202
Current Assets					
Inventories	10.3	1,248,724,703	1,779,972,963	9,058,238	11,037,971
Trade and Other Receivables	11	2,735,321,786	2,859,486,963	1,183,378,706	1,387,649,926
Other Assets	12.1	-	-	-	5,000,000
Income Tax Recoverable		-	1,548,671	-	-
Cash and Short Term Deposits	21	4,188,487,626	4,318,981,769	2,486,534,815	3,101,077,213
		8,172,534,115	8,959,990,366	3,678,971,759	4,504,765,110
Total Assets		79,346,288,800	78,233,856,148	47,199,393,273	46,272,218,312
EQUITY AND LIABILITIES					
Equity Attributable to Equity Holders of the Parent					
Stated Capital	13	18,443,353,347	18,443,353,347	18,443,353,347	18,443,353,347
Revaluation Reserve	14.1	649,483,181	604,700,027	503,298,785	467,761,973
Retained Earnings		39,725,900,274	35,071,273,194	25,898,556,306	24,822,792,267
Total Equity		58,818,736,802	54,119,326,568	44,845,208,438	43,733,907,587
Non-Current Liabilities					
Post Employment Benefit Liability	16	79,865,891	56,707,453	40,658,377	30,193,980
Amounts due to Related Parties	19	15,036,967,133	18,660,608,810	-	-
Deferred Tax Liabilities	9	1,037,865,105	955,514,896	573,485,571	551,486,481
Total Non-Current Liabilities		16,154,698,129	19,672,831,159	614,143,948	581,680,461
Current Liabilities					
Trade and Other Payables	17	1,633,025,986	1,075,091,672	531,917,882	98,396,091
Rental and Customer Deposits	18	2,347,618,742	2,060,352,336	1,069,230,748	1,407,911,912
Amounts due to Related Parties	19	-	-	-	242,766,065
Interest Bearing Loans and Borrowings	15.1	125,214,754	991,845,920	-	-
Income Tax Payable		236,807,346	279,116,829	108,705,216	172,264,532
Dividends Payable	20	30,187,041	35,291,664	30,187,041	35,291,664
		4,372,853,869	4,441,698,421	1,740,040,887	1,956,630,264
Total Liabilities		20,527,551,998	24,114,529,580	2,354,184,835	2,538,310,725
Total Equity and Liabilities		79,346,288,800	78,233,856,148	47,199,393,273	46,272,218,312
Net Assets Value Per Ordinary Share (Rs.)		47.32	43.54	36.08	35.18

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



.....
Emil Ranasinghe
 Group Financial Controller

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by,



.....
A.M. De S. Jayaratne
 Director



.....
P.Y.S. Perera
 Director

The accounting policies and notes on pages 111 through 155 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024	Note	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Group					
Balance as at 01 January 2023		18,443,353,347	575,002,528	32,771,161,048	51,789,516,923
Profit for the Year		-	-	3,853,112,805	3,853,112,805
Other Comprehensive Income for the Year		-	29,697,499	786,319	30,483,818
Dividends Paid for Ordinary Shares for Y/E 31/12/2022		-	-	(1,553,786,978)	(1,553,786,978)
Balance as at 31 December 2023		18,443,353,347	604,700,027	35,071,273,194	54,119,326,568
Profit for the Year		-	-	6,210,453,550	6,210,453,550
Other Comprehensive Income for the Year		-	44,783,154	(2,039,492)	42,743,662
Dividends Paid for Ordinary Shares for Y/E 31/12/2023	20	-	-	(1,553,786,978)	(1,553,786,978)
Balance as at 31 December 2024		18,443,353,347	649,483,181	39,725,900,274	58,818,736,802
Company					
Balance as at 01 January 2023		18,443,353,347	464,019,853	24,330,770,043	43,238,143,243
Profit for the Year		-	-	2,046,112,613	2,046,112,613
Other Comprehensive Income for the Year		-	3,742,120	(303,411)	3,438,709
Dividends Paid on Ordinary Shares for Y/E 31/12/2022		-	-	(1,553,786,978)	(1,553,786,978)
Balance as at 31 December 2023		18,443,353,347	467,761,973	24,822,792,267	43,733,907,587
Profit for the Year		-	-	2,629,704,087	2,629,704,087
Other Comprehensive Income for the Year		-	35,536,812	(153,070)	35,383,742
Dividends Paid on Ordinary Shares for Y/E 31/12/2023	20	-	-	(1,553,786,978)	(1,553,786,978)
Balance as at 31 December 2024		18,443,353,347	503,298,785	25,898,556,306	44,845,208,438

STATEMENT OF CASH FLOWS

	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows from Operating Activities:					
Profit Before Tax Expense		6,615,897,954	4,311,233,239	2,774,830,531	2,229,214,492
Adjustments for -					
Depreciation Charge for the Year	6	67,227,606	54,620,533	15,565,826	15,270,533
Amortization / write-off of Intangible Assets	7.1	4,225,769	4,611,200	2,450,566	4,389,575
Post Employment Benefit Expense	16	26,278,789	20,365,504	11,292,403	11,930,313
Finance Cost	22.1	1,399,252,311	1,790,454,128	88,107,648	-
Finance Income	22.2	(376,250,309)	(934,119,704)	(285,773,892)	(504,480,310)
Exchange (Gain)/ Loss		(1,815,874,574)	(2,604,076,678)	22,074,668	(35,206,947)
Fair Value (gain)/ loss on Investment Property	5	(1,822,205,196)	(498,593,066)	(1,034,427,922)	(284,108,324)
Operating profit before working capital changes		4,098,552,350	2,144,495,156	1,594,119,828	1,437,009,332
Decrease / (increase) in Trade and Other Receivables, Other Assets and Contract Assets		86,333,991	1,716,847,261	275,282,207	(210,113,311)
Increase / (decrease) in Rental and Customer Deposits		261,617,602	853,618,126	(324,014,991)	230,027,301
Decrease / (increase) in Inventories		531,248,260	322,266,299	1,979,733	5,157,319
(Decrease) / increase in Trade and Other Payables		618,153,527	(567,321,541)	345,414,143	83,041,003
Increase/ (decrease) in Amounts due to Related Parties		(2,110,500,000)	1,308,496,977	(242,766,065)	(35,377,661)
Cash generated from operations		3,485,405,731	5,778,402,278	1,650,014,855	1,509,743,983
Income Tax Paid		(354,983,927)	(692,884,884)	(187,408,787)	(110,147,068)
Finance Cost Paid		(1,037,126,867)	(1,546,466,847)	-	-
Defined Benefit Plan Costs Paid	16	(5,417,100)	(20,384,653)	(984,200)	(13,751,448)
Net cash generated from operating activities		2,087,877,836	3,518,665,894	1,461,621,868	1,385,845,467
Cash Flows from Investing Activities :					
Additions or expenses incurred on Property Plant and Equipment	6	(71,263,687)	(61,423,955)	(2,929,729)	(1,582,900)
Additions or expenses incurred on Intangible Assets	7.1	(4,182,700)	(5,089,001)	-	-
Additions or expenses incurred on Investment properties	5.1	(37,520,634)	(1,181,770,816)	(52,365,000)	-
Receipt from Related Party Loan		-	-	35,000,000	15,000,000
Investment in Subsidiaries	15.1	-	-	(680,000,000)	-
Proceeds from withdrawal of Short term investments	15.1	-	-	-	-
Finance Income Received		250,796,698	673,424,737	183,022,064	489,618,820
Net cash (used in) / generated from investing activities		137,829,677	(574,859,035)	(517,272,665)	503,035,920
Cash flows from financing activities :					
Repayment of Interest Bearing Loans and Borrowings	15.1.3	(891,028,609)	(1,303,087,528)	-	-
Net Dividends Paid		(1,531,142,836)	(1,522,141,598)	(1,531,142,836)	(1,522,141,598)
WHT Paid on Dividends Paid		(27,748,765)	(27,295,472)	(27,748,765)	(27,295,472)
Proceed from Interest Bearing Loans and Borrowings	15.1.4	88,155,560	55,000,000	-	-
Net cash flow (used in) / generated from financing activities		(2,361,764,651)	(2,797,524,598)	(1,558,891,601)	(1,549,437,070)
Net increase in Cash and Cash Equivalents		(136,057,138)	146,282,259	(614,542,398)	339,444,317
Cash and Cash Equivalents at the Beginning of the Year	21	4,287,485,570	4,141,203,311	3,101,077,213	2,761,632,896
Cash and Cash Equivalents at the End of the Year	21	4,151,428,432	4,287,485,570	2,486,534,815	3,101,077,213

The accounting policies and notes on pages 111 through 155 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Overseas Realty (Ceylon) PLC (“Company”) is a Public Quoted Company with limited liability incorporated and domiciled in Sri Lanka. The registered office of the Company is located at Level # 18-01, East Tower, World Trade Center, Colombo 01, which is the principal place of its business.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were property Leasing, property services and property trading.

Mireka Capital Land (Private) Limited, a subsidiary, is engaged in purchasing, hiring and acquiring real estate properties, real estate development and providing infrastructure facilities and land to the Havelock City development project.

Mireka Homes (Private) Limited, a sub-subsidiary, is engaged in constructing and developing the Havelock City condominium development and related infrastructure and is involved in the sale, lease, management or any similar transactions in respect of the same and any other business carried on by land investment, land development and real estate development.

Overseas Realty Investments (Private) Limited, a subsidiary, is engaged in leasing office space of Level 36 & 37 of West Tower, World Trade Center, Colombo 01.

Realty Management Services (Private) Limited, a subsidiary, is engaged in Property Management, Development Management, Energy Management, Advisory Management and Real Estate Agency Services.

Havelock City (Pvt) Ltd, a sub-subsidiary is engaged in Property Leasing at Havelock City Mireka Tower and shopping mall.

Overseas Realty Trading (Pvt) Ltd, a subsidiary is engaged in trading of lighting solution and other construction industry related products.

Other subsidiaries of the Company have not been operational during the year.

1.3 Parent Entity and Ultimate controlling party

In the opinion of the Directors, there is no identifiable ultimate controlling party.

1.4 Date of Authorization for Issue

The Financial Statements of Overseas Realty (Ceylon) PLC for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 20 March 2025.

2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter referred as “SLAS”) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

These consolidated financial statements presented in Sri Lankan Rupees have been prepared on a historical cost basis, except for investment properties, buildings classified as property, plant and equipment, short term investments that have been measured at fair value.

The preparation and presentation of these consolidated financial statements are in compliance with the Companies Act No. 07 of 2007.

2.1 Going Concern

The Company’s Management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Group. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date it ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The following companies have been consolidated.

- ♦ MMireka Capital Land (Private) Limited (Subsidiary)
- ♦ Mireka Homes (Private) Limited (Sub-subsidiary)
- ♦ Realty Management Services (Private) Limited (Subsidiary)
- ♦ Overseas Realty Investments (Private) Limited (Subsidiary)
- ♦ Overseas Realty Trading (Private) Limited (Subsidiary)

- ♦ Havelock City (Private) Limited (Sub-Subsidiary)
- ♦ Hospitality International (Private) Limited (Subsidiary) - Non Operational
- ♦ Property Mart (Private) Limited (Subsidiary) - Non Operational
- ♦ Mireka Residencies (Private) Limited (Sub-subsidiary) - Non Operational
- ♦ Mireka Property (Private) Limited (Sub-subsidiary) - Non Operational

2.2.1 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3 Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The primary segment reporting format is determined to be a business segment.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could

result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital management - Note 32
- Financial instruments risk management objectives and policies - Note 31
- Sensitivity analyses disclosures - Note 5.4, 16.4 and 31.

2.4.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

2.4.1.1 Determining the timing of revenue recognition on the sale of apartments

The Group has assessed the timing of revenue recognition for property sales through a thorough analysis of the rights and obligations outlined in the contract terms. Generally, the Group has determined that contracts for the sale of completed properties are recognized at the point control is transferred. Specifically, for revenue from apartment sales to be recognized, the Group identifies the point at which a significant percentage of the sale price is paid, and the conditions of the sale and purchase agreement are fulfilled as the point control is transferred. Additionally, the Group considers the holding of the transfer of legal title as

a safeguard against potential non-payment by the customer. The Group has determined that contracts involving the sale of completed property do not contain significant financing components. In addition, there is no non-cash consideration or consideration payable to customers. The initial deposits are used to protect the Group from the customer failing to adequately complete some or all of its obligations under the contract.

2.4.2. Estimates and assumptions

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2.4.2.1. Valuation of the Investment Properties

The fair value of investment property is determined by real estate valuation experts using recognized valuation techniques and the principles of SLFRS 13 Fair Value Measurement.

Investment property is measured based on estimates prepared by independent real estate valuation experts, except where such values

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cannot be reliably determined. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in Note 5.3

2.4.2.2. Estimation of net realizable value for inventory property

At year end, the Group holds inventory property which is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property in the same geographical market serving the same real estate segment.

2.5. Summary of significant accounting policies

2.5.1. Foreign currencies

The Group's consolidated financial statements are presented in Sri Lankan Rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, liability, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance

consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

2.5.2. Taxation

Current Taxes

Companies in the Group have entered into agreements with the Board of Investment of Sri Lanka (BOI), as specified below. Such agreements specify that the sections of the Inland Revenue Act relating to the imposition, payment and recovery of income tax should not apply to the respective companies, as explained below for the specified businesses.

