First Corporate Solutions Ltd- PB 4606

No.540, R.A. De Mel Mawatha, Colombo 03, Sri Lanka. Contact No: 0112559800
e-mail: firstcorp@sltnet.lk

1st September 2025,

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange,
No. 4-01, West Block, World Trade Centre, Echelon Square.
Colombo 1.

Dear Madam,

Millenium Housing Developers PLC
Errata – Correction to the Pages in the Audited Financial Statements for the Year ended 31st March 2025.

This Errata is issued to correct an unintended typo error in figures disclosed in the Financial Statements for the year ended 31st March 2025.

- Page No 1 – corrected as Note 34 (instead of Note 35).
- Page No 7- Current Loans and borrowings of Comparative figures of Company Balance sheet corrected as Rs. 72,282,600/- (instead of Rs. 72,282,604/-).
- Page No 9 – Net cash from operating activities of Company Cash flow corrected as Rs. 77,978,376/- (instead of Rs. 77,978,380/-).
- Note No 22.1 in Page No 37 - Company Loans and Borrowings Comparative figure corrected as Rs. 244,891,304/- (instead of Rs. 254,891,304/-)
- Note No 22.1.2 in Page No 38 - Company Loans and Borrowings Comparative figure corrected as Rs. 244,891,304/- (instead of Rs. 254,891,308/-)

While regretting the error, corrected figures are now duly updated in the attached Page numbers 01,07,09,37, and 38.
This correction does not impact the material aspects of the Financial Statements. However, in the interest of full transparency and regulatory compliance, this Errata is being issued and shall be appended to the original Financial Statements as part of the record.

Thanking You.,
Yours faithfully,
By order of The Board of Millennium Housing Developers PLC

First Corporate Solutions Ltd.
PB 4605
Company Secretary

Deepthi Herath
Director First Corporate Solutions Ltd
Company Secretaries

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MILLENNIUM HOUSING DEVELOPERS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Millennium Housing Developers 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 31st March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory 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 of 31st March 2025, and of their financial performances and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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.

Material Uncertainty Related to Going Concern

We draw attention to Note 34 of the financial statements, which indicates that the Company's current liabilities have exceeded its current assets by Rs. 72,075,726/-and reported accumulated losses of Rs. 121,171,219/- as at 31st March 2025. Further, as stated in Note 22 the Group has not been able to comply with loan covenants for which recovery actions were undertaken by lender. In addition, the subsidiaries have not engaged in any continuing revenue-generating projects during the year ended 31st March 2025 and the subsequent period up to the date of signing these financial statements. As stated in Note 34, these events or conditions, along with other matters as set forth in Note 34, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

MILLENNIUM HOUSING DEVELOPERS PLC
STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Assets					
Property, plant and equipment	**11**	**11,692,052**	19,001,100	**10,325,899**	16,461,487
Investment property	**12**	**200,000,000**	195,000,000	**-**	-
Intangible assets	**13**	**-**	14,164	**-**	2,500
Investment in subsidiaries	**14**	**-**	-	**278,628,770**	278,628,770
Financial assets - FVOCI	**15**	**10,740,129**	6,160,200	**10,740,129**	6,160,200
Deferred tax assets	**23**	**1,896,667**	-	**1,896,667**	856,044
Total non-current assets		**224,328,848**	220,175,464	**301,591,465**	302,109,001
Inventories	**16**	**1,145,000,362**	1,647,016,795	**283,670,225**	384,877,519
Trade and other receivables	**17**	**80,845,691**	77,968,108	**40,344,405**	43,210,680
Amounts due from related companies	**18**	**7,336,738**	11,601,961	**50,193,059**	29,907,766
Cash and cash equivalents	**19**	**280,834,596**	25,576,730	**15,820,359**	18,487,017
Total current assets		**1,514,017,387**	1,762,163,594	**390,028,048**	476,482,982
Total assets		**1,738,346,235**	1,982,339,058	**691,619,513**	778,591,983
Equity					
Stated capital	**20**	**293,802,200**	293,802,200	**293,802,200**	293,802,200
Reserves	**21**	**17,790,613**	13,210,684	**17,790,613**	13,210,684
Retained earnings / (Accumulated losses)		**385,132,754**	339,944,254	**(121,171,219)**	(127,339,544)
Equity attributable to owners of the Company		**696,725,567**	646,957,138	**190,421,594**	179,673,340
Total equity		**696,725,567**	646,957,138	**190,421,594**	179,673,340
Loans and borrowings	**22**	**31,862,706**	72,282,600	**31,862,706**	72,282,600
Deferred tax liabilities	**23**	**47,317,395**	14,225,508	**-**	-
Retirement benefit obligation	**24**	**7,283,032**	6,304,597	**7,231,439**	5,199,404
Total non-current liabilities		**86,463,133**	92,812,705	**39,094,145**	77,482,004
Trade and other payables	**25**	**453,777,291**	512,156,154	**185,609,569**	237,109,676
Loans and borrowings	**22**	**444,966,173**	582,454,509	**157,999,996**	172,608,704
Amounts due to related companies	**26**	**20,048,626**	81,366,605	**118,494,209**	83,431,951
Current tax liabilities		**1,401,198**	1,401,200	**-**	-
Bank overdraft	**19**	**34,964,247**	65,190,747	**-**	28,286,308
Total current liabilities		**955,157,535**	1,242,569,215	**462,103,774**	521,436,639
Total liabilities		**1,041,620,668**	1,335,381,920	**501,197,919**	598,918,643
Total equity and liabilities		**1,738,346,235**	1,982,339,058	**691,619,513**	778,591,983