Overseas Realty (Ceylon) PLC

Pursuant to the agreement between the Company and the Board of Investment of Sri Lanka, the Company was entitled to a fifteen year "tax exemption period" on its accounting profits and income, commencing from the first year of making profit. The Company entered into a supplementary agreement with the Board of Investment of Sri Lanka on 12 August 2005 with regard to the above.

The 15 year tax exemption period commenced in 2005 and ended in 2020 where business income was exempted and other income was taxable at normal rate. Thereafter Company is taxed at 2% on turnover for another 15 years

until 2035. Other income shall be liable to income tax at the rate of 30% as per the Inland Revenue Act No. 24 of 2017 and subsequent amendments there to.

Havelock City (Private) Limited

Pursuant to the agreement with the Board of Investment of Sri Lanka (BOI) dated 10 June 2016, Havelock City (Private) Limited is exempted from income tax for a period of 15 years. Such exemption period is reckoned from the year in which the Company commences to make profit or any year of assessment not later than 2 years from the date of commencement of commercial operations, whichever is earlier, as may be specified in the BOI agreement. The Company commenced its commercial operations in 2023.

Mireka Homes (Private) Limited

Pursuant to the agreement with Board of Investment of Sri Lanka (BOI) dated 26th August 2005, Mireka Homes (Private) Limited was exempted from Income Tax for a period of 12 years. Such exemption period is reckoned from the year in which the Company commences to make profits or any year of assessment not later than 2 years from the date of commencement of commercial operations, whichever is earlier, as may be specified in the BOI agreement.

The 12 years tax exemption period commenced in 2007 and ended in 2019 and income tax rate was at 10% for 2020 and 2021, thereafter sources falling under the BOI agreement is liable to income tax at 15%. Income from sources falling outside the BOI approved business, is liable to income tax

at 30%, as per the Inland Revenue Act No. 24 of 2017 and subsequent amendments there to.

Mireka Capital Land (Private) Limited

Pursuant to the agreement with Board of Investment of Sri Lanka (BOI) dated 28th April 2005, Mireka Capital Land (Private) Limited was exempted from Income Tax for a period of 8 years. Such exemption period is reckoned from the year in which the Company commences to make profits or any year of assessment not later than 2 years from the date of commencement of commercial operations, whichever was earlier, as may be specified in a certificate by BOI.

The 8 years tax exemption period commenced in 2006 and ended in 2014 where business income was exempted and other income was taxable at normal rate. thereafter sources falling under the BOI agreement is liable to income tax at 15%. Income from sources falling outside the BOI approved business, is liable to income tax at 30%, as per the Inland Revenue Act No. 24 of 2017 and subsequent amendments there to.

All other operating subsidiaries are liable to pay income tax at 30%, as per the Inland Revenue Act No. 24 of 2017 and subsequent amendments there to.

Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred taxation on Investment Property and owner occupied property

As described in Note 2.5.2, the company enjoyed tax exemption status up to the year 2020, and thereafter till 2035, company will be taxed at 2% based on its turnover.

During the year, the Income tax provisions for the year ended 31st December 2024 have been made as per the provisions of the Inland Revenue Act No. 24 of 2017 (as amended subsequently). Based on the new law, the gain arising from sale of Investment property and owner occupied property is treated as part of business income, provided that management would execute the option given in the BOI agreement to be taxed at 2% on turnover. As a result, the Company has recognized a deferred tax liability on Company's Investment Property and owner occupied property considering possible tax liability that could arise at the time of sale as per the provisions of the Inland Revenue Act No. 24 of 2017 by applying the applicable tax rate of 2% based on the BOI agreement.

Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the reporting date.

2.5.3. Revenue recognition

The Group's key sources of income include:

- Rental income.
- Services to tenants including service charges and other expenses recoverable from tenants.
- Revenue from contracts with customers arising from sale of completed inventory property.

The accounting for each of these elements is discussed below.

Rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. In addition, the Group subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Group's subleases are classified as operating leases.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Revenue from services to tenants

For investment property held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of SLFRS 16. These agreements include certain services offered to tenants (i.e., customers) including common area maintenance services (such as cleaning, security, landscaping and garbage removal of common areas). The consideration charged to tenants for these services includes fees charged based on a special rate per sq.ft and reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced.

The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of SFRS 15. The Group allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a percentage of the rental income.

The variable consideration only relates to the non-lease component and is allocated to each distinct period of service (i.e., each day) as it meets the variable consideration allocation exception criteria.

Revenues from the sale of inventory property

The Group enters into contracts with customers to sell completed inventory property.

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

For some contracts involving the sale of property, the Group is entitled to receive an initial deposit. This is not considered a significant financing component because it is for reasons other than the provision of financing to the Group. The initial deposits are used to protect the Group from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

2.5.4. Trade receivables

Trade receivables represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial

assets in note 2.5.12.a) Financial instruments – initial recognition and subsequent measurement.

Rent receivables

Rent receivables are recognized at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost. Refer to accounting policies on financial assets in this note 2.5.12.a.

2.5.5. Tenant deposits

Tenant deposits are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term. Refer also to accounting policies on financial liabilities in this note 2.5.12.b.

2.5.6. Finance Income

Finance income is recognized as the interest accrues unless collectability is in doubt.

2.5.7. Others

Other income is recognized on an accrual basis.

2.5.8. Intangible Assets

(a) WTC Membership

Membership paid to World Trade Centers' Association (WTC Membership) is shown at historical cost. It is considered to have a finite useful life and carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost over its estimated useful life of 20 years.

(b) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life of 5 years. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

2.5.9. Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs necessary to make the sale.

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When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

Consumables and Spares

Consumable and spares are stated at cost, accounted using at actual cost on weighted average basis.

2.5.10. Cash and Short-Term Deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.5.11. Property, Plant and Equipment

Property, plant and equipment except for buildings are stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met.

Buildings are measured at fair value less depreciation and impairment charged subsequent to the date of the revaluation.

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at least at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Valuations are performed with sufficient regularity, to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

When an item of property, plant & equipment is revalued, any accumulated depreciation at the date of the valuation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any revaluation surplus (related to property, plant & equipment) is credited to the revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. In which case, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except that a deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus in the revaluation reserve.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the Statement of Profit or Loss.

2.5.12. Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount

outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

- For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and short-term deposits, trade and other receivables and other financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes short term investments which the Group had not irrevocably elected to classify at fair value through OCI. Income from these investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

b) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category applies to interest-bearing loans and borrowings. For more information, refer to Note 15.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.5.13. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability

Or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management of the Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and Property, Plant and Equipment-Buildings.

External valuer, Mr. P.B Kalugalgedara is involved in valuation of significant assets, such as Investment properties and Buildings. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Management

verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Group's external valuer, also compares the change in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Note 5
- Quantitative disclosures of fair value measurement hierarchy Note 5
- Property, plant and equipment under revaluation model Note 6
- Investment properties Note 5
- Financial instruments (including those carried at amortised cost) Note 15

2.5.14. Investments

(a) Investment in Subsidiaries

Investments are stated at cost in the Company's financial Statements. Carrying amounts are reduced to recognize a decline other than temporary, determined for each investment individually. These reductions for other than temporary declines in carrying amounts are charged to the Statement of Profit or Loss.

2.5.15. Investment Property

Investment property comprises completed property and re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises principally offices, and retail property that are occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

NOTES TO THE FINANCIAL STATEMENTS

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments
- In the case of investment property held under a lease, increased by the carrying amount of any liability to the head lessor that has been recognised in the statement of financial position as a finance lease obligation. Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

The Group considers as evidence the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party (for a transfer from inventories to investment property).

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in SLFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in SLFRS 15.

2.5.16. Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group

expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.5.17. Retirement Benefit Obligations

(a) Defined Benefit Plan – Gratuity

The Group is liable to pay gratuity in terms of the Gratuity Act No.12 of 1983.

The Group measures the present value of the promised retirement benefits of gratuity, which is a defined benefit plan with the advice of an independent actuary.

For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximate estimation provided by the qualified actuary is used.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, excluding net interest (not applicable to the Group), are recognized immediately in the

statement of financial position with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognizes the following changes in the net defined benefit obligation under 'cost of sales' and 'administration expenses' in the Statement of Profit or Loss:

- ◆ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- ◆ Net interest expense or income

The gratuity liability is not externally funded. This item is stated under Post Employee Benefit Liability in the Statement of Financial Position.

(b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively. These costs are included in statement of Profit or Loss.

2.5.18. Impairment of Non Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.5.19. Comparative information

Presentation and classification of the financial statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of current year. These have not resulted any change in results of the Company and Group.

2.5.20. Effect of Sri Lanka accounting standards (slfrs) issued but not yet effective:

The new and amended standards and interpretations that are issued up to the date of issuance of the Group financial statements but are not effective for the current annual reporting period, are disclosed

NOTES TO THE FINANCIAL STATEMENTS

below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- ♦ A specific adaptation for contracts with direct participation features (the variable fee approach)
- ♦ A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

- Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

3. REVENUE

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue from Property Leasing and Services	6,230,437,512	3,913,397,401	2,691,833,961	2,400,056,391
Revenue from Property Trading	1,793,656,292	1,163,078,498	-	-
	8,024,093,804	5,076,475,899	2,691,833,961	2,400,056,391

The Group has entered into leases on its property portfolio. The commercial property leases typically have lease terms between 1 and 5 years and includes clauses to enable upward revision of the rental charge according to prevailing market conditions

Future rental receivables under operating leases as at 31st December 2024 are as follows.

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
No later than 1 year	4,548,956,017	4,246,077,177	1,725,667,968	2,245,849,602
Later than 1 year and no later than 2 years	3,797,638,988	3,434,148,393	1,216,199,977	1,436,930,704
Later than 2 years and no later than 3 years	2,281,496,818	2,533,120,400	543,544,215	751,784,226
Later than 3 years and no later than 4 years	1,359,917,303	1,252,810,585	324,318,626	174,007,507
Later than 4 years and no later than 5 years	940,978,306	656,864,634	182,382,618	115,988,437
Over 5 Years	3,387,109,908	1,666,924,783	250,815,597	-
Total	16,316,097,340	13,789,945,972	4,242,929,000	4,724,560,476

3.1 Revenue from Property Leasing, Trading and Services

Revenue from Property Leasing and Services				
Revenue from Property Leasing and Services (Excluding Straight-Lining of Lease Incentives)	6,176,831,205	3,885,199,894	2,776,970,184	2,418,821,218
Straight-lining of lease incentives	53,606,307	28,197,507	(85,136,223)	(18,764,827)
	6,230,437,512	3,913,397,401	2,691,833,961	2,400,056,391
Revenue from Property Trading				
Revenue from contracts with customers	1,793,656,292	1,163,078,498	-	-
	1,793,656,292	1,163,078,498	-	-
There is no right of return for apartment sold and sales and purchase agreements are signed				
Total Revenue from Property Leasing, Trading and Services	8,024,093,804	5,076,475,899	2,691,833,961	2,400,056,391

NOTES TO THE FINANCIAL STATEMENTS

3.2 Operating Expenses

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Property Rates and Members Contribution	1,548,783,120	634,469,516	754,391,545	612,458,569
Cost of Sales of Property Services	465,566,368	786,811,865	-	-
Total Direct Operating Expenses	2,014,349,488	1,421,281,381	754,391,545	612,458,569
Cost of Sales of Apartments	568,462,666	336,419,226	-	-
	568,462,666	336,419,226	-	-
Total Direct Operating Expenses and Cost of Sales	2,582,812,154	1,757,700,607	754,391,545	612,458,569

4. SEGMENTAL INFORMATION

The Group has three business segments, Property Leasing, Property Trading and Property Services. Property Leasing is derived by Overseas Realty (Ceylon) PLC (ORC PLC), Havelock City (Pvt) Ltd (HCL) and Overseas Realty Investments (Pvt) Ltd (ORIL). Property Trading is derived by Mireka Capital Land (Pvt) Ltd (MCL) and Mireka Homes (Pvt) Ltd (MHL). Property Services are derived by Realty Management Services (Pvt) Ltd (RMS) and Overseas Realty Trading (Pvt) Ltd (ORTL). ORC PLC and ORIL earn rental income through renting out the space at World Trade Center located at Echelon Square, Colombo 1. HCL earns rental income through renting out space at the Mireka Tower and Shopping Mall at Havelock City. MCL earns revenue through the sale of land and infrastructure and MHL earns revenue through the sale of condominium units at Havelock City. RMS earns revenue through Property Management and Real Estate Agency Services, while ORTL earns revenue through the sale of lighting solutions and other building materials.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

4.1 Segmental Results

	2024						2023					
	Property Leasing	Property Trading	Property Services	Inter/Intra Segment Eliminations	Consolidated 2024		Property Leasing	Property Trading	Property Services	Inter/Intra Segment Eliminations	Consolidated 2023	
	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	
Revenue from Property Leasing and Services	5,601,930,104	628,507,408	-	-	6,230,437,512		3,463,387,653	-	450,009,748	-	3,913,397,401	
Revenue from contracts with customers	-	1,793,656,292	-	-	1,793,656,292		-	1,163,078,498	-	-	1,163,078,498	
Total Revenue	5,601,930,104	1,793,656,292	628,507,408	-	8,024,093,804		3,463,387,653	1,163,078,498	450,009,748	-	5,076,475,899	
Direct Operating Expenses	(1,548,783,120)	(465,566,368)	-	-	(2,014,349,488)		(1,093,663,749)	-	(327,617,632)	-	(1,421,281,381)	
Cost of Sales	-	(642,061,125)	73,598,459	73,598,459	(568,462,666)		-	(385,601,508)	-	49,182,282	(336,419,226)	
Gross Profit/ (Loss)	4,053,146,984	1,151,595,167	162,941,040	73,598,459	5,441,281,650		2,369,723,904	777,476,990	122,392,116	49,182,282	3,318,775,292	
Fair Value Gain on Investment Property	1,822,205,196	-	-	-	1,822,205,196		498,593,066	-	-	-	498,593,066	
Administration Expenses	(818,191,553)	(181,432,991)	(147,698,331)	-	(1,147,322,875)		(665,342,607)	(146,012,088)	(125,815,877)	-	(937,170,572)	
Marketing and Promotional Expenses	(186,927,212)	(119,570,994)	(2,963,376)	-	(309,461,582)		(83,000,344)	(133,804,012)	(2,807,273)	-	(219,611,629)	
Exchange Gain/(Loss)	1,671,772,780	67,210,393	(5,825,728)	-	1,733,157,445		2,151,914,065	279,374,887	(1,927,690)	-	2,429,361,262	
Finance Cost	(1,347,011,083)	(62,113,942)	(5,692,489)	15,565,203	(1,399,252,311)		(1,659,822,393)	(153,641,500)	(6,161,281)	29,171,046	(1,790,454,128)	
Finance Income	344,887,261	81,183,470	1,773,097	(51,593,519)	376,250,309		762,775,721	226,744,510	9,798,835	(65,199,362)	934,119,704	
Other Income	-	93,858,582	5,181,540	-	99,040,122		-	77,620,244	-	-	77,620,244	
Net Profit Before Tax	5,539,882,373	1,030,729,685	7,715,753	37,570,143	6,615,897,954		3,374,841,412	927,759,031	(4,521,170)	13,153,966	4,311,233,239	

NOTES TO THE FINANCIAL STATEMENTS

4.2 Segmental Assets and Liabilities

	Rental and Other Services (Property Leasing) Rs.	Sale of Apartments (Property Trading) Rs.	Realty Services (Property Services) Rs.	Inter/Intra Segment Eliminations Rs.	Consolidated Rs.
2024					
Total Assets	91,218,848,572	26,041,724,742	272,698,569	(38,186,983,082)	79,346,288,800
Total Liabilities	20,310,060,493	614,241,080	187,978,921	(584,728,495)	20,527,551,998
2023					
Total Assets	88,600,082,166	25,342,280,924	226,216,139	(35,934,723,081)	78,233,856,148
Total Liabilities	23,404,489,831	1,441,878,521	133,210,641	(865,049,413)	24,114,529,580

4.3 Other Segmental Information

	2024				2023			
	Property leasing Rs.	Property Trading Rs.	Property Services Rs.	Consolidated Rs.	Property leasing Rs.	Property Trading Rs.	Property Services Rs.	Consolidated Rs.
Total Cost Incurred during the Year to Acquire								
- Property, Plant and Equipment	67,697,514	1,152,586	2,413,588	71,263,688	60,717,675	-	706,280	61,423,955
Depreciation								
- Charge for the Year	44,049,666	21,429,584	1,748,355	67,227,605	33,526,821	19,285,344	1,808,368	54,620,533
Amortization	4,225,769	-	-	4,225,769	4,611,200	-	-	4,611,200
Employee Benefit Costs	411,406,346	35,827,716	248,703,504	695,937,566	11,930,313	7,107,661	1,327,530	20,365,504

5. INVESTMENT PROPERTY

The Group's Investment Property consist of those that are completed.

5.1 Investment Property Completed

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at 1 January	67,706,040,418	27,763,638,947	27,139,111,271	26,855,002,947
Additions/ Adjustments	37,520,634	39,443,808,405	52,365,000	-
Fair value Gain/(Loss) Completed Investment Property	1,822,205,196	498,593,066	1,034,427,922	284,108,324
As at 31 December, total Completed Investment Property	69,565,766,248	67,706,040,418	28,225,904,193	27,139,111,271

	Type	Location	Valuation Technique	Area (Acres/Rood/Perch)	Value in Rs.
Company					
Overseas Realty (Ceylon) PLC	Condominium Unit	Colombo 01	Discounted Cash Flow (DCF)	2A	27,772,171,193
Overseas Realty (Ceylon) PLC	Land	Galle	Open Market Value (OMV)	1A , 4R , 38.5P	453,733,000
					28,225,904,193
Group					
Overseas Realty Investment (Private) Limited	Condominium Unit	Colombo 01	Discounted Cash Flow (DCF)	-	1,103,890,484
Havelock City (Pvt) Ltd	Commercial Building	Colombo 05	Discounted Cash Flow (DCF)	4A , 3R , 32P	40,235,971,571
					69,565,766,248

5.2 Investment Property Under Development

	2024 Rs.	2023 Rs.
At 1 January	-	38,262,037,589
Capital Expenditure	-	-
Borrowing Cost Capitalized	-	-
Transferred to Investment Property	-	(38,262,037,589)
At 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS

The significant assumptions used by the valuer in the years 2024 and 2023 are as follows:

5.3 Significant Unobservable Inputs	Valuation Technique	World Trade Center		Havelock City	
		2024	2023	2024	2023
Estimated Market Rent per sq:ft		: Rs. 360-530	: Rs. 360-530	: Rs.520 to Rs.780	: Rs.500 to Rs. 750
Rate of Growth in Future Rentals		: 1 to 2 years 0%	: 1 to 2 years 0%	: 1 years 0%	: 1 years 0%
	Discounted cash flow (DCF method)	: 3-10 years 2% p.a.	: 3-10 years 2% p.a.	: 2nd year 3% to 10% p.a	: 2 - 5 years 3% to 10% p.a
		: After 10 years 0% p.a.	: After 10 years 0% p.a.	: 3 - 10 years 5% p.a	: 6 - 10years 5% p.a.
				: After 10 years 0% to 1% p.a.	: After 10 years 0% p.a.
Anticipated Maintenance Cost		: 47.5% of rentals	: 48% of rentals	: 45% of rentals	: 42.5 % of rentals
Capitalization Rate		: 6.75% p.a.	: 6.75% p.a.	: 6.25% p.a.	: 6.25% p.a.

5.3.A The Group's Investment Properties were valued as at 31 December 2024 by Mr. P. B. Kalugalagedara independent professionally qualified, Chartered Valuation surveyer who has recent experience in the locations and types of investment properties valued. Fair value of the Investment Property was appraised in accordance with Sri Lanka Accounting Standards and International Valuation Standards published by the International Valuation Standards Committee (IVSC), by the independent valuer. In determining the fair value, the capitalization of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions including future rental income, anticipated maintenance costs, appropriate discount rate and making reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within appropriate range of values.

5.3.B Description of the valuation technique

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. Under the OMV method, the asset valued at which would be exchanged between a willing buyer and a willing seller, both acting knowledgeably, prudently, and without compulsion, in a competitive and open market.

5.4 Sensitivity Analysis of Assumptions Employed in Investment Property Valuation Group

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of Investment Property, in respect of the year 2024.

The sensitivity of the Statement of Profit or Loss and Statement of Financial Position is the effect of the assumed changes in each aspect (taken individually, while other variables are held constant) on the profit or loss and carrying value of Investment Property for the year.

2024

Capitalisation Rate	Increase / (Decrease)		Completed Investment property	
	Growth in Future Rentals	Anticipated Maintenance Cost	Investment Property valuation	Fair Value Gain/(Loss) on Investment Property
			Rs.	Rs.
1%			58,893,294,013	(9,960,063,512)
-1%			82,016,437,171	13,163,079,646
	1%		73,247,542,933	4,394,185,408
	-1%		64,544,779,851	(4,308,577,674)
		5%	66,040,331,317	(2,813,026,208)
		-5%	71,285,034,378	1,506,467,130

2023

Capitalisation Rate	Increase / (Decrease)		Completed Investment property	
	Growth in Future Rentals	Anticipated Maintenance Cost	Investment Property valuation	Fair Value Gain/(Loss) on Investment Property
			Rs.	Rs.
1%			57,236,187,085	(10,431,478,034)
-1%			79,973,134,060	12,305,468,941
	1%		71,262,822,099	3,595,156,980
	-1%		67,769,681,187	(132,881,430)
		5%	64,307,752,402	(3,359,912,717)
		-5%	69,346,128,857	1,984,990,355

Company

2024

Capitalisation Rate	Increase / (Decrease)		Investment Property valuation	Fair Value Gain/(Loss) on Investment Property
	Growth in Future Rentals	Anticipated Maintenance Cost		
			Rs.	Rs.
1%			23,918,895,671	(3,853,875,522)
-1%			33,000,692,855	5,227,921,662
	1%		29,455,133,507	1,682,362,314
	-1%		26,193,058,412	(1,579,712,781)
		5%	26,654,108,222	(1,118,662,971)
		-5%	28,891,390,239	1,118,619,046

NOTES TO THE FINANCIAL STATEMENTS

2023

Capitalisation Rate	Increase / (Decrease)		Investment Property valuation	Fair Value Gain/(Loss) on Investment Property
	Growth in Future Rentals	Anticipated Maintenance Cost		
			Rs.	Rs.
1%			23,031,534,376	(3,712,576,895)
-1%			31,780,365,051	5,036,253,780
	1%		28,360,713,994	1,616,602,723
	-1%		30,081,348,552	3,337,237,281
		5%	25,685,612,039	(1,058,499,232)
		-5%	27,802,544,903	1,058,433,632

5.4 The Group and Company use unobservable market inputs in determining the fair value of the Investment Property (i.e. Falling under Level 3 of the fair value hierarchy)

5.5 Rental Income earned and Direct operating expenses relating to Investment Property is tabulated below:

	Group (Rs. Mn)		Company (Rs. Mn)	
	2024	2023	2024	2023
Rental income	5,602	3,463	2,692	2,400
Direct operating expenses	1,549	1,094	754	612

6. PROPERTY, PLANT AND EQUIPMENT

6.1 GROUP

6.1.1 Gross Carrying Amounts

	At Cost						At Valuation	
	Land*	Temporary Building	Equipment	Computer and Electronic Equipment	Furniture and Fittings	Motor Vehicles	Buildings	Total Gross Carrying Amount
At Cost or Valuation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2024	86,144,695	3,747,975	79,341,648	111,794,212	99,151,890	14,160,575	1,232,316,856	1,626,657,851
Additions/ (Transfers) during the Year	-	-	19,014,699	19,979,595	32,269,393	-	(32,217,705)	39,045,982
Revaluations	-	-	-	-	-	-	47,140,102	47,140,102
Balance as at 31 December 2024	86,144,695	3,747,975	98,356,347	131,773,807	131,421,283	14,160,575	1,247,239,253	1,712,843,935

6.1.2 Depreciation

	Temporary Building	Equipment	Computer and Electronic Equipment	Furniture and Fittings	Motor Vehicles	Buildings	Total Depreciation
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2024	3,747,975	40,492,388	69,897,874	49,829,051	14,080,350	-	178,047,638
Charge for the Year	-	10,391,384	16,561,152	8,037,863	19,502	32,217,705	67,227,606
Transfers**	-	-	-	-	-	(32,217,705)	(32,217,705)
Balance as at 31 December 2024	3,747,975	50,883,772	86,459,026	57,866,914	14,099,852	-	213,057,540

6.1.3 Net Book Value

	2024	2023
	Rs.	Rs.
At Cost		
Land	86,144,695	86,144,695
Temporary Building	-	-
Equipment	47,472,575	37,961,579
Computers and Electronic Equipment	45,314,781	40,932,279
Furniture and Fittings	73,554,369	50,443,500
Motor Vehicles	60,723	811,304
	252,547,143	216,293,357
At Valuation		
Buildings	1,247,239,253	1,232,316,856
	1,247,239,253	1,232,316,856
	1,499,786,396	1,448,610,213

* Land extent of 0A 3R 17P where the club house building is located, recorded at its cost.

**This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying value of the revalued asset.

NOTES TO THE FINANCIAL STATEMENTS

6.2 COMPANY

	At Cost				At Valuation	
	Equipment	Computers and Electronic Equipment	Furniture and Fittings	Motor Vehicles	Buildings	Total Gross Carrying Amount
6.2.1 Gross Carrying Amounts	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2024	9,253,055	33,710,621	20,801,203	14,160,575	458,316,855	536,242,309
Additions/ (Transfers) during the Year	169,314	2,646,010	114,405	-	(13,339,656)	(10,409,927)
Revaluation	-	-	-	-	36,262,053	36,262,053
Balance as at 31 December 2024	9,422,369	36,356,631	20,915,608	14,160,575	481,239,252	562,094,435

6.2.2 Depreciation

	Equipment	Computer and Electronic Equipment	Furniture and Fittings	Motor Vehicles	Buildings	Total Depreciation
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2024	8,252,797	30,253,242	18,249,146	14,080,350	-	70,835,535
Charge for the Year	330,225	1,461,122	415,321	19,502	13,339,656	15,565,826
Transfers*	-	-	-	-	(13,339,656)	(13,339,656)
Balance as at 31 December 2024	8,583,022	31,714,364	18,664,467	14,099,852	-	73,061,705

*This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying value of the revalued asset.