The notes form an integral part of these financial statements.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

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A.G.A.Kumarasinghe
Finance Manager

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

Approved and signed for and on behalf of the Board ;

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U.H. Dharmadasa	**K.C.C. Perera**
Chairman	Director

29th August 2025
Colombo, Sri lanka

MILLENNIUM HOUSING DEVELOPERS PLC
STATEMENT OF CASH FLOWS

		Group		Company	
For the year ended 31st March 2025	**Note**	**2025**	2024	**2025**	2024
		Rs.	Rs.	**Rs.**	Rs.
Cash flows from operating activities					
Profit/ (loss) before tax		**80,431,753**	(185,686,105)	**8,913,660**	(134,985,554)
Adjustments for:					
Depreciation on property, plant and equipment	**11**	**6,499,853**	7,376,723	**5,326,393**	5,804,852
Fair value gain on investment property	**12**	**(5,000,000)**	(22,500,000)	**-**	-
Amortisation on intangible assets	**13**	**14,164**	52,496	**2,500**	16,558
Depreciation on right of use assets	**28.1**	**-**	2,153,728	**-**	2,153,728
Finance costs	**8**	**78,101,846**	135,251,134	**28,773,903**	55,193,258
Gain on Loan modification of loans and borrowings	**8**	**(25,260,955)**	-	**(25,260,955)**	-
Retirement benefit obligation expense	**24**	**1,529,060**	3,187,077	**1,138,446**	2,127,892
Impairment losses on inventories	**16**	**221,725**	372,353	**66,485**	198,065
Impairment on investment in subsidiary	**14**	**-**	-	**-**	(904,016)
Provision for due from related parties	**18**	**4,638,096**	-	**(5,528,512)**	7,100,060
Gain on disposal of right of use assets	**28.1**	**-**	(3,217,485)	**-**	(3,217,485)
Gain on disposal of property plant and equipments	**11**	**(1,115,306)**	-	**(1,115,306)**	-
Interest Income	**8**	**(1,472,917)**	(765,644)	**(745,372)**	(646,402)
Write off trade receivable	**7**	**1,519,840**	-	**-**	-
Operating profit / (loss) before working capital changes		**140,107,159**	(63,775,723)	**11,571,242**	(67,159,044)
Decrease / (Increase) in inventories		**501,794,708**	17,224,622	**101,140,809**	(5,884,392)
(Increase) /Decrease in trade and other receivables		**(822,985)**	67,974,952	**2,866,281**	20,261,299
(Increase) in amounts due from related companies		**(372,873)**	125,242	**(14,756,781)**	(31,207,389)
(Decrease) / Increase in trade and other payables		**(25,484,908)**	(42,805,556)	**(10,173,458)**	49,219,910
(Decrease)/ Increase in amounts due to related companies		**(61,317,979)**	76,455,892	**35,062,258**	50,466,456
Cash generated from / (used in) operating activities		**553,903,122**	55,199,429	**125,710,351**	15,696,840
Gratuity paid	**24**	**(4,598,657)**	(6,590,864)	**(2,892,370)**	(5,245,464)
Interest paid	**8**	**(89,309,287)**	(23,515,826)	**(44,839,605)**	(14,218,317)
Net cash from / (used in) operating activities		**459,995,178**	25,092,738	**77,978,376**	(3,766,941)
Cash flows from investing activities					
Acquisition of property, plant and equipment	**11**	**(45,805)**	(833,468)	**(45,805)**	(258,468)
Proceeds from sale of property, plant and equipment	**11**	**1,970,309**	-	**1,970,309**	-
Interest received	**8**	**1,472,917**	765,644	**745,372**	646,402
Net Cash from/ (used in) investing activities		**3,397,421**	(67,824)	**2,669,876**	387,934
Cash flows from financing activities					
Re-payment of borrowings	**22**	**(177,908,233)**	(34,740,123)	**(55,028,602)**	(10,000,000)
Lease rentals paid	**28.2**	**-**	(2,600,000)	**-**	(2,600,000)
Net Cash used in financing activities		**(177,908,233)**	(37,340,123)	**(55,028,602)**	(12,600,000)
Net increase/ (decrease) in cash and cash equivalents		**285,484,366**	(12,315,209)	**25,619,650**	(15,979,006)
Cash and cash equivalents at the beginning of the year		**(39,614,017)**	(27,298,808)	**(9,799,291)**	6,179,715
Cash and cash equivalents at the end of the year	**19**	**245,870,349**	(39,614,017)	**15,820,359**	(9,799,291)