6.2.3 Net Carrying Amounts

	2024	2023
	Rs.	Rs.
At Cost		
Equipment	839,347	1,000,258
Computers and Electronic Equipment	4,642,267	3,457,379
Furniture and Fittings	2,251,141	2,552,057
Motor Vehicles	60,723	80,225
	7,793,478	7,089,919
At Valuation		
Buildings	481,239,252	458,316,855
	481,239,252	458,316,855
	489,032,730	465,406,774

- 6.3** The fair value of building (Level 18 of the World Trade Centre held as owner occupied property) was determined by means of a revaluation during the financial year 2024 by Mr. P.B. Kalugalagedera, an independent valuer. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31 December 2024. The surplus arising from the revaluation was transferred to a revaluation reserve. The valuation that was used to ascertain the value of investment property was used for the determination of the fair value of the Buildings-Level 18 carried at fair value. Further, similar assumptions have been used in determining the fair value of the property as given in Note 5.3.
- 6.4** The fair value of Building (Club House at Havelock City) was determined by means of a revaluation using the replacement cost approach during the financial year 2024 by Mr. P.B. Kalugalagedera, an independent valuer. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31 December 2024.
- 6.5** Cash payments amounting to Rs.71,263,687/- (2023 : Rs.61,423,955/-) were made during the year by the Group and Rs.2,929,729/- (2023 : Rs.1,582,900/-) were made by the Company for purchase of Property, Plant and Equipment.
- 6.6** Depreciation is calculated on a straight line basis over the useful life of the assets as follows :

	2024	2023
Buildings	Over 50 Years	Over 50 Years
Temporary Building	Over 5 Years	Over 5 Years
Computer and Electronic Equipment	Over 4 Years	Over 4 Years
Equipment	Over 5 - 10 Years	Over 5 - 10 Years
Furniture & Fittings	Over 10 Years	Over 10 Years
Motor Vehicles	Over 5 Years	Over 5 Years

- 6.7** Property, Plant and Equipment of the Group and the Company includes fully depreciated assets having a gross carrying amount of Rs.146,828,036/- and Rs. 68,448,490/- (2023 : Rs.129,561,668/- and Rs.68,448,490/-) respectively.
- 6.8** The carrying amount of revalued assets that would have been included in the Financial Statements had the assets been carried at cost less depreciation is as follows

Class of Asset	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount 2024	Net Carrying Amount 2023
Group	Rs.	Rs.	Rs.	Rs.
Building - Level 18	87,431,566	(36,970,316)	50,461,250	51,918,442
Building - Club House	728,785,769	(149,931,374)	578,854,395	597,732,444

- 6.9** The Group and Company use unobservable market inputs in determining the fair value of the Buildings reflected at its fair value (i.e. Falling under Level 3 of the fair value hierarchy).

NOTES TO THE FINANCIAL STATEMENTS

7. INTANGIBLE ASSETS

7.1 Group/Company

	Group			Company		
	WTC Membership	Computer Software	Total	WTC Membership	Computer Software	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Summary	(Note 7.2)	(Note 7.3)		(Note 7.2)	(Note 7.3)	
Cost						
As at 1 January 2024	7,297,734	53,547,073	60,844,807	7,297,734	48,458,072	55,755,806
Additions	-	4,182,700	4,182,700	-	-	-
As at 31 December 2024	7,297,734	57,729,773	65,027,507	7,297,734	48,458,072	55,755,806
Amortization						
As at 1 January 2024	7,297,734	46,229,131	53,526,865	7,297,734	46,007,506	53,305,240
Amortization for the Year	-	4,225,769	4,225,769	-	2,450,566	2,450,566
As at 31 December 2024	7,297,734	50,454,900	57,752,634	7,297,734	48,458,072	55,755,806
Net book value						
As at 1 January 2024	-	7,317,942	7,317,942	-	2,450,566	2,450,566
As at 31 December 2024	-	7,274,873	7,274,873	-	-	-

7.2 WTC membership fee represent the original amount paid to be eligible to use the trade name "World Trade Centre".

7.3 Computer software represent the Enterprise Resource Planning System (ERP) consisting of application software, user license and implementation services of which the management of the Company has determined the useful life as five (5) years. Amortization has been made on a straight line basis in the Statement of Profit of Loss.

8. INVESTMENTS IN SUBSIDIARIES

	% Holding	Company	
		2024	2023
		Rs.	Rs.
Non-Quoted Investment at cost			
Mireka Capital Land (Pvt) Ltd.	100%	14,314,322,400	13,634,322,400
Hospitality International (Pvt) Ltd.	100%	112,159,107	112,159,107
Realty Management Services (Pvt) Ltd.	100%	10,020	10,020
Overseas Realty Trading (Pvt) Ltd	100%	10	10
Property Mart (Pvt) Ltd.	100%	20	20
Overseas Realty Investments (Pvt) Ltd	100%	74,552,141	74,552,141
		14,501,043,698	13,821,043,698
Provision for Impairment: Hospitality International (Pvt) Ltd.		(112,159,107)	(112,159,107)
		14,388,884,591	13,708,884,591

8.1 All subsidiaries are incorporated in Sri Lanka.

9. DEFERRED TAX

9.1 Group	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive income	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred Tax Assets Arising on:						
Unused Carried Forward Tax Losses	4,439,828	18,440,425	(14,000,597)	(113,202,383)	-	-
Post Employment Benefit Liability	7,006,657	3,118,270	3,630,400	1,633,806	257,987	(176,898)
Property Plant and Equipment	-	857,831	(857,831)	737,415	-	-
	11,446,485	22,416,526	(11,228,028)	(110,831,162)	257,987	(176,898)
Deferred Tax Liability Arising on:						
Investment Property	(895,685,230)	(946,282,719)	50,597,489	(136,591,860)	-	-
Property Plant and Equipment	(142,179,875)	(9,232,177)	(130,590,750)	103,931,410	(2,356,948)	(4,656,731)
Deferred Tax Expense/ (Income)	(1,037,865,105)	(955,514,896)	(79,993,261)	(32,660,450)	(2,356,948)	(4,656,731)
Net Deferred Tax Asset/ (Liability)	(1,026,418,620)	(933,098,370)	(91,221,289)	(143,491,612)	(2,098,961)	(4,833,629)

Reflected in the Statement of Financial Position as follows:

	2024 Rs.	2023 Rs.
Balance brought forward	933,098,370	784,773,129
Deferred Income Tax (Credit)/Charge-Statement of Profit or Loss	91,221,289	143,491,612
Deferred Income Tax (Credit)/Charge- Statement of Comprehensive Income	2,098,961	4,833,629
Net Deferred Tax (Asset)/Liability	1,026,418,620	933,098,370

9.2 Company

	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive income	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Deferred Tax Assets Arising on:						
Post Employment Benefit Liability	813,168	603,880	206,164	(36,422)	3,124	6,192
	813,168	603,880	206,164	(36,422)	3,124	6,192
Deferred Tax Liability Arising on:						
Investment Property	(564,518,084)	(542,782,225)	(21,735,859)	(5,682,166)	-	-
Property Plant and Equipment	(9,780,655)	(9,308,136)	252,722	273,752	(725,241)	(76,370)
	(574,298,739)	(552,090,361)	(21,483,136)	(5,408,414)	(725,241)	(76,370)
Deferred Tax Expense/(Income)			(21,276,972)	(5,444,837)	(722,117)	(70,178)
Net Deferred Tax Asset/(Liability)	(573,485,571)	(551,486,481)				

NOTES TO THE FINANCIAL STATEMENTS

9.3 Reflected in the Statement of Financial Position as follows:

	2024	2023
	Rs.	Rs.
Balance brought forward	551,486,481	545,971,467
Deferred Income Tax (Credit)/Charge-Statement of Profit or Loss	21,276,972	5,444,837
Deferred Income Tax (Credit)/Charge- Statement of Comprehensive Income	722,117	70,178
Net Deferred Tax (Asset)/Liability	573,485,570	551,486,481

10. INVENTORIES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
10.1 Summary				
Land Stock	89,480,683	89,480,683	-	-
Completed Apartments for Sale	1,164,998,830	1,716,144,771	-	-
	1,254,479,513	1,805,625,454	-	-
Consumables and Spares	83,725,873	63,828,192	-	-
	1,338,205,386	1,869,453,646		
10.2 Non Current Inventories				
Land Stock	89,480,683	89,480,683	-	-
	89,480,683	89,480,683	-	-
10.3 Current Inventories				
Completed Apartments for Sale	1,164,998,830	1,716,144,771	-	-
Consumables and Spares	83,725,873	63,828,192	9,058,238	11,037,971
	1,248,724,703	1,779,972,963	9,058,238	11,037,971
	1,338,205,386	1,869,453,646	9,058,238	11,037,971
10.4 A summary of movement in inventories are set out below:				
At 1 January	1,869,453,646	2,191,719,945	11,037,971	16,195,290
Incurred during the year	263,191,709	138,052,557	53,050,250	25,492,883
Recognised in Cost of Sales	(736,410,678)	(425,265,973)	-	-
Recognised in Administration Expense	(58,029,291)	(35,052,883)	(55,029,983)	(30,650,202)
At 31 December	1,338,205,386	1,869,453,646	9,058,238	11,037,971

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade Receivables	1,376,434,524	1,518,191,898	397,921,512	432,968,584
	1,376,434,524	1,518,191,898	397,921,512	432,968,584
Other Receivables	540,514,981	694,403,275	262,038,376	357,528,182
Accrued Rental Income	359,950,406	248,359,277	163,223,054	248,359,277
	2,276,899,911	2,460,954,450	823,182,942	1,038,856,043
VAT Receivables				
Advances and Prepayments	458,421,875	398,532,513	360,195,764	348,793,883
	2,735,321,786	2,859,486,963	1,183,378,706	1,387,649,926

11.2 As at 31 December, the age analysis of trade receivables, is as follows:

Group	Total	Before 30 days	Past Due but not Impaired				
			31-60 days	61-90 days	91-120 days	121-150 days	> 150 days
2024	1,376,434,524	539,177,738	269,916,346	190,536,325	21,643,021	3,362,780	351,798,314
2023	1,518,191,898	563,026,345	264,258,457	190,019,621	42,923,496	357,091,904	100,872,075

Company	Total	Before 30 days	Past Due but not Impaired				
			31-60 days	61-90 days	91-120 days	121-150 days	> 150 days
2024	397,921,512	187,548,272	57,773,518	121,338,891	11,278,717	-	19,982,114
2023	432,968,584	62,148,991	162,161,779	99,702,340	37,758,471	2,191,716	69,005,287

- 11.3** Rent and Service Charge Receivable are not interest bearing and usually due within 30 days. The Group holds no collateral in respect of these receivables. However the Group is in a position to recover long outstanding dues from rental deposits and customer deposits obtained from customers and tenants, which is over and above the dues on account of rent and service charge receivable. In the case of apartments the group delivers the unit once all payments dues are settled, and has the right to repudiate for non settlement.

12. OTHER ASSETS - Non Current

	Relationship	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Amounts Due From Related Party (Note 12.2)	Subsidiary	-	-	65,000,000	100,000,000
Unquoted Preference Shares (Note 12.3)	Subsidiary	-	-	351,600,000	351,600,000
		-	-	416,600,000	451,600,000

12.1 OTHER ASSETS - Current

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Amounts Due From Related Party (Note 12.4)	-	-	-	5,000,000
	-	-	-	5,000,000

NOTES TO THE FINANCIAL STATEMENTS

12.2 Amounts Due From Related Party - Financial Asset- Non Current

	Relationship	Company			As At 31.12.2024 Rs.
		As At 01.01.2024 Rs.	Accrued Interest During the Year Rs.	Settlements During the Year Rs.	
Overseas Realty Investments (Pvt) Ltd.	Subsidiary	100,000,000	10,700,573	(45,700,573)	65,000,000
		100,000,000	10,700,573	(45,700,573)	65,000,000

12.2.1 The terms of Interest bearing borrowings are as follows:

Unsecured

The Interest rate is Prime Lending Rate + 2% and calculated quarterly

Repayable by Subsidiary within 20 years by lump sum payment

ORIL settled Rs. 35,000,000 from capital and interest amounting to Rs. 18,255,323 during the year.

12.3 Unquoted Preference Shares - Non Financial Asset - Non Current

	Carrying value	
	2024 Rs.	2023 Rs.
Overseas Realty Investments (Pvt) Ltd (ORIL).	351,600,000	351,600,000
	351,600,000	351,600,000

12.3.1 The terms of Unquoted Preference Shares are as follows:

Issuer shall give Thirty (30) days prior notice to Company for the redemption of all or part of the preference shares.

The preference shares shall not be entitled to any fixed rate of dividend unless the company at its sole discretion declares a dividend for preference shares.

The dividend on preference shares if any shall not be cumulative.

The preference shares shall not confer any voting rights to vote at a general meeting of the company.

12.4 Amounts Due From Related Party - Current

	Relationship	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Realty Management Services (Pvt) Ltd.	Subsidiary	-	-	-	-
Mireka Capital Land (Pvt) Ltd	Subsidiary	-	-	-	-
Havelock City (Pvt) Ltd	Sub-Subsidiary	-	-	-	-
Mireka Homes (Pvt) Ltd.	Sub-Subsidiary	-	-	-	-
Overseas Realty Investment (Pvt) Ltd.	Subsidiary	-	-	-	5,000,000
Overseas Realty Trading (Pvt) Ltd.	Subsidiary	-	-	-	-
		-	-	-	5,000,000
Less : Allowance for Impairment		-	-	-	-
		-	-	-	5,000,000

13. STATED CAPITAL

	2024	2023
	Rs.	Rs.
Balance as at 1 January	18,443,353,347	18,443,353,347
Issue of shares during the Year	-	-
Balance as at 31 December	18,443,353,347	18,443,353,347

13.1 Number of Ordinary Shares

	2024	2023
Balance as at 1 January	1,243,029,582	1,243,029,582
Issue of shares during the Year	-	-
Balance as at 31 December	1,243,029,582	1,243,029,582

14. RESERVES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
14.1 Revaluation Reserve				
Balance as at 1 January	604,700,027	575,002,528	467,761,973	464,019,853
Surplus during the Year	47,140,102	34,354,230	36,262,053	3,818,490
Deferred Tax Effect	(2,356,948)	(4,656,731)	(725,241)	(76,370)
Balance as at 31 December	649,483,181	604,700,027	503,298,785	467,761,973

14.2 Revaluation Reserve represents the surplus related to the regular revaluation of owner occupied properties as explained in Note 6.3.

15. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES**15.1 Interest Bearing Loans and Borrowings****15.1.1 Group**

	2024			2023		
	Amounts Repayable within 1 Year Rs.	Amounts Repayable after 1 Year Rs.	Total Rs.	Amounts Repayable within 1 Year Rs.	Amounts Repayable after 1 Year Rs.	Total Rs.
Loan from Bank of Ceylon (BOC) (Note 15.1.3)	-	-	-	900,349,721	-	900,349,721
Loan from Commercial Bank (Note 15.1.4)	88,155,560	-	88,155,560	60,000,000	-	60,000,000
Bank Overdrafts (Note 21)	37,059,194	-	37,059,194	31,496,199	-	31,496,199
	125,214,754	-	125,214,754	991,845,920	-	991,845,920

NOTES TO THE FINANCIAL STATEMENTS

15.1.2 Company

	2024			2023		
	Amounts Repayable within 1 Year	Amounts Repayable after 1 Year	Total	Amounts Repayable within 1 Year	Amounts Repayable after 1 Year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bank Overdrafts	-	-	-	-	-	-
Total Loans and Overdraft	-	-	-	-	-	-

Movement in the Interest Bearing Loans and Borrowings

15.1.3 Loan - Bank of Ceylon

	As At 01.01.2024	Obtained during the Year	Accrued Interest During the Year	Repayments	Exchange Difference	As At 31.12.2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revolving Loan	900,349,721	-	58,036,000	(889,064,609)	(69,321,112)	-
	900,349,721	-	58,036,000	(889,064,609)	(69,321,112)	-

As per the loan agreement Interest was payable at 06 months SOFR plus 6% per annum (Floor Rate 8.25% p.a). The loan proceeds has been utilized for Phase III & IV of Havelock City Housing Project.

15.1.4 Loan - Commercial Bank

	As At 01.01.2024	Loans Obtained during the Year	Accrued Interest During the Year	Repayments	Exchange Difference	As At 31.12.2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Loan - Commercial	60,000,000	88,155,560	4,671,202.00	(64,671,202)	-	88,155,560
	60,000,000	88,155,560	4,671,202.00	(64,671,202)	-	88,155,560

Interest is payable AWPLR+0.5%. The loan proceeds has been utilized for working capital requirements of Overseas Realty Trading (Pvt) Ltd.

16. POST EMPLOYMENT BENEFIT LIABILITY

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January	56,707,453	57,689,819	30,193,980	31,705,512
Charge for the Year (Note 16.1)	26,278,789	20,365,504	11,292,403	11,930,313
Actuarial (Gain)/ Loss Note 16.2	2,296,749	(963,217)	156,194	309,603
Payments Made during the Year	(5,417,100)	(20,384,653)	(984,200)	(13,751,448)
Balance as at 31 December	79,865,891	56,707,453	40,658,377	30,193,980

16.1 Post Employee Benefit Expense for

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Current Service Cost	10,024,821	9,576,118	3,373,132	3,509,560
Interest Cost	8,274,402	10,384,165	4,227,157	5,706,992
Past service cost	7,979,566	405,221	3,692,114	2,713,761
Post Employment Benefit Expense	26,278,789	20,365,504	11,292,403	11,930,313

16.2 Actuarial Gain or loss

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Actuarial changes arising from changes in financial assumptions	2,297,479	(963,217)	156,194	309,603
	2,297,479	(963,217)	156,194	309,603

16.3 Messrs. Piyal S Goonetilleke and Associates : Actuaries, carried out an actuarial valuation of the Group as at 31 December 2024. Appropriate and compatible assumptions were used in determining the cost of post employment benefits. The principal assumptions used are as follows:

a) Demographic Assumptions

	2024	2023
	Rs.	Rs.
Retirement Age :	60 Years	60 Years

b) Assumed that the rate of employees turnover is ranging from 0% to 19% at different ages.

Age	20	25	30	35	40	45	50	55	59
Turnover	0%	11%	19%	13%	17%	10%	0%	1%	1%

c) Financial Assumptions

	2024	2023
	Rs.	Rs.
Discount Rate	11.20%	14.00%
Salary Increment Rate	8%	8%
Expected Average Future Working Life of Employees	6.5 years	6.25 years

NOTES TO THE FINANCIAL STATEMENTS

16.4 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions used, with all other variables held constant in the post employment benefit liability measurement, in respect of the year 2024.

The sensitivity of the Statement of Profit or Loss and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and post employment benefit obligation for the year.

Increase/(Decrease)		Group		Company	
		2024		2024	
		Effect on Income Statement (reduction) increase in results for the Year	Performa Post Employment Benefit Liability	Effect on Income Statement (reduction)/ increase in results for the Year	Performa Post Employment Benefit Liability
In Discount Rate	In Salary Increment Rate	Rs.	Rs.	Rs.	Rs.
-1%	-	3,810,307	83,676,198	1,541,283	42,199,660
1%	-	(3,437,623)	76,428,268	(1,415,411)	39,242,966
-	-1%	(3,318,769)	76,547,122	(1,277,979)	39,380,398
-	1%	(1,205,566)	78,660,325	(582,398)	40,075,979

16.5 Maturity analysis of the payment

The following payments are expected on employee benefit plan - Gratuity in future years.

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Within the next 12 Months	10,935,755	6,574,540	4,460,872	2,422,388
Between 1 and 2 years	46,953,339	42,489,459	33,895,536	31,115,146
Between 2 and 5 years	21,554,634	18,415,763	4,584,427	3,758,234
Between 5 and 10 years	86,545,924	81,355,236	27,263,947	24,898,661
Beyond 10 years	347,659,217	278,470,679	74,206,647	71,423,529
Total Expected payments	513,648,869	427,305,677	144,411,429	133,617,958

17. TRADE AND OTHER PAYABLES

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade Payables - Related Parties	-	-	-	-
Payable to Contractor	47,728,280	108,688,972	225,000	50,000
Others	-	40,909,088	-	-
	47,728,280	149,598,060	225,000	50,000
Other Payables	45,534,614	1,405,462	382,823	987,672
Sundry Creditors including Accrued Expenses	1,539,763,092	924,088,150	531,310,059	97,358,419
Total Expected payments	1,633,025,986	1,075,091,672	531,917,882	98,396,091

18. RENTAL AND CUSTOMER DEPOSITS

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Customer Deposits	2,347,618,742	2,060,352,336	1,069,230,748	1,407,911,912
	2,347,618,742	2,060,352,336	1,069,230,748	1,407,911,912
Classified Under:				
Current Liabilities	2,347,618,742	2,060,352,336	1,069,230,748	1,407,911,912
Non Current Liabilities	-	-	-	-

19. AMOUNTS DUE TO RELATED PARTIES

	Relationship	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Mireka Capital Land (Pvt) Ltd.	Subsidiary	-	-	-	35,137,409
Realty Management Services (Pvt) Ltd	Subsidiary	-	-	-	-
Havelock City (Pvt) Ltd.	Subsidiary	-	-	-	584,000
Mireka Homes (Pvt) Ltd.	Subsidiary	-	-	-	207,044,656
Management Corporation Condominium Plan 1824	Other Related Party	-	-	-	-
Shang Kwan Pte Ltd (Note 19.1 & 19.2)	Affiliate	770,905,940	3,136,383,937	-	-
Shang Kwan Investment (Singapore) Pte Ltd (Note 19.1 & 19.2)		14,266,061,193	15,524,224,873	-	-
Classified Under:		-	-	-	-
Current Liabilities		-	-	-	242,766,065
Non Current Liabilities		15,036,967,133	18,660,608,810	-	-
Total		15,036,967,133	18,660,608,810	-	242,766,065

19.1 Terms of the loans

Interest rate	3 months LIBOR + 2% p.a until 30.09.2024, thereafter 3 months SOFR + 2% p.a
Repayment of loan and interest	Within a period of 7 years from the date of commencement of commercial operations of the project or 31.12.2021 whichever occurs latter

19.2

Name of Related Party	Relationship	During the Year Transactions % of Equity	During the Year Transactions % of Total Assets	As At	Repayments	Interest Cost	Exchange Difference	As At	As At	As At
				01.01.2024				31.12.2024	31.12.2024	31.12.2023
				Rs.	Rs.	Rs.	Rs.	Rs.	USD	USD
Shang Kwan Pte Ltd	Affiliate	4.99%	4.74%	3,136,383,937	(2,238,301,134)	144,666,980	(399,644,976)	643,104,807	2,595,468	9,539,460
Shing Kwan Investment (Singapore) Pte Ltd	Affiliate	1.78%	1.69%	15,524,224,873	(798,690,526)	1,040,108,680	(1,371,780,701)	14,393,862,326	48,030,642	47,217,668
				18,660,608,810	(3,036,991,660)	1,184,775,660	(1,771,425,677)	15,036,967,133	50,626,110	56,757,128

NOTES TO THE FINANCIAL STATEMENTS

The Interest and the Exchange difference was capitalized to the Development Cost of the Havelock City (Pvt) Ltd's Commercial Complex during the construction Period.

Interest and Exchange differences have been charged to the income statement from 01.01.2023.

20. DIVIDEND PER SHARE AND DIVIDEND PAYABLE

Dividend per share is calculated by dividing the dividend paid/proposed for the year attributable to ordinary share holders of the Company by the weighted average number of ordinary shares outstanding during the year. Dividends on ordinary shares are recognised as a liability and deducted from equity when they are recommended and declared by the Board of Directors and approved by the shareholders. Interim dividends are deducted from Equity when they are declared and no longer at the discretion of the Company

Dividends for the year, that are approved after the reporting date and not provided for, are disclosed as an event after the reporting period in accordance with the Sri Lanka Accounting Standard – LKAS 10 on “Events after the Reporting Period” as stated in Note 30 on page 151.

Dividends for the year, that are approved after the reporting date and not provided for, are disclosed as an event after the reporting period in accordance with the Sri Lanka Accounting Standard – LKAS 10 on “Events after the Reporting Period” as stated in Note 30.

For the year ended 31st December	Note	2024 Rs.	2023 Rs.
Dividend paid/ proposed- during the year (20.1)	20.1	1,553,786,978	1,553,786,978
Weighted average number of ordinary shares		1,243,029,582	1,243,029,582
Dividend per share		1.25	1.25

20.1 Dividend Paid/ Proposed During the Year

	2024 Rs.	2023 Rs.
Final dividend of Rs. 1.25 per share declared/paid for 2023 and 2022 in 2024 and 2023 respectively.	1,553,786,978	1,553,786,978
	1,553,786,978	1,553,786,978

20.2 Dividends Payable as at the end of the Year

	2024 Rs.	2023 Rs.
Dividends on Ordinary Shares Unclaimed	30,187,041	35,291,664
	30,187,041	35,291,664

21. CASH AND SHORT TERM DEPOSITS

Year ended 31 December	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash and Bank Balances	1,246,353,421	813,817,542	139,585,813	118,422,004
Call Deposits and Fixed Deposits	2,942,134,205	3,505,164,227	2,346,949,002	2,982,655,209
	4,188,487,626	4,318,981,769	2,486,534,815	3,101,077,213
Bank Overdraft (Note 15.1.1)	(37,059,194)	(31,496,199)	-	-
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	4,151,428,432	4,287,485,570	2,486,534,815	3,101,077,213

22. FINANCE COST AND OTHER INCOME

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
22.1 Finance Cost				
Income from Investments	1,295,410,867	1,546,466,847	-	-
Amortization of Deferred Lease Interest				
Income on Rental Deposits	103,841,444	243,987,281	88,107,648	-
Interest Income - Related party loan	1,399,252,311	1,790,454,128	88,107,648	-
22.2 Finance Income				
Income from Investments	316,031,096	673,424,737	237,555,889	465,312,404
Amortization of Deferred Lease Interest				
Income on Rental Deposits	60,219,213	260,694,967	37,517,430	14,861,490
Interest Income - Related party loan	-	-	10,700,573	24,306,416
	376,250,309	934,119,704	285,773,892	504,480,310
22.3 Other Income				
Dividend Income	-	-	-	-
Club House Income & Other Income	99,040,122	77,620,244	-	-
	99,040,122	77,620,244	-	-