The Notes to the Financial Statements form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

As at 31st March,

21 Reserves

As at 31 March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Capital redemption reserve **(Note 21.1)**	**25,000,000**	25,000,000	**25,000,000**	25,000,000
Fair value reserve **(Note 21.2)**	**(7,209,387)**	(11,789,316)	**(7,209,387)**	(11,789,316)
	17,790,613	13,210,684	**17,790,613**	13,210,684

21.1 Capital redemption reserve

Capital redemption reserve built is equal to the nominal value of the preference shares already redeemed by Millennium Housing Developers PLC.

21.2 Fair value reserve

Fair value through other comprehensive income comprises of the cumulative net change in fair value of equity instruments until the investment are derecognised or impaired.

22 Loans and borrowings

As at 31 March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Bank Loans **(Note 22.1)**	**476,828,879**	654,737,109	**189,862,702**	244,891,304
	476,828,879	654,737,109	**189,862,702**	244,891,304
Amount payable within one year	**444,966,173**	582,454,509	**157,999,996**	172,608,704
Amount payable after one year	**31,862,706**	72,282,600	**31,862,706**	72,282,600
	476,828,879	654,737,109	**189,862,702**	244,891,304

22.1 Long term loan movement during the year

	Group 2025	Group 2024	Company 2025	Company 2024
Balance at the beginning of the year	**654,737,109**	689,477,232	**244,891,304**	244,891,304
Repayment during the year	**(177,908,230)**	(34,740,123)	**(55,028,602)**	-
Balance at the end of the year	**476,828,879**	654,737,109	**189,862,702**	244,891,304

22.1 Bank loans

	Group 2025	Group 2024	Company 2025	Company 2024
Sampath Bank PLC - Loan 01 **(Note 22.1.1)**	**286,966,177**	286,966,177	-	-
Sampath Bank PLC - Loan 02	**-**	122,879,628	-	-
Nation Trust Bank PLC **(Note 22.1.2)**	**189,862,702**	244,891,304	**189,862,702**	244,891,304
	476,828,879	654,737,109	**189,862,702**	244,891,304

22.1.1 Sampath Bank PLC - Loan 01

Company	**Lender**	**Interest rate**	**Repayment terms**	**Outstanding as at 31.03.2025 Rs.**	**Outstanding as at 31.03.2024 Rs.**	**Security**
MC Urban Developers Limited	Sampath Bank PLC	AWPLR+2%	On Demand	**286,966,177**	286,966,177	Primary Mortgage of land owned by MC Urban Developers Limited,

Interest payable of Rs. 98,686,036- and capital payable of Rs. 286,966,177/- Mn on the facilities obtained by MC Urban Developers Limited from Sampath Bank PLC remained unpaid as at 31st March 2025. As a result debt recovery action was initiated by the bank. A public auction was held on 28th December 2023 to sell the mortgaged property and no buyers were found as at that date and till the date of the approval of these Financial Statements.