23. PROFIT BEFORE TAX

Stated after Charging /(Crediting)	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Directors Fee	5,200,000	3,175,000	5,200,000	3,175,000
Auditors Remuneration	6,250,000	5,314,250	2,411,000	2,128,000
Depreciation Charge for the Year	67,227,606	54,620,533	15,565,826	15,270,533
Exchange (Gain)/Loss	(1,733,157,445)	(2,429,361,262)	84,120,368	62,667,025
Employee Benefit Expenses Including the following;				
Staff salaries	695,937,566	517,258,183	159,762,009	159,986,807
Defined Benefit Plan Cost - Gratuity	26,278,789	20,365,504	11,292,403	11,930,313
Defined Contribution Plan Cost - EPF & ETF	79,495,563	63,385,647	16,314,360	15,345,184
Amortization	4,225,769	4,389,575	2,450,566	4,389,575

NOTES TO THE FINANCIAL STATEMENTS

24. TAX EXPENSES

The major components of income tax expense for the years ended 31 December 2024 and 31 December 2023 are as follows :

24.1 Statement of Profit or Loss

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Current Tax Expense (24.2)	302,706,557	326,336,034	114,454,537	189,364,254
Over Provision of Current Taxes in respect of Prior Year	11,516,558	(11,707,212)	9,394,934	(11,707,212)
Deferred tax:				
Recognition of Deferred Tax on Temporary Differences	91,221,289	143,491,612	21,276,973	5,444,837
Income Tax Expense Reported in the Statement of Profit or Loss	405,444,404	458,120,434	145,126,444	183,101,879

24.2 Reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Accounting Profit Before Tax	6,615,897,954	4,311,233,239	2,774,830,531	2,229,214,492
Income Exempted from Tax	(62,259,270)	(43,932,927)	(62,259,270)	(43,932,927)
Less : Other Income	(198,631,508)	(480,220,211)	(197,125,719)	(478,054,726)
Aggregate Disallowed Items	1,185,368,059	2,853,294,622	250,395,515	590,164,968
Aggregate Allowed Item	(3,645,660,508)	(3,821,385,730)	-	-
Net Profit /(Loss) from Trade	3,894,714,727	2,818,988,993	2,765,841,057	2,297,391,807
Other Income	276,377,923	686,157,347	197,125,719	478,054,726
Total Statutory Income	4,171,092,650	3,505,146,430	2,962,966,776	2,775,446,533
Less Tax Losses Claimed	(68,643,481)	(39,011,917)	-	-
Assessable Liabile Income	4,102,449,169	3,466,134,513	2,962,966,776	2,775,446,533
Income Tax at the Concession Rate 2%	55,316,821	45,947,836	55,316,821	45,947,836
Income Tax at the Concession Rate 15%	162,522,902	67,897,219	-	-
Income Tax at the Statutory Rate 30%	84,866,834	212,490,979	59,137,716	143,416,418
Current Tax Expense on Total Assessable income	302,706,557	326,336,034	114,454,537	189,364,254

24.3 The above current tax expense relates to the interest income and other miscellaneous income that are not covered by the tax concessions enjoyed by Overseas Realty (Ceylon) PLC and its subsidiaries as detailed in note 2.5.2.

24.4 The carried forward unutilized tax losses of the Company and Group respectively as at 31 December 2024 amounting to Nil and Rs.47 Mn (2023- Nil and Rs 423 Mn) respectively.

25. EARNINGS PER SHARE

25.1 Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

25.2 The following reflects the income and share data used in the earnings per share computation.

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Amounts Used as the Numerator				
Net Profit Attributable to Shareholders for Earnings Per Share	6,210,453,550	3,853,112,805	2,629,704,087	2,046,112,613
Number of Ordinary Shares Used as the Denominator				
Weighted Average Number of Ordinary Shares in Issue Applicable to Earnings Per Share (Note 25.3)	1,243,029,582	1,243,029,582	1,243,029,582	1,243,029,582
Earnings Per Share - Basic and Diluted (Rs.)	5.00	3.10	2.12	1.65

25.3 Weighted Average Number of Ordinary Shares in Issue Applicable to Earnings Per Share

	Group	
	2024	2023
	Rs.	Rs.
Ordinary Shares at the beginning of the year	1,243,029,582	1,243,029,582
Weighted Average Number of Ordinary Shares in Issue	1,243,029,582	1,243,029,582

26. RELATED PARTY DISCLOSURES

26.1 Transactions with Related Entities

26.1.1 Subsidiaries

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Amounts Receivable as at 1 January	-	-	5,000,000	18,252,426
Amounts Payable as at 1 January	-	-	(242,766,065)	(278,143,726)
Loan Interest	-	-	10,700,573	24,306,416
Reimbursement of Expenses	-	-	16,616,522	16,480,852
Consumables	-	-	1,143,087	1,806,603
Settlements	-	-	209,305,883	(20,468,636)
Amounts Receivable as at 31 December	-	-	-	5,000,000
Amounts Payable as at 31 December	-	-	-	(242,766,065)

The above transactions are included in Current Liabilities as Amounts Due to Related Parties and in Current Assets as Amounts due from Related Parties (Note 19 and Note 12.4 respectively).

NOTES TO THE FINANCIAL STATEMENTS

26.1.2 Affiliates

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Amounts Receivable as at 1 January	-	-	-	-
Amounts Payable as at 1 January	(18,660,608,810)	(19,566,086,530)	-	-
(Funds received) / Settlements	3,036,991,660	-	-	-
Interest Accrued	(1,184,775,660)	(1,334,804,249)	-	-
Exchange Gain/ (Loss)	1,771,425,677	2,240,281,969	-	-
Amounts Receivable as at 31 December	-	-	-	-
Amounts Payable as at 31 December	(15,036,967,133)	(18,660,608,810)	-	-

The above transactions are included in Non Current Liabilities as Amounts Due to Related Parties (Note 19)

26.1.3 The non-recurrent transactions are disclosed in note 19.1 and 19.2 as prescribed in Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Securities and Exchange Commission Act.

26.1.4 There were no recurrent related party transactions which in aggregate value exceeds 10% of the Company revenue as per financial statements ending December 31, 2024, which require additional disclosures in the 2024 annual report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Securities and Exchange Commission Act.

26.2 Transactions with Key Management Personnel of the Company or its Subsidiaries

a) The Key Management Personnel are the members of the Board of Directors, of the company and of its parent, and the Chief Executive Officer of the Group and the Management Committee.

Payments made to Key Management Personnel during the year were as follows:

	2024	2023
	Rs.	Rs.
Fees for Directors	5,200,000	3,175,000
Emoluments	134,194,202	106,362,977
Short Term Employment Benefits	7,020,000	7,922,000
Post Employment Benefits	10,424,178	14,222,848
Consultancy Fee	12,900,000	10,800,000
	169,738,380	142,482,825

27. COMMITMENTS

There have been no material capital expenditure commitments as of 31st December 2024.

28. CONTINGENCIES

Legal Claim:

The following entities in the Group are involved in legal actions described below. Although there can be no assurance, the Directors believe, based on the information currently available, that the ultimate resolution of such legal procedures would be favorable to the Company and therefore would not have an adverse effect on the results of operations or financial position.

The Company's subsidiary Mireka Capital Land (Pvt) Ltd was assessed for Value Added Tax (VAT) for periods between January 2006 and January 2009 amounting to Rs 190 Mn plus penalties. The Company appealed against same and filed a Writ Application in the Court of Appeal to prevent recovery action being taken by Authorities. The Company appealed at the Tax Appeal Commission (TAC) on the same matter and the TAC Determination has been issued dismissing the said appeal of the Company. The Company has appealed against the TAC Determination in the court of Appeal. Although there can be no assurance, the Directors believe, based on the expert advise received and the information currently available, that the ultimate resolution of the said legal proceedings would be favorable to the Company and therefore would not have an adverse effect on the results of operations or financial position.

The Company's' Subsidiary Mireka Homes (Pvt) Ltd (MHL) has been assessed for ESC amounting to Rs 2.9 Mn plus penalties and the Company has appealed against same. Further the Department of Inland Revenue has raised assessments disallowing input VAT of Rs 324 Mn and the Company has appealed at the Tax Appeal Commission and the TAC determination has been issued dismissing the said appeal of the company. The Company has appealed against the TAC Determination in the court of Appeal. Although there can be no assurance, the Directors believe, based on the information currently available, that the ultimate resolution of appeal / legal proceedings would be favorable to the Company and therefore would not have an adverse effect on the results of operations or financial position.

29. ASSETS PLEDGED

Company	Nature of the Asset	Nature of Liability	Land Extent			Group	
						Fair Value of the Assets pledged	
						2024	2023
Have lock City (Pvt) Ltd	Land and Building	Primary mortgage over loans and borrowings to the extent of Rs.9 Bn	A	R	P	Rs.	Rs.
			4	3	31.75	40,235,971,571	39,620,071,147

30. EVENTS OCCURRING AFTER THE REPORTING DATE

Pursuant to the resolution adopted on 20th March 2025, the Board of directors of the company recommended, a payment of a final dividend of Rs. 1,678,089,936 for the financial year ended 31 December 2024.

Except for the above, no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Board of Directors is supported by an Audit Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Audit Committee provides guidance to the Board of Directors that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with policies.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

31.1 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and unit prices will affect the Group's income or the value of its holdings of financial instruments.

An analysis of the carrying amount of financial instruments based on the currency they are denominated are as follows:

Group	Denominated in LKR	Denominated in USD
Cash at bank and in hand	90,088,517	307,732
Short term deposits	1,676,257,585	5,725,901
Interest Bearing Loans & Borrowings	15,036,967,133	50,626,110
Company		
Cash at bank and in hand	40,284,297	137,606
Short term deposits	1,071,948,398	3,661,651

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations. The Group manages its interest rate risk by monitoring and managing of cash flow, by keeping borrowings to a minimum and negotiating favorable rates on borrowings and deposits and by borrowing at fixed rates.

Financial Assets and Liabilities

Year ended 31 December	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Financial Assets	2,942,134,205	3,505,164,227	2,346,949,002	2,982,655,209
Financial Liabilities	125,214,754	991,845,920	-	-

Cash flow sensitivity analysis for financial instruments

Year ended 31 December		Effect on profit before tax		Effect on profit before tax	
		2024	2023	2024	2023
	Increase/Decrease	Rs.	Rs.	Rs.	Rs.
Financial Assets	+ - 1000 bp	29,421,342	35,051,642	23,469,490	29,826,552
Financial Liabilities	+ - 1000 bp	1,252,148	9,918,459	-	-

31.2 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

The following practice are implemented within the Group in order to manage credit risk related to receivables:

- Adequate customer deposits are collected from lessees of leased property.
- Outstanding customer receivables are regularly monitored with regular trade debtor review meetings.
- Contractual obligation to release assets only upon full payment of receivable, for related contracts and assets.

Credit quality information is provided in Note 11.

31.3 Liquidity risk

The Group monitors its risk to a shortage of funds by forecasting its operational cash requirements on an annual basis and forecasts cash flow requirements as per the project implementation period. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. Access to sources of funding is sufficiently available and financing for current operations is already secured.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

2024 Group

	On Demand Rs.	Less than 3 Months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	More than 5 years Rs.	Total Rs.
Trade and Other Payables (Note 17)	-	-	1,633,025,986	-	-	1,633,025,986
Amounts due to Related Parties (Note 19)	-	-	-	-	15,036,967,133	15,036,967,133
Interest Bearing Loans and Borrowings (Note 15.1)	-	-	125,214,754	-	-	125,214,754
Rental and Customer Deposit (Note 18)	-	265,885,530	243,648,157	1,760,895,544	77,189,511	2,347,618,742
	-	265,885,530	2,001,888,896	1,760,895,544	15,114,156,644	19,142,826,615

Company

	On Demand Rs.	Less than 3 Months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	More than 5 years Rs.	Total Rs.
Trade and Other Payables (Note 17)	-	-	531,917,882	-	-	531,917,882
Rental and Customer Deposit (Note 18)	-	265,885,530	243,648,161	559,697,057	-	1,069,230,748
	-	265,885,530	775,566,043	559,697,057	-	1,601,148,630

NOTES TO THE FINANCIAL STATEMENTS

2023 Group

	On Demand Rs.	Less than 3 Months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	More than 5 years Rs.	Total Rs.
Trade and Other Payables (Note 17)	-	-	1,075,091,672	-	-	1,075,091,672
Amounts due to Related Parties (Note 19)	-	-	-	-	18,660,608,810	18,660,608,810
Interest Bearing Loans and Borrowings (Note 15.1)	-	-	991,845,920	-	-	991,845,920
Rental and Customer Deposit (Note 18)	3,699,950	193,146,509	329,905,011	1,411,297,165	122,303,701	2,060,352,336
	3,699,950	193,146,509	2,396,842,603	1,411,297,165	18,782,912,511	22,787,898,738

Company

	On Demand Rs.	Less than 3 Months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	More than 5 years Rs.	Total Rs.
Trade and Other Payables (Note 17)	-	-	98,396,091	-	-	98,396,091
Amounts due to Related Parties (Note 19)	-	-	242,766,065	-	-	242,766,065
Rental and Customer Deposit (Note 18)	-	147,639,216	329,905,016	930,367,680	-	1,407,911,912
	-	147,639,216	671,067,172	930,367,680	-	1,749,074,068

32. CAPITAL MANAGEMENT

The stated capital of the Company, and Group reserves are given in Note 14.

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Group's capital management is to ensure that it remains within its quantitative banking covenants and maintains a strong credit rating. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2024.

33. FAIR VALUES

The carrying amounts of the Group's and Company's financial instruments by classes, that are not carried at fair value in the financial statements are not materially different from their fair values.

33.1 Determination of Fair Value and Fair Value Hierarchy

As at 31st December 2024, the Group and Company held the following assets carried at fair value on the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of these assets by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Level 1	Level 2	level 3	Total
Group				
As at 31.12.2023				
Investment Property - Land and Building	-	-	67,706,040,418	67,706,040,418
As at 31.12.2024				
Investment Property - Land and Building	-	-	69,565,766,248	69,565,766,248
Company				
As at 31.12.2023				
Investment Property - Land and Building	-	-	27,139,111,271	27,139,111,271
As at 31.12.2024				
Investment Property - Land and Building	-	-	28,225,904,193	28,225,904,193

33.2 Reconciliation of fair value measurement of "Level 3" assets

The reconciliation from the opening balance to the closing balance for level 3 fair values are shown below:

Investment Properties	Group	Company
Balance as at 01.01.2024	67,706,040,418	27,139,111,271
Additions/ Adjustments during the year	37,520,634	52,365,000
Fair value gain during the year	1,822,205,196	1,034,427,922
Balance as at 31.12.2024	69,565,766,248	28,225,904,193

SUPPLEMENTARY INFORMATION

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GROUP PERFORMANCE - TEN YEAR SUMMERY

Income Statement Rs. Mn	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Rental Revenue	5,246	3,463	2,387	2,083	2,261	2,409	2,334	2,090	1,886	1,962
Revenue from Other Services	985	450	267	481	344	414	351	292	259	205
Apartment Revenue	1,794	1,163	12,391	5,144	2,192	6,098	4,100	1,935	285	974
Total Revenue	8,024	5,076	15,046	7,708	4,797	8,922	6,785	4,317	2,431	3,141
Direct Operating Expenses	(2,014)	(1,421)	(839)	(974)	(757)	(833)	(768)	(695)	(615)	(548)
Cost of Sales of Apartment	(568)	(336)	(7,364)	(3,000)	(1,610)	(3,838)	(2,272)	(1,307)	(160)	(653)
Gross Profit	5,441	3,319	6,843	3,734	2,429	4,251	3,744	2,316	1,656	1,940
Fair Value Gain on Investment Property	1,822	499	317	(432)	(281)	774	1,223	1,191	1,267	1,175
Other Operating Expenses	(1,457)	(1,157)	(950)	(623)	(541)	(588)	(523)	(417)	(323)	(305)
Net Finance Income / (Expense)	(1,023)	(856)	586	113	210	212	253	450	277	169
Profit from Operating Activities	4,784	1,804	6,797	2,792	1,817	4,648	4,697	3,540	2,878	2,979
Other Income	99	78	39	23	20	4	41	41	85	84
Exchange Gain / (Loss)	1,733	2,429	189	18	9	(10)	222	175	11	10
Net Profit Before Tax	6,616	4,311	7,025	2,833	1,847	4,642	4,960	3,756	2,974	3,073
Income Taxes	(405)	(458)	(945)	(334)	(113)	(307)	(142)	(582)	(44)	(42)
Net Profit After Tax	6,210	3,853	6,079	2,499	1,734	4,336	4,817	3,173	2,930	3,031
Profit Attributable to Equity Holders of the Parent	6,210	3,853	6,079	2,499	1,734	4,336	4,817	3,173	2,911	2,991
Non-controlling Interest	-	-	-	-	-	-	-	-	19	40
	6,210	3,853	6,079	2,499	1,734	4,336	4,817	3,173	2,930	3,031
Statement of Financial Position										
Assets										
Non-Current Assets										
Investment Property	69,566	67,706	27,764	27,447	27,570	27,851	27,077	25,854	24,652	22,579
Property Plant & Equipment	1,500	1,449	39,669	26,856	20,215	12,100	5,965	3,799	1,782	1,598
Intangible Assets	7	7	7	11	16	11	0	1	2	12
Inventory	89	89	89	89	89	89	266	1,841	3,193	2,362
Deferred Tax Assets	11	22	138	116	142	139	170	154	149	29
	71,174	69,274	67,667	54,519	48,033	40,190	3,478	31,649	9,779	26,581
Current Assets										
Inventory	1,249	1,780	2,102	7,478	9,695	9,071	6,967	1,983	94	272
Trade & Other Receivables	2,735	2,859	4,321	5,743	4,089	4,468	4,688	2,445	1,456	892
Other Assets	-	-	-	-	372	217	-	-	-	-
Amounts due From Related Parties	-	-	-	-	-	-	-	-	-	1
Income Tax Recoverable	-	-	2	2	11	-	23	14	17	-
Short Term Investments	-	-	-	1,820	2,399	2,275	2,018	2,615	1,473	2,862
Cash & Short Term Deposits	4,188	4,319	4,300	1,696	1,307	1,012	2,877	4,817	1,344	1,666
	8,173	8,958	10,725	16,739	17,873	17,043	16,573	11,874	4,383	5,693
Total Assets	79,346	78,232	78,392	71,258	65,906	57,233	50,050	43,522	34,161	32,274

Income Statement Rs. Mn	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Equity & Liabilities										
Stated Capital	18,443	18,443	18,443	18,443	18,443	18,443	18,443	18,443	11,163	11,163
Revaluation Reserve	649	605	575	438	412	393	373	335	464	291
Retained Earnings	39,726	35,071	32,771	28,240	25,727	23,998	21,219	17,956	16,207	17,151
Equity Attributable to Equity Holders	58,819	54,119	51,790	47,121	44,582	42,834	40,035	36,734	27,833	28,605
Minority Interest	-	-	-	-	-	-	-	-	-	1,512
Total Equity	58,819	54,119	51,790	47,121	44,582	42,834	40,035	36,734	27,833	30,117
Non-Current Liabilities										
Interest Bearing Loans & Borrowings	-	-	-	-	-	-	-	-	-	46
Non Interest Bearing Borrowings & Loans	-	-	-	-	-	-	-	-	-	-
Post Employment Benefit Liability	80	57	58	57	60	48	40	30	27	27
Customer Deposit	-	-	-	-	-	1	1,138	735	1,215	323
Amounts due to Related Parties	15,037	18,661	19,566	10,053	9,149	4,426	1,050	825	759	-
Deferred Tax Liability	1,038	956	923	837	860	859	831	775	226	23
Total Non Current Liabilities	16,155	19,674	20,546	10,946	10,068	5,333	3,059	2,365	2,226	418
Current Liabilities										
Trade & Other Payables	1,633	1,075	1,398	2,819	2,425	2,980	2,812	1,301	780	782
Rental Income Received in Advance	-	-	-	-	-	-	-	131	105	-
Rental & Customer Deposits	2,348	2,060	1,247	1,937	1,212	1,217	1,080	927	856	875
Amounts Due to Related Parties	-	-	36	1	-	-	51	22	35	21
Interest Bearing Loans & Borrowings	125	992	2,686	8,102	7,471	4,692	2,914	2,007	2,304	50
Non Interest Bearing Borrowings & Loans	-	-	-	-	-	-	-	-	-	-
Income Tax Payable	237	278	657	308	123	152	79	19	8	4
Dividend Payable	30	35	31	24	24	25	21	16	13	7
Total Current Liabilities	4,373	4,440	6,056	13,191	11,256	9,066	6,956	4,424	4,101	1,739
Total Equity & Liabilities	79,346	78,232	78,392	71,258	65,906	57,233	50,050	43,522	34,161	32,274
Earnings Per Share	5.00	3.10	4.89	2.01	1.40	3.49	3.88	2.55	3.28	3.44
Earnings Per Share (Excluding Fair Value Loss)	3.53	2.70	4.64	2.36	1.62	2.87	2.89	1.59	1.85	2.09
Dividend Per Share	1.25	1.25	1.25	1.25	-	-	1.25	1.25	1.50	1.50
Net Asset Value Per Share	47.32	43.54	41.66	37.91	35.87	34.46	32.21	29.55	31.35	32.22
Share Value (High)	25.00	16.90	25.40	21.50	15.00	17.20	18.80	21.80	26.10	24.10
Share Value (Low)	17.00	14.50	11.00	13.80	12.10	14.20	15.30	16.80	19.30	20.50
Current Ratio	1.87	2.02	1.77	1.27	1.59	1.88	2.38	2.68	1.07	3.27
Return on equity (%)	11%	7%	12%	5%	4%	10%	13%	10%	10%	11%
Total Debt to Total Assets (%)	19%	25%	28%	25%	25%	16%	8%	7%	9%	0%
Debt Equity Ratio (%)	26%	36%	43%	39%	37%	21%	10%	8%	11%	0.2%
Return on Assets (%)	8%	5%	8%	4%	3%	8%	10%	8%	9%	10%
Asset Turnover (%)	10%	6%	20%	11%	8%	17%	15%	11%	7%	10%
Dividend Payout Ratio (%)	25%	40%	26%	62%	0%	0%	32%	49%	46%	44%

SHAREHOLDER INFORMATION

1. STATED CAPITAL

	31 December 2024	31 December 2023
Issued and Fully paid Capital (Rs.)	18,443,353,347	18,443,353,347
No of Shares	1,243,029,582	1,243,029,582
Class of Shares	Ordinary Shares	
Voting Rights	One Vote per Ordinary Share	

2. STOCK EXCHANGE LISTING

The issued ordinary shares of Overseas Realty (Ceylon) PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December 2024 and the Audited Statement of Financial Position at that date have been submitted to the Colombo Stock Exchange within three months of the reporting date.

3. ORDINARY SHAREHOLDERS AS AT 31ST DECEMBER 2024

The number of Share Holders as at 31st December 2024 was 4,607 (As at 31st December 2023 - 4,696).

Shareholdings	Resident			Non Resident			Total		
	No. of Shareholders	No. of Shares	Percentage (%)	No. of Shareholders	No. of Shares	Percentage (%)	No. of Shareholders	No. of Shares	Percentage (%)
1-1,000	2,590	733,212	0.06%	17	9,047	0.00%	2,607	742,259	0.06%
1,001-10,000	1,251	4,961,956	0.40%	12	45,937	0.00%	1,263	5,007,893	0.40%
10,001-100,000	567	18,524,567	1.49%	15	630,658	0.05%	582	19,155,225	1.54%
100,001-1,000,000	121	34,851,247	2.80%	10	3,503,893	0.28%	131	38,355,140	3.09%
Over 1,000,000	16	89,377,836	7.20%	8	1,090,391,229	87.72%	24	1,179,769,065	94.91%
	4,545	148,448,818	11.95%	62	1,094,580,764	88.05%	4,607	1,243,029,582	100.00%

Categories of Shareholders

Category	As of 31 December 2024		As of 31 December 2023	
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
Individual	4,344	91,554,345	4,437	85,189,182
Institutional	263	1,151,475,237	259	1,157,840,400
	4,607	1,243,029,582	4,696	1,243,029,582

4. SHARE TRADING INFORMATION

	31 December 2024		31 December 2023	
	Date	Price (Rs.)	Date	Price (Rs.)
Highest	31.12.2024	25.00	02.08.2023	18.40
Lowest	19.01.2024	14.50	16.02.2023	13.80
Closing Price	31.12.2024	24.50	31.12.2023	15.00

	31 December 2024	31 December 2023
Number of Transactions	8,745	6,681
Number of Shares Traded	226,227,694	18,572,577
Value of Shares Traded (Rs.)	4,187,773,326	291,721,864

5. MARKET CAPITALISATION

Market Capitalisation of the Company which is the number of Ordinary Shares in Issue multiplied by the Market value of a share as at end of the year was Rs. 30.5 Bn (2023 - Rs. 18.6 Bn).

6. DIVIDENDS

	31 December 2024	31 December 2023
Dividends Per Share (Rs.)	1.25	1.25
Dividends Payment (Rs.)	1,553,786,978	1,553,786,978
Dividend Payout (%)	25%	40%

7. DIRECTOR'S SHAREHOLDINGS

The Shareholding of the Directors at the beginning and at the end of the year was as follows:

Name of Director	31 December	31 December
	2024	2023
	No of Shares	No of Shares
Mr. A.M. De S. Jayaratne	Nil	Nil
Mrs. Mildred Tao Ong	Nil	Nil
Mr. Yap Boh Pin	N/A**	Nil
Mrs. R.L. Nanayakkara	N/A**	Nil
Mr. L. R. de Lanerolle	Nil	Nil
Mr. T.K. Bandaranayake	N/A**	Nil
Mr. En Ping Ong	20,914,890	20,914,890
Dr. Raneer Jayamaha	Nil	Nil
Mr. P. D. Samarasinghe	15,892,093	15,892,093
Mr. Ben Nien Benny Tao	Nil	Nil
Mr. Brian Tao	Nil	Nil
Dr. A. R. Wikramanayake	Nil	Nil
Mr. C.N. S. Mendis	Nil	N/A***
Mr. P.Y.S. Perera	Nil	N/A***
Mr. I. A. Wickramasinghe	Nil	N/A***

**Mrs. R. L. Nanayakkara retired from the Board on 21.02.2024, Mr. Yap Boh Pin retired from the Board on 24.07.2024. Mr. T. K. Bandaranayake retired from the Board on 23.10.2024.