22 Interest bearing borrowings (Continued)

22.1.2 Nation Trust Bank PLC

Company	Lender	Interest rate	Repayment terms	Outstanding as at 31.03.2025 Rs.	Outstanding as at 31.03.2024 Rs.	Security
Millenium Housing Developers PLC	Nation Trust Bank PLC	AWPLR + 2% per annum (To be reviewed every three months from the loan granted date)	The loan is repayable over approximately 20 months starting from 9th February 2025, with monthly capital instalments of Rs. 3 million, Rs. 5 million, and Rs. 8 million across three six-month periods. Final repayments of Rs. 12 million and Rs. 11.99 million are due in August and September 2026, respectively.	**189,862,702**	244,891,304	Primary Mortgage Bond for Rs. 300 Mn over property depicted as Lot 1 in survey plan No.3619 and debt service reserve account with one month capital of Rs. 5 Mn and interest held under lien to the bank.

The loan was restructured on 9th February 2025, and a penalty interest of Rs. 25,260,955, was fully waived. This waiver was recognised as finance income in the statement of profit or loss for the period. The revised terms and conditions of the loan are disclosed above.
Following the restructuring, the loan was carried at Rs. 189,862,702, with accrued interest of Rs. 2,827,744 included under other payables. The loan was fully settled on 25th July 2025, including all outstanding capital and interest payables.

23 Deferred tax assets / (liabilities)

	Group		Company	
	2025 Rs.	2024 Rs.	**2025 Rs.**	2024 Rs.
At the beginning of the year	**(14,225,508)**	(12,898,316)	**856,044**	1,987,300
Recognized in the Profit and Loss				
Origination of temperary differnces	**(32,409,629)**	(1,202,934)	**(95,164)**	(1,502,843)
Recognized in other comprehensive income				
Reversal /(origination) of temperary differnces	**1,214,410**	(124,258)	**1,135,788**	371,587
Balance as at end of the year	**(45,420,727)**	(14,225,508)	**1,896,667**	856,044

23.1 Deferred tax assets/ (liabilities) have been recognized in respect of the following and it has been calculated by applying the effective tax rate (30%) of respective companies in the group which are liable for income tax.

23.2 Deferred tax liabilities

	Group			
	2025		2024	
	Temporary Difference Rs.	**Tax effect Rs.**	Temporary Difference Rs.	Tax effect Rs.
On property, plant and equipment	**(407,404)**	**(122,221)**	(3,798,078)	(1,139,423)
On retirement benefit obligation	**51,592**	**15,478**	6,304,597	1,891,379
On fair value of investment property	**(163,601,000)**	**(49,080,300)**	(158,601,000)	(47,580,300)
On accumulated tax losses	**6,232,163**	**1,869,649**	108,676,122	32,602,836
	(157,724,649)	**(47,317,395)**	(47,418,359)	(14,225,508)

23.3 Deferred tax assets

	Group			
	2025		2024	
	Temporary Difference Rs.	**Tax effect Rs.**	Temporary Difference Rs.	Tax effect Rs.
On property, plant and equipment	**(909,214)**	**(272,764)**	-	-
On retirement benefit obligation	**7,231,439**	**2,169,432**	-	-
	6,322,225	**1,896,667**	-	-

	Company			
	2025		2024	
	Temporary Difference Rs.	**Tax effect Rs.**	Temporary Difference Rs.	Tax effect Rs.
On property, plant and equipment	**(909,214)**	**(272,764)**	(2,345,922)	(703,777)
On retirement benefit obligation	**7,231,439**	**2,169,432**	5,199,404	1,559,821
	6,322,225	**1,896,667**	2,853,482	856,044