*** Mr. C.N.S. Mendis was appointed to the Board on 21.02.2024. Mr. P.Y.S. Perera was appointed to the Board on 24.07.2024. Mr. I.A. Wickramasinghe was appointed to the Board on 23.10.2024.

SHAREHOLDER INFORMATION

8. TOP TWENTY SHAREHOLDERS AS AT 31ST DECEMBER 2024

NAME	As at 31 December 2024		As at 31 December 2023	
	Number of Shares	%	Number of Shares	%
Shing Kwan Investment Company Limited	477,655,116	38.43	477,655,116	38.43
Unity Builder Limited	231,951,090	18.66	231,951,090	18.66
Orthopaedic Clinic (Pte.) Ltd	163,032,386	13.12	-	-
Peeli Limited	151,835,993	12.21	151,835,993	12.21
Shing Kwan Investment (Singapore) Pte Ltd	38,323,522	3.08	38,323,522	3.08
Peoples Bank Manager-Treasury-Ops	30,538,203	2.46	30,538,203	2.46
Mr. E.P. Ong	20,914,890	1.68	20,914,890	1.68
Mr. P.D. Samarasinghe	15,892,093	1.28	15,892,093	1.28
Employees Trust Fund Board	10,029,468	0.81	10,413,768	0.84
J.B. Cocoshel (Pvt) Ltd	5,559,256	0.45	3,061,374	0.25
Able Trend Ventures Limited	5,020,000	0.40	5,020,000	0.40
Sri Lanka Insurance Corporation Ltd-Life Fund	4,649,218	0.37	4,649,218	0.37
Seylan Bank PLC/Aarc Capital (Pvt) Ltd	3,929,918	0.32	-	-
Bank Of Ceylon No2 A/C, C/O BOC Pension Trust Fund	2,877,474	0.23	3,177,474	0.26
Debug Investments (Pvt) Ltd	2,500,000	0.20	-	-
Mr. M.A. Jaferjee	2,335,088	0.19	-	-
Mr. A.M. Weerasinghe	2,052,073	0.17	-	-
Deutsche Bank As As Trustee To Assetline Income PG	1,800,000	0.14	-	-
Hatton National Bank PLC/Dinesh Nagendra Sellamuttu	1,765,880	0.14	-	-
Mr. Pujitha Punsiri Subasinghe	1,689,499	0.14	-	-
Total	1,174,351,167	94.48	993,432,741	79.92
Balance held by other Shareholders	68,678,415	5.52	249,596,841	20.08
Total number of Ordinary Shares	1,243,029,582	100.00	1,243,029,582	100.00
Public Holding	138,404,492	11.48	142,658,702	11.48
Others	1,104,625,090	88.52	1,100,370,880	88.52
Total	1,243,029,582	100.00	1,243,029,582	100.00

9. PUBLIC SHAREHOLDING

	31 December 2024	31 December 2023
Parent/Group/Subsidiary	No. of Shares	No. of Shares
Shing Kwan Investments Company Limited	477,655,116	477,655,116
Unity Builders Limited	231,951,090	231,951,090
Shing Kwan (Pte) Ltd	-	158,778,176
Peeli Ltd	151,835,993	151,835,993
Shing Kwan Investment (Singapore) Pte Ltd	38,323,522	38,323,522
Able Trend Ventures Limited	5,020,000	5,020,000
Orthopaedic Clinic (Pte.) Ltd	163,032,386	-
	1,067,818,107	1,063,563,897
Issued number of ordinary shares as at 31 December	1,243,029,582	1,243,029,582
Less		
Parent/Group	477,655,116	477,655,116
Subsidiaries or Associate Companies of Parent	590,162,991	585,908,781
Holding of 10% or More - Jointly or Severally	-	-
Directors' Shareholding	36,806,983	36,806,983
Spouses of Directors and CEO	-	-
Public Holding	138,404,492	142,658,702
Public Holding as a percentage of Issued Ordinary Shares	11.13%	11.48%
Float adjusted Market Capitalization	Rs.3.3 Bn	Rs.2.1 Bn
In terms of Rule 7.13.1(b) of the Listing Rules of the CSE, the Company qualifies under option 1 of the minimum public holding requirement	7.5%	7.5%
Public Holding as a % of issued Share Capital	11.13%	11.48%
Number of Public Shareholders	4,607	4,696

GLOSSARY OF FINANCIAL TERMS

Net Asset Value Per Share

Net assets at the year-end divided by the number of shares in issue.

Current Ratio

Total Current Assets divided by total Current Liabilities.

Return on Equity

Profit Attributable to Equity Holders divided by Average Equity Attributable to Equity Holders of the Parent.

Total Debt to Total Assets

Total Liabilities divided by total Assets.

Debt Equity Ratio

Total Interest Bearing Loans and Borrowing divided by Equity Attributable to Equity Holders of the Parent.

Return on Assets

Profit Attributable to Equity Holders divided by Average Assets.

Asset Turnover

The amount of sales generated for every rupee worth of assets. It is calculated by dividing total Revenue by total Average Assets.

Dividend Payout Ratio

The percentage of earnings paid to shareholders in dividends.

Price Earning Ratio

"Price Earning Ratio" measures a Company's current stock price relative to its Earnings Per Share (EPS).

GROUP REAL ESTATE PORTFOLIO

Location	Land Extent			Market Value (Rs. Mn)	Category	No of Building	Building Area (Sqft)
	A	R	P				
Echelon Squire, Colombo 01. WTC Building	2	-	-	29,357	Investment Property / Property Plant & Equipment	1	976,538
No 324, Havelock City, Colombo 06. Clubhouse Building	-	3	22	2,299	Property Plant & Equipment	1	45,130
No 324, Havelock City, Colombo 06. Havelock City Commercial	4	3	32	40,236	Lease Hold Land/ Investment Property	2	1,205,030
No 324, Havelock City, Colombo 06. Mireka Capital Land	-	3	27	89	Inventory – Long term Assets	-	-
No 414/1, Dodanduwa Road, Galle. Dodanduwa Land	2	0	39	454	Investment Property	-	-

GRI CONTENT INDEX

Statement of use	Overseas Realty (Ceylon) PLC has reported in accordance with the GRI Standards for the period from 1st January 2024 to 31st December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us (Page 3), About This Report (Page 5)
	2-2 Entities included in the organization's sustainability reporting	About Us (Page 3), About This Report (Page 5)
	2-3 Reporting period, frequency and contact point	About This Report (Page 5)
	2-4 Restatements of information	About This Report (Page 5)
	2-6 Activities, value chain and other business relationships	About Us (Page 3)
	2-7 Employees	Human Capital (Page 38)
	2-8 Workers who are not employees	Human Capital (Page 38)
	2-9 Governance structure and composition	Corporate Governance (Page 53)
	2-10 Nominations and selection of the highest governance body	Corporate Governance (Page 74)
	2-11 Chair of the highest governance body	Corporate Governance (Page 55)
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance (Page 54)
	2-13 Delegation of responsibility for managing impacts	Corporate Governance (Page 54)
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance (Page 82)
	2-15 Conflicts of interest	Corporate Governance (Page 56)
	2-16 Communication of critical concerns	Corporate Governance (Page 77)
	2-17 Collective knowledge of the highest governance body	Corporate Governance (Page 72)
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance (Page 75)
	2-19 Remuneration policies	Corporate Governance (Page 75)
	2-20 Process to determine remuneration	Corporate Governance (Page 75)
	2-23 Policy commitments	Corporate Governance (Page 56)
2-24 Embedding policy commitments	Corporate Governance (Page 56)	
2-27 Compliance with laws and regulations	Corporate Governance (Page 52)	
2-28 Membership associations	About Us (Page 3)	
2-29 Approach to stakeholder engagement	Responding to Our Stakeholders (Page 18)	
2-30 Collective bargaining agreements	Human Capital (Page 42)	
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Determining Materiality (Page 22)
	3-2 List of material topics	Determining Materiality (Page 22)
Anti-corruption		
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Human Capital (Page 43)
Tax		
GRI 207: Tax 2019	207-1 Approach to tax	Financial Capital (Page 29)
	207-2 Tax governance, control, and risk management	Risk Management Report (Page 84)
	207-3 Stakeholder engagement and management of concerns related to tax	Responding to Our Stakeholders (Page 21)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital (Page 45)
	302-4 Reduction of energy consumption	Natural Capital (Page 45)
	302-5 Reductions in energy requirements of products and services	Natural Capital (Page 45)
Water and effluents		
	303-4 Water discharge	Natural Capital (Page 47)
	303-5 Water consumption	Natural Capital (Page 47)
Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital (Page 46)
	306-2 Management of significant waste-related impacts	Natural Capital (Page 46)
	306-3 Waste generated	Natural Capital (Page 46)
	306-4 Waste diverted from disposal	Natural Capital (Page 46)
	306-5 Waste directed to disposal	Natural Capital (Page 46)
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital (Page 40)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital (Page 41)
	401-3 Parental leave	Human Capital (Page 41)
Occupational health and safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital (Page 41)
	403-5 Worker training on occupational health and safety	Human Capital (Page 42)
Training and education		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital (Page 42)

NOTICE OF MEETING

Notice is hereby given that the Forty Third (43rd) Annual General Meeting of OVERSEAS REALTY (CEYLON) PLC will be held on Wednesday, 23rd April 2025 at 10.00 a.m. at the Pavilion Hall, Havelock City Club House, No. 324, Havelock Road, Colombo 06, for the following purposes:

AGENDA

1. To receive and consider the Report of the Board of Directors and the Financial Statement as at 31st December 2024 and the Report of the Auditors thereon.
2. To declare a First and Final dividend of Rs. 1.35 per Ordinary Share as recommended by the Board of Directors.
3. To propose and adopt the following Ordinary Resolutions;
 - (I) That the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to **AJIT MAHENDRA DE SILVA JAYARATNE**, who attained the age of 70 years on 30th April 2010 and that he be re-elected as a Director of the Company.
 - (II) That the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to **LESLIE RALPH DE LANEROLLE**, who attained the age of 70 years on 5th January 2013 and that he be re-elected as a Director of the Company.
 - (III) That the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to **MILDRED TAO ONG**, who attained the age of 70 years on 28th February 2019 and that she be re-elected as a Director of the Company.
 - (IV) That the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to **RANEE JAYAMAHA**, who attained the age of 70 years on 27th May 2019 and that she be re-elected as a Director of the Company.
4. To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors to the Company and to authorize the Directors to determine their remuneration.

By Order of the Board
Overseas Realty (Ceylon) PLC



Laknathi Perera
Company Secretary

Colombo on this 20th March 2025

CORPORATE INFORMATION

Legal Form

A Quoted Public Company with limited liability, incorporated in Sri Lanka on 28th October 1980 under the Companies Ordinance (Cap.145) bearing Company Registration No.PBS 1084 and listed on the Colombo Stock Exchange. The Company was re-registered under Companies Act No. 7 of 2007 and bears the Company Registration No. PQ 39.

Directors

Ajit Mahendra De Silva Jayaratne - Chairman
Mildred Tao Ong
Leslie Ralph de Lanerolle
En Ping Ong
Dr. Ranee Jayamaha
Pravir Dhanoush Samarasinghe
Ben Nien Tao
Brian Tao
Dr. Arittha Rahula Wikramanayake
Carl Noel Shamil Mendis*
P. Yohan S. Perera*
Indrajit A. Wickramasinghe*

Audit Committee

P. Yohan S. Perera - Chairman
Indrajit A. Wickramasinghe
Ajit Mahendra De Silva Jayaratne

Remuneration Committee

Carl Noel Shamil Mendis - Chairman
Indrajit A. Wickramasinghe
Dr. Arittha Rahula Wikramanayake
En Ping Ong
Ajit Mahendra De Silva Jayaratne

Related Party Transactions Review Committee

Indrajit A. Wickramasinghe - Chairman
P. Yohan S. Perera
Ajit Mahendra De Silva Jayaratne
Dr. Ranee Jayamaha

Nominations and Governance Committee

Dr. Aritha Rahula Wikramanayake - Chairman
Carl Noel Shamil Mendis
Ajit Mahendra De Silva Jayaratne
Dr. Ranee Jayamaha
En Ping Ong

Company Secretary

Laknadhi Tanusha Perera - Attorney - at - Law

Auditors

Messrs. Ernst & Young - Chartered Accountants

Registrars

S S P Corporate Services
(Private) Limited

Registered Office

Overseas Realty (Ceylon) PLC
18-01 - East Tower
World Trade Center
Echelon Square
Colombo 01

Tel: +94 011 2346333

Subsidiaries

Realty Management Services (Pvt) Ltd
Mireka Capital Land (Pvt) Ltd
Mireka Homes (Pvt) Ltd
Havelock City (Pvt) Ltd
Mireka Residencies (Pvt) Ltd
Mireka Property (Pvt) Ltd
Overseas Realty Investments (Pvt) Ltd
Overseas Realty Trading (Pvt) Ltd

Websites

www.orcl.lk
www.wtc.lk
www.havelockcity.lk
www.mirekatower.lk
www.havelockcitymall.lk

*Note

Mr. Carl Noel Shamil Mendis was appointed to the Board on 21.02.2024
Mr. P. Yohan S. Perera was appointed to the Board on 24.07.2024
Mr. Indrajith A. Wickramasinghe was appointed to the Board on 23.10.2024